

QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2023

**About Crater Gold Mining Ltd
ASX CODE: CGN**

Crater Gold Mining Limited ("Crater Gold" or "the Company") is focussed on the exploration of Graphite and Gold projects at Croydon in Queensland, Australia. The Company is also exploring its Polymetallic areas north of Croydon.

The Company also holds the highly prospective Crater Mountain Gold Project in Papua New Guinea (PNG), which includes two gold resources and evidence of potential copper-gold porphyry mineralisation.

Capital Structure

Share Price: \$0.017
Market Cap: \$21.06m
Shares on Issue: 1,239,027,862

Board of Directors

Sam Chan
Non-Executive Chairman

Russ Parker
Managing Director

Thomas Fermanis
Deputy Chairman

Lawrence Lee
Non-Executive Director

Desmond Sun
Non-Executive Director

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DEVELOPMENTS DURING THE QUARTER**CROYDON PROJECTS, NORTH QUEENSLAND**

- 4 Graphite Discoveries at Croydon from Drilling Program
- Metallurgical test work confirms Platy Fine Flake Graphite
- Subsequent to the quarter, the Company was awarded CEI Grant for exploration drilling at S3 anomaly area
- Priority EM Target located in EPM 26749

CORPORATE

- The Company announced a proposal to undertake a consolidation of its shares and to undertake an Entitlement Issue and Placement to enable the Company to reduce debt and fund the Company's operations
- ASX has confirmed that the securities of the Company will be reinstated to official quotation once the Company has complied with the required conditions including the completion of the successful capital raisings
- Subsequent to the quarter, the shareholders of the Company approved the two proposed resolutions at a General Meeting held on 11 April 2023 which approved the placement and the consolidation of capital
- Subsequent to the quarter, the Company announced an extension for the closing date of the Rights Issue, Placement and Share Consolidation.

CROYDON PROJECTS, NORTH QUEENSLAND

The Croydon Projects consist of a total of five Exploration Permits for Minerals (**EPMs**) and one exploration Permit for Minerals licence application as detailed below. Croydon is located 1,490km northwest of Brisbane and 150km southeast of Normanton and 530km by road west-southwest of Cairns. The Croydon Projects tenements surround and include the regional centre and historic gold mining town of Croydon.

Golden Gate Graphite Project

Four New Graphite Discoveries

On 30 March 2023, Crater announced four new graphite discovery areas identified from the Croydon reverse circulation (RC) drilling program undertaken in November of last year (*Four New Graphite Discoveries from RC Drilling Results*, ASX 30 March 2023). The program was designed to commence follow-up investigation of first priority EM anomalies identified by the helicopter borne EM survey undertaken in July 2022 (*refer to ASX announcement 5th October 2022 titled, "Preliminary Results Identify High Priority Targets at the Croydon Project, Nth Qld"*).

Key Highlights included:

- The S1-S graphite discovery potentially extends the currently known Golden Gate Graphite Prospect by over 1.5kms to the SE
- The discovery to the NW of the Golden Gate Graphite Prospect possibly extends the prospect by 1.5kms to the NW
- 3 Drill holes at S4 indicate graphite mineralisation with a strike length of 800m
- Graphite intersections ranging up to 6.02% over 21m and 8.87% over 5m

Drilling Result Highlights included:

Anomaly S1-S

- Hole_RC058 21m (40-61m) @ 6.02% graphite (*cut-off 4.41% graphite*)
- Hole RC059 4m (113-117m) @ 6.78% graphite (*cut-off 5.3% graphite*)

NW Extension of Golden Gate Graphite Prospect

- RC01 SHAFT 1 including 9m (9-18m) @ 3.26% graphite (*cut-off 2.85% graphite*)

Anomaly 4-N- 3 Holes Drilled Over a 800m Strike Length

- Hole RC251 including 5m (54-59m) @ 8.87% graphite (*cut-off 4.06% graphite*),
- Hole RC252 including 6m (73-79m) @ 5.29% graphite (*cut-off 4.13% graphite*)
- Hole RC253 including 12m (40-52m) @ 5.36% graphite (*cut-off 3.91% graphite*)

Anomaly S7

- Hole RC05 SHAFT 4 8m (32-40m) @ 3.57% graphite (*cut-off 3.03% graphite*) -open ended intersection
- Hole 501 20m (1-21m) @ 2.08% graphite (*cut-off 1.50% graphite*)
- Hole 503 12m (5-17m) @ 2.29% total carbon (*cut-off 1.41% total carbon*)

The program involved a total of 19 drill holes for a total of 1,075m. Of this total, 8 holes for 674m were drilled in EPM 18616 with 11 holes for 401m drilled in EPM 8795 (*refer to **Figure 1** for hole and Anomaly locations*).

Of the seven major anomalies identified from the EM program, the initial anomalies drill tested were anomalies S1-South, S4-N and S7. Two holes were drilled to test Anomaly S1-S, located at the southern end of EM Anomaly S1, where there had been no previous drilling undertaken

for graphite. Both holes intersected graphite mineralisation grades of over 6.0% indicating a new SE extension zone of the Golden Gate Graphite Prospect, potentially extending that prospect by over 1.5kms to the SE. Two holes were also drilled to test an area of old shallow mine workings in an area of graphite mineralised scree (not identified as an EM anomaly), located along a potential NW strike extension of the Golden Gate Graphite Prospect approximately 1.5km to the NW. A significant new zone of shallow low-grade graphite was intersected, ranging up to 2.72% over 19m.

Good results were also obtained from Anomaly S4-N with all three holes drilled in this anomaly intersecting a new discovery zone with good graphite grades. All 3 holes intersected graphite grades of over 5%. Drill testing within this anomalous zone has indicated that graphite mineralisation extends along a strike extent of at least 800m

Significant zones of lower grade mineralisation from close to surface were intersected in 3 of the 5 holes drilled at a new graphite discovery area at Anomaly S7.

