



Annual Corporate Governance Statement 2022

The Board of Crater Gold Mining Limited (“Crater”) (“the Company”) and the entities it controls (“the Group”) is responsible for the corporate governance of the Group.

The Board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations 4th Edition (“Recommendations”) with a view to making amendments where applicable after considering the Group's size and the resources it has available.

As the Group's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

Crater’s Corporate Governance Statement can also be found in the Corporate Governance section of the “About Us” section on its website at www.cratergold.com.au.

The Board sets out below its “if not why not” report in relation to those matters of corporate governance where the Group’s practices depart from the Recommendations.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
	Recommendation	Crater Gold Mining Ltd Current Practice
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Adopted. The Directors have adopted a Corporate Governance Charter, a copy of which is available at www.cratergold.com.au which includes the structure for the role of the Board.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person or senior executive or putting forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Adopted. Material information in relation to a director up for election or re-election is provided in the Notice of Meeting for each General Meeting including background, other material directorships, term and the Board’s consideration of them as independent or non independent director, and the Board statement as to whether it supports the election or re-election of the candidate.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Not Adopted. This recommendation will be addressed in the forthcoming year to ensure the Company complies.

1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Adopted. The responsibilities of the Company Secretary are contained within the Corporate Governance Charter document.
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: 1) the measurable objectives set for that period to achieve gender diversity; 2) the entity's progress towards achieving those objectives; and 3) either: A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or B. if entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act."	Not Adopted. After discussing the possibility of adopting a diversity policy at Board level it was determined that due to the nature and size of the current operation this would be of no value to the organisation. At this stage of its development the Group does not think it is appropriate to state measurable objectives for achieving gender diversity due to its size and stage of development. The Company makes the following disclosures regarding the proportion of women employed in the organisation: <ul style="list-style-type: none">• Women on Board: 0%• Women in Senior Management: 14%• Women in whole organisation: 12% Senior Management includes Directors, the CFO and the Company Secretary.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with process during or in respect of that period.	Adopted. Contained within its Corporate Governance Charter, the Group has provided that it is required to undertake annual formal performance review measures for the Board, its committees and individual directors. However, no review has taken place in the reporting period.

1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Adopted.</p> <p>Contained within its Corporate Governance Charter, the Group has provided that it is required to undertake annual formal performance review measures for Senior Executives. However, no review has taken place in the reporting period.</p>
PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE		
	Recommendation	Crater Gold Mining Limited Current Practice
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and</p> <p>disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Partially Adopted.</p> <p>The Group has a Remuneration and Nomination Committee, however the Committee has only two members, with only one member being independent. The members are Desmond Sun (independent) who is also the Chairman of the Committee and Tom Fermanis. Details of the qualifications of the Committee members and meetings attended by them are contained in the Directors' Report. The Committee has a charter which is published on the Company's website - www.cratergold.com.au.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Not Adopted.</p> <p>The Group currently has a mixture of skills on the Board, including technical, financial, business, management and leadership. There is no immediate plans to develop and disclose a Board Skills Matrix.</p>

2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type as described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Adopted.</p> <p>(a) Desmond Sun – Independent Lawrence Lee - Independent</p> <p>(b) N/A</p> <p>(c) Sam Chan – Appointed 28/01/2013 – 9 years Tom Fermanis – Appointed 2/11/2009 – 12 years Russell Parker – Appointed 12/03/2013 – 9 years Lawrence Lee – Appointed 05/06/2014 – 8 years Desmond Sun – Appointed 28/01/2013 – 9 years</p>
2.4	<p>A majority of the Board of a listed entity should be independent directors.</p>	<p>Not Adopted.</p> <p>Only 40% of the Board (2 members, Desmond Sun and Lawrence Lee) is considered independent as per box 2.3 of the ASX Corporate Governance Principles and Recommendations.</p> <p>The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has the relevant industry experience and specific expertise relevant to the Group’s business and level of operations. The Board considers that its structure is appropriate in the context of the Group’s recent history. The Group considers that the non independent director possesses the skills and experience suitable for building the Group.</p> <p>Furthermore, the Board considers that in the current phase of the Group’s operations, the Company’s shareholders are better served by directors who have a vested interest in the Group. The Board intends to reconsider its composition as the Group’s operations evolve, and may appoint additional independent directors as it deems appropriate.</p>

