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*Crater Gold Mining Limited ABN 75 067 519 779*

# Financial Report

For the half year ended

31 December 2020

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## OPERATIONS REPORT

### CRATER MOUNTAIN GOLD PROJECT, PNG

#### HGZ Gold Mine

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

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

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

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

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

### POLYMETALLIC PROJECT

#### **HIGH INDIUM ASSAYS IN DRILL CORE**

- **INDIUM ASSAYS UP TO 190 ppm**
- **HIGH SILVER ASSAYS UP TO 2250 g/t ALSO OBTAINED**

During the period The Company announced that very high Indium assays up to 190.0 ppm were obtained from the re-assay of six (6) selected intervals from three drill holes previously drilled at Anomaly A2 in 2006/2007 at the Company's Polymetallic Project in North Qld ("*High Indium Assays in Drill Core for Polymetallic Project*" dated 9 November 2020). A very high silver value of 2,250 g/t (0.225%) was also obtained from a 0.75m interval from hole DDH A2-008 (361.85-362.60m).

Indium (In) is a rare metal that is used in semiconductor industry applications such as LCD displays, solar panels, microchips and emerging green energy photovoltaic cell technologies. Indium is important in many cutting-edge tech applications, including: transparent conductive coating to glass substrates (such as flat panel displays), semiconductors, light-emitting diodes (LEDs), laser diodes, alkaline batteries, cryogenics, ultra-high vacuum applications, alloys, solders, nuclear control rods and a variety of electrical components.

In view of this encouraging result, indium will now be routinely assayed for by Australian Laboratory Services (ALS) using their ME-MS61 method for all upcoming drilling programs in the Polymetallic Project area.

The rationale for the check assaying was based on the known association of anomalous indium (often together with Ga and Ge) in zinc, tin and copper polymetallic mineralisation similar to that intersected at Anomaly A2.

The drill core samples selected for assay were from holes drilled in the 2006/2007 drilling program. This involved intervals from three (3) holes, namely DDH A2-001 (4 samples), DDH A2-006 (1 sample) and DDH A2-008 (1 sample). Specifically, the re-assaying was undertaken to mainly check for the presence of indium (In), and to a lesser extent gallium (Ga) and germanium (Ge), that were not included in the previous assaying undertaken.

Samples were selected from available Croydon Polymetallic Project half core. Where possible, the intervals selected either matched, or closely matched, intervals that were previously assayed. Samples with expected Zn grades of high (26-29%), medium (16%) and low (1.2%) based on previous assay results were selected to check if indium contents, if detected, can be correlated to Zinc grades. The samples were submitted to ALS for their ME-MS61, 48 element scan, assay procedure. A summary of the assays obtained for the targeted elements and others are provided in Table 1 (not all over-range elements have been tested for actual levels present as these are provided in the previous assay results).

The check assays have provided encouragement with very anomalous values of up to 190 ppm obtained for Indium, with the higher values associated with the higher Zn assays.

**Table 1: Previous assay data (2006/2007) and check assays targeting Indium, Gallium and Germanium (October 2020)**  
*(\* signifies no previous assay for the actual interval specified)*

