



MARKET RELEASE

30 August 2017

Crater Gold Mining Limited

TRADING HALT

The securities of Crater Gold Mining Limited (the “Company”) will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Friday, 1 September 2017 or when the announcement is released to the market.

Security Code: CGN

Stephanie Yong
Principal Adviser, Listings Compliance (SYDNEY)

30 August 2017

Ms Stephanie Yong
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Dear Stephanie

CORPORATE UPDATE AND REQUEST FOR TRADING HALT

On 24 July 2017 the Company announced a 11:2 renounceable rights issue (**Rights issue**) to raise up to approximately \$15 million as part of a broader corporate transformation that would see the Company recapitalised, cleared of debt and funded for an active programme to develop its operations in PNG. The transformation also included a significant re-structure of the Company's management and a renaming to Paradise Gold Mining Ltd.

The Rights Issue, which was partially and conditionally underwritten by Patersons Securities Limited (**Patersons**) was launched on 26 July 2017 and was twice extended, in the second case to Monday, 28 August 2017. After allowing an additional day for clearances and reconciliation, it is clear that there had been insufficient take-up of rights by existing shareholders to trigger the underwriting obligations and, as a result, the Rights Issue has been terminated. All application funds received pursuant to the Rights Issue will be refunded to the applicants.

The Directors of the Company remain committed to the corporate transformation set out in its recent announcements.

The Company anticipates providing a more detailed Corporate Update by the opening of business on Friday, 1 September 2017. In the interim, the Company provides the following guidance to the market.

Rights Issue Terminated, Applications to be Refunded

As stated above, the Rights Issue has been terminated and all application funds received pursuant to the Rights Issue will be refunded to the applicants. The Company apologises to shareholders for this inconvenience.

Fresh Rights Issue to be Launched

A fresh rights Issue (**Fresh Rights Issue**) will be launched forthwith. The offer price and ratio for the Fresh Rights Issue have not been determined at this point in time. Freefire Technologies Ltd (**Freefire**), a company associated with Chairman, Mr Sam Chan (**Chan**) has indicated a willingness to take up its full entitlement in respect of the Fresh Rights Issue and (subject to negotiation of suitable underwriting agreements) to underwrite or co-underwrite the balance of the Fresh Rights Issue.

The New Rights Issue will be subject, to the extent required, to ASIC's approval of a nominee for the purposes of section 615 of the Corporations Act (Clth).

Interim Loan from Freefire to payout Creditors

In order to meet the Company's creditor obligations whilst the Fresh Rights Issue is carried out, Freefire will advance an unsecured, arms length terms loan to the Company. This loan is expected to be documented prior to close of business on Friday, 1 September 2017. The quantum of the loan is being determined at present.

Convertible Notes (CGNG) Redeemed in the Ordinary Course

The Company is in the process of redeeming its convertible notes (previously coded CGNG) in the ordinary course. This redemption process remains unaffected by the other matters addressed in this announcement.

The Company Remains Committed to the Paradise Concept and Ideals

The termination of the Rights Issue is frustrating to the Board, however its commitment to a significant restructuring of the Company as outlined in previous announcements is resolute. The Company will retain the momentum already being developed on the ground in PNG so that the relatively short delay attendant the change in funding route now proposed does not affect the Company's plans. In particular, the Company still anticipates and welcomes the involvement of the new management identified in previous announcements.

Request for Trading Halt

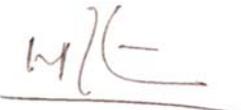
Pursuant to ASX Listing Rule 17.2, Crater Gold Mining Limited ACN 067 519 779 (ASX:CGN) (**Company**) requests a trading halt of its securities from ASX with effect from commencement of trading on Wednesday 30 August 2017.

In accordance with ASX Listing Rule 17.1, the Company provides the following information regarding this request:

1. The reason for the trading halt is that the Company intends to make an announcement regarding the Fresh Rights Issue and interim funding package.
2. The Company requests that the trading halt continue until the earlier of commencement of trading on Friday 1 September 2017 or when the announcement referred to in paragraph 1 is released to the market.
3. The Company expects the event which will end the trading halt is the announcement referred to in paragraph 1.

The Company is not aware of any reason why the trading halt should not be granted or of any other information necessary to inform the market about the voluntary suspension.

Yours sincerely



Heath Roberts
Company Secretary