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Crater Gold Mining Limited ABN 75 067 519 779

31 July 2018

QUARTERLY ACTIVITIES REPORT

For the period ended 30th June 2018

About Crater Gold Mining Limited

(ASX CODE: CGN)

Crater Gold Mining Limited ("Crater Gold" or the "Company") is focussed on the exploration of its highly prospective Crater Mountain Gold Project in Papua New Guinea (PNG), which includes two gold resources and evidence of potential copper-gold porphyry mineralisation. The Company is also exploring at the A2 Polymetallic and Golden Gate Graphite projects at Croydon in Queensland, Australia

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Key Points

HGZ GOLD PROJECT, PNG

- **1930 level mine adit development nearing completion**
- **Gold mining commencement at HGZ anticipated in August**

A2 POLYMETALLIC PROJECT, QLD

- **Co-incident Gold and Silver-Copper-Polymetallic anomalism identified from SGH soil sampling at the A5 Anomaly Prospect.**

GOLDEN GATE GRAPHITE PROJECT, QLD

- **Jumbo and large flake graphite identified from petrology**

POST END OF QUARTER

- **HGZ 1930 RL Development intersected JL vein**

DEVELOPMENTS DURING THE QUARTER

CRATER MOUNTAIN GOLD PROJECT, PNG

HGZ Gold Mine:

- **1930 level mine adit development drive at HGZ nearing completion**

- **Gold mining commencement at HGZ anticipated in August**

The development on the 1930 level adit at the HGZ Project progressed a further 115m during the quarter and is now approximately 34m from the gold mining zone target. Planned progress was slowed when altered sections containing non-competent rock were encountered. Development has now passed through those zones and entered into more competent volcanic rock.

The Company commenced some small scale gold mining from the 1960 level to provide ore for test running of the processing plant before processing 1930 level ore. As a result of this, an order has been placed for a new concentrator to improve the processing plant efficiency.

The Company tested for extensions of gold mineralisation close to the mining area at the HGZ Project and completed a sampling program above the HGZ area. Benches totalling 173.5m were developed and sampled with 11 short horizontal trenches dug at increasing elevations of 5m intervals from 1960mRL. A total of 99 combined rock float + rock chip samples were collected for gold fire assay testing. Results will be announced when received.

The Company re-commenced exploration at the South Artisanal Works Prospect (SAW) located approximately 430m southwest of the HGZ project. A total of three (3) trenches were excavated at 1951.9mRL, 1930mRL and 1910mRL for a total of 129.5m. Detailed mapping was undertaken with 122 combined rock float + rock chip samples collected for fire assay testing. Surveying and mapping of three (3) creeks for a total distance of 365.7m was also undertaken with a total of 30 rock chip samples collected for gold fire assay testing. Results will be announced when received.

The Company has been developing planning for a drilling programme to further explore the Mixing Zone Project as well as further prove the HGZ to depth. Plans will be announced in the near future.

GOLDEN GATE GRAPHITE PROJECT, QLD

- Jumbo and large flake graphite identified

- Petrological examination of graphite mineralisation from the Golden Gate Project identified jumbo graphite flake (0.30-0.50 mm), large graphite flake (0.18-0.30 mm) and fine graphite flake (<0.18 mm).

- Average size of graphite flakes is large at around 0.25 mm

The Company announced that it received the final report for the petrological examination undertaken on eight (8) polished sections of graphite mineralised core samples from the Golden Gate Graphite Project undertaken by Pterosaur Petrology, Townsville, Queensland. These core samples were from the two diamond core holes drilled by the Company late last year.

This work identified the presence of significant graphite flake sizes of 0.05 to 0.50mm, with an average of around 0.25mm. Most of the large graphite flakes (0.18 to 0.30mm) and jumbo graphite flakes (0.30 to 0.50mm) appear to be largely independent from other mineral grains, which may render them relatively easy to liberate during processing (see polished section photographs, Figures 1 and 2). It should be noted, however, that the relative percentages of the flake sizes present cannot be determined at this stage as the petrological work has been undertaken on small samples which have been selected to investigate specific textural features and minerals present and as such are unlikely to be

representative of the graphite mineralisation overall. More detailed investigation will be undertaken by the metallurgical scoping testwork that is currently in progress on a representative composited sample.

