



ANNUAL REPORT

For the year ended 30 June 2019

Crater Gold Mining Limited (ASX: CGN) ABN 75 067 519 779

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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 S Betti
ABN:	75 067 519 779
Registered Office and Principal place of business:	Level 2, 22 Mount Street, Perth WA 6000 Australia Telephone: +61 8 6188 8181 Email: info@cratergold.com.au
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 2 The Esplanade Perth WA 6000 Australia Telephone: +61 8 9261 9100
Bankers	National Australia Bank Ltd 100 St Georges Terrace PERTH WA 6000
ASX Listing:	Crater Gold Mining Limited shares are quoted on the Australian Securities Exchange under the code "CGN".
Website address:	www.cratergold.com.au

The Directors present their report, together with the financial statements, on the Group (referred to hereafter as the 'the Group') consisting of Crater Gold Mining Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The following persons were Directors of Crater Gold Mining Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

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 the Group consist of the exploration, evaluation and exploitation of potential world-class gold and other base metal projects at the Group's mining tenements predominately situated near Goroka, Papua New Guinea and in Queensland, Australia.

Dividends

No dividends of the Company or any entity of the Group have been paid, declared or recommended since the end of the preceding year. The Directors do not recommend the payment of any dividend for the year ended 30 June 2019.

Review of Operations and Results

The Group incurred a loss of \$6,941,949 for the year ended 30 June 2019 (2018: loss of \$5,739,906).

Operations Report

High Grade Zone (HGZ) project at Crater Mountain, Papua New Guinea

During the year the Company produced approximately 205 oz. of gold at an average purity of 97.3% Au. Production came from a composite of high and low grade ore from both the 1930 and 1950 developments.

The main focus this year of operations in PNG has been the continued development of the 1930 level and the development of a new adit and drive on the 1950 level.

Development of the 1950 level drive is near completion and has intersected all North / South JL & NV structures. Final preparations will soon be made for the commencement of stope mining on this level.

1930 level development continued during this period to allow time for the 1950 level to be safely developed before commencing stoping of 1930 level. A small test rise has now been completed on 1930 level and this material has been processed and then smelted in Guasa to assist management in understanding expected production volumes from stoping of the 1930 when it commences.

Significant investment has been made in upgrading machinery on site throughout the year. Additional pneumatic jack hammers have been delivered to provide sufficient units to work on multiple faces over multiple shifts. One of the diesel driven mechanical skid steer loaders ordered was delivered to site and commissioned in the third quarter. Training has been carried out and initial operational trials have shown a significant increase in ROM output, as was expected.

During the year operational improvements have been made to the gold recovery process. The processing plant ran at reduced capacity throughout this period as old machinery was overhauled and a new hammermill installed and commissioned. The company is hopeful that once full operational capacity is reached gold production will be significantly ramped up.

The drive to reach full mining operations capacity has been hampered by increases in costs from third party service providers, particularly helicopter charter costs, which have more than doubled in the last quarter of this financial year due to the combination of an increase in per hour charter costs and a change in currency billed from A\$ to US\$. The company purchased three ATVs earlier in the year with the aim of essentially eliminating the reliance on helicopter use in long lining supplies delivered by far cheaper fixed wing flights to the nearby airstrip at Guasa Village up to the camp site at the HGZ. These ATVs are now on site. However, due to unexpected land slips onto the road used to transport goods from Guasa to the camp site, which are yet to be repaired, the Company has not been able to utilise road between the Guasa airstrip and the camp, thus continuing the need for helicopter long lining for longer than expected. Efforts are continuing to repair the road as a matter of priority. Production is continuing at a reduced rate with a reduced workforce to control further costs until such time this issue can be overcome.

HGZ Surface Sampling

The Company tested for extensions of gold mineralisation at the HGZ Project and completed a sampling program above the HGZ Mine area.

The current HGZ Mine is based on selective mining of narrow high grade veins, commencing downwards from the 1960m RL level. Above this level, the surface contains scree composed of weathered bedrock, waste rock material derived from artisanal workings and boulders and rubble derived from benching work. In addition, tephra covers most of the area, either in part or fully.

Check panning of the scree material revealed the presence of visible, fine to very fine, gold grains with occasional small gold nuggets. This is interpreted to have resulted from surface supergene weathering of gold mineralisation. It was therefore decided that the extent and grade of the gold in the surface scree should be investigated as it could potentially offer increased gold production for the HGZ mine.

Eleven (11) short horizontal trenches for a total of 173.5m and excavated at 5m intervals upslope from 1960m RL were planned to investigate this possibility. However, due to the presence within the scree of surface boulders, rubble and tephra, combined with the steep topography, much of the potential area could not be accessed for trench sampling. This resulted in the excavation of only 5 trenches for a total length of 44.0m (Figures 3 and 4). Initially 99, 0.5m interval, channel samples were collected but were later composited into 24 samples of mainly 2.0m intervals.

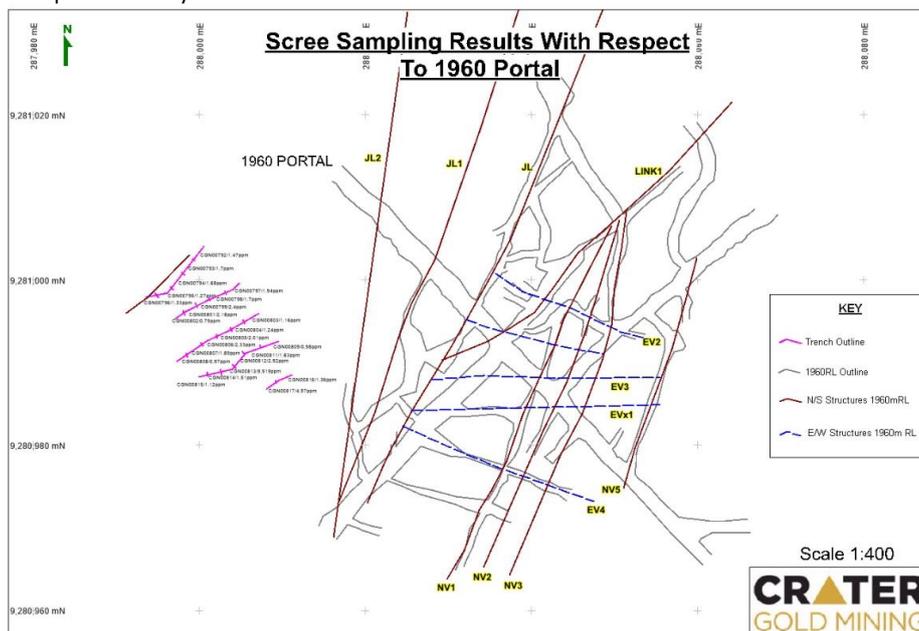


FIGURE 1: Scree Sample Trench Locations above the 1960m RL Development Level

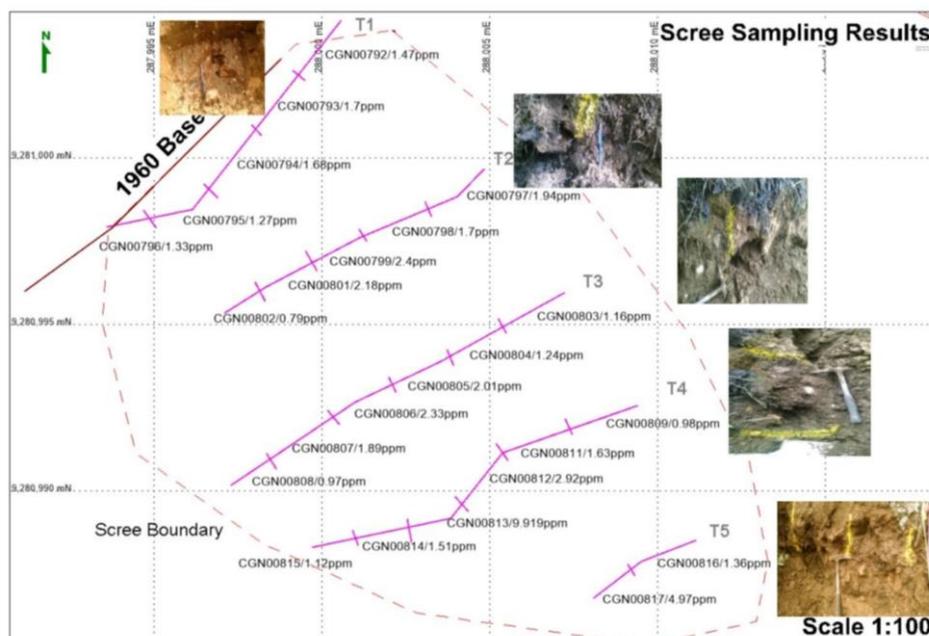


FIGURE 2: Scree Sample Trenches, Sample Numbers and Gold Assay Results (ppm)

Gold assay results (FA50) for the 24 channel samples were encouraging with values ranging from 0.79 g/t Au up to 9.19 g/t Au, indicating that gold is widely spread throughout the scree. Gold grades for the trenches are as follows (Figure 4):

- Trench 1 (1960m RL): 9.5m @ 1.50 g/t Au
- Trench 2 (1965m RL): 9.0m @ 1.91 g/t Au
- Trench 3 (1970m RL): 11.0m @ 1.66 g/t Au
- Trench 4 (1975m RL): 11.0m @ 3.05 g/t Au
- Trench 5 (1980m RL): 3.5m @ 2.91 g/t Au

17 of the 24 samples were collected from tephra dominant cover material, indicating that the gold mineralised zone can be detected through the tephra cover. Procedures for the recovery of the contained gold are now under investigation.

South Artisanal Workings (SAW) Prospect

During the period, the Company re-commenced exploration at the South Artisanal Works Prospect (SAW) located approximately 430m southwest of the HGZ project, straddling Mining Lease 510 and Exploration Licence EL1115. A total of three (3) trenches were excavated at 1951.9mRL, 1930mRL and 1910mRL for a total length of 129.5m. Detailed mapping was undertaken with 122 combined rock float + rock chip samples collected for fire assay testing. Surveying and mapping of three (3) creeks for a total distance of 365.7m was also undertaken with a total of 30 rock chip samples collected for gold fire assay testing.

Assay results have revealed widespread gold mineralisation in the trenches excavated over the artisanal workings and anomalous high values from exposed bedrock along the creeks. Considering the thick tephra cover which masks much of the area, the results are considered to be encouraging. Fifty (50) samples returned gold values in the range 0.1-0.5 g/t Au, 3 samples returned values in the range of 0.5-1.0g/t Au and 8 samples returned values >1.0 g/t Au, with a high of 15.6 g/t Au.

The mineralisation is hosted by E-W and N-S structures which may be splays from regional structures. The occurrence bears similarities to the HGZ Project area and could be an extension of the latter or another independent high grade gold zone.

Sample locations are shown on Figure 3 and gold assays as shown on Figure 9.