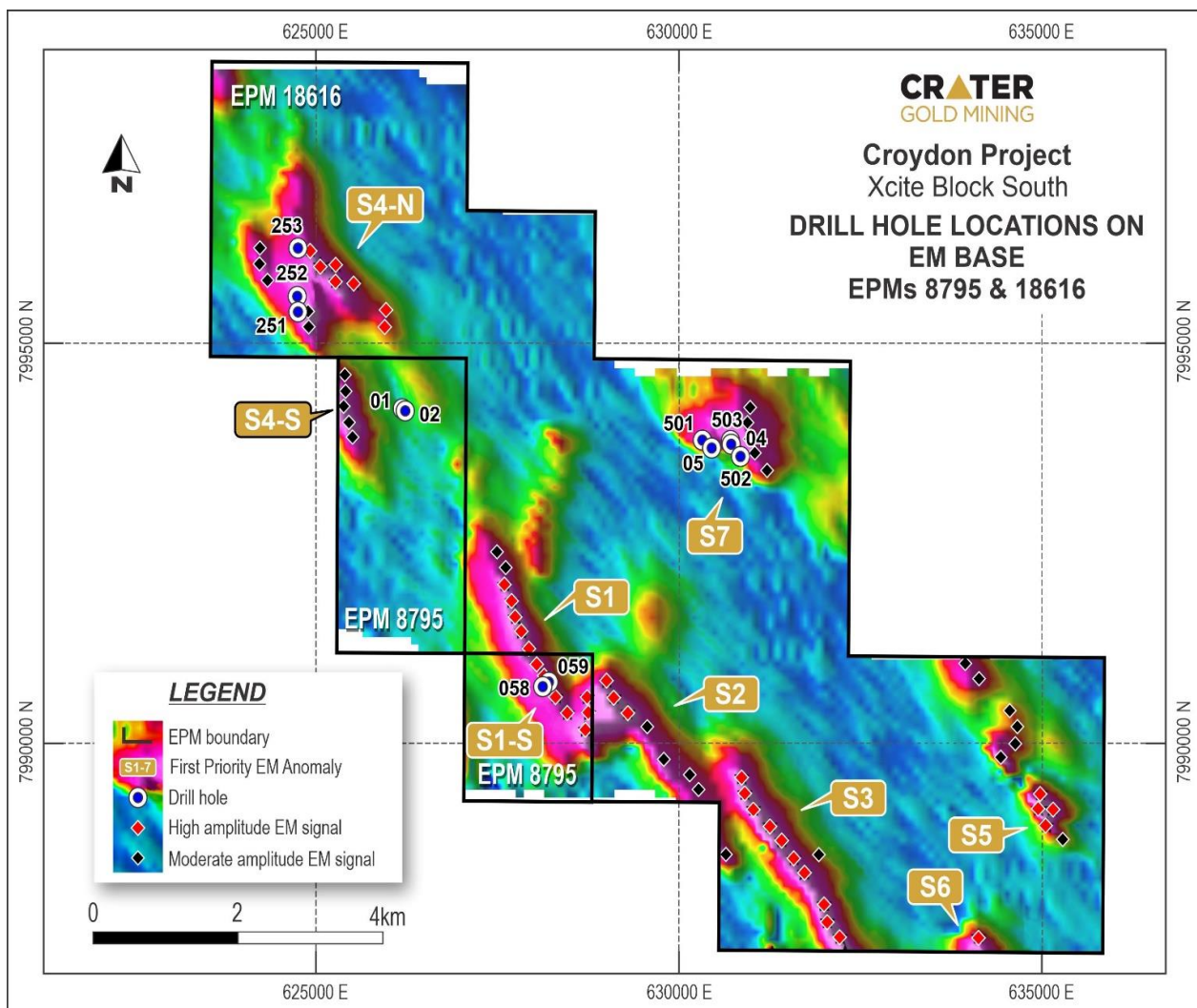


Figure 1: Location of drill holes Croydon RC drilling program. All holes pre-fixed with RC. Holes RC051 to RC057 located under the RC058 and RC059 locations.

Metallurgical Test Work Confirms Fine Flake Graphite Golden Gate Graphite Project

On 3 March 2023, the Company announced the results of ongoing metallurgical test work on graphite mineralisation from the Gold Gate Graphite Project (*Encouraging Metallurgical Test Work Confirms Graphite Flake*, ASX 3 March 2023).

Key Highlights included:

- Flotation of a composite sample achieved a final concentrate product with a graphite grade of 95.3%
- Graphite is ultra-fine grained with 90.5% less than 53 microns and 66.6% less than 25 microns
- Graphite is present as platy flake
- Future test work to focus on optimisation and if the graphite is amenable to micronisation and/or spheronisation processing

As announced to the ASX ("*Graphite Metallurgical Test Work, Golden Gate Graphite Project, Croydon*", QLD, 20 June 2022) encouraging flotation test work results were obtained for a 7-stage cleaner concentrate from a 850 micron composite sample. There was very little coarse material present and insufficient of the finer grained fractions remaining to enable microscopic examination of the graphite product. The lack of coarse grains was surprising as previous petrological examination had indicated the presence of graphite flakes from fine sizes, up to, and exceeding 500 microns.

Therefore the test work was run again and further optimised which eventually resulted in a final concentrate grade of 95.3% graphite, with the graphite recovery to the rougher concentrate much higher at 78.9%. This result indicated that the optimisation was headed in the right direction, with the Company confident that further optimisation will achieve higher graphite recovery and final product purity. Sizing of the graphite concentrate also indicated that most of the graphite was ultra-fine grained with 90.5% being less than 53 microns and 66.6% being less than 25 microns.