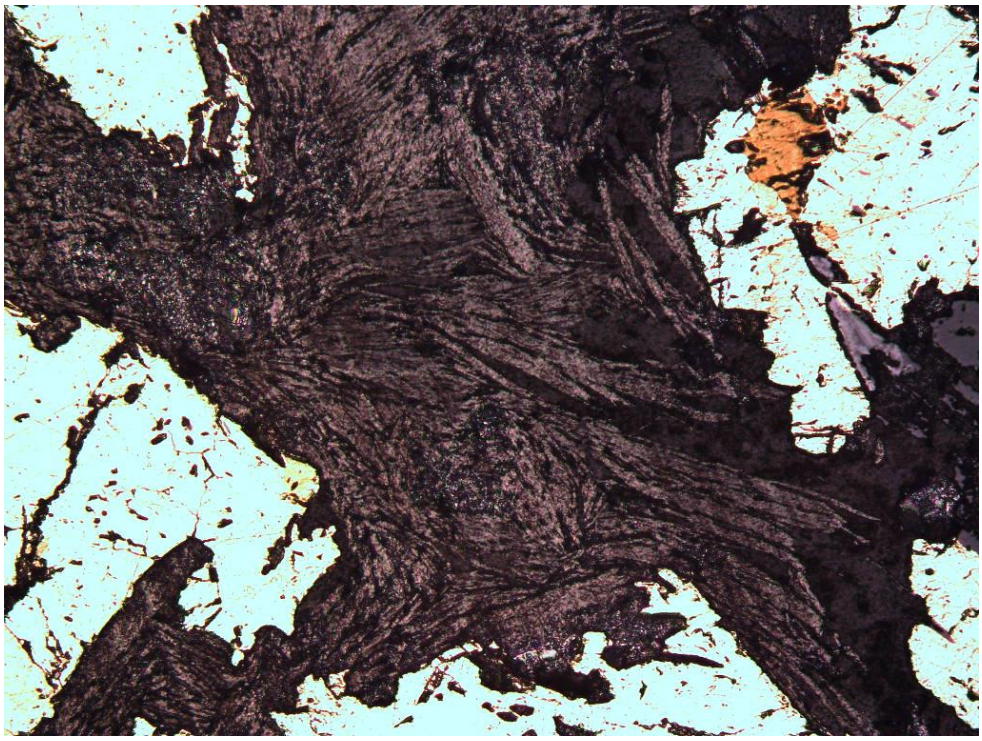


Figure 1: Polished Section 1. Reflected light [200x Mag., Field of view 0.6 mm].
Compact body of discrete graphite flakes - (Brown in colour)

Figure 2: Polished Section 2: Reflected light [25x Mag., Field of view 4.8 mm]
Coarse graphite flake - (Brown in colour)

A2 POLYMETALLIC PROJECT, QLD

- **Encouraging co-incident gold and silver-copper-polymetallic anomalism has been obtained from SGH soil sampling at the A5 Anomaly Prospect.**

- **The A5 Anomaly Prospect area has similar aeromagnetic features to the A2 Project area located 16 km to the SE.**

The Company announced (ASX: 12th June 2018) that it received Actlab's interpretation report on the analytical results of a trial Spatiotemporal Geochemical Hydrocarbon (SGH) soil sampling program undertaken in the A5 Anomaly Prospect area at Croydon in North Queensland within EPM 16002.

The A5 Anomaly Prospect area bears broad similarities to the A2 Polymetallic Project. A total of 74 B-horizon soil samples were collected at the end of 2017 at 100m spacings along three, 2.4km long, 100m spaced, N-S lines (Figure 3). Samples were placed in storage with the intention of submitting them for SGH analysis if the results of the A2 Anomaly Project sampling program provided encouragement. Upon confirmation of positive results from the testing of samples submitted from the A2 Polymetallic Project, the samples for the A5 prospect were submitted for assay in early 2018.

The SGH testing of samples from the A5 prospect detected anomalies associated with gold, silver, copper and polymetallic mineralisation (Figures 5-8). The copper, silver and polymetallic anomalism is essentially co-incident (Figure 4). Gold anomalism partly overlaps the co-incident anomalism as shown on Figure 4. All of the anomalism defined by the soil sampling undertaken to date closely overlies the central zone of the aeromagnetic anomaly low as shown on Figure 4.

