

CRATER

GOLD MINING



NEW ADIT SET TO ACCELERATE GOLD PRODUCTION

Investor update – December 2016

Introduction

NEW ADIT SET TO DELIVER STRONG CASHFLOW

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Highlights

New adit to accelerate gold production in 2017

Ramping up	Second adit nearing completion, set to dramatically increase production at rich High Grade Zone (HGZ) mine at Crater Mountain, PNG
Robust margins	New adit to exploit richer gold zones, deliver superior margins going forward
Growth strategy	Ongoing cashflow to support further development of the HGZ mine and adjacent, substantial Mixing Zone gold deposit
Excellent upside	Maiden HGZ JORC supported resource of 44,500 t at 11.9g/t Au for 17,100 oz Au ¹ , with tremendous upside to increase resource and extend mining

(1) Refer to ASX announcement 24-11-16 titled 'Maiden JORC Gold Resource at HGZ Project, Crater Mountain, PNG'

Flagship project – Crater Mountain

- Located in the most prolific region for major gold deposits in the world, PNG
- 100%-owned
- Former tier-1 BHP asset
- 14,500+ metres drilling to date
- Resources defined
 - **HGZ:** 44,500t @ 11.9g/t Au for 17,100 ounce gold resource¹
 - **Mixing Zone:** 24Mt @ 1.0g/t Au for 790,000 ounce gold source²



Overarching strategy

1. Commence mining at new adit
2. Ramp up gold production
3. Fund further drilling of Mixing Zone

¹ Refer to ASX announcement 24-11-16 titled 'Maiden JORC Gold Resource at HGZ Project, Crater Mountain, PNG'

² Refer to ASX announcement 21-12-11 Initial Resource Estimate. "This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported "

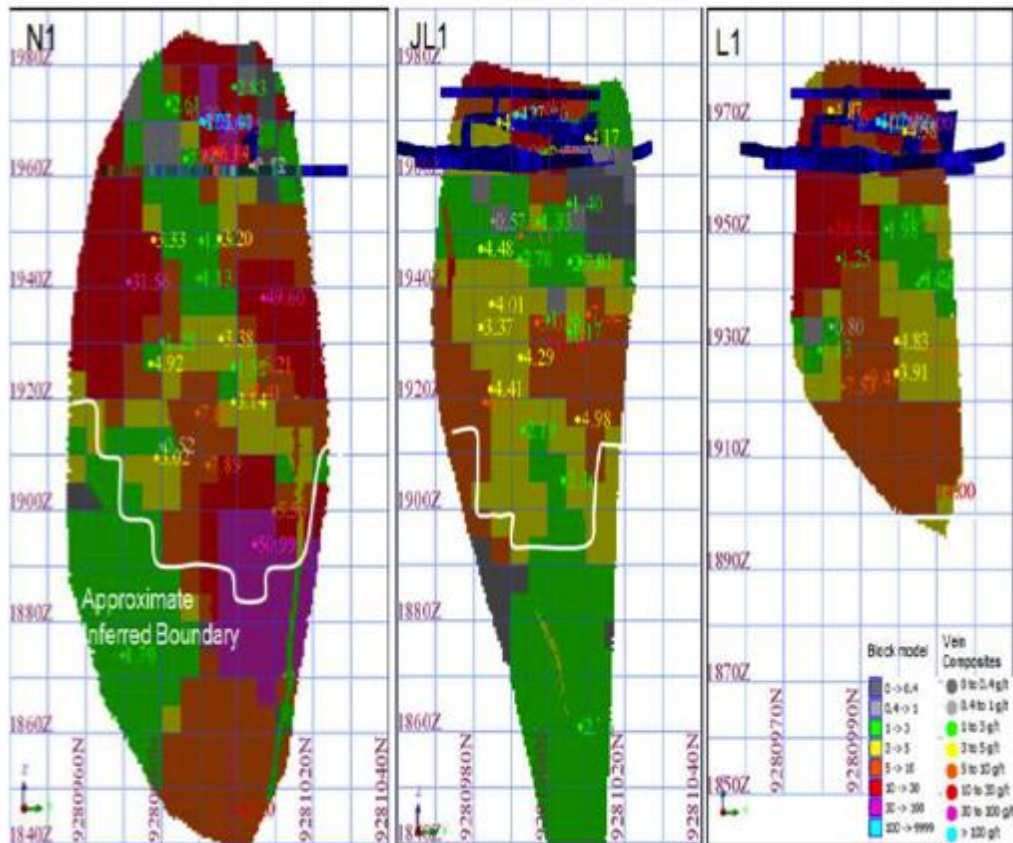
HGZ – mining commenced, production to substantially increase in 2017