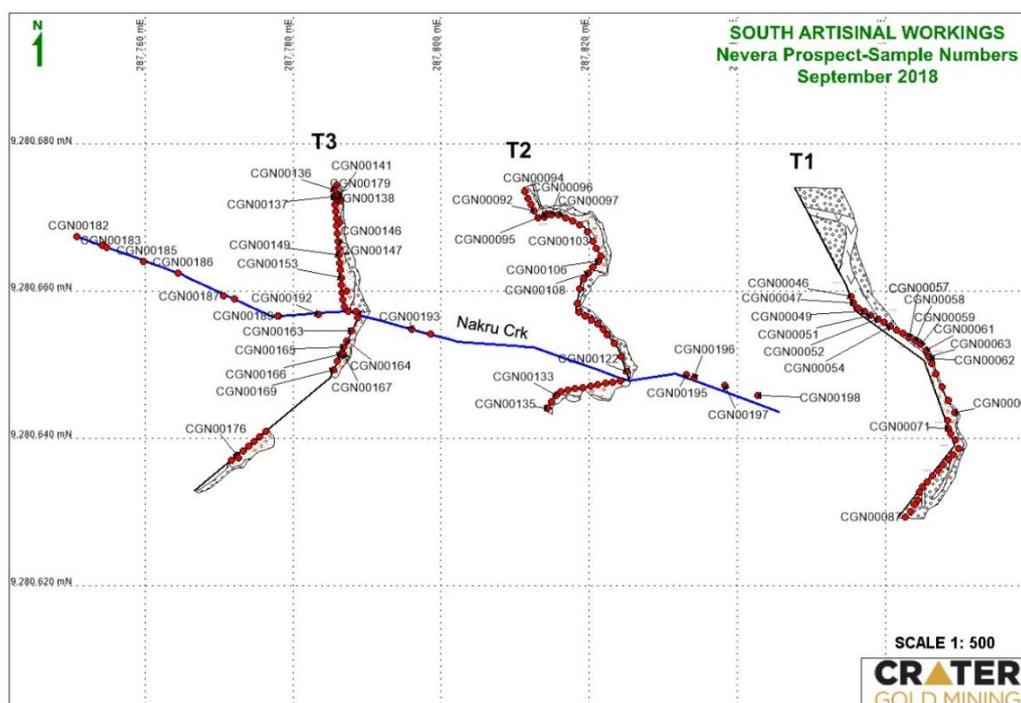


FIGURE 3: Sample Locations SAW workings area – Trench Samples, T1, T2 and T3

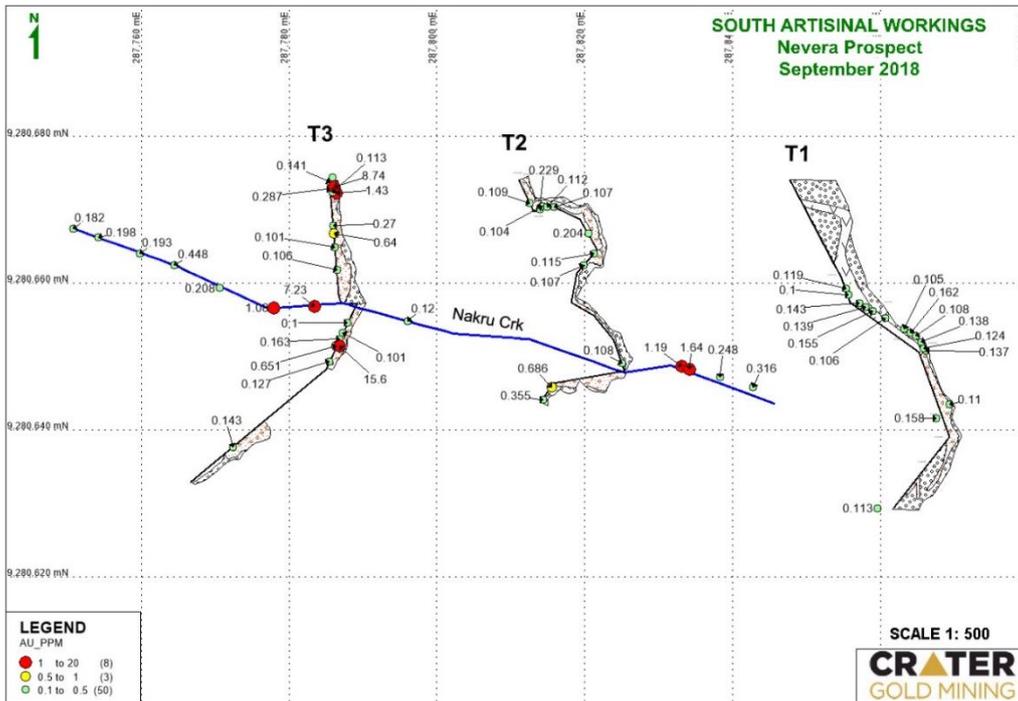


FIGURE 4: Gold Assay Results SAW workings area – Trench samples T1, T2, T3

Subsequent to the end of the reporting period, the Company were advised that renewals for Exploration Licenses (ELs) 2203, 2249, 2318, 2334 and 2335 in PNG were not approved, primarily due to the non-development of the areas within these licenses. These are peripheral to the main Mining Licence and developed area, and have never been developed, and so hold no real value to the project. The Company has finalised plans to reapply for modified version of several of these ELs to better suit the project requirement as soon as they are available.

POLYMETALLIC PROJECT, CROYDON, NORTH QLD

Grant of EPM 26749 – Wallabadah extended

During the year, the Company announced the grant of EPM 26749 (“Wallabadah Extended”) for a term of 5 years effective 11 April 2019.

The Company applied for the 36 sub-block tenement of 115.2 km² to cover possible extensions of the high priority SGH soil anomalies identified from sampling of the A2 Polymetallic Project Area within the Wallabadah EPM 13775.

Several Geochemical anomalies detected by the sampling will be drill tested, as outlined in ASX Announcements dated 26 February 2018, 26 July 2018 and 12 December 2018. The tenement also encompasses residual gravity anomalies G1, G2 and G3 previously identified by the Company which have not yet been fully evaluated. Field work will involve extension of the EPM 13775 SGH soil sampling into EPM 26749.

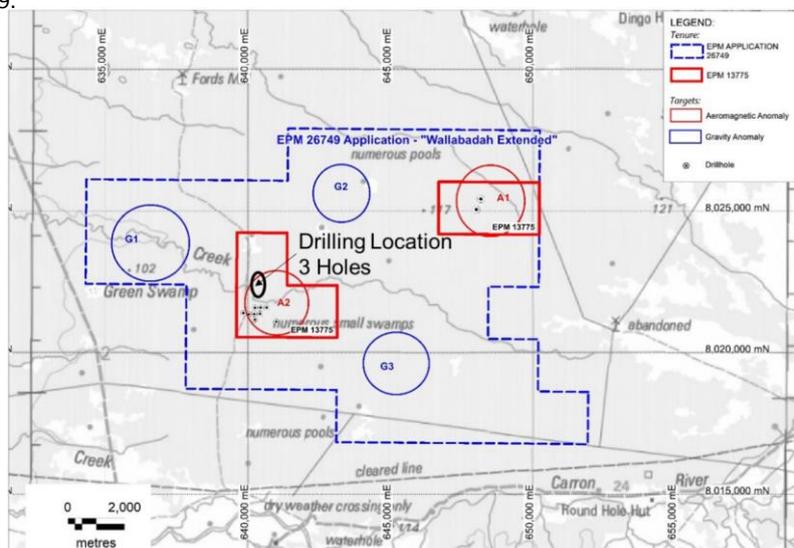


Figure 5 Shows the granted EPM area, the A2 Polymetallic Project area and the location of the high priority drill targets to test the SGH anomalies

GOLDEN GATE GRAPHITE PROJECT, CROYDON, NORTH QLD

High graphite recovery and purity obtained from metallurgical test work

- **Flotation test work by Brisbane Met Labs P/L on a nominal 56 micron composite drill core sample has achieved a 96% recovery of graphite into a flotation concentrate**
- **A 2-stage caustic bake on the concentrate successfully removed gangue minerals to achieve a very encouraging total carbon grade of 98.9%**
- **Further test work is to be focused on maximisation of graphite grain size and purity**

On 24 July 2019 the Company announced the results of preliminary metallurgical test work undertaken by Brisbane Met Labs P/L (BML) on graphite recovery from graphite mineralised drill core from the Golden Gate Graphite Project.

As previously announced (ASX: 7 February 2018 "Thick Intervals Graphite Mineralisation Intersected at Golden Gate Project, Qld") two diamond drill holes returned the following results;

- GGDDH 1701: 62.7m (29.3 to 92.0m) @ 6.79% GC* at a cut-off of 3.4% GC*
 - GGDDH 1702: 53.9m (69.1 to 123.0m) @ 6.79% GC* at a cut-off of 3.1% GC*
- GC* = graphitic carbon

Petrological examination on samples of the graphite mineralisation from both holes (as announced ASX: 12 April 2018: "Jumbo and Large Flake Graphite Identified at Golden Gate") identified the presence of significant graphite flake sizes of 0.05 to 0.50mm, with an average of around 0.25mm. While this was encouraging, it is noted that the petrological work was undertaken on small core samples mainly selected to investigate specific textural features and minerals present and as such these are not necessarily representative of the overall graphite mineralisation.

In view of this, it was decided to undertake metallurgical test work on the graphite mineralisation to determine if high recovery of graphite into a flotation concentrate could be achieved which could then be economically upgraded to a graphite product of >95% GC*.

For the test work, a composite sample (minus 3.35mm grain size), grading 8.2% total carbon from 29.3 to 45.0m depth in hole GGDDH 1701, was prepared. This represents the top 15.7m of the graphite intersection in that hole, which would perhaps approximate the first two to three benches of an open cut mining operation.

The test work was contracted out to Brisbane Met Labs P/L (BML). As total carbon assays in this style of mineralisation closely approximate graphitic carbon assays (essentially within normally expected assay error levels), only total carbon assays have been determined in the test work to minimise laboratory costs that are significantly higher for determining graphitic carbon values. Bench scale graphite concentration flotation test work was undertaken using standard flotation reagents (kerosene and MIBC) on pulverised splits of the composite sample at various grain sizes.

The following table summarises the work conducted, and the results obtained. The ensuing discussion is a summary extracted from BML's report.

