



## Gold : Centennial Mining Ltd (CTL)

|  |   |                   |
|--|---|-------------------|
| By : Eagle Research (Keith Goode)  | NOVEMBER 2016 VISIT TO WOODS POINT IN VIC | 3 May 2017        |
| Year Low/High:   | \$0.013 - \$0.043                         | Recommendation    |
| Diluted No. Shares   | 705.4m                                    | Share Price       |
| Diluted Mkt Cap :  | A\$11m                                    | Target Price      |
| Net debt (est 31 March 2017)   | A\$5.9m                                   | > A\$0.03         |
| 370m options & 71m conv notes all "out-of-the-money" @ >2.94c <a href="http://www.a1gold.com.au">www.a1gold.com.au</a> |   | T: +613 5777 8125 |

### **Centennial Mining Ltd (CTL) – Ramping up to higher grade gold production of >20,000ozpa**

- **Centennial Mining was renamed from the A1 Gold Limited Company (AYC) in November 2016, partly because it does not expect to solely mine from the A1 mine. Its main asset is still the A1 gold mine near Gaffney's Creek in the Woods Point goldfield of Eastern Victoria. The Woods Point goldfield covers a NW/SE striking dyke swarm in which the dykes have periodically bulged along their length. Within the dykes there are flat, mostly east dipping and some west dipping lodes, comprised of visible gold in quartz or gold mineralised breccias. The host rock appears to vary between some of the dykes.**
- **In the past 12 months, AYC (now CTL) has undergone a dramatic transformation resulting in the replacement of most of its board and senior management, changing direction to become profitable. The new focused approach has resulted from progressing the decline used to develop the mine, together with relatively detailed exploration, targeting the areas in the "gaps" between the previously mined zones/lodes within the A1 dyke bulge.**
- **This new approach has resulted in a mining mix of long-hole mechanised open stopes focusing on the dilation breccias, plus gun air-leg miners focusing on the higher grade areas in the "gaps" (including old developed/stoped areas that were not taken to their limits). The resulting increased tonnage has enabled CTL's plant at Maldon to operate on a 24/7 basis increasing its treatment rates and targeting >20,000ozpa gold from mid-2017.**
- **In the June Qtr of 2017, the current large >5g/t dilation breccia area was expected to provide sufficient cashflow to materially reduce the debt, plus finance exploration into 3 key targeted areas, namely: depth extensions to the current breccia being mined, a second (possibly higher grade) expected dilation breccia target area in the vicinity of 20 Level, and the area under the Victory Stope structure as a possible parallel structure following up the 2.75m @ 36.3g/tAu intersection (reported in DQ16).**
- **CTL's next mine could be re-opening its Maldon area, with a significant ~2g/t to 3g/t grab sampled mullock pile at Nuggetty ~5km from the plant, a decline at the old Union mine that ignored the old workings, & AGS' non-JORC ~182koz resource of ~473kt @ 12g/t; all early stage developed and not requiring to pay the transport cost from the A1 mine to Maldon.**
- **After Maldon, CTL may focus on the already underground equipped Eureka dyke bulge near Walhalla, as underground examination of it suggested possible deeper extensions based on inferred continuation of the alteration areas of some of the historical stopes, plus encouraging vein structures in the northern areas of the Eureka dyke bulge.**

#### **Other Key Points:**

- **Centennial has numerous drill-ready targets at all of its operations, the issue is to prioritise their order of exploration, for an optimal outcome.**
- **Maldon has been overlooked after closing because Alliance (AGS) had a cash call in November 2008, and may be capable of filling the plant for at least 3 to 5 years.**
- **CTL became cashflow positive in MQ2017 and began reducing its debt while achieving 4.6koz in the quarter (vs 0.25koz in MQ16).**
- **The Tubal Cain prospect is viewed as probably needing re-interpretation, plus possibly further drilling as the previous drilling orientation for the perceived orebody interpretation may have been incorrect.**

## Corporate Overview

This is our first report on Centennial Mining Ltd (CTL) which was renamed from A1 Gold Limited (AYC) in November 2016. The main asset is the old A1 gold mine near Gaffney's Creek, in the Woods Point goldfield's dyke swarm of Eastern Victoria. In February 2016, CTL increased its assets by purchasing the Tubal Cain and Eureka gold deposits (in separate dyke bulges near Walhalla, both contained in ML MIN 5487) from Orion Gold (ORN) for \$850k (being \$50k cash, \$300k in shares @ 3.84cps) and a 2%NSR up to \$0.5m [balance payable within 36 months, ie May 2018]).

