



Crater Gold Mining Limited

ABN 75 067 519 779

Prospectus

For a renounceable entitlement issue to Eligible Shareholders of up to approximately 1,496,652,416 Shares at an issue price of \$0.01 per Share on the basis of 11 new Shares for every 2 Shares held on the Record Date to raise up to approximately \$14,966,524 before expenses. The Offer is subject to a minimum subscription of \$13 million.

Freefire Technology Limited (**Freefire**), a major Shareholder, has committed to take up its Entitlement to \$6.6 million. Subject to Eligible Shareholders (other than Freefire) taking up Entitlements to \$2.1 million (**Minority Shareholder Acceptance Condition**) and other conditions, the Offer is committed to \$13 million, comprised of:

- Freefire's commitment of \$6.6 million; and
- the balance of \$6.4 million pursuant to the conditional Underwriting Agreement with Patersons Securities Limited (AFSL No. 239 052) and the Minority Shareholder Acceptance Condition.

This Offer closes at 5.00pm AEST on 14 August 2017. Valid acceptances must be received before that date.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker, financial or other professional adviser.

The Shares offered by this Prospectus should be considered speculative.

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Important notes

This Prospectus is dated 26 July 2017 and was lodged with the ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply to ASX for Official Quotation of the Shares offered pursuant to this Prospectus within 7 days after the date of this Prospectus.

Eligible Shareholders should read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered speculative.

Applications for Shares by Eligible Shareholders will only be accepted where they comply with the instructions on the Entitlement and Acceptance Form accompanying this Prospectus as described in section 1.7 (**Entitlements and acceptance**) of this Prospectus.

An application for Additional Shares will only be accepted by completing the relevant section of the Entitlement and Acceptance Form or by making payment for the appropriate monies via BPAY® as described in section 1.8 of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on

and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this document nor the Shares the subject of the Offer have been, nor will be, registered under the United States Securities Act of 1933, as amended or under the securities legislation of any state of the United States of America, or any applicable securities laws of a country of jurisdiction outside of Australia and New Zealand. Accordingly, subject to certain exceptions, the Shares the subject of the Offer may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia and New Zealand or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia and New Zealand.

New Zealand notice

The Shares being offered pursuant to this Prospectus are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong notice

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Papua New Guinea

This Prospectus may be distributed in Papua New Guinea only to shareholders of the Company. This Prospectus has not been registered as a prospectus in Papua New Guinea and no notice of the Offer will be submitted to the Registrar of Companies. No other documents are being lodged with the Registrar of Companies or the Papua New Guinea Securities Commission in respect of the Offer. Any offer of

Shares is not, and should not be construed as, an offer of securities to the public in Papua New Guinea.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you (or any person for whom you are acquiring the Shares) are in Singapore, you (and any such person):

- are an "institutional investor" or a "relevant person" (as such terms are defined in the SFA);
- will acquire the Shares in accordance with applicable provisions of the SFA; and
- acknowledge that the Offer is subject to the restrictions (including selling restrictions) set out in the SFA.

Taiwan

The entitlements and the Shares have not been registered in Taiwan nor approved by the Financial Supervisory Commission of the Republic of China (Taiwan). Holders of these securities may not resell them in Taiwan nor solicit any other purchasers in Taiwan for this offering.

If you (or any person for whom you are acquiring the Shares) are in Taiwan, you (and any such person):

- are a sophisticated individual investor or institutional investor who meets qualifications promulgated by the Financial Supervisory Commission; and
- acknowledge that the Offer and any offer to resell the Shares are subject to restrictions set out in the Securities and Exchange Act and relevant regulations of Taiwan.

Laos

The Offer is made solely to the investor to whom it is directed and does not extend to any other party. This offer is for the purchase of shares in the Company and does not constitute a public offering, private placement or right offering of securities as defined in the Law on Securities (h 21/NA, 10 December 2012) of the Lao PDR. The Company is not responsible for any investor's compliance with the Investment Promotion Law nor foreign exchange laws and regulations applicable in the Lao PDR.

You represent that, in subscribing for Shares, you will comply with all applicable investment abroad requirements, foreign exchange requirements and restrictions applicable in the Lao PDR.

Privacy

The Company collects personal information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the personal information in the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a security holder of the Company, the Corporations Act and Australian tax legislation requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in

the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

The Company may disclose personal information about Applicants to agents and service providers located outside Australia.

By submitting an Entitlement and Acceptance Form, each Applicant consents to the disclosure of their personal information to the Company's agents and service providers outside Australia. Please note that by so consenting, the Company will not be required to take reasonable steps to ensure the recipient complies with the *Privacy Act 1988* (Cth), nor will the Applicant be able to seek redress against the Company, or the recipient, under the *Privacy Act 1988* (Cth) for any breach of the *Privacy Act 1988* by the recipient.

Competent Person's Statement

Resource estimates contained in this Prospectus were previously announced in the Company's ASX news releases of:

- 21-12-11 Initial Resource Estimate (This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.
- 14-11-16 titled 'Maiden JORC Gold Resource at HGZ Project, Crater Mountain, PNG'.

Such resource estimates are subject to the relevant assumptions, qualifications and procedures described in the relevant ASX announcements.

To date, the Company has only announced estimates of Inferred Mineral Resources. Nothing in this Prospectus constitutes presentation of Mineral Reserves. As such, economic analysis cannot be applied based on the date contained.

The information contained in this Prospectus relating to exploration results and mineral resource estimates is based on and fairly represents information and supporting documentation prepared by Mr Dorian L. (Dusty) Nicol or prepared by appropriately qualified external technical experts and reviewed by him. As detailed in the Company's 24 July 2017 ASX announcement, Mr Nicol has agreed to join the board of the Company on completion of the Offer. Mr Nicol is a Fellow of The Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Nicol consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

Key definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to section 7 (**Defined terms**) of this Prospectus for a list of defined terms.

Rounding

In determining Entitlements, any fractional entitlement will be rounded up to the nearest whole number.

Key risks

For a summary of the key risks associated with further investment in the Company, please refer to the Investment Overview. A more detailed description of the key risks is set out in section 4 (**Risk factors**).

Important dates*

Event	Date*
Announcement of Offer	24 July 2017
Lodgement of Appendix 3B with ASX	24 July 2017
Prospectus lodged at ASIC and ASX	26 July 2017
Notice sent to Shareholders	27 July 2017
"Ex" Date (date Shares are quoted ex-rights)	28 July 2017
Rights trading commences	28 July 2017
Record Date to determine Entitlements	7.00pm (AEST) 31 July 2017
Prospectus (together with Entitlement and Acceptance Form) despatched to Shareholders	3 August 2017
Opening Date	3 August 2017
Rights trading ends	7 August 2017
Shares quoted on a deferred settlement basis	8 August 2017
Closing Date**	14 August 2017
Notification to ASX of under subscriptions	15 August 2017
Issue date	21 August 2017
Normal trading of Shares issued under the Offer commences**	22 August 2017

* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

** The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

Brief instructions for Eligible Shareholders

The number of Shares to which you are entitled is shown in the Entitlement and Acceptance Form. You may participate in the Offer as follows:

<p>If you wish to accept your Entitlement in full:</p> <ul style="list-style-type: none"> pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form. <p>Please refer to section 1.7 (Entitlements and acceptance) of this Prospectus for further details on applying for Shares.</p>	<p>If you only wish to accept part of your Entitlement:</p> <ul style="list-style-type: none"> pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form. <p>Please refer to section 1.7 (Entitlements and acceptance) of this Prospectus for further details on applying for Shares.</p>
<p>Applying for Additional Shares</p> <p>Eligible Shareholders who have subscribed for their Entitlement in full may also apply for Additional Shares in addition to their Entitlement. You may apply for Additional Shares as follows:</p> <ul style="list-style-type: none"> complete the relevant section of your Entitlement and Acceptance Form and return it together with a single cheque for the appropriate application monies for both your Entitlement and the Additional Shares you wish to apply for; or pay the appropriate application monies for both your Entitlement and the Additional Shares you wish to apply for via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date. <p>Please refer to section 1.7 (Entitlements and acceptance) of this Prospectus for further details on applying for Shares. Please refer to section 1.8 of this Prospectus for further details on applying for Additional Shares.</p>	<p>If you wish to transfer all or part of your Entitlement (other than on market using ASX):</p> <p>Please forward:</p> <ul style="list-style-type: none"> a completed standard renunciation and transfer form (obtainable from your stockbroker or the Company's share registry); and the Entitlement and Acceptance Form completed by the transferee; and (i) transferee's cheque for the amount due in respect of the Shares; or (ii) transferee's payment of the amount indicated on your Entitlement and Acceptance Form via BPAY®, <p>to the Company's share registry not later than 5.00pm AEST on the Closing Date or such later date as the Directors advise. Cheques should be made payable to "Crater Gold Mining Limited" and crossed "Not Negotiable". BPAY® payments are to be made using the BPAY® code and personalised reference number indicated on your Entitlement and Acceptance Form and funds must be received before 5.00pm (AEST) on the Closing Date.</p> <p>Please refer to section 1.7 (Entitlements and acceptance) of this Prospectus for further details]</p>
<p>If you wish to sell all or part your Entitlement on ASX:</p> <p>Please follow the instructions set out on the reverse of the Entitlement and Acceptance Application Form under the section marked "Sale of your Entitlement in full or in part by your Stockbroker".</p> <p>Rights trading commences on 28 July 2017. You must deal with your Entitlement by close of trading on the ASX on 14 August 2017, when Rights trading ceases.</p>	<p>If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. If Eligible Shareholders do not take up their Entitlement, their existing interest in the Company will be diluted. Please refer to sections 3.5 (Potential dilutionary impact of Offer) and 4.2 (Risks specific to the Offer) of this Prospectus.</p>

Investment overview

This section provides a summary of information that is key to a decision to invest in Shares. This is a summary only. Potential investors should read this entire Prospectus carefully.

If you are unclear in relation to any aspect of the Offer, or if you are uncertain whether Shares are a suitable investment for you, you should consult your financial or other professional adviser.

Question	Response	Where to find more information
What is being offered and at what price?	<p>The Company is offering to issue Shares to Eligible Shareholders by a pro-rata renounceable entitlement issue.</p> <p>Under the Offer, Eligible Shareholders may subscribe for 11 new Shares for every 2 Shares held on the Record Date, at a price of \$0.01 per Share.</p>	section 1.1 (Offer)
How many new securities will be issued?	<p>A total of 1,496,652,416 new Shares will be offered under the Offer.</p> <p>The Offer is subject to a minimum subscription of 1,300,000,000 new Shares to raise \$13 million.</p> <p>Freefire has committed to take its Entitlement to \$6.6 million. As detailed in section 2.3, Freefire has made the Freefire Loans to the Company and subject to agreement between the parties, may elect to pay for some of its Entitlement by way of set off against the amount owed. Any set off will go towards achievement of the minimum subscription.</p>	section 3.3 (Effect on capital structure)
What is the amount that will be raised under the Offer and what is the purpose of the Offer?	<p>The Company seeks to raise approximately \$15 million under the Offer (before expenses), and is subject to a minimum subscription of \$13 million.</p> <p>The purpose of the Offer is to raise funds to:</p> <ul style="list-style-type: none"> • repay outstanding short-term and long-term loans (including the Convertible Notes due August 2017 and loan from Industrial and Commercial Bank of China and loans from Freefire) (together with accrued interest in such loans); • eliminate (or if only the minimum subscription is raised, significantly pay down) the current negative working capital balance (taking into account cash and net trade payables); • resume physical exploration over the Company and Anomaly's tenements in PNG (including the acquisition of two drill rigs); • progress commercial gold production at the Nevera Gold Mine (located within the Crater Mountain Project); 	section 1.2 (Purpose of the Offer)

Question	Response	Where to find more information
	<ul style="list-style-type: none"> • pay for expenses of the Offer; and • provide working capital and funds for general corporate purposes. <p>Further details of the proposed use of funds based on both minimum subscription and full subscription are set out in Section 1.2.</p> <p>As announced on 24 July 2017, the Company has also entered into a sale agreement to sell the Croydon Project to Freefire for \$1.2 million, subject to the satisfaction of conditions including Shareholder approval. Assuming completion of the sale, the Company intends to allocate an additional \$0.9 million of funds received to resume exploration in PNG as outlined above, and \$0.3 million to working capital and general corporate purposes.</p>	
Who is eligible to participate in the Offer?	<p>The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia, New Zealand, Hong Kong or Papua New Guinea on the Record Date.</p> <p>If you are not an Eligible Shareholder, you are not able to participate in the Offer.</p>	section 1.12 (Overseas investors)
What are the alternatives for Eligible Shareholders?	<p>The Offer is renounceable so you may trade your Entitlements. As an Eligible Shareholder, you may:</p> <ul style="list-style-type: none"> • take up all of your Entitlements; • take up all of your Entitlements and apply for Additional Shares; • sell all of your Entitlements on ASX; • take up part of your Entitlements, and sell the balance on ASX; • take up part of your Entitlements, and allow the balance of your Entitlements to lapse; • deal with part or all of your Entitlements other than on ASX; or • allow all of your Entitlements to lapse. 	section 1.7 (Entitlements and acceptance)
Is the Offer underwritten?	<p>Yes, the Offer is partially conditionally underwritten by the Underwriter under the Underwriting Agreement.</p> <p>Freefire has committed to take up its Entitlement to \$6.6 million. Subject to Eligible Shareholders (other than Freefire) taking up Entitlements to \$2.1 million (Minority Shareholder Acceptance Condition), the Offer is committed to \$13 million,</p>	sections 1.6 (Underwriting) and 5.4 (Underwriting agreement)

