

11th February 2019

Australian Securities Exchange

**CRATER GOLD MINING LIMITED
GOLD PRODUCTION AT HGZ PROJECT**

Crater Gold Mining Limited (“Company”) (ASX: CGN) is pleased to provide an update on the High Grade Zone (“HGZ”) gold mining project at Crater Mountain, PNG.

The Company has produced approximately 66 ozs of gold. Production was from a composite of low and high grade gold ore.

Current production is running at minimal levels utilising only the newly purchased hammer mill and concentrator whilst the process plant is being refurbished. Once the full plant is operational a night shift will be introduced with production rates expected to increase greatly.

Additional pneumatic jack hammers are en route to the mine site and these will allow more specific mining on an increased number of faces, thus providing additional high grade ore to the processing plant.

Skid steer loaders have been ordered and are expected on site shortly. The skid steer loaders will dramatically improve the underground bogging operations and also increase the ore tonnage to the process plant.



The HGZ mine has for some time been operating at a minimal capacity, however we are confident that when the new and refurbished mining equipment is commissioned, allowing the processes as mentioned above to be implemented, that they will all have a considerable effect in increasing gold production at the HGZ mine.

Crater Gold Mining Managing Director, Russ Parker said:

“...The Company has been frustrated by further delays at the HGZ mine, however during this time we have been planning and carrying out improvements to the mine and fully expect these to have a very positive effect on gold mining production rates at the HGZ. As shareholders are no doubt aware, the Company is in the midst of a Rights Issue. On behalf of the Board I encourage all shareholders to take up their Rights entitlements. A better funded Company will enable further improvements to the HGZ mine “

Russ Parker
Managing Director

The information contained in this report relating to exploration activities is based on and fairly represents information and supporting documentation prepared by appropriately qualified company personnel and reviewed 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 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.

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', 'encouraging', 'significant' 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 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.*