Tubal Cain and Eureka were explored by Goldstar (GDR) in ~2005 (as per our ERA report available on: [www.eagleres.com.au/images/pdfs/reports/2005/gdr4mar05.pdf](http://www.eagleres.com.au/images/pdfs/reports/2005/gdr4mar05.pdf)), and was renamed as Orion Gold in June 2009. ERA visited Eureka, Maldon and the A1 gold mine in November 2016 as part of the preparation for this report, and has drawn comparisons with ERA's Mantle report ([www.eagleres.com.au/reports/item/oct-2016-mantle-mining-corp](http://www.eagleres.com.au/reports/item/oct-2016-mantle-mining-corp)). (ERA's Mantle visit to the Morning Star gold mine at Woods Point, included visits to regional mines and to the A1 Gold Mine in September 2016). CTL completed the acquisition of the 150ktpa Maldon gold plant, tenements and workings from Octagonal (ORS) in August 2015, for 167.9m fpo AYC shares at 3c (equivalent to ~\$5.1m) and 56.5m AYC options.

CTL undertook a placement and SPP in November 2015 aimed at raising ~\$1m, and rights issue and placement at 2.4c together with 3c options to raise ~\$3.7m in August/September 2016, which has resulted in the current **705.45m fpo shares** in issue. There are also **371m options** that are all out-of-the-money at >2.9c, & a **\$2.5m convertible note of 71.5m shares** at 3.5c (out-of-the-money) due on 25 August 2018.

**Figure 1. Location of CTL's Operational Areas in Victoria, and Location of A1 Gold Mine in the Dyke Swarm**

**a. Locations of CTL's Operational Areas in Victoria**



**b. Location of A1 Gold Mine in the Dyke Swarm**



The locations of CTL's operational areas are shown in Figure 1a, with the A1 gold mine within the dyke swarm in Figure 1b. As shown in Figure 1b, the A1 gold mine appears to lie within a circular feature.

## Background History to the A1 Gold Mine at Gaffney's Creek (CTL : 100%)

Detail on the discovery of gold in the Woods Point region from 1860 is given in ERA's October 2016 Mantle Mining (MNM) report ([www.eagleres.com.au/reports/item/oct-2016-mantle-mining-corp](http://www.eagleres.com.au/reports/item/oct-2016-mantle-mining-corp)). The A1 Gold Mine was discovered in 1861, following up river from the rich alluvial gold pickings in Raspberry Creek to establish the Castle Mine on No1 South at ~33oz/t in a quartz vein stockwork within a shear zone, between two sidewalls of slate, with the first A1 Gold Company formed in 1864. Production from A1 continued (semi-continuously) through to the 1990s as shown in Table 1, with production at the end of 1950, attaining ~275koz gold of which ~205koz came from 224ktons of ore worked from ~16 reefs over 19 levels to a depth of ~950ft (although the initial years were poorly recorded). Production to 1999 was ~425koz.

