

24 March 2015

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

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, Hong Kong or Papua New Guinea. 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.

24 March 2015

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 share for every four shares held at A\$0.09 (9 cents) per share to raise up to approximately \$3,069,794.70 before costs. That offer is only being extended to holders of ordinary shares with a registered address in Australia, New Zealand, Papua New Guinea or Hong Kong as at 7.00 pm AEDST on the record date of 30 March 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, Papua New Guinea 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 AEDST on the rights issue record date of 30 March 2015. 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