FLOAT TEST ID	GRIND SIZE	PURPOSE
Float 1	As received minus 3.35mm	Assess coarse graphite float
Float 2	80% passing 300 microns	Assess a less coarse grind
Float 3	80% passing 106 microns	Assess medium grind size
Float 4	80% passing <20 microns	Assess ultra fine grind size
Float 5	80% passing 56 microns	Assess intermediate size
Float 6	80% passing 56 microns	Provide feed to cleaner test
Float 7	80% passing 56 microns	Provide feed for caustic bake

Encouragement was generated from flotation of a 58 micron sample (Float 6) from which a graphite recovery of 94% was reported into a rougher concentrate. Another nominal 56 micron grain size (P80/56) sample was prepared from the composite sample and subjected to flotation testing. This resulted in recovery of 96% of the graphite to a rougher concentrate at a total carbon grade of 16.9%, with 56% of the sample mass rejected as gangue. When the rougher concentrate was subjected to a two-stage caustic bake, a very encouraging total carbon product grade of 98.9% was achieved. This indicates that the caustic bake has been successful in removing the gangue contaminants (mainly phyllosilicates and other silicates).

Based on the objectives of the Company and the results as outlined in the BML report, recommendations for follow-up test work are as follows:

- Optimisation of the flotation work – trying varying concentrations of the flotation reagents used (kerosene and MIBC) or introducing sodium silicate or some other dispersant to improve the rejection of gangue.
- Optimisation of grind size for achieving maximum graphite flake size.
- Optimisation of the caustic bake purification step

Corporate

Loan Facilities

Upon completion of the Rights Issue on 1 March 2019, \$13,207,089 in loans from Freefire Technology Ltd ("Freefire") were converted to fully paid ordinary shares, with the residual loan of \$4,036,484 rolled into a new unsecured loan for three years.

The Company later arranged several unsecured, arms-length term loans with Freefire totalling \$900,000.

Subsequent to the end of the reporting period, the Company arranged a \$2.0m unsecured, arms-length term loan to enable it to continue to advance its flagship Crater Mountain gold project and its Queensland Polymetallic and Graphite projects.

Share Issue

On 1 March 2019, the Company issued 913,031,092 shares at an issue price of \$0.015 under a Rights Issue. 880,472,610 of these shares were issued to Freefire to reduce the loans owing by \$13,207,089.

On 21 March 2019, the Company issued 35,000,000 shares, being the shortfall of the Rights Issue.

Performance Rights Issue

On 25 February 2019, the Company issued 61,238,870 performance rights to Directors and a consultant as per shareholders' approval obtained at the Company's AGM on 17 January 2019. At this time, the Company also issued 58,455,285 performance rights to employees and consultants under the Company's employee equity incentive plan. The terms and conditions for the Performance Rights are detailed in Appendix 3B lodged with ASX on 18 February 2019.

Matters Subsequent to the End of the Financial Year

On 1 July 2019, the Company announced it had arranged a New Loan Facility for \$250,000, with an interest rate of 8% p.a. with the funding to be provided by way of an unsecured loan facility from Company's major shareholder, Freefire Technology Ltd.

On 17 July 2019, the Company announced it had arranged a New Loan Facility for \$2,000,000, with an interest rate of 8% p.a. with the funding to be provided by way of an unsecured loan facility from Company's major shareholder, Freefire Technology Ltd.

On 27 July 2019, 13,600,000 options with an exercise price of \$0.25 expired unexercised.

Effective 16 August 2019, the address of Link Market Services, the Company's share registry, changed to Level 12, 250 St Georges Terrace, Perth WA 6000.

Subsequent to the end of the reporting period, the Company were advised that renewals for Exploration Licenses (ELs) 2203, 2249, 2318, 2334 and 2335 in PNG were not approved, primarily due to the non-development of the areas within these licenses. These are peripheral to the main Mining Licence and developed area, and have never been developed, and so hold no real value to the project. The Company has finalised plans to reapply for modified version of several of these ELs to better suit the project requirement as soon as they are available.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely Developments, Expected Results of Operations and Future Strategy

The Group intends to continue its exploration, development and production activities on its existing projects with the Group's strategy to become a profitable gold producer at the HGZ mine, whilst at the same time restarting further exploration drilling work in both the HGZ and the Mixing Zone. Gold production at the HGZ mine is yet to generate a positive cash flow for the Company, which has caused delays in the planned re-start of exploration drilling at the Crater Mountain Project. Work is ongoing at the HGZ mine with the aim of generating positive cash flows to support exploration activities and to reduce or eliminate the need for further external funding in the future, to enable the Company to further develop the flagship Crater Mountain project and its other prospects in Queensland, Australia.

Environmental Regulation and Performance

The Group is subject to environmental regulation in relation to its former mining activities in North Queensland by the Environmental Protection Agency of Queensland. The Company complies with the Mineral Resources Act (1989) and Environmental Protection Act (1994). It is also subject to the Environmental Act (2000) (Papua New Guinea) on its activities in PNG.

Schedule of Tenements

Set out below is the schedule of tenements that the Company and its subsidiaries hold as at 30 June 2019.

Schedule of Crater Gold Mining Limited tenements:

Particulars	Project Name	Registered Holder	% Owned	Status	Expiry	Area (Km ²)
EPM 8795	Croydon	CGN	100	Granted	06/09/2020	9.6
EPM 13775	Wallabadah	CGN	100	Granted	5/02/2020	16
EPM 16002	Foote Creek	CGN	100		30/01/2020	28.8
EPM 18616	Black Mountain	CGN	100	Granted	18/06/2023	57.6
EPM 26749	Wallabadah Ext.	CGN	100	Granted	10/04/2024	115.2
EL 1115	Crater Mountain	Anomaly Ltd ¹	100	Renewal Lodged	25/09/2018	41
ML 510	Crater Mountain	Anomaly Ltd 1	100	Granted	4/11/2019	1.58

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

COMPETENT PERSONS STATEMENTS

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 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.

Presentation of technical data and Competent Persons review

Resource estimates contained in this report were previously announced in the Company's ASX news releases of:

- 21 December 2011 Initial Resource Estimate (This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.
- 14 November 2016 titled 'Maiden JORC Gold Resource at HGZ Project, Crater Mountain, PNG'.

Such resource estimates are subject to the relevant assumptions, qualifications and procedures described in the relevant ASX news releases.

To date, the Company has only announced estimates of Inferred Mineral Resources. Nothing in this report or prior announcements by the Company constitutes presentation of Mineral Reserves. As such, economic analysis cannot be applied based on the date contained.

The Company has an 'exploration target' of 'multi-million ounces' for the epithermal gold resources at the Nevera Prospect at Crater Mountain Project. A targeting exercise was carried out by Mining Associates ("MA") for the Nevera prospect using a simple 10x10x10m block model informed by 5 m bench channel samples (not including rock chips) and a Nearest Neighbour ("NN") estimation technique with a limited search range. The NN method was chosen so that no averaging of the grades occurred although there is a risk that estimates can be over selective. As the initial target is highly selective narrow underground mining, this is an acceptable approach. An initial examination of the composited data shows two natural breaks in Au grade distribution. One at about 0.4 g/t Au and a second

at about 10 g/t Au. MA suggests that these represent low grade and high mineralisation events respectively. The block model was informed using a 100m spherical search so that no assumption was made of the direction and trend of mineralisation. Informing samples consisted of 2,766 5 m downhole composites and 1,479 5 m bench samples. No domain selection was used, but no blocks above the topography were estimated. Volume covered is about 700 m long, 700 m wide and 100 m to 350 m deep (variable with topography). This is certainly suitable for both selective mining and a bulk open pit. A bulk density of 2.5 t/m³ was used for reporting, the grade tonnage plot using cut-off grades from 1 to 20 g/t Au was reported. The target for Nevera prospect bulk open pit mining using a cut-off grade 1 g/t Au is 24 Mt @ 2.7 g/t Au for 2Moz of contained Au. The target for the HGZ only for selective underground mining using a cut-off grade 10g/t is 60-100koz @ 13-30 g/t. The exploration targets are conceptual in nature as there has been insufficient exploration to define them as Mineral Resources. It is uncertain if further exploration will result in the determination of a Mineral Resource under the JORC Code 2012. The exploration targets are not being reported as part of any Mineral Resource.

No New Information or Data

This report contains references to exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant announcements and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Information on Directors and Secretary

The Directors and Secretary of the Company in office at the date of this report, unless otherwise stated, and their qualifications, experience and special responsibilities are as follows:

S W S Chan BA (Non-Executive Chairman), age 70

Mr Chan has been a Director of the Company since 29 January 2013 and was appointed as Non-Executive Chairman on 11 March 2013.



Mr Chan is a director and the controller of Freefire Technology Limited ("Freefire"), the major shareholder in the Company.

Mr Chan received a Bachelor's degree from the University of Manchester, UK in 1970 and qualified as a chartered accountant in 1973. He was the Company secretary of Yangtzekiang Garment Limited from 1974 to 1988 and has been a Director of Yangtzekiang Garment Limited since 1977. Mr Chan was appointed the Managing Director of YGM Trading Limited from 1987 to 2006 and the Chief Executive Officer of YGM Trading Limited from 2006 to 2010. He has been the Vice Chairman of the board of YGM Trading Limited since 2010. Mr Chan is also on the board of Yangtzekiang Garment Limited.

Mr Chan was formerly a Director of Hang Ten Group Holdings Limited (listed in Hong Kong) from January 2003 to March 2012.

As at the date of this report, Mr Chan has a beneficial interest of 1,044,953,183 ordinary shares in the Company and 2,300,000 options over ordinary shares in the Company.

R D Parker B Eng (Managing Director), age 48

Mr Parker has been a Director of the Company since 12 March 2013 and was appointed Managing Director on 1 April 2015.



Mr Parker lives in Hong Kong. He is a qualified Marine Engineer and Marine Industries Manager having graduated from Southampton Institute of Higher Education, Marine Division, in Warsash, United Kingdom. Mr Parker is a professional Company Director.

As at the date of this report, Mr Parker has an interest in 785,601 ordinary shares, 2,300,000 options and 25,541,076 Performance Rights in the Company.

T M Fermanis F Fin, MSAA (Deputy Chairman), age 55

Mr Fermanis has been a Director of the Company since 2 November 2009 and was appointed Deputy Chairman on 1 April 2015.



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

Mr Fermanis is a member of the Remuneration and Nomination Committee.

As at the date of this report, Mr Fermanis has an interest in 602,471 ordinary shares, 2,300,000 options and 25,541,076 Performance Rights in the Company.

L K K Lee MCom, MAppFin, CPA (Non-executive Director), age 58

Mr Lee has been a Director of the Company since 6 June 2014.



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

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

Mr Lee is a member of the Audit Committee.

As at the date of this report, Mr Lee has an interest in 1,750,000 ordinary shares, 2,300,000 options and 10,946,175 Performance Rights in the Company.

D T Y Sun (Non-executive Director), age 71

Mr Sun has been a Director of the Company since 29 January 2013.



Mr Sun obtained a Bachelor of Economics from the University of Tasmania and held management positions with the Ford Motor Company in Melbourne and in Brisbane, as well as with Citibank NA and Lloyds Bank Plc in Hong Kong. He has been an executive Director of several listed companies in Hong Kong and has been engaged in advisory services on strategic planning and corporate development, mainly in corporate finance, since 1991.