**Table 1. Historical Gold Production at A1 Gold Mine (1862 to 1999)**

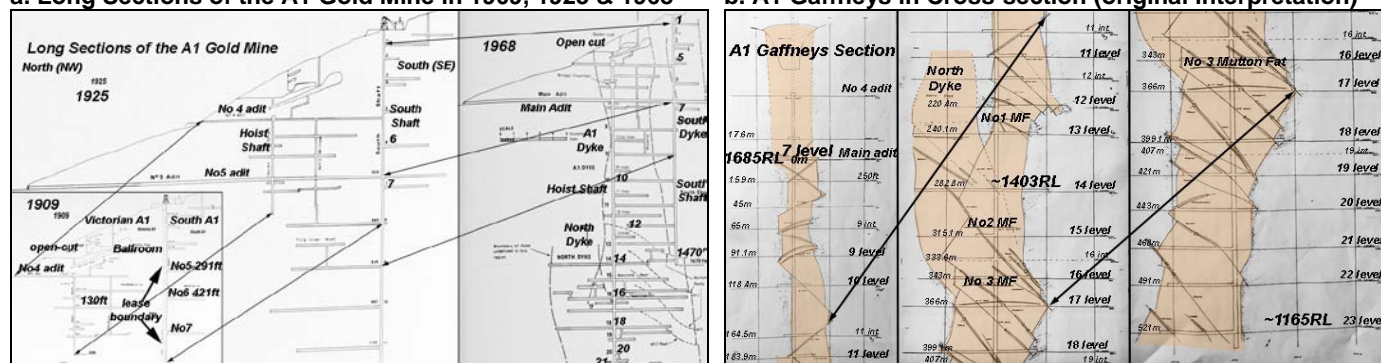
| A1 Gold Mine (1862 to 1999)             | 1862-69     | 1870 - 79   | 1880 - 89   | 1890 - 99   | 1900 - 09   | 1910 - 19   | 1920 - 29   | 1930-39     | 1940-49     | 1950-59     | 1960-69     | 1970-79     | 1980-89 | 1990-99 | Total  |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|---------|--------|
| t (short)                               | 13876       | 7097        | 10848       | 13485       | 28722       | 56500       | 27984       | 33090       | 76616       | 101140      | 75120       | 24431       | 18977   | 18483   | 506369 |
| oz                                      | 21665       | 5619        | 26281       | 10444       | 21309       | 51027       | 16175       | 14578       | 113514      | 58054       | 49493       | 18055       | 9498    | 9242    | 424954 |
| oz/short t                              | 1.6         | 0.8         | 2.4         | 0.8         | 0.7         | 0.9         | 0.6         | 0.4         | 1.5         | 0.6         | 0.7         | 0.7         | 0.5     | 0.5     | 0.8    |
| g/t                                     | 53.5        | 27.1        | 83.1        | 26.6        | 25.4        | 31.0        | 19.8        | 15.1        | 50.8        | 19.7        | 22.6        | 25.3        | 17.2    | 17.1    | 28.8   |
| <b>Highest grade ( per decade year)</b> | <b>1864</b> | <b>1877</b> | <b>1884</b> | <b>1896</b> | <b>1902</b> | <b>1915</b> | <b>1921</b> | <b>1939</b> | <b>1946</b> | <b>1951</b> | <b>1969</b> | <b>1970</b> |         |         |        |
| t (short)                               | 1503        | 560         | 915         | 987         | 3763        | 7029        | 3764        | 4320        | 11440       | 10740       | 5160        | 5827        |         |         |        |
| oz                                      | 6990        | 1136        | 3898        | 1459        | 4010        | 11762       | 2931        | 5793        | 23815       | 8523        | 6674        | 7595        |         |         |        |
| oz/short t                              | 4.7         | 2.0         | 4.3         | 1.5         | 1.1         | 1.7         | 0.8         | 1.3         | 2.1         | 0.8         | 1.3         | 1.3         |         |         |        |
| g/t                                     | 159.5       | 69.6        | 146.1       | 50.7        | 36.5        | 57.4        | 26.7        | 46.0        | 71.4        | 27.2        | 44.3        | 44.7        |         |         |        |

The A1 gold mine had a number of different owners, becoming Victorian A1 in 1901, A1 Gold Mines in 1910, A1 Consolidated in 1920, and Gaffneys Creek Gold Mine in 1969 through to its takeover by Broken Hill Holdings in 1989 (they still held it in 2002). South A1's shaft was down 300ft and intersected a lode in 1902, plus another lode at 400ft in 1904, but closed in 1907 at 700ft with nothing further being found. (However as has been seen at MNM's Morning Star, often there appears to be ~100m/~300ft vertical gaps between the lodes/reefs).

In 1915, the No 5 adit connection was extended from A1 to South Shaft and beyond it as shown in Figure 2a, with the South Shaft later deepened. However, development found most of the mineralisation appeared to be in the north portion of the dyke, so the main hoisting shaft was deepened as shown by the section in 1968, also in Fig 2a, with the No 5 adit, later renamed 7 level (conforming with the South Shaft).