Question	Response	Where to find more information
	<p>comprised of:</p> <ul style="list-style-type: none"> • Freefire’s commitment of \$6.6 million; and • the balance of \$6.4 million pursuant to the Underwriting Agreement and the Minority Shareholder Acceptance Condition. <p>The Underwriter is not a related party and has no current relevant interest in Shares.</p> <p>The Underwriter has appointed sub-underwriters to subscribe for the Shortfall up to the underwritten amount. Each sub-underwriter will not, by its sub-underwriting, increase its relevant interest in Shares to 20% or more. Further details of the Underwriting Agreement are set out in section 5.4.</p>	
How will Shortfall be allocated?	<p>The Shortfall will be dealt with in accordance with the Underwriting Agreement to the extent of the underwriting. Any remaining Shortfall may be placed by the Company. The Shortfall Offer is a separate offer made pursuant to this Prospectus.</p> <p>Additional Shares applied for by Eligible Shareholders will be allocated at the discretion of the Directors (in consultation with the Underwriter).</p> <p>In the event that there is any unallocated Shortfall remaining after the Underwriter has discharged its obligations under the Underwriting Agreement, the Directors reserve the right to place the Shortfall within 3 months after the close of the Offer.</p>	section 1.1 (Offer) and 1.8 (Applying for Additional Shares)
What are the highlights of further investment in the Company	<p>In the view of the Company (including the proposed new Board and management), the Company’s flagship Crater Mountain Project represents one of the most prospective combined epithermal gold and porphyry copper-gold prospects in the Asia-Pacific region.</p> <p>Key highlights include:</p> <ul style="list-style-type: none"> • <i>Prospective gold and copper-gold project, with plan for re-invigorated physical exploration program</i> – The Crater Mountain Project consists of a license package of approximately 308 square kilometres covering four known prospects.¹ Geological setting of the main Nevera Prospect is similar to Newcrest’s 25 million ounce plus Wafi-Golpu Mine. The two existing Resources at the Nevera Gold Mine (Mixing Zone and High-Grade Zone) are both open in multiple directions plus historical drilling has shown evidence of the presence of a copper-gold porphyry. 	section 2 (Company update)

¹ Note: Shareholders should note that some of the tenements comprising the Crater Mountain Project have expired or will expire in the short term. The Company has lodged applications to renew, but there is no guarantee that renewals will be granted. Further details of risks in this regard are set out on page 38.

Question	Response	Where to find more information
	<p>Following the Offer, the Company plans to ramp up drilling at the Crater Mountain Project to in excess of 10,000 cumulative linear meters per year.</p> <ul style="list-style-type: none"> • Commercial gold production potential – Nevera Gold Mine (within Crater Mountain) has a fully permitted mine on ML510 together with an existing gravity separation plant and access to its high-grade orebody known as the High-Grade Zone (HGZ). • Experienced mining industry leadership – As announced by the Company on 24 July 2017, it is intended that the Board and management will be reconstituted with experienced mining executives. Alexander Molyneux, a well-known mining industry entrepreneur, financier and executive is proposed to Chair the Company following completion of the Offer. Dusty Nicol, a 40-year career exploration geologist with prior PNG (and direct Crater Mountain Project) experience is nominated as a new Non-Executive Director. Rob Usher, a 25-year career mining engineer, formerly PanAust Asia Executive GM, with direct PNG experience (Placer Dome) is nominated as a new Non-Executive Director. • The Company will be resourced to succeed – The combination of new leadership and the repayment of material debt using funds raised under the Offer and assuming completion of the sale of the Croydon Project to Freefire for \$1.2 million as announced by the Company on 24 July 2017 will leave the Company well positioned to achieve its strategic and development goals. 	
<p>What are the key risks of further investment in the Company?</p>	<p>Potential investors should be aware that subscribing for Shares involves a number of risks. A summary of some of the more significant risks which affect an investment in the Company are set out below. Further details of these key risks and other risks are set out in section 4:</p> <ul style="list-style-type: none"> • Potential for significant dilution – if the Offer is fully subscribed, the number of Shares will increase from 272,118,621 to 1,768,771,037, such increase equating to approximately 84.62% of all of the issued Shares following completion. Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 84.62% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Subject to completion of the Offer, the Company has also agreed to issue Chancery \$100,000 worth of Shares for introducing the new management team to the Company, which Shares will further dilute 	<p>section 4 (Risk factors)</p>

Question	Response	Where to find more information
	<p>Shareholders.</p> <ul style="list-style-type: none"> • Underwriting and Freefire commitment risk – subject to conditions including the Minority Shareholder Acceptance Condition, the Offer is committed to \$13 million through Freefire’s commitment to take up its Entitlement to \$6.6 million, and the balance of \$6.4 million through the Underwriting Agreement and the Minority Shareholder Acceptance Condition. However, Shareholders should be aware that the Underwriter’s obligations under the Underwriting Agreement is subject to certain conditions in particular the Minority Shareholder Acceptance Condition, and also that the Underwriter may terminate the Underwriting Agreement if specified termination events occur. Further, it is possible that Freefire could default in its commitment to take up its entitlement to \$6.6 million. If Freefire defaults in its commitment and/or if the conditions of the Underwriting Agreement are not met or a termination event occurs and the Underwriter terminates the Underwriting Agreement, the Company may not raise the funds required for the Company to meet its stated objectives, and the Company would need to find alternative financing to meet its funding requirements. There is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms and conditions. • Minimum subscription risk – the Offer is subject to a minimum subscription of \$13 million. Whilst the Offer is conditionally committed to \$13 million, this depends on the conditions to the Underwriting Agreement being met, in particular that Eligible Shareholders other than Freefire subscribe for at least \$2.1 million under the Offer to satisfy the Minority Shareholder Acceptance Condition. If this condition is not met, the minimum subscription will not be achieved and the Offer will not proceed. As detailed below, if the Offer does not proceed, it may cast significant doubt on the Company’s ability to continue as a going concern. • Going concern - Shareholders should be aware of the going concern risk to which the Company is exposed. The Company’s financial report for the year ended 30 June 2016 included an emphasis of matter from the auditor which noted the group’s ability to continue as a going concern depends upon continued successful raising of funding, financial support from Freefire and gold production at the Crater Mountain Project. The auditor was unable to form an opinion on the Company’s financial report for the half year ended 31 December 2016 as the Company was unable to provide sufficient information to support the carrying value of the entity’s exploration and evaluation assets 	

Question	Response	Where to find more information
	<p>and plant and equipment in accordance with the accounting standards. detailed in section 2.4, the Company has significant liabilities, and it is intended that funds raised from the Offer will be used to substantially repay existing debts. Taking into account Freefire's commitment and the Underwriting Agreement, the Board believes that on completion of the Offer the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, should Freefire default in its commitment and/or the Underwriting Agreement is terminated, and the Company is unable to obtain funding through other means, it may cast significant doubt on the Company's ability to continue as a going concern.</p> <ul style="list-style-type: none"> • Title Risk - the mineral tenements in which the Company and Anomaly have an interest are governed by legislation and various conditions requiring compliance. The Company and Anomaly could lose title to their interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments or they could be forced to relinquish an area they do not want to relinquish which could inadvertently result in the relinquishment of ground where a mineral deposit was present, but remained undiscovered. As detailed in section 2.5, seven of the eight tenements at the Company's Crater Mountain Project have expired or will expire in the short term. The Company and Anomaly have lodged applications to renew within the time required by the PNG Mining Act, however there is no guarantee that the renews will be granted. In particular, the Company has not met expenditure requirements on some of these mining tenements. If one or more of the renewal applications are not granted, it may have a significant adverse impact on the Company's ability to explore and develop the Crater Mountain Project and the Company generally. • Completion risk relating to the Croydon Project - as detailed in the Company's 24 July 2017 ASX announcement, the Company has entered into an agreement with Freefire to dispose of the Croydon Project to Freefire for \$1.2 million. If the Company or Freefire is unable to complete any of the conditions precedent under the Sale Agreement, or if the Sale Agreement does not proceed for any reason (including termination or inability of the Company to secure shareholder approval) the sale of the Croydon Project may not proceed. If the sale does not proceed, the Company may not be able to sell the Croydon Project and receive further anticipated funds as a result. This will likely affect the Company's current strategy and it may be required to seek further funding. There is no 	

Question	Response	Where to find more information
	<p>certainty that the Company will be able to secure such further funding on satisfactory terms, or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.</p> <p>These and other risks are set out in more detail in section 4 'Risk Factors'.</p> <p>These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their financial or other professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.</p>	
<p>What is the effect on control of the Company?</p>	<p>The Offer is not expected to have a significant effect on the control of the Company, but the following information is provided to Shareholders.</p> <p>The Company's Chairman, Samuel Chan Wing-Sun has a relevant interest in 160,649,929 Shares held through Freefire (an entity he controls, as to 160,085,929 Shares) and HSBC Custody Nominees (Australia) Limited (as to 564,000 Shares). These Shares equate to approximately 59.04% of the issued Shares in the Company, with the Shares held by Freefire equating to approximately 58.8% of the issued Shares. Freefire has committed to partially take up its Entitlement to \$6,600,000 million. In addition, Freefire has entered into a sub-underwriting agreement with the Underwriter under which it agrees to sub-underwrite the Offer to \$2.2 million. Taking into account the Underwriting Agreement and the Minority Shareholder Acceptance Condition, the maximum percentage relevant interest Mr Chan will have on completion of the Offer is 61.60%, and the maximum percentage Freefire will have in Shares on completion of the Offer is 61.57%. It is not expected that the Underwriter or any of the sub-underwriters (save for Freefire) will hold more than 20% of the Shares on completion of the Offer.</p>	<p>section 3.6 (Potential impact of Offer on control of the Company)</p>

Chairman's letter

Dear Shareholder

Today I am inviting you to participate in the Offer whereby you can subscribe for 11 new CGN Shares for every two existing Shares you own. I see the combination of the Offer, the proposed management and Board changes and the proposed divestment of the Company's Croydon Project as a key turning point for Crater. As a result, I (through Freefire, an entity I control) intend to take up the vast majority of my Entitlement to subscribe for \$6,600,000 worth of new Shares, and have also agreed to sub-underwrite the Offer to \$2.2 million. Through my commitment and the conditional partial Underwriting Agreement entered into with Patersons, the Offer is committed to \$13 million, subject to Shareholders other than Freefire taking up Entitlements to at least \$2.1 million.

I firmly believe in the potential of our Crater Mountain Project. For many years I have been the biggest promoter of the Company including becoming its largest shareholder. In that time, my belief in the Crater Mountain Project never wavered. However, at various junctures our progress was hampered by: low and declining gold prices; the passing of our well known PNG geologist Mr Peter Macnab in 2015; limited human resources; and more recently an overhang of excessive debt that limited the Company's ability to access funding to move forward.

On completion of the Offer, the Company will be free of all material debt (if the full amount is raised, or if only the minimum subscription is raised the Company will significantly pay down debts to a normal operating level) and will have a cash balance of approximately \$3.9 million (assuming full subscription and after expenses of the Offer) or \$3.0 million (assuming minimum subscription and after expenses of the Offer). Also, the sale of the Croydon Project (see below) is expected to add another \$1.2 million cash over the next 12-months. Therefore, the Company will be well resourced to meet its strategic objectives.

Concurrent with the Offer, as announced by the Company on 24 July 2017, Crater has entered into a series of associated transactions to enhance our prospects for success. These include:

- *Recruitment of experienced mining industry leadership to the board and management* – On completion of the Offer, Alex Molyneux intends to join the Board and bring with him an experienced team. He will be joined on the Board by Rob Usher (Mining Engineer and former Executive GM at PanAust Asia) and Dusty Nicol (Geologist with 40-years+ experience in exploration including in PNG and specifically at Crater in the early days). We have also recently taken on one of Alex's team, Curt Church (an experienced mine operator) who will be appointed Chief Operating Officer, and Matthew O'Kane will round out the new team as Chief Financial Officer. During the time I and some of my fellow directors have spent recently with the proposed new team, we have been filled with confidence regarding their professionalism and strategy to advance the Crater Mountain Project. As a result I propose to resign the Board on completion of the Offer together with Richard Johnston to facilitate their appointments.
- *Change of name* – To recognise the new start, subject to Shareholder approval we propose to change the Company's name to Paradise Gold Mining Limited and have reserved the ASX ticker code: PDG.
- *Incentivisation of the new team* – Subject to Shareholder approval the Company proposes to issue the reconstituted Board and management with a total of 197,300,000 new Performance Rights. The Performance Rights will vest subject to achievement of key strategic goals including: commencement of commercial gold production at Nevera Gold Mine (which forms part of the Crater Mountain Project); an increase in resources by a minimum of 25%; and significant growth in share price.
- *Sale of Croydon for \$1.2 million in cash* – To enable the Company to be more focused on its Crater Mountain Project, it has entered into a sale agreement with Freefire to sell the Croydon Project to Freefire for cash consideration of \$1.2 million, to be paid over a 12 month period. The sale is subject to the satisfaction of various conditions precedent including Shareholder

approval to be sought at a general meeting of the Company proposed to be held in mid-September 2017.

I very much encourage you to take up the Offer. I myself am very excited to participate and look forward to watching Crater's new chapter unfold.

Yours sincerely

Samuel Chan Wing-Sun
Chairman

1 Details of the Offer

1.1 Offer

This Prospectus invites Eligible Shareholders to participate in a pro-rata renounceable entitlement issue of up to approximately 1,496,652,416 new Shares on the basis of 11 new Shares for every 2 Share held at 7.00pm (AEST) on the Record Date at an issue price of \$0.01 per Share for the purpose of raising up to approximately \$14,966,524 less expenses of the Offer. The Offer is subject to a minimum subscription of 1,300,000,000 new Shares to raise a minimum of \$13 million.

As at the date of this Prospectus, the Company has 272,118,621 Shares on issue.