PREVIOUS ASSAY DATA (2006/2007)												NEW CHECK ASSAY DATA (October 2020)										
HOLE ID	FROM (m)	TO (m)	INT (m)	Zn	Ag	Cu	Pb	Sn	As	Sb	Cd	Zn	Ag	Cu	Pb	Sn	In	Ga	Ge	Cd	Sb	As
A2-001	175.40	176.13	0.73	<b>26.48%</b>	565g/t	0.82%	1.77%	1.60%	1.12%	1.30%	0.16%	<b>25.9%</b>	578g/t	0.87%	1.77%	>0.05%	<b>158.0ppm</b>	<b>39.6 ppm</b>	0.15 ppm	>0.1%	0.854%	>1.0%
A2-001	212.93	213.58	0.65	<b>26.70%</b>	279g/t	0.65%	0.65%	0.76%	0.15%	0.02%	0.17%	<b>25.8%</b>	244g/t	0.60%	0.31%	>0.05%	<b>153.5ppm</b>	<b>41.5 ppm</b>	0.14 ppm	>0.1%	456ppm	0.312%
A2-001	410.00	410.50	0.50	<b>29.40%</b>	372g/t	1.13%	19.0ppm	1.16%	0.29%	70 ppm	0.08%	<b>29.6%</b>	368g/t	1.03%	262.0ppm	>0.05%	<b>190.0ppm</b>	<b>38.2ppm</b>	0.14 ppm	>0.1%	238ppm	0.443%
A2-001	410.50	411.15	0.65	<b>1.20%</b>	52.7g/t	0.21%	10.0ppm	0.15%	0.45%	0.02%	0.18%	<b>1.68%</b>	73g/t	0.26%	187.0ppm	>0.05%	<b>13.55ppm</b>	<b>4.78 ppm</b>	0.23 ppm	>0.1%	322ppm	0.924%
A2-006	420.00	420.40	0.40	*	*	*	*	*	*	*	*	<b>28.3%</b>	364g/t	1.13%	93.0 ppm	>0.05%	<b>142.0ppm</b>	<b>46.5 ppm</b>	0.20 ppm	>0.1%	178.5ppm	0.189%
A2-008	361.85	362.60	0.75	*	*	*	*	*	*	*	*	<b>16.0%</b>	<b>2,250g/t</b>	2.01%	2.01%	>0.05%	<b>92.9ppm</b>	<b>30.8 ppm</b>	0.23 ppm	>0.1%	>1.0%	>1.0%

Mining of indium is extracted mainly as a by-product of zinc processing and to a lesser degree as a by-product of copper, tin and polymetallic processing. This serves to reduce the processing costs of these metals. The indium content in tin-bearing polymetallic type ore deposits is usually less than 100 ppm, although some can contain higher levels (USGS Professional Paper 1802-H, 2017).

The price of indium is somewhat volatile (reaching around US\$700 per kilogram in 2014) but is currently quoted at between US\$100 to US\$200 per kilogram. It is predicted that the price by 2031 will increase up to around US\$650 per kilogram. World production of indium as a mined by-product is currently around 800 to 1,000 tonnes per annum and with advances in indium recovery, is predicted to rise to around 1,400 tonnes per annum by 2031. Similar amounts of indium are also recovered from indium bearing waste, and to a lesser extent, end-of-life products. Global in-ground indium reserves and resources are estimated to be in the order of 50,000 tonnes with just under half of this being in China. China currently accounts for about half of global production (*The Availability of Indium: The Present, Medium Term and Long Term, Subcontract Report NREL/SR-6A20-62409, Colorado School of Mines, October 2015*).

One of the world's largest indium resources occurs at the Mount Pleasant mine in New Brunswick, Canada, within a granite related tin-bearing polymetallic deposit. The occurrence, in which the Company does not have any commercial interest, has very similar geology and mineralisation to that identified at Anomaly A2 and in compliance with Canadian NI-43-101 (as reported in *The Availability of Indium, October 2015, p37*) has an estimated indicated resource of 12.4 million tonnes averaging 0.38% tin, 0.86% zinc and 64 ppm indium plus an estimated inferred resource of 2.8 million tonnes averaging 0.30% tin, 1.13% zinc and 70 ppm indium.

#### PREVIOUS EXPLORATION AT THE CROYDON A2 POLYMETALLIC PROJECT

The A2 project is defined by a 1.5km x 1.0km complex aeromagnetic feature, characterised by a small magnetically reversed circular low shrouded by a doughnut shaped high immediately to its north, east and west. Nine (9) diamond drill holes for a total of 4,400.6m have been drilled and have intersected laminated shale basement rocks under 115m of Mesozoic cover sediments. Narrow vein style polymetallic stockwork mineralization was intersected throughout the basement rocks in all drill holes to the end of hole depths of up to 536.6m, with mineralisation open-ended in all holes at hole end. This defined a large hydrothermal system at least 1250m long and 600m wide. Within this large zone are intersections of wider massive sulphide polymetallic veins up to 13m downhole lengths with values of Zn up to 10.13%, Ag up to 672 g/t, Sn up to 0.69%, Pb up to 2.1% and Cu up to 0.57%. Details of significant mineralised intersections of 2.0m down hole lengths or greater, are listed in Table 2 (as reported in previous ASX Announcement: ASX:CGN "Drilling Commences at the Croydon Polymetallic Project, North Queensland", dated 7 November 2012).

