CENTENNIAL MINING LIMITED

ACN 149 308 921

Interim Financial Report
31 December 2016

CONTENTS

DIRECTORS' REPORT

Your Directors submit the financial report of Centennial Mining Ltd (formally **A1 Consolidated Gold** Limited, now **Centennial Mining** or the **Company**) for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors & Company Secretary

The names of the Directors and Company Secretary who held office during or since the end of the interim period and until the date of this report are noted below. The Directors and Company Secretary were in office for the entire period unless otherwise stated.

Dale Rogers	Chairman (Executive)
Jamie Cullen	Director (non-executive)
Anthony Gray	Director (non-executive)
Dennis Wilkins	Company Secretary

Safety & Environment

There were no lost time injuries (LTI's) during the period and no reportable environmental incidents.

The Company has achieved in excess of 270,000 hours LTI free as of 31 December 2016.

Review of Operations

The Company's primary focus during the first half of the 2016-2017 financial year was continuing the development of its 100% owned A1 Gold Mine in north eastern Victoria.

Highlights achieved during the half-year are set out below

- **Mining and Processing Activities**

  Early in the period a significant drilling programme, Drill Target 1, was completed. As a result of that programme the first ever Measured Resource was compiled at the A1 Underground Mine. Following on from this drilling success a renounceable rights issue was completed raising $3.3m. The bulk of these funds were used to pay down aged creditors with the remainder enabling a recommencement of mechanised development and ore development at the A1 underground mine.
  Concurrent with the recommencement of mechanised development continued improvements were made to the A1 Mine's services and networks. These included +$2.5m of capital upgrades completed during the first Quarter of the period including:
    - Secondary Egress A1 Mine Completed
    - Upgrades to A1 Mine Pumping and Water Reticulation Completed
    - Upgrades to A1 Mine electrical distribution network
    - Upgrades at Porcupine Flat Mill
    - Continued A1 Mine Ventilation Circuit Upgrades

  During the second quarter of the half year the first Long Hole stope rings in the Drill Target 1 Resource were fired. This is the first long hole stope developed at the A1 underground mine. As a result of the increased ore supplies from the underground mine surface ore haulage to the Porcupine Flat Mill was steadily increased later in the period as was the throughput at the mill.

  As a result the second quarter of the period saw record mine production and record mill throughput achieved at the A1 mine and Porcupine Flat Mill.

- **Annual General Meeting and Change of Name**

  At the Company's annual general meeting on 25 November, all resolutions detailed in the Notice of Meeting were passed on a show of hands. Resolution 7, Approval of 10% Placement Facility and Resolution 8, Approval of Change of Name, were special resolutions, and were passed with the requisite 75% majority.

  Following the annual general meeting, the Company advised the Australian Securities Investment Commission (ASIC) of its change of name from A1 Consolidated Gold Ltd to Centennial Mining Limited and ASIC recorded the change of name on 5 December 2016. The ASX code for the Company also changed from AYC to CTL effective as at 8 December 2016.

- **Entitlements Offer**

  On 7 September 2016, the Company completed a renounceable entitlements offer (**Entitlements Offer**) which commenced in July 2016. The Entitlements Offer to raise approximately $3.3m (before costs) was offered on the basis of 1 new share for every 4 shares held on the record date at $0.024 per new share (together with one free attaching new listed option for every 3 new shares subscribed for and issued) and was underwritten by Patersons Securities Limited (**Underwriter)**.

  The SPP raised a total of $3,316,135 with applications from eligible shareholders for 97,064,700 shares and 41,107,613 shortfall shares placed by the Underwriter.

Total number of Entitlements Offer shares offered:	138,172,313

Number of Entitlements Offer shares underwritten:	138,172,313
Number of Entitlements Offer shares applied for:	97,064,700
Shortfall placed by the Underwriter:	41,107,613

  46,057,263 listed options were issued pursuant to the Entitlements Offer.

