

27 July 2016

Australian Securities Exchange

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### **UNDERWRITTEN NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE \$2.12 MILLION**

Crater Gold Mining Limited (“CGN”) or the (“Company”) will undertake a non-renounceable pro-rata rights issue of one (1) share for every eight (8) shares held at A\$(0.07) (7 cents) per share to raise approximately \$2,121,485 before costs (“the Rights Issue”). Funds raised will be applied towards general administration costs, repayment of debt to Freefire Technology Limited (Freefire) and its working capital requirements.

As detailed further below, and subject to the comments below concerning the intentions of major shareholder Freefire, to the extent that there is any shortfall all eligible shareholders may also apply for shares in addition to their pro rata entitlements under the Rights Issue.

CGN has secured from Freefire an underwriting commitment in respect of the full amount to be offered under the Rights Issue.

Further details regarding the underwriting arrangements with Freefire will be set out in the offer documentation sent to shareholders.

Shareholders eligible to participate in the Rights Issue will be those Shareholders with a registered address in Australia or New Zealand and Hong Kong as at 7:00pm AEST on the record date of 5 August 2016. The Company has determined that it would be unreasonable to extend the offer to participate in the Rights Issue to Shareholders in other jurisdictions having regard to the number of holders in those jurisdictions, the number and value of shares those holders would be offered under the Rights Issue, and the costs of complying with the legal requirements and requirements of regulatory authorities in those jurisdictions.

As noted above, eligible shareholders may apply for shares in addition to their pro rata entitlements under the Rights Issue to the extent that there is any shortfall. Any such additional shares will be allocated at the discretion of the Company, provided that if any shareholder who takes up shares in addition to their pro rata entitlement would as a result hold greater than 19.9% of the shares in the Company following completion of the Rights Issue then the number of additional shares they would be issued will be scaled back so that they do not hold greater than 19.9%. Additionally, the Company intends to scale applications on a pro rata basis in the event of excess demand for such additional shares.

The Rights Issue will be conducted pursuant to *section 708(AA) of the Corporations Act 2001 (Cth) 2001* (“the Act”). Consequently, the Rights Issue will be made without disclosure to Shareholders and investors pursuant to Part P6D.2 of the Act, i.e. without a Prospectus.

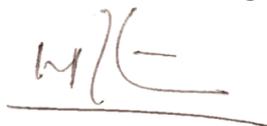
The timetable for the Rights Issue is as follows:

|   |                           |
|---|---------------------------|
| Notice to Shareholders containing information in Appendix 3B  | Tuesday, 2 August 2016    |
| <b>Shares Trade “Ex” the entitlements issue on the ASX</b>  | Thursday, 4 August 2016   |
| Record Date to identify Eligible Shareholders and to determine Entitlements under the offer.                    | Friday, 5 August 2016     |
| 1. Despatch Offer and Entitlement and acceptance Form (“Opening Date”)<br>2. Advise ASX that despatch completed | Wednesday, 10 August 2016 |
| <b>Closing Date</b>   | Friday, 19 August 2016    |
| Securities quoted on a deferred settlement basis  | Monday, 22 August 2016    |
| ASX notified of under-subscriptions   | Wednesday, 24 August 2016 |
| Expected commencement of trading of new shares on ASX<br><br>Send Share Holding Statements to Shareholders      | Friday, 26 August 2016    |

The timetable is indicative only and subject to change. Subject to the Act and the ASX Listing Rules, the Company reserves the right to vary the dates in connection with the Rights Issue, including the closing date, without prior notice. The Company also reserves the right not to proceed with all or part of the Rights Issue at any time prior to the date of issue of the new shares (in which application monies will be refunded without interest).

Yours Sincerely,

**Crater Gold Mining Limited**



**Heath Roberts**  
Company Secretary