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GOLD AND SILVER-COPPER-POLYMETALLIC ANOMALIES IDENTIFIED FROM SGH SOIL SAMPLING AT THE A5 ANOMALY PROSPECT, NORTH QLD

- **Encouraging co-incident gold, silver-copper-polymetallic anomalism has been obtained from SGH soil sampling at the A5 Anomaly Prospect.**
- **The A5 Anomaly Prospect area has similar aeromagnetic features to the A2 Polymetallic Project area located 16 km to the SE.**
- **Based on the encouraging trial results, extension of the A5 prospect area sampled will be undertaken.**

Crater Gold Mining Limited (ASX:CGN) ("Crater Gold" or the "Company") is pleased to announce that it has received Actlab's interpretation report on the analytical results of a trial Spatiotemporal Geochemical Hydrocarbon (SGH) soil sampling program undertaken in the A5 Anomaly Prospect area at Croydon in North Queensland within EPM 16002. As previously announced (26th February 2018, "High Priority Drill Targets Identified from SGH Soil Sampling – A2 Polymetallic Project, Croydon, North Qld"), SGH sampling is a cost effective, deep penetrating geochemical technique that was previously successful in identifying high priority silver, copper and polymetallic drill targets at the A2 Polymetallic Project within EPM 13775, located 16km to the SE.

The A5 Anomaly Prospect area bears broad similarities to the A2 Polymetallic Project. A total of 74 B-horizon soil samples were collected at the end of 2017 at 100m spacings along three, 2.4km long, 100m spaced, N-S lines (Figure 1). Samples were placed in storage with the intention of submitting them for SGH analysis if the results of the A2 Anomaly Project sampling program provided encouragement. Upon confirmation of positive results from the testing of samples submitted from the A2 Polymetallic Project–, the samples for the A5 prospect were submitted for assay in early 2018.

The SGH testing of samples from the A5 prospect detected anomalies associated with gold, silver, copper and polymetallic mineralisation (Figures 3-6). The copper, silver and polymetallic anomalism is essentially co-incident (Figure 2). Gold anomalism partly overlaps the co-incident anomalism as shown on Figure 2. All of the anomalism defined by the soil sampling undertaken to date closely overlies the central zone of the aeromagnetic anomaly low as shown on Figure 2.

Although the trial SGH soil sampling program for the A5 prospect only covered a narrow area 2,400m long by 200m wide, Actlabs were able to identify the presence of a Redox Cell defined by a "rabbit ear" feature they consider to be part of a halo anomaly that would become more evident if the survey area was wider (identified circular Redox Cell shown on Figures 3-6).

Although acknowledging that expansion of the sampled area needs to be undertaken to formerly confirm this, Actlabs have allocated their interpretation of the SGH test results for A5 a high confidence rating of 4.0 out of a possible maximum 6.0 for the silver-copper-polymetallic anomalies indicated Actlabs gave a higher confidence rating of 4.5 out a maximum 6.0 for the

gold anomaly indicated. Anomalism associated with gold, silver, copper and polymetallic has been identified by Actlabs around the margin of the Redox Cell (Figures 3-6).

