



Crater Gold Mining Limited ABN 75 067 519 779

Financial Report

For the half year ended

31 December 2021

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Directors' Report

Your Directors present their report, together with the financial statements, on the consolidated entity consisting of Crater Gold Mining Limited and the entities it controlled at the end of, or during the half year ended 31 December 2021.

Directors

The names of the Directors of Crater Gold Mining Limited in office during the half year and at the date of this report are:

S W S Chan (Non-Executive Chairman)
R D Parker (Managing Director)
T M Fermanis (Deputy Chairman)

L K K Lee (Non-Executive Director)
D T Y Sun (Non-Executive Director)

Principal Activities

The principal activities of Crater Gold Mining Limited (the Company) and its subsidiaries (together the consolidated entity) are the exploration, evaluation and exploitation of potential world class gold and other base metal projects. Its current focus is the Crater Mountain exploration program in Papua New Guinea (PNG), the evaluation of the vein style polymetallic (zinc-tin-copper-silver dominant) mineralisation discovered at Croydon in north Queensland.

Review of operations

The consolidated entity incurred a loss for the half year of \$1,405,130 (2020: \$1,699,686).

A detailed Review of Operations is set out on pages 3 to 5 preceding the Directors' Report.

Annual General Meeting

All resolutions at the Company's 2021 Annual General Meeting on 26 November 2021 were passed.

Events After Reporting Date

Refer to Note 12 to the financial statements for events after reporting date.

No other matters or circumstances have arisen since the end of the half year which significantly affected or may affect the operation of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the half year.

OPERATIONS REPORT

CRATER MOUNTAIN GOLD PROJECT, PNG

HGZ Gold Mine

During the period, the Company took 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, as well as a quarantine program for international arrivals, 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.

Directors' Report

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 licence, in addition to working in parallel for the renewal and grant of exploration licenses at the Company's Crater Mountain Gold Project.

POLYMETALLIC PROJECT

No active exploration activity was undertaken on the Polymetallic Project in North Qld during the period, due to limitations from the outbreak of the COVID-19 pandemic. Encouraging test work undertaken in 2019 indicated that follow up testing, which would include optimisation of flotation work, optimisation of grind size and optimisation of the caustic bake purification step. These activities have been placed on hold pending the outcome of the COVID-19 pandemic.

GOLDEN GATE GRAPHITE PROJECT, CROYDON, NTH QLD

No active exploration activity was undertaken on the graphite project during the period, due to limitations from the outbreak of the COVID-19 pandemic. Encouraging test work undertaken in 2019 indicated that follow up testing, which would include optimisation of flotation work, optimisation of grind size and optimisation of the caustic bake purification step. These activities have been placed on hold pending the outcome of the COVID-19 pandemic.

COMPETENT PERSONS STATEMENT

The information contained in this report relating to exploration activities at the Crater Mountain Gold Project is based on and fairly represents information and supporting documentation prepared by appropriately qualified company personnel and reviewed by Ken 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 and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information contained in this report that relates to Exploration Results at the A2 Polymetallic Projects near Croydon, Queensland, is based on information compiled by Ken Chapple, or prepared by appropriately qualified external technical experts and reviewed by him. Mr Chapple is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has been assisting the Company as a technical consultant relating to his areas of expertise. 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 and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

The information contained in this report that relates to Exploration Results at the Golden Gate Graphite and the A2 Polymetallic Projects near Croydon, Queensland, is based on information compiled by Ken Chapple, or prepared by appropriately qualified external technical experts and reviewed by him. Mr Chapple is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has been assisting the Company as a technical consultant relating to his areas of expertise. 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 and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

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.

Directors' Report

Schedule of Crater Gold Mining Limited tenements:

Particulars	Project Name	Registered Holder	% Owned	Status	Expiry	Area (Km ²)
EPM 8795	Croydon	CGN	100	Granted	6/09/2022	9.6
EPM 13775	Wallabadah	CGN	100	Granted	5/03/2023	16
EPM 16002	Foot Creek	CGN	100	Granted	30/01/2024	28.8
EPM 18616	Black Mountain	CGN	100	Granted	18/06/2023	57.6
EPM 26749	Wallabadah Extended	CGN	100	Granted	11/04/2024	115.2
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

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

There were no tenements acquired or disposed of during the half year.