Optionholders will not be entitled to participate in the Offer. However, they may exercise their Options prior to the Record Date if they wish to participate in the Offer.

The Company currently has 30,100,000 Options on issue. Please refer to section 3.3 (**Effect on capital structure**) of this Prospectus for further information on the exercise price and expiry date of these Options. In the event that all of these Options are exercised prior to the Record Date, a further 165,550,000 Shares will be offered pursuant to this Prospectus to raise a further \$1,655,500. However, given the exercise price of these Options and the Company's current share price, the Directors consider it is unlikely that any of these Options will be exercised prior to the Record Date.

The Company currently has 138,190 Convertible Notes on issue, with a total face value of \$3,454,750. As detailed in section 1.2, it is intended that some of the funds raised under the Offer will be used to repay these Convertible Notes in full when the Convertible Notes mature on 22 August 2017.

As detailed in the Company's ASX announcement on 24 July 2017 and in section 3.3, subject to completion of the Offer and Shareholder approval as required, it is intended that the Company will issue a total of 197,300,000 Performance Rights to existing continuing Directors, new management and the Proposed Directors. Please refer to section 3.3 (**Effect on capital structure**) of this Prospectus for further details on the capital structure of the Company following the issue of these Performance Rights.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Please refer to section 5.6 (**Rights attaching to Shares**) of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

1.2 Purpose of the Offer

The purpose of the Offer is to raise \$14,966,524 before costs. The Offer is subject to a minimum subscription of \$13 million.

It is anticipated that the funds raised from the Offer will be applied as follows:

Description	Use of funds Minimum subscription		Use of funds Maximum subscription	
	(\$)	% of proceeds	(\$)	% of proceeds
Repayment of ICBC Facility	800,000	6.15	800,000	5.35
Repayment of Convertible Notes	3,500,000	26.92	3,500,000	23.39

(including interest)				
Repayment of Freefire Loans (including interest)	3,300,000	25.38	3,300,000	22.05
Net Trade and other payables	1,600,000	12.31	2,600,000	17.37
Crater Mountain Project Exploration and development (including the acquisition of two drill rigs and sundries)	1,900,000	14.62	2,200,000	14.70
General working capital and administrative expenses ¹	1,100,000	8.46	1,666,524	11.14
Expenses of the Offer ²	800,000	6.15	900,000	6.01
TOTAL	13,000,000	100.00	14,966,524	100.00

Notes:

- 1 This includes working capital and administrative costs such as salaries, ASX and other fees and corporate overheads.
- 2 Please refer to section 5.11 of this Prospectus for further details relating to the estimated expenses of the Offer. The figures in this table have been rounded to the nearest \$100,000.
- 3 The total funds shown above do not include the proceeds from the proposed sale of the Croydon Project to Freefire for \$1.2 million. If received those proceeds will be directed \$0.9 million to exploration at Crater Mountain and \$0.3 million to general working capital and administration.

The above table is a statement of current intentions as of the date of this Prospectus for the application of proceeds based on minimum and maximum subscription under the Offer. It is anticipated that these funds will be applied over the next 24 months. If greater than the minimum subscription but less than the maximum subscription is raised under the Offer, the Company intends to apply funds raised in excess of the minimum subscription to Crater Mountain project exploration and development first, with additional funds also flowing to general working capital in the event that the amount raised is closer to the maximum subscription amount.

The above proposed use of funds and their relative priority is subject to ongoing review and evaluation by the Company. As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the programs as they proceed. The Board reserves the rights to alter the way in which funds are applied on this basis.

Any additional funds raised from the participation of Eligible Shareholders in the Offer following the exercise of their Options prior to the Record Date will be applied towards the Company's general working capital and administration expenses. However, given the exercise price of these Options and the Company's current share price, the Directors consider it is unlikely that any of these Options will be exercised prior to the Record Date.

Subject to the satisfaction of various conditions precedent including shareholder approval, the Company will receive \$1.2 million following the sale of the Croydon Project to Freefire. The Company intends to use approximately \$900,000 of these funds for exploration at the Crater Mountain Project, and approximately \$300,000 for working capital.

The Company's current cash resources and additional capital proposed to be raised by the Offer are sufficient to meet the Company's current stated activities.

1.3 Minimum subscription

The minimum subscription in respect of the Offer is \$13 million.

Freefire has committed to take up its Entitlement to \$6.6 million and the balance of the minimum subscription is committed through the Underwriting Agreement and the Minority Shareholder Acceptance Condition. As detailed in section 2.3, Freefire has made the Freefire Loans to the Company and subject to agreement between the parties, may elect to pay for some of its Entitlement by way of set off against the amount owed. Any set off will go towards achievement of the minimum subscription.

If the minimum subscription of \$13 million has not been raised within four months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

1.4 Rights trading

Entitlements to Shares pursuant to the Offer are renounceable. This enables Shareholders who do not wish to subscribe for some or all of their Entitlement under this Offer to sell their respective Entitlements and also enables Shareholders to purchase additional Entitlements if they wish.

Rights trading commences on 28 July 2017. If you wish to deal with your Entitlement you must do so by close of trading on the ASX on 7 August 2017, when rights trading ceases.

1.5 Opening and closing dates

The Offer will open for receipt of acceptances at 9.00am AEST on 3 August 2017 and will close at 5.00pm AEST on 14 August 2017, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

1.6 Underwriting

The Offer is partially conditionally underwritten by the Underwriter. The Underwriting Agreement is subject to standard terms and conditions which are summarised in section 5.4 (**Underwriting agreement**). All valid applications for Shares pursuant to this Prospectus received by the Company, from all sources except Freefire's commitment to subscribe for \$6.6 million of its Entitlement, will be deemed to have been accepted in full by the Company and will go in relief of the obligations of the Underwriter under the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter fees as detailed in section 5.4 (**Underwriting Fee**).

Please refer to section 3.6 (Potential impact of Offer on control of the Company) for a description of the potential impact of the Offer on control of the Company and to section 5.4 (**Underwriting agreement**) for a summary of the material terms and conditions of the Underwriting Agreement.

1.7 Entitlements and acceptance

The number of Shares to which you are entitled (**Entitlement**) is shown in the Entitlement and Acceptance Form.

In determining Entitlements, any fractional entitlement will be rounded up to the nearest whole number.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Offer as follows:

- (a) If you wish to accept your Entitlement in full:
 - (i) pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form.
- (b) If you only wish to accept part of your Entitlement:
 - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or
 - (ii) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.01 per Share).
- (c) If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.
- (d) If you wish to sell all or part your Entitlement on ASX, please follow the instructions set out on the reverse of the Entitlement and Acceptance Application Form under the section marked "Sale of your Entitlement in full or in part by your Stockbroker". Rights trading commences on 28 July 2017. You must deal with your Entitlement by close of trading on ASX on 7 August 2017, when rights trading ceases.
- (e) If you wish to transfer all or part of your Entitlement (other than on market using ASX) then you must forward:
 - (i) a completed standard renunciation form (obtainable from your stockbroker or the Company's share registry);
 - (ii) the Entitlement and Acceptance Form completed by the transferee; and
 - (A) transferee's cheque for the amount due in respect of the Shares; or
 - (B) transferee's payment of the amount indicated on your Entitlement and Acceptance Form via BPAY®,

to the Company's share registry not later than 5.00pm AEST on the Closing Date. BPAY® payments are to be made using the BPAY® code and personalised reference number indicated on your Entitlement and Acceptance Form and funds must be received before 5.00pm (AEST) on the Closing Date.

All cheques or bank drafts must be drawn on an Australian branch of a financial institution and made payable in Australian currency to “Crater Gold Mining Limited” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form and cheque must be:

Mailed to

Crater Gold Mining Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235
Telephone:
From overseas: +61 7 1300 794 682
From Australia: 1300 794 682

Delivered to:

OR Crater Gold Mining Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138
Telephone:
From overseas: +61 7 1300 794 682
From Australia: 1300 794 682

and received by no later than **5.00pm (AEST) on the Closing Date**.

If you choose to pay via BPAY® you are not required to submit your Entitlement and Acceptance Form. Your BPAY® payment will not be accepted after 5.00pm (AEST) on the Closing Date and no Shares will be issued to you in respect of a late application.

PLEASE NOTE THAT IF YOU INADVERTENTLY USE THE SAME CUSTOMER REFERENCE NUMBER FOR MORE THAN ONE OF YOUR APPLICATIONS, YOU WILL BE DEEMED TO HAVE APPLIED FOR THE ENTITLEMENT TO WHICH THAT CUSTOMER REFERENCE NUMBER APPLIES AND ANY EXCESS AMOUNT WILL BE DEEMED TO BE AN APPLICATION FOR ADDITIONAL SHARES.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

Non-acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the Shares not accepted will be dealt with in accordance with section 1.8 (**Applying for Additional Shares**) of this Prospectus.

If Eligible Shareholders do not take up their entitlement, their existing interest in the Company will be diluted. Please refer to sections 3.5 (Potential dilutionary impact of Offer)) and 4.2 (**Risks specific to the Offer**) of this Prospectus for further details.

Taxation Implications

Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Offer.

Further queries

If you have any queries regarding your Entitlement, please contact the Company’s Share Registry on (From overseas): +61 7 1300 794 682 (From Australia): 1300 794 682 or your stockbroker, financial or other professional adviser.

PLEASE NOTE IF YOU DO NOT ACCEPT YOUR ENTITLEMENT IN FULL IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT ABOVE, ANY PART OF AN ENTITLEMENT NOT ACCEPTED IN FULL WILL FORM PART OF THE SHORTFALL.

1.8 Applying for Additional Shares

Eligible Shareholders who have subscribed for their Entitlement in full may apply for Shares in addition to their Entitlement (**Additional Shares**) by:

- (a) completing the relevant section of their Entitlement and Acceptance Form and returning it together with a single cheque for the appropriate application monies for both their Entitlement and the Additional Shares applied for; or
- (b) paying the appropriate application monies for both their Entitlement and the Additional Shares applied for via BPAY® using the BPAY® code and personalised reference number indicated on the Entitlement and Acceptance Form.

All cheques or bank drafts must be drawn on an Australian branch of a financial institution and made payable in Australian currency to “Crater Gold Mining Limited – ” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form and cheque must be:

Mailed to

Crater Gold Mining Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235
Telephone:
From overseas: +61 7 1300 794 682
From Australia: 1300 794 682

Delivered to:

OR
Crater Gold Mining Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138
Telephone:
From overseas: +61 7 1300 794 682
From Australia: 1300 794 682

and received by no later than **5.00pm (AEST) on the Closing Date.**

If you choose to pay via BPAY® you are not required to submit your Entitlement and Acceptance Form. Your BPAY® payment will not be accepted after 5.00pm (AEST) on the Closing Date and no Shares will be issued to you in respect of a late application.

If you have multiple holdings you will have multiple BPAY® reference numbers. To ensure you receive your Shares in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any Shares that you wish to apply for in respect of that holding.

It is possible that there will be few or no Additional Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event not all Entitlements are accepted by Eligible Shareholders, the Directors reserve the right to allocate any Additional Shares at their absolute discretion (in consultation with the Underwriter). The Company may issue to an Applicant a lesser number of Additional Shares than the number applied for, reject an application for Additional Shares or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares allocated and issued is less than the number applied for, surplus application monies will be refunded without interest.

1.9 Shortfall

Any Shares (including Additional Shares) not taken up by Eligible Shareholders may become available as Shortfall and will be dealt with in accordance with the Underwriting Agreement.

The offer of any Shortfall is a separate offer made pursuant to this Prospectus (**Shortfall Offer**) and is open to all Eligible Shareholders (other than related parties) and other applicants. Non-shareholder applicants will need to complete a Shortfall Application Form that accompanies this Prospectus in accordance with the instructions on that form.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any Shortfall at their discretion within three months after the Closing Date. Shares offered pursuant to the Shortfall Offer will be issued at the same issue price as the Shares offered to Eligible Shareholders under the Offer.

1.10 Allotment of Shares

The Shares and Additional Shares are expected to be allotted by no later than 21 August 2017. Shares allotted pursuant to the placement of Shortfall under section 1.8 (**Applying for Additional Shares**) may be allotted within three months after the Closing Date. Until issue and allotment of the Shares under this Prospectus, the application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the Shares takes place.

1.11 ASX listing

Application for Official Quotation of the Shares allotted pursuant to this Prospectus will be made to ASX within seven days following the date of this Prospectus.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any Shares and will repay all application monies for the Shares within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares now offered for subscription.

1.12 Overseas investors

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia, New Zealand, Hong Kong and Papua New Guinea (**Excluded Shareholders**) having regard to:

- (a) the number of Shareholders outside of Australia, New Zealand, Hong Kong and Papua New Guinea;
- (b) the number and value of the securities to be offered to Shareholders outside of Australia, New Zealand, Hong Kong and Papua New Guinea; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to, and does not, make offers under the Prospectus to Shareholders outside of Australia, New Zealand, Hong Kong and Papua New Guinea.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

As required by Listing Rule 7.7.1, the Company has appointed Patersons as nominee to sell the Entitlements to which Excluded Shareholders are entitled.

The net proceeds of the sale of these Entitlements will then be forwarded by the Underwriter to the Company's Share registry, who will forward the proceeds as soon as practicable to the Excluded Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Excluded Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements at a particular price.

The Company will pay Patersons a fee of the higher of \$250.00 or 1% of the Entitlements sold (plus GST) in respect of its role as nominee. This fee is included in the estimate of the costs of the issue.

1.13 Market prices of Shares on ASX

The highest and lowest closing market sale prices of Shares on ASX during the three (3) months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.032 on 21 and 22 June 2017 and \$0.015 on 24 July 2017.

The latest available market sale price of Shares on ASX at the close of trading on the date of this Prospectus was \$0.015 on 24 July 2017.