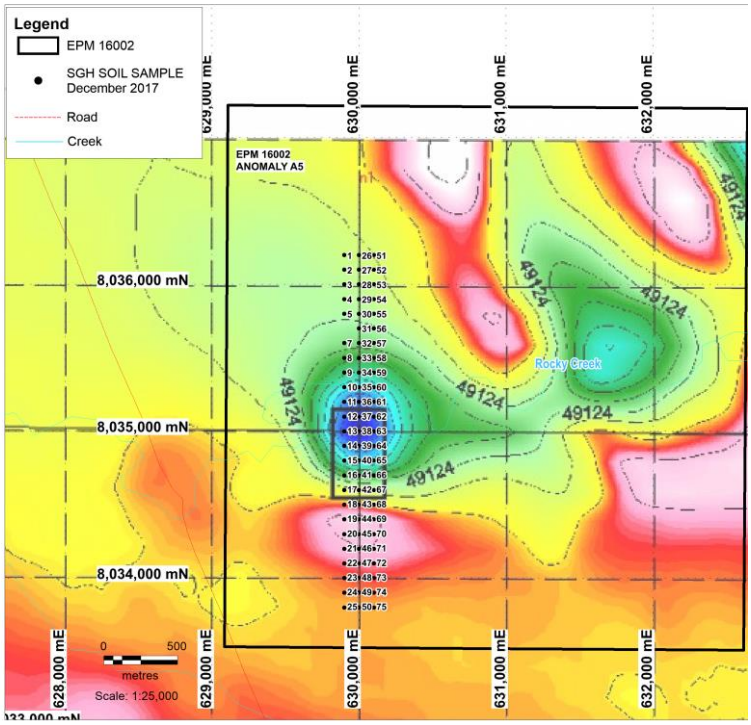

FIGURE 1: SOIL SAMPLING GRID – A5 ANOMALY PROSPECT, EPM 16002

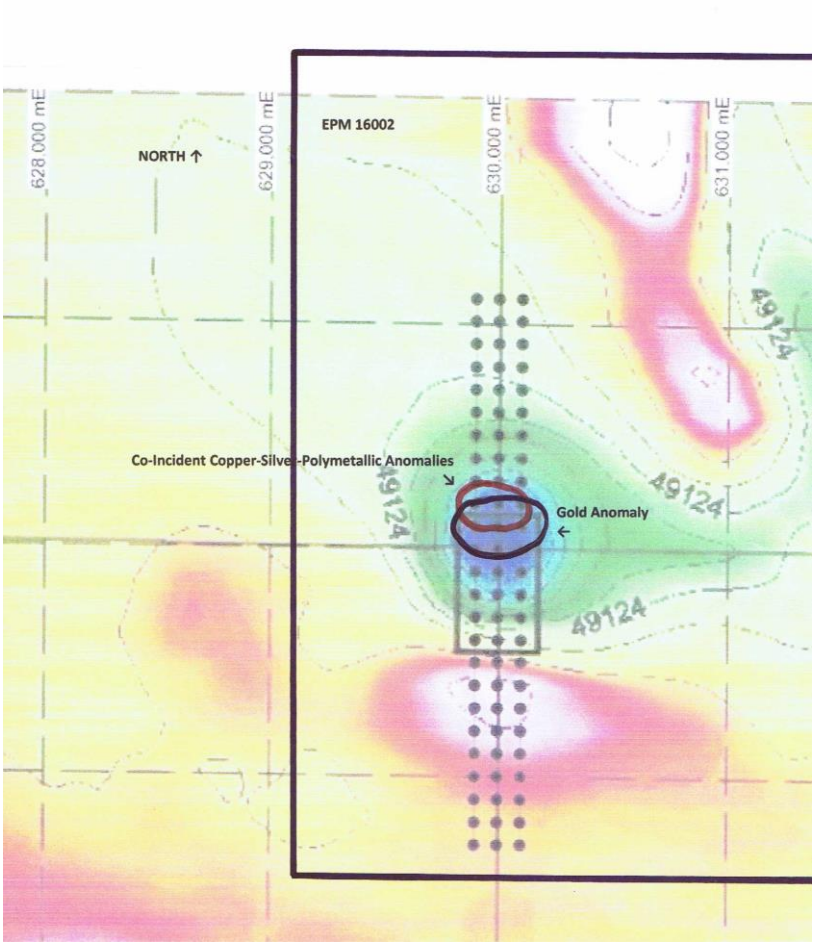

FIGURE 2: CO-INCIDENT CU-AG-POLYMETALLIC SGH SOIL ANOMALY AND PARTLY OVERLAPING AU ANOMALY DRAPED OVER AN AEROMAGNETIC BASE.

