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24 July 2013

Australian Securities Exchange

GOLDEN GATE PROJECT UPDATE EPM 18616, CROYDON, NORTH QUEENSLAND

- **Exploration License now granted**
- **Process to transfer to Crater Gold now underway**

Crater Gold Mining Limited ("CGN" or "the Company") announced in July last year that it has entered into an agreement with Global Resources Corporation Limited ("Global") to acquire from Global an Exploration Permit for Minerals in the Croydon District in North Queensland.

At the time the relevant Exploration Permit was under application by Global.

CGN is pleased to advise that the Exploration Permit has now been granted to Global by the Queensland Department of Natural Resources and Mines.

The appropriate steps are now being taken for the Exploration Permit to be transferred to CGN. Under the terms of the agreement, 49,333,991 CGN shares will be issued to Global. A 6% interest in the Exploration Permit will be retained by Global.

See the attached appendix for details of the project.

For further information contact:

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or visit the CGN website www.cratergold.com.au

Appendix

EPM18616 covers an area of 97.2 square kilometres of the historical Croydon Goldfield, which has recorded production of 844,000 ounces of gold and 900,000 ounces of silver in two periods of mining between 1885-1935 and 1987-90. The largest producer, the Golden Gate Lode (480,000 ounces of gold) is located within EPM18616 and EPM9438, tenements now owned 100% by CGN

The area of land covered by the relevant Exploration Permit is contiguous to land covered by CGN's Exploration Permits nos. 8795 & 9438, north of the town of Croydon.

Graphite at Golden Gate

In July 2004 the Company, when named Gold Aura Ltd, undertook preliminary assessment of a large graphite deposit located at the Golden Gate mine. The graphite deposit was systematically drilled as part of a regional gold exploration program in the late 1980's by Central Coast Exploration (CCE). Three vertical reverse circulation holes were drilled by the Company between 2005 and 2007 that confirmed that a thick graphite zone was present at Golden Gate (see figures 2,3 and 4).

SUMMARY OF RC DRILLING RESULTS AT GOLDEN GATE
NOVEMBER 1989 (CCE Report #192/90)

Hole #	Co-ordinates		End of Hole	Graphite Intercept	Width (m)	Average %C @ 2% cut-off
GGRC 2001	24201N	9550E	50m	44 - 50	6	3.5
GGRC 2002	23998N	9584E	44m	-	-	-
GGRC 2003	24000N	9701E	91m	48 - 78	30	7.3
GGRC 2004	23859N	9642E	76m	32 - 74	42	6.6
GGRC 2005	24101N	9773E	97m	37 - 93	56	6.0
GGRC 2006	24200N	9799E	93m	60 - 89	29	4.5
GGRC 2007	24200N	9699E	60m	3 - 56	53	5.8
GGRC 2008	24300N	9649E	66m	-	-	-
GGRC 2009	24399N	9699E	66m	-	-	-
GGRC 2010	24699N	9799E	30m	3 - 7	4	3.6
GGRC 2011	24901N	9700E	66m	-	-	-
GGRC 2012	25000N	9949E	48m	2 - 40	38	4.8
GGRC 2013	24999N	10049E	66m	-	-	-
GGRC 2014	25200N	10050E	80m	55 - 78	23	4.8/3.3
GGRC 2015	23799N	9324E	48m	5 - 24	19	3.8
GGRC 2016	25384N	9898E	48m	17 - 24	7	2.5
GGRC 2017	25599N	10099E	48m	7 - 28	21	3.8
GGRC 2018	24395N	10312E	66m	-	-	-
GGRC 2019	26600N	10400E	60m	-	-	-

Table 1 - Graphite Drilling Results at Golden Gate

Graphite Deposit Classification at Golden Gate

Graphite mineralisation at Golden Gate is probably of hydrothermal or magmatic origin and is located along the contact between granitic rocks that intruded rhyolitic volcanics. The drill intercepts indicate the deposit has a north-westerly strike and shallow easterly dip. Hydrothermal or magmatic graphite deposits are an important source of graphite with examples being mined in Sri Lanka and Sweden that produce both flake and amorphous graphite.