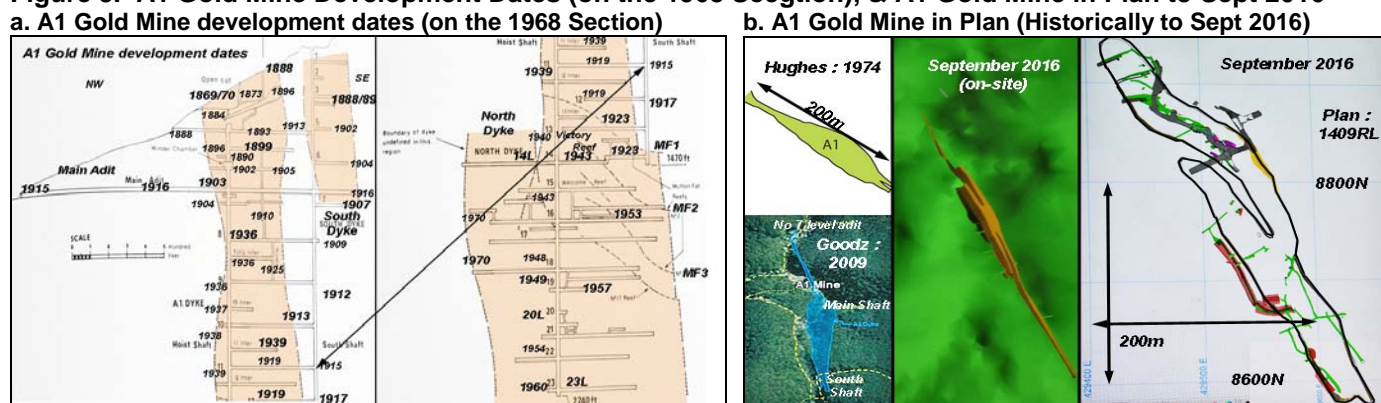


**Figure 2. Long Sections of the A1 Gold Mine in 1909, 1925 & 1968, & A1 Gaffneys in Original Cross-sections**  
**a. Long Sections of the A1 Gold Mine in 1909, 1925 & 1968**      **b. A1 Gaffneys in Cross-section (original interpretation)**



The A1 gold mine was renowned for the size of its historic free-standing “Ballroom stope” (seen as indicative of good/competent ground conditions), which was accessible from a surface open-cut, while the number of lodes/reefs/floors mined is more clearly shown in the cross-section of Figure 2b.

**Figure 3. A1 Gold Mine Development Dates (on the 1968 Section), & A1 Gold Mine in Plan to Sept 2016**

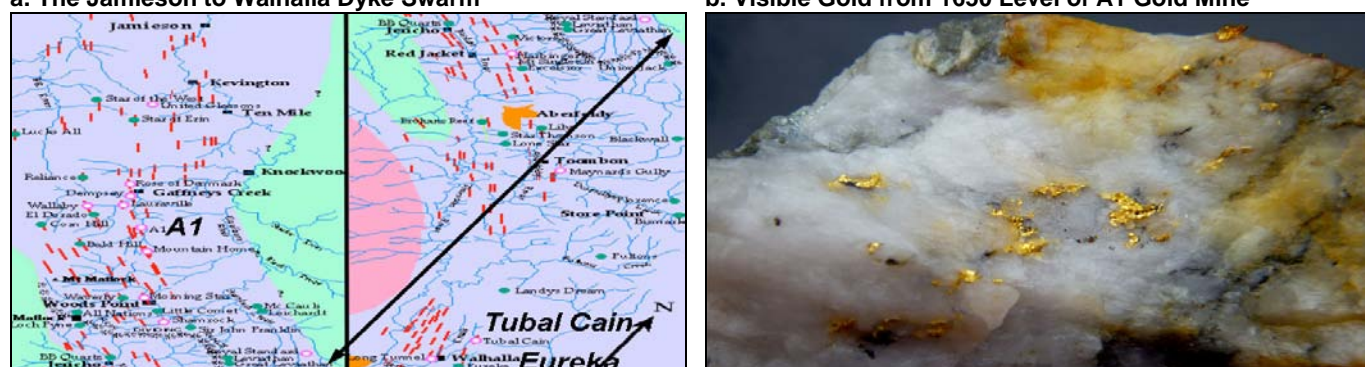


The actual years the levels were developed / mined is shown in Figure 3a, with the shape of the dyke bulge evolving with development, especially with the decline, as shown in Figure 3b.

## Geology

Located ~115 km east of Melbourne, the Woods Point goldfield lies within a dyke swarm that extends from Jamieson to Walhalla as shown in Figure 4a. The dykes and gold mineralisation are believed to have been injected in the Devonian period into Upper Silurian sediments consisting of shales and sandstones that were folded into an extensive synclinorium of multiple synclines within a major regional syncline.