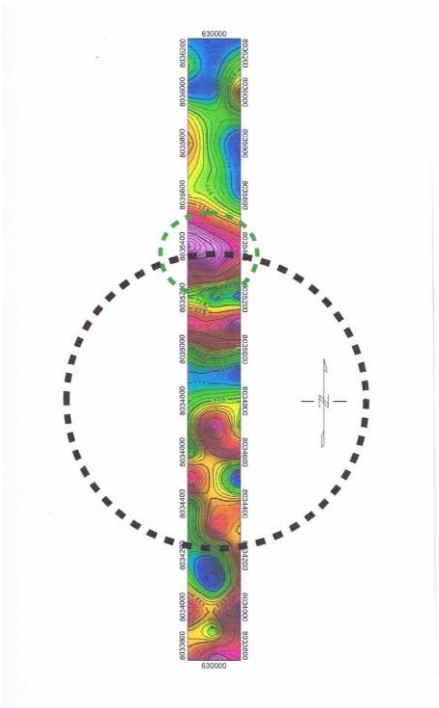

FIGURE 3: COPPER ANOMALY IN GREEN

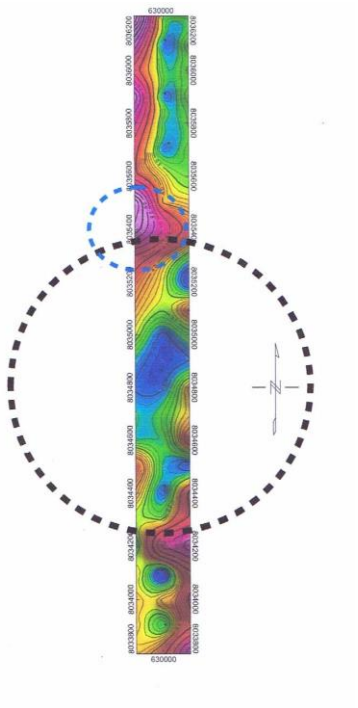

FIGURE 4: SILVER ANOMALY IN BLUE

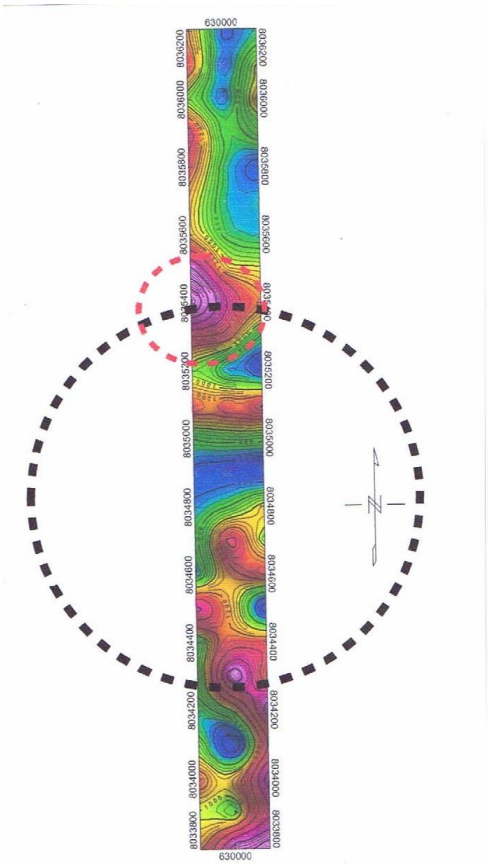

FIGURE 5: POLYMETALLIC ANOMALY IN RED

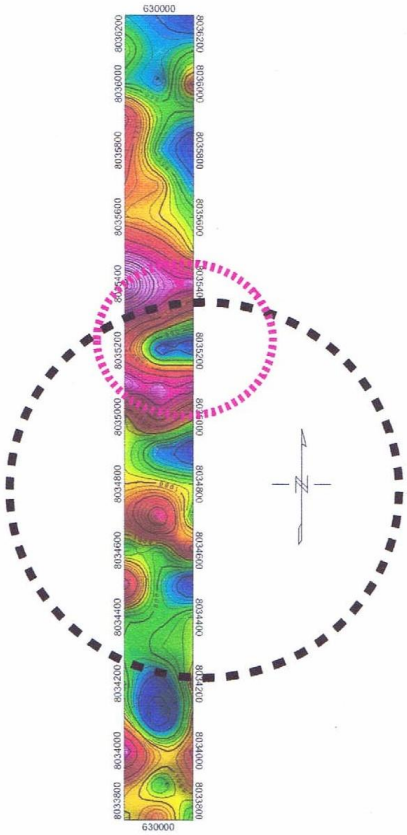

FIGURE 6: GOLD ANOMALY IN MAGENTA

Based on the encouraging trial results, extension of the area sampled will be undertaken to define extensions and any further anomalous zones to prioritise targets for drill testing.

Managing Director Russ Parker stated:

"We are excited with the results of the trial soil sampling undertaken at the A5 Prospect which appear to have detected further anomalies in addition to the encouraging results recently obtained at the A2 Polymetallic Project located 16km to the SE. Of particular interest is the detection of gold anomalism, the first to be identified in the area. We look forward to confirming the anomalous zones and further expanding them by collecting additional samples for testing over a wider area".

For further information contact:

Mr Russ Parker
Managing Director

The information contained in this report that relates to Exploration Results at the A5 Anomaly Prospect in the Polymetallic Project Area at Croydon, North Queensland, is based on information compiled by Ken Chapple and an interpretation report compiled by Actlabs of Ontario, Canada. Mr Chapple is an Associate Member of The Australasian Institute 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 and the Actlabs A5 Anomaly SGH Project Report A18-02837 in the form and context in which it appears.

