
CRATER GOLD MINING LTD

ACN 067 519 779

NOTICE OF 2016 ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

TIME: 10:00am (AEDT)

DATE: 30 November 2016

PLACE: Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 419 473 925.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (AEDT) on 30 November 2016 at:

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return it to the Company's share registry so that it is received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of Shareholders of Crater Gold Mining Ltd (ACN 067 519 779) will be held at 10:00am (AEDT) on 30 November 2016 at Hall Chadwick, Level 40, 2 Park Street, Sydney NSW 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (AEDT) on 28 November 2016. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

Note: This item of ordinary business is **for discussion only and is not a resolution.**

However, pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

RESOLUTIONS

Part A: Remuneration Report

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2016.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as **Restricted Voter**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

Part B: Election of Directors

2. RESOLUTION 2 – RE-ELECTION OF MR SAM CHAN AS DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Sam Chan, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a Director of the Company.”

3. RESOLUTION 3 – RE-ELECTION OF MR RICHARD JOHNSON AS DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Richard Johnson, a Director appointed by the Board to fill a casual vacancy on the Board, who retires in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a Director of the Company.”

Part C: Approval of an Issue of Shares

4. RESOLUTION 4 – Approval of an Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, in accordance with the Company’s Constitution, for the purposes of Listing Rule 7.1 and for all other purposes, the Company approves the issue of up to \$6,000,000 in fully paid ordinary shares to raise working capital, such shares to be issued on the terms contained in the Explanatory Statement.

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 4 by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Part D: Approval for an Issue of Shares and ASX Listing Rule 7.1A
Approval**

5. RESOLUTION 5 – ASX LISTING RULE 7.1A APPROVAL OF FUTURE ISSUE OF SECURITIES

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 5 by:

- (c) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (d) an Associate of those persons.

However, the Company will not disregard a vote if:

- (iii) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (iv) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated: 26 October 2016

BY ORDER OF THE BOARD



Heath Roberts
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00am (AEDT) on 30 November 2016 at Hall Chadwick, Level 40, 2 Park Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

AGENDA

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <http://www.cratergold.com.au/>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

RESOLUTIONS

Part A: Remuneration Report

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <http://www.cratergold.com.au/>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2017 Annual General Meeting (**2017 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2017 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2017 AGM. All of the Directors who were in office when the 2017 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed him to vote in accordance with his stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Part B: Election of Directors

RESOLUTION 2 – RE-ELECTION OF MR SAM CHAN AS DIRECTOR

RESOLUTION 3 – RE-ELECTION OF MR RICHARD JOHNSON AS DIRECTOR

The Company's Constitution requires that if the Company has 3 or more Directors, a third (or the number of Directors nearest to one third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. Where 2 or more Directors have served equally the longest, the retiring Director is determined either amongst the Directors, or by drawing lots.

Further, any Director appointed by the Board to fill a casual vacancy must hold office only until the next following annual general meeting at which time the Director must seek re-election.

Mr Chan retires at the 2016 Annual General Meeting in accordance with the application of the rotation process outlined above and each seeks re-election to the Board.

Mr Johnson, a Director appointed to fill a casual vacancy on the Board on 19 July 2016, retires at the 2016 Annual General Meeting in accordance with the application of the casual vacancy appointment process outlined above and each seeks re-election to the Board.

Background details for Mr Chan are set out below:

Mr Chan has been a Director of the Company since 29 January 2013 and was appointed as Non-Executive Chairman on 11 March 2013. Mr Chan is a director and the controller of Freefire Technology Limited ("Freefire"), the major shareholder in the Company.

Mr Chan received a Bachelor's degree from the University of Manchester, UK in 1970 and qualified as a chartered accountant in 1973. He was the company secretary of YangtzeKiang Garment Limited from 1974 to 1988 and has been a director of YangtzeKiang Garment Limited since 1977. Mr Chan was appointed the Managing Director of YGM Trading Limited from 1987 to 2006 and the Chief Executive Officer of YGM Trading Limited from 2006 to 2010. He has been the Vice Chairman of the board of YGM Trading Limited since 2010. Mr Chan is also on the board of YangtzeKiang Garment Limited.

Mr Chan was formerly a Director of Hang Ten Group Holdings Limited (listed in Hong Kong) from January 2003 to March 2012.

Background details for Mr Johnson are set out below:

Mr Johnson was appointed as Technical Director on 19 July 2016.

Mr Johnson, who acts as the Company's PNG General Manager, is a mining engineer with extensive experience managing projects in many regions, including PNG. Between 2002 and 2005, Richard was responsible for turning around DRDGold's high grade underground Tolukuma Gold Mine in PNG's Central Province into a highly profitable operation. He has also held senior executive and Director positions in several other resources companies in the region, including Allied Gold and DRDGold.

Directors' recommendation

The Directors recommend that Shareholders vote for Resolution 2.

The Directors recommend that Shareholders vote for Resolution 3.

