



Crater Gold Mining Limited

ACN 067 519 779

NOTICE OF ANNUAL GENERAL MEETING

Date of Meeting	29 November 2017
Time of Meeting	12.00pm WST
Place of Meeting	London House, Ground Floor, 216 St Georges Terrace, PERTH

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 8) 8188 8181.

IMPORTANT INFORMATION

VENUE AND TIME OF MEETING

The Annual General Meeting of the Shareholders of Crater Gold Mining Limited which this Notice of Annual General Meeting relates to will be held at London House, Ground Floor, 216 St Georges Terrace, Perth on Wednesday 29 November, 2017 at 12:00pm WST.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm WST on 27 November 2017

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Crater Gold Mining Limited ACN 067 519 779 will be held at London House, Ground Floor 216 St Georges Terrace, Perth on 29 November 2017 at 12.00pm WST. The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the person eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm WST on 27 November 2017.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's Report for that financial year.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2017.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – THOMAS FERMANIS

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purpose of clause 59 of the Constitution and for all other purposes, Mr Thomas Mark Fermanis, a Director, retires by rotation, and being eligible, is re-elected as a Director of the Company.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – LAWRENCE LEE

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**

“That for the purpose of clause 59 of the Constitution and for all other purposes, Mr Lawrence Kin Keung Lee, a Director, retires by rotation, and being eligible, is re-elected as a Director of the Company.”

5. RESOLUTION 4 – RATIFICATION OF PRIOR SHARE ISSUE

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of clause ASX Listing Rule 7.4 and for all other purposes shareholders ratify the issue of 3,846,154 fully paid ordinary shares to Lennard Drilling Pty Ltd on the terms and conditions as set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL OF EMPLOYEE EQUITY INCENTIVE PLAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 9) and for all other purposes, Shareholders approve any issue of securities under the Employee Equity Incentive Plan known as "The Crater Gold Mining Limited Equity Incentive Plan", a summary of the rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive plan and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – ISSUE OF SHARES TO DIRECTOR IN LIEU OF PART PAYMENT OF DIRECTOR'S FEES – LAWRENCE LEE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to the equivalent of \$17,500 in ordinary fully paid shares, in lieu of part payment of his Director's fees, for the period of 1 October 2016 to 30 September 2017 to Mr Lawrence Lee, Director of the Company or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Lawrence Lee (or his nominee) and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – ISSUE OF SHARES TO DIRECTOR IN LIEU OF PART PAYMENT OF DIRECTOR'S FEES – DESMOND SUN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to the equivalent of \$17,500 in fully paid ordinary shares, in lieu of part payment of Director's fees for the period of 1 October 2016 to 30 September 2017, to Mr Desmond Sun, Non-Executive Director of the Company or his nominee(s) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Desmond Sun (or his nominee) and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – GRANT OF PERFORMANCE RIGHTS TO MR RUSS PARKER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and all other purposes, approval is given for the Directors to issue 35,000,000 Performance Rights to Mr Russ Parker or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Russ Parker (or his nominee) and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel

10. RESOLUTION 9 – GRANT OF PERFORMANCE RIGHTS TO MR THOMAS FERMANIS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and all other purposes approval is given for the Directors to issue 35,000,000 Performance Rights to Mr Thomas Fermanis or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: *The Company will disregard any votes cast on this Resolution by Thomas Fermanis (or his nominee) and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Voting Prohibition Statement: *A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:*

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) a Closely Related Party of such a member.*

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or*
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and*
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel.**

11. RESOLUTION 10 – GRANT OF PERFORMANCE RIGHTS TO MR LAWRENCE LEE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and all other purposes approval is given for the Directors to issue 15,000,000 Performance Rights to Mr Lawrence Lee or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: *The Company will disregard any votes cast on this Resolution by Lawrence Lee (or his nominee) and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Voting Prohibition Statement: *A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:*

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) a Closely Related Party of such a member.*

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or*
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and*
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel..**

12. RESOLUTION 11 – GRANT OF PERFORMANCE RIGHTS TO MR DESMOND SUN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes ASX Listing Rule 10.11 and all other purposes, approval is given to the Directors to issue 15,000,000 Performance Rights to Mr Desmond Sun or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Desmond Sun (or his nominee) and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
 - (b) a Closely Related Party of such a member.
- However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:
- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
 - (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connect directly or indirectly with the remuneration of a member of the Key Management Personnel.

13. RESOLUTION 12 – GRANT OF PERFORMANCE RIGHTS TO MR JOHN HUNG

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Approval is given to issue 10,000,000 Performance Rights to Mr John Hung or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by John Hung, any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and any associates of this person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 13 – INCREASE IN DIRECTORS' FEES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate Directors' fees payable to non-executive Directors be increased from \$200,000 per annum to \$350,000 per annum."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by a Director of the Company and any Associate of a Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 14 – APPOINTMENT OF RSM AUSTRALIA AS AUDITOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of section 327B of the Corporations Act and for all other purposes, RSM Australia, having been nominated by a Shareholder and having consented in writing to act as the Company's auditor, be appointed as auditor of the Company with effect from the close of the Annual General Meeting."

