

21 July 2014

Australian Securities Exchange

**Rights Issue – Letter to Option Holders**

Please find attached a copy of the letter which has been sent to the Company's option holders today advising details of the Company's rights issue.



John Lemon  
Company Secretary

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**WARNING/IMPORTANT**

***The contents of this document and the terms of the Rights Issue have not been reviewed by any regulatory authority in Australia, New Zealand or Hong Kong. You are advised to exercise caution in relation to the Rights Issue. If you are in any doubt about any of the contents of this document and other Rights Issue documents you should seek independent professional advice.***

21 July 2014

Dear Option Holder

**Participation in Rights Issue**

Crater Gold Mining Limited (**CGN** or **the Company**) announced earlier today that it will undertake a non-renounceable rights issue of one convertible note for every 1,000 shares held at A\$25.00 per convertible note to raise up to approximately \$3,454,750 before costs. That offer is only being extended to holders of ordinary shares with a registered address in Australia, New Zealand or Hong Kong as at 7.00 pm AEST on the record date of 25 July 2015. A copy of the Company's announcement which contains details of the rights issue is attached.

This notice is sent to you as a holder of options to acquire ordinary shares in CGN.

Your options do not carry a right to participate in the rights issue. The purpose of this letter is to give you notice of the rights issue and to give you the opportunity to exercise any of your options should you wish to participate in the rights issue in respect of the shares that would be issued to you upon exercise of any of your options (assuming that you have a registered address in Australia, New Zealand or Hong Kong). You would need to exercise the options in time to allow the underlying shares to be issued to you before 7.00 pm AEST on the rights issue record date of 25 July 2014. Before deciding whether to exercise any options you hold prior to the record date and participate in the rights issue you should consider the terms of the rights issue carefully and, if in doubt, you should consult your stockbroker, accountant or other professional adviser.

Yours faithfully  
**CRATER GOLD MINING LIMITED**



Greg Starr  
Managing Director