**Figure 4. The Jamieson to Walhalla Dyke Swarm, and Visible Gold from 1650 Level of A1 Gold Mine**  
**a. The Jamieson to Walhalla Dyke Swarm**      **b. Visible Gold from 1650 Level of A1 Gold Mine**



Just what caused the dyke swarm to occur and why some dykes bulged at particular positions along their length does not seem to have been clearly determined (and hence there could still be undiscovered / hidden dyke bulges, as the ones mined are those that were encountered during early surface mining operations). The bulges are thought to have formed from hydrothermal pulses from depth with a “valve-type process” pressurising the dykes to produce reefs that are brecciated or resulting from shrinkage cracks or overthrust faults. As the dyke cooled and brittle-cracked, bleaching/alteration and silicification of the dyke occurred (along with pyrite and gold mineralisation) adjacent to the main reefs.

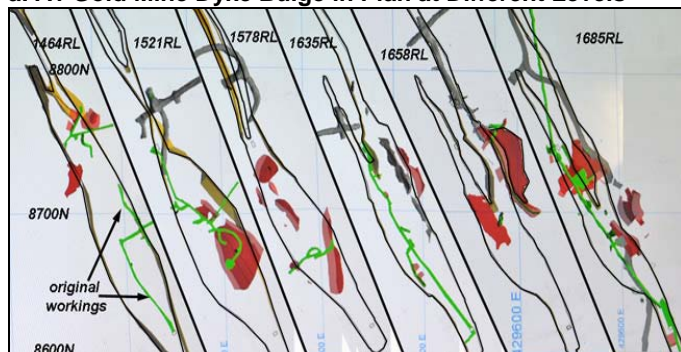
There often appears to be visible gold in quartz, although carbonates can also be present, and the composition or quality of the gold and of the host rock of the dyke bulge can vary between the bulges, for example Morning Star’s gold has often been described as being more brassy-coloured due to its silver content, whereas A1’s is more classic gold-coloured due to its higher pure gold content as shown in Figure 4b.



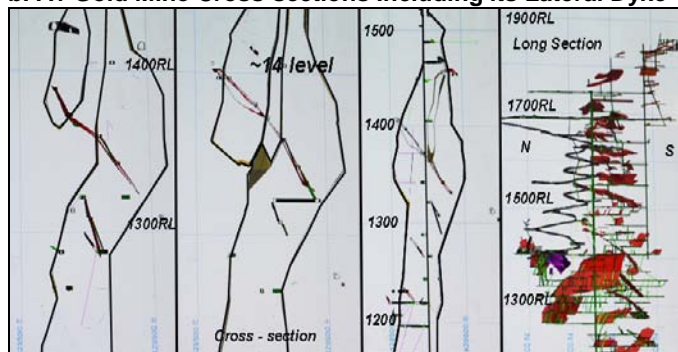
The bulges come in different shapes and sizes and have been more recently discovered to vary considerably in both plan and vertically, as seen at A1 in Figures 5a & 5b.

**Figure 5. The A1 Gold Mine Dyke Bulge at Different levels in Plan, and in Cross-Sections**

**a. A1 Gold Mine Dyke Bulge in Plan at Different Levels**



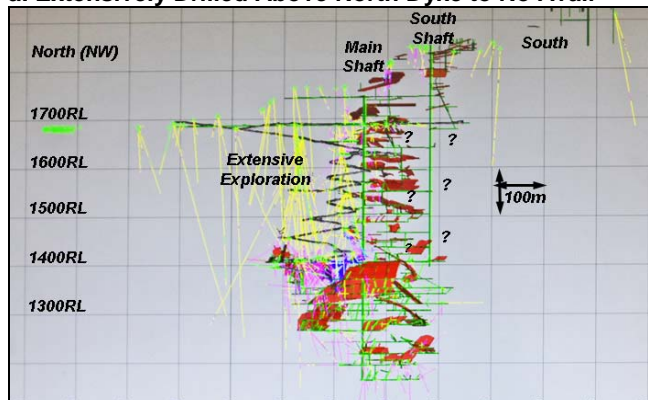
**b. A1 Gold Mine Cross-sections Including its Lateral Dyke**