The Company has no Farm-in or Farm-out arrangements.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



R D Parker
Managing Director

Perth
14 March 2022

RSM Australia Partners

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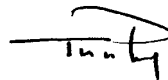
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Crater Gold Mining Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2022

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2021

	Notes	Consolidated	
		31 December 2021 \$	31 December 2020 \$
Other income	5	-	10,002
Expenses			
Administration expense		(408,896)	(704,463)
Corporate compliance expense		(128,929)	(49,690)
Depreciation expense		(67,670)	(84,850)
Exploration, evaluation and operation costs		(122,203)	(263,221)
Share based payments		(99,994)	(139,147)
Financing expense		(577,438)	(468,317)
Loss before income tax		(1,405,130)	(1,699,686)
Income tax expense		-	-
Loss for the half year		(1,405,130)	(1,699,686)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(27,837)	(940,994)
Total comprehensive loss for the half year		(1,432,967)	(2,640,680)
Loss per share			
Basic and diluted loss - cents per share		(0.11)	(0.14)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2021

	Notes	Consolidated	
		31 December 2021 \$	30 June 2021 \$
ASSETS			
Current assets			
Cash and cash equivalents		107,966	27,097
Trade and other receivables		241,899	276,126
Total current assets		349,865	303,223
Non-current assets			
Other financial assets		63,351	61,948
Exploration and evaluation	6	987,819	987,819
Plant and equipment		238,697	268,811
Right-of-use assets		20,856	50,011
Total non-current assets		1,310,723	1,368,589
Total assets		1,660,588	1,671,812
LIABILITIES			
Current liabilities			
Trade and other payables		2,680,170	2,725,218
Related party payables		1,606,137	1,499,066
Interest bearing liabilities	7	12,577,358	11,320,721
Lease liabilities		112,363	109,274
Total current liabilities		16,976,028	15,654,279
Total liabilities		16,976,028	15,654,279
Net liabilities		(15,315,440)	(13,982,467)
EQUITY			
Contributed equity	8	75,036,554	75,036,554
Reserves	9	(2,342,327)	(2,414,484)
Accumulated losses		(88,009,667)	(86,604,537)
Total equity		(15,315,440)	(13,982,467)

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

As at 31 December 2021

Consolidated	Notes	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2021		75,036,554	(2,414,484)	(86,604,537)	(13,982,467)
Share based payments	9	-	99,994	-	99,994
Transactions with owners		-	99,994	-	99,994
Loss for the half year		-	-	(1,405,130)	(1,405,130)
Other comprehensive income					
Exchange differences on translating foreign operations	9	-	(27,837)	-	(27,837)
Total comprehensive income for the half year		-	(27,837)	(1,405,130)	(1,432,967)
Balance at 31 December 2021		75,036,554	(2,342,327)	(88,009,667)	(15,315,440)
Balance at 1 July 2020		75,036,554	(1,387,275)	(76,447,783)	(2,798,504)
Share based payments		-	139,147	-	139,147
Expiry of options		-	(441,501)	441,501	-
Transactions with owners		-	(302,354)	441,501	139,147
Loss for the half year		-	-	(1,699,686)	(1,699,686)
Other comprehensive income					
Exchange differences on translating foreign operations		-	(940,994)	-	(940,994)
Total comprehensive income for the half year		-	(940,994)	(1,699,686)	(2,640,680)
Balance at 31 December 2020		75,036,554	(2,630,623)	(77,705,968)	(5,300,037)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the half year ended 31 December 2021

	Notes	Consolidated	
		31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(513,011)	(596,896)
Payments for exploration and evaluation		(206,862)	-
Other receipts		-	10,002
Interest paid		(6,299)	(17,037)
Net cash used in operating activities		(726,172)	(603,931)
Cash flows from investing activities			
Payments for exploration and evaluation		-	(12,908)
Net cash used in investing activities		-	(12,908)
Cash flows from financing activities			
Proceeds from borrowing		1,600,000	735,000
Repayment of borrowings		(800,000)	-
Lease liability repayments		6,457	-
Net cash provided by financing activities		806,457	735,000
Net increase/(decrease) in cash held		80,285	118,161
Cash at the beginning of the half year		27,097	27,095
Effects of foreign exchange movements on cash transactions and balances		584	(3,199)
Cash at the end of the half year		107,966	142,057

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Interim Financial Statements

1. Basis of preparation

These financial statements for the interim half year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard 134 'Interim Financial Reporting' and the *Corporations Act 2001* as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'.

These half year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by the Company during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, Revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment of non-financial assets

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time.

They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

COVID-19 pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates.