Although the trial SGH soil sampling program for the A5 prospect only covered a narrow area 2,400m long by 200m wide, Actlabs were able to identify the presence of a Redox Cell defined by a "rabbit ear" feature they consider to be part of a halo anomaly that would become more evident if the survey area was wider (identified circular Redox Cell shown on Figures 5-8).

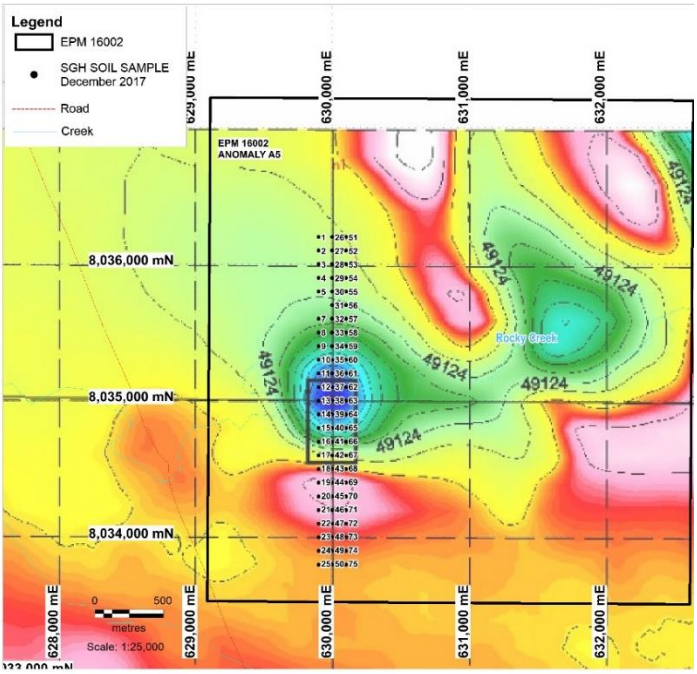


Figure 3: Soil sampling grid – A5 anomaly prospect, EPM 16002

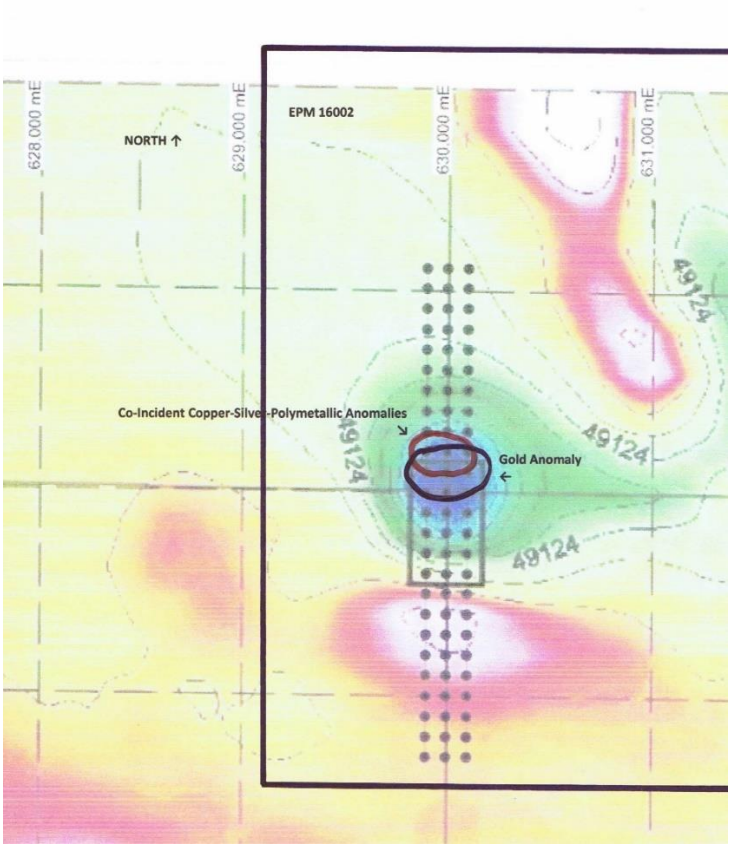


Figure 4: Co-incident Cu-Ag-Polymetallic SGH soil anomaly and partly overlaping Au anomaly draped over an aeromagnetic base.