1.14 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. Some of these risk factors are set out in section 4 (**Risk factors**) of this Prospectus.

2 Company update

2.1 Recent developments

As detailed in the Company's ASX announcement on 24 July 2017, the Offer is part of a broader plan to revitalise the Company and unlock the potential of the Crater Mountain Project through:

- (a) **Management and Board changes:** following completion of the Offer, Alex Molyneux will join the Board as Chairman, and he will be joined on the Board by Rob Usher and Dusty Nicol as Non-Executive Directors. Curt Church will be appointed Chief Operating Officer and Matthew O'Kane will be appointed Chief Financial Officer. Existing Directors Samuel Chan Wing-Sun and Richard Johnson will resign from the Board on completion of the Offer. Russ Parker and Lawrence Lee will remain on the Board, but will move to non-executive roles. Desmond Sun and Thomas Fermanis will remain as non-executive directors of the Company;
- (b) **Sale Croydon Project:** to enable the Company to focus its efforts and funds to development of its flagship Crater Mountain Project, the Company has entered into a sale agreement with Freefire under which Freefire will acquire the Croydon Project for \$1.2 million. Completion of the sale is subject to Shareholder approval to be sought at a general meeting of the Company proposed to be held in mid-September 2017;
- (c) **Funding:** funds raised from the Offer will enable the Company to largely repay all of its existing material debts, and (together with funds received under the Croydon Sale Agreement) will enable the Company to progress its strategy to develop the Crater Mountain Project; and
- (d) **Change of name:** in connection with the revitalised direction of the Company, subject to Shareholder approval, the Company will change its name to Paradise Gold Mining Limited.

2.2 Company strategy

The Board considers the Crater Mountain Gold Project to be highly prospective. The project has two separate existing epithermal gold Inferred Resources (see below), which in combination host in excess of 800,000oz of gold.² These Resources were established with approximately 14,500 cumulative linear metres of drilling that mainly took place in 2010-2013.

The Company got sidetracked in the last 3-4 years by making its main focus the proposed development a small-scale mining operation and taking on a debt burden to do so. During that time physical exploration activity was dramatically scaled back.

Under its new strategy, the Company aims for a transformational increase in Crater Mountain Project gold Resources via an aggressively re-invigorated exploration program.

The Company intends to purchase two drill-rigs to be permanently based at Crater Mountain and ramp drilling activity up to in excess of 10,000 cumulative linear metres per year.

² Refer to the Company's ASX announcement released on 21 December 2011 Initial Resource Estimate (This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Key goals for the re-invigoration of physical exploration will include:

- (a) Near-term acquisition of two drill rigs to be Company owned and operated and re-commencement of drilling in the immediate vicinity of the Mixing Zone (MZ) and HGZ at the Nevera prospect located in the Crater Mountain Project.
- (b) Continued drilling to increase epithermal gold resources such that larger scale gold production can be considered.
- (c) Drilling away from the immediate vicinity of the existing resource areas to target the central zone of copper-gold porphyry mineralisation.
- (d) Establish a copper-gold porphyry resource.
- (e) Drill test the multiple non-Nevera prospect targets.

Subject to metallurgical testing and detailed mine planning, development at Nevara Gold Mine (at HGZ) is likely to be resumed to create a modest and sustainable commercial gold operation to partly self-fund the expanded exploration activities described above.

Subject to confirmational studies it is likely that the plant will be relocated to a lower level with the aim to complete the development of a new adit at the 1,930 level to access the highest grade N1 and L1 veins within the HGZ Resource.

2.3 Freefire

As noted in the Company's previous ASX announcements, the Company has relied heavily in the past on ongoing funding and support from Freefire, a company which is controlled by the Company's current Chairman Samuel Chan Wing-Sun.

As at 18 July 2017 (being the last practicable date prior to the date of this Prospectus), Freefire:

- (a) has loaned the Company \$3,243,108 (inclusive of interest) under various debt facilities which have been provided on substantially the same terms (**Freefire Loans**). The Freefire Loans were negotiated between the parties at arm's length and have been provided on substantially similar terms, including an interest rate of 8% per annum and repayable on demand from Freefire. Some amounts loaned under the Freefire Loans are, subject to Shareholder approval, convertible into Shares under the terms of those relevant debt facilities; and
- (b) holds 100,241 quoted Convertible Notes each with a face value of \$25 issued by the Company pursuant to a prospectus dated 21 July 2014. The total principal outstanding under these notes is \$2,506,025.

As detailed in section 1.2, it is intended that funds raised under the Offer will be used to repay the Freefire Loans and the Convertible Notes in full. To provide the Board with comfort that the Company will have sufficient working capital to fund its operations until the issue of Shares under the Offer, Freefire has provided the Company with a letter of support undertaking to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations until the issue of Shares under the Offer. The letter of support also confirms the Company's indebtedness to Freefire and waives any breaches by the Company under the Freefire Loans.

2.4 Funding

The Company's debt position as at the date of this Prospectus is set out below:

Debt	Amount
Freefire Loans ¹	\$3,243,108
Convertible Notes maturing on 22 August 2017 ¹	\$3,531,260
ICBC Facility ²	\$801,085
Trade and other creditors	\$2,146,076
PNG taxes and NASFUND ³	\$687,520
Total	\$10,409,050

Notes:

1. Includes accrued but unpaid interest.
2. The Company announced the ICBC Facility on 25 August 2016. The ICBC Facility is a revolving short term loan under which the Company has drawn down \$800,000. Interest payable under the ICBC Facility is 2.75% per annum, being 1% above the interest rate of the Company's collateral deposit. ICBC may amend the interest rate at its discretion. The facility is repayable on demand from ICBC, and default interest is payable at ICBC's prevailing overdue interest rate at the time.
3. Anomaly, as of the date of this Prospectus, is in arrears in its obligations to make payments of employee's pay as you earn (**PAYE**) taxes to the PNG tax authorities, and also the company and employee mandatory contributions to the PNG retirement fund known as NASFUND. These arrears have arisen due to cash shortages in the Company over time. Shareholders should have regard to the risk factor on page 39 regarding possible action by the PNG tax authorities.

As detailed in section 1.2, the Company intends to repay the liabilities listed above in full using funds raised under the Offer (or in the case of minimum subscription in full except for \$1 million of trade creditors), following which the Company expects to have (after expenses of the Offer) approximately \$3.0 million (assuming minimum subscription) or approximately \$3.9 million (assuming full subscription) in working capital to pursue the Company's strategy as detailed in section 2.2. Neither of these figures include potential proceeds from the proposed sale of the Croydon Project of \$1.2 million. The proceeds from the proposed sale if received would increase the funding available to the Company by \$1.2 million.

2.5 Crater Mountain Tenements

Anomaly, a wholly owned subsidiary of the Company) holds or held and is applying for renewal of, the following tenements in respect of the Crater Mountain Project:

Tenement Number	Registered Holder	Expiry date
EL 1115	Anomaly	25 September 2016
EL 2203	Anomaly	10 September 2017
EL 2249	Anomaly	10 November 2017
EL 2318	Anomaly	10 September 2017
EL 2334	Anomaly	21 May 2017
EL 2335	Anomaly	21 May 2017

ML 510	Anomaly	4 November 2019
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As noted above, some of these tenements have expired or will expire in the short term. The Company and Anomaly have lodged applications to renew these tenements, but the applications have not yet been granted or the tenements renewed. If one or more of these applications to renew are not granted, it could have an adverse impact on the operations and prospects of the Company and Anomaly. Further details of this risk are set out on page 38.

3 Effect of the Offer on the Company

3.1 Effect of the Offer

The principal effects of the Offer on the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, are as follows:

- (a) the Company will issue approximately 1,463,652,416 new Shares and the total number of Shares on issue will increase to 1,768,771,037 Shares; and
- (b) the cash reserves of the Company will increase by approximately \$14,966,524 (less the expenses of the Offer) immediately after completion of the Offer.

Subject to completion of the Offer, the Company has also agreed to issue Chancery \$100,000 worth of Shares for introducing the new management team to the Company. As detailed in the Company's ASX announcement on 24 July 2017, subject to completion of the Offer and Shareholder approval, it is intended that the Company will issue a total of 197,300,000 Performance Rights to existing continuing Directors, new management and the Proposed Directors. Please refer to section 3.3 (**Effect on capital structure**) of this Prospectus for further details on the capital structure of the Company following the issue of these Performance Rights.

3.2 Statement of Financial Position

Set out below is the Statement of Financial Position of the consolidated entity as at 31 December 2016 together with pro forma statements adjusting for the effects of the Offer (on both a full subscription and minimum subscription basis) and other events as detailed below.

The pro-forma Statements of Financial Position of the consolidated entity as at 31 December set out below have been adjusted for the following transactions:

- the issue of 1,496,652,416 Shares pursuant to this Prospectus to raise \$14,966,524 in the full subscription scenario, or the issue of 1,300,000,000 shares to raise \$13,000,000 in the minimum subscription scenario; and
- the estimated expenses of the Offer of approximately \$942,224 in the full subscription scenario, or in the minimum subscription scenario expenses of approximately \$812,650; and
- changes to the financial position of the Company from 1 January 2017 up to 30 June 2017. Details of these are set out in the notes to the accounts.

Pro-forma Statement of Financial Position – Full Subscription

	December 31/12/16 \$	Asset write down (ASX release 15-Jun-17) \$	Working Capital Changes to 30/6/17 \$	Rights issue Proceeds \$	Post Raise 30/6/17 \$
ASSETS					
Current assets					
Cash and cash equivalents	171,335	-	171,500	3,725,728	4,068,563
Trade and other receivables	299,158	-	(71,500)	-	227,658
Total current assets	470,493	-	100,000	3,725,728	4,296,221
Non-current assets					
Other financial assets	69,522	-	(2,500)	-	67,022
Exploration and evaluation	24,323,657	(15,343,249)	8,000	-	8,988,408
Property, plant and equipment	824,626	-	(183,500)	-	641,126
Total non-current assets	25,217,805	(15,343,249)	(178,000)	-	9,696,556
Total Assets	25,688,298	(15,343,249)	(78,000)	3,725,728	13,992,777
LIABILITIES					
Current Liabilities					
Trade and other payables	2,353,404	-	(309,125)	(2,044,279)	-
Related party payables	1,010,236	-	135,000	(1,145,236)	-
Freefire loan	1,010,000	-	1,995,543	(3,005,543)	-
Other interest-bearing liabilities	4,092,359	-	11,155	(4,103,514)	-
Total current liabilities	8,465,999	-	1,832,573	(10,298,572)	-
Non-current liabilities					
Interest-bearing liabilities	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-
Total liabilities	8,465,999	-	1,832,573	(10,298,572)	-
Net Assets	17,222,299	(15,343,249)	(1,910,573)	14,024,300	13,992,777
EQUITY AND LIABILITIES					
Contributed equity	61,034,561	-	(100,000)	14,966,524	75,901,085
Convertible note reserve	340,507	-	-	-	340,507
Reserves	787,220	-	(1,091,000)	-	(303,780)
Retained earnings	(44,939,989)	(15,343,249)	(719,573)	(942,224)	(61,945,035)
Total Equity	17,222,299	(15,343,249)	(1,910,573)	14,024,300	13,992,777

Pro-forma Statement of Financial Position – Minimum Subscription

	December 31/12/16	Asset write down (ASX release 15-Jun-17)	Working Capital Changes to 30/6/17	Rights issue Proceeds	Post Raise 30/6/17
	\$	\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	171,335	-	171,500	2,888,778	3,231,613
Trade and other receivables	299,158	-	(71,500)	-	227,658
Total current assets	470,493	-	100,000	2,888,778	3,459,271
Non-current assets					
Other financial assets	69,522	-	(2,500)	-	67,022
Exploration and evaluation	24,323,657	(15,343,249)	8,000	-	8,988,408
Property, plant and equipment	824,626	-	(183,500)	-	641,126
Total non-current assets	25,217,805	(15,343,249)	(178,000)	-	9,696,556
Total Assets	25,688,298	(15,343,249)	(78,000)	2,888,778	13,155,827
LIABILITIES					
Current Liabilities					
Trade and other payables	2,353,404	-	(309,125)	(1,044,279)	1,000,000
Related party payables	1,010,236	-	135,000	(1,145,236)	-
Freefire loan	1,010,000	-	1,995,543	(3,005,543)	-
Other interest-bearing liabilities	4,092,359	-	11,155	(4,103,514)	-
Total current liabilities	8,465,999	-	1,832,573	(9,298,572)	1,000,000
Non-current liabilities					
Interest-bearing liabilities	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-
Total liabilities	8,465,999	-	1,832,573	(9,298,572)	1,000,000
Net Assets	17,222,299	(15,343,249)	(1,910,573)	12,187,350	12,155,827
EQUITY AND LIABILITIES					
Contributed equity	61,034,561	-	(100,000)	13,000,000	73,934,561
Convertible note reserve	340,507	-	-	-	340,507
Reserves	787,220	-	(1,091,000)	-	(303,780)
Retained earnings	(44,939,989)	(15,343,249)	(719,573)	(812,650)	(61,815,461)
Total Equity	17,222,299	(15,343,249)	(1,910,573)	12,187,350	12,155,827

Notes to the pro-forma Statement of Financial Position

The Pro Forma Statements of Financial Position have been prepared by the Company and is presented in an abbreviated form insofar as it does not comply with all the disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The pro-forma Statements of Financial Position for the two scenarios were developed as follows:

- (a) Preparation of the pro-forma accounts is based on the 31 December 2016 management accounts released on 16 March 2017 to the ASX. It should be noted that the auditor's report for this period of the Financial Statements of the Company contained a disclaimer of conclusion due to insufficient evidence being available to the auditors to substantiate the carrying values of the exploration and evaluation assets. As a result the Company initiated a valuation of these assets which was published on 15 June 2017.
- (b) The valuation released to the ASX on 15 June 2017 contained a range of valuations being, low, preferred and high. In the preparation of these pro-forma accounts management has adopted the preferred valuation, and has therefore impaired the exploration and evaluation assets by \$15,343,249. It should be noted

that this decision is subject to approval by the auditors of the Company during the 30 June 2017 financial year end audit.

