

13 December 2023

CRATER GOLD MINING LIMITED – CONVERSION OF FREEFIRE LOAN AND DIRECTOR FEES

Crater Gold Mining Limited (ACN 067 519 779) (**CGN** or the **Company**) is pleased to provide the following update.

Debt Conversion

Freefire Technology Ltd (a company incorporated in Hong Kong) (**Freefire**) is a substantial shareholder of the Company, controlled by Samuel Chan, a Director of the Company. As at 12 December 2023, Freefire held 104,055,854 Shares (approximately 80.78% of the Shares on issue).

As at 30 November 2023, Freefire had advanced the Company \$13,536,484 under various loan facilities, with attendant accrued interest of \$4,183,378. The total amount owed by the Company to Freefire as at that date was \$17,719,862 (**Existing Debt**).

The Company and Freefire have entered into a deed of acknowledgement and release in respect of the Existing Debt (**Freefire Deed**).

The material terms of the Freefire Deed are as follows:

Debt Conversion	The Company has agreed to issue Freefire 35,000,000 fully paid ordinary shares (Shares) (Freefire Shares) to offset a total of \$4,200,000 of the Existing Debt (Redeemed Amount), calculated on the basis of a deemed issue price of \$0.12 per Share (Debt Conversion). Upon completion of this debt conversion, the total shareholding of Freefire in the Company will be approximately 83.98%.
Outstanding Debt	The parties have agreed that the amount of the Existing Debt remaining after the Debt Conversion (Outstanding Debt), will remain outstanding and payable by the Company to Freefire and the Company and Freefire will continue to be bound by their respective obligations under the various loan facilities with respect to the Outstanding Debt.
Release	On and from the issue of the Freefire Shares, Freefire agrees to unconditionally and irrevocably release and discharge the Company from all future obligations and claims which Freefire now or at any time may have against the Company, whether arising at common law, in equity, or under statute or otherwise, in relation to the Redeemed Amount.
Termination	If the issue of the Freefire Shares does not occur on or before 5.00pm (WST) on 15 December 2023 (or such later date as agreed to in writing between the parties), the Freefire Deed will automatically terminate and the parties will be released from their obligations under the Freefire Deed and to each other without any further liability to the other party for any reason whatsoever.

Conversion of Director Fees

The outstanding director fees owed by the Company to Russell Parker for the period from 1 April 2016 stand as at 30 September 2023 total \$662,904 (**Outstanding Amount**).

Russell Parker has agreed to convert 30% of the Outstanding Amount (\$198,871.20) into Shares. The Company and Mr Parker have entered into a deed of conversion and release in respect of the Outstanding Amount (**Deed of Conversion and Release**).

The material terms of the Deed of Conversion and Release are as follows:

Conversion of Outstanding Amount	The Company has agreed to issue Mr Parker 1,657,260 Shares in full and final satisfaction of 30% of the Outstanding Amount, calculated on the basis of a \$0.12 deemed issue price per Share.
Release	On and from the issue of the Shares, Mr Parker agrees to unconditionally and irrevocably release and discharge the Company from all future obligations and claims which he now or at any time may have against the Company, whether arising at common law, in equity, or under statute or otherwise, in relation to the Outstanding Amount.

Indicative Capital Structure

Upon completion of the Debt Conversion and conversion of the Outstanding Amount, the capital structure of the Company will be as follows:

	Shares
Shares on issue immediately prior to conversions	128,810,646
Shares to be issued pursuant to the Freefire Deed	35,000,000
Shares to be issued pursuant to the Conversion and Release Deed	1,657,260
Total issued capital post Debt Conversion and conversion of the Outstanding Amount	165,467,906

This announcement has been authorised by the Board of Directors.

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