The minus 25 micron (**Figure 2**), minus 25 micron (**Figure 3**) minus 38 to +24 micron (**Figure 4**) and the minus 53 to + 38 micron (**Figure 5**) graphite concentrates from the optimised 1.0mm composite sample were then examined at high magnification via a Scanning Electron Microscope (SEM). This revealed that the graphite in all three ultra-fine grain sizes was present as platy flake. This has raised optimism that the graphite, being mostly ultra-fine grained and present as platy flake, may potentially be amenable to production of high value products and in particular battery anode material. Future metallurgical test work will concentrate on investigating these possibilities at a specialised metallurgical test laboratory.

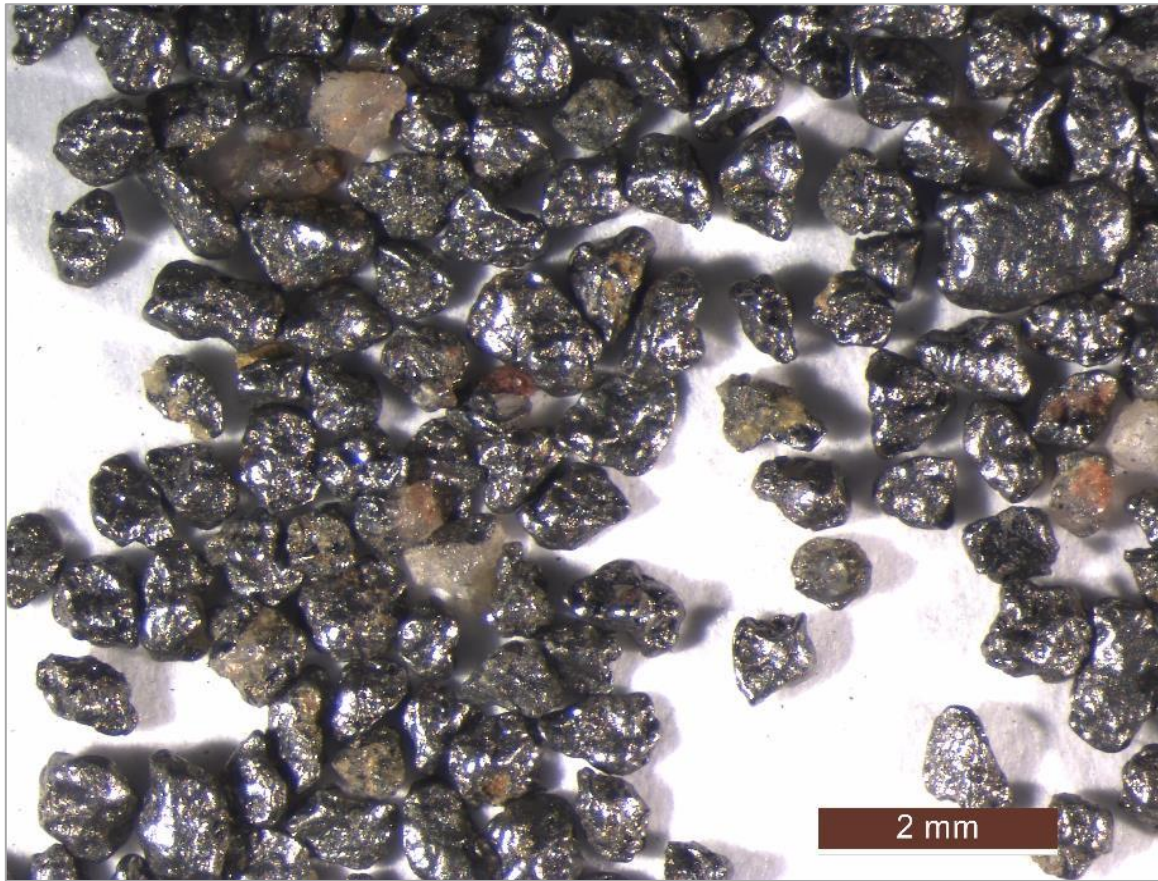


Figure 2: 1.0mm composite sample rougher concentrate, 500 microns fraction, showing sub-rounded graphite nodules and silicate gangue