- (c) Management has then further updated the 31 December 2016 management accounts to reflect entries booked into the general ledgers of both the parent company and its subsidiaries up to 30 June 2017. These entries include all transactions recorded from source documents for the period, plus accruals for items where source documents are not available at this time. Accruals are based on management's estimates, reflecting among other information historical transaction values for the items that were accrued.
- (d) The financial position of the Company post the completion of the Offer further for the full subscription scenario assumes the Offer is completed at the date of 30 June 2017. The proceeds of the Offer of \$14,966,524 less the costs of the Offer are first utilised to repay all outstanding current liabilities, with the balance of the proceeds of the offer being recorded as cash and cash equivalents. These balances are subject to adjustment due to any booking post 30 June 2017 of journals and adjustments that effect the period up to 30 June 2017, and as a result of the subsequent audit of those financial statements. The pro-forma financials also assume that no existing Options are exercised prior to the Record Date for the Offer.
- (e) The financial position of the Company post the completion of the rights issue further for the minimum subscription scenario of the raise assumes the Offer is completed at the date of 30 June 2017. The proceeds of the Offer of \$13,000,000 less the costs of the Offer are first utilised to repay all outstanding current liabilities, with the exception of trade creditors for which a balance of \$1 million will remain as a liability. The balance of the proceeds of the offer are recorded as cash and cash equivalents. These balances are subject to adjustment due to any booking post 30 June 2017 of journals and adjustments that effect the period up to 30 June 2017, and as a result of the subsequent audit of those financial statements. The pro-forma financials also assume that no existing Options are exercised prior to the Record Date for the Offer.
- (f) The pro-forma financial accounts do not include any of the potential proceeds of \$1.2 million from the proposed sale of the Croydon Project.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no existing Options are exercised prior to the Record Date, is set out below.

Shares

	Number Minimum subscription	Number Full subscription
Shares currently on issue	272,118,621	272,118,621
Shares to be issued pursuant to the Offer*	1,300,000,000	1,496,652,416
Shares on issue after completion of the Offer	1,572,118,621	1,768,771,037

Note:

* If all Options that are currently capable of being exercised are exercised prior to the Record Date, a further 165,550,000 Shares will be offered pursuant to this Prospectus.

Subject to completion of the Offer, the Company has also agreed to issue Chancery \$100,000 worth of Shares for introducing the new management team to the Company.

Options

Exercise Price	Expiry Date	Number
<i>Existing Unquoted Options on issue</i>		
\$0.25	30/09/2017	6,700,000
\$0.25	27/09/2017	7,800,000
\$0.25	30/09/2017	800,000
\$0.25	27/07/2019	5,800,000
\$0.125	12/07/2020	9,000,000
Options to be issued pursuant to the Offer		Nil
Total Options on issue		30,100,000

Convertible Notes

The Company currently has 138,190 Convertible Notes on issue, with a total face value of \$3,454,750. As detailed in section 1.2, it is intended that some of the funds raised under the Offer will be used to repay these Convertible Notes in full.

Performance Rights

As detailed in the Company's 24 July 2017 ASX announcement, subject to completion of the Offer and Shareholder approval, the Company will issue a total of 197,300,000 Performance Rights as follows:

Subscriber	Role	Class A	Class B	Class C	Class D	Class E
Alexander Molyneux	Proposed Chairman	25,166,668	12,583,333	12,583,333	12,583,333	12,583,333
Matthew O'Kane	Proposed CFO	17,433,332	8,716,667	8,716,667	8,716,667	8,716,667
Curtis Church	Proposed COO	11,666,668	5,833,333	5,833,333	5,833,333	5,833,333
Robert Usher	Proposed Director	2,833,332	1,416,667	1,416,667	1,416,667	1,416,667
Dusty Nicol	Proposed Director	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Russ Parker	Continuing Director	1,333,333	666,667	666,667	666,667	666,667
Desmond Sun	Continuing Director	1,333,333	666,667	666,667	666,667	666,667
Lawrence Lee	Continuing Director	1,333,333	666,667	666,667	666,667	666,667
Thomas Fermanis	Continuing Director	1,333,333	666,667	666,667	666,667	666,667
John Hung	Advisor					

		1,333,333	666,667	666,667	666,667	666,667
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Each Performance Right is a right to acquire a Share subject to the satisfaction of specified performance criteria within the performance period. The performance period for the Performance Rights is from grant until 2 August 2020, and the performance criteria for the Performance Rights are, in summary:

- (a) Class A Performance Rights – achievement of successful commercial gold production at the Nevera Gold Mine, with successful commercial gold production defined as attaining positive operating cash flow from mining operations (ie, revenue less: direct variable cash mining and processing costs; 50% of fixed overhead costs incurred at the Nevera Gold Mine; 50% of the Chief Operating Officer’s employment expense; and the cost of any landowner compensation payments that relate to mining activities) for three consecutive months.
- (b) Class B Performance Rights – On expansion of the Crater Mountain Project total Resource (ie, adding all categories of Measured, Indicated and Inferred together) to 1,112,500 contained ounces of gold or more.
- (c) Class C Performance Rights – if at any time the share price remains at or above A\$0.020 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.
- (d) Class D Performance Rights – if at any time the share price remains at or above A\$0.030 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.
- (e) Class E Performance Rights – if at any time the share price remains at or above A\$0.040 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.

The full terms of the Performance Rights will be set out in the notice of meeting for the General Meeting.

3.4 Substantial shareholders

The Company’s Chairman, Samuel Chan Wing-Sun has a relevant interest in 160,649,929 Shares held through Freefire (an entity he controls, as to 160,085,929 Shares) and HSBC Custody Nominees (Australia) Limited (as to 564,000 Shares). These Shares equate to approximately 59.04% of the issued Shares in the Company, with the Shares held by Freefire equating to approximately 58.8% of the issued Shares.

Freefire has committed to partially take up its Entitlement to \$6,600,000 million. In addition, Freefire has entered into a sub-underwriting agreement with the Underwriter under which it agrees to sub-underwrite the Offer to \$2.2 million. Taking into account the Underwriting Agreement and the Minority Shareholder Acceptance Condition, the maximum percentage relevant interest Mr Chan will have on completion of the Offer is 61.60%, and the maximum percentage Freefire will have in Shares on completion of the Offer is 61.57%.

Save for Mr Chan and Freefire, the Company is not aware of any other substantial shareholders in the Company.

3.5 Potential dilutionary impact of Offer

Assuming no existing Options are exercised prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Offer is 1,496,652,416. This equates to approximately 84.62% of all the issued Shares following completion of the Offer.

If all Eligible Shareholders take up their Entitlements under the Offer, each Eligible Shareholder's percentage interest in the total issued Shares will remain the same and will not be diluted.

However, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to approximately 84.62% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders based on full subscription are set out in the table below:

Holding as at Record Date	% at Record Date	Entitlement under the Offer	Holding if Offer not taken up	% post completion of the Offer
50,000,000	18.37%	275,000,000	50,000,000	2.83%
20,000,000	7.35%	110,000,000	20,000,000	1.13%
10,000,000	3.67%	55,000,000	10,000,000	0.57%
5,000,000	1.84%	27,500,000	5,000,000	0.28%
500,000	0.18%	2,750,000	500,000	0.03%

Examples of how the dilution may impact Shareholders based on minimum subscription are set out in the table below.

Holding as at Record Date	% at Record Date	Entitlement under the Offer	Holding if Offer not taken up	% post completion of the Offer
50,000,000	18.37%	275,000,000	50,000,000	3.18
20,000,000	7.35%	110,000,000	20,000,000	1.27
10,000,000	3.67%	55,000,000	10,000,000	0.64
5,000,000	1.84%	27,500,000	5,000,000	0.32
500,000	0.18%	2,750,000	500,000	0.03

3.6 Potential impact of Offer on control of the Company

The Offer is not expected to have an effect on control of the Company. The following information is provided to Shareholders.

Assuming no existing Options are exercised prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Offer is 1,496,652,416. This

equates to approximately 84.62% of all the issued Shares following completion of the Offer.

As at the date of this Prospectus, the Underwriter does not have a relevant interest in any Shares. The extent to which Shares are issued pursuant to the Underwriting Agreement may increase the Underwriter's voting power in the Company.

The Company understands that the Underwriter has engaged a number of sub-underwriters to the Offer, none of whom (after allocating the Shortfall to various third parties) will be entitled to acquire a relevant interest in greater than 20% of the Shares on completion of the Offer. It is also not expected that the Underwriter or any sub-underwriter (save for Freefire) will have a relevant interest in greater than 20% of the Shares on completion of the Offer.

The following related parties of the Company have agreed to sub-underwrite the Offer as follows:

- (a) Freefire, an entity controlled by the Company's Chairman Samuel Chan Wing-Sun to \$2.2 million;
- (b) Alexander Molyneux, a Proposed Director to \$530,000; and
- (c) Robert Usher, a Proposed Director to \$100,000.

Details of the sub-underwriting arrangements are set out in section 5.8. Save as noted above, none of the sub-underwriters are related parties of the Company.

The Company's Chairman, Samuel Chan Wing-Sun has a relevant interest in 160,649,929 Shares held through Freefire (an entity he controls, as to 160,085,929 Shares) and HSBC Custody Nominees (Australia) Limited (as to 564,000 Shares). These Shares equate to approximately 59.04% of the issued Shares in the Company, with the Shares held by Freefire equating to approximately 58.8% of the issued Shares. Freefire has committed to partially take up its Entitlement to \$6,600,000 million. In addition, Freefire has entered into a sub-underwriting agreement with the Underwriter under which it agrees to sub-underwrite the Offer to \$2.2 million. Taking into account the Underwriting Agreement and the Minority Shareholder Acceptance Condition, the maximum percentage relevant interest Mr Chan will have on completion of the Offer is 61.60%, and the maximum percentage Freefire will have in Shares on completion of the Offer is 61.57%. . The extent of Mr Chan and Freefire's interest in the Company following completion of the Offer will depend on take up under the Offer, but the maximum relevant interest Mr Chan will have is 61.60% and the maximum interest Freefire will have is 61.57%. If applicable, Mr Chan and Freefire will rely on the 3%creep exception in item 9 section 611 of the Corporations Act to increase their interest in Shares in the Company.

Given Mr Chan and Freefire already control the Company and the maximum amount it will increase their interest in the Company as a result of the Offer is less than 3%, it is not expected that the Offer will have any significant impact on the control of the Company (in respect of Freefire and Mr Chan).

Should the sub-underwriters to the Offer default in their obligations, the Underwriter would be required to subscribe for Shortfall Shares to the extent of the underwriting in accordance with the terms of the Underwriting Agreement. However, should this occur, the maximum voting power the Underwriter would obtain in the Company is 17.95%, and as such it is not expected the Offer will have any significant impact on the control of the Company (in respect of the Underwriter).

4 Risk factors

4.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

4.2 Risks specific to the Offer

Potential for significant dilution

Upon completion of the Offer, assuming all Entitlements are accepted and no existing Options are exercised prior to the Record Date, the number of Shares will increase from 272,118,621 up to 1,768,771,037. This increase equates up to approximately 84.62% of all the issued Shares following completion of the Offer.

This means that each Share will represent a significantly lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.015 is not a reliable indicator as to the potential trading price of Shares following completion of the Offer.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to approximately 84.62% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Please refer to section 3.5 (**Potential dilutionary impact of Offer**) of this Prospectus for examples of how the potential dilutionary effect of the Offer may impact Shareholders. Subject to completion of the Offer, the Company has also agreed to issue Chancery \$100,000 worth of Shares for introducing the new management team to the Company, which Shares will further dilute Shareholders.

Minimum subscription risk

The Offer is subject to a minimum subscription of \$13 million. Whilst the Offer is conditionally committed to \$13 million, this depends on the conditions to the Underwriting Agreement being met, in particular that Eligible Shareholders other than Freefire subscribe for at least \$2.1 million under the Offer to satisfy the Minority Shareholder Acceptance Condition. If this condition is not met, the minimum subscription will not be achieved and the Offer will not proceed. As detailed further below, if the Offer does not proceed, it may cast significant doubt on the Company's ability to continue as a going concern.

Underwriting and Freefire commitment risk

The Company has entered into the Underwriting Agreement with the Underwriter. Under the Underwriting Agreement, the Underwriter's obligation is subject to certain conditions being satisfied, including the Minimum Shareholder Acceptance Condition. Further, the Underwriter may terminate the Underwriting Agreement if certain events occur. A summary of the conditions to underwriting and termination events under the Underwriting Agreement are set out in section 5.4.

Freefire has committed to take up its Entitlement to \$6,600,000. If Freefire defaults in its commitment to take this amount and/or if the conditions (including the Minimum Shareholder Acceptance Condition) of the Underwriting Agreement are not met or a termination event occurs and the Underwriter terminates the Underwriting Agreement, the Company may not raise the funds required for the Company to meet its stated objectives, and the Company would need to find alternative financing to meet its funding requirements.

There is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms and conditions. If alternative funding cannot be sourced, it could materially adversely affect the Company's business, cash flow and financial position. In particular, the Company may not be able to repay its debts when they fall due and the Company not be able to continue operating as a going concern.