# Review of Operations

**Table 2. Significant Sulphide Mineralized Drill Hole Intercepts of 2.0m or Greater From 2006/2007 Programs at Anomaly A2**

Hole #	Intercept (m)	Width (m)	Zn %	Ag ppm	Au ppm	Sn %	Cu %	Pb %
<b>A2-001</b>	129.5 - 133	3.5		91.8		0.15		
	142.8 - 146	3.2	3.59	68.6		0.24		
	151 - 153	2.0	1.34	27.5		0.15		
	175.4 - 177.7	2.3	10.13	209.6		0.69	0.32	0.57
	211 - 222	11.0	6.33	66.9		0.34	0.13	
	409 - 414	5.0	8.00	180.0	0.05	0.58	0.57	
<b>A2-002</b>	449 - 453	4.0	0.12	16.1			0.42	
<b>A2-003</b>	175 - 178	3.0	1.02	45.5				0.50
	318 - 320	2.0	1.20	19.8				
	414 - 416	4.0	0.95	10.2				
<b>A2-004</b>	351 - 353	2.0	3.24	32.7		0.12		
<b>A2-005</b>	154 - 161	7.0	1.47	88.0		0.55	0.19	0.45
	201 - 203	2.0	0.62	98.2		Tr	0.29	0.62
	230 - 232	2.0	9.00	109.0		0.39	0.29	
	291 - 297	6.0	1.84	13.0				
<b>A2-006</b>	283 - 286	3.0	1.77	63.0		0.27		0.60
	305 - 315	10.0	2.30	144.0		0.39	0.29	
	418 - 422	4.0	6.93	69.0		0.57	0.22	
	425 - 437	12.0	4.59	56.5		0.42	0.20	
<b>A2-007</b>	211 - 213	2.0	3.18	37.4		0.18		
	285 - 287	2.0	1.02	40.9		0.36		
	391 - 397	6.0	2.72	285.7		0.45	0.43	0.87
	414 - 422	8.0	0.58	17.9		0.14		
<b>A2-008</b>	359 - 363	4.0	3.09	416.6		0.63	0.42	0.63
<b>A2-009</b>	230 - 233	3.0	1.25	120.0				0.55
	247 - 249	2.0	3.12	300.3				1.50
	261 - 263	2.0	1.85	672.0				2.10
	293 - 295	2.0	2.45	109.0		0.30		0.09
	300 - 313	13.0	1.60	95.0		0.05		0.25
	418 - 423.7	5.7	0.48	36.4		Tr		0.27

(Widths in Table A are down hole lengths and are not true widths)