Mr Sun is Chairman of the Audit Committee and of the Remuneration and Nomination Committee.

As at the date of this report, Mr Sun has an interest in 1,750,000 ordinary shares, 2,300,000 options and 10,946,175 Performance Rights in the Company.

Andrea Betti CA AGIA ACIS BCom, MBA, GDipAppFin(SecInst), GDipACG

Ms Andrea Betti was appointed Company Secretary on 9 October 2017.

Directors' Meetings

The Company held 6 Board meeting during the year. In addition to formal Board meetings during the year a number of issues were dealt with by means of circular resolutions of the Board. The number of formal meetings attended by each Director was:

Name	Board		Audit Committee		Remuneration and Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
S W S Chan	6	5	-	-	-	-
T M Fermanis	6	6	-	-	-	-
L K K Lee	6	6	2	2	-	-
R D Parker	6	6	-	-	-	-
D T Y Sun	6	6	2	2	-	-

The Eligible to Attend column represents the number of meetings held during the time the Director held office or was a member of the Committee during the year.

Remuneration Report (Audited)

The information provided under headings (a) - (d) is provided in accordance with section 300A of the Corporations Act 2001. These disclosures have been audited.

a) Principles used to determine the nature and amount of remuneration

The Company has a Remuneration and Nomination Committee. The Board has adopted a Remuneration and Nomination Policy which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-Executive Directors. The performance of the Company is taken into consideration when the remuneration policies of the Company are assessed by the Committee. The Corporate Governance Statement provides further information on the role of this Committee.

Executive Remuneration

The remuneration policy ensures that contracts for services are reviewed on a regular basis and properly reflect the duties and responsibilities of the individuals concerned. The executive remuneration structure is based on a number of factors including relevant market conditions, knowledge and experience with the industry, organisational experience, performance of the Company and that the remuneration is competitive in retaining and attracting motivated people. There are no guaranteed pay increases included in the senior executives' contracts.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board.

Additional information

The earnings of the Group for the five years to 30 June 2019 are summarised below:

	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Sales revenue	328	-	225	385	53
EBITDA	(5,658)	(4,660)	(17,417)	(10,061)	(1,865)
EBIT	(5,889)	(4,879)	(24,561)	(10,259)	(1,871)
Loss after income tax	(6,942)	(5,740)	(25,285)	(10,887)	(2,517)

The factors that are considered to affect Total Shareholders Return ('TSR') are summarised below:

	2019	2018	2017	2016	2015
Share price at financial year end (\$)	0.012	0.017	0.01	0.07	0.09
Total dividends per share (cents per share)	Nil	Nil	Nil	Nil	Nil
Basic earnings per share (cents per share)	(1.168)	(2.075)	(9.503)	(5.143)	(1.792)

Directors' fees

The current base remuneration was last reviewed with effect from 26 March 2009.

Non-Executive Director's fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$200,000 per annum and was approved by shareholders at the Annual General Meeting on 23 November 2010.

The following fees have applied for the year ended 30 June 2019:

- Non-Executive Director's base fee - \$35,000 per annum;
- The Managing Director and Deputy Chairman are paid a salary separate to the above;
- Audit Committee and the Remuneration and Nomination Committee – no additional fees payable.

Except for retirement benefits provided by the superannuation guarantee legislation, there are no retirement benefits for the Non-Executive Directors.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')

At the 2018 AGM, 93% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

b) Details of remuneration

Directors and the key management personnel (as defined in section 300A Corporations Act 2001) of the Company and the Group are set out in the following tables. The key management personnel of the Company and the Group includes the Directors and the following executive officers who have authority and responsibility for the planning, directing and controlling the activities of the Group.

Directors' Report

Director / key management person	Short-term	Short-term	Post-employment	Share based payments		Total
	Base Fees/salary	Other ³	Superannuation	Performance Rights ⁵ / Options	% of total	
2019						
Non-executive Directors						
S W S Chan	35,000	-	-	-	-	35,000
D T Y Sun	35,000	-	-	12,337	26.06%	47,337
L K K Lee	35,000	-	-	12,337	26.06%	47,337
Subtotal	105,000	-	-	24,674		129,674
Executive Directors						
R D Parker, Managing Director	168,750	-	-	28,785	14.57%	197,535
T M Fermanis, Deputy Chair	148,402	-	14,098	28,785	15.05%	191,285
Other key management personnel						
M G O'Kane	170,255	-	-	28,785	14.46%	199,040
C Church	299,356	-	-	24,198	7.48%	323,554
Total	891,763	-	14,098	135,227		1,041,088
2018						
Non-executive Directors						
S W S Chan	35,000	-	-	-	-	35,000
D T Y Sun	35,000 ⁴	-	-	8,996	20.45%	43,996
L K K Lee	35,000 ⁴	7,083	-	8,996	17.61%	51,079
Subtotal	105,000	7,083	-	17,992		130,075
Executive Directors						
R D Parker, Managing Director	161,583	-	-	20,994	11.50%	182,577
T M Fermanis, Deputy Chair	138,736	-	14,597	20,994	12.04%	174,327
R L Johnson, Technical Director	14,583	-	-	-	-	14,583
Other key management personnel						
M G O'Kane ¹	147,336	-	-	20,994	12.47%	168,330
C Church ²	299,297	-	-	20,994	6.55%	320,291
Total	866,535	7,083	14,597	101,968		990,183

1. Mr O'Kane was appointed on 1 July 2017.

2. Mr Church was appointed on 1 July 2017.

3. Other relates to services provided by Directors. Refer to Note 23 for details.

4. Of this amount, \$4,375 was paid via shares, in lieu of directors fees.

5. In accordance with the requirement of AASB2 Share based payments, the value disclosed is the portion of the fair value of the performance rights recognised as an expense in the reporting period. The amount included as remuneration is not related to nor indicative of the benefit (if any) that may ultimately be realised should the performance rights vest.

No other Directors, officers or executives of the Company received any share based payments, other than those shown in the remuneration table above.

Base salary and fees are on fixed rates. Refer section (c) of this remuneration report. Performance Rights were issued during the year to directors and key management personnel. Refer section (d) of this reports..

A summary of Director and key management personnel remuneration follows.

Remuneration component	2019	2018
	\$	\$
Short-term	891,763	873,618
Post-employment benefits	14,098	14,597
Share based payments	135,227	101,968
Total	1,041,088	990,183

c) Service agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for the Executive Directors and other key management personnel are also formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below. There are no current service agreements that contain incentive clauses and as such future remuneration is not necessarily dependent on the performance results of the Company:

Key management personnel	Commencement date	Term of agreement	Base salary and fees	Superannuation	Period of notice
S W S Chan Chairman	29 January 2013	No fixed term	\$35,000 pa	-	4 weeks
R Parker Managing Director	12 March 2013	No fixed term	\$162,000 pa	-	4 weeks
T M Fermanis Deputy Chairman	2 November 2009	No fixed term	\$142,466 pa	\$13,534 pa	4 weeks
D T Y Sun Non-Executive Director	29 January 2013	No fixed term	\$35,000 pa	-	4 weeks
L K K Lee Non-Executive Director	1 April 2015	No fixed term	\$35,000 pa	-	4 weeks
M G O'Kane Chief Financial Officer	1 July 2017	No fixed term	US\$120,000 pa	-	3 months
C Curtis Chief Operations Officer	1 July 2017	No fixed term	US\$210,000 pa	-	3 months

d) Equity based compensation

Securities granted as part of remuneration for the year ended 30 June 2019

The Employee Equity Incentive Plan ("Plan") is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion.

Share based compensation for the year ended 30 June 2019

No shares were issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2019 (2018: nil).

No options were issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2019 (2018: NIL).

91,858,309 Performance Rights were issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2019 (2018: nil).

Options and rights over equity instruments

The number of options over ordinary shares in the Company held during the financial year by each Director and key management personnel of the Group, including their personally related parties are set out below. Options granted carry no dividend or voting rights.

Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
2019					
Directors					
S W S Chan	2,300,000	-	-	-	2,300,000
T M Fermanis	2,300,000	-	-	-	2,300,000
L K K Lee	2,300,000	-	-	-	2,300,000
R D Parker	2,300,000	-	-	-	2,300,000
D T Y Sun	2,300,000	-	-	-	2,300,000
Key management personnel					
M G O'Kane	-	-	-	-	-
C Church	-	-	-	-	-

Performance Rights

Performance Rights convert into fully paid ordinary share in the Company upon the achievement of specific hurdles within a specific time frame. For full details on the terms and conditions of the Performance Rights granted during the financial period, refer to ASX announcement dated 29 December 2018. Performance Rights granted carry no dividend or voting rights. The number of Performance Rights in the Company held during the financial year by each Director and key management personnel of the Group, including their personally related parties are set out below:

Directors' Report

Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
2019					
Directors					
S W S Chan	-	-	-	-	-
T M Fermanis	6,055,980	19,485,096	-	-	25,541,076
L K K Lee	2,595,420	8,350,755	-	-	10,946,175
R D Parker	6,055,980	19,485,096	-	-	25,541,076
D T Y Sun	2,595,420	8,350,755	-	-	10,946,175
Key management personnel					
M G O'Kane	6,055,980	19,485,096	-	-	25,541,076
C Church	6,055,980	16,701,511	-	-	22,757,491

The value of Performance Rights granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Value of Performance Rights granted \$	Value of Performance Rights lapsed/converted during the year \$	Value of Performance Rights expensed during the year \$	Remuneration consisting of Performance Rights for the year %
2019				
Directors				
S W S Chan	-	-	-	-
T M Fermanis	241,058	-	28,785	15.05%
L K K Lee	103,311	-	12,337	26.06%
R D Parker	241,058	-	28,785	14.57%
D T Y Sun	103,311	-	12,337	26.06%
Key management personnel				
M G O'Kane	241,058	-	28,785	14.46%
C Church	204,872	-	24,198	7.48%

The fair value of the performance rights granted to key management personal during the financial year was \$1,480,788. Share based payment expense is recognised on a straight-line basis over the vesting period.

The value disclosed in the remuneration of key management personnel is the portion of the fair value of the share based payment recognised as expense in each reporting period in accordance with the requirement of AASB 2.

Share holdings

The number of shares in the Company held during the financial year by each Director and key management personnel of the Group, including their personally related parties are set out below:

Name	Balance at the start of the year	Granted during the year as compensation	Additions	Disposals / Other changes	Balance at the end of the year
2019					
Directors					
S W S Chan	160,762,028	-	884,191,155 ¹	-	1,044,953,183
T M Fermanis	602,471	-	-	-	602,471
L K K Lee	1,750,000	-	-	-	1,750,000
R D Parker	257,403	-	528,198 ²	-	785,601
D T Y Sun	1,750,000	-	-	-	1,750,000
Key management personnel					
M G O'Kane	100,000	-	-	-	100,000
C Church	-	-	-	-	-

- 884,191,155 shares were issued Freefire Technology Ltd, of which Mr Chan is the director and controller. The shares were issued pursuant to the completed Entitlement Issue on 26 February 2019.
- Mr Parker participated in the Entitlement Issue and received 528,198 shares.