2.5	The Chair of a Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>Not Adopted.</p> <p>While the Board recognises the importance of independence in decision making, it does not comply with Recommendation 2.5. Given the size and the limited resources of the Group there would be no value to shareholders or the Company in having an independent Chairman at this point in time. This will be revisited should the nature or size of the operations change substantially. The Board believes that Mr Sam Chan is the most appropriate person for the position as Chairman because of his interest in the Group and his experience and knowledge of the Group's operations.</p> <p>The role of chairperson of the Board and the CEO (Managing Director) are exercised by two separate directors.</p>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<p>Adopted.</p> <p>The induction of new directors is currently completed by the Company Secretary.</p> <p>All directors have access to professional development opportunities to improve on their skills and knowledge to assist in their roles as directors.</p>
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY		
	Recommendation	Crater Gold Mining Limited Current Practice
3.1	A listed entity should articulate and disclose its values.	<p>Not Adopted.</p> <p>The Group is yet to articulate its values.</p>
3.2	<p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>Adopted.</p> <p>The Code of Conduct is contained within the Corporate Governance Charter document which is published on the Company's website - www.cratergold.com.au</p>
3.3	<p>A listed entity should:</p> <p>(a) have and disclose a Whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>Adopted.</p> <p>The Whistleblower Policy is published on the Company's website - www.cratergold.com.au</p> <p>The Board is informed of any material incidences under the policy.</p>

3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>Not Adopted.</p> <p>The Group does not have an anti-bribery and corruption policy.</p> <p>This recommendation will be addressed in the forthcoming year.</p>
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PRINCIPLE 4 – SAFEGUARD INTEGRITY OF CORPORATE REPORTS

	Recommendation	Crater Gold Mining Limited Current Practice
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board; And disclose:</p> <p>(3) the charter of the committee</p> <p>(4) the relevant qualifications and experience of the member of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Partially Adopted.</p> <p>The Group has an Audit Committee, and both members are independent and non-executive directors. The members are Desmond Sun, who is the Chairman of the Committee and Lawrence Lee. Details of the qualifications of the Committee members and meetings attended by them are contained in the Directors' Report. The Committee has a charter which is published on the Company's website – refer www.cratergold.com.au</p>

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Adopted.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Adopted. The Company ensures that before the finalisation and disclosure of any periodic corporate report, it has passed through and been reviewed at several levels within the organisation and also by the Board. The reviews are undertaken by suitably qualified accounting and corporate governance professionals.
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
	Recommendation	Crater Gold Mining Limited Current Practice
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the listing rule 3.1.	Adopted. The Group's Continuous Disclosure Policy is contained within its Corporate Governance Policy, which is published on the Company website. Refer www.cratergold.com.au
5.2	A listed entity should ensure that its board receives a copy of all material market announcements promptly after they have been made.	Adopted.
5.3	A listed entity that gives new substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Adopted.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
	Recommendation	Crater Gold Mining Limited Current Practice
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted. Refer to the Company's Corporate Governance page on its website – www.cratergold.com.au
6.2	A listed entity should have an investor relations program to facilitate effective two-way communication with investors.	Adopted. The Company regularly communicates to its shareholders in a timely manner through a communications strategy that includes: <ul style="list-style-type: none"> • relevant disclosures made in accordance with ASX Listing Rule disclosure requirements; • making documents that have been released publicly available on the Company's website; • communicating with shareholders electronically through the Company's web based application; and responding in a timely and transparent fashion to all shareholder enquiries.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Adopted. The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Group's auditors.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.	Adopted.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted. Welcome packs to all new shareholders provides these options to receive communications electronically. This option is also available to existing shareholders upon contacting the share registry.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
	Recommendation	Crater Gold Mining Limited Current Practice
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Not Adopted.</p> <p>The Group does not currently have a Risk Committee. The role of a risk committee is undertaken by the whole board.</p> <p>The Board has considered the material risks impacting the Company and its Shares.</p> <p>Key risks impacting the Group will be reviewed and considered by management and the Board on a regular basis</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regards to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Not Adopted.</p> <p>The Board reviews risk on a regular basis, however a review has not taken place in the reporting period.</p>

7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Not Adopted.</p> <p>The Group does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis.</p> <p>Internal controls are reviewed on an annual basis.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Not Adopted.</p> <p>The Group does not have an Environmental, Social and Governance policy.</p> <p>The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation in Australia and environmental regulations in Papua New Guinea. The Board assume responsibility for ensuring compliance with these regulations, and are not aware of any breaches of the legislation during the 2022 financial year which are material in nature.</p>

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
	Recommendation	Crater Gold Mining Limited Current Practice
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Partially Adopted.</p> <p>The Group has a Remuneration and Nomination Committee, however the Committee has only two members, with only one member being independent. The members are Desmond Sun (independent) who is also the Chairman of the Committee and Tom Fermanis. Details of the qualifications of the Committee members and meetings attended by them are contained in the Directors' Report. The Committee has a charter which is published on the Company's website – refer www.cratergold.com.au.</p> <p>The Committee follows the Remuneration Committee Charter which provides for dealing with board remuneration issues.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Adopted.</p> <p>This information is contained within the Remuneration Report of the Annual Report. Setting remuneration for executives is set out in the Remuneration and Nomination Committee Charter.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Not Adopted.</p> <p>The Group has an Employee Equity Incentive Scheme however there is no policy on whether employees (including non-executive directors) are permitted to enter into transactions which limit the economic risk of participating in the scheme.</p>