16. RESOLUTION 15 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, as a special resolution:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement .”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**DATED: 19 OCTOBER 2017
BY ORDER OF THE BOARD**

**MS ANDREA BETTI
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at London House, Ground Floor, 216 St Georges Terrace, Perth on 29 November 2017 at 12.00pm WST.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.cratergold.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such

a member as your proxy you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member), you do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy. You do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 AND 3 – RE-ELECTION OF DIRECTORS

Clause 59 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 59 of the Constitution is eligible for re-election. The Company currently has six Directors and accordingly two must retire. Thomas Fermanis and Lawrence Lee, the two directors longest in office since their last election, will both retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

Thomas Fermanis

Thomas Fermanis was appointed to this role on 2 November 2009 and was appointed Deputy Chairman on 1 April 2015 and is not considered to be an independent director.

Mr Fermanis has extensive experience in stockbroking and has been an advisor since 1985 with extensive experience in the resource sector. He has been involved in gold exploration in PNG for a number of years.

Mr Fermanis, will retire in accordance with clause 59 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The other Directors of the Company unanimously recommend the re-election of Mr Fermanis.

Lawrence Lee

Lawrence Lee was appointed as a Director of the Company on 6 June 2014 and was later appointed as Finance Director to the Company in April 2015. Mr Lee is not considered to be an independent director.

Mr Lee received a Bachelor of Commerce degree and a Master of Commerce degree from the University of New South Wales, Australia. He also holds a Master of Applied Finance degree from the Macquarie University, Australia. He has over 25 years of experience in finance, corporate finance, management, auditing and accounting. He worked in an international accounting firm for several years and has worked as group financial controller, chief financial officer and director of listed companies on the Hong Kong Stock Exchange for over 10 years.

Mr Lee is a member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

Mr Lee will retire in accordance with clause 59 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The other Directors of the Company unanimously recommend the re-election of Mr Lee.

4. RESOLUTION 4 – RATIFICATION OF PRIOR SHARE ISSUE

4.1 Overview

On 9 October 2017 the Company announced it was purchasing a 2002 Atlas Copco Diamec 252 drill rig. Part of the purchase consideration for this transaction was the issue of 3,846,154 fully paid ordinary shares to Lennard Drilling Pty Ltd.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in Relation to the ratification of the issue of the fully paid ordinary shares:

- a) 3,846,154 fully paid ordinary shares were issued
- b) The deemed issue price was \$0.013 per share
- c) The securities issues were Fully paid ordinary shares
- d) The shares were issued to Lennard Drilling Pty Ltd, who is not a related party of the Company
- e) The shares were issued as part consideration for the purchase of a 2002 Atlas Copco Diamec 252 drill rig

5. RESOLUTION 5 – APPROVAL OF EMPLOYEE EQUITY INCENTIVE PLAN

5.1 Overview

The Directors considered that it was desirable to establish an employee equity incentive plan under which eligible participants may be offered the opportunity to subscribe for Shares, Options or Performance Rights in order to increase the range of potential incentives available to them and to strengthen links with the Company and its Shareholders, and accordingly has adopted the Crater Gold Mining Employee Incentive Plan (**Plan**).

The Plan is designed to provide incentives to the employees, contractors or Directors of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure contractors, employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company and meet certain objectives.

Under the Plan, the Company may issue Shares, Options or Performance Rights (**Awards**) to full-time or part time employees of the Company (including executive Directors), non-executive directors, and certain contractors and casual employees. Performance rights are rights to acquire Shares subject to satisfaction of specified performance conditions during a specified performance period. A summary of the Plan is set out in Schedule A.

5.2 ASX Listing Rule 7.1

The Awards are equity securities for the purposes of the Listing Rules. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to grant Awards under the Plan to eligible participants over a period of 3 years after the meeting, without using the Company's 15% annual placement capacity.

5.3 Terms of the Plan

A summary of the Plan is set out in Schedule A to this Explanatory Statement. A copy of the Plan will be made available free of charge to any Shareholder on request.

No Awards have been granted under the Plan as at the date of this Notice.

6. RESOLUTIONS 6-7- APPROVAL OF ISSUE OF SHARES IN LIEU OF PART PAYMENT OF DIRECTORS' FEES

6.1 Overview

The following Directors of the Company have agreed to accept part payment of amounts owed to them for Directors Fees in the form of shares, in order to conserve the Company's working capital, as follows:

The amounts owed to the Directors for the period of 1 October 2016 to 30 September 2017 is as follows:

Director	Amount owed in shares for Directors Fees	Amount owed in cash for Directors Fees
Lawrence Lee	\$17,500	\$17,500
Desmond Sun	\$17,500	\$17,500

The Company seeks shareholder approval for the issue of:

- i. up to that number of Shares, when multiplied by the issue price, will pay \$17,500 to Lawrence Lee in lieu of Directors' Fees from 1 October 2016 to 30 September 2017;
- ii. up to that number of Shares, when multiplied by the issue price, will pay \$17,500 to Desmond Sun in lieu of Directors' Fees from 1 October 2016 to 30 September 2017;

Therefore, the Company has agreed, subject to obtaining Shareholder approval, to issue Shares (**Related Party Shares**), to the Directors as detailed above, who are related parties of the Company by virtue of being Directors of the Company (together, the **Related Parties**).