Part C: Approval of an Issue of Shares

RESOLUTION 4 – Approval of an Issue of Shares

The Directors would like to be in a position to raise additional working capital beyond the limits applicable under the ASX Listing Rules. This would strengthen the Board's flexibility to raise capital for the development of its mineral exploration projects, including advancement of the HGZ mining operation, drilling at other targets within the Company's PNG project areas and potentially, subject to ASX Listing Rule requirements, new project acquisitions. Accordingly, this resolution seeks shareholder approval for the Directors to issue up to that number of shares which, when multiplied by the share issue price, would raise \$6 million in the three months immediately following the date of this shareholder meeting.

In accordance with ASX Listing Rule 7.3 the following information is provided:

The maximum number of shares that may be issued is that number of shares which, when multiplied by the share issue price, equals \$6million. An example of the number of shares that may be issued under different issue price scenarios is set out below.

Issue Price per share	\$0.04	\$0.06	\$0.08
Potential number of shares	150,000,000	100,000,000	75,000,000

Subject to shareholder approval the shares will be issued no later than three months after the date of this shareholders meeting. It is anticipated that a number of share allotments may be made progressively during that period. The approval to issue shares under this resolutions lapses to the extent it has not been implemented by the date which is three months after the date of this shareholders meeting.

Any share issue made pursuant to this resolution must be priced at not less than 80% of the volume weighted average price of the Company's shares on the ASX calculated over the last five days on which sales in the Company's shares were recorded prior to the date on which the shares are issued.

The proposed allottees are not yet known, but are likely to be institutional or high net worth / sophisticated investors who are in a position to subscribe for shares without the requirement for a disclosure document to be issued by the Company. No Director or related party may participate in an issue of shares pursuant to this resolution.

The securities to be issued are fully paid ordinary shares ranking equally in all respects with the Company's current issued shares coded CGN. The Company will seek quotation on the ASX of any new shares issued pursuant to this resolution.

Directors' recommendation

The Directors recommend that Shareholders vote for Resolution 4.

Part D: ASX Listing Rule 7.1A

RESOLUTION 5 – ASX LISTING RULE 7.1A APPROVAL OF FUTURE ISSUE OF SECURITIES

Under Listing Rule 7.1A, certain companies may seek Shareholder approval by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further Shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

Approval under this Resolution 5 is sought for the Company to issue equity securities under Listing Rule 7.1A.

If Resolution 5 is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) the date which is 12 months after the date of the 2016 Annual General Meeting; or
- (b) the date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking);

or such longer period if allowed by the ASX.

Accordingly, the approval given if this Resolution 5 is passed will cease to be valid on the earlier of 28 November 2017 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

At the date of this Explanatory Statement, the Company is an 'eligible entity', and therefore able to seek approval under Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the 2016 Annual General Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid shares issued in the 12 months with approval of the holders of shares under Listing Rules 7.1 and 7.4 (this does not include an issue

of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval);

(iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of Resolution 5 will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities the subject of this Resolution will be issued is 75% of the volume weighted average market (closing) price (**VWAP**) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (a) the date on which the securities are issued.

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company's equity securities may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- (b) the equity securities issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue.

The table set out below shows the dilution of existing Shareholders on the basis of:

- The current market price of the Company's ordinary shares and the current number of ordinary securities as at the date of this Explanatory Statement.
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by Shareholders.
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" ASX Listing Rule 7.1A.2		Dilution		
		\$0.025 50% decrease in issue price	\$0.05 Issue Price **	\$0.10 100% increase in issue price
"A" is the current number of shares on issue 272,118,621 *** shares	10% voting dilution	27,211,862 shares	27,211,862 shares	27,211,862 shares
	Funds raised	\$680,297	\$1,360,593	\$2,721,186
"A" is a 50% increase in current shares on issue 408,177,931 *** shares	10% voting dilution	40,817,793 shares	40,817,793 shares	40,817,793 shares
	Funds raised	\$1,020,445	\$2,040,890	\$4,081,779
"A" is a 100% increase in current shares on issue 544,237,242*** shares *	10% voting dilution	54,423,724 shares	54,423,724 shares	54,423,724 shares
	Funds raised	\$1,360,593	\$2,721,186	\$5,442,372

Notes:

- (i) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
- (ii) The table assumes that no options are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (iv) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (v) The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes options, it is assumed that those options are exercised into ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- (vi) The number of shares on issue (272,211,862) is the number of shares shown in the Company's announcement dated and released on 13 September 2016. The number of shares does **not** include any shares that may be issued as a consequence of the shareholder approval referred to in resolution 4 to be considered at this shareholders meeting. If any shares are issued pursuant to resolution 4 to be considered at this shareholders meeting then the number of shares on which the 10% is calculated will increase accordingly.

* Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise

made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require Shareholder approval.