  As a consequence of the demand from shareholders and sub-underwriters for the shortfall, the Company elected to satisfy most of the additional demand by taking an additional $350,000 by way of an exempt placement of 14,583,334 shares and 4,861,112 listed options.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 3 and forms part of this Directors' Report for the half-year ended 31 December 2016.

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

Dale Rogers
Executive Chairman

16 March 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Centennial Mining Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
16 March 2017

M R W Ohm
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Notes	Consolidated 31 December 2016 $	Consolidated 31 December 2015 $
Revenue	2a	20,554	143,880
Other income	2b	134,759	19,043
Accounting and taxation services		(88,313)	(71,820)
Auditor's remuneration		(27,000)	(18,500)
Company secretary fees		(81,185)	(49,492)
Directors' fees		(43,790)	(81,300)
Finance costs		(342,359)	(15,288)
Insurance expense		(220,001)	(109,270)
Loss on disposal of fixed assets		-	(28,074)
Maldon mill operating expense		-	(222,529)
Other expenses		(432,851)	(254,729)
Share based payment expense		(90,819)	(43,816)
Share registry and listing fees		(72,240)	(35,219)
Loss before income tax		(1,243,245)	(767,114)
Income tax expense		-	-
Loss for the period after income tax expense		(1,243,245)	(767,114)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(1,243,245)	(767,114)
Basic and diluted loss per share		(0.2) cents	(0.2) cents

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	Consolidated 31 December 2016 $	Consolidated 30 June 2016 $
Assets			
Current assets			
Cash and cash equivalents	3	534,084	334,922
Trade and other receivables		823,631	436,397
Inventories		1,373,703	907,649
Other		116,690	297,885
Total current assets		2,848,108	1,976,853
Non-current assets			
Property, plant and equipment	4	7,389,930	7,364,775
Exploration, evaluation and development assets	5	30,955,653	28,520,476
Other		966,500	996,500
Total non-current assets		39,312,083	36,881,751
Total assets		42,160,191	38,858,604
Liabilities			
Current liabilities			
Trade and other payables		5,145,255	3,979,593
Borrowings		111,314	308,705
Provisions		148,831	35,092
Total current liabilities		5,405,400	4,323,390
Non-current liabilities			
Borrowings		2,433,385	2,247,471
Provisions		1,186,500	1,232,710
Total non-current liabilities		3,619,885	3,480,181
Total liabilities		9,025,285	7,803,571
Net assets		33,134,906	31,055,033
Equity			
Issued capital	6	48,410,129	45,177,830
Reserves		5,700,547	5,609,728
Accumulated losses		(20,975,770)	(19,732,525)
Total equity		33,134,906	31,055,033

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Consolidated	Notes	Issued capital $	Unissued shares $	Option premium on convertible notes $	Share based payment reserve $	Accumulated losses $	Total Equity $
Balance at 1 July 2015		42,606,668	-	66,853	5,386,752	(18,296,142)	29,764,131
Loss for the period						(767,114)	(767,114)
Total comprehensive loss for the period		-	-	-	-	(767,114)	(767,114)
Shares issued during the half-year	6	290,000	-	-	-	-	290,000
Share issue costs		(38,827)	-	-	-	-	(38,827)
Shares to be issued re Walhalla acquisition		-	300,000	-	-	-	300,000
Share-based payment		-	-	-	43,816	-	43,816
Balance at 31 December 2015		42,857,841	300,000	66,853	5,430,568	(19,063,256)	29,592,006

Consolidated							
Balance at 1 July 2016		45,177,830	-	66,853	5,542,875	(19,732,525)	31,055,033
Loss for the period						(1,243,245)	(1,243,245)
Total comprehensive loss for the period		-	-	-	-	(1,243,245)	(1,243,245)
Shares issued during the half-year	6	3,667,943	-	-	-	-	3,667,943
Share issue costs	6	(435,644)	-	-	-	-	(435,644)
Share-based payment		-	-	-	90,819	-	90,819
Balance at 31 December 2016		48,410,129	-	66,853	5,633,694	(20,975,770)	33,134,906

