

2 August 2018

Australian Securities Exchange

CRATER GOLD MINING ANNOUNCES NEW \$A1.5M LOAN FACILITY WITH FREEFIRE

- **The new loan replaces the existing \$4M facility announced on November 20th 2017, under which \$3.4M had been drawn. That loan agreement is now terminated.**
- **The new \$1.5M loan will provide funding to allow completion of the development of the 1930 RL adit at the Crater Mountain Project until income from Gold sales is available**

Crater Gold Mining Limited (ASX:CGN) ("Crater Gold" or the "Company") is pleased to announce that it has executed a new loan agreement for \$1.5M. The funding will be provided by way of an unsecured loan facility from Company's major shareholder, Freefire Technology Ltd ("Freefire"). The funding is available at the option of the Company.

The Company plans to use the funds to complete the final development activities of the adit at the 1930RL of the High Grade Zone ("HGZ") at the Crater Mountain Project in Papua New Guinea. Initial production of ore is expected during August. The funding will further allow the Company to operate the mine while in ore for a period of time so as to better ascertain the expected level of income from mining operations and determine what amount of additional financing is required, if any.

Key terms of the loan facility include an interest rate of 8% p.a. with the repayment of the facility to occur in full after the next equity raising. The facility will be unsecured.

Russ Parker, MD of Crater Gold noted "We continue to receive ongoing support from Freefire, as we have in the past. It has taken longer than we hoped to reach the ore on the 1930 RL, however we are nearly there and looking forward to getting into some production of gold. Once we have stabilised the production we can move into further exploration activities."

Forward Looking Statements: This Announcement contains certain forward looking statements. The words 'anticipate', 'believe', 'expect', 'optimism', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable at the time they are made but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should therefore not place undue reliance on forward-looking statements.