4.3 Risks specific to the Company

Going concern risk

Shareholders should be aware of the going concern risk to which the Company is exposed. The Company's financial report for the year ended 30 June 2016 included an emphasis of matter from the auditor which noted the group's ability to continue as a going concern depends upon continued successful raising of funding, financial support from Freefire and gold production at the Crater Mountain Project. Failing to meet these assumptions would indicate the existence of a material uncertainty that would cast significant doubt on the group's ability to continue as a going concern. The auditor was unable to form an opinion on the Company's financial report for the half year ended 31 December 2016 as the Company was unable to provide sufficient information to support the carrying value of the entity's exploration and evaluation assets and plant and equipment in accordance with the accounting standards. On 15 June 2017, the Company announced that it had obtained an independent valuation of its assets in PNG, and noted that if the preferred market value of the assets had been recognised as at 31 December 2016, non-current assets would have been written down/impaired by \$15,343,249.

As detailed in section 2.4, the Company has significant liabilities, and it is intended that funds raised from the Offer will be used to substantially repay existing debts. Taking into account Freefire's commitment and the Underwriting Agreement, the Board believes that on completion of the Offer the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, should Freefire default in its commitment and/or the conditions to the Underwriting Agreement are not met or the agreement is terminated, and the Company is unable to obtain funding through other means, it may cast significant doubt on the Company's ability to continue as a going concern.

Title Risk

The mineral tenements in which the Company and Anomaly have an interest are governed by legislation and various conditions requiring compliance. The Company and Anomaly could lose title to their interest in tenements if licence conditions are

not met or if insufficient funds are available to meet expenditure commitments or they could be forced to relinquish an area they do not want to relinquish which could inadvertently result in the relinquishment of ground where a mineral deposit was present, but remained undiscovered.

As detailed in section 2.5, six of the seven tenements at the Company's Crater Mountain Project have expired or will expire in the short term. The Company and Anomaly have lodged applications to renew within the time required by the PNG Mining Act, however there is no guarantee that the renews will be granted. In particular, the Company has not met expenditure requirements on some of these mining tenements.

Recently an application to renew a tenement at the Company's Fergusson Island project in PNG was rejected on the basis of underspend on the tenement. Whilst the Company did not consider the loss of this tenement to be material to the Company, the loss of other tenements could have a material adverse impact on the Company.

The PNG Mining Advisory Council (**MAC**) has discretion as to whether to grant an application to renew a tenement, and the Company understands it will look at a range of factors including spending on surrounding tenements held by the Company and development of the Company's projects to date. The Company is in discussions with the PNG Mineral Resources Authority (which provides advice to the MAC) regarding the renewal of its tenements, and considers that the announcement of the Offer and proposed use of funds on the tenements will support its applications for renewal of the tenements.

If one or more of the renewal applications are not granted, it may have a significant adverse impact on the Company's ability to explore and develop the Crater Mountain Project.

Compliance

As detailed in section 2, the Company has entered into a number of funding arrangements, including a number of loan agreements with Freefire, some of which were (subject to Shareholder approval), convertible into Shares. These arrangements were broadly announced by the Company in its quarterly reporting, but were not announced at the time they were entered into in accordance with the Company's disclosure obligations under the Listing Rules. In addition, during the due diligence process for this Prospectus, the Company became aware that its disclosure in relation to Director's holdings are not up to date. Further, following the passing of former Director Peter McNab, contrary to the requirements of the Corporations Act, there was a period of time in late 2015, early 2016 when the Company only had 1 Australian domiciled Director, as the Board took time to find an appropriate replacement. As such, the Company faces the risk of action.

As part of the due diligence for the Offer, the Company has become aware that its continuous disclosure policies and practice require review, and the new management and Board intend to do this and implement stricter controls and training moving forward.

Current debts to the PNG government for taxes

The Company and Anomaly, as of the date of this Prospectus, are in arrears in their obligations to make payments of employee's pay as your earn ("PAYE") taxes to the PNG tax authorities, and also the Company and employee mandatory contributions to the PNG retirement fund known as NASFUND. These arrears have arisen due to cash shortages in the Company and Anomaly over time. The calculation of the amounts owing depends on a number of factors. The Company and its advisers are in consultation with the

relevant regulatory authorities to finalise the exact amount owing, including interest and penalties (if any).

The Company and Anomaly intend to repay these obligations in full using funds raised from the Offer, and has factored into its use of funds and cash flows an amount it believes will be sufficient to cover the total amount which will be payable. However, as noted above, as the total amount outstanding (including any interest and penalties which may be payable) has not been determined, it is possible the amount the Company will have to pay is greater than the amount it has factored into its use of funds and cash flows. In addition, it is possible the PNG government may take action against the Company and Anomaly as a result of these outstanding debts. If the amount which will ultimately be payable by the Company (or Anomaly) to repay these debts is greater than the amount the Company has provisioned for in its use of funds and cash flows and/or if action is taken against the Company and Anomaly, it may have an adverse effect on the Company.

Additional requirements for capital

As detailed in section 2.4, the Company has significant liabilities, some which will become due and payable prior to the completion of the Offer. As noted in section 2.3, the Company has relied heavily on funding support from Freefire in the past. The Company is confident it has sufficient funds to meet its debts as they become due prior to the completion of the Offer. To provide the Board with additional comfort that the Company will be able to pay its debts as and when they become due and payable, Freefire has provided the Company with a letter of support undertaking to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations until the issue of Shares under the Offer. Whilst the letter of comfort and Freefire's history of support for the Company provides the Board with a level of comfort that the Company will remain solvent, if the Company requires further funds and Freefire is unable or does not deliver the funds, the Company may, if it cannot raise other short term funding from other sources, be forced into insolvency.

The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Completion risk relating to the Croydon Project

As detailed in the Company's 24 July 2017 ASX announcement, the Company has entered into an agreement with Freefire to dispose of the Croydon Project to Freefire for \$1.2 million.

If the Company or Freefire is unable to complete any of the conditions precedent under the Sale Agreement, or if the Sale Agreement does not proceed for any reason (including termination or inability of the Company to secure shareholder approval) the sale of the Croydon Project may not proceed. If the sale does not proceed, the Company may not be able to sell the Croydon Project and receive further anticipated funds as a result. This will likely affect the Company's current strategy and it may be required to seek further funding. There is no certainty that the Company will be able to secure such further funding on satisfactory terms, or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

Exploration and development risks

The business of gold exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Some of the Company's projects are still at an early stage and there is no guarantee of development. Ultimate and continuous success of activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- obtaining regulatory consents and approvals necessary for exploration, development and production;
- securing plant and equipment; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of gold. In particular, the Company may not produce sufficient quantities or qualities of gold to be profitable or commercially viable and may result in a total loss of the investments by the Company.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities.

Drilling activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

In addition, the Company will be subject to multi-jurisdictional compliance with governmental regulations in relation to licence conditions, the environment and operational conduct.

These factors affect the Company's ability to re-establish mining operations, continue with its projects, earn income from its operations and will affect the Company's share price.

Mineral resource estimates may be inaccurate

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

Production costs

All production costs, particularly labour, fuel and power, are a key risk and have the potential to adversely affect the Company's income from mining operations. If the Company's mining projects and processing operations are subject to cost over-runs and/or higher than anticipated operating costs, this would adversely affect the Company's financial position, the value of the Company's projects and in turn, the value of the Shares.

Metallurgical risks

The economic viability of gold recovery depends on a number of factors such as the development of an economic process route for metal concentrates. Further, changes in mineralogy may result in inconsistent metal recovery.

Artisanal mining

Artisanal miners may be active in the Crater Mountain Project which may have many material adverse effects including delays and/or impediments to the Company's exploration activities and schedule, effects on the amount of gold recovered by the Company and exposure to safety, security, environment and social liabilities and losses.

Restart of operations

The Company is proposing to restart its production operations at the Nevera Gold Mine. The restart will be subject to not only operational, geological and geotechnical risks but also environmental, social and community and economic risks, all of which could affect the financial outcome of the Company re-establishing itself as a gold producer. Also, the Company cannot be certain that the operations, once restarted, will be profitable.

Operational risks

The Company's performance is dependent on the effective operation of its processing plant and infrastructure which could be affected by operational risks outside of the control of management. These risks include technical difficulties (such as pipe blockages), weather (including lightning strikes and heavy rainfall), industrial accidents, mechanical or structural failures of the processing facilities and inadequate maintenance of processing facilities and capital equipment as may eventuate due to delays from third party suppliers providing replacement parts at critical times. The operation may be affected by force majeure, engineering difficulties and other unforeseen events.

Geotechnical risks

The Company's resources are subject to natural and man impacted (old workings) geotechnical risk. The areas mined by the Company are subject to many geotechnical

features such as faults and dykes. These features may increase the costs of production where impacting directly on the mining of gold bearing veins. Additionally, the mining rights area controlled by the Company has been the subject of mining historically. Not all of the historical mining as conducted is reflected in the plans available to the Company or identified during the new exploration and mapping process. The Company may encounter unanticipated voids which reduce the anticipated recovery of gold bearing veins.

Insurance coverage risk

Exploration and development operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Commodity price risk and exchange rate risk

In the future, and from current mining activities in the High Grade Zone, the Company's revenue will and does come from the sale of product. Therefore, its earnings will be closely related to the price and arrangements it enters into for selling of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand for gold, forward selling by producers, the cost of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues. These factors may have an adverse effect on the Company's exploration, development and production activities as well as its ability to fund those activities.

In particular, the Company's profitability depends upon the world market prices of gold. If the market prices for gold fall below the Company's production costs and remain at such levels for any sustained period of time, it may not be economically feasible to commence or continue production. This would materially and adversely affect production, profitability and the Company's financial position. The Company may experience losses and may determine to discontinue operations or development of a project or mining at one or more of its properties. If the price of gold drops significantly, the economic prospects of the projects in which the Company has an interest could be significantly reduced or rendered uneconomic. Gold prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of gold are produced, a profitable market will exist for them.

A decline in the market prices of gold may also require the Company to write down its mineral reserves and resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in reserves and resources be required, material write-down of the Company's investment in the affected mining

properties and increased amortisation, reclamation and closure expenses may be required.

Furthermore, international prices of gold are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in primarily Australian and Papua New Guinean currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Papua New Guinean Kina and the Australian dollar as determined in international markets.

In-country/political risks

The Company's operations in PNG are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: currency exchange rates; high rates of inflation; labour unrest/workforce reliability; difficulties implementing best working practices, renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; and currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in PNG may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by governmental regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittance; income taxes; foreign investment; maintenance of claims; environmental legislation; land use; land claims of local people; water use; mine safety; and government and local participation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or its financial position.

Access to land

The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations. Anomaly is party to a compensation agreement with the landowners of the land covered by ML 510 which provides it with full rights to access and mine the land, however access and mining may be affected by a range of factors including weather, environmental or regulatory restraints, harvesting, ability to maintain good relations with the relevant local communities, landholder's activities or other factors.

As noted above, the compensation agreement in relation to ML 510 provides the Company access and rights to this land, and the Company is not otherwise aware of any landholder or compensation issues, however, such issues are not uncommon in PNG. Any failure to adequately manage community and social expectations with respect to compensation for land access, employment opportunities, impact on local business and other expectations may lead to local dissatisfaction with the Company, which in turn may lead to disruptions in the exploration and production programs on the tenements and potential losses.

The Company's mining and exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no

assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its mining or exploration activities or proceeding with any future exploration or development.

Environmental regulation risk

The Company's operations are subject to environmental regulations in PNG. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing the Company's operations and activities, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in the development of new properties.

Environmental liabilities risk

The Company's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

Due to the minimal disturbance of the land the subject of the existing mining operations in PNG, no provision has been made in the accounts of the Company for rehabilitation expenses. There is a risk that if a rehabilitation liability arises the Company will not have the money to fund the rehabilitation work.

Land rehabilitation requirements

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially

deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

Internal controls risk

The audit completion report for the Company for the year ended 30 June 2016 identified a number of issues relating to the internal controls of the Company. The Company does not consider that the lack of controls has had any material adverse impacts on the Company, however this cannot be guaranteed. The new Board and management intend to rectify the issues identified.

Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

Contractors and agents

The Directors are unable to predict the risk of:

- insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or
- insolvency or other managerial failure by any of the other service providers used by the Company for any activities.

Conflicts of Interest

Some of the directors of the Company are also directors/employees of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences may be that corporate opportunities presented to a Director may be offered to another company or companies with which the director is associated, and may not be presented or made available to the Company. The Directors are required by law to act honestly, in good faith and in the best interests of the Company and its Shareholders, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed in the Company's Code of Ethics.

4.4 General Risks

Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Securities price fluctuation

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

Share market risk

The market price of the Shares could fluctuate significantly. The market price of the Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Shares, and the attractiveness of alternative investments.

4.5 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

5 Additional information

5.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board have adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have material effect on the Company's securities and the consequences of non-compliance. As noted on page 39, as part of the due diligence for the Offer, the Company has become aware that its continuous disclosure policies and practice require review, and the new management and Board intend to do this and implement stricter controls and training moving forward.