Since the Golden Gate graphite deposit is reasonably well defined by past drilling the exploration program to be conducted by CGN will involve collection of fresh drill core samples for metallurgical testwork. Should a commercial graphite deposit be proven at Golden Gate, the area is well served by infrastructure with the port of Karumba on the Gulf of Carpentaria that services the Century Pb-Zn mine being within 150 kilometres from the town of Croydon.

Gold Exploration Targets on EPM18616

The geology of the Croydon Goldfield consists of the mid Proterozoic Esmeralda Granite and the co-magmatic Croydon Volcanics while the gold mineralisation is much younger at 300Ma (similar in age to the Mt Leyshon or Kidston gold deposits). Approximately 80% of past production has come from granite-hosted veins known as granite lodes up to 9m thick and controlled by shallow NE dipping reverse faults. Lodes in volcanic host rocks had a maximum thickness of 4.5m in sub-vertical faults.

Gold mineralisation occurs in planar quartz veins, stockworks and breccias. The granite lodes are also spatially associated with graphite and base metals with the most significant graphite development known to date being at the Golden Gate mine.

The acquisition of EPM18616 consolidates the length of the Golden Gate lode within tenements held by CGN. Five priority exploration targets along the trend of the Golden Gate lode have been identified as shown by the cross-hatch areas on figure 1. These areas were selected as having potential for gold mineralisation under shallow cover. Future exploration will involve ground geophysics (IP & EM surveys) across target trends followed by drilling.

