

22 February 2017

Sebastian Bednarczyk
Adviser, Listings Compliance (Perth)
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Sebastian,

CENTENNIAL MINING LIMITED – ASX APPENDIX 5B QUERY

Centennial Mining Limited (ASX: CTL) (**CTL** or the **Company**) refers to your letter dated 17 February 2017 regarding the Company's Appendix 5B for the period ended 31 December 2016, released to ASX on 31 January 2017.

In specific response to your questions, the Company provides the following:

1. *Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

CTL Response: The Company expects to report positive operating cashflow in future periods. Previous periods cashflows have been negatively impacted by expenditure on essential capital items as the Company's gold mining operations ramp up to full production. The impact of these capital costs in the December period was in the order of \$2.5m. The Company does not expect capital cost of this magnitude in future periods. In addition the latest Quarterly report announced the Porcupine Flat Mill had, subsequent to the end of Quarter, increased working shift to 24 x 7. This will increase operating revenues for the Company.

2. *Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

CTL Response: The Company anticipates operations will be self-funded as mining and processing operations reach full commercial scale (anticipated first half calendar year 2017). Forecast production for the March 2017 quarter will increase to +4,000 ounces of gold generating circa \$7m (at a forecast sale price of \$1,600 per ounce). Mining operations are inherently risky and subject to unforeseen circumstances, beyond the Company's control, that can impact operations and cashflow. The Company's operational cashflow is forecast to be cashflow positive in calendar year 2017.

3. *Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

CTL Response: Refer response to question 3 above.

4. *Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.*

CTL Response: Confirmed.

5. *Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.*

CTL Response: The responses were formulated in consultation with the board with authority delegated to the Executive Director to settle the responses. The Executive Director has authorised the submission of the responses in the form appearing above.

If you require further clarification, please do not hesitate to contact me.

Yours faithfully



Dennis Wilkins
Company Secretary



17 February 2017

Dennis Wilkins
Centennial Mining Limited
32 Clifford Street
BOULBURN NSW 2580

By email: dennis@dwcorporate.com

Dear Mr Wilkins

Centennial Mining Limited ("Company"): Appendix 5B Query

I refer to the Company's Appendix 5B quarterly report for the period ended 31 December 2016 lodged with ASX Market Announcements Platform on 1 February 2017 (the "Appendix 5B").

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$879,000;
- cash at the end of the quarter of \$534,000; and
- estimated cash outflows (excluding production) for the next quarter of \$1,750,000.

It is possible to conclude, based on the information provided in the Appendix 5B that if the Company were to continue to expend cash at the rate indicated by the Appendix 5B, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 5 pm (WST) on 22 February 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Sebastian Bednarczyk
Senior Adviser, Listings Compliance (Perth)
P : 08 9224 0000

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