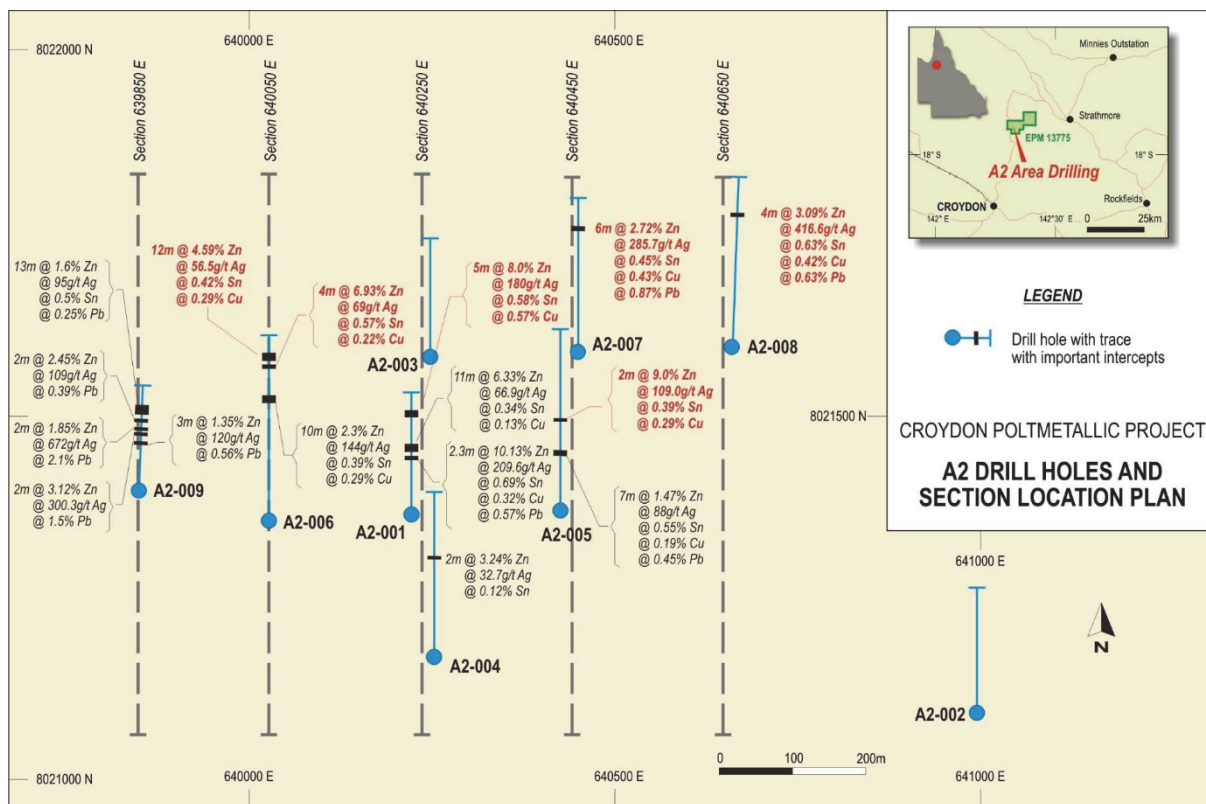
# Review of Operations

Plan locations of the intersections are shown on Figure 3 (as reported in previous ASX Announcement ASX:CGN "Polymetallic-Tin Massive Sulphide Drill Intercepts Show Potential for Discovery of Significant Mineral Deposits at Croydon, QLD" dated 28 February 2012).

Geological age dating indicates an age of Upper Proterozoic (560 Million Years) for the host basement rocks and a Permian age (285-284 Million Years) for the mineralization. It is encouraging to note that the latter age is very similar to the age of many of the world's major ore deposits and in particular, important Queensland deposits, including the Herberton tin-tungsten province to the east, the Cracow Gold (~291 Million Years), Mount Leyshon Gold (~290 Million Years) and Mount Chalmers Copper-Gold (~277 Million Years) deposits.

Mineral zonation is evident with some holes displaying a dominant association of Zn-Ag-Sn with minor Cu-Pb and others displaying a dominant Zn-Cu association. The presence of tin (mainly cassiterite with some stannite) suggests a granitic association and the association with massive pyrrhotite draws a striking comparison with the large world class underground tin deposit previously mined at Rennison in Tasmania.

**Figure 1 - Massive Sulphide Drill Hole Intersections at the A2 Anomaly.**



The tabulated intercepts represent the down hole length (not apparent true widths) of massive sulphide zones and were selected based on a minimum intercept width of 2m with up to a maximum of 1m of internal dilution. The intercept metal assays were calculated using a weighted average, whereby the summation of the individual sample assay result is multiplied by the sample width then divided by the summation of the intercept length. Each sample is of half core and sample lengths varied from 0.4m to 1.3m, but the majority of samples were 1.0m in length.

# Review of Operations

## **GOLDEN GATE GRAPHITE PROJECT, CROYDON, NTH QLD**

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

## **COMPETENT PERSONS STATEMENT**

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

*The information contained in this report that relates to Exploration Results at the A2 Polymetallic Projects near Croydon, Queensland, is based on information compiled by Ken Chapple, or prepared by appropriately qualified external technical experts and reviewed by him. Mr Chapple is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has been assisting the Company as a technical consultant relating to his areas of expertise. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

*The information contained in this report that relates to Exploration Results at the Golden Gate Graphite and the A2 Polymetallic Projects near Croydon, Queensland, is based on information compiled by Ken Chapple, or prepared by appropriately qualified external technical experts and reviewed by him. Mr Chapple is an Associate Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Chapple has been assisting the Company as a technical consultant relating to his areas of expertise. Mr Chapple has sufficient experience relevant to the style of mineralisation and type of deposit involved to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Chapple is an independent principal geological consultant with KCICD Pty Ltd and consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