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue and allotment of the Related Party Shares constitutes the giving a financial benefit and as described above, Mr Lawrence Lee and Mr Desmond Sun are all related parties of the Company.

The Directors (other than the director of which each individual resolution applies, who has a material personal interest in that Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue and allotment of

Related Party Shares because the Related Party Shares being issued to each of the Directors are considered reasonable remuneration in the circumstances, were negotiated on an arm's length basis and the issue price of the Shares is a discount that is considered to be reasonable in the circumstances.

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also required shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's option, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly Shareholder approval is being sought under ASX Listing Rule 10.11 for the issue and allotment of these Related Party Shares to the Related Parties.

6.4 Shareholder Approval and technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the Related Party Options:

- (a)** the Related Parties are:
 - (i) Mr Lawrence Lee, who is a related party of the Company by virtue of being a Director of the Company; and
 - (ii) Mr Desmond Sun, who is a related party of the Company by virtue of being a Director of the Company; and
- (b)** the maximum number of Related Party Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) up to that number of Shares, when multiplied by the issue price, will equal \$17,500 to Lawrence Lee to a maximum number of 1,750,000 fully paid ordinary shares;
 - (ii) up to that number of Shares, when multiplied by the issue price, will equal \$17,500 to Desmond Sun to a maximum number of 1,750,000 fully paid ordinary shares; and
- (c)** the Related Party Shares will be issued and allotted Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Shares will be issued on one date;
- (d)** the Related Party Shares will be issued in lieu of director fees and salary, therefore shares will be granted for nil cash consideration, and no funds will be raised;
- (e)** the Related Party Shares will be issued at a deemed issued price of \$0.01 each;
- (f)** the Related Party Shares will be issued for part payment of Directors' Fees, Salary and Professional Fees owing for the period of 1 October 2016 to 30 September 2017 and therefore, accordingly no funds will be raised;
- (g)** the Shares issued will rank equally and have the same terms and conditions of existing fully paid ordinary shares on issue.

6.5 Directors Recommendation

The Directors, excluding Mr Lee, recommend that members vote in favour of resolution 6.

The Directors, excluding Mr Sun, recommend that members vote in favour of resolution 7.

6.6 ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTIONS 8-11– GRANT OF PERFORMANCE RIGHTS TO DIRECTORS

7.1 Overview

The Company is proposing to issue Performance Rights to Directors as follows:

Director	Class A	Class B	Class C	Class D	Class E	Total
Russ Parker	11,666,668	5,833,333	5,833,333	5,833,333	5,833,333	35,000,000
Thomas Fermanis	11,666,668	5,833,333	5,833,333	5,833,333	5,833,333	35,000,000
Lawrence Lee	5,000,000	2,500,000	2,500,000	2,500,000	2,500,000	15,000,000
Desmond Sun	5,000,000	2,500,000	2,500,000	2,500,000	2,500,000	15,000,000

Each Performance Right is a right to acquire a Share subject to the satisfaction of specified performance criteria within the performance period. The performance period for the Performance Rights is from grant until 31 December 2020, and the performance criteria for the Performance Rights are as follows:

- (a) Class A Performance Rights – achievement of successful commercial gold production at the Crater Mountain Project, with successful commercial gold production defined as attaining positive operating cash flow from mining operations (ie, revenue less: direct variable cash mining and processing costs; 50% of fixed overhead costs incurred at the Nevera Gold Mine; 50% of the Chief Operating Officer's employment expense; and the cost of any landowner compensation payments that relate to mining activities) for three consecutive months.
- (b) Class B Performance Rights – On expansion of the Crater Mountain Project total Resource (ie, adding all categories of Measured, Indicated and Inferred together) to 1,112,500 contained ounces of gold or more.
- (c) Class C Performance Rights – if at any time the share price remains at or above A\$0.020 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.
- (d) Class D Performance Rights – if at any time the share price remains at or above A\$0.030 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.
- (e) Class E Performance Rights – if at any time the share price remains at or above A\$0.040 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.

The Company seeks shareholder approval for the issue of:

- i. 35,000,000 Performance Rights to Russ Parker
- ii. 35,000,000 Performance Rights to Thomas Fermanis
- iii. 15,000,000 Performance Rights to Lawrence Lee
- iv. 15,000,000 Performance Rights to Desmond Sun

Therefore, the Company has agreed, subject to obtaining Shareholder approval, to issue Performance Rights (**Related Party Performance Rights**), to the Directors as detailed above, who are related parties of the Company by virtue of being Directors of the Company (together, the **Related Parties**).

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue and allotment of the Related Party Performance Rights constitutes the giving a financial benefit and as described above, Mr Russ Parker, Mr Thomas Fermanis, Mr Lawrence Lee and Mr Desmond Sun are all related parties of the Company.