Mining commenced, anticipate robust margins

Production	Commenced, and ramping up with second adit nearing completion
Operating costs	Robust margins expected once steady state achieved
Mining method	Highly selective, underground mining
Processing	Gravity separation
New adit	Set to be completed by January 2017



New adit to tap rich, 'untouched' gold



Second adit nearing completion, exploiting very rich gold veins

3 major high grade veins identified, untouched by previous artisanal mining

Contained gold estimated **11,800 oz** within these veins. Open down dip

New adit to access these veins as well as other cross cutting structures

incl. ~100m of previously unexplored ground adjacent to high-grade zone

Three closely linked, high grade gold veins set to be exploited in 2017

Potential to increase HGZ resource

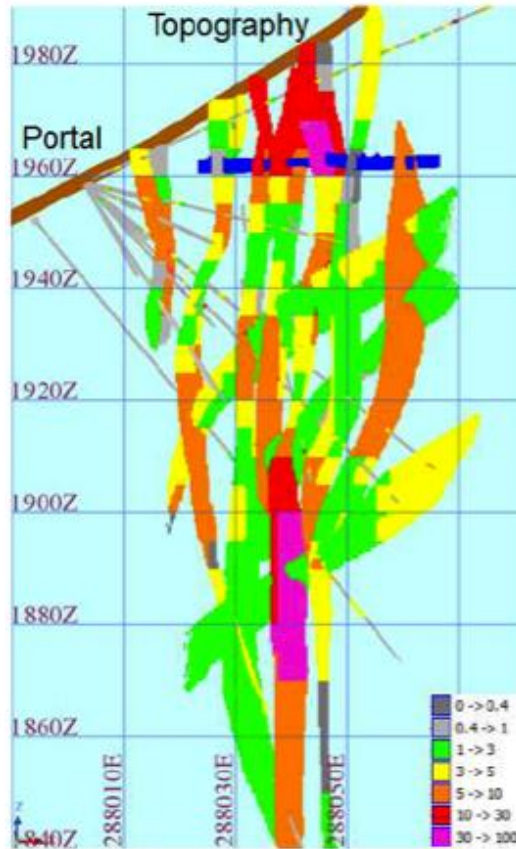


Figure 2 - Mineralised Zones at Crater Mountain Deposit. (5281000 mN)

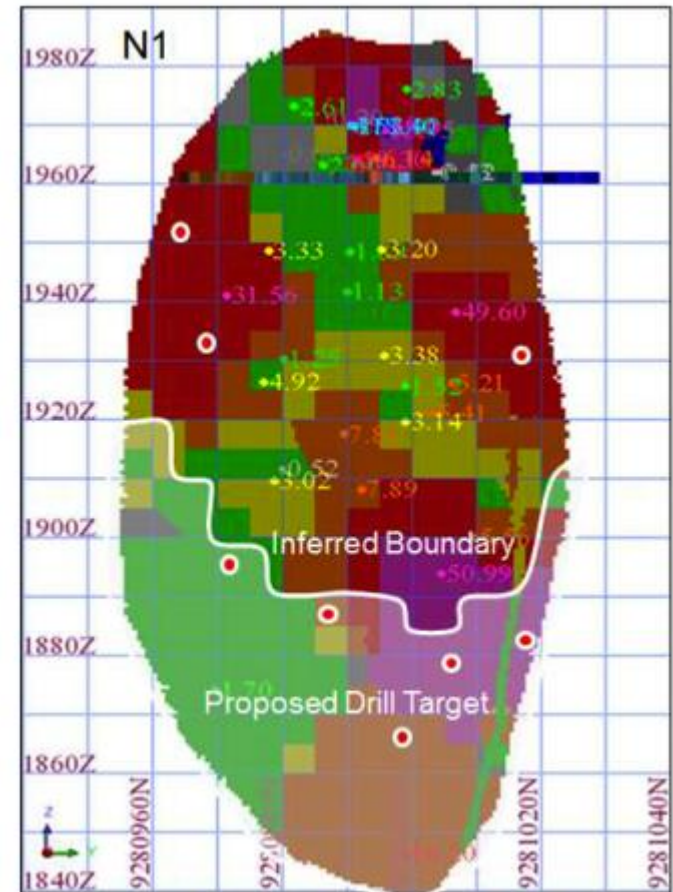


Figure 3 Long Section View showing Proposed Drill Intercepts

**Drilling to date yet to exceed 75m from surface, excellent upside
New adit at 1930m RL to provide access to deeper targets**