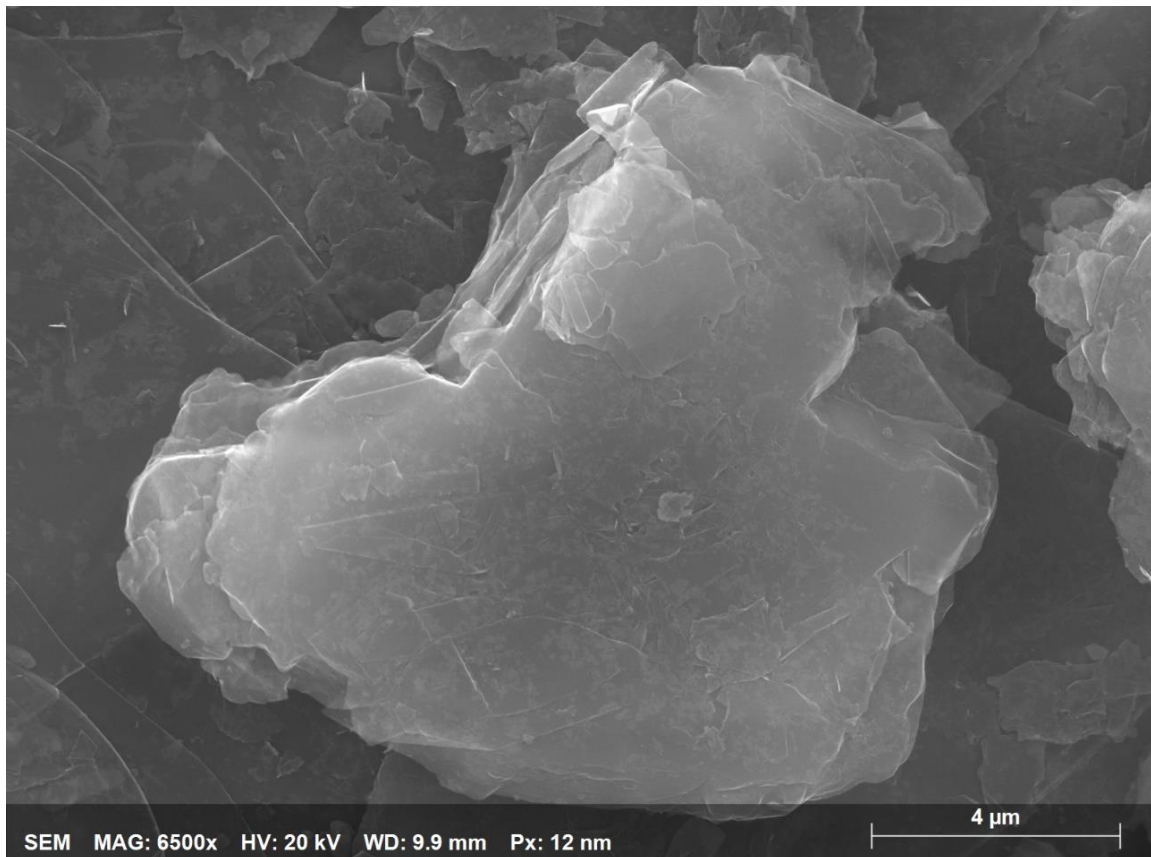


Figure 3: Platy graphite flake in minus 25 micron cleaner concentrate

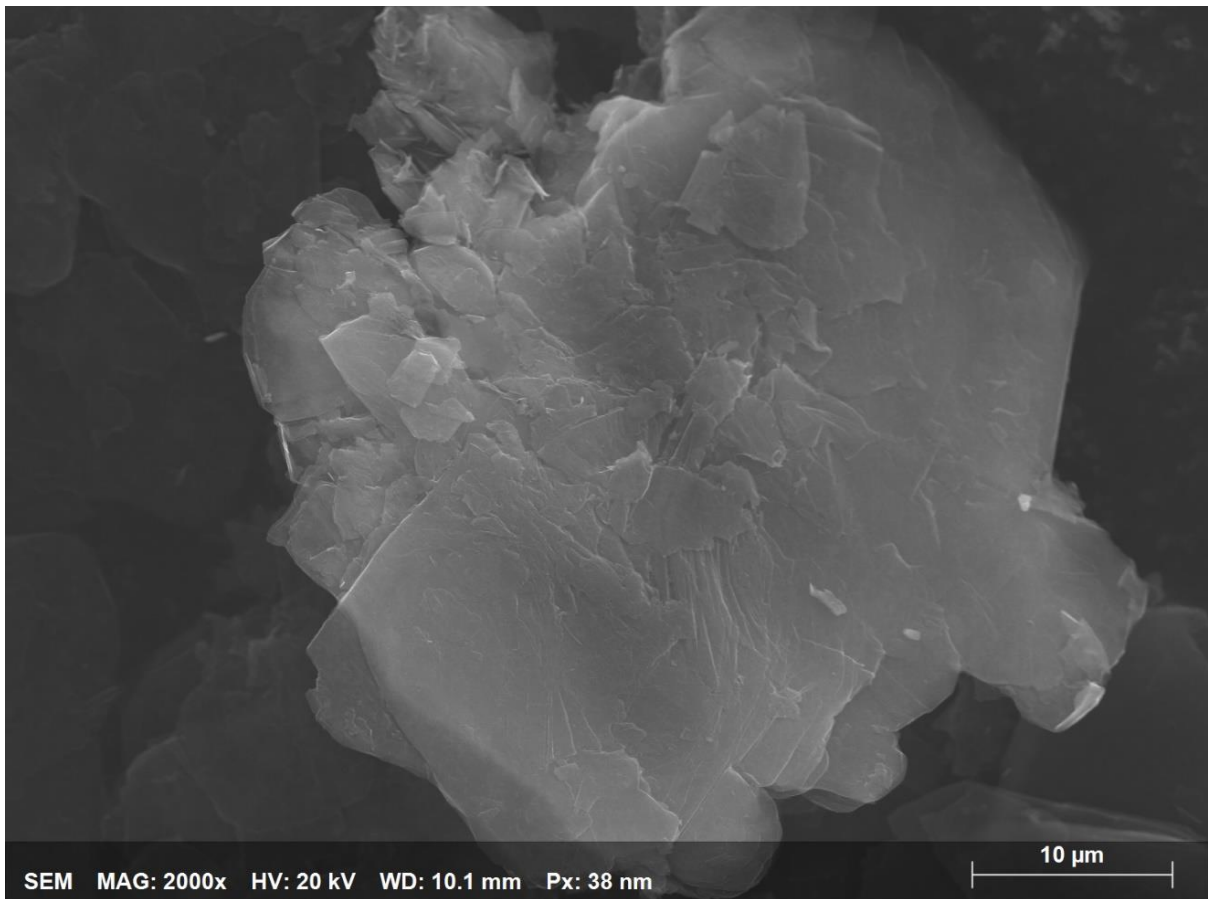


Figure 4: *Platy graphite flake in minus 38 to + 25 micron cleaner concentrate*

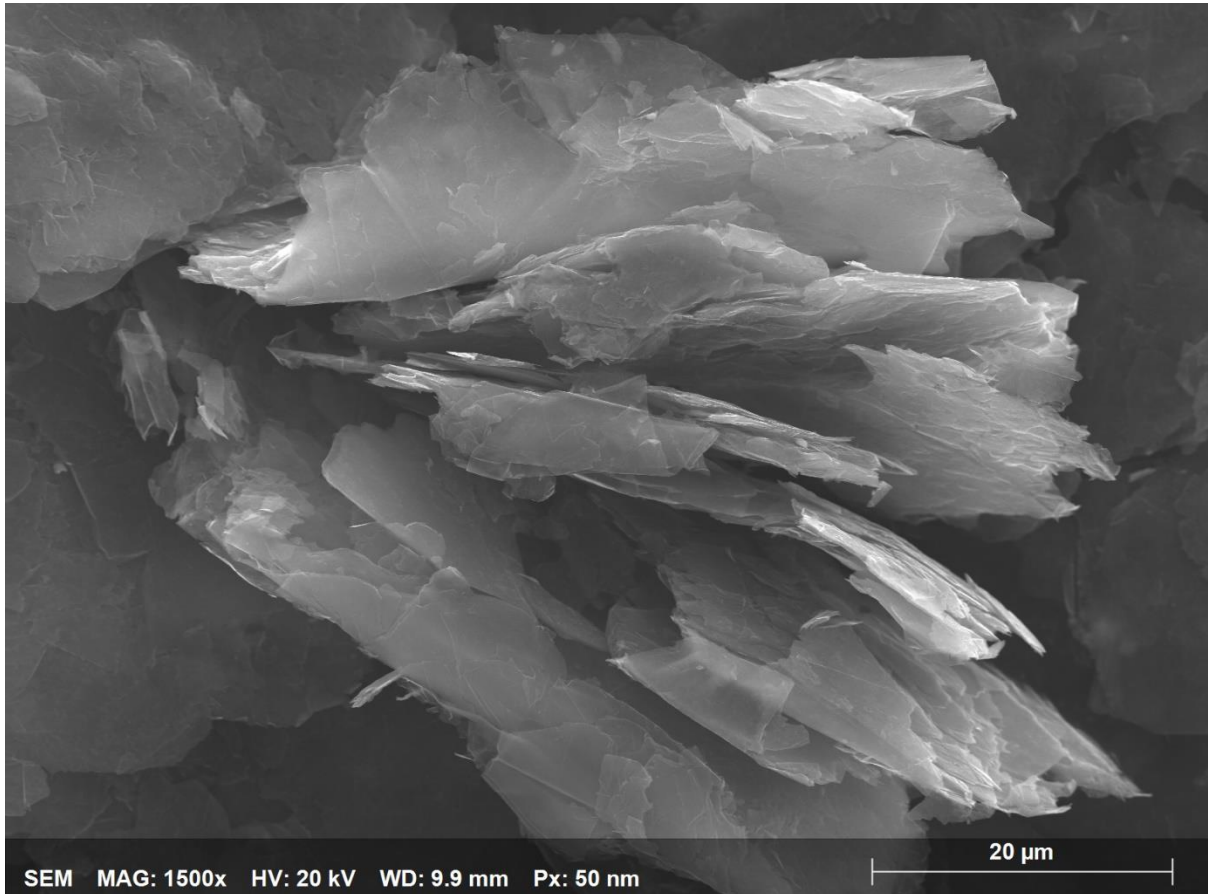


Figure 5: *Platy graphite flake in minus 53 to + 38 micron cleaner concentrate*

Priority EM Target Identified in EPM 26749

On 17 January 2023, the Company announced the results from the NRG Electromagnetic and Magnetic Survey (EM) flown over the Company's polymetallic tenements, EPMs 26749 and EPM 13775 (*Priority EM Target Identified in EPM 26749, ASX 17 January 2023*).

Key Highlights included:

- Results received for Electromagnetic Survey (EM) flown over Croydon Polymetallic EPM's 13775 & 26749
- Anomaly W_4, located in EPM 26749 has been identified as a large priority target

A large priority EM anomaly (W_4) was identified in the western corner of EPM 26749. Three other discrete lower priority anomalies were also identified, one of these (W_3) being located in the centre of EPM 26749, with the other two located in the Anomaly 1 area of EPM 13775 (**Figure 6**).

Modelling of Anomaly W_4 indicates that the data best fits the presence of one or two shallow dipping plates which can be tested by a 120m vertical hole with expected plate intersections at depths of 71m and 93m. This test hole will be included in the upcoming drilling program due to start in early May.