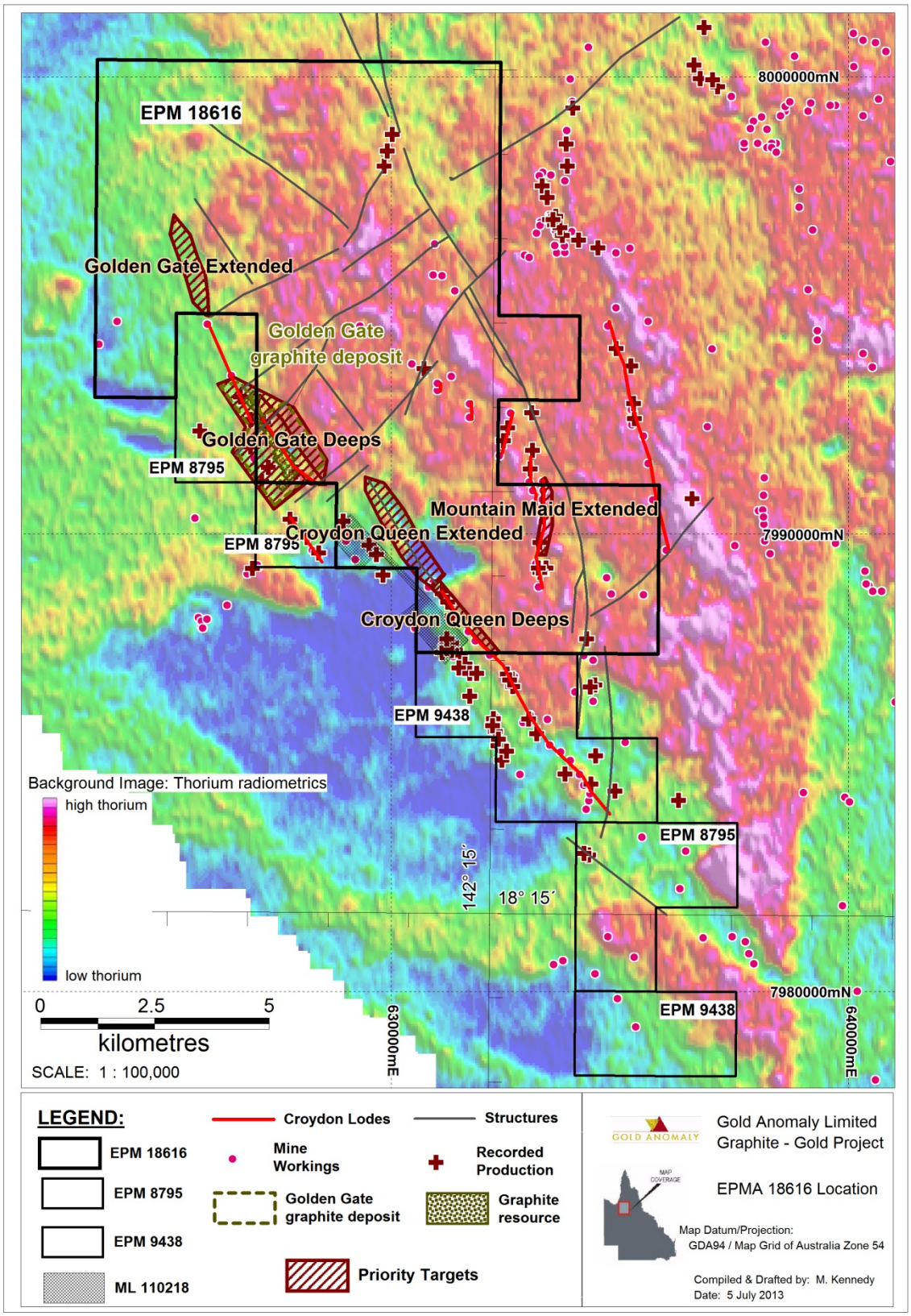


Figure 1: Location Map of EPM18616 showing the Golden Gate graphite deposit as well as principal gold exploration targets