Timeline - HGZ

TIME	EVENTS
2014	<ul style="list-style-type: none">• MLA application for HGZ• ML 510 granted• Landowners agreement secured
2015	<ul style="list-style-type: none">• Commencement of mining
2016	<ul style="list-style-type: none">• First gold sales• Upgrade mining plant• Maiden HGZ mine JORC resource• Revised mine plan to incorporate second adit
2017+	<ul style="list-style-type: none">• Completion of second adit to tap richer gold veins• Accelerating gold production• Extension drilling to increase resources at HGZ• Further drilling at Mixing Zone

Other assets

Location	Details
Crater Mountain, PNG	<ul style="list-style-type: none">• Mixing Zone project – potential to increase resources with further drilling• Porphyry project - large porphyry copper-gold system identified by drilling at +800m depth
PNG	<ul style="list-style-type: none">• Fergusson Island (Gold) – gold resources defined
Queensland	<ul style="list-style-type: none">• A2 Polymetallic project at Croydon• Golden Gate project at Croydon (Graphite, Gold)

Board and management

Board of directors	
Sam Chan	Chairman
Thomas Fermanis	Deputy Chairman
Russ Parker	Managing Director
Richard Johnson	Technical Director
Desmond Sun	Non-executive
Lawrence Lee	Non-executive
Heath Roberts	Company Secretary

Richard Johnson Technical Director

Mining engineer with extensive experience running projects in many regions including PNG. Between 2002 and 2005, Richard was responsible for turning around DRDGold's high grade underground Tolukuma Gold Mine in PNG's Central Province into a highly profitable operation. He has been a senior executive and Director in several resources companies in the region, including Allied Gold and DRDGold.

Russ Parker Managing Director

Director since 12 March 2013. Russ is a qualified Marine Engineer and Marine Industries Manager having graduated from Southampton Institute of Higher Education, Marine Division, in Warsash, United Kingdom. He is a professional Company Director.

Experienced board with track record of bringing gold projects into production

Corporate snapshot

Trading exchange

ASX	CGN
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Capital structure

Shares on issue	272 million
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Shareholder breakdown

Board and management	59%
Top 20	84%



Growing production,
strongly leveraged to
the gold price

Capitalisation

(as at 30/11/2016)

Market cap	\$12 million
Share price	4.4 cents
Year high	9 cents
Year low	4 cents

Summary

New adit set to accelerate HGZ gold production, deliver strong cashflow in 2017

Second adit nearing completion at HGZ, opens up richer gold veins at HGZ mine

New adit provides opportunities for deeper drilling, expected to increase resources and extend life of operations

Robust margins and cashflow to fund further development of HGZ mine and Mixing Zone project

Long term world class potential via Mixing Zone and porphyry targets. Resume Mixing Zone drilling Q4 2017

Experienced management in exploration, production and corporate activities

Financially well supported

Share price represents excellent value

Contact us

ASX CODE : CGN

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Disclaimer

This presentation contains forward-looking statements that are subject to risk factors associated with exploration, mine development, mining, processing and sale of minerals. Forward-looking statements include those containing such words as anticipate, estimates, should, will, expects, plans or similar expressions.