## **Forward Looking Statements**

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

# Review of Operations

## Schedule of Crater Gold Mining Limited tenements:

Particulars	Project Name	Registered Holder	% Owned	Status	Expiry	Area (Km <sup>2</sup> )
EPM 8795	Croydon	CGN	100	Granted	6/09/2022	29.6
EPM 13775	Wallabadah	CGN	100	Granted	5/03/2023	16
EPM 16002	Foote Creek	CGN	100	Granted	30/01/2024	28.8
EPM 18616	Black Mountain	CGN	100	Granted	18/06/2023	57.6
EPM 26749	Wallabadah Extended	CGN	100	Granted	11/04/2024	115.2
EL 1115	Crater Mountain	Anomaly Ltd <sup>1</sup>	100	Renewal lodged	25/09/2018	41
ELA 2643	Crater Mountain	Anomaly Ltd <sup>1</sup>	100	Application lodged	Oct 2019	68
ELA 2644	Crater Mountain	Anomaly Ltd <sup>1</sup>	100	Application lodged	Oct 2019	78
ML 510	Crater Mountain	Anomaly Ltd <sup>1</sup>	100	Renewal lodged	4/11/2019	1.58

<sup>1</sup> Anomaly Limited is CGN's 100% owned PNG subsidiary

<sup>1</sup> Anomaly Limited is CGN's 100% owned PNG subsidiary.

There were no tenements acquired or disposed of during the quarter.

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



# Directors' Report

Your Directors present their report, together with the financial statements, on the consolidated entity consisting of Crater Gold Mining Limited and the entities it controlled at the end of, or during the half year ended 31 December 2020.

## Directors

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

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

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

## Principal Activities

The principal activities of Crater Gold Mining Limited (the Company) and its subsidiaries (together the Group) are the exploration, evaluation and exploitation of potential world class gold and other base metal projects. Its current focus is the Crater Mountain exploration program in Papua New Guinea (PNG), the evaluation of the vein style polymetallic (zinc-tin-copper-silver dominant) mineralisation discovered at Croydon in north Queensland. Further details of the Group's activities are included in the Review of Operation on pages 3 to 8 of this report.

## Review of operations

The Group incurred a loss for the half year of \$1,699,686 (2019: \$2,515,356).

A detailed Review of Operations is set out on pages 3 to 9 preceding the Directors' Report.

## Corporate

On 17 August 2020, 9,000,000 unlisted options with an exercise price of \$0.125 expired unexercised.

On 31 December 2020, 37,201,020 Performance Rights in the Company lapsed.

## Annual General Meeting

All resolutions at the Company's 2020 Annual General Meeting on 27 November 2020 were passed.

## Events After Reporting Date

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

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

## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

## **Auditor's independence declaration**

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

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

On behalf of the Directors



**R D Parker**  
**Managing Director**

Perth

15 March 2021



**T M Fermanis**  
**Deputy Chairman**

**RSM Australia Partners**

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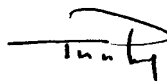
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Crater Gold Mining Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 15 March 2021

# Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2020

	Notes	Consolidated 31 December 2020 \$	Consolidated 31 December 2019 \$
<b>Continuing operations</b>			
Revenue	4	-	223,302
Cost of sales		-	(418,821)
Gross profit / (loss) from gold production			(195,519)
Interest income	4	2	23
Other income	4	10,000	316,810
<b>Gross income / (loss) from continuing activities</b>		<b>10,002</b>	<b>121,314</b>
<b>Expenses</b>			
Administration expense		(704,463)	(1,220,065)
Corporate compliance expense		(49,690)	(62,679)
Depreciation expense		(84,850)	(153,331)
Exploration, evaluation and operation costs		(263,221)	(662,658)
Share based payments		(139,147)	(162,061)
Financing expense		(468,317)	(349,945)
Loss on disposal of assets		-	(25,931)
<b>Loss before income tax expenses from continuing operations</b>		<b>(1,699,686)</b>	<b>(2,515,356)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half year</b>		<b>(1,699,686)</b>	<b>(2,515,356)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(940,994)	(51,484)
<b>Total comprehensive income for the half year, net of tax</b>		<b>(2,640,680)</b>	<b>(2,566,840)</b>
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted loss - cents per share		(0.14)	(0.20)