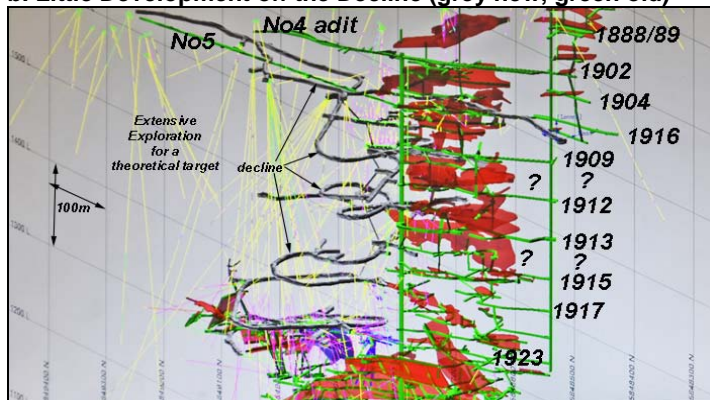
For reasons best known to the previous board and management, they focused their yellow/sediment drillhole exploration on the area above the North Dyke as shown in Figs 6a & 6b, & showed that the North Dyke hydrothermal pulse did not extend to surface (similar to Dacian's syenites at Jupiter). However, they largely ignored the area between the shafts, and the **South Dyke potential was surprisingly completely ignored**. The South Dyke depth potential remains a prime exploration target that CTL intends to explore once the No 7 Level on the No 5 adit to South shaft has been developed. It can be seen in Figure 3a (and re-annotated by years in Figure 6b) that South Dyke was apparently last considered over 100 years' ago in 1916 & ignored since then. (Note : The shaft took so long to sink because it was mostly hammer & tap mining).

**Figure 6. Extensively Drilled Above North Dyke to No Avail, and Little Development off the Decline**

**a. Extensively Drilled Above North Dyke to No Avail**



**b. Little Development off the Decline (grey new, green old)**



While sinking the decline was clearly the best way to reopen the mine (rather than focusing on reopening shafts for hand-tramming such as at Morning Star), as doubling production just needs another truck; for some reason development by AYC focused on sinking the decline and ignored developing into the old workings along the way as shown in Figure 6b – which could have aided the cashflow. (Such practice does occur as can be seen at Maldon, and the previous owner of Silver Lake's Daisy Milano, which can be beneficial to the next company mining there).

## Mining

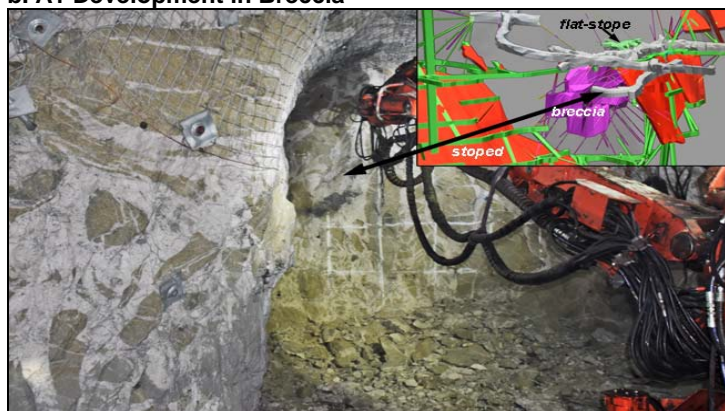
In addition to the conventional reefs, the A1 gold mine has mined two additional types of lodes or reefs being mutton fat (MF) reefs, and breccias. Three MF reefs have been mined at A1 as shown in Figure 3a, and they are called mutton-fat because they resemble soft kaolinised quartz reefs as shown in Figure 7a, that look like quartz fragments but can be squeezed by hand to resemble white blobby mutton-fat.