The Directors (other than the director of which each individual resolution applies, who has a material personal interest in that Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue and allotment of Related Party Performance Rights because the Related Party Shares being issued to each of the Directors are considered reasonable remuneration in the circumstances, were negotiated on an arm's length basis and on terms that are considered to be reasonable in the circumstances. Furthermore taking into account the fact the Company is at its early stages of development and has financial restrictions on it, the grant of Performance Rights represents a cost effective way for the Company to remunerate the current and proposed to non-executive Directors, as opposed to cash remuneration. Further, the grant of Performance Rights enables the Company to attract and retain suitably qualified non-executive directors

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also required shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's option, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly Shareholder approval is being sought under ASX Listing Rule 10.11 for the issue and allotment of these Related Party Shares to the Related Parties.

7.4 Shareholder Approval and technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the Related Party Options:

- (a) the Related Parties are:
 - (i) Mr Russ Parker, who is a related party of the Company by virtue of being a Director of the Company; and
 - (ii) Mr Thomas Fermanis, who is a related party of the Company by virtue of being a Director of the Company; and
 - (iii) Mr Lawrence Lee, who is a related party of the Company by virtue of being a Director of the Company; and
 - (iv) Mr Desmond Sun, who is a related party of the Company by virtue of being a Director of the Company; and
- (b) the maximum number of Related Party Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Parties is:

- (i) 35,000,000 Performance Rights to Russ Parker
 - (ii) 35,000,000 Performance Rights to Thomas Fermanis
 - (iii) 15,000,000 Performance Rights to Lawrence Lee
 - (iv) 15,000,000 Performance Rights to Desmond Sun
- (c) the Related Party Performance Rights will be issued and allotted Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Shares will be issued on one date;
 - (d) the Related Party Performance Rights will be issued for nil cash consideration, and accordingly no funds will be raised;
 - (e) the terms and conditions of the Related Party Performance Rights are set out in Schedule B;
 - (f) the value of the Related Party Performance Rights and the pricing methodology is set out in Schedule C;
 - (g) the primary purpose of the grant of the Performance Rights is to a performance linked incentive component in the remuneration package for the Related Party Directors to motivate and reward them in their performance in their roles within the Company and to align the interests of the Related Party Directors to that of the Company and Shareholders.
 - (h) upon achievement of the vesting criteria, the Performance Rights will automatically convert into fully paid ordinary Shares in the Company and these shares will rank equally and have the same terms and conditions of existing fully paid ordinary shares on issue.

7.5 Directors Recommendation

The Directors, excluding Mr Parker, recommend that members vote in favour of resolution 8.

The Directors, excluding Mr Fermanis, recommend that members vote in favour of resolution 9.

The Directors, excluding Mr Lee, recommend that members vote in favour of resolution 10.

The Directors, excluding Mr Sun, recommend that members vote in favour of resolution 11.

7.6 ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 12 – ISSUE OF PERFORMANCE RIGHTS TO JOHN HUNG

8.1 Overview

John Hung has provided (and will continue to provide) various advisory services to the Company. As such, the Board has resolved to issue Mr Hung a total of 10,000,000 Performance Rights as detailed in the explanatory section to Resolutions 8 to 11. As Mr Hung does not fall into the definition of eligible employee under the Plan, the Performance Rights will not be issued under the Plan but the Performance Rights shall have the same terms and conditions as if they were issued under the Plan. Details of the performance conditions and performance period attaching to the Performance Rights to be granted to Mr Hung are set out in the explanatory section to Resolutions 8 to 11. The Company is proposing to issue Performance Rights to Mr Hung as follows:

	Class A	Class B	Class C	Class D	Class E	Total
John Hung	3,333,332	1,666,667	1,666,667	1,666,667	1,666,667	10,000,000

Listing Rule 7.1 broadly provides that in any 12 month period, a company can issue equity securities up to 15% of its issued capital without shareholder approval. The Company is seeking Shareholder approval for the issue of Performance Rights to Mr Hung so that it can preserve its 15% placement capacity for other purposes, such as raising capital.

8.2 Listing Rule 7.3

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Performance Rights the Company can issue is 10,000,000;
- (b) the Company will issue the Performance Rights no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) no issue price will be payable for the grant of the Performance Rights;
- (d) the Performance Rights will be issued to Mr Hung or his nominee. Mr Hung is not a related party of the Company;
- (e) as Mr Hung does not fall into the definition of eligible employee under the Plan, the Performance Rights will not be issued under the Plan but the Performance Rights shall have the same terms and conditions as if they were issued under the Plan. Details of the performance conditions and performance period attaching to the Performance Rights to be granted to Mr Hung are set out in the explanatory section to Resolutions 8 to 11;
- (f) no funds will be raised from the issue of the Performance Rights; and
- (g) the Performance Rights Shares will be issued on one date.

9. RESOLUTION 13 – INCREASE IN DIRECTORS’ FEES

9.1 Overview

Resolution 13 seeks Shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the aggregate amount of fees paid to its non-executive Directors by \$150,000 from \$200,000 per annum to an aggregate amount of \$350,000 per annum.