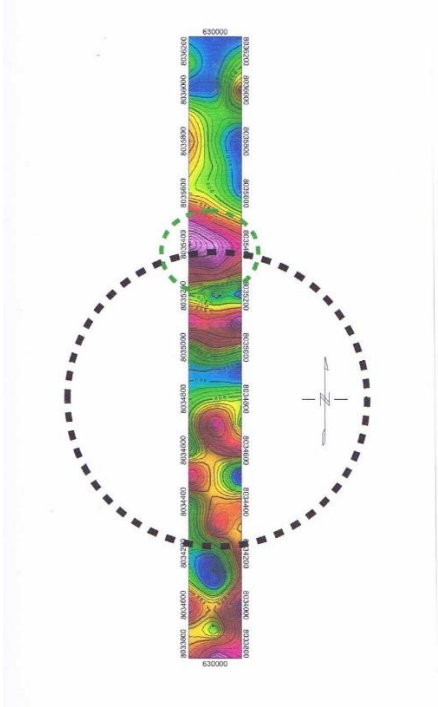


Figure 5: Copper anomaly in green

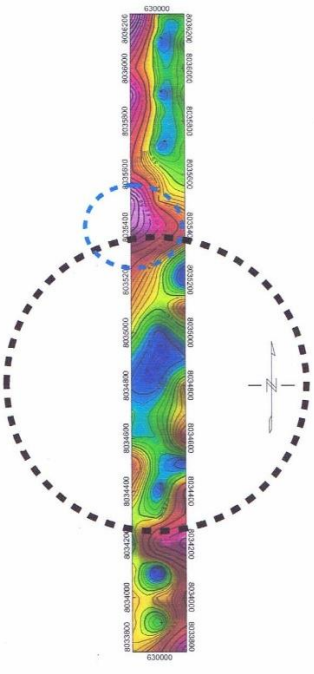
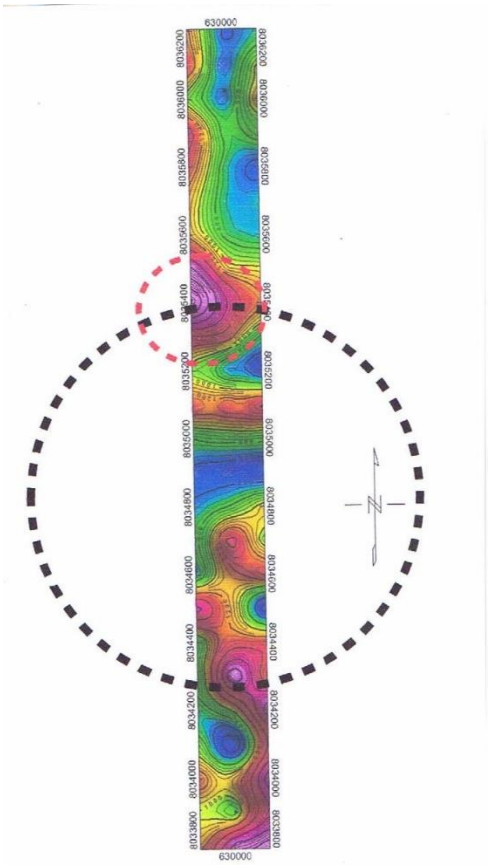