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Consolidated	
	31 December 2016	31 December 2015
	$	$
	Inflow / (Outflows)	
Cash flows from operating activities		
Receipts from customers	-	122,750
Payments to suppliers and employees	(820,363)	(497,396)
Interest received	32,623	12,683
Finance costs	(176,344)	(8,307)
Net cash used in operating activities	(964,084)	(370,270)
Cash flows from investing activities		
Proceeds from sale of non-current assets	70,000	8,818
Purchase of non-current assets	(349,096)	(27,712)
Purchase of shares in subsidiary companies – additional costs	-	(55,498)
Refund of bond	30,000	-
Exploration and evaluation expenditure	(176,625)	(173,322)
Development expenditure	(11,781,466)	(1,253,539)
Gold and silver sales	10,282,846	-
Net cash used in investing activities	(1,924,341)	(1,501,253)
Cash flows from financing activities		
Proceeds from the issue of shares	3,667,943	290,000
Payment for share issue costs	(382,966)	(25,233)
Convertible note expenses	-	(254,502)
Repayment of borrowings	(197,390)	(99,702)
Share application monies received pending allotment	-	198,500
Net cash provided by financing activities	3,087,587	109,063
Net increase/(decrease) increase in cash and cash equivalents	199,162	(1,762,460)
Cash and cash equivalents at the beginning of the period	334,922	2,013,371
Cash and cash equivalents at the end of the period	534,084	250,911

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
These half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Centennial Mining Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation
The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation
The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern
The half-year financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company incurred a loss from ordinary activities of $1,243,245 for the half-year ended 31 December 2016 (2015: $767,114) and net cash outflows from operating and investing activities of $2,888,425 (2015: $1,871,523). In addition, there is a working capital deficiency of $2,557,292 as at 31 December 2016.

The Directors are of the opinion that the Company is a going concern for the following reasons:

- Cashflow for the December quarter including all capital and corporate costs were just below breakeven
- The company has made adjustments to the mine plan to focus on air leg (narrow vein) mining. This will result in lower tonnages being mined but a higher grade of production is expected.
- The Directors anticipate that the Company will be cash flow positive from operations as a result of its gold mining activities which will enable the Company to continue as a going concern.

Should the quantity, grade and timing of gold produced be materially less than anticipated, the Company may need to seek alternative sources of funding. In the event that additional funds are required, the Company will actively pursue further capital raising activities.

If the Company is unable to raise sufficient funds as noted above or from other sources, there exists a material uncertainty that may cast significant doubt whether the Company will be able to continue as a going concern and, therefore, whether it will realise its assets (especially its exploration, evaluation and development assets and its property, plant and equipment) and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Standards and Interpretations applicable to 31 December 2016
In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2016.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted applicable to 31 December 2016
The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half year reporting periods beginning on or after 1 January 2017.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

Significant accounting judgments and key estimates
The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016 except for the following:

<u>Treatment of pre-production revenues and expenditures</u>

The Company is currently capitalising pre-production costs and revenues until production has reached a commercial level. Previously, the Directors assessed the physical operating parameters in relation to the transition from pre-production and determined that once throughput capacity of the plant has reached 10,000 tonnes per month that the Group will transition into full production status.