As part of its growth strategy, the Board considers it is important to have on the Board a number of existing non-executive Directors who have significant experience and knowledge of the Company’s history and background and have the ability to attract new Board members who will supplement this knowledge and drive the Company’s growth. The proposed increase to \$350,000 per annum will enable the Company to remunerate the continuing and proposed new non-executive Directors appropriately. Whilst there is no current intention to appoint any new non-executive Directors the increase also provides some buffer to allow new non-executive Directors to be appointed in the event a suitably qualified person is identified in the future.

The maximum aggregate fees payable to non-executive Directors have not been increased since 23 November 2010.

9.2 Listing Rule 10.17

In accordance with Listing Rule 10.17, details of securities issued to a non-executive Director under Listing Rule 10.11 or 10.14 in the last 3 years are set out below:

- (i) on 12 July 2016, the Company issued a total of 3,000,000 incentive Options (each with an exercise price of \$0.125 and an expiry date of 12 July 2020) to non-executive Directors Samuel Chan Wing-Sun (1,000,000 Options), Thomas Fermanis (1,000,000 Options) and Desmond Sun (1,000,000 Options); and
- (ii) on 12 November 2015, the Company issued 25,110,835 Shares to Freefire (a company controlled by Mr Chan) at an issue price of \$0.08 per Share raising \$2,008,867.

10. RESOLUTION 14 – APPOINTMENT OF RSM AUSTRALIA AS AUDITOR

Following the nomination of RSM Australia by a shareholder (see Schedule E to this Explanatory Memorandum) it is proposed that RSM Australia be appointed as the new auditor of the Company.

The Directors of the Company believe that Resolution 14 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

11. RESOLUTION 15 – APPROVAL OF 10% PLACEMENT FACILITY

12.1 GENERAL

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Facility**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 15, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 12.2 below). The effect of Resolution 15 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Facility during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement Facility granted under Listing Rule 7.1.

Resolution 15 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 15 for it to be passed.

12.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$2,759,648 based on the amount of Shares on issue and current price of shares on issue as at 16 October 2017.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: CGN).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
 - (A) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (C) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (D) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

12.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 15:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 12.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Facility commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Facility Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 15 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.005 50% decrease in Issue Price	0.01 Issue Price	0.015 50% increase in Issue Price
275,964,775 (Current Variable A)	Shares issued – 10% voting dilution	27,596,478 Shares	27,596,478 Shares	27,596,478 Shares
	Funds raised	\$137,982	\$275,965	\$413,947
413,947,163 (50% increase in Variable A)	Shares issued – 10% voting dilution	41,394,716 Shares	41,394,716 Shares	41,394,716 Shares
	Funds raised	\$206,974	\$413,947	\$620,921
551,929,550 (100% increase in Variable A)	Shares issued – 10% voting dilution	55,192,955 Shares	55,192,955 Shares	55,192,955 Shares
	Funds raised	\$275,965	\$551,930	\$827,894

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 275,964,775 Shares on issue;
2. The issue price set out above is the closing price of the Shares on the ASX on 16 October 2017.

3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Facility

The Company may issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the continued exploration and development of the Company's current projects and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances, the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation under the 10% Placement Facility

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Facility will be dependent on the prevailing market conditions at the time of any proposed placement(s).

The recipients of Equity Securities to be issued under the 10% Placement Facility have not been determined. However, the recipients of Equity Securities could consist of existing Shareholders or new investors (or both) none of whom are related parties of the Company.

The Company will determine the recipients at the time of issue under the 10% Placement Facility, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new assets or investments.

(f) Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2016 (**Previous Approval**).

The Company has issued no securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2016, the Company otherwise issued a total of 3,846,154 Shares which represents approximately 1.41% of the total number of Equity Securities on issue in the Company on 30 November 2016, which was 272,118,621.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule D.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Facility, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

12.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 15.

ENQUIRIES

Shareholders may contact the Company Secretary on (+ 61 8) 6188 8181 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

AEST means Australian eastern standard time.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Awards means the award of Shares, Options or Performance Rights under the Plan.

Board means the Directors.

CFO means Chief Financial Officer.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Crater Gold Mining Limited ACN 067 519 779.

Constitution means the Company's constitution, as amended from time to time.

COO means Chief Operating Officer.

Corporations Act means *Corporations Act 2001* (Cth).

Corporations Regulations means *Corporations Regulations 2001* (Cth).

Directors means the directors of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Freefire means Freefire Technology Limited.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Notice of Meeting means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Performance Right means a right to acquire a share subject to the satisfaction of specified performance conditions during the performance period.

Plan means the Crater Gold Mining Limited Employee Equity Incentive Plan

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

US\$ means United States dollars.

VWAP means volume weighted average market price for securities, as defined in the Listing Rules.