5.2 Legal framework of this Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (**ED**) securities and the securities are in a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

5.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ending 30 June 2016;
- (b) the Interim Financial Report of the Company for the half-year ending 31 December 2016; and
- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ending 30 June 2016 and before the issue of this Prospectus:

Date	Announcement
30 September 2016	2016 Corporate Governance Statement
30 September 2016	Appendix 4G
26 October 2016	Notice of Annual General Meeting/Proxy Form
31 October 2016	Quarterly Cashflow Report
31 October 2016	Quarterly Activities Report
14 November 2016	Maiden JORC Gold Resource at HGZ Project, Crater Mtn, PNG
21 November 2016	Graphite at Crater Gold Mining's Golden Gate Project
30 November 2016	Results of Meeting
2 December 2016	Response to ASX Appendix 5B Query
9 December 2016	Interest Payment – CGNG
9 December 2016	Convertible Note Interest Payment
13 December 2016	Crater Gold Investor Update
30 January 2017	Quarterly Activities Report
30 January 2017	Quarterly Cashflow Report
16 February 2017	Response to ASX Appendix 5B Query
16 March 2017	Half Year Accounts
24 March 2017	Response to ASX Query
28 April 2017	Quarterly Activities Report
28 April 2017	Quarterly Cashflow Report
15 June 2017	Valuation of PNG Assets
28 June 2017	Convertible Note Interest Payment
28 June 2017	Interest Payment – CGNG
17 July 2017	Trading Halt
19 July 2017	Suspension from Official Quotation

Date	Announcement
24 July 2017	CGN Capital Raising and Transformation
24 July 2017	Reinstatement to Official Quotation
24 July 2017	CGN Investor Presentation
24 July 2017	Appendix 3B

5.4 Underwriting agreement

Freefire has committed to take up its Entitlement to \$6.6 million. Subject to Eligible Shareholders (other than Freefire) taking up Entitlements to \$2.1 million (**Minority Shareholder Acceptance Condition**), the Offer is committed to \$13 million, comprised of:

- (a) Freefire's commitment of \$6.6 million; and
- (b) the balance of \$6.4 million pursuant to the Underwriting Agreement and the Minority Shareholder Acceptance Condition.

The Underwriter's agreement to conditionally and partially underwrite the Offer as detailed above is pursuant to an Underwriting Agreement dated 25 July 2017 (**Underwriting Agreement**).

The Underwriter has engaged various sub-underwriters to sub-underwrite the underwritten amount. Company introduced sub-underwriters will be paid a sub-underwriting fee of 3.5% of the amount sub-underwritten. This amount will be paid by the Underwriter out of the underwriting fees.

The key terms of the Underwriting Agreement are set out below:

Fees

Under the Underwriting Agreement, the Company will:

- (a) pay the Underwriter an underwriting fee of \$352,000;
- (b) pay the Underwriter a corporate advisory fee of \$100,000, of which \$50,000 has been paid and \$50,000 will be paid on allotment of the Shares (including any Shortfall Shares) the subject of the Offer;
- (c) pay the Underwriter a lead manager fee of 1% of the gross dollar amount raised by the Offer (being a minimum of \$130,000 and up to approximately \$149,665);
- (d) pay the Underwriter a selling fee of 5.5% of the gross dollar amount raised over and above the underwritten amount; and
- (e) pay the Underwriter \$250 or 1% (plus GST) of the value of Entitlements sold on behalf of the Excluded Shareholders (whichever is higher), to act as nominee for the Excluded Shareholders.

In addition, the Company must pay, indemnify and keep indemnified the Underwriter for all costs incurred by the Underwriter in connection with the Offer including reasonable legal fees and disbursements and the reasonable costs of travel and accommodation, marketing and communication costs.

Condition Precedents

The obligation for the Underwriter to underwrite the Offer is subject to a number of condition precedents. As at the date this Prospectus, the outstanding conditions are as follows:

- (a) the Company's auditor has not objected to the carrying values of the Company's assets for the purpose of presenting financial information in the Prospectus;
- (b) the Minority Shareholder Acceptance Condition;
- (c) Freefire satisfies its commitment to subscribe for 660,000,000 new Shares with the subscription amount to be satisfied through cash or an agreement to convert existing debt or a combination of both; and
- (d) the Notice of Meeting is despatched to Shareholders by the Closing Date.

Moratorium

For a period of 3 months from the date of the Underwriting Agreement (**Moratorium Period**), except with the consent of the Underwriter (such consent not to be unreasonably withheld) the Company must ensure that other than disclosed in the Prospectus or Notice of Meeting, neither it nor its subsidiaries will do any of the following:

- (a) reduce its capital or otherwise alter its capital structure other than as disclosed in this Prospectus;
- (b) amends its Constitution or any other constituent document except as required by ASX to comply with the Listing Rules, or as required by the Corporations Act;
- (c) passes or takes any steps to pass a resolution under section 260A of the Corporations Act other than shareholders approving the Resolutions;
- (d) disposes or agrees to dispose of the whole or a substantial part of its business or property;
- (e) alter, agree to issue any debt security or amend its existing debt facilities or enter in to any new debt facilities, or
- (f) charges or agrees to charge the whole or a substantial part of its business or property other than as contemplated by the Prospectus, or the Resolutions.

The Company must also ensure that during the Moratorium Period, except with the written consent of the Underwriter) it does not conduct any share buyback scheme or issue or agreement to issue any securities except as disclosed in the Prospectus, on exercise of options on issue as at the date of the Prospectus, on conversion of Convertible Notes or pursuant to a resolution in the Notice of Meeting.

Further, the Company agrees to use best endeavours to ensure that during the Moratorium Period no current or proposed Director will dispose of any securities held by them as at the date of this Prospectus.

Warranties and indemnities

The Company has given warranties, covenants and indemnities to the Underwriter which are usual in an agreement of this nature.

Termination

The Underwriter may terminate the Underwriting Agreement and its obligation thereunder at any time without cost or liability to the Underwriter upon the occurrence of any one or more of the following termination events (**Termination Event**), including:

- (a) (**Indices fall**): any of the All Ordinaries Index or the Standard and Poors / ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement falls 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement; or
- (b) (**Share Price**): the Shares of the Company finish trading on the ASX under the ASX code of "CGN", on any Business Day with a closing price that is less than the Offer price of \$0.01; or
- (c) (**Prospectus**): the Prospectus or the Offer is withdrawn by the Company; or
- (d) (**Breach of Material Contracts**): any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or repudiated or substantially modified other than as disclosed in this Prospectus; or
- (e) (**Proposed Directors**): any of the Proposed Directors, withdraw their consent to act as a Director, or any become incapable or ineligible to act as a Director of the Company; or
- (f) (**General Meeting Notice**): the Notice of Meeting has not been dispatched to shareholders by the Closing Date; or
- (g) (**New circumstances**) there occurs a new circumstance that arises after this Prospectus is lodged that would have been required to be included in this Prospectus if it had arisen before lodgement and is in the reasonable opinion of the Underwriter (acting reasonably) materially adverse from the point of view of an investor; or
- (h) (**No Official Quotation**): Official Quotation has not been granted by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (i) (**Supplementary prospectus**):
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in event "Significant Change" (as outlined below in (o)(vii)), forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (j) (**Non-compliance with disclosure requirements**): it transpires that this Prospectus does not contain all the information required by the Corporations Act; or

- (k) **(Misleading Prospectus)**: it transpires that there is a statement in this Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from this Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in this Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (l) **(Restriction on allotment)**: the Company is prevented from allotting the Shares the subject of the Offer within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (m) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in this Prospectus or to be named in this Prospectus, withdraws that consent; or
- (n) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to this Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (o) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to this Prospectus or the ASIC makes an interim or final stop order in relation to this Prospectus under section 739 or any other provision of the Corporations Act; or
- (p) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act; or
- (q) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Papua New Guinea the United Kingdom, the United States of America, or the Peoples Republic of China or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
- (r) **(Authorisation)**: other than as disclosed during due diligence any authorisation which is material to anything referred to in this Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (s) **(Indictable offence)**: a director, Proposed Director or senior manager of the Company is charged with an indictable offence; or
- (t) **(Acts by Directors)**: any commitment or agreement entered into by a Director or Proposed Director as disclosed in this Prospectus is not carried out or adhered to in accordance with its terms or the agreement is breached, revoked, rescinded or avoided; or
- (u) **(Termination Events)**: any of the following event(s) occur(s), providing that any such event(s) would have a Materially Adverse Effect:

- (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- (iii) **(Contravention of constitution or Act)**: a contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (iv) **(Failure to Disclose)**: other than as disclosed in the Prospectus it transpires that the Company has in the past failed to disclose to the ASX Material Information;
- (v) **(Adverse change)**: any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts (including expected time until production), losses, prospects, business or operations of the Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (vi) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (vii) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the issue of Shares under this Prospectus or the Prospectus;
- (ix) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer, the issue of shares under this Prospectus or the affairs of the Company at any time prior to Completion is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
- (xi) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xii) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (xiii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;

- (xiv) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of the Company;
- (xv) **(Judgment against the Company)**: a judgment in an amount exceeding \$150,000 is obtained against the Company and is not set aside or satisfied within 7 days;
- (xvi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company, other than any claims foreshadowed in this Prospectus, or due diligence program or otherwise disclosed during the due diligence investigations;
- (xvii) **(Board and senior management composition)**: other than as disclosed in this Prospectus, there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;
- (xviii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (xix) **(Timetable)**: there is a delay in any specified date in the timetable which is greater than 3 business days;
- (xx) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xxi) **(Certain resolutions passed)**: the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxii) **(Capital Structure)**: the Company alters its capital structure in any manner not contemplated by this Prospectus;
- (xxiii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
- (xxiv) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The following terms used in this section 5.4 in respect to the Underwriting Agreement are defined in the Underwriting Agreement substantially as follows:

"Completion" means the date on which allotment of the last of the Shares the subject of the Offer occurs in accordance with the Offer and with the Underwriting Agreement.

"Controller" means any person described in section 9 of the Corporations Act.

"Event of Insolvency" means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any insolvency provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors (other than as outlined during the due diligence investigations), or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

"Material Adverse Effect" means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Shares the subject of the Offer (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in the Shares the subject of the Offer); or
- (h) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations or tax position of the Company and its subsidiaries either individually or taken as a whole; or
- (i) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or

"Material Information" means information which is not generally available and which a reasonable person would expect to have a material effect on the price of the Company's Shares.

"Prescribed Occurrence" means:

- (a) the Company or a subsidiary of it converting all or any of its shares into a larger or smaller number of shares;

- (b) the Company or a subsidiary of it resolving to reduce its share capital in any way;
- (c) the Company or a subsidiary of it:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
- (d) the Company or a subsidiary of it making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offer or the terms of the Underwriting Agreement;
- (e) the Company or a subsidiary of it issuing, or agreeing to issue, convertible notes;
- (f) the Company or a subsidiary of it disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Company or a subsidiary of it charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) the Company or a subsidiary of it resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to the Company or a subsidiary of it;
- (j) the making of an order by a court for the winding up of the Company or a subsidiary of it;
- (k) an administrator of the Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company or a subsidiary of it executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or a subsidiary of it.

“Shortfall Notice Deadline Date” means the date by which the Company must give the Underwriter written notice of the underwritten component of the Shortfall, being 15 August 2017 or such other date agreed to between the Company and the Underwriter.

5.5 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 30 June 2016. This can be found on

the Company's website at <http://www.cratergold.com.au/irm/content/corporate-governance.aspx?RID=181>.

A summary of the Company's corporate governance policies and procedures is available on the Company's website at <http://www.cratergold.com.au/irm/content/corporate-governance.aspx?RID=181>.

5.6 Rights attaching to Shares

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares.

Full details of the rights attaching to the Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to the Shares:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her, and a proportionate vote for every Share, registered in such shareholder's name on the Company's share register.

A poll may be demanded by the chairman of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders with at least 5% of the total votes that may be cast on the resolution on a poll.

(b) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the registration of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(c) Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.

(d) Liquidation rights

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any

property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Alteration to the Constitution

The constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(g) ASX Listing Rules

If the Company is admitted to the Official List, then despite anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

5.7 Litigation

Anomaly is currently a party to an action in the Supreme Court of PNG where the plaintiff is a customary landowner group seeking declaratory orders against the another customary landowner group to be recognised as the legitimate customary landowners and for Anomaly to deal with the plaintiffs rather than the landowners Anomaly has identified and engaged with.

Whilst the action remains on foot, the plaintiffs were to have taken steps to progress their case in June 2015, which they have failed to do. An application is expected to be brought to dismiss the action for want of prosecution.

The Directors do not consider that this action is likely to have any adverse impact on the Company's business.

Save as noted above, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.8 Interests of Directors and Proposed Directors

(a) Directors' holdings

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Director	Number of Shares		Number of Options		Convertible Notes	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Richard Johnson	781,250	-	2,800,000 ¹	-	-	-
Desmond Sun	-	-	2,800,000 ²	-	-	-
Lawrence Lee	-	-	2,800,000 ³	-	-	-
Russ Parker	96,036	161,367	2,800,000 ⁴	-	-	77
Samuel Chan Wing-Sun	-	160,649,929 ⁵	2,800,000 ⁶	-	-	100,241 ⁷
Thomas Fermanis	570,200	32,271 ⁸	2,800,000 ⁹	-	40	-

Notes:

- 1 *These Options comprise 1,000,000 Options exercisable at \$0.125 each on or before 12 July 2020, 500,000 Options exercisable at \$0.25 each on or before 30 September 2017 and 1,300,000 Options exercisable at \$0.25 each on or before 27 July 2019.*
- 2 *These Options comprise 1,300,00 options exercisable at \$0.25 exercisable at \$0.25 each on or before 27 July 2019, 500,000 Options exercisable at \$0.25 each on or before 30 September 2017 and 1,000,000 Options exercisable at \$0.125 each on or before 12 July 2020.*
- 3 *These Options comprise 1,300,000 Options exercisable at \$0.25 each on or before 27 July 2019, 500,000 Options exercisable at \$0.25 each on or before 30 September 2017 and 1,000,000 Options exercisable at \$0.125 each on or before 12 July 2020.*
- 4 *These Options comprise 1,300,000 Options exercisable at \$0.25 each on or before 27 July 2019, 500,000 Options exercisable at \$0.25 each on or before 30 September 2017 and 1,000,000 Options exercisable at \$0.125 each on or before 12 July 2020.*
- 5 *160,085,929 Shares held by Freefire Technology Ltd (Mr Chan is a director of Freefire Technology Ltd) and 564,000 Shares held by HSBC Custody Nominees (Australia) Limited on behalf of Mr Chan.*
- 6 *1,800,000 Option exercisable at \$0.25 each on or before 30 September 2017 and 1,000,000 Options exercisable at \$0.125 each on or before 12 July 2020.*
- 7 *100,241 convertible notes held by Freefire Technology Ltd. Mr Chan is a director of Freefire Technology Ltd.*
- 8 *32,111 Shares held by Thomas Fermanis Pty Ltd ATF TMF Investments S/F A/C (being Mr Fermanis' self-managed superannuation account).*
- 9 *1,300,000 Options exercisable at \$0.25 each on or before 27 July 2019, 500,000 Options exercisable at \$0.25 each on or before 30 September 2017 and 1,000,000 Options exercisable at \$0.125 each on or before 12 July 2020.*

It is the current intention of Thomas Fermanis and Russ Parker to subscribe for some or all of their respective Entitlements offered to them under this Prospectus. The other Directors may or may not take up their Entitlements. All Directors may or may not purchase additional Shares prior to the Record Date. As noted earlier, Freefire (an entity controlled by Samuel Chan Wing-Sun) has committed to take up its Entitlement to \$6,600,000, and has entered into an agreement with the Underwriter to sub-underwrite the Offer to \$2.2 million on the same terms as other sub-underwriters.

