

**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:**

976,564,904 Ordinary Shares

288,557,631 Listed Options

111,000,000 Unlisted Options

71,428,565 Convertible Notes

**Contact:**

Dennis Wilkins

Tel: +61 8 9389 2111

admin.mine@a1gold.com.au

## ASX Release – 14<sup>th</sup> February 2018

# Mid Quarter Update

Centennial Mining Limited (ASX: CTL) (**Centennial** or the **Company**) is pleased to provide an update on the first six (6) weeks of the Quarter beginning 1<sup>st</sup> January, 2018.

### Highlights:

- ❖ **Porcupine Flat Processing Plant performance continued to improve during January and early February;**
  - **Throughput steadily increased to achieve a rate equivalent to +42,000 tonnes per Quarter**
  - **This represents a +65% improvement from September 2017 Quarter**
  - **Nitrate addition trial extended as Mill recoveries steadily improved from 86% late in the December Quarter to +90% in early February**
- ❖ **Gold pour for week of 496 ounces Au, double the average for December 2017 Quarter**
- ❖ **Development of Union Hill Gold Mine (Maldon) continued on the 1060L of Alliance South Zone**

As advised previously in the ASX Update of 24 January 2018 Centennial was “expecting a significant increase in gold deliveries during the March quarter” following a “step change in mill throughput and an expected increase in grades in the second half of the March Quarter”.

Late in the December Quarter, the ball mill gearbox at the Porcupine Flat Processing Plant, near Maldon, was replaced. Following installation of the replacement gearbox and a run-in period the ball mill was sped up to more optimal speeds in late December. In early January a secondary ‘cone’ crusher, grizzly, screen and conveyors were installed and commissioned at Porcupine Flat. After commissioning during the first weeks of January mill throughput has been steadily increased to average in excess of 3,300 tonnes per week. This represents an increase in process plant throughput of more than 65% compared to the September Quarter.

Centennial pours gold on a weekly basis and the Company is pleased to advise the gold pour for the first week of February was 496 ounces Au. **This is close to the all-time record ever achieved by the operation and is more than double the average weekly gold pour during the December 2017 Quarter.**

Gold poured for the first six weeks of the January Quarter has trended up from the lower amounts of the December Quarter and totals 1,896 ounces Au.

In the Company’s November Investor Presentation (ASX announcement 28 November, 2017) the financial year 2018 Target Production Framework (“Targets”) were 135,000 to 145,000 tonnes grading 5.2 g/t Au with 90% recoveries producing 18,000 to 20,000 ounces Au (page 19). This production profile was skewed from 40% in the 1H’2018 to 60% in the 2H’2018 of the financial year (page 8) with “the increase dependent upon grade and recoveries from the new Magenta Zone.”

The 1H’2018 production profile:

Quarter	Tonnes	Grade	Recovery	Production (oz’s Au)	Revenue
September	23,735	4.84gpt	90.7%	3,404	\$5.5m
December	30,356	3.63gpt	86.1%	2,957	\$4.9m
<b>1H’2018</b>	<b>54,091</b>	<b>4.16gpt</b>	<b>88.5%</b>	<b>6,360</b>	<b>\$10.4m</b>

The Company’s processing plant is now running at an annualised rate in excess of 165,000 tonnes per annum. At the milling rates now being achieved the FY’2018 Target of 135,000 tonnes is achievable as is the FY’2019 Target of +165,000 tonnes milled. Work to achieve the Target recovery of 90%, with the higher throughput, has demonstrated success and the nitrate addition will be continued.

The supply of ore and grade now become key components in establishing Centennial as a profitable gold producer. Ore production is being increased to match the mills increasing capacity with long hole stope production and higher grade air leg mining at the A1 Gold Mine and mining from the Union Hill Gold Mine.

Development of the Decline at the A1 Gold Mine was interrupted for 7 to 10 days due to poor ground, however a bypass has been completed and development of the West Decline towards the Victory North

and Mahoney's area resumes tomorrow. Production from Victory North is still expected towards the end of the Quarter.

The production profile for the March and June Quarters should see a steady increase in gold production as grades increase with the profile skewed 40% to 60% across the two Quarters.

Continued improvement in grade is pivotal to the delivery of Targets; where averaging +4.9 g/t Au across the 2H'2018, milling over 80,000 tonnes with 90% recoveries implies the capacity to deliver 11,000 to 12,000 ounces of gold production. Production of this magnitude at current gold prices (circa A\$1,675 per ounce Au) implies the prospect of very positive cashflows on current cost structures and expectations. Experiences to date indicate a level of variability in realised grade, which vigilant management, high grade airleg success and further drilling can ameliorate.

Drilling at the top two stoping levels of Victory North (part of the Magenta Zone) indicates the block continues at depth and this area in addition to the Mahoney's and Queen's locations provide the link and pathway for development towards the +370,000 tonnes of Resources grading 6.5 g/t Au (undiluted) below the 21 level (November Investor Presentation, page 13). This opens up the potential to add 2 to 5 years of additional mine life where additional drilling is required to confirm resource continuity. Cash generation across 2018 and moving past legacy issues that have been problematic will allow for the company to step forward materially with drilling, resource definition and mine life.