** Based on the closing price of the Company's Shares on ASX on 14 October 2016.

*** Based on the Company's Share structure as at 18 October 2016. Refer Note (vi) above.

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- (a) raising funds to further develop the Company's exploration and mining assets in PNG;
- (b) raising funds to be applied to the Company's working capital requirements;
- (c) acquiring assets. In these circumstances the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets. If the Company elects to issue ordinary shares for the purpose of acquiring assets then the Company will release to the market a valuation of the assets prior to issuing the shares; and
- (d) paying service providers or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- (a) the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- (b) the potential effect on the control of the Company;
- (c) the Company's financial situation and the likely future capital requirements; and
- (d) advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

The allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

The following information is provided for the purposes of Listing Rule 7.3A.6.

Equity securities issued in prior 12 month period	59,869,886 fully paid ordinary shares plus 9,000,000 options = 68,869,886
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	29.4%
Equity securities issued in prior 12 month period	Refer Schedule 1
Date of issue:	Refer Schedule 1
Number issued:	Refer Schedule 1
Class/Type of equity security:	Refer Schedule 1
Summary of terms:	Refer Schedule 1
Names of persons who received securities or basis on which those persons was determined: Names of persons who received securities or basis on which those persons was determined (cont'd)	<u>Employee Options</u> : eligible Directors and employees <u>Placements</u> : various professional and sophisticated investors / S708 Excluded Offerees. <u>Rights Issue</u> – Eligible shareholders pro-rata at the time of the offer <u>Options</u> : eligible Directors and employees – as set out in relevant shareholder approvals at the time
Price:	Disclosed in Appendix 3B Notices
Discount to market price (if any):	Disclosed in Appendix 3B Notices
For cash issues	
Total cash consideration received:	\$5,589,867
Amount of cash consideration spent:	\$5,589,867
Use of cash consideration:	Development of Crater Mountain Gold project and general working capital
Intended use for remaining amount of cash (if any):	Development of Crater Mountain Gold project and general working capital
<i>For non-cash issues</i>	
Non-cash consideration paid:	NA
Current value of that non-cash consideration:	NA

This Resolution is a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Directors' recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

A voting exclusion statement is set out in the Notice of Meeting.

ENQUIRIES

Shareholders are asked to contact Mr Heath Roberts, Company Secretary, on (+61) 419 473 925 if they have any queries in respect of the matters set out in these documents.

SCHEDULE 1 – EQUITY SECURITIES ISSUES IN THE LAST 12 MONTHS

Date	Nature of Equity Issue	Number of Equity Securities Issued	Placee/Allottee
3/12/2015	Placement / fully paid ordinary shares	13,200,000	Multiple S708 Excluded Offerees (Sophisticated Investors, Clients of Licenced Dealers)
11/12/2015	Fully paid ordinary shares - issue	328,125	In lieu of \$26,250 in fees to a service provider (Sinton Spence)
9/03/2016	Placement / fully paid ordinary shares	10,000,000	Multiple S708 Excluded Offerees (Sophisticated Investors, Clients of Licenced Dealers)
17/03/2016	Placement / fully paid ordinary shares	6,250,000	Multiple S708 Excluded Offerees (Sophisticated Investors, Clients of Licenced Dealers)
12/07/2016	Unlisted Options Issue	9,000,000	Executives and Directors (the latter subsequent to shareholder approval)
27/07/2016	Fully paid ordinary shares - issue	428,571	In lieu of \$30,000 in fees to a service provider (Chancery Asset Management))
13/09/2016	Fully paid ordinary shares - Non Renounceable Rights Issue	29,663,190	Existing shareholders at the relevant rights issue record date and Freefire Technology Ltd (A company associated with Director Sam Chan) as underwriter.

GLOSSARY

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2016 Annual Report to Shareholders for the period ended 30 June 2016 as lodged by the Company with ASX on 30 September 2016.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of BDO East Coast Partnership dated 30 September 2016 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Company means Crater Gold Mining Ltd (ACN 067 519 779).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "**\$**" means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Notice of Meeting or **Notice of Annual General Meeting** or **Meeting** means this notice of annual general meeting dated 26 October 2016 including the Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report which is also available on the Company's website at <http://www.cratergold.com.au/>

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means a member of the Company's key management personnel (including the Directors) details of whose remuneration are included in the Remuneration Report and any of that person's Closely Related Parties or Associates (such as close family members and any controlled companies of those persons).

Securities mean Shares and/or Options (as the context requires).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Spill Meeting means the meeting that will be convened within 90 days of the 2017 AGM if a threshold of votes are cast against the adoption of the Remuneration Report at the Meeting and the 2017 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2017 AGM if a threshold of votes are cast against the adoption of the Remuneration Report at the Meeting and the 2017 AGM.


VWAP means the volume weighted average price, with respects to the price of Shares.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Crater Gold Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Crater Gold Mining Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Wednesday, 30 November 2016 at Hall Chadwick, Level 40, 2 Park Street, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.


VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 ASX Listing rule 7.1a approval of future issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Sam Chan as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Richard Johnson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of an Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Monday, 28 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Crater Gold Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**