

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Crater Gold Mining Limited

ABN

75 067 519 779

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | <ol style="list-style-type: none">1. Performance Rights2. Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 61,238,8702. 58,455,285 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ol style="list-style-type: none">1. Performance Rights terms and conditions as per attached Annexure 2 to this Appendix 3B2. Performance Rights terms and conditions as per attached Annexure 2 to this Appendix 3B |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes – rank equally with existing Performance Rights on issue.</p>
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. Nil 2. Nil
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. Issued to directors and consultant as approved by shareholders at GM on 17 January 2019. 2. Issued to employees/consultants under the Employee Equity Incentive Plan.
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>29 November 2018</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil									
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<ol style="list-style-type: none"> 1. 61,238,870 (GM 17/1/2019) 2. N/A 									
6f	Number of +securities issued under an exception in rule 7.2	<ol style="list-style-type: none"> 1. N/A 2. 58,455,285 (exemption 9) 									
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A									
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A									
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Under 7.1 - 41,919,716 Under 7.1A - 27,946,478									
7	+Issue dates <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</small>	<ol style="list-style-type: none"> 1. 15 February 2019 2. 15 February 2019 									
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">279,464,775</td> <td style="vertical-align: top;">Fully Paid Ordinary Shares.</td> </tr> </tbody> </table>	Number	+Class	279,464,775	Fully Paid Ordinary Shares.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">279,464,775</td> <td style="vertical-align: top;">Fully Paid Ordinary Shares.</td> </tr> </tbody> </table>	Number	+Class	279,464,775	Fully Paid Ordinary Shares.
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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	7,800,000	Options at \$0.25 per share expiring 27/07/2019
	5,800,000	Options exercisable at \$0.25 per share expiring 27/07/2019.
	9,000,000	Options exercisable at \$0.125 per share expiring 12/07/2020
	46,598,675	Class A Performance Rights
	23,299,334	Class B Performance Rights
	23,299,334	Class C Performance Rights
	23,299,334	Class D Performance Rights
	23,299,334	Class E Performance Rights
17,099,164	Class F Performance Rights	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Remains unchanged.
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Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	

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- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities (tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(Company secretary)

Date: 18 February 2019.

Print name: Andrea Betti.....

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	279,464,775
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	279,464,775

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	41,919,716
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“C”	-
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	41,919,716
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	41,919,716 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	279,464,775
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	27,946,478
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	27,946,478
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	-
Total ["A" x 0.10] – "E"	27,946,478 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

ANNEXURE A – TERMS AND CONDITIONS OF DIRECTORS 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

- 2.2.1 **(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 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.
- 2.2.2 **(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, with a cut-off grade of 0.5g/t AU.

- 2.2.3 **(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\$5,000.
- 2.2.4 **(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\$5,000.
- 2.2.5 **(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\$5,000.
- 2.2.6 **(Class F Performance Rights)** – Class F Performance Rights shall convert to fully paid ordinary shares in the Company upon:
- the achievement of a 20m+ drill intersection averaging an accredited laboratory assay of 5% Zn, or Zn with a polymetallic combination of Zn, Cu, Pb, Ag, Sn metal values that give a 5% Zn equivalent to be calculated and reported in compliance with clause 50 of the 2012 JORC Code; or
 - the achievement of a 20m+ drill intersection averaging an accredited laboratory assay of 3.0 g/t Au, or Au with a polymetallic combination of Zn, Cu, Pb, Ag, Sn metal values that give a 3.0 g/t Au equivalent to be calculated and reported in compliance with clause 50 of the 2012 JORC Code.
- 2.2.7 **(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 January 2022 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.