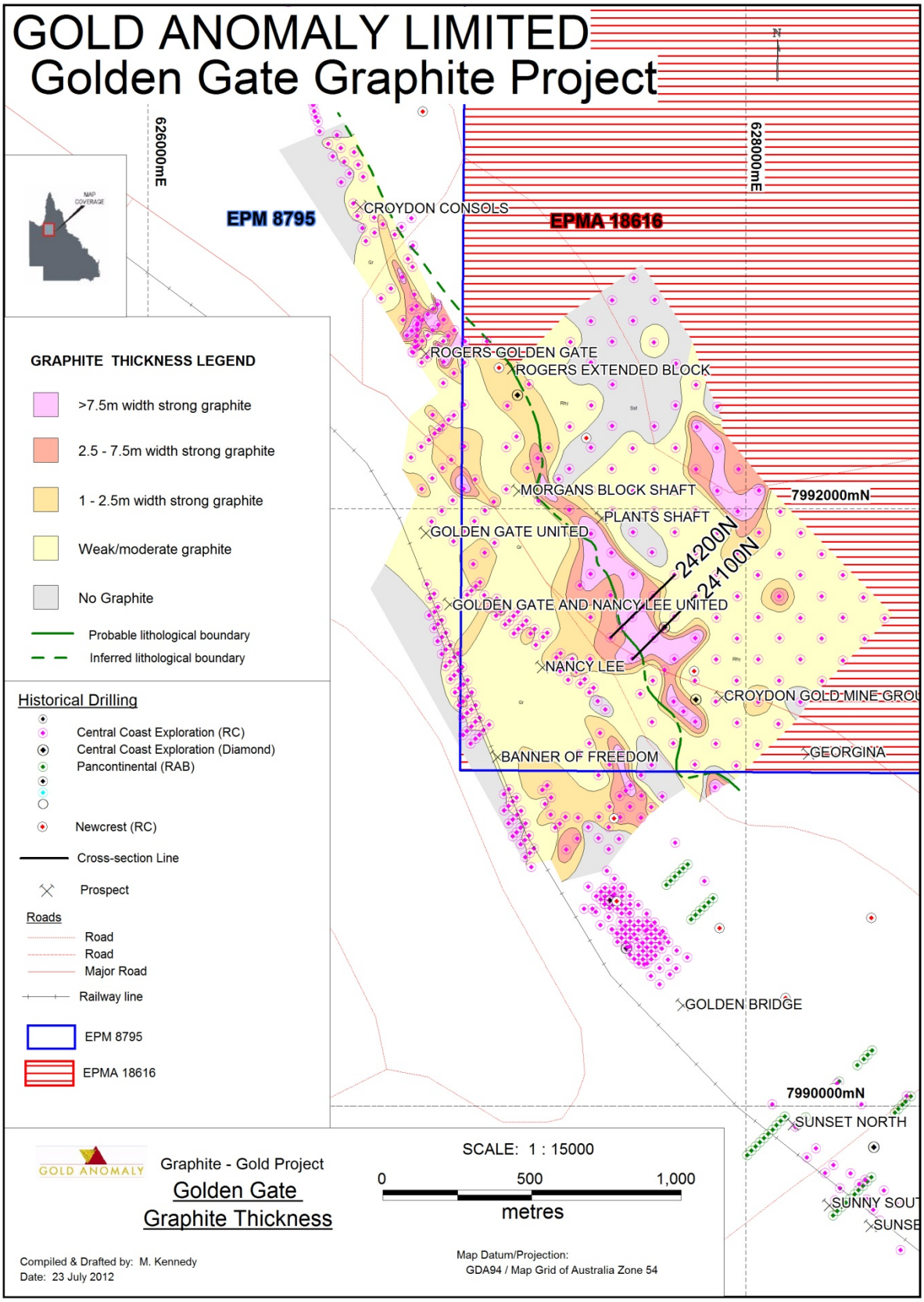
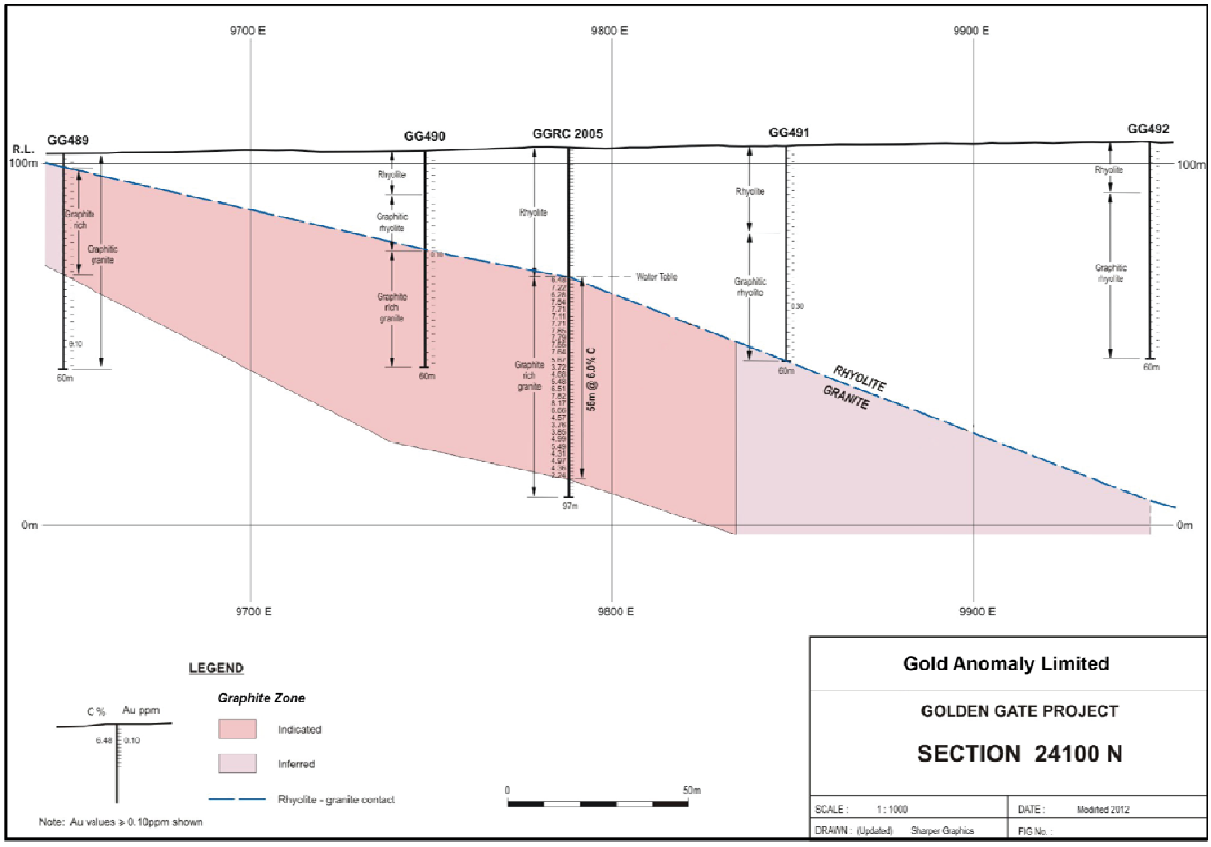