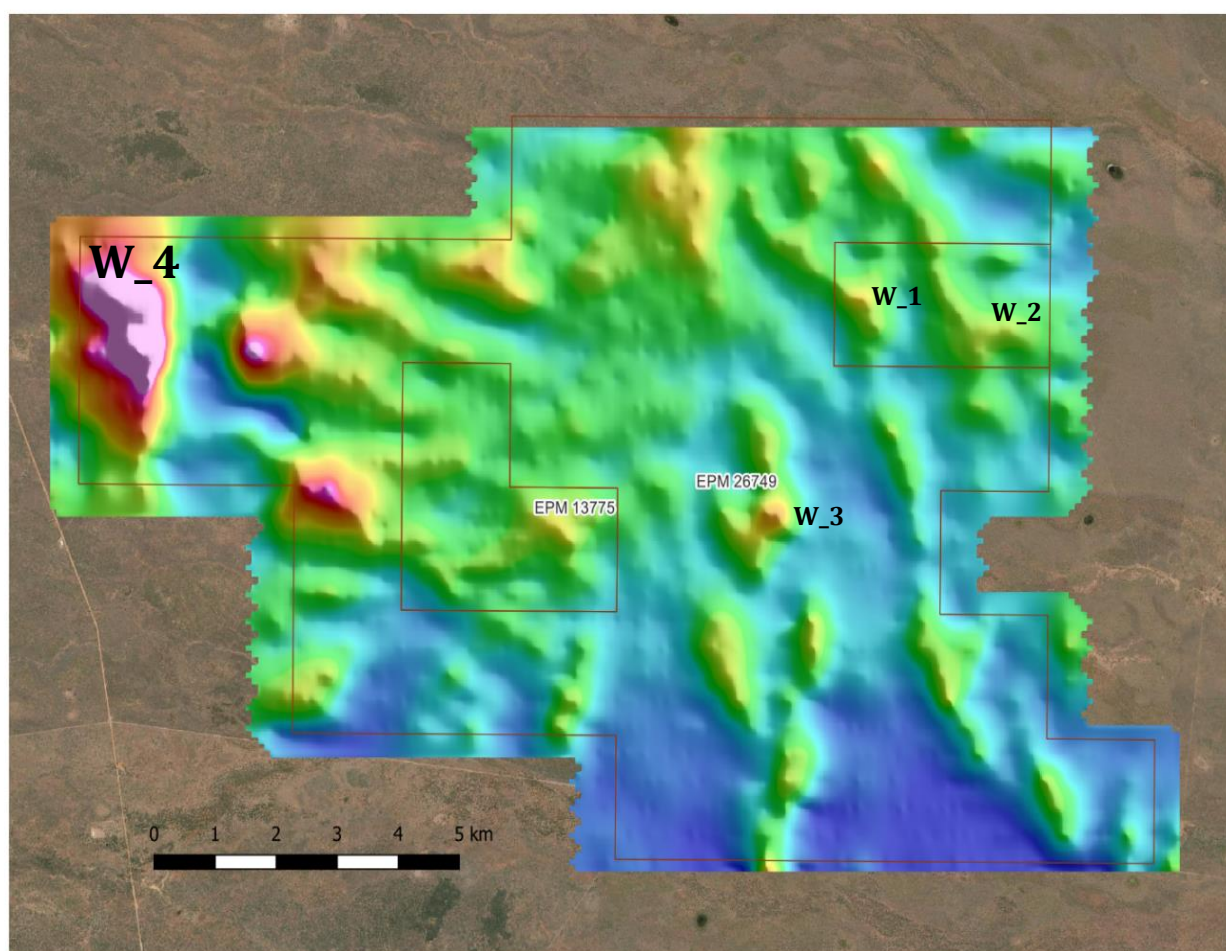


Figure 6: Image showing the large (W_4) EM conductor in the NW corner of EPM 26749 and discrete low priority anomalies W_1, W_2 and W_3. The WNW to N trending pattern of weak linear EM anomalies is related to cover, possibly reflecting faults or geological-trends in the bedrock.