Other transactions with key management personnel and their related parties

Mr S W S Chan is a Director and the controller of Freefire Technology Limited ("Freefire"), the major shareholder in the Company. During the year loan interest and fees amounting to \$1,010,663 (2018: \$747,513) was paid or payable to Freefire and interest on convertible notes was nil (2018: \$35,703). During the course of the year, Freefire made a number of short-term loans to the Company (see Note 3d for further information on the loan).

Mr R D Parker's close family members held a total of 77 convertible notes of the Company in the prior year on which they earned \$52 in interest.

Mr T Fermanis held 40 convertible notes of the Company in the prior year on which he earned \$64 in interest.

This concludes the Remuneration Report, which has been audited.

Shares under Option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price (\$)	Number of shares under option	Type
12 July 2016	12 July 2020	\$0.125	9,000,000	Unlisted

Option holders do not have any rights under the options to participate in any share issue of the Company.

Shares Issued on the Exercise of Options

No shares have been issued on the exercise of options during the course of the year (2018: nil) or subsequent to year end.

Indemnification and Insurance of Directors

During the year, the Company paid premiums of \$21,206 (2018: \$9,630) to insure the Directors and Officers of the Company in relation to all liabilities and expenses arising as a result of the performance of their duties in their respective capacities to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-Audit Services

The Group paid \$32,550 to RSM for non-audit services, relating to an independent expert report, during the year. The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Annual General Meeting

All resolutions at the Company's 2018 Annual General Meeting on 29 November 2018 were passed.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

Corporate Governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Crater Gold Mining Limited and its Controlled Entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations – 3rd edition ('the ASX Principles') are applicable for financial years commencing on or after 1 July 2015, consequently for the Group's 30 June 2019 year end. As a result, the Group has chosen to publish its Corporate Governance Statement on its website rather than in this Annual Report.

The Corporate Governance Statement and governance policies and practices can be found in the corporate governance section of the Company's website at <http://www.cratergold.com.au>.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



R D Parker
Managing Director

30 September 2019



T M Fermanis
Deputy Chairman

RSM Australia Partners

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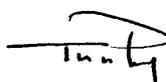
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Crater Gold Mining Limited for the year ended 30 June 2019, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year ended 30 June 2019

	Notes	June 2019 \$	June 2018 \$
Continuing Operations			
Revenue	5	328,099	-
Cost of sales		(1,302,644)	-
Gross (loss) from gold production		(974,545)	-
Interest income	5	103	205
Reversal of bad debt	5	-	88,543
Gross (loss) / profit from continuing activities		(974,442)	88,748
Expenses			
Administration expense	6	(2,950,543)	(2,596,830)
Corporate compliance expense	6	(109,667)	(180,975)
Depreciation expense	6	(231,638)	(218,616)
Exploration and evaluation and operating costs	6	(1,440,514)	(1,848,903)
Share based payments	6	(182,419)	(122,310)
Financing expense		(1,052,726)	(861,020)
Loss before income tax expenses from continuing operations		(6,941,949)	(5,739,906)
Income tax expense	7	-	-
Loss for the year after income tax expense		(6,941,949)	(5,739,906)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations (net of tax)	19	224,201	(80,870)
Total comprehensive income for the year		(6,717,748)	(5,820,776)
Loss per share from continuing operations attributable to the ordinary equity holders of Crater Gold Mining Limited:			
Basic loss - cents per share	8	(1.168)	(2.075)
Diluted loss - cents per share	8	(1.168)	(2.075)

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

Consolidated Statement of Financial Position

As at 30 June 2019

	Notes	June 2019 \$	June 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	130,016	265,155
Trade and other receivables	11	156,381	102,341
Total current assets		286,397	367,496
Non-current assets			
Other financial assets	12	65,122	65,796
Exploration and evaluation	13	9,197,097	9,014,465
Plant and equipment	14	648,051	687,384
Total non-current assets		9,910,270	9,767,645
Total Assets		10,196,667	10,135,141
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,845,870	1,685,558
Related party payables	16	1,118,773	873,587
Interest-bearing liabilities	17	5,849,782	13,679,324
Total current liabilities		8,814,425	16,238,469
Non-current liabilities			
Total non-current liabilities		-	-
Total Liabilities		8,814,425	16,238,469
Net Assets / (Liabilities)		1,382,242	(6,103,328)
EQUITY			
Contributed equity	18	75,036,554	61,015,655
Reserves	19	(1,594,541)	(2,001,161)
Accumulated losses	19	(72,059,771)	(65,117,822)
Total Equity		1,382,242	(6,103,328)

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

Consolidated Statement of Changes in Equity

For the Financial Year ended 30 June 2019

	Notes	Contributed equity \$	Convertible note reserve \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2018		61,015,655	-	(2,001,161)	(65,117,822)	(6,103,328)
Share based payments	19	-	-	182,419	-	182,419
Issue of share capital	18	14,220,466	-	-	-	14,220,466
Transaction costs	18	(199,567)	-	-	-	(199,567)
Transactions with owners		14,020,899	-	182,419	-	14,203,318
Loss for the year		-	-	-	(6,941,949)	(6,941,949)
Other comprehensive income						
Exchange differences on translating foreign operations	19	-	-	224,201	-	224,201
Total comprehensive income for the year		-	-	224,201	(6,941,949)	(6,717,748)
Balance at 30 June 2019		75,036,554	-	(1,594,541)	(72,059,771)	1,382,242
Balance at 1 July 2017		60,934,332	340,507	(226,644)	(61,534,380)	(486,185)
Share based payments	19	-	-	122,310	-	122,310
Issue of share capital	18	85,000	-	-	-	85,000
Transaction costs	18	(3,677)	-	-	-	(3,677)
Transactions with owners		81,323	-	122,310	-	203,633
Loss for the year		-	-	-	(5,739,906)	(5,739,906)
Other comprehensive income						
Exchange differences on translating foreign operations	19	-	-	(80,870)	-	(80,870)
Total comprehensive income for the year		-	-	(80,870)	(5,739,906)	(5,820,776)
Transfer of reserves to accumulated losses	19	-	(340,507)	(1,815,957)	2,156,464	-
Balance at 30 June 2018		61,015,655	-	(2,001,161)	(65,117,822)	(6,103,328)

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

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2019

	Notes	June 2019 \$	June 2018 \$
Cash flows from operating activities			
Receipts from customers		328,099	-
Payments to suppliers and employees		(5,169,909)	(2,036,105)
Interest received		103	261
Interest paid		(42,063)	(109,228)
Net cash used in operating activities	27	(4,883,770)	(2,145,072)
Cash flows from investing activities			
Purchases of property, plant and equipment		(153,726)	(146,099)
Payments for exploration and evaluation		(308,778)	(3,219,967)
(Payments for)/proceeds from security deposits		-	(1,000)
Net cash used in investing activities		(462,504)	(3,367,066)
Cash flows from financing activities			
Proceeds from issue of ordinary shares and options		976,627	-
Share issue costs		(126,277)	(3,677)
Proceeds from borrowings		4,367,000	6,362,481
Repayment of borrowings		-	(920,466)
Net cash provided by financing activities		5,217,350	5,438,338
Net (decrease)/increase in cash held		(128,924)	(73,800)
Cash at the beginning of the period	10	265,155	296,185
Effects of foreign exchange movements on cash transactions and balances		(6,215)	42,770
Cash and cash equivalents at the end of the period	10	130,016	265,155

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

Notes to the Consolidated Financial Statements

1 Summary of Significant Accounting Policies

Crater Gold Mining Limited (the "Company") and its legal subsidiaries together are referred to in this financial report as the Group.

Details of the principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Crater Gold Mining Limited is a for profit public Company, limited by shares and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 30 September 2019. The Directors have the power to amend and reissue the financial statements.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. These Financial Statements also comply with International Reporting Standards as issued by the International Accounting Standards Board (IASB).

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Crater Gold Mining Limited ('Company' or 'Parent Entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Crater Gold Mining Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Notes to the Financial Statements

Foreign currency translation

The financial statements are presented in Australian dollars, which is Crater Gold Mining Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Sale of gold and other metals

Sale of gold and other metals is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Crater Gold Mining Limited (the 'Parent Entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge

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equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the Parent Entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowances for expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other receivables are generally due for settlement within 120 days.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition, where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Exploration and evaluation assets

From 1 July 2017, the Group revised its accounting policy to expense all costs incurred in respect to the treatment of exploration and evaluation expenditure. Prior to 30 June 2017, the Group would capitalise all exploration and evaluation expenditure and recognise this as an exploration and evaluation asset in the statement of financial position on the basis that exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. The Group has determined that it is now more appropriate to account for exploration and evaluation expenditure as an expense in the statement of profit or loss and other comprehensive income. An independent valuation of the exploration and evaluation assets was previously undertaken. The Group has determined it is best to hold the value of the assets at the level of the valuation until such time that new information is available which would indicate a material change to the independent valuation.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised and included in shareholders equity as a

Notes to the Financial Statements

convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost

Employee benefits

Share based payments

Equity-settled and cash-settled share based compensation benefits are provided to Directors and employees.

Equity-settled transactions are awards of shares, performance rights or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined using an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are

Notes to the Financial Statements

used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Crater Gold Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 and the impact of its adoption is expected to be not material on the Group.

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 (refer to the respective notes) within the next financial year are discussed below.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees 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 the ESO5 Barrier 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.

3 Financial Risk Management

The Group's major area of risk is managing liquidity and cash balances and embarking on fundraising activities in anticipation of further projects. The activities expose the Group to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, and other risks, ageing analysis for credit risk.

Risk management is carried out under policies set by the Managing Director and approved by the Board of Directors.

The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

a. Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the Papua New Guinea Kina. As the Group is still in the development, exploration and evaluation stages, it has not needed to use forward contracts to manage foreign exchange risk. The Board will continue to monitor the Group's foreign currency exposures.

The Group's exposure to interest-rate risk is summarised in the following table. Fixed interest rate items mature within 12 months.

Price risk

The Group is exposed to both commodity price risk and revenue risk. The commodity prices impact the Group's capacity to raise additional funds and impact on future gold sales. Management actively monitors commodity prices and does not believe that the current level in AUD terms warrants specific action.

b. Credit risk

The credit risk on financial assets of the Group which have been recognised in the consolidated Statement of Financial Position is generally the carrying value amount, net of any provisions for doubtful debts. Management scrutinizes outstanding debtors on a regular basis and no items are considered past due or impaired.

c. Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the ability of the Group to raise funds on capital markets. The Managing Director and the Board continue to monitor the Group's financial position to ensure that it has available funds to meet its ongoing commitments (refer to Note 20).