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

# Statement of Financial Position

As at 31 December 2020

	Notes	Consolidated 31 December 2020 \$	Consolidated 30 June 2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		142,057	27,095
Trade and other receivables		81,383	94,143
<b>Total current assets</b>		<b>223,440</b>	<b>121,238</b>
<b>Non-current assets</b>			
Other financial assets		61,161	65,600
Exploration and evaluation	5	8,195,249	9,190,151
Plant and equipment		341,180	441,023
Right-of-use assets		78,105	122,219
<b>Total non-current assets</b>		<b>8,675,695</b>	<b>9,818,993</b>
<b>Total assets</b>		<b>8,899,135</b>	<b>9,940,231</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		2,436,809	2,233,043
Related party payables		1,517,258	1,321,895
Interest bearing liabilities	6	10,104,006	9,015,809
Lease liabilities		119,155	107,037
<b>Total current liabilities</b>		<b>14,177,228</b>	<b>12,677,784</b>
<b>Non-current liabilities</b>			
Lease liabilities		21,944	60,951
<b>Total non-current liabilities</b>		<b>21,944</b>	<b>60,951</b>
<b>Total liabilities</b>		<b>14,199,172</b>	<b>12,738,735</b>
<b>Net assets/(liabilities)</b>		<b>(5,300,037)</b>	<b>(2,798,504)</b>
<b>EQUITY</b>			
Contributed equity	7	75,036,554	75,036,554
Reserves	8	(2,630,623)	(1,387,275)
Accumulated losses		(77,705,968)	(76,447,783)
<b>Total equity</b>		<b>(5,300,037)</b>	<b>(2,798,504)</b>

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

# Statement of Changes in Equity

As at 31 December 2020

	Notes	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
<b>Consolidated</b>					
<b>Balance at 1 July 2020</b>		<b>75,036,554</b>	<b>(1,387,275)</b>	<b>(76,447,783)</b>	<b>(2,798,504)</b>
Share based payments	8	-	139,147	-	<b>139,147</b>
Expiry of options		-	(441,501)	441,501	-
<b>Transactions with owners</b>			<b>(302,354)</b>	<b>441,501</b>	<b>139,147</b>
Loss after tax			-	(1,699,686)	<b>(1,699,686)</b>
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations	8	-	(940,994)	-	<b>(940,994)</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(940,994)</b>	<b>(1,699,686)</b>	<b>(2,640,680)</b>
<b>Balance at 31 December 2020</b>		<b>75,036,554</b>	<b>(2,630,623)</b>	<b>(77,705,968)</b>	<b>(5,300,037)</b>
<b>Consolidated</b>					
<b>Balance at 1 July 2019</b>		<b>75,036,554</b>	<b>(1,594,541)</b>	<b>(72,059,771)</b>	<b>1,382,242</b>
Share based payments		-	162,061	-	<b>162,061</b>
Expiry of options			(108,711)	108,711	-
<b>Transactions with owners</b>		<b>-</b>	<b>53,350</b>	<b>108,711</b>	<b>162,061</b>
Loss after tax		-	-	(2,515,356)	<b>(2,515,356)</b>
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations		-	(51,484)	-	<b>(51,484)</b>
<b>Total comprehensive income for the half year</b>		<b>-</b>	<b>(51,484)</b>	<b>(2,515,356)</b>	<b>(2,566,840)</b>
<b>Balance at 31 December 2019</b>		<b>75,036,554</b>	<b>(1,592,675)</b>	<b>(74,466,416)</b>	<b>(1,022,537)</b>

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

# Statement of Cash Flows

For the half year ended 31 December 2020

Notes	Consolidated 31 December 2020 \$	Consolidated 31 December 2019 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	223,302
Payments to suppliers and employees	(596,896)	(1,783,371)
Other receipts	10,002	23
Interest paid	(17,037)	(20,351)
<b>Net cash used in operating activities</b>	<b>(603,931)</b>	<b>(1,580,397)</b>
<b>Cash flows from investing activities</b>		
Purchases of plant and equipment	-	(9,142)
Payments for exploration and evaluation	(12,908)	(39,777)
<b>Net cash used in investing activities</b>	<b>(12,908)</b>	<b>(48,919)</b>
<b>Cash flows from financing activities</b>		
Share issue costs	-	(42,067)
Proceeds from borrowing	735,000	1,734,000
Lease liability repayments	-	(48,771)
<b>Net cash provided by financing activities</b>	<b>735,000</b>	<b>1,643,162</b>
<b>Net increase/(decrease) in cash held</b>	<b>118,161</b>	<b>13,846</b>
Cash at the beginning of the half year	27,095	130,016
Effects of foreign exchange movements on cash transactions and balances	(3,199)	(830)
<b>Cash at the end of the half year</b>	<b>142,057</b>	<b>143,032</b>

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

# Notes to the Interim Financial Statements

## 1. Basis of preparation

These financial statements for the interim half year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard 134 'Interim Financial Reporting' and the Corporations Act 2001 as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'.