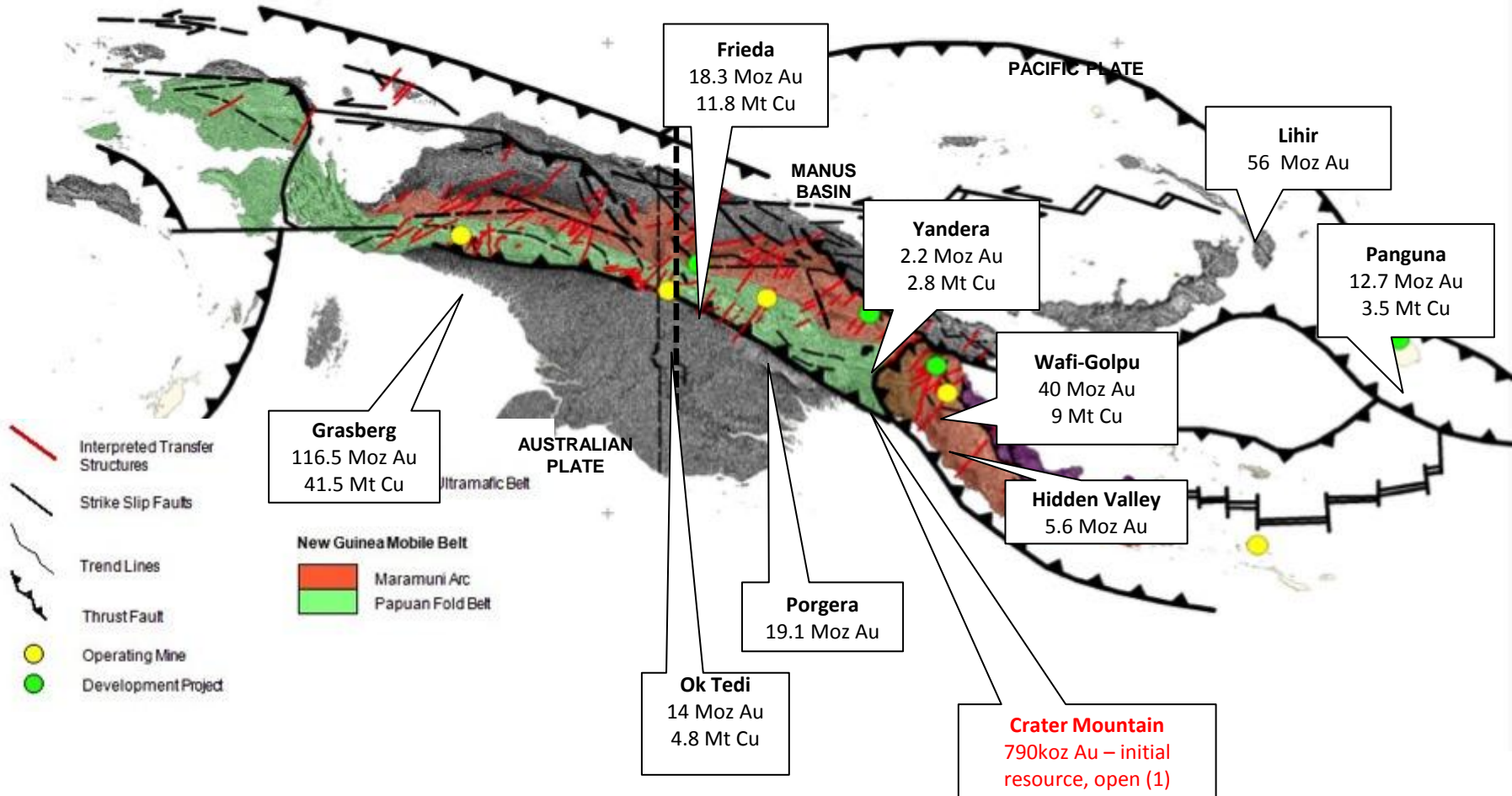
It is believed that the expectations reflected in these statements are reasonable but they may be affected by a range of variables and changes in underlying assumptions which could cause actual results or trends to differ materially. These include, but are not limited to: price and currency fluctuations, actual demand, production results, exploration results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Competent Person For Crater Mountain

The information contained in this report relating to Exploration Results at Crater Mountain PNG is based on and fairly represents information and supporting documentation prepared by Mr R Johnson, PNG General Manager of Crater Gold Mining Limited. Mr Johnson is a Fellow of The Australasian Institute of Mining and Metallurgy and has the relevant experience in relation to the mineralisation being reported upon to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Johnson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Crater Mountain

Premier location for world class deposits



(1) Refer to ASX announcement 21-12-11 Initial Resource Estimate. "This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported"

Crater Mountain

Mixing
Zone
(MZ)

High Grade
Zone (HGZ)

Porphyry
Au-Cu

NEVERA PROSPECT – 3 zones identified

Crater Mountain

NOW

High Grade Zone (HGZ) mine

- Anticipated low cost, high margin production
- Rich, shallow gold zone
- **RAMPING UP PRODUCTION**
- Tremendous upside for further gold resources

NEAR TERM

Mixing Zone (MZ) project

- Substantial gold resource
- Open along strike and up dip
- Excellent exploration upside

LONGER TERM

Porphyry target

- Large, massive porphyry at depth identified
- Similarities to Wafi-Golpu

OVERARCHING STRATEGY

CRATER MOUNTAIN

Mixing Zone

Key facts	
JORC inferred resource	24M tonnes at 1g/t Au for 790,000 ozs gold (0.5 g/t Au cutoff) (1)
Higher grade section	9.4M tonnes at 1.46 g/t Au for 440,000ozs gold (1 g/t Au cutoff)
Dimensions- open	750m strike length 550m width 150m thickness
Geology	Low-sulphidation epithermal carbonate base metal sulphide - gold deposit
Potential to increase resource by further drilling	

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CRATER MOUNTAIN

Porphyry potential

- World class potential hinted at by indications of porphyry structures
- Potential large volume, deep porphyry copper-gold system identified by drill-hole petrology and airborne magnetics
- 7 additional targets identified
- Longer term development
- Similar geological model is Newcrest/ Harmony Gold's world class Wafi – Golpu deposits
- +20M ounces of gold equivalent in deep Golpu porphyry copper-gold