Notes to the Financial Statements

d. Cash flow interest rate risk

Consolidated	Notes	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
2019					
Financial assets					
Cash and cash equivalents	10	13,679	-	116,337	130,016
Trade and other receivables	11	-	-	156,381	156,381
Other financial assets	12	-	-	65,122	65,122
		13,679	-	337,840	351,519
<i>Weighted average interest rate</i>		0.14%			
Financial liabilities					
Trade and other payables	15	-	-	1,845,870	1,845,870
Related party payables	16	-	-	1,118,773	1,118,773
Interest bearing liabilities - loans ¹	17	-	5,849,782	-	5,849,782
		-	5,849,782	2,964,643	8,814,425
<i>Weighted average interest rate</i>		8.40%			
Net financial assets/(liabilities)		13,679	(5,849,782)	(2,626,803)	(8,462,906)
2018					
Financial assets					
Cash and cash equivalents	10	101,295	-	163,860	265,155
Trade and other receivables	11	-	-	102,341	102,341
Other financial assets	12	-	-	65,796	65,796
		101,295	-	331,997	433,292
<i>Weighted average interest rate</i>		0.15%			
Financial liabilities					
Trade and other payables	15	-	-	1,685,558	1,685,558
Related party payables	16	-	-	873,587	873,587
Interest bearing liabilities - loans ¹	17	-	13,679,324	-	13,679,324
		-	13,679,324	2,559,145	16,238,469
<i>Weighted average interest rate</i>		8.33%			
Net financial assets/(liabilities)		101,295	(13,679,324)	(2,227,148)	(15,805,177)

The Company has assessed the potential interest rate risk on floating interest rate assets and does not consider the risk to be material to the Company.

¹ Freefire Technology Limited

The Company has secured short-term, interest bearing loans totalling \$5,049,782 (2018: \$12,879,324) from its major shareholder, Freefire Technology Limited ("Freefire").

- The loan funds are to be used by the Company principally for the purpose of developing the High Grade Zone at the Company's Crater Mountain, PNG project and for general working capital.
- Interest on the Principal Sums is payable by the Company to Freefire at the rate of 8% (2018: 8%) per annum.
- The loans have various terms from three months to three years.

¹ ICBC Loan Facility

The Company has 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. The current interest rate is 2.1% per annum.

e. Fair value estimation

The fair value of assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group measures fair values using the following fair value hierarchy that considers and reflects the significance of the inputs used in making the measurements:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (significant unobservable inputs).

The determination of what constitutes 'observable' requires significant judgment by the Group. The Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

f. Sensitivity analysis

Foreign currency risk sensitivity analysis

The Group is exposed to fluctuations in the value of the Australian Dollar to the PNG Kina (PKG). At 30 June 2019, the effect on profit and equity of the Group as a result of changes in the value of the PKG to the Australian Dollar, with all other variables remaining constant, is as follows:

Movement to	Change in profit	Change in equity
AUD	\$	\$
PKG by + 5%	167,798	2,066,957
PKG by - 5%	(167,798)	(2,066,957)

4 Going Concern

These financial statements are prepared on a going concern basis. The Group has incurred a net loss after tax of \$6,941,949 for the year ended 30 June 2019 with total cash outflows from operating and investing activities of \$5,346,274. As at 30 June 2019, the Group had net current liabilities of \$8,528,028.

Whilst the above conditions indicate a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, the Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- the Company announced on 17 July 2019 that it had executed a new loan agreement for \$2 million, the funding will be provided by way of an unsecured loan facility from the Company's major shareholder, Freefire Technology Ltd. As at the date of this report the undrawn balance is \$1,016,000
- the Group's key area of expenditure is the Crater Mountain Project in Papua New Guinea. Whilst mining operations have not yet produced positive cash flows, the mining activities on site will soon move from primarily development mining, into stoping operations. Stopping will produce significantly higher quantities of high grade ore, and development mining of barren waste rock will greatly reduce at the same time. It is hoped that this will lead to better financial performance from mining operations
- in accordance with the Corporations Act 2001, the Group has plans to raise further working capital through the issue of equity during the financial year end 30 June 2020 and
- The directors of the Company expect that major shareholders of the Group will support fundraising activities and reasonably believe the Company will continue to receive financial support from Freefire Technology Limited, and remaining debt owed will not be called back for a period of at least 12 months from the date of this report.

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

Should the Group 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 Company be unable to continue as a going concern and meet its debts as and when they fall due.

Note	June 2019 \$	June 2018 \$
5 Income from continuing operations		
Revenue from gold sales	328,099	-
Interest received	103	205
Reversal of bad debts	-	88,543

Sale of gold is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts. In April 2019 Anomaly Ltd in Papua New Guinea, a fully owned subsidiary of Crater Gold, sold 205 oz. of gold to one customer. The sale was a composite of low and high grade gold material produced from the HGZ Gold mine.

Notes to the Financial Statements

Note	June 2019 \$	June 2018 \$
6 Expenses		
Expenses, excluding finance costs, included in the Statement of Profit or Loss and Other Comprehensive Income classified by nature		
Audit fees	89,892	69,847
Accounting fees	138,409	120,346
Consulting fees	571,445	547,700
Directors' fees	471,241	373,108
Depreciation and amortisation expense	231,638	218,616
Employee benefits expense	69,120	41,243
Exploration and evaluation and operating costs	1,440,514	1,848,903
General administration expenses	150,485	163,238
- Insurance - Directors & officers indemnity insurance	21,206	7,343
- Insurance – Other	4,007	2,287
Total insurance	25,213	9,630
Legal Fees	44,897	206,058
Marketing and promotion expenses	-	161
Minimum lease payments	126,890	80,474
Share based payments	182,419	122,310
Share registry, meeting costs and other compliance costs	109,667	180,975
Telephone/internet	97,808	54,777
Travel	506,366	213,054
7 Income Tax		
a. Numerical reconciliation of income tax revenue to prima facie tax receivable		
Loss before income tax	(6,961,949)	(5,739,906)
Tax at the Australian tax rate of 30%	(2,088,585)	(1,721,972)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible share based payments	54,726	36,693
Non-deductible expenses	1,328,212	111,127
Deferred tax asset not brought to account	705,647	1,574,152
Other	-	-
Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	-	-
Income tax expense	-	-
b. Tax losses		
Unused tax losses for which no deferred tax asset has been recognised		
Opening balance	30,919,104	29,124,084
Taxable loss for the year	2,997,079	1,795,020
Closing balance	33,916,183	30,919,104
Potential tax benefits @ 30%	10,174,855	9,275,731
8 Earnings per Share		
a. Basic loss per share		
Loss from continuing operations attributable to the ordinary equity holders of Crater Gold Mining Limited (cents per share)	(1.168)	(2.075)
b. Diluted loss per share		
Loss from continuing operations attributable to the ordinary equity holders of Crater Gold Mining Limited (cents per share)	(1.168)	(2.075)
The calculation of basic earnings per share at 30 June 2019 was based on the loss from continuing operations attributable to ordinary shareholders of \$6,941,949 (2018 loss: \$5,739,906) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 594,423,113 (2018: 276,655,291), calculated as follows:		

Notes to the Financial Statements

c. Weighted average number of shares used as a denominator

	2019 Shares	2018 Shares
Basic loss per share	594,423,113	276,655,291
Diluted loss per share	594,423,113	276,655,291

At the year end, the Group had 22,600,000 options on issue (2018: 22,600,000), representing:

- 22,600,000 unlisted options with weighted average exercise price of \$0.20 (2018: 22,600,000 at average \$0.20)

9 Operating Segments

	Croydon \$	Crater Mountain \$	Australian Head Office \$	Intersegment eliminations \$	Consolidated \$
Full-year to 30 June 2019					
Gold sales revenue	-	328,099	-	-	328,099
Cost of sales	-	(1,302,644)	-	-	(1,302,644)
Other revenue	-	-	103	-	103
Assets written down/impaired	-	-	-	-	-
Other expenses	(45,366)	(3,430,119)	(2,492,022)	-	(5,967,507)
Segment loss	(45,366)	(4,404,664)	(2,491,919)	-	(6,941,949)
Segment assets	987,819	9,115,372	32,027,784	(31,934,309)	10,196,666
Segment liabilities	-	50,377,357	7,743,675	(49,306,607)	8,814,425
Full-year to 30 June 2018					
Gold sales revenue	-	-	-	-	-
Cost of sales	-	-	-	-	-
Other revenue	-	88,543	205	-	88,748
Profit on disposal of assets	-	-	-	-	-
Assets written down/impaired	-	-	-	-	-
Other expenses	(210,772)	(2,788,658)	(2,829,224)	-	(5,828,654)
Segment loss	(210,772)	(2,700,115)	(2,829,019)	-	(5,739,906)
Segment assets	987,819	8,861,020	14,189,307	(13,903,005)	10,135,141
Segment liabilities	-	46,012,109	15,216,160	(44,989,800)	16,238,469

Segment information is presented using a “management approach”, that is segment information is provided on the same basis as information used for internal reporting purposes by the chief executive and the Board. In identifying its operating segments, management generally follows the Group’s project activities. Each of these activities is managed separately.

The Chief Operating Decision Makers (“CODM”) review EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Description of segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to the segment that received the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical condition.

Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Croydon

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

Notes to the Financial Statements

Head Office Perth

These are the overhead and administrative costs for the parent entity.

Crater Mountain

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

Geographical information

	Sales to external customers		Geographical non-current assets	
	2019	2018	2019	2018
	\$	\$	\$	\$
Australia	-	-	1,016,319	1,141,470
Papua New Guinea	328,099	-	8,893,950	8,626,175
	<u>328,099</u>	<u>-</u>	<u>9,910,269</u>	<u>9,767,645</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Types of products and services

The principal products and services of this operating segment are the mining and exploration operations in Australia and Papua New Guinea.

Note	June 2019	June 2018
	\$	\$
10 Current Assets - Cash and Cash Equivalents		
Cash at bank and on hand	<u>130,016</u>	<u>265,155</u>
The effective (weighted average) interest rate on short term bank deposit was 0.14% (2018: 0.15%).		
11 Current Assets - Trade and Other Receivables		
GST receivable	80,533	49,528
Other	75,848	52,813
	<u>156,381</u>	<u>102,341</u>

Allowance for expected credit losses

No expected credit losses have been recognised for the year ended 30 June 2019.

	June 2019	June 2018
	\$	\$
12 Non-Current Assets - Other Financial Assets		
Security deposits	65,122	65,796
	<u>65,122</u>	<u>65,796</u>
13 Non-Current Assets - Exploration and Evaluation		
Opening net book value	9,014,465	8,953,712
Expenditure capitalised	-	-
Exploration costs impaired	-	-
Effect of movement in exchange rates	182,632	60,753
Closing net book value	<u>9,197,097</u>	<u>9,014,465</u>

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 Papua New Guinea Government 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.