Forward Looking Statements: This Announcement contains certain forward looking statements. The words 'anticipate', 'believe', 'expect', "optimism", 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable at the time they are made but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should therefore not place undue reliance on forward-looking statements.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• A small program of SGH soil sampling program was undertaken at Aeromagnetic Anomaly 5 in December 2017. The objective was to collect the samples and place them in storage with the intention of submitting them for SGH analysis if the results of the A2 Polymetallic Project sampling program provided encouragement. Upon confirmation of positive results from Anomaly A2, the samples were submitted for analysis early in 2018. • The program undertaken involved conventional collection of 74 upper B Horizon, 100m spaced soil samples from three, 100m spaced, 2.4km long lines. Each sample was taken from depths of up to 37cms but averaging less than 25cms. • Samples were exported to Actlabs in Ontario, Canada, for analysis and interpretation by their proprietary SGH (Spatiotemporal Geochemical Hydrocarbon) technique. • Sampling programs present problems for interpretation if the number of samples collected is less than 50 in total. Actlabs were satisfied that the Company's 74 sample program would provide sufficient data on which they could base a reasonable interpretation. • Sample representivity not considered to be a problem as the analytical technique involves only partial sample digest. • Samples excavated in shallow pits by shovel and approximately 70gm from each site placed in zip-lock plastic bags. • Personnel participating in the program were instructed by experienced geologist Mr. Ken Chapple who is the Competent Person who prepared this Announcement. The leader was Senior Field Technician, Mr Jim Gilmartin who undertook the Anomaly A2 program with Mr Chapple.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling has been undertaken in the Anomaly A5 soil sampling program.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• No drilling has been undertaken in the trial program. • Duplicates were selected on a 1 in 10 basis for a total of 7 samples.

Criteria	JORC Code explanation	Commentary
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Standards, not relevant for the SGH technique. • Samples weighed and double bagged to guard against breakage and sample loss. Each bag was labelled to guard against numbering errors. • Duplicate sample set kept on site in case submission set lost in transit to Canadian Lab.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Samples not logged except for surficial identification of soil B-Horizon. • All sample pits photographed for the record.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Representivity and sample grain size not a question here. After low temperature drying, samples are partially acid leached to release the targeted weakly bound hydrocarbons followed by organic chromatography and finally hydrocarbon detection by mass spectrometry to detect extremely low levels of specific hydrocarbons.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Technique involves only a partial extraction. • Analytical results are not assessed as conventional inorganic geochemical data would be, but are treated in a semi quantitative manner by Actlabs who provide SGH interpretations for client's surveys based on experience gained from over 1,000 worldwide surveys. No conventional geochemical results, geology or geophysics data is taken into account. Furthermore, the intensity of the image colours used is not an indicator of grade or amount of mineralisation present as the SGH method only serves as a locator of mineralisation under cover. • Use of standards and blanks and external laboratory checks not relevant here.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Personnel participating in the trial program were instructed by experienced geologist Mr. Ken Chapple who is the Competent Person who prepared this Announcement.

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification by other independent or alternative company personnel was undertaken. • No adjustment was made to the assay data results.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The sample grid was not marked out on the ground prior to commencement of sampling. Instead samples were collected on N-S and E-W lines at 100m spacings using hand held GPS units for location. Grid system used was metric WGS 84 Zone 54K • Ground location was considered appropriate for the purpose of the work undertaken with accuracy of +/- 4m indicated. • Ground access was facilitated by the use of quad-bikes.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Given the wide stock-work micro-veining identified in the previous drilling at A2, sample spacing of 100m was considered appropriate for the purposes of the trial. • No sample compositing was undertaken.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No bias introduced by the sampling as results are only used in an indicative manner.
Sample security	• *The measures taken to ensure sample security.*	• Security considered as adequate to preserve integrity of the samples. • Samples under control of the sampling team until packed and made ready for dispatch by courier to Actlabs, Canada. • Actlabs did not report any tampering of the sample packages upon receipt by them.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the sampling techniques were undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The sampled area is located with Company EPM 16002, issued by the Queensland Government. The tenement is current to 30th January 2021. Following serving of the required land entry notices to the property owners, no access restrictions were experienced.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Company is not aware of any exploration work having been undertaken by other exploration companies in the area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geology of the basement rocks is unknown as they are overlain by at least 150m of Mesozoic sediments.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• No drilling undertaken during the current soil sampling program.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No drilling undertaken during the current soil sampling program.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not relevant as no drilling undertaken.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps summarising the analytical results obtained from the trial soil sampling undertaken have been presented.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All result summaries have been plotted on the included maps.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• As the area is topographically flat and the mineralised horizons are lying below at least 150m of Mesozoic cover, no other observations have been made.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• It is considered encouraging that assessment of the SGH soil sampling results has anomalous zones. The Company intends to expand the soil sampling area to confirm the results of the trial soil sampling program and to close-off all possible anomaly extension zones.