Figure 2: Location Map of the Golden Gate graphite deposit showing relationship with EPM8795 and EPM18616 as well as historical drill hole locations and contours of graphite thickness

Figures 3 & 4 – Cross sections through the Golden Gate graphite deposit based on drilling by CCE 1989.



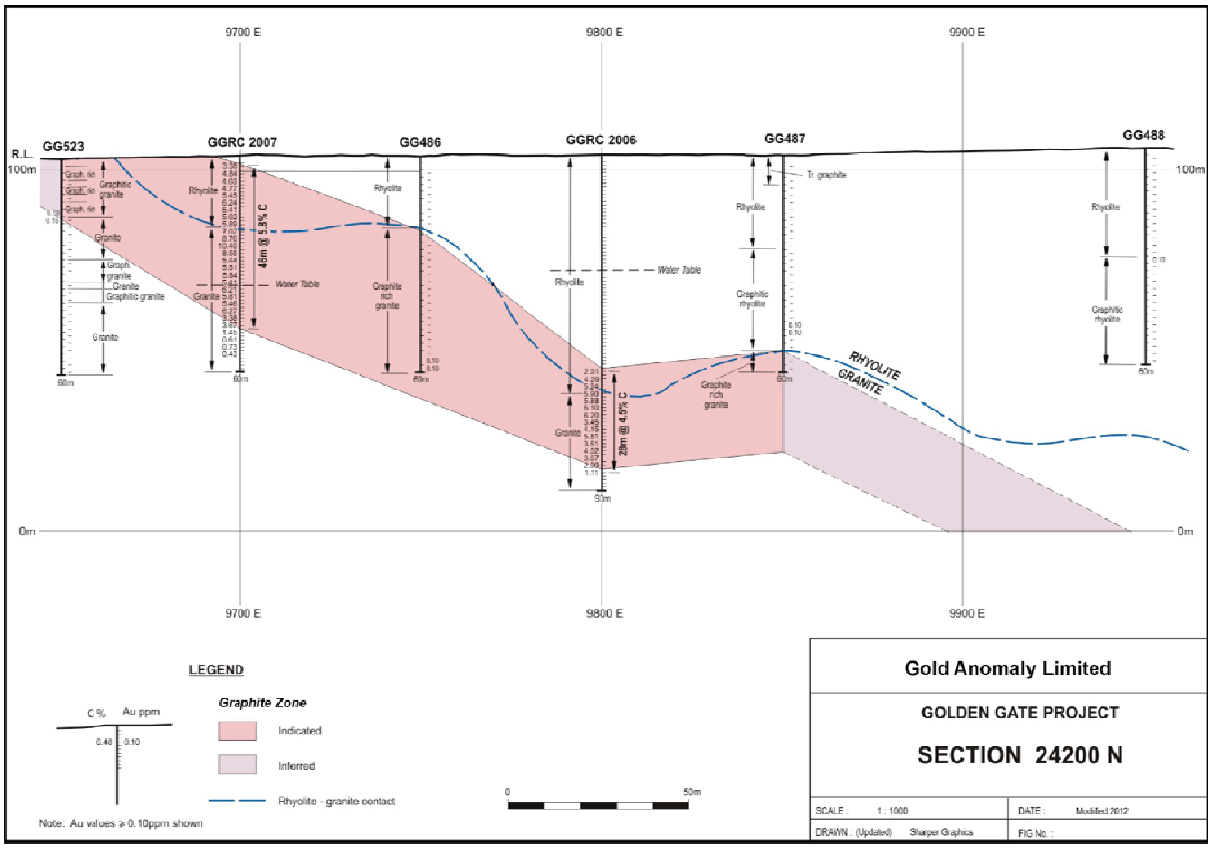
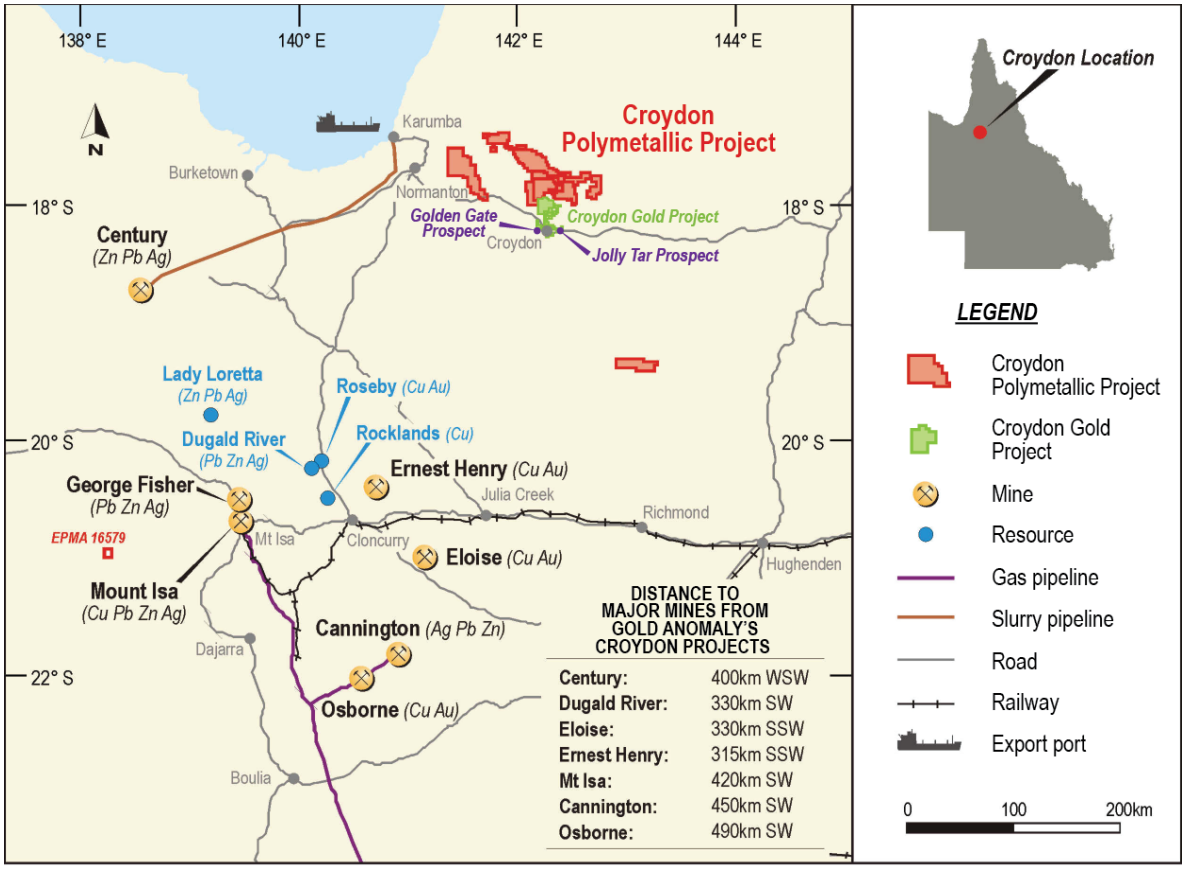


Figure 5 – Location Map of the Golden Gate and Jolly Tar Graphite deposits and their relationship to regional infrastructure and major mining operations.



GOLD ANOMALY'S CROYDON PROJECTS
LOCATION WITH RESPECT TO MAJOR MINERAL DEPOSITS AND MINES IN THE MOUNT ISA REGION

Competent Person Statement

The information contained in this report that relates to exploration results at Croydon, Queensland is based on information compiled by J. V. McCarthy, MAusIMM, Consulting Geologist. Mr McCarthy is a Member 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McCarthy consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.