Notes to the Interim Financial Statements

3. Going concern

These financial statements are prepared on a going concern basis.

The consolidated entity incurred a net loss after tax of \$1,405,130 and had cash outflows from operating activities of \$726,172 for the half year ended 31 December 2021. As at that date, the consolidated entity had net current liabilities of \$16,626,163 including cash on hand of \$107,966 and net liabilities of \$15,315,440. The ability of the consolidated entity to continue as a going concern is principally dependent on the continued financial support of the major shareholders of the consolidated entity.

These conditions give rise to material uncertainty, which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

Notwithstanding the above, the Directors have prepared the half year financial statements on a going concern basis based on the following key factors:

- The directors of the Company expect that major shareholders of the Company will continue to support fundraising activities and reasonably believe the Company will continue to receive financial support from Freefire Technology Limited and the remaining debt owed will not be called back for a period of 12 months from the date of this report; and
- In addition, the Company has previously successfully raised funds through share issues and debt funding and the Directors are confident that this could be achieved again should the need arise.

On this basis the Directors are of the opinion that the financial statements should be prepared on a going concern basis and the consolidated entity will be able to pay its debts as and when they fall due and payable.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

Notes to the Interim Financial Statements

4. Operating Segments

	Croydon \$	Crater Mountain \$	Intersegment eliminations / Australia \$	Consolidated \$
Half year to 31 December 2021				
Other expenses	(23,747)	(337,393)	(1,043,990)	(1,405,130)
Segment profit/ loss	(23,747)	(337,393)	(1,043,990)	(1,405,130)
As at 31 December 2021				
Segment assets	987,819	481,316	191,453	1,660,588
Segment liabilities	-	53,615,027	(36,638,999)	16,976,028
Half year to 31 December 2020				
Interest income	-	-	2	2
Other income	-	-	10,000	10,000
Other expenses	(38,865)	(530,175)	(1,140,648)	(1,709,688)
Segment loss	(38,865)	(530,175)	(1,130,646)	(1,699,686)
As at 30 June 2021				
Segment assets	987,819	579,395	104,598	1,671,812
Segment liabilities	-	53,026,452	(37,372,173)	15,654,279

Segment information is presented using a “management approach”, i.e. segment information is provided on the same basis as information used for internal reporting purposes by the Board. In identifying its operating segments, management generally follows the consolidated entity's project activities. Each of these activities is managed separately.

Description of segments

Crater Mountain

This is an advanced exploration project located in the PNG Highlands approximately 50kms southwest of Goroka.

Croydon

This project consists of two sub-projects in far North West Queensland, the Croydon Gold Project and the Croydon Polymetallic Project.

	Consolidated	
	31 December 2021 \$	31 December 2020 \$
5. Other income		
Interest income	-	2
Other income	-	10,000
	-	10,002

Notes to the Interim Financial Statements

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
6. Non-Current Assets - Exploration and evaluation		
Opening balance	987,819	9,190,151
Exploration costs impaired	-	(7,383,934)
Effect of movement in exchange rates	-	(818,398)
Closing balance	987,819	987,819

The ultimate recoupment of costs carried forward for exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas.

Some uncertainty exists as to the Group's tenure at Crater Mountain. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources an indication of impairment may exist if the right to explore in the specific area has expired during the period and is not expected to be renewed. The Group has been engaged in discussions with the Government of Papua New Guinea and has made a renewal licence submission for EL 1115 and ML 510. To date, the Group has received no formal correspondence or notification from the Government of Papua New Guinea.

As a result of this uncertainty, at 30 June 2021, the Directors resolved to fully impair \$7,383,934 expenditure capitalised in relation to the Crater Mountain exploration and evaluation asset until such time that the licences are officially renewed by the Papua New Guinea Government. The balance of exploration and evaluation at 31 December 2021 included \$nil (30 June 2021: \$nil) in relation to these exploration licences held in Papua New Guinea.

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
7. Current Liabilities – Interest bearing liabilities		
ICBC loan	-	800,000
Freefire Technology Limited loan	12,577,358	10,520,721
	12,577,358	11,320,721

ICBC Loan Facility

The Company secured a loan facility of up to \$800,000 from the Industrial and Commercial Bank of China (Asia) Limited ("ICBC"). The ICBC loan facility is repayable on call and is guaranteed by interests associated with the Chairman, Mr Sam Chan. During the half year the loan was repaid.