These half year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by the Company during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

### **New, Revised or amending Accounting Standards and Interpretations adopted**

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

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

## 2. Going concern

These financial statements are prepared on a going concern basis.

The Group has incurred a net loss after tax of \$1,699,686 for the half year ended 31 December 2020 with total cash outflows from operating and investing activities of \$616,839. As at 31 December 2020, the Group had net current liabilities of \$13,953,788 including cash on hand of \$142,057 and net liabilities of \$5,300,037. The ability of the Group to continue as a going concern is principally dependent on the continued financial support of the major shareholders of the Company.

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

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

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

On this basis the Directors are of the opinion that the financial statements should be prepared on a going concern basis and the 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 Group be unable to continue as a going concern and meet its debts as and when they fall due.



# Notes to the Interim Financial Statements

## 3. Operating Segments

	Croydon \$	Crater Mountain \$	Intersegment eliminations / Australia \$	Consolidated \$
<b>Half year to 31 December 2020</b>				
Revenue				
Cost of sales		-		
Interest income			2	2
Other income			10,000	10,000
Other expenses	(38,865)	(530,175)	(1,130,646)	(1,709,688)
Segment profit (loss)	(38,865)	(530,175)	(1,130,646)	(1,699,686)
<b>As at 31 December 2020</b>				
Segment assets	987,819	7,755,066	156,250	8,899,135
Segment liabilities		52,475,100	(38,275,928)	14,199,172
<b>Half year to 31 December 2019</b>				
Revenue	-	223,302	-	223,302
Cost of sales	-	(418,821)	-	(418,821)
Interest income	-	-	23	23
Other income	-	316,809	-	316,809
Other expenses	(236,345)	(1,288,536)	(1,111,788)	(2,636,669)
Segment profit (loss)	(236,345)	(1,167,246)	(1,111,765)	(2,515,356)
<b>As at 30 June 2020</b>				
Segment assets	987,819	8,847,388	105,024	9,940,231
Segment liabilities	-	52,096,253	(39,357,518)	12,738,735

Segment information is presented using a “management approach”, i.e. segment information is provided on the same basis as information used for internal reporting purposes by the 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.

### Description of segments

#### **Crater Mountain**

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

#### **Croydon**

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

# Notes to the Interim Financial Statements

	Consolidated 31 December 2020 \$	Consolidated 31 December 2020 \$
<b>4. Income from continuing operations</b>		
Revenue from gold sales	-	223,302
Interest income	2	23
Other income	10,000	316,810

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 the prior year, Anomaly Ltd in Papua New Guinea, a fully owned subsidiary of Crater Gold, sold gold to one customer.

In the prior year, previously recognised penalties equivalent to AUD\$316,810 payable on outstanding amounts owing to the Papua New Guinean Internal Revenue Commission ("IRC") were written off by the IRC as not payable and thus has been recognised as income.

	Consolidated 31 December 2020 \$	Consolidated 30 June 2020 \$
<b>5. Non-Current Assets - Exploration and evaluation</b>		
Opening balance	9,190,151	9,197,097
Effect of movement in exchange rates	(994,902)	(6,946)
Closing balance	8,195,249	9,190,151

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. Under section 112 of the Mining Act 1992, the holder still has the right of the tenement until a decision of the renewal has been obtained. The balance of exploration and evaluation at 31 December 2020 includes \$7,207,430 in relation to these exploration licences held in Papua New Guinea.