Notes to the Financial Statements

	June 2019 \$	June 2018 \$
14 Non-Current Assets – Plant and Equipment		
Plant and equipment		
Cost	2,192,116	1,945,591
Accumulated depreciation	(1,544,065)	(1,258,207)
Net book value	648,051	687,384

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current and prior financial years are set out below.

	Plant and equipment
Carrying amount as at 1 July 2017	641,347
Additions	194,397
Disposals	-
Depreciation expense	(218,616)
Effect of movements in exchange rates	70,256
Carrying amount as at 30 June 2018	687,384
Additions	179,560
Disposals	-
Depreciation expense	(231,638)
Effect of movements in exchange rates	12,745
Carrying amount as at 30 June 2019	648,051

Note	June 2019 \$	June 2018 \$
15 Current Liabilities – Trade and Other Payables		
Trade payables	777,122	867,614
Accruals	230,850	41,906
Other payables	837,898	776,038
	1,845,870	1,685,558

16 Related Party Payables		
S W S Chan	101,485	66,485
T M Fermanis	284,583	200,201
L K K Lee	187,289	152,289
R D Parker	336,048	261,814
D T Y Sun	78,750	43,750
J S Spence (Director for Anomaly Ltd – PNG subsidiary)	130,618	93,106
C Church	-	55,942
	1,118,773	873,587

17 Current Liabilities Interest-Bearing Liabilities		
ICBC loan	800,000	800,000
Freefire Technology Limited loan	5,049,782	12,879,324
	5,849,782	13,679,324

Refer to Note 3(d) for detailed information on financial instruments.

Notes to the Financial Statements

18 Contributed Equity

a. Share Capital

Equity Securities Issued	No. of ordinary shares	Total \$
For the financial year ended 30 June 2019		
As at 1 July 2018	279,464,775	61,015,655
Shares issued	948,031,092	14,020,899
As at 30 June 2019	1,227,495,867	75,036,554
For the financial year ended 30 June 2018		
As at 1 July 2017	272,118,621	60,934,332
Shares issued	7,346,154	81,323
As at 30 June 2018	279,464,775	61,015,655

b. Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares and the amounts paid on those shares held. The fully paid ordinary share have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or Company is value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

c. Employee Equity Incentive Plan (previously Employee Share Option Plan (ESOP))

Information relating to the Employee Equity Incentive Plan (EEIP), including details of options and performance rights issued, exercised, lapsed and outstanding during the financial year is set out in Note 23b.

d. Movements in Share Capital

Date	Details	No. of shares	Value \$
For the financial year ended 30 June 2019			
01-Jul-18	Balance 1 July - Ordinary Shares	279,464,775	61,015,655
01-Mar-19	Rights issue	913,031,092	13,695,466
21-Mar-19	Rights issue shortfall	35,000,000	525,000
	Less: Transaction costs arising on share issues		(199,567)
		1,227,495,867	75,036,554
For the financial year ended 30 June 2018			
1 Jul 2017	Balance 1 July - Ordinary Shares	272,118,621	60,934,332
9 Oct 2017	Lennard Drilling	3,846,154	50,000
29 Dec 2017	Issued to Directors in lieu of fees	3,500,000	35,000
	Less: Transaction costs arising on share issues		(3,677)
		279,464,775	61,015,655

Notes to the Financial Statements

e. Movement in options

Date	Details	Class of options		
		Listed	Unlisted	Total
For the financial year ended 30 June 2019				
1 Jul 2018	Opening Balance	-	22,600,000	22,600,000
		-	22,600,000	22,600,000
For the financial year ended 30 June 2018				
1 Jul 2017	Opening Balance	-	30,100,000	30,100,000
30 Sept 2017	Expired Options	-	(7,500,000)	(7,500,000)
		-	22,600,000	22,600,000

Each option entitles the holder to purchase one share. The names of all persons who currently hold share options, granted at any time, are entered in the register kept by the Company, pursuant to Section 168 of the Corporations Act 2001, which may be inspected free of charge. Persons entitled to exercise these options have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

f. Movements in performance rights

During the period, the Group issued to Directors and employees Performance Rights as part of its long-term incentive program under the Group's Employee Equity Incentive Plan (EEIP).

Date	Details	Class of performance rights						Total
		A	B	C	D	E	F	
For the financial year ended 30 June 2019								
1 Jul 2018	Opening Balance	12,400,340	6,200,170	6,200,170	6,200,170	6,200,170	-	37,201,020
	Issued under EEIP	34,198,334	17,099,165	17,099,165	17,099,165	17,099,165	17,099,165	119,694,159
		46,598,674	23,299,335	23,299,335	23,299,335	23,299,335	17,099,165	156,895,179

Details on the Terms and Conditions of the individual classes of Performance Rights:

- Class A Performance Rights – achievement of successful commercial gold production at the Crater Mountain Project, with successful commercial gold production defined as attaining positive operating cash flow from mining operations (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.
- Class B Performance Rights – on expansion of the Crater Mountain Project total Resource (ie, adding all categories of Measured, Indicated and Inferred together) to 1,112,500 contained ounces of gold or more, with cut-off grade of 0.5g/t Au.
- Class C Performance Rights – if at any time the share price remains at or above A\$0.020 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$5,000.
- Class D Performance Rights – if at any time the share price remains at or above A\$0.030 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$5,000.
- Class E Performance Rights – if at any time the share price remains at or above A\$0.040 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$5,000.
- Class F Performance Rights – 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 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.

Notes to the Financial Statements

Note	June 2019 \$	June 2018 \$
19 Reserves and Accumulated Losses		
Reserves		
Share based payment reserve	527,178	344,759
Foreign currency translation reserve	(2,121,719)	(2,345,920)
	(1,594,541)	(2,001,161)
Movements		
Share based payments reserve		
Balance 1 July 2018	344,759	2,008,406
Transfer to accumulated losses (options expired)	-	(1,785,957)
Share based payments expense for year	182,419	122,310
Balance 30 June 2019	527,178	344,759
Foreign currency translation reserve		
Balance 1 July 2018	(2,345,920)	(2,265,050)
Currency translation differences	224,201	(80,870)
Balance 30 June 2019	(2,121,719)	(2,345,920)
Accumulated losses		
Movements in accumulated losses were as follows:		
Balance 1 July 2018	(65,117,822)	(61,534,380)
Loss for the year	(6,941,949)	(5,739,906)
Transfer from reserves	-	2,156,464
Balance 30 June 2019	(72,059,771)	(65,117,822)

Nature and purpose of reserves

Share based payments reserve

The share based payments reserve is used to recognise:

- The fair value of options and performance rights issued to employees and Directors; and
- The fair value of options and performance rights issued as consideration for goods or services rendered.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the net investment is disposed.

Note	June 2019 \$	June 2018 \$
20 Commitments		
Exploration Leases		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	475,000	310,000
Later than one year but not later than five years	1,110,000	1,045,000
	1,585,000	1,355,000
21 Guarantees and Deposits		
Non-Current		
Deposits lodged with the Queensland Department of Mines	28,500	28,500
Accommodation and rental bonds	6,284	7,160
Deposits lodged with PNG Department of Mining and Petroleum	30,338	30,136
	65,122	65,796

Notes to the Financial Statements

22 Related Party Transaction

a. Parent Entity

Crater Gold Mining Limited is the Parent Entity.

b. Key Management Personnel

Disclosures relating to key management personnel are set out below and the remuneration report in the Directors' Report. The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

Remuneration component	2019	2018
	\$	\$
Short term	891,763	873,618
Post-employment benefits	14,098	14,597
Share based payments	135,227	101,968
Total	1,041,088	990,183

c. Transactions with Related Parties

Mr S W S Chan is a Director and the controller of Freefire Technology Limited ("Freefire"), the major shareholder in the Company. During the year the Company paid Freefire \$1,010,623 in loan interest and fees (2018: \$747,513) and \$nil in interest on convertible notes (2018: \$35,703). During the course of the year, Freefire made a number of short-term loans to the Company at an annual interest rate of 8% (see Note 3d for further information on the loan). Mr S W S Chan also provided a 125% security deposit for the ICBC loan of \$800,000.

Amounts paid or payable for Mr R D Parker's role as Managing Director were \$168,750 (2018: \$161,563). Mr R D Parker's close family members held a total of 77 convertible notes of the Company in the prior year on which they earned \$52 in interest.

Amounts paid or payable for Mr T Fermanis' role as Executive Deputy Chairman were \$162,500 (2018: \$153,333). Mr T Fermanis held 40 convertible notes of the Company in the prior year on which he earned \$64 in interest.

In the prior year, Mr L K K Lee was paid fees for his role as Finance Director totalling \$7,083.

All transactions with related parties are made at arms-length.

d. Receivable from and payable to Related Parties

Details can be found at Note 16.

e. Subsidiaries

For details relating to subsidiaries, refer to Note 25. Transactions and balances between subsidiaries and the parent have been eliminated on consolidation of the Group.

23 Share Based Payments

a. Recognised Share Based Payment Expenses

The expense recognised for share options and performance rights granted to Directors, key management personnel and employees during the year is shown in the table below:

	June 2019 \$	June 2018 \$
Expense arising from equity settled share based payment transactions	182,419	122,310
	182,419	122,310

b. Employee Equity Incentive Plan

The establishment of the Crater Gold Mining Employee Equity Incentive Plan ("the Plan") was approved by shareholders on 29 November 2017. The Plan is designed to provide long-term incentives for executives, staff and contractors to deliver long-term shareholder returns. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. Options granted under the Plan carry no dividend or voting rights.

Summary of securities granted under the Employee Equity Incentive Plan (previously Employee Share Option Plan)

There were no options issued pursuant to the Employee Equity Incentive Plan during the year.

Notes to the Financial Statements

Expiry Date	Exercise price	Balance at start of the year	Granted	Exercised	Forfeited/expired	Balance at end of the year
27/07/2019	\$0.25	7,800,000	-	-	-	7,800,000
27/07/2019	\$0.25	5,800,000	-	-	-	5,800,000
12/07/2020	\$0.125	9,000,000	-	-	-	9,000,000
		22,600,000	-	-	-	22,600,000

During the period, the Group issued to Directors, key management personnel and employees 119,694,159 Performance Rights as part of its long-term incentive program under the Group's Employee Equity Incentive Plan (EEIP).

