

6th November 2017

Australian Securities Exchange

EXPLORATION PROGRAMME COMMENCED– A2 POLYMETALLIC PROJECT

- **As previously reported, significant polymetallic mineralisation (Zn, Pb, Ag, Cu, Sn) has been discovered in deep drilling at the A2 Polymetallic Project, Croydon, NW Queensland.**
- **All nine drill holes intersected massive sulphide veins up to 13m in downhole length containing up to 10.13% Zn, 642 g/t Ag, 0.63% Sn, 2.1% Pb and 0.57% Cu.**
- **A soil sampling program has commenced on a 3.6 x 3.6 km grid covering the previously drilled holes (a zone of 1,250m long by 600m wide) and the entire aeromagnetic anomaly, most of which is currently untested.**
- **Samples will be assayed by the SGH geochemical technique which has been successful at other prospects world-wide in being able to detect geochemical anomalism for metals from depths of up to 900 metres.**
- **It is anticipated that the cost effective SGH soil sampling technique will delineate priority targets that will be tested by drilling after the wet season in the second quarter of 2018.**

SGH SOIL SAMPLING OF THE A2 GRID

Spatiotemporal Geochemical Hydrocarbon (SGH) is a cost effective, a deep penetrating geochemical technique that involves the analysis of shallow surface soil samples to detect various buried mineralised targets, including among them polymetallic targets. The analysis involves the testing for the geochemical signature of specific hydrocarbons, measured in parts per trillion, which are present in surficial residues from the decomposition of bacteria and microbes that feed on the target commodity (i.e. zinc) during their life cycle. Specific classes of hydrocarbons are associated with the presence of certain minerals and are therefore useful in exploration work for delineating drilling targets.

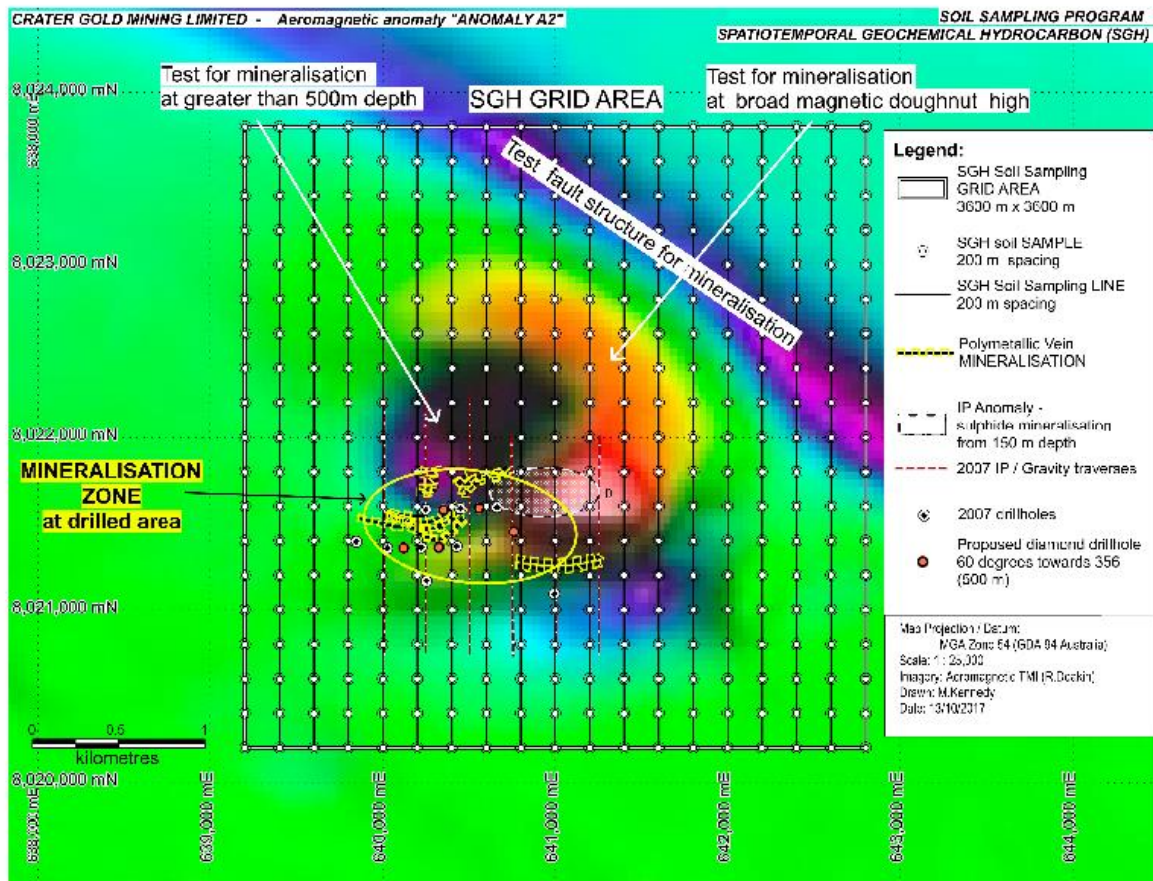


Figure 2: SGH soil grid covering and overlapping the A2 Anomaly and previous drilling.