**Figure 7. A Mutton-Fat Lode or Reef, and Development in Breccia**

**a. A Mutton- Fat Lode or Reef**



**b. A1 Development in Breccia**

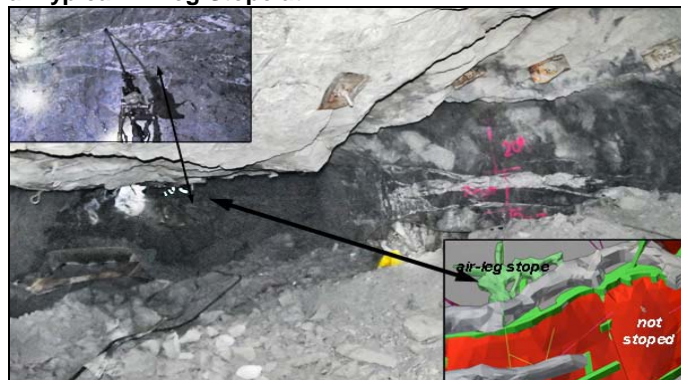




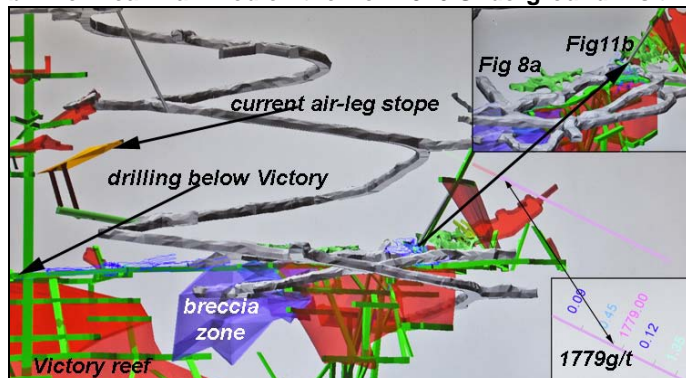
The breccia area was intersected in historical development but was ignored because average grades were ~8g/t to 10g/t, whereas at that time, break-even required > ~20g/t to 22g/t. The breccia area with its yellow-coloured clasts (coloured purple on underground plans) was expected to supply ~30kt @ ~8g/t through long-hole stoping. Its actual dimensions and whether there are any depth extensions/ continuation was still being determined when ERA visited A1 in November 2016.

**Figure 8. Typical Air-leg Stope at A1, and The Area Examined on the Nov 2016 Underground Visit,**

**a. Typical Air-leg Stope at A1**



**b. The Area Examined on the Nov 2016 Underground Visit**



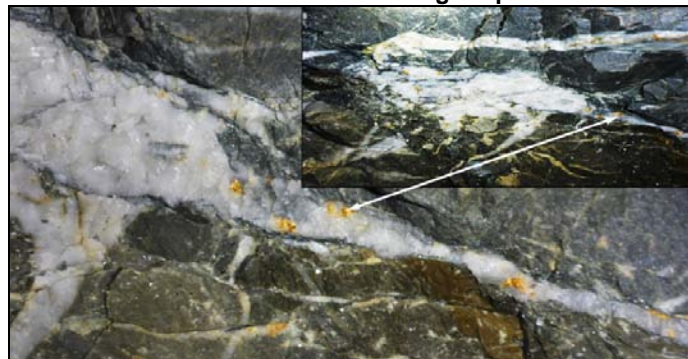
Nov 2016 mining at A1 consisted of stoping the breccia and air-leg mining of historic and newly defined areas that had typical average grades of 5g/t to 30g/t as shown in Figure 8a. CTL were applying the standard (Central) Norseman visible gold practice of taking two cuts after the visible gold appears to pinch out or extending the often flat/shallow-dipping stope to the dyke over sediment boundary. This has resulted in visible gold being mined in areas historically marked as (or believed to be) stoped out.

**Figure 9. The Delineated New Air-Leg Stope Area and Visible Gold in the 1465-8764 Air-leg Stope**

**a. Delineated New Stope Area between 1425 & 1470 Levels**



**b. Visible Gold in the 1465-8764 Air-leg Stope**



It can be seen in Figure 8b, that there are a number of possible air-leg target areas, such as the **1779g/t** intercept, and the delineated stope area shown dark yellow also in Figure 9a, with intercepts of **17.4g/t**, **21.7g/t** & **28.9g/t** as reported on page 9 of CTL's DQ16 report. This latter area was developed into in MQ 2017 and exposed the visible gold in the stope face shown in Figure 9b (as reported on page 11 of MQ 2017). This 1465-8764 stope was expected to be mined over the JQ to SQ 2017 period (Note access is actually from the 1425 level position but because it accesses the 1465 stope, the 1425 drive can be called the 1465 Access Drive).

## Exploration Upside Potential

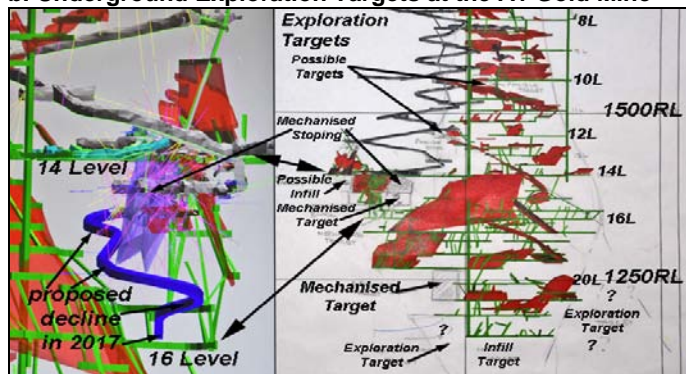
At the time of our ERA visit in November 2016, CTL were drilling a target area under the historic Victory reef that had been a mainstay of the A1 mine and in which recent examination of the drill core had shown that an interval in the Victory reef had been brecciated. As reported on page 13 of CTL's DQ2016 report, an intersection has been made under Victory of **2.75m @ 36.3g/t** also shown in Figure 10a.