Centennial is now in a final transformative stage. Significant work has been undertaken to remediate and build the framework for sustained profitable gold production and the Company believes it is on the cusp of this as evidenced by this week's gold pour. Delivery to FY'2018's Target, albeit at the lower end of the range, and the positioning of the FY'2019 production profile to access over 165,000 tonnes at circa +5.5 g/t Au would complete that transformation and the build-up of cash the delivery of success implies.

Shareholders are referred to ASX Announcements released:

- 28 November 2017 Investor Presentation
- 24 January 2018 Operational Update, and
- 1 February 2018 Quarterly Cashflow and Activities Reports

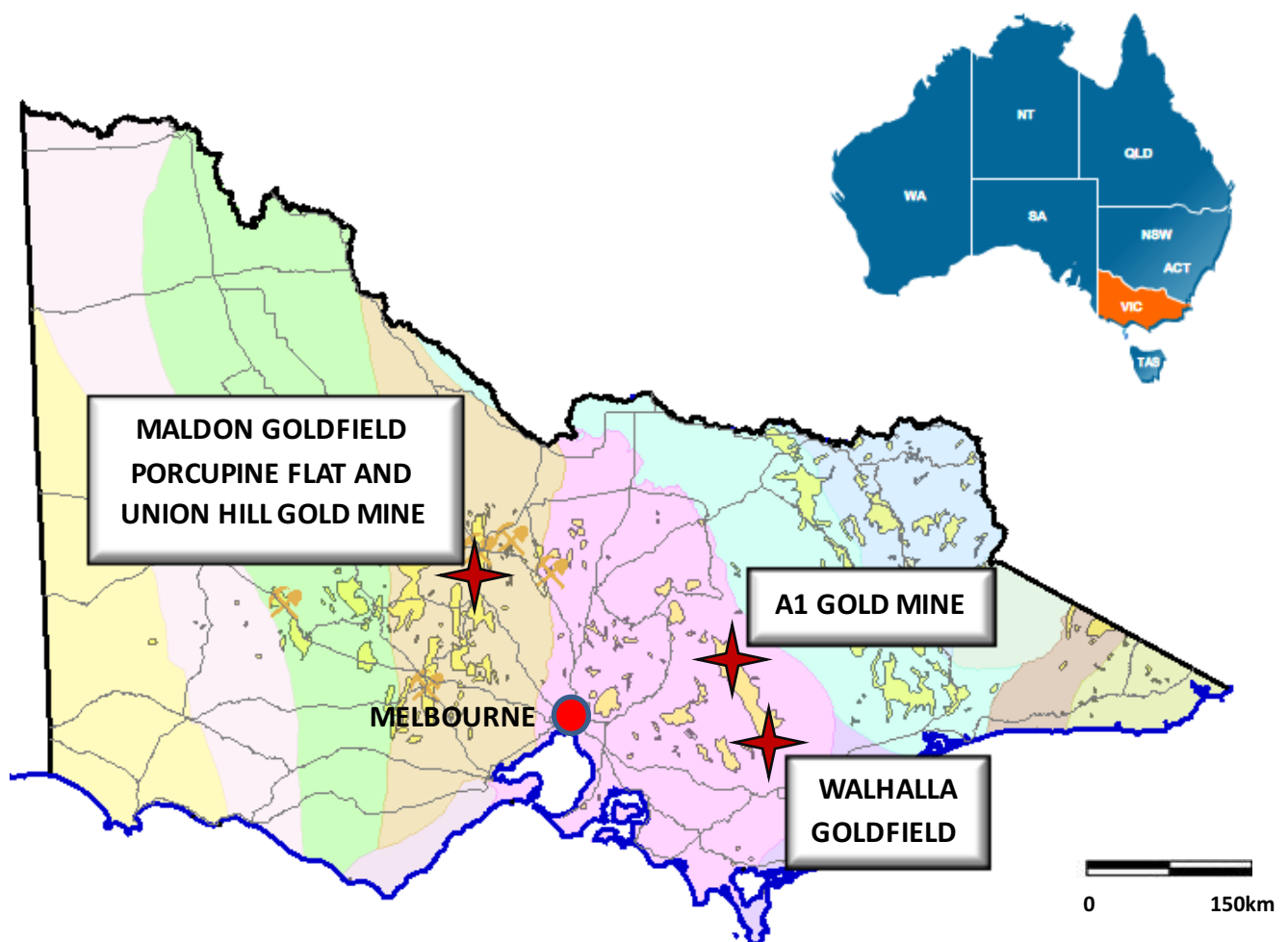
Centennial Mining is on the cusp of realising significant value in 2018 as numerous initiatives start to deliver additional ounces and increase the resources at its two operating mines.

## 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 Underground Gold Mine at Maldon, which is presently being developed, and has entered into an agreement to acquire the Eureka and Tubal Cain deposits<sup>1</sup> near Walhalla.

## Location of Projects



Note 1. Refer to Orion Gold NL (ASX: ORN) ASX Announcements dated 11 August 2015 and 30 December 2015. The acquisition of the Licence by the Company is subject to the grant of consents required under the Mineral Resources (Sustainable Development) Act and the terms of the Agreement.

### **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.