3D-SGH interpretations can generate geochemical anomalies for 'blind' mineralisation for a range of commodities and can also predict depth to mineralisation for drill targeting. The best response appears to be for mineralization associated with high quantities of sulphides. This geochemistry works well as an exploration tool for copper, gold, nickel, base metals and silver mineralization.

SGH soil sampling at A2 is being undertaken on a 3.6m x 3.6km grid (Figure 2). This involves 19, 3.6 km N-S orientated lines, 200m apart. These lines are being sampled at 200m intervals for a total of 361 samples on a 1:1 pattern. Additional samples will be collected as duplicates (1 in 20) for laboratory analytical tracking. It is anticipated that the sampling will delineate priority targets that will be drill tested in the first half of next year after the wet season.

Necessary land access consultations have been completed and SGH soil sampling has commenced. Program completion is expected by late November, with results expected December or early 2018.

PREVIOUS EXPLORATION AT THE A2 PROJECT

The A2 project is a 1.5km x 1.0km complex aeromagnetic feature, characterised by a small magnetically reversed circular low shrouded by a doughnut shaped high immediately to its north, east and west. Nine (9) diamond drill holes for a total of 4,400 metres have been drilled and have intersected laminated shale basement rocks under 115 metres of Mesozoic cover sediments. Vein style mineralization was intersected in the basement rocks intermittently all holes to end of hole depths of up to 536.6 metres, defining a large hydrothermal system at least 1250m long and 600m wide.

Table 1. Sulphide mineralised vein - Anomaly A2

Hole #	Intercept (m)	Width (m)	Zn %	Ag ppm	Au ppm	Sn %	Cu %	Pb %
A2-001	129.5 - 133	3.5		91.8		0.15		
	142.8 - 146	3.2	3.59	68.6		0.24		
	151 - 153	2.0	1.34	27.5		0.15		
	175.4 - 177.7	2.3	10.13	209.6		0.69	0.32	0.57
	211 - 222	11.0	6.33	66.9		0.34	0.13	
	409 - 414	5.0	8.00	180.0	0.05	0.58	0.57	
A2-002	449 - 453	4.0	0.12	16.1			0.42	
A2-003	175 - 178	3.0	1.02	45.5				0.50
	318 - 320	2.0	1.20	19.8				
	414 - 416	4.0	0.95	10.2				
A2-004	351 - 353	2.0	3.24	32.7		0.12		
A2-005	154 - 161	7.0	1.47	88.0		0.55	0.19	0.45
	201 - 203	2.0	0.62	98.2		Tr	0.29	0.62
	230 - 232	2.0	9.00	109.0		0.39	0.29	
	291 - 297	6.0	1.84	13.0				
A2-006	283 - 286	3.0	1.77	63.0		0.27		0.60
	305 - 315	10.0	2.30	144.0		0.39	0.29	
	418 - 422	4.0	6.93	69.0		0.57	0.22	
	425 - 437	12.0	4.59	56.5		0.42	0.20	
A2-007	211 - 213	2.0	3.18	37.4		0.18		
	285 - 287	2.0	1.02	40.9		0.36		
	391 - 397	6.0	2.72	285.7		0.45	0.43	0.87
	414 - 422	8.0	0.58	17.9		0.14		
A2-008	359 - 363	4.0	3.09	416.6		0.63	0.42	0.63
A2-009	230 - 233	3.0	1.25	120.0				0.55
	247 - 249	2.0	3.12	300.3				1.50
	261 - 263	2.0	1.85	672.0				2.10
	293 - 295	2.0	2.45	109.0		0.30		0.09
	300 - 313	13.0	1.60	95.0		0.05		0.25
	418 - 423.7	5.7	0.48	36.4		Tr		0.27

Details of drill hole locations and significant mineralised intersections as previously reported in ASX Announcements are shown in Figure 1 and Table 1. These results indicate that all nine holes intersected massive sulphide veining in up to 13m downhole lengths with values of Zn to 10.13%, Ag to 672 g/t, Sn to 0.69%, Pb to 2.1% and Cu to 0.57%.

Geological age dating indicates an age of Upper Proterozoic (560 Million Years) for the host rocks and an age of Permian (285-284 Million Years) for the mineralization. It is encouraging to note that the latter age is very similar to the age of many of the world's major ore deposits.