SCHEDULE A – SUMMARY OF COMPANY’S INCENTIVE PLAN

1 Awards

Under the Plan, Participants (as defined below) will be granted incentive awards (**Awards**) which may comprise:

- (a) shares, issued at a price determined by the Board in their sole and absolute discretion, subject to any vesting conditions (**Shares**); and/or
- (b) options, issued at a price determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price determined by the Board in their sole and absolute discretion, and subject to any vesting conditions (**Options**); and/or
- (c) performance rights, issued at a price determined by the Board in their sole and absolute discretion, each being a conditional right to subscribe for one Share on payment of an exercise price determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions (**Performance Rights**).

2 Eligibility

At the discretion of the Board, a person who is:

- (a) a full time or part time employee or non-executive director of the Company or an associated body corporate (being a body corporate that is a related body corporate of the body, a body corporate that has voting power in the body of not less than 20% or a body corporate in which the body has voting power of not less than 20%) (**Group Company**);
- (b) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or
- (c) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company where the individual who performs the work under or in relation the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company,

is permitted to participate in the Plan.

People eligible to participate in the Plan are called “**Eligible Employees**”. The Board may permit an Award the subject of an offer to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee’s (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (**Nominated Party**).

A “**Participant**” is an Eligible Employee or Nominated Party to whom an Award has been granted.

3 Payment for Awards

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

4 Limits on number of Awards granted

Under the Plan rules, where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making offers under the Plan.

5 Entitlements of Participants

(a) Notice of meeting

Unless otherwise resolved by the Board when it makes an offer, and subject to the terms of issue, a Participant is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the offer.

(b) Dividends

The Board may determine, at the time of an offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).

Participants who hold Options or Performance Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Performance Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.

(c) Changes in capital

Unless otherwise resolved by the Board when it makes an offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights offer, provided that if the Shares are unvested and/or have any restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights offer will be subject to the Plan as if those shares were Shares issued under the offer made to the Participant.

Options or Performance Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.

In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares issued pursuant to the offer to a Participant as the Board deems appropriate. If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue) the exercise price of Options and Performance Rights will be reduced in accordance with the Listing Rules.

If the Company makes a bonus issue the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue.

If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options or Performance Rights, subject to the relevant vesting conditions.

6 Dealing, vesting and exercise

(a) Dealing

Participants must not dispose of, grant (or purport to grant) any security interest in or over, or otherwise deal with (or purport to dispose or deal with) an Award unless:

- (i) it is in compliance with the terms of the Share offer and any Share vesting conditions;
- (ii) in respect of Options and Performance Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.

(b) Vesting

Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Awards by the Company.

(c) Exercise

Vested Options and Performance Rights can only be exercised during the exercise period specified in the invitation to participate in the Plan.

The exercise price per Share in respect of an Option or Performance Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right.

Options and Performance Rights will expire on the date that is two years after the date of issue, or such other period determined by the Board or the Plan.

7 Lapse of Awards

If a Participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), is dismissed from office for cause or poor performance, or in another circumstance determined by the Board:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse;
- (c) vested Options and Performance Rights that have not been exercised will lapse on the date of cessation of employment or office.

If a Participant's employment or engagement with a Group Company ceases in any other circumstances, unless the Board determines different treatment is warranted:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse; and
- (c) vested Options and Performance Rights that have not been exercised will continue to force and remain exercisable, until the last exercise date determined by the Board or the Plan.

8 Forfeiture of Shares

Unvested Shares will be forfeited on the earlier of:

- (a) the Board determining any applicable vesting condition has not been, or is not capable of being, satisfied, reached or met;
- (b) the Shares being forfeited under the Plan provisions dealing with cessation of employment, change of control, breach, fraud or misconduct; or
- (c) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions and the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law.

The Company must:

- (a) sell forfeited Shares in the ordinary course of trading on ASX;
- (b) buy back and cancel the forfeited Shares; or
- (c) deal with the forfeited Shares in any other manner determined by the Board from time to time.

No consideration or compensation is payable to a Participant for or in relation to the forfeiture of Shares under the Plan.

9 Breach, fraud or misconduct

If the Board determines that a Participant has:

- (a) been dismissed or removed where a Group Company was entitled to do so without notice;
 - (b) been indicted for an offence under the Corporations Act;
 - (c) had civil judgement entered against them;
 - (d) committed fraud, defalcation or gross misconduct; or
 - (e) materially breaches their duties or obligations,
- in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:
- (a) unvested Shares will be forfeited;

- (b) unvested Options and Performance Rights will lapse.

10 Change of control events

On the occurrence of a change of control event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Awards will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Awards will vest; and/or
- (b) reducing or waiving vesting conditions.

11 Clawback

If an event occurs which means vesting conditions were not or should not have been determined to have been satisfied, the Board may:

- (a) cancel the affected Options or Performance Rights for no consideration or treat the Shares as forfeited;
- (b) require the Participant pay the Company the after tax value of the affected Shares, Options or Performance Rights within 30 business days; or
- (c) adjust fixed remuneration, incentives or participation in the Plan to take account of the after tax value of the affected Shares, Options or Performance Rights.

