

23 December 2014

Australian Securities Exchange

Crater Mt, PNG Project

The Company announces that the Mines Safety Inspectorate has been undertaking an inquiry into the circumstances surrounding a motor vehicle accident which occurred at the Crater Mountain site on 23 November 2014 which ultimately led to the death of the driver of the motor vehicle.

To date there has been no suggestion that any failure of the Company caused or contributed to the accident, and the Company believes that at all relevant times it has provided a safe system of work and had appropriate operating procedures. The Company has co-operated closely with the Inspectorate during the investigation whilst also endeavouring to handle with care and sensitivity the circumstances surrounding the death of its former employee.

As a result of the inquiry the Inspectorate has identified areas where changes and improvements should be made to enhance the safe environment at the Crater Mountain gold mine.

While the identified changes are being implemented the Inspectorate has instructed that mining activities be ceased.

The Company notes that it has only been a few weeks since the Mining Lease for the Crater Mountain Project has been granted following a review of the mine and its safety activities. As a result the Company expects to be able to comply with the Inspectorate's orders within a short period of time.

CRATER GOLD MINING LIMITED



Greg Starr
Managing Director