Figure 6: Silver anomaly in blue



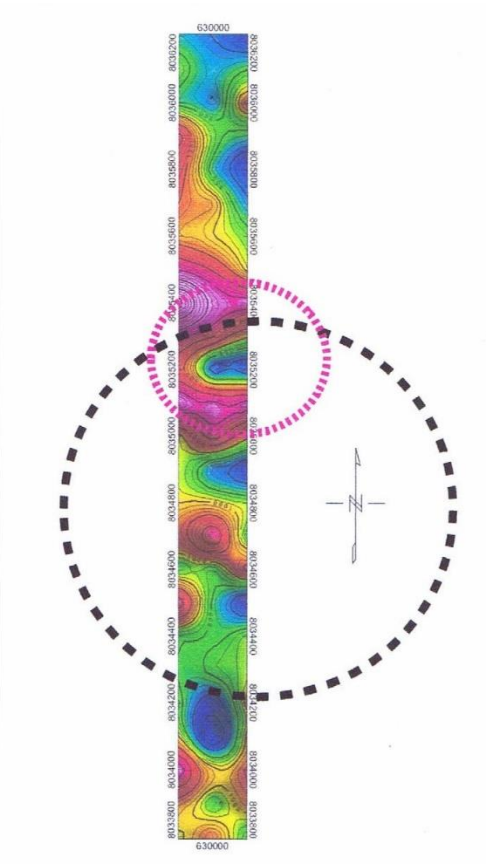


Figure 7: Polymetallic anomaly in red Figure8: Gold anomaly in magenta

Although acknowledging that expansion of the sampled area needs to be undertaken to formerly confirm this, Actlabs have allocated their interpretation of the SGH test results for A5 a high confidence rating of 4.0 out of a possible maximum 6.0 for the silver-copper-polymetallic anomalies indicated. Actlabs gave a higher confidence rating of 4.5 out a maximum 6.0 for the gold anomaly indicated. Anomalism associated with gold, silver, copper and polymetallic has been identified by Actlabs around the margin of the Redox Cell (Figures 5-8).

Based on the encouraging trial results, extension of the area sampled will be undertaken to define extensions and any further anomalous zones to prioritise targets for drill testing.

ACTIVITIES POST THE END OF THE QUARTER

CRATER MOUNTAIN GOLD PROJECT, PNG

HGZ Gold Mine:

The mining development on the 1930 level adit recently exposed gold bearing veinlets and splays and has now reached the southern extension of the JL vein. An exploration drive will be developed along the JL vein and this will further serve as the main access to the planned stoping faces of the NV1 vein. Current development is approximately 34m from the NV1 vein and 55m from NV5.

The company expects stope mining of the NV1 to commence in late August with the first gold sales in September. The area between 1930 level and 1960 level has not been exploited by artisanal miners, unlike the area between 1960 level and surface where artisanal workings were frequently encountered and thus the company fully believes this will result in higher gold production than the 1960 level.

Figure 9 1930 Adit level development

COMPETENT PERSONS STATEMENT

The information contained in this report relating to exploration activities at the Crater Mountain Gold Project is based on and fairly represents information and supporting documentation prepared by appropriately qualified company personnel and reviewed by Ken Chapple, who is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information contained in this report that relates to Exploration Results at the Golden Gate Graphite and the A2 Polymetallic Projects near Croydon, Queensland, is based on information compiled by Ken Chapple, or prepared by appropriately qualified external technical experts and reviewed by him. Mr Chapple is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has been assisting the Company as a technical consultant relating to his areas of expertise. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

Forward Looking Statements

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward- looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable at the time made but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. You should therefore not place undue reliance on forward-looking statements.

Schedule of Crater Gold Mining Limited tenements:

Particulars	Project Name	Registered Holder	% Owned	Status	Expiry	Area (Km^2)
EPM 8795	Croydon	CGN	100	Granted	6/09/2018	9.6
EPM 13775	Wallabadah	CGN	100	Granted	5/03/2020	16
EPM 16002	Foote Creek	CGN	100	Granted	30/01/2021	28.8
EPM 18616	Black Mountain	CGN	100	Renewal Lodged	18/06/2018	57.6
EL 1115	Crater Mountain	Anomaly Ltd [1]	100	Granted	25/09/2018	41
EL 2203	Ubaigubi	Anomaly Ltd [1]	100	Renewal lodged	10/09/2017	88
EL 2249	Crater Mountain	Anomaly Ltd [1]	100	Renewal lodged	10/11/2017	10
EL 2318	South Crater	Anomaly Ltd [1]	100	Renewal lodged	10/09/2017	20
EL 2334	Crater Mountain	Anomaly Ltd [1]	100	Renewal lodged	21/05/2017	68
EL 2335	Crater Mountain	Anomaly Ltd [1]	100	Renewal lodged	22/05/2017	78
ML 510	Crater Mountain	Anomaly Ltd 1	100	Granted	4/11/2019	1.58

1 Anomaly Limited is CGN's 100% owned PNG subsidiary.