At the date of this Prospectus, none of the Proposed Directors hold any securities in the Company. All Directors may or may not purchase additional Shares prior to the Record Date. Further, the Proposed Directors have entered into sub-underwriting arrangements with the Underwriter as follows:

- (i) Alexander Molyneux will sub-underwrite the Offer to \$530,000; and
- (ii) Robert Usher will sub-underwrite the Offer to \$100,000.

The sub-underwriting arrangements between the Underwriter and Messrs Molyneux and Usher are on the same terms as other non-related sub-underwriters. Messrs Molyneux and Usher will be paid a sub-underwriting fee of 3.5% of the amount sub-underwritten.

As detailed in the Company's 24 July 2017 ASX announcement, subject to Shareholder approval and completion of the Offer, the Company will issue and Performance Rights to Directors and Proposed Directors as detailed in section 3.3.

(b) Remuneration of Directors and Proposed Directors

The Constitution provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$200,000 per annum). It is proposed that the Company will pay each continuing Non-Executive Director and Non-Executive Proposed Director a fee of \$40,000 per annum subject to Shareholder approval to increase the Non-Executive Director fee pool to be sought at the General Meeting, or if such approval is not obtained, \$33,333 per annum.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 are as follows:

Director	Financial Year End	Fees/ Salaries (including leave entitlements (\$))	Super-annuation (\$)	Equity Options (\$)	Other non-monetary remuneration (\$)	Total (\$)
Richard Johnson ²	2017 ¹	163,332	-	12,832	- ²	176,164
	2016	250,000	-	10,683	-	260,683
	2015	-	-	-	-	-
Desmond Sun	2017 ¹	35,000	-	12,832	-	47,832
	2016	35,000	-	9,883	-	44,883
	2015	35,000	-	-	-	35,000
Lawrence Lee ³	2017 ¹	120,000	-	12,832	-	132,832
	2016	120,000	-	9,883	-	129,883
	2015	56,250	-	5,519	-	61,769
Russ Parker	2017 ¹	200,000	-	12,832	-	212,832
	2016	200,000	-	9,883	-	209,883
	2015	94,250	-	-	-	94,250
Samuel Chan Wing-Sun	2017 ¹	35,000	-	12,832	-	47,832
	2016	35,000	-	9,883	-	44,883
	2015	35,000	-	-	-	35,000
Thomas Fermanis	2017 ¹	179,000	-	12,832	-	191,832
	2016	179,000	-	9,883	-	188,883
	2015	179,000	-	-	-	179,000
Peter Macnab ⁴	2017	-	-	-	-	-
	2016	17,500	-	9,883	-	27,383
	2015	35,000	-	-	-	35,000
Greg Starr ⁵	2017	-	-	-	-	-
	2016	-	-	-	-	-
	2015	424,333	40,312	-	-	464,645

Director	Financial Year End	Fees/ Salaries (including leave entitlements (\$))	Super-annuation (\$)	Equity Options (\$)	Other non-monetary remuneration (\$)	Total (\$)
Collins-Taylor ⁶	2017	-	-	-	-	-
	2016	-	-	-	-	-
	2015	7,479	-	5,520	-	12,999

Notes:

- 1 The amounts shown for the financial year ending 30 June 2017 relate to remuneration provided to Directors and their associated entities as at the date of this Prospectus.
- 2 Mr Johnson was appointed as Technical Director on 19 July 2016. Mr Johnson was previously employed as the General Manager.
- 3 Mr Lee was appointed a director on 6 June 2014 and was appointed as Finance Director on 1 April 2015.
- 4 Mr Macnab passed away in December 2015.
- 5 Mr Starr resigned as Managing Director on 31 March 2015.
- 6 Mr Collins-Taylor resigned as a Director on 9 March 2013 and was appointed as an Alternative Director to Mr Fermanis on 11 March 2013. He resigned as an Alternative Director to Mr Fermanis on 16 September 2014.

Prior to the date of this Prospectus, the Company has not provided any remuneration to the Proposed Directors.

(c) Directors' interests and Proposed Directors' interests

Except as disclosed in this Prospectus and the Company's 24 July 2017 ASX Announcement, no Director or Proposed Director (whether individually or in consequence of a Director's or Proposed Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or Proposed Director or to any company or firm with which a Director or Proposed Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director or Proposed Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid (and in the case of the Proposed Directors, will pay) insurance premiums to insure each of the Directors (and Proposed Directors) against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

5.9 Interests of named persons

Except as disclosed in this Prospectus or previously announced by the Company, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Patersons is Underwriter to the Offer. The fees the Company will pay to Patersons are detailed in section 5.4. Some of this fee is to be passed onto sub-underwriters of the Offer. Patersons will also act as nominee of Excluded Shareholders, for which the Company will pay Patersons \$250 or 1% of the value of the Entitlements sold (plus GST). The Underwriter has not provided any professional services to the Company during the last two years. The Underwriter and its related entities do not hold any securities in the Company as at the date of this Prospectus.

Gilbert + Tobin has acted as solicitors to the Company in relation to the Offer. The Company will pay approximately \$180,000 (plus GST) to Gilbert + Tobin for these services. Gilbert + Tobin has not provided other professional services to the Company during the last two years.

5.10 Consents

Each of the other parties referred to in this section 5.10:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Patersons Securities Limited as lead manager and underwriter to the Offer, and as nominee of Excluded Shareholders;
- (b) Gilbert + Tobin as solicitors to the Company in relation to the Offer; and
- (c) Freefire as a substantial shareholder of the Company. Freefire has also consented to the inclusion in this Prospectus statements relating to its intentions to take up its Entitlement to \$6.6 million in the form and context in which the statements appear.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

5.11 Expenses of the Offer

The estimated expenses of the Offer are as follows:

Expense	\$ Minimum subscription	\$ Full subscription
ASIC fees	2,400	2,400
ASX fees	24,000	25,750
Underwriting fee	582,000	709,824
Legal expenses	180,000	180,000
Printing and other expenses	16,500	16,500
Share registry fees	7,500	7,500
Nominee fee	250	250
Total	812,650	942,224

Subject to completion of the Offer, the Company has also agreed to issue Chancery \$100,000 worth of Shares for introducing the new management team to the Company.

5.12 Electronic prospectus

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 0419 473 925 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.cratergold.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

6 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and proposed Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 26 July 2017

Samuel Chan Wing-Sun
Chairman
For and on behalf of
Crater Gold Mining Limited

7 Defined terms

A\$ and \$	Australian dollars, unless otherwise stated
Additional Shares	Shares in addition to an Eligible Shareholder's Entitlement for which an Eligible Shareholder applies for pursuant to an Entitlement and Acceptance Form
AEST	Australian Eastern Standard Time
Anomaly	Anomaly Limited, a company incorporated in Papua New Guinea and a wholly owned subsidiary of the Company
Applicant	a person who submits an Entitlement and Acceptance Form
Application Form	an Entitlement and Acceptance Form or Shortfall Application Form, as the context requires
ASX Settlement	ASX Settlement Pty Ltd (ABN 49 008 504 532)
ASX Settlement Operating Rules	the operating rules of the settlement facility provided by ASX Settlement as amended from time to time
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires
Board	the board of Directors
Business Day	every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day
Chancery	Chancery Asset Management Pte Ltd
Closing Date	14 August 2017 (unless extended)
Company	Crater Gold Mining Limited (ABN 75 067 519 779)
Constitution	the constitution of the Company as at the date of this Prospectus
Convertible Notes	quoted convertible notes issued by the Company on 22 August 2014 and maturing 22 August 2017
Corporations Act	Corporations Act 2001 (Cth)
Corporations Regulations	Corporations Regulations 2001 (Cth)
Crater Mountain Project	means the Company's gold project located over exploration licences (EL) EL1115, EL2203, EL2249, EL2318, EL2334 and EL2335 and mining licence 510.
Croydon Project	means the Company's project located over tenements EPM 8795, EPM 13775, EPM 16002 and EPM 18616.
Directors	the directors of the Company as at the date of this Prospectus
Eligible Shareholder	a Shareholder whose details appear on the Register as at the Record Date and who is not an Excluded Shareholder
Entitlement	the entitlement of an Eligible Shareholder to apply for Shares pursuant to the Offer
Entitlement and Acceptance Form	the entitlement and acceptance form either attached to or accompanying this Prospectus
Excluded Shareholder	a Shareholder who does not reside in Australia, New Zealand, Hong Kong or Papua New Guinea
Freefire	Freefire Technology Limited, a company controlled by Samuel Chan Wing-Sun
General Meeting	a general meeting of the Company proposed to be held in mid September 2017 to seek approval for various matters, including the issue of Performance

	Rights to existing and new Directors and management, the change of name of the Company to Paradise Gold Mining Limited, and the sale of the Croydon Project to Freefire
ICBC	the Industrial and Commercial Bank of China (Asia) Limited
ICBC Facility	means the facility agreement between the Company and ICBC
Indicated Resource	has the meaning given to it in the JORC Code
Inferred Resource	has the meaning given to it in the JORC Code
Listing Rules	the Listing Rules of ASX
Measured Resource	has the meaning given to it in the JORC Code
Mineral Resource	has the meaning given to it in the JORC Code
Minority Shareholder Acceptance Condition	has the meaning given in section 5.4
Nevera Gold Mine	The Nevera Gold Mine located within the Crater Mountain Project
Notice of Meeting	The notice of meeting to be circulated for the General Meeting.
Offer	the renounceable entitlement offer of Shares pursuant to this Prospectus
Official List	the Official List of the ASX
Official Quotation	quotation on the Official List
Option	an option to acquire a Share
Option	a holder of an Option
Performance Right	a right to acquire a Shares subject to the satisfaction of specified performance conditions
PNG	Papua New Guinea
PNG Mining Act	The Papua New Guinea <i>Mining Act 1992</i>
Prospectus	this prospectus
Proposed Director	means Mr Alexander Molyneux, Mr Dorian Nicol or Mr Rob Usher.
Record Date	7.00pm EST on 31 July 2017
Register	the register of Shareholders
Sale Agreement	the sale agreement between the Company and Freefire dated on or around 17 July 2017 under which the Company agreed to sell the Croydon Project to Freefire
Share	an ordinary fully paid share in the capital of the Company
Shareholder	the registered holder of a Share
Shortfall	the Shares offered by this Prospectus, not accepted as Entitlements or Additional Shares by Eligible Shareholders
Shortfall Application Form	the shortfall application form either attached to or accompanying this Prospectus
Shortfall Offer	the offer of the Shortfall on the terms and conditions set out in section 1.9 (Shortfall) of this Prospectus
Shortfall Shares	the Shares comprising the Shortfall Offer
Underwriter or Patersons	Patersons Securities Limited
Underwriting Agreement	means the underwriting agreement entered into between the Company and Patersons dated 25 July 2017.

Corporate directory

Directors	Mr Russel Parker (Managing Director) Mr Samuel Chan Wing-Sun (Chairman) Mr Thomas Fermanis (Deputy Chairman) Mr Richard Johnson (Technical Director) Mr Lawrence Lee (Finance Director) Mr Desmond Sun (Non-Executive Director)	Solicitors	Gilbert + Tobin Level 16, Brookfield Place Tower 2 123 St Georges Terrace Perth WA 6000 Telephone: +61 8 9413 8400 Facsimile: +61 8 9413 8444
Proposed Directors	Mr Alexander Molyneux (Proposed Chairman) Mr Dorian (Dusty) Nicol (Proposed Non-Executive Director) Mr Rob Usher (Proposed Non-Executive Director)	Underwriter	Patersons Securities Limited Level 23, Exchange Tower 2 The Esplanade Perth WA 6000 Telephone: +61 (8) 9263 1111 Email: perth@psl.com.au
Company Secretary	Mr Heath Roberts	Auditors*	BDO East Coast Partnership Level 11, 1 Margaret Street Sydney NSW 2000 Telephone: +61 (0) 2 9251 4100 Facsimile: +61 (0) 2 9240 9821 Email: info.sydney@bdo.com.au
Registered and principal office	C/- BDO Level 11, 1 Margaret Street Sydney NSW 2001 Australia Telephone: +61 2 9241 4224 Facsimile: +61 (0) 2 9240 9821 Email: info@cratergold.com.au Website: www.cratergold.com.au	Share Registry*	Link Market Services Level 15, 324 Queen Street Brisbane QLD 4000 Telephone from overseas: +61 7 1300 794 682 Telephone from Australia: 1300 794 682 Facsimile: +61 7 3328 4999 Email: registrars@linkmarketservices.com.au
ASX CODE	CGN		

**This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.*