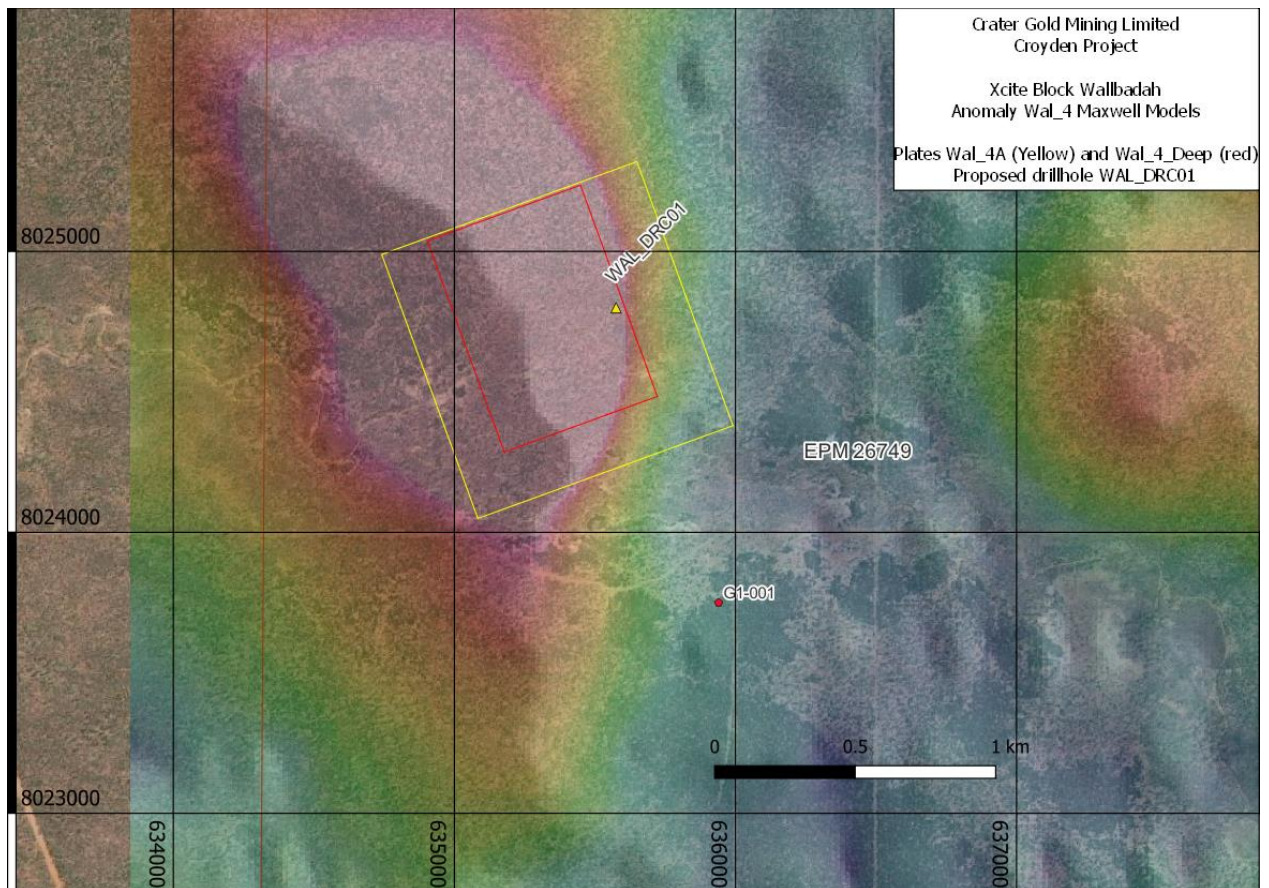


Figure 7: The large Anomaly W_4 shown together with rectangular shaped blocks modelled from the data projected to surface. Drill hole WAL_DRC01 has been selected to test this large anomaly. Previous unsuccessful hole G1-001, sited to test a residual gravity anomaly, lies some 1.2km to the SSE.

Crater Gold Mining awarded a Queensland government CEI Grant

Subsequent to the end of the quarter, on 3 April 2023, the Company announced it had been successful in securing a Queensland Government Collaborative Exploration Initiative (CEI) grant of \$110,000 (*CGN Awarded a Queensland Government CEI Grant*, ASX 3 April 2023). The funds from the Grant will be utilised for the initial evaluation of its promising S3 Graphite Prospect in Croydon to assist in funding seven diamond core drill holes for a total of 500m to confirm the presence of interpreted graphite mineralisation.

Drilling program to re-commence at Croydon

Subsequent to the end of the quarter, on 11 April 2023, the Company announced it had signed an agreement with DRC Drilling Pty Ltd to undertake the next drilling program at the Croydon Projects, anticipating commencement in late April or early May 2023 (*Drilling Program to Re-commence at Croydon, QLD*, ASX 11 April 2023). The program will mainly involve diamond drilling and will also include drilling at the Company's Polymetallic areas.

CRATER MOUNTAIN GOLD PROJECT, PAPUA NEW GUINEA

The Company continues to take appropriate precautions and actions to protect our staff and business operations, including precautions as advised and suggested by the World Health Organization, the Australian Government and the Government of Papua New Guinea (PNG).

First and foremost, our priority is the health, safety and wellbeing of our staff and the people of the communities in which we operate and as such, the Company is actively monitoring the COVID-19 situation and its potential impacts on these groups.

Due to continual spread of the COVID-19 virus, the PNG Government put in place travel restrictions, both domestic and international, which remains in place to this day. This combined with reduction in flight connections into PNG has hampered the Company's ability to move expatriate personnel in and out of PNG. Whilst recent changes have re-opened domestic travel in PNG, the impact of the COVID-19 pandemic is still being felt in the area where the Company operates, with many of the logistics providers remaining closed, or offering limited services.

Due to the ongoing nature of these factors and their impact on our ability to access our operations reliably on an ongoing basis, all production and exploration activities continue to remain suspended at present.

In the meantime, the Company remains focused on the renewal process of ML510 and is working closely with the Mineral Resources Authority (MRA) to secure a new ten (10) year mining license, in addition to working in parallel for the renewal and grant of exploration licenses at the Company's Crater Mountain Gold Project.

CORPORATE

Capital Raisings and Recapitalisation Proposal

On 10 March 2023, in order to recapitalise and strengthen its balance sheet, the Company announced a proposal to consolidate its capital and undertake capital raisings (*Capital Raisings and Recapitalisation Proposal*, ASX 10 March 2023).

Key Terms of the proposed recapitalisation transaction is as follows:

- a consolidation of its current issued capital on a 10 for 1 basis
- a capital raising, which will be conducted on a post-Consolidation basis and comprise of:
 - a fully underwritten 1:1 entitlement offer to existing shareholders to issue 123,902,786 fully paid ordinary shares in the Company at an issue price of \$0.12 per Share to raise \$14,868,334; and
 - a placement of 66,666,667 Shares at a price of \$0.12 per Share to raise up to \$8,000,000.

The Lead Manager for the Placement is Indian Ocean Corporate Pty Ltd (ACN 142 266 279), a corporate authorised representative of Indian Ocean Management Group Pty Ltd (AFSL 336409) (**Indian Ocean Corporate**). RaffAello Securities (HK) Limited (**RaffAello**) has agreed to act as co-lead manager to the Placement.

The Company has also entered into an underwriting agreement with Indian Ocean Corporate to act as underwriter and RaffAello Securities (HK) Limited (**RaffAello**) as sub-underwriter to the Entitlement Offer (**Underwriting Agreement**). Under the Underwriting Agreement Indian Ocean Corporate will underwrite and RaffAello will sub-underwrite the Entitlement Offer and the Entitlement Offer will be fully underwritten.

Upon completion of the Capital Raisings, the Company will have raised a total of up to \$22,868,334 (before costs).

As part of the recapitalisation, the Company intends to reduce its existing debt to Freefire Technology Ltd (a company controlled by Samuel Chan, a Director of the Company). The Company has agreed to permit Freefire to offset its obligation to pay the application monies in respect of Shares subscribed for by the Freefire under the Entitlement Offer against the Company's obligation to pay \$9,989,362 of the existing Freefire Technology Ltd debt.

Assuming successful completion of the Capital Raisings, the Company will have up to \$12,878,972 in available cash (both before costs and excluding existing cash reserves).

Funds raised from the Capital Raisings will be used towards exploration at the Company's Projects, considering acquisition opportunities that may be presented to the Board from time to time and general working capital as set out below.