12 Amendments to terms of exercise or the Plan

The Board may vary the terms of exercise of Options or Performance Rights, and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option or Performance Right will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.

SCHEDULE B – TERMS AND CONDITIONS FOR 2017 DIRECTOR PERFORMANCE RIGHTS

1. Terms of Performance Rights

- (a) **(Performance Rights):** Each Performance Right gives the holder (**Holder**) a right to one share in the capital of Company.
- (b) **(General Meetings):** The Performance Rights shall confer on the Holder the right to receive notices of general meetings and financial reports and accounts of Company that are circulated to Company Shareholders. Holders have the right to attend general meetings of Company Shareholders.
- (c) **(No Voting Rights):** The Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of Company Shareholders, subject to any voting rights under the Corporations Act 2001 (Cth) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** The Performance Rights do not entitle the Holder to any dividends.
- (e) **(Transfer of Performance Rights):** The Performance Rights are not transferable.
- (f) **(Reorganisation of Capital):** In the event that the issued capital of Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (g) **(Application to ASX):** The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Company Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (h) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (f) (Reorganisation of Capital), holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Company Shares such as bonus issues and entitlement issues.
- (i) **(Amendments):** The terms of the Performance Rights may be amended as necessary by the Company in order to correct for minor administrative issues, obvious errors and in order comply with Legislation or the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (j) **(No Other Rights):** The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2. Conversion of the Performance Rights

- (a) **(Class A Performance Rights) –** Class A Performance Rights shall convert to fully paid ordinary shares in the Company upon achievement of successful commercial gold production at the Crater Mountain project with successful commercial gold production defined as attaining positive operating cash flow from mining operations (i.e., revenue less: direct variable cash mining and processing costs; 50% of fixed overhead costs incurred; 50% of the Chief Operating Officer's employment expense; and the cost of any landowner compensation payments that relate to mining activities) for three consecutive months.

- (b) **(Class B Performance Rights)** - Class B Performance Rights shall convert to fully paid ordinary shares in the Company upon expansion of the Crater Mountain Project total Resource (i.e., adding all categories of Measured, Indicated and Inferred together) to 1,112,500 contained ounces of gold or more.
- (c) **(Class C Performance Rights)** - Class C Performance Rights shall convert to fully paid ordinary shares in the Company if at any time the share price remains at or above A\$0.020 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.
- (d) **(Class D Performance Rights)** - Class D Performance Rights shall convert to fully paid ordinary shares in the Company if at any time the share price remains at or above A\$0.030 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.
- (e) **(Class E Performance Rights)** - Class E Performance Rights shall convert to fully paid ordinary shares in the Company if at any time the share price remains at or above A\$0.040 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$20,000.
- (f) **(Conversion of Performance Rights)** In the event a condition is satisfied, the corresponding Performance Rights held by the Holder will convert into an equal number of Company Shares, unless otherwise agreed by the Company and Holder.
- (g) **(No Conversion if Milestone not Achieved)** Any Performance Right not converted into a Company Share from the date of issue to 31 December 2020 will lapse.
- (h) **(Bad Leaver)** In the event the Holder ceases to be a Director of the Company due to resignation (other than due to a Special Circumstance), dismissal for cause or poor performance; or any other circumstances (other than due to a Special Circumstance) will then be determined to be a Bad Leaver and any Unconverted Performance Rights will immediately lapse.
- (i) **(Good Leaver)** In the event the Holder ceases to be a Director of the Company due to a Special Circumstance or otherwise for reasons other than as a Bad Leaver all Unconverted Performance Rights held by Holder will continue in force and remain exercisable until the Last Exercise Date.
- (j) **(Special Circumstance)** Is a circumstance in where the Holder ceases to be a director of the Company for any reason (other than removal pursuant to paragraph (k) below after 18 months from the date of grant or before that date due to Total and Permanent Disablement, Mental Illness, Redundancy or the death, or terminal illness of the Holder or with the with consent of the Board.
- (k) **(Removal by Shareholders)** – In the event that the Shareholders of the Company remove a Holder as a director of the Company at a General Meeting, the Performance Rights held by that Holder will immediately lapse only if the removal of that Director has been approved by both 50% of the votes cast and at least 50% of the shareholders that have voted.
- (l) **(Board Discretion to Convert)** – The Board may, at its discretion, by notice to the Holder reduce or waive the vesting conditions attaching to Shares in whole or part at any time and in any particular case, which may be subject to Shareholder Approval.
- (m) **(After Conversion)** The Company Shares issued on conversion of the Performance Rights will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Company Shares then on issue and application will be made by Company to ASX for official quotation of the Company Shares issued upon conversion.