Freefire Technology Limited

As at 31 December 2021, the Company had secured a number of short-term, interest bearing loans totalling \$12,577,358 (30 June 2021: \$10,520,721) from its major shareholder, Freefire Technology Limited ("Freefire").

- The loan funds are to be used by the consolidated entity principally for the purpose of ongoing financial support of the Company's Crater Mountain, PNG project, for ongoing financial support of the Company's Croydon Projects in Queensland, Australia, and for general working capital.
- Interest on the Principal Sum is payable by the Company to Freefire at the rate of 8% per annum
- The loans have various terms from three months to three years.

8. Contributed Equity

	No. of ordinary shares	Total \$
As at 1 July 2021	1,227,495,867	75,036,554
Shares issued	-	-
As at 31 December 2021	1,227,495,867	75,036,554

Notes to the Interim Financial Statements

	Consolidated	
	31 December 2021 \$	30 June 2021 \$
9. Reserves		
Share based payment reserve	573,214	473,220
Foreign currency translation reserve	(2,915,541)	(2,887,704)
	(2,342,327)	(2,414,484)
<i>Movements</i>		
<u>Share based payments reserve</u>		
Balance at beginning of period	473,220	717,847
Transfer to accumulated losses (options expired)	-	(441,502)
Share based payments expense for the period	99,994	196,875
Balance at end of period	573,214	473,220
<u>Foreign currency translation reserve</u>		
Balance at beginning of period	(2,887,704)	(2,105,122)
Currency translation differences	(27,837)	(782,582)
Balance at end of period	(2,915,541)	(2,887,704)

10. Contingent liabilities

The consolidated entity's tenure at Crater Mountain is subject to a pending licence renewal submission made to the Papua New Guinea Government. There is significant uncertainty as to whether future liabilities will arise in respect to potential closure and rehabilitation costs in an event the licence renewal is denied. At this time the amount of the obligation cannot be measured with sufficient reliability.

The consolidated entity does not have any other contingent liabilities.

11. Commitments

There were no significant changes in commitments held by the consolidated entity since the last annual reporting date.

12. Events after reporting date

On 31 January 2022, 11,531,995 fully paid ordinary shares were issued on the conversion of Class C Performance Rights. The shares issued are subject to a twelve (12) month voluntary escrow to 31 January 2023.

On 1 February 2022, 108,162,164 performance rights were cancelled following expiry on 31 January 2022.

On 28 February 2022, the Company executed a new loan agreement for \$2,000,000 with the Company's major shareholder, Freefire. The terms of the unsecured loan facility are consistent with those disclosed in Note 7.

The impact of Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State and Federal Governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No matters or circumstances have arisen since the end of the half year, which significantly affected or may affect the operation of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

13. Dividends

No dividends have been paid or provided for during the half-year (2020: nil).

Directors' Declaration

The Directors declare that:

- 1) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and
 - b) Complying with the Accounting Standard *AASB134 Interim Financial Reporting*, and the Corporations Regulations 2001.
- 2) Having regard to those matters referred to in Note 3, in the Directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the *Corporations Act 2001*.



R D Parker
Managing Director

Perth
14 March 2022



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CRATER GOLD MINING LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Crater Gold Mining Limited, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Crater Gold Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Crater Gold Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Crater Gold Mining Limited is not in accordance with the *Corporations Act 2001* including:

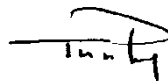
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 3, which indicates that the consolidated entity incurred a net loss of \$1,405,130 and had net cash outflows from operating activities of \$726,172 for the half-year ended 31 December 2021. As at that date, the consolidated entity had net current liabilities of \$16,626,163 and net liabilities of \$15,315,440. These events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2022

Directors:	S W S Chan (Non-Executive Chairman) R D Parker (Managing Director) T M Fermanis (Deputy Chairman) L K K Lee (Non-Executive Director) D T Y Sun (Non-Executive Director)
Company Secretary:	A Betti
ABN:	75 067 519 779
Registered Office:	Level 2 22 Mount Street Perth WA 2000 Australia Telephone: +61 8 6188 8181
Postal Address:	PO Box 7054 Cloisters Square Perth WA 6850 Australia
Share Registry:	Link Market Services Limited Level 12, 250 St Georges Terrace Perth WA 6000 Australia Telephone: 1300 554 474
Auditors:	RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth WA 6000 Australia Telephone: +61 8 9261 9100
ASX Listing:	Crater Gold Mining Limited shares are quoted on the Australian Securities Exchange under the code "CGN".
Website address:	www.cratergold.com.au