Mineral zonation is evident with some holes displaying a dominant association of Zn-Ag-Sn with minor Cu-Pb and others displaying a dominant Zn-Cu association. The presence of tin (mainly cassiterite with some stannite) and the association with massive pyrrhotite draws a striking comparison with the large world class underground tin deposit previously mined at Renison in Tasmania. A granitic association is also suggested.

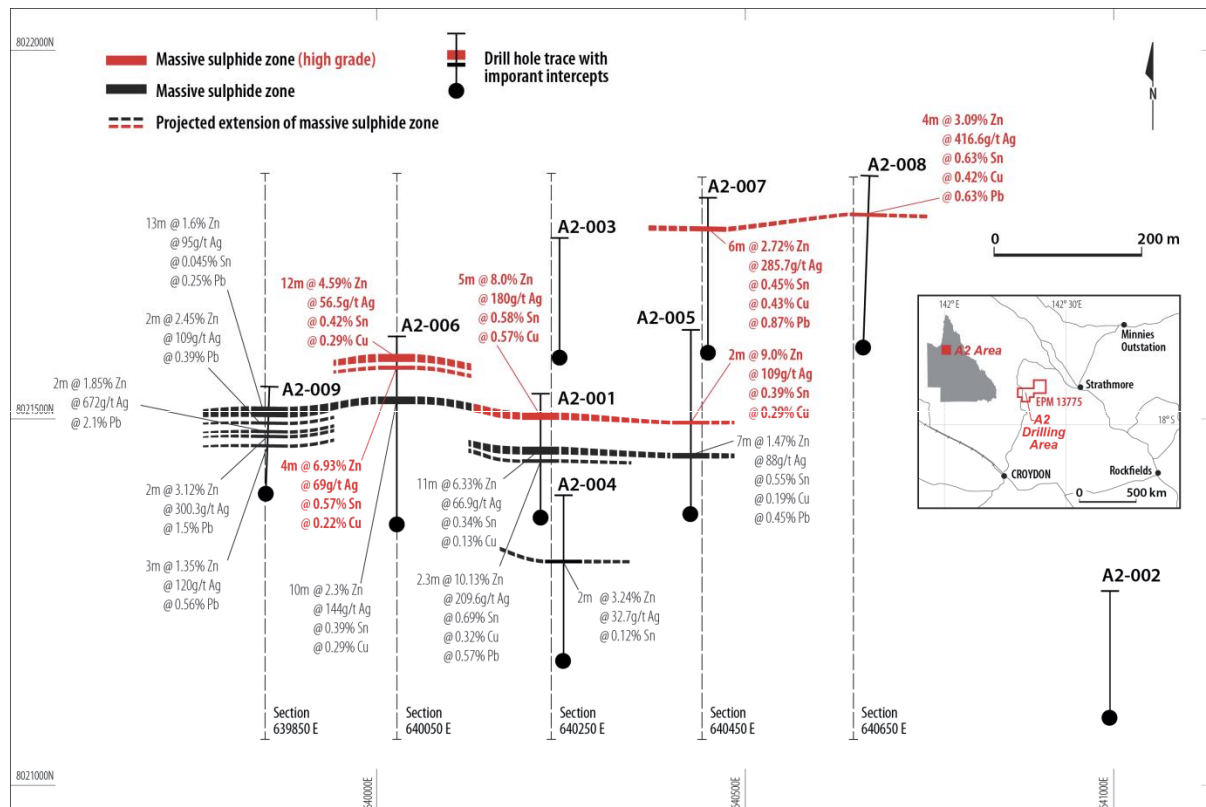


Figure 1 - Massive sulphide drill hole intersections at the A2 anomaly.

The tabulated intercepts represent the down hole length (not apparent true widths) of massive sulphide zones and were selected based on a minimum intercept width of 2m and a maximum of 1m of internal dilution. The intercept metal assays were calculated using a weighted average, whereby the summation of the individual sample assay result is multiplied by the sample width then divided by the summation of the intercept length. Each sample is of half core and sample lengths varied from 0.4m to 1.3m, but the majority of samples were 1m in length.

LOCATION, ACCESS AND INFRASTRUCTURE

Anomaly A2 is located some 37 kilometres NNE of the Croydon township. Croydon is a well-established town, with good infrastructure including a sealed, mainly single lane highway, stretching 560 kilometres from Cairns, a 1520 metre long sealed airstrip and all town services, including accommodation. It is a very historic town, with many of the original buildings restored, including among other sites, the original police station, watch house, courthouse and school in the Historical Village developed by the local council.

A2 POLYMETALLIC PROJECT TENURE

Crater Gold Mining Limited (ASX:CGN, "the Company") is the registered holder of the Wallabadah EPM 13775 in the Croydon region of NW Queensland.

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The information contained in this report that relates to Exploration Results at the A2 Polymetallic Project near Croydon, Queensland, is based on information compiled by Ken Chapple, who is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has been assisting the Company as a technical consultant relating to his areas of expertise. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.