**Figure 10. Possible New Reef under the Victory Reef at A1, and Underground Exploration Targets at A1**

**a. Possible New Reef under the Victory Reef at A1**



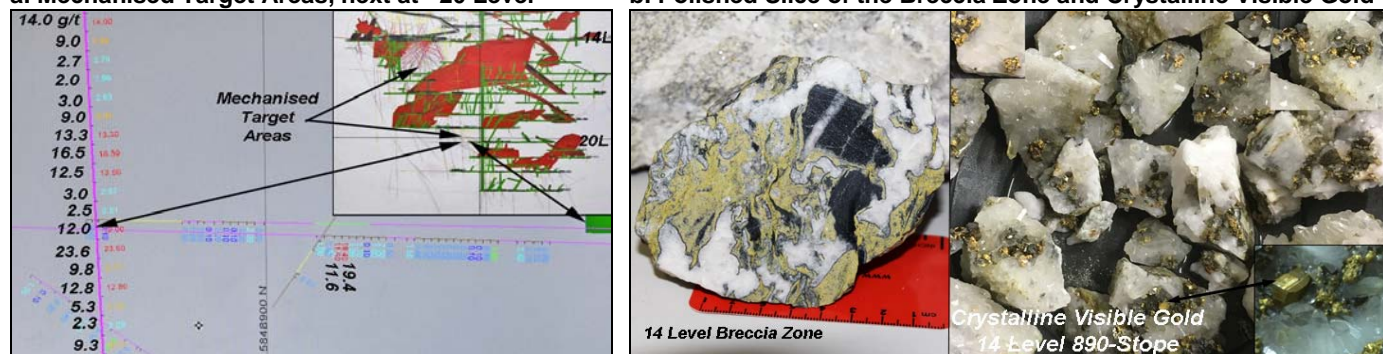
**b. Underground Exploration Targets at the A1 Gold Mine**





The current exploration target areas are shown in Figure 10b, illustrating the focus on finding mechanised (brecciated) stopping areas (i.e. large production tonnage, reasonable grade, significantly lower unit mining costs), with a potential deeper extension to the current area being stoped below 14 Level (at ~1410RL) (note the 14 Level and 1410RL is coincidental, at 16 Level : the RL is ~1340; and at 20 Level the RL is ~1240). The decline for the coming year was expected to extend to ~16 Level as shown drawn in blue in Figure 10b.

**Figure 11. Mechanised Target Areas, next at ~20 Level, and Polished Slice of Breccia Zone & Crystalline VG**  
**a. Mechanised Target Areas, next at ~20 Level** **b. Polished Slice of the Breccia Zone and Crystalline Visible Gold**



The next main area of interest is in the vicinity of 20 Level, being another bulk mining target in which the intersection also shows brecciation. Exploration could occur from 16 Level, and potentially it may be higher grade than the current breccia block averaging ~8g/t to 10g/t in the vicinity of 14 Level, because the current one had a background gold grade of ~1.5 to 2g/t, whereas the 20 Level target appears to have a background gold grade closer to ~3g/t as shown in Figure 11a. Examination of the breccia from ~14 Level shows in Figure 11b that there was at least two phases of quartz/siliceous injection into the brecciated area. Figure 11b also shows the crystalline gold that was encountered in the 14 Level area.

## Mining and Treatment

After mining at A1, the ore is stockpiled and rock-broken near the mine gate as shown in Figure 12a, before transportation by road-train doubles ~320km (and ~\$50/t) to the 150ktpa plant at Maldon.

**Figure 12. Stockpiling and Transport to Maldon, View of the Maldon Plant at Porcupine Flat (near Maldon)**  
**a. Stockpiling and Transport to Maldon** **b. View of the Maldon Plant at Porcupine Flat (near Maldon)**



Centennial bought the Maