

12 March 2015

Australian Securities Exchange

### **Crater Mt, PNG High Grade Zone Mining Project – Relaxation of Cessation Order**

The Company previously advised in late December 2014 that the PNG Mines Safety Inspectorate had instructed that mining activities be ceased at the Company's High Grade Zone Mining Project at Crater Mountain, PNG pending the Inspectorate's review of safety procedures at the Project and the Company's implementation of systems and procedures at the Project to meet the Inspectorate's requirements.

The Company is pleased to advise that it has now received a notice of *Relaxation of Cessation Order* from the Inspectorate permitting the Company to commence operations at the High Grade Zone subject to the conditions listed below;

1. *All work is to be carried out by competent and 'fit for work' persons only.*
2. *ATR Argo vehicle shall not be put into use for any purpose. All work shall be carried out by fit for purpose equipment only which shall be kept properly maintained.*
3. *Hand shovel and wheelbarrow shall not be used. Only mechanized system shall be used to load and transport material within the mine including underground workings.*
4. *Underground workings shall be kept adequately supported, secured, ventilate, lighted, tidy and free from any unnecessary obstruction.*
5. *All persons shall perform their work only under the constant supervision of competent and sole supervisor(s) who shall ensure that all work is carried out in a safe and healthy manner.*
6. *Proper risk assessment shall be carried out before commencement of any work and all necessary measures shall be taken to eliminate or effectively manage residual risks.*
7. *All appropriate health facilities and equipment identified by the International SOS site review report titled 'Site Clinic Review Crater Gold Mining, Papua New Guinea' dated February 2015 shall be made adequately available on site and be kept properly maintained.*
8. *An effective communication plan shall be implemented to ensure quick response for attending to emergencies.*
9. *All geotechnical aspects of the mine shall be managed by qualified and competent geotechnical personnel.*
10. *No work shall be undertaken without the appointment of a duly certified and registered mine manager.*
11. *Monthly updates shall be provided to the Inspectorate on the above listed issues and works.*
12. *In case the Company decides to make public announcement in relation to recommencement of works in accordance with this relaxation order, it shall also mention about the conditions under which this relaxation has been granted.*
13. *This relaxation is valid only up to 30<sup>th</sup> September 2015 and is being granted without prejudice to any other provisions of the Mining (Safety) Act 1977 and Regulation or any other law or court order that is or might become applicable in this regard, and it*

*can be withdrawn at any time if considered necessary in the interest of safety or health of persons or for matters connected therewith or incidental thereto.”*

The Company has attended to each of the matters listed above as they relate to operations commencement. Following a final internal review that all of the above conditions are satisfied, production will commence. This is expected well before month's end.

**CRATER GOLD MINING LIMITED**

A handwritten signature in black ink, appearing to be 'G. Starr', written over a horizontal line.

Greg Starr  
Managing Director