

**Centennial Mining
Limited**

ABN 50 149 308 921

ASX: CTL

Investment Highlights:

A1 Gold Mine

Operating mine site including underground development and infrastructure

Mineral Resources in accordance with the JORC Code (2012)

Indicated – 250,000 t @ 5.1 g/t for 41,200 oz Au

Inferred – 1,170,000t @ 6.4 g/t for 240,000 oz Au

Maldon Gold Operations

Operational 120 - 150,000tpa gold processing facility, Union Hill Mine, including underground development & infrastructure

Executive Chairman

Dale Rogers

Non-Executive Directors

Jamie Cullen

Anthony Gray

Company Secretary

Dennis Wilkins

Capital Structure:

705,444,920 Ordinary Shares

288,557,631 Listed Options

82,000,000 Unlisted Options

71,428,565 Convertible Notes

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ASX Release – 17th July 2017

Operational Update

Centennial Mining Limited (ASX: CTL) (**Centennial** or the **Company**) is pleased to provide a summary of the highlights for the Quarter ending 30th June, 2017.

Highlights:

- ❖ **Quarterly Gold deliveries were a new record of 5,032oz**
- ❖ **Record Quarterly revenue from sales of \$8.4 million**
- ❖ **Gold production exceeded guidance for the Quarter**
- ❖ **Cash flow improved from the March Quarter**
- ❖ **New Record Mine Production**
- ❖ **New Record Mill throughput**
 - **29,564t at 5.82g/t and 90.72% recovery**
- ❖ **The Company's balance sheet strengthened from 31 March 2017 with a significant improvement in creditors**
- ❖ **Continued upgrades and refurbishment to Centennial's mining fleet undertaken during the Quarter**
- ❖ **Significant investment in additional mining fleet, machinery and capital works in preparation to re-commence Union Hill Underground Mine at Maldon.**

For several years Centennial Mining Limited (formerly A1 Consolidated Gold Limited) promised to transition into an emerging gold producer. However, it became apparent over 12 months ago that to deliver on the promise and ensure execution and delivery of the Company's business objectives improved capabilities and additional skill sets were required in the management team. Since this time, a new management team has been assembled and commenced addressing a range of issues to elevate the Company's performance. Significant milestones achieved during this period include;

- June 2016 Quarter – completion of a highly successful resource definition drilling programme at the A1 Mine,
- September 2016 Quarter - recommenced mine development and mechanised mining at A1 the Mine,
- December 2016 Quarter - commenced first long hole stope at the A1 Mine,
- March 2017 Quarter - increased quarterly gold production to +4,000 ounces and transitioned from contract mining to owner operator,
- June 2017 Quarter – further increased quarterly gold production to +5,000 ounces and commenced pre-development work at the Union Hill Mine at Maldon in preparation for opening a second producing underground gold mine.

At the same time these milestones were being achieved, Centennial has addressed many other operational issues including numerous shortcomings in the mine services, equipment, mining fleet, facilities and maintenance at the A1 Mine, Porcupine Flat gold processing facility and Union Hill Mine.

Following the March Quarter the Company guided June Quarter production at 4,500 ounces Au and is pleased to advise that 5,032 ounces Au were delivered during the Quarter realising gold revenues of \$8.4 million. Both of these numbers set a new record for the Company for any Quarter.

The following table illustrates the Quarter by Quarter improvement with gold deliveries and revenues increasing almost four-fold over the past five Quarters.

	Jun' Q 2016	Sept' Q 2016	Dec' Q 2016	Mar' Q 2017	Jun' Q 2017
Tonnes	1,558	6,776	21,810	25,457	29,564
Grade	24.9	10.08	5.95	6.29	5.82
Gold Production (oz Au)	1,383	2,418	3,758	4,632	5,032
Gold Price (\$/oz Au)	1,693	1,747	1,614	1,610	1,670
Gold Revenues (\$m)	2.3	4.2	6.0	7.4	8.4

The majority of ore tonnes mined during the June 2017 Quarter came from the 1380 and 1365 levels of the long-hole stope and selected air leg stopes. During mining of the long-hole stope practical utility and economics gave rise to the mining of some lower grade material, outside the pre-mining mineral resource estimate, which accounts for an average quarterly gold grade slightly lower than forecast.

During the Quarter significant effort has focussed on assessing the viability of alternative ore sources to the A1 Mine. This strategy is being implemented to reduce the risks associated with a single gold-producing operation. Following a review of alternative ore sources, work has focussed on the Union Hill underground mine at Maldon, which is located less than 2 kilometres from the Company's gold processing facility. This mine has been kept in good order since its acquisition over 16 months ago with pumping, ventilation and general works continuing to be funded.

Following a decision to recommence development and mining at Union Hill capital costs to refurbish additional mining fleet, already owned by the Company, continued during the Quarter. This included refurbishing a second Jumbo (underground development rock drill), another underground truck and a 2800 LHD loader. In addition, the Company has invested in additional mining fleet including several 1700 LHD loaders, an underground IT machine (integrated tool carrier), compressor, light vehicles and general works.

Centennial plans to bring the Union Hill Mine on line during the September Quarter to replace the current long-hole stope being mined at the A1 Mine. The long-hole stope is scheduled to finish in the middle of the September Quarter. An economic assessment of some lower grade halo material around the present stope void will be made during the Quarter which may extend the life.

Reopening the Union Hill Mine and efficient delivery of ore from two sources into a more efficient gold processing plant mitigates operational risks for the Company where annual gold production of 20,000 to 30,000 ounces remains the commercial objective.

A tight focus on operating costs, capital allocation, and a determination to emerge at the end of 2017 with positive net cash are objectives the Company has set for itself. An ungeared, positive cash balance sheet would then open up the prospect of additional resources being allocated to integrating the opportunity the Company's other mines and exploration assets possess.

