

15 June 2017

Australian Securities Exchange

Valuation of PNG Assets

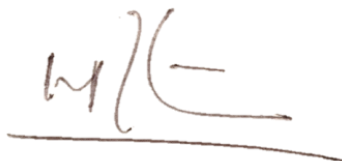
The Crater Gold Mining Limited (**Crater Gold**, or the **Company**) 31 December 2016 Financial Statements were released on 16 March 2017. These financial statements were subject to an Audit 'Disclaimer of Conclusion'. The background to the Disclaimer of Conclusion was addressed in the Company's announcement of 24 March 2017.

In order to address the underlying reason for the Disclaimer of Conclusion, the Company commissioned an independent valuation of its projects in Papua New Guinea (PNG). This valuation process is now complete and the results are summarised as follows:

| Preferred Market Value | | |
|-------------------------------|-------------------|--------------|
| Low AUDM | Preferred AUDM | High AUDM |
| 3.3 | 8.0 | 10.6 |

The Company does not propose to prepare and release a pro-forma Statement of Financial Position to reflect the potential impact of the valuation at this juncture, but rather will await the preparation and release of its 30 June 2017 Annual Financial Statements and the audit thereof. That said, based on the Company's 31 December 2016 Financial Statements (which were subject of the Disclaimer of Conclusion referred to above), it is noted that if the preferred market value of \$8,000,000 was recognised as at 31 December 2016, Non-current assets would have been written down/impaired by \$15,343,249.

Yours sincerely
Crater Gold Mining Limited



Heath Roberts
Company Secretary