Upon completion of the Capital Raisings (assuming both the Placement and Entitlement Offer are fully subscribed), the capital structure of the Company will be as follows:

	Shares
Current issued capital – pre-Consolidation	1,239,027,862
Issued capital – post-Consolidation (on a 10-to-1-basis)	123,902,786
Shares to be issued pursuant to the Entitlement Offer on a post-Consolidation basis	123,902,786
Shares to be issued pursuant to the Placement on a post-Consolidation basis	66,666,667
Total issued capital post Capital Raisings (on a post-Consolidation basis)	314,472,239

Reinstatement to Trading on the ASX

The Company has been in ongoing discussions with ASX in relation to reinstatement of its securities to trading. The ASX has confirmed that the securities of the Company will be reinstated to official quotation once the Company has complied with the required conditions including the completion of the successful capital raisings.

Subsequent to the quarter, on 12 April 2023 (*Non-Renounceable Rights Issue – Extension of Closing Date*, ASX 12 April 2023), the Company announced an extension for the closing date of the Rights Issue, Placement and Share Consolidation, with the following timetable now applicable:

Event	Date
Lodgement of Prospectus with ASIC	14 March 2023
Lodgement of Prospectus and Appendix 3B with ASX	14 March 2023
Ex date (Entitlement Offer)	16 March 2023
Record date for determining entitlements (Entitlement Offer)	17 March 2023
Opening Date for the Entitlement Offer and Prospectus sent out to Shareholders and Company announces this has been completed	22 March 2023
General Meeting to approve the issue of Shares under the Placement Offer	11 April 2023
Last day to extend the closing date for the Entitlement Offer	10 May 2023
Closing Date of the Entitlement Offer	15 May 2023
ASX and Underwriters notified of under subscriptions (Entitlement Offer)	17 May 2023
Underwriters subscribes for Shortfall under terms of Underwriting/Sub-Underwriting Agreement (Entitlement Offer)	18 May 2023
Issue of Shares under the Entitlement Offer and lodgement of an Appendix 2A with ASX applying for quotation of the Shares	18 May 2023
Despatch of holding statements	18 May 2023

The updated timetable for the Consolidation of the Company's shares is as follows:

Action	Date
Company announces Consolidation.	10 March 2023
Company sends out the Notice of Meeting	10 March 2023
Shareholders pass Resolution 1 to approve the Consolidation.	11 April 2023
Effective Date of Consolidation	22 May 2023
Last day for pre-Consolidation trading.	23 May 2023
Post-Consolidation trading commences on a deferred settlement basis.	24 May 2023
Record Date.	25 May 2023
Last day for the Company to register transfers on a pre-Consolidation basis.	25 May 2023
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Shares they hold.	26 May 2023
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Shares they hold and to notify ASX that this has occurred.	31 May 2023

Shareholder Meeting – 11 April 2023

Subsequent to the quarter, on 11 April 2023, the Company held a General Meeting where the shareholders of the Company approved the two proposed resolutions put to the meeting, including approval of the Placement and Share Consolidation, as noted above.

FINANCE AND ACTIVITIES

In accordance with ASX Listing Rule 5.3.1, the Company spent \$262,000 on exploration and development activities on its Croydon Tenements during the quarter.

In accordance with ASX Listing Rule 5.3.2, there were no production activities or costs at the Company's Crater Mountain project during the quarter, however there were payments of \$33,000 for care and maintenance costs.

In accordance with ASX Listing Rule 5.3.5, the Company advises that the payments to related parties of the Company and their associates during the quarter, as outlined in the attached Appendix 5B (Section 6), was approximately \$40,000, of which all related to director salaries and superannuation.

Statutory Compliance and Reporting

For the status on all tenements, please refer to the tenement schedule.

This Quarterly Activities Report has been authorised for release by the Board of Crater Gold Mining Limited.

For further information contact:
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Email: info@cratergold.com.au

COMPETENT PERSON STATEMENT

The information contained in this report relating to exploration activities at Croydon is based on and fairly represents information and supporting documentation prepared by Mr Ken Chapple or by appropriately qualified company and consultant personnel and reviewed by Mr Chapple, who is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd.

Forward Looking Statements

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward- looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable at the time made but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. You should therefore not place undue reliance on forward-looking statements.

Schedule of Crater Gold Mining Limited tenements:

Particulars	Project Name	Registered Holder	% Owned	Status	Expiry	Area (Km ²)
EPM 8795	Croydon	CGN	100	Granted	6/09/2024	9.6
EPM 13775	Wallabadah	CGN	100	Granted	5/03/2026	16
EPM 16002	Foote Creek	CGN	100	Granted	30/01/2024	28.8
EPM 18616	Black Mountain	CGN	100	Renewal Lodged	18/06/2023	57.6
EPM 26749	Wallabadah Extended	CGN	100	Granted	11/04/2024	115.2
EPM 28600	Black Mt Extended	CGN	100	Application Lodged	N/A	9.6
EL 1115	Crater Mountain	Anomaly Ltd ¹	100	Renewal lodged	25/09/2018	41
ELA 2643	Crater Mountain	Anomaly Ltd ¹	100	Application lodged	Oct 2019	68
ELA 2644	Crater Mountain	Anomaly Ltd ¹	100	Application lodged	Oct 2019	78
ML 510	Crater Mountain	Anomaly Ltd ¹	100	Renewal lodged	4/11/2019	1.58

¹ Anomaly Limited is CGN's 100% owned PNG subsidiary

In accordance with ASX Listing Rule 5.3.3, the Company advises the following:

1. There were no tenements acquired or disposed of during the quarter;
2. The tenements held by the Company as at 31 March 2023 are set out in the table above;
3. There were no farm-in or farm-out arrangements entered into during the quarter; and
4. The Company held no beneficial percentage interests in farm-in or farm-out agreement as at the end of the quarter.