The Board notes there were significant volumes of shares bought and sold in Centennial during the Quarter. The share register shows that parties associated with PYBAR, formerly the mining contractor at the A1 Mine, sold all of their holdings in the Company during the Quarter.

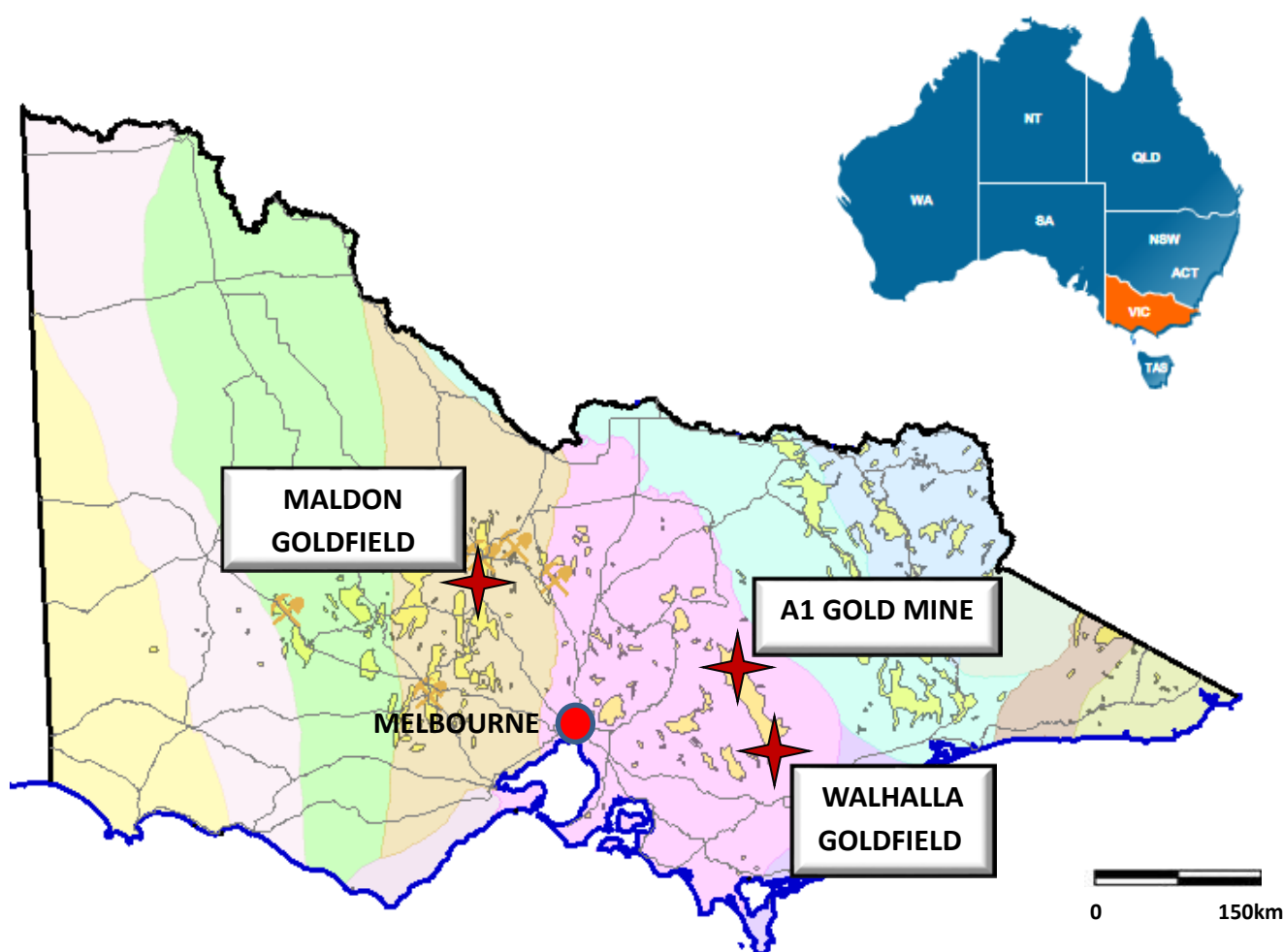
The full Quarterly Report, inclusive of expenditure, will be available in the 4th week of July.

About the Company

Centennial Mining Limited is an emerging junior Victorian gold producer that is developing and producing from the A1 Gold Mine near Woods Point, Victoria. Ore mined from the A1 Gold Mine is trucked to the Company's fully permitted and operations processing facility at Porcupine Flat, near Maldon.

The Company also owns the Union Hill Mine at Maldon and the Eureka and Tubal Cain deposits near Walhalla. Both of these locations are being assessed with the aim of adding to the expected production profile from the A1 Gold Mine in the medium term.

Location of Projects



Caution Regarding Forward Looking Information

This document may contain forward looking statements concerning Centennial Mining Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties, and other factors. Forward looking statements are inherently subject to business, economic, competitive, political, and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based Centennial Mining's beliefs, opinions and estimates of Centennial Mining's as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

Compliance Statements

The information in this document that relates to the Phase 1 Resource at the A1 Gold Mine is extracted from the Company's (then named A1 Consolidated Gold Ltd ASX - AYC) ASX announcement dated 8 July 2016 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based geological information compiled by Mr Peter de Vries, a consulting geologist, on behalf of Centennial Mining Limited. Mr de Vries is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and is a Competent Person as defined by the 2012 JORC Code, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in this report, and to the activity for which he is accepting responsibility. Mr de Vries consents to the publishing of the information in this report in the form and context in which it appears.