- (n) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Company Shares as soon as practicable following the conversion of the Performance Rights into Company Shares.
- (o) **(Change of Control Event)** If a Change of Control Event occurs, the Board may in its sole and absolute discretion determine how Unconverted Performance Rights held by a Holder will be treated, including that Unconverted Performance Rights (or a portion of Unconverted Performance Rights) will vest and become immediately exercisable with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Holder is terminated or ceases in connection with the Change of Control Event and/or reducing or waiving any of the Performance Right Vesting Conditions attaching to those Unconverted Performance Rights.
- (p) **(Change of Control Event Definition)** A change of Control event occurs where:
- (i) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
 - (ii) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (iii) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
 - (iv) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
 - (v) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

SCHEDULE C – VALUATION OF PERFORMANCE RIGHTS⁶

Assumptions:	Performance Rights (Class A)	Performance Rights (Class B)	Performance Rights (Class C)	Performance Rights (Class D)	Performance Rights (Class E)
Valuation date	18/10/2017	18/10/2017	18/10/2017	18/10/2017	18/10/2017
Vesting conditions	Non-market	Non-market	Market	Market	Market
Valuation methodology	Black Scholes	Black Scholes	Monte-Carlo	Monte-Carlo	Monte-Carlo
Market price of Shares (per share)	1 cent	1 cent	1 cent	1 cent	1 cent
Exercise price (per share)	Nil	Nil	Nil	Nil	Nil
Expiry date	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Risk free interest rate	2.07%	2.07%	2.07%	2.07%	2.07%
Volatility	73.44	73.44	73.44	73.44	73.44
Indicative value per Performance Right	1 cent	1 cent	0.79 cents	0.63 cents	0.51 cents
Total Value of Performance Rights	\$323,333	\$166,667	\$131,667	\$105,000	\$85,000
*Total of					
Russ Parker	\$111,667	\$58,333	\$46,083	\$36,750	\$29,750
Desmond Sun	\$111,667	\$58,333	\$46,083	\$36,750	\$29,750
Lawrence Lee	\$50,000	\$25,000	\$19,750	\$15,750	\$12,750
Thomas Fermanis	\$50,000	\$25,000	\$19,750	\$15,750	\$12,750

The valuation above took into account the following matters:

- The Board is currently not in a position to estimate the probability of achieving the milestones as set out for each performance right class and as a result has not discounted the above valuation accordingly. The above valuations have been provided on the basis of all performance milestones being met and on an undiscounted basis.
- The market price of a share is assumed to be the same as the current share price trading on the ASX, which at the date of valuation was \$0.01.
- The exercise price is the price at which the underlying ordinary Shares will be issued. No consideration is to be paid upon exercising the Performance Rights.
- Performance Rights with vesting conditions can only be exercised following the satisfaction of these exercise conditions.
- The valuation of Performance Rights assumes that the exercise of a right does not affect the value of the underlying asset.
- In reference to Class A and Class B Performance Rights that are based on non-market vesting conditions, given that the Performance Rights are to be issued for no consideration, the value of the Performance Rights is reflected in the underlying Share price at the valuation date. Variable inputs used in traditional option valuation models such as implied share price volatility, the risk free interest rate and life of the right have no impact on the value of the Performance Rights so long as the underlying asset does not pay a dividend.
- Any changes in the variables applied in the valuation calculations between the date of valuation and the date the Performance Rights are granted would have an impact on their value.

SCHEDULE D – ISSUES OF EQUITY SECURITIES SINCE 24 NOVEMBER 2016

Below is a list of all Equity Securities issued by the Company in the past 12 months:

Date	Quantity and Class of Equity Securities Issued	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
9/10/2017	3,846,154 Fully Paid Ordinary Shares ²	Lennard Drilling Pty Ltd	Deemed issue price \$0.013 No discount to current price.	Amount raised nil Amount spent: n/a Use of funds: part consideration for purchase of drill rig from Lennard Drilling Amount remaining: n/a Current Value ³ \$38,462

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the trading day prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, (ASX Code: CGN).
3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.01) on the ASX on 16 October 2017.

SCHEDULE E – NOMINATION OF RSM AS AUDITOR

Crater Gold Mining Limited
Level 3
216 St Georges Terrace
PERTH WA 6000

I, Thomas Fermanis, being a member of Crater Gold Mining (**Company**), nominate RSM Australia in accordance with Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by Section 328B(3) of the Act.

Signed and dated 2 October 2017

A handwritten signature in blue ink, appearing to read 'Thomas Fermanis', with a long, sweeping flourish extending to the right.

Thomas Fermanis

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Crater Gold Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **12.00pm (WST) on Monday, 27 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged by post or:

 **ONLINE**
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

 **BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X9999999999

PROXY FORM

I/We being a member(s) of Crater Gold Mining Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12.00pm (WST) on Wednesday, 29 November 2017 at London House, Ground Floor, 216 St Georges Terrace, Perth** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 5-11: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 5-11, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Grant of Performance Rights to Mr Thomas Fermanis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Thomas Fermanis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Grant of Performance Rights to Mr Lawrence Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Lawrence Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Grant of Performance Rights to Mr Desmond Sun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Prior Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Grant of Performance Rights to Mr John Hung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Employee Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Increase in Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Shares to Director in Lieu of Part Payment of Director's Fees – Lawrence Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Appointment of RSM Australia as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Shares to Director in Lieu of Part Payment of Director's Fees – Desmond Sun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Grant of Performance Rights to Mr Russ Parker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

CGN PRX1701D