As the previous mine plan relied on long hole stoping to produce the tonnes required and drilling during the December quarter has not provided the next long hole stope, the mine plan requires an adjustment with a focus on air leg (narrow-vein) mining. Pybar were de-mobilised to re-align the mine plan towards lower tonnage, higher-grade production. The Directors are therefore concluding the view that until the mine has demonstrated that it can operate profitably on air leg operations it is not in commercial production.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	31 December 2016	31 December 2015
	$	$
a) Revenue		
Ore processing income for third parties	-	122,750
Bank interest received	20,554	21,130
	20,554	143,880
b) Other income		
Fuel tax credits received	86,625	16,265
Profit on sale of fixed assets	48,134	2,778
	134,759	19,043
c) Expenses		
Depreciation		
Maldon mill	-	36,120
Other expenses	4,791	4,721
	4,791	40,841
Employee entitlements		
Maldon mill	-	66,088
Other expenses	263,181	122,955
	263,181	189,043

NOTE 3 – CASH AND CASH EQUIVALENTS

	31 December 2016	30 June 2016
	$	$
Cash at bank	534,084	334,922
	534,084	334,922

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

	31 December 2016	30 June 2016
	$	$
Property, plant and equipment – at cost	10,803,168	10,686,349
Accumulated depreciation	(3,413,238)	(3,321,574)
Total property, plant and equipment net carrying amount	7,389,930	7,364,775

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

NOTE 4: PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Consolidated	
	Six months to 31 December 2016	Year to 30 June 2016
Reconciliation of property, plant and equipment	$	$
Carrying amount at beginning of period	7,364,775	8,254,291
Additions	333,980	74,556
Disposals	(21,866)	(404,914)
Depreciation	(286,959)	(559,158)
Carrying amount at end of period	7,389,930	7,364,775

NOTE 5: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

	Six months to 31 December 2016	Year to 30 June 2016
	$	$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	2,910,108	1,717,461
Acquisition costs (Walhalla)	-	911,674
Exploration and evaluation costs incurred during the period	203,289	280,973
Balance at end of period	3,113,397	2,910,108
Development phase – at cost		
Balance at beginning of period	25,610,368	20,301,157
Additions on acquisition of subsidiary	-	-
Development costs incurred during the period	-	2,804,516
Pre-production costs (net) capitalised (refer note 1)	12,514,734	2,504,695
Gold and silver sales (net)	(10,282,846)	-
Balance at end of period	27,842,256	25,610,368
Total exploration, evaluation and development assets	30,955,653	28,520,476

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 5: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS (Cont'd)

During the 2014 half-year the Company completed a Stage 1 Scoping Study of the A1 Gold Mine based on a three year mine life which contains the area of indicated mineral resource with a balance of inferred mineral resource. The results of this study were announced on 13 January 2015. Based on the Stage 1 Scoping Study the Company considers that value in use is currently better estimated using a three year period rather than a six year period of mine life previously used. Accordingly, value in use has been estimated on the basis of discounted future cash flows of the A1 Gold Mine over a three year period with a discount rate of 8%.

The Directors believe there is additional value in the remaining inferred mineral resource but this has not been considered in the value-in-use calculation until the Company is better able to quantify the resource. Stage 2 mining of the remaining inferred mineral resource will be dependent upon the results from an ongoing diamond drilling program aimed at increasing the level of confidence in a portion of the inferred resource. On completion of the diamond drilling program a Stage 2 Scoping Study will be completed with a view to continuing mining for a further 3 years.

NOTE 6: ISSUED CAPITAL

	Consolidated	
	31 December 2016	**30 June 2016**
Ordinary shares	**$**	**$**
Issued and fully paid	48,410,129	45,177,830

	Six months to 31 December 2016		**Year to 30 June 2016**	
	No.	**$**	**No.**	**$**
Movement in ordinary shares on issue				
Balance at beginning of period	552,689,252	45,177,830	446,356,265	42,606,668
Shares issued for cash				
November 2015	-	-	12,083,336	290,000
January 2016	-	-	29,583,336	710,000
August 2016	152,755,647	3,667,943	-	-
December 2016	21	-		
Shares issued as part consideration of Walhalla tenement	-	-	7,816,285	300,000
Shares issued as consideration for mining services - PYBAR Mining Services Pty Ltd	-	-	56,850,030	1,458,203
Share based payments relating to share issues	-	-	-	(90,278)
Share issue costs	-	(435,644)	-	(96,763)
Balance at end of period	705,444,920	48,410,129	552,689,252	45,177,830

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 6: ISSUED CAPITAL (Cont'd)

	Six months to 31 December 2016	Year to 30 June 2016
	No.	No.
Movement in options over ordinary shares on issue		
Balance at beginning of period	270,639,276	232,750,389
Granted	114,918,376	37,888,887
Exercised	(21)	-
Expired	(15,000,000)	-
Balance at end of period	370,557,631	270,639,276

All options are exercisable on or before 30 November 2019.