	Consolidated 31 December 2020 \$	Consolidated 30 June 2020 \$
<b>6. Current Liabilities – Interest bearing liabilities</b>		
ICBC loan	800,000	800,000
Freefire Technology Limited loan	9,304,006	8,215,809
	<b>10,104,006</b>	<b>9,015,809</b>

#### ICBC Loan Facility

The Company secured a loan facility of up to \$800,000 from the Industrial and Commercial Bank of China (Asia) Limited ("ICBC"). The ICBC loan facility is repayable on call and is guaranteed by interests associated with the Chairman, Mr Sam Chan. As at 31 December 2020, the interest rate was 1.15% per annum.

# Notes to the Interim Financial Statements

Consolidated 31 December 2020 \$	Consolidated 30 June 2020 \$
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## Freefire Technology Limited

As at 31 December 2020, the Company had secured a number of short-term, interest bearing loans totalling \$9,304,006 (30 June 2020: \$8,215,809) from its major shareholder, Freefire Technology Limited ("Freefire").

- The loan funds are to be used by the Group 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 Sum is payable by the Company to Freefire at the rate of 8% per annum
- The loans have various terms from three months to three years.

## 7. Contributed Equity

Equity Securities Issued	No. of ordinary shares	Total \$
<b>For the half year ended 31 December 2020</b>		
As at 1 July 2020	1,227,495,867	75,036,554
Shares issued	-	-
<b>As at 31 December 2020</b>	<b>1,227,495,867</b>	<b>75,036,554</b>

## 8. Reserves

	Consolidated 31 December 2020 \$	Consolidated 30 June 2020 \$
<b>Reserves</b>		
Share based payment reserve	415,493	717,847
Foreign currency translation reserve	(3,046,116)	(2,105,122)
	<b>(2,630,623)</b>	<b>(1,387,275)</b>
<b>Movements</b>		
Share based Payments Reserve		
Balance at beginning of period	717,847	527,178
Transfer to accumulated losses (options expired)	(441,501)	(108,711)
Share based payments expense for the period	139,147	299,380
<b>Balance at end of period</b>	<b>415,493</b>	<b>717,847</b>
Foreign currency translation reserve		
Balance at beginning of period	(2,105,122)	(2,121,719)
Currency translation differences	(940,994)	16,597
<b>Balance at end of period</b>	<b>(3,046,116)</b>	<b>(2,105,122)</b>

# Notes to the Interim Financial Statements

## **9. Contingent liabilities**

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

The Company does not have any other contingent liabilities.

## **10. Events after Reporting Date**

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

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

## **11. Dividends**

No dividends have been paid or provided for during the half-year (2019: nil).

# Directors' Declaration

The Directors of the Company declare that:

- 1) The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - a) Giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half year ended on that date; and
  - b) Complying with the Accounting Standard *AASB134 Interim Financial Reporting*, and the Corporations Regulations 2001.
- 2) Having regard to those matters referred to in Note 2, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**R D Parker**  
**Managing Director**

15 March 2021



**RSM Australia Partners**

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Crater Gold Mining Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Crater Gold Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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### *Independence*

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

### *Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### *Emphasis of Matter*

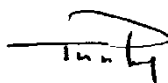
We draw attention to Note 5, which describes the uncertainty relating to the outcome of the renewal application of the mining and exploration licences in Papua New Guinea. Our conclusion is not modified in respect of this matter.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2, which indicates that the consolidated entity incurred a net loss of \$1,699,686 and had net cash outflows from operating activities and investing activities of \$603,931 and \$12,908 respectively for the half-year ended 31 December 2020. As at that date, the consolidated entity had net current liabilities of \$13,953,788 and net liabilities of \$5,300,037. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 15 March 2021

<b>Directors:</b>	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)
<b>Company Secretary:</b>	A Betti
<b>ABN:</b>	75 067 519 779
<b>Registered Office:</b>	Level 2 22 Mount Street Perth WA 2000 Australia Telephone: +61 8 6188 8181
<b>Postal Address:</b>	PO Box 7054 Cloisters Square Perth WA 6850 Australia
<b>Share Registry:</b>	Link Market Services Limited Level 12, 250 St Georges Terrace Perth WA 6000 Australia Telephone: 1300 554 474
<b>Auditors:</b>	RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth WA 6000 Australia Telephone: +61 8 9261 9100
<b>ASX Listing:</b>	Crater Gold Mining Limited shares are quoted on the Australian Securities Exchange under the code "CGN".
<b>Website address:</b>	<a href="http://www.cratergold.com.au">www.cratergold.com.au</a>