Date	Details	Class of performance rights						Total
		A	B	C	D	E	F	
1 Jul 19	Opening Balance	12,400,340	6,200,170	6,200,170	6,200,170	6,200,170	-	37,201,020
25 Feb 19	Issued under EEIP	34,198,334	17,099,165	17,099,165	17,099,165	17,099,165	17,099,165	119,694,159
		46,598,674	23,299,335	23,299,335	23,299,335	23,299,335	17,099,165	156,895,179

Details on the Terms and Conditions of the individual classes of Performance Rights:

- Class A Performance Rights – achievement of successful commercial gold production at the Crater Mountain Project, with successful commercial gold production defined as attaining positive operating cash flow from mining operations (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.
- Class B Performance Rights – On expansion of the Crater Mountain Project total Resource (ie, adding all categories of Measured, Indicated and Inferred together) to 1,112,500 contained ounces of gold or more, with a cut-off grade of 0.5g/t Au.
- Class C Performance Rights – if at any time the share price remains at or above A\$0.020 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$5,000.
- Class D Performance Rights – if at any time the share price remains at or above A\$0.030 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$5,000.
- Class E Performance Rights – if at any time the share price remains at or above A\$0.040 per share for 20 consecutive trading days with an average daily trading liquidity for those trading days at or above A\$5,000.
- Class F Performance Rights – 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 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.

The fair value of the performance rights granted during the financial year was \$1,480,788. This figure represents the fair value at grant date before the best available estimates of the number of performance rights that are expected to vest are considered.

After taking into account the probabilities of vesting criteria being met, the value of performance rights expensed during the year was \$182,419 with the remaining amount to be expensed over the vesting period. The expense realised in respect to performance rights is intended to reflect the best available estimate of the number of performance rights expected to vest. Total amount expensed was split between \$135,227 for key management personnel and \$47,192 for employees.

Where performance rights do not have market-based vesting conditions the values were calculated using the share price at the grant date, multiplied by the number of performance rights granted (Class A, B and F Performance Rights).

Where performance rights have market-based vesting conditions these were valued using the ESO5 Barrier model. The expected life is based on management's best estimate at the time of valuation of vesting criteria being achieved, (Group used the expiry date).

The valuations for Classes C, D and E performance rights applied the following inputs in the ESO5 Barrier model:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected volatility	Dividend Yield	Risk Free Rate	Fair value at grant date
25 Feb 19	31 Jan 2022	\$0.013	n/a	107.76%	n/a	1.66%	591,631

The weighted average fair value of performance rights granted during the year was \$0.012.

c. Share Option Based Payments made to Unrelated Party

The Company did not issue any options over ordinary shares to extinguish its liabilities (2018: Nil).

d. Option Based Payments

The Company did not issue any options over ordinary shares to extinguish its liabilities (2018: Nil).

Notes to the Financial Statements

Note	June 2019 \$	June 2018 \$
24 Remuneration of Auditors		
During the year, the following fees were paid or payable for services provided by RSM Australia, the auditor of the parent entity, its related practices and unrelated firms.		
RSM - Audit and review of financial reports	65,064	50,000
Non-audit services – RSM	32,550	12,000
	97,614	62,000
BDO Papua New Guinea (Auditors of Anomaly Limited)		
Audit and review of financial reports	24,829	19,847
	24,829	19,847

25 Subsidiaries

a. Ultimate Controlling Entity

Crater Gold Mining Limited is the ultimate controlling entity for the Group.

b. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1.

Name of entity	Principal place of business / Country of Incorporation	Class of shares	Percentage ownership	
			2019 %	2018 %
Anomaly Resources Limited	Australia	Ordinary	100	100
Anomaly Limited	Papua New Guinea	Ordinary	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

There are no significant restrictions over the Group's ability to access or use assets and settle liabilities.

Note	June 2019 \$	June 2018 \$
26 Parent Entity information		
Statement of Profit or Loss		
Loss after income tax	(6,847,418)	(2,553,202)
Total Comprehensive Loss	(6,847,418)	(2,553,202)
Statement of Financial Position		
Total current assets	64,974	133,560
Total assets	1,158,444	1,275,029
Total current liabilities	7,743,675	15,216,160
Total liabilities	7,743,675	15,216,160
Equity		
Contributed equity	97,324,638	83,303,739
Reserves	1,734,382	1,551,963
Accumulated losses	(105,644,251)	(98,796,833)
Total Equity	(6,585,231)	(13,941,131)

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2019 (2018: nil).

Capital commitments - Property, plant and equipment

The Parent Entity had no capital commitments for property, plant and equipment as at 30 June 2019 (2018: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the Parent Entity.

Notes to the Financial Statements

Note	June 2019 \$	June 2018 \$
27 Reconciliation of loss for the period from continuing operations to net cash outflow from operating activities		
Loss for the period from continuing operations	(6,941,949)	(5,739,906)
Adjustments for non-cash income and expense items:		
Depreciation and amortisation/impairment	231,638	218,616
Non-cash interest transactions	1,010,663	751,791
Exploration expenses/impairment	223,252	1,848,903
Reversal of bad debt	-	(88,543)
Share based payment expenses	182,419	122,310
Change in operating assets and liabilities:		
Movements in trade and other receivables	(28,910)	34,966
Movements in trade creditors and accruals	439,117	706,791
Net cash outflow from operating activities	(4,883,770)	(2,145,072)

28 Post Reporting Date Events

On 1 July 2019, the Company announced it had arranged a New Loan Facility for \$250,000, with an interest rate of 8% p.a. with the funding to be provided by way of an unsecured loan facility from Company's major shareholder, Freefire Technology Ltd.

On 17 July 2019, the Company announced it had arranged a New Loan Facility for \$2,000,000, with an interest rate of 8% p.a. with the funding to be provided by way of an unsecured loan facility from Company's major shareholder, Freefire Technology Ltd.

On 27 July 2019, 13,600,000 options with an exercise price of \$0.25 expired unexercised.

Effective 16 August 2019, the address of Link Market Services, the Company's share registry, changed to Level 12, 250 St Georges Terrace, Perth WA 6000.

Subsequent to the end of the reporting period, the Company were advised that renewals for Exploration Licenses (ELs) 2203, 2249, 2318, 2334 and 2335 in PNG were not approved, primarily due to the non-development of the areas within these licenses. These are peripheral to the main Mining Licence and developed area, and have never been developed, and so hold no real value to the project. The Company has finalised plans to reapply for modified version of several of these ELs to better suit the project requirement as soon as they are available.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

29 Contingent Liabilities

The Group does not have any contingent liabilities (2018: nil).

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



R D Parker
Managing Director
30 September 2019

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

Opinion

We have audited the financial report of Crater Gold Mining Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 13 to the financial statements, which describes the uncertainty relating to the outcome of the renewal application of the mining and exploration licences in Papua New Guinea. Our opinion is not modified in respect of this matter.

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Material Uncertainty Related to Going Concern

We draw attention to Note 4 in the financial statements, which indicates that the Group incurred a net loss of \$6,941,949 and had total net cash outflows from operating activities and investing activities of \$5,346,274 for the year ended 30 June 2019. As at that date, the Group had net current liabilities of \$8,528,028. These conditions, along with other matters as set forth in Note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Exploration and evaluation	
Refer to Note 13 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$9,197,097 as at 30 June 2019.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining evidence that the Group has valid rights to explore in the specific area of interest; • Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and • Critically assessing and evaluating management's assessment that no indicators of impairment existed.
Share based payments	
Refer to Note 23 in the financial statements	
<p>During the year, the Group issued 119,694,159 performance rights.</p> <p>Management was required to assess the probability of achieving the performance conditions attached to the performance rights and estimate the length of the expected vesting period. The Group used a valuation model to value the performance rights.</p> <p>We determined this to be a key audit matter due to the significant judgements involved in assessing the fair value of these performance rights issued during the year.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining the Group's model and assessing whether the model was appropriate for valuing the performance rights issued during the year; and • Checked the mathematical accuracy of the calculations and reviewed the assumptions used in the model to calculate the fair value of the performance rights; and • Reviewing management's assessment of the probability of achieving the performance conditions and the estimated length of the expected vesting period; and • Assessing the adequacy of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

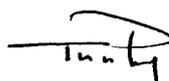
In our opinion, the Remuneration Report of Crater Gold Mining Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2019

Shareholder Information

The following information is required to be disclosed under ASX Listing Rule 4:10 and is not disclosed elsewhere in this Report. This information is correct as at 20 September 2019.

Substantial Shareholders

The following substantial shareholders are recorded in the Company's register of substantial shareholders.

Name	Number of shares	% holding
Freefire Technology Ltd	1,044,953,183	87.63%

Voting Rights

Ordinary shares – on a show of hands, are one vote for every registered holder and on a poll, are one vote for each share held by registered holders. Options holders have no voting rights.

Holders of Each Class of Equity Security		
Name	Code	Number of holders
Fully paid ordinary Shares	CGN	2,974
Unlisted Options (exercisable at \$0.125 per option on or before 12 July 2020)	CGNO42	10

Top 20 Holders of Ordinary Shares		
Name	Number of shares	% holding
Freefire Technology Ltd	1,040,558,539	84.77%
China New Economy Fund Ltd	35,000,000	2.85%
HSBC Custody Nominees (Australia) Limited	20,712,015	1.69%
Mr Paul Thomas McGreal	10,250,000	0.84%
Mr Norman Colburn Mayne <N C Mayne Family Fund A/C>	5,500,000	0.45%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail client DRP>	4,567,574	0.37%
Mr Graham John Bailey & Mrs Annette Maree Bailey <Bailey Super Fund A/C>	4,375,000	0.36%
Graham Bailey Earthmoving Pty Ltd	3,125,000	0.25%
Mr Fouad Abdo	2,937,941	0.24%
Lennard Drilling Pty Ltd	2,753,337	0.22%
J P Morgan Nominees Australia Limited	2,738,146	0.22%
Mr Joe Holloway	2,643,524	0.22%
Mr David Mingorance	2,215,390	0.18%
One Managed Investment Funds Limited <Technical Investing Absolute Return A/C>	2,160,637	0.18%
Mr Stephen Charles Lindsay	2,037,366	0.17%
Bloom Star Investment Limited	1,775,649	0.14%
Desmond Tak Yan Sun	1,750,000	0.14%
Kin Keung Lee	1,750,000	0.14%
Mr Brad Anthony Vaughan	1,687,290	0.14%
Mr Kenneth Walter Limby	1,500,000	0.12%
Mr Carlo Battisti	1,351,765	0.11%
Grand Total	1,151,389,173	93.80%

Shareholder Information

Distribution of Equity Securities							
Class of Security	Security Code	1 to 1,000	1,001 to 5,000	5,001 to 10,000	10,001 to 100,000	100,001 and Over	Total
Fully paid ordinary Shares	CGN	1,288	705	268	519	194	2,974
Unlisted Options	CGNO42	-	-	-	-	10	10

Number of Holders Holding Less than a Marketable Parcel of Shares

A marketable parcel is defined by the Market Rule Procedures of the ASX as a parcel of securities with a value of not less than \$500.

The number of ordinary shareholders holding less than a marketable parcel of shares is 2,511.

On Market Buy-back

There is no current on market buy-back.

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

Unquoted Securities

Options over unissued shares:

A total number of 9,000,000 options are on issue. 4,000,000 are on issue to 5 holders of ordinary securities. 5,000,000 options are on issue to five Directors.

Performance Rights

A total number of 156,895,179 Performance Rights are on issue to directors, employees and consultants of the Company.