NOTE 7 – FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair value.

NOTE 8: SEGMENT REPORTING

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker (considered to be the Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Company reviews internal reports prepared as financial statements and strategic decisions of the Company are determined upon analysis of these internal reports. During the period, the Company operated predominantly in one segment being the mineral exploration sector in Victoria. Accordingly, under the "management approach", only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 9: CONTINGENT LIABILITIES

The Company was notified by the State Revenue Office Victoria on 10 February 2017 of a review to determine whether acquisitions of mining tenements have given rise to dutiable transactions under the *Duties Act 2000* (Vic). The review is ongoing and at this time no provision for any outcome has been recorded in the accounts.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 10: RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of Centennial Mining Limited and the subsidiaries listed in the following table.

	% Equity interest		Investment	
	31 December 2016 %	30 June 2016 %	31 December 2016 $	30 June 2016 $
Maldon Resources Pty Limited	100%	100%	6,813,410	6,813,410
Highlake Resources Pty Limited	100%	100%	48	48
Matrix Gold Pty Limited	100%	100%	23	23

Centennial Mining Limited is the ultimate Australian parent entity and ultimate parent of the Group. All subsidiaries are incorporated in Australia.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note. Details of transactions between the Group and other related entities are disclosed below.

The following table provides the total amount of transactions that were entered into with related parties for the six months to 31 December 2016 and six months to 31 December 2015. For details of the relationship of the related parties refer to the annual report for the year ended 30 June 2016.

Related party	31 December 2016	Income from Related parties $	Expenditure related parties $	Amounts owed by related parties $	Amounts owed to related parties $
Director related parties					
Transactions with Directors for:					
- Salary and superannuation					
D J Clark (resigned 31 May 2016)	2016	-	-	-	-
	2015	-	144,991	-	144,654
D Rogers (appointed Executive Chairman 18 April 2016)	2016	-	108,491	-	96,436
- Directors' fees and superannuation					
Peregrine Enterprises Pty Limited (related to D Rogers – appointed 24/11/14)	2016	-	51,562	-	-
	2015	-	37,500	-	41,250
Kahala Holdings Pty Ltd	2016	-	51,100	-	21,900
(related to J Cullen)	2015	-	25,025	-	32,120
Octagonal Resources Pty Ltd	2016	-	48,982	-	24,090
(employer of A Gray)	2015	-	21,900	-	24,893
Other related parties					
A1 Consolidated Mining Pty Ltd	2016	-	-	-	-
	2015	-	6,000	-	6,000
D W Corporate Pty Ltd	2016	-	125,618	-	4,950
	2015	-	63,088	-	23,587

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Apart from the above, no matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors of Centennial Mining Limited ('the Company'):

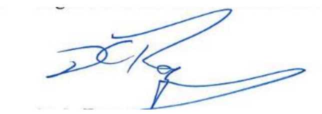
1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year then ended; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



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Dale Rogers
Director

16 March 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Centennial Mining Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Centennial Mining Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group 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 gives a true and fair view and 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 Group financial position as at 31 December 2016 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 the company, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

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 Centennial Mining Limited is not 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 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the Company incurred a loss from ordinary activities of $1,243,245 for the half-year ended 31 December 2016 and net cash outflows from operating and investing activities of $2,888,425. In addition, there is a working capital deficiency of $2,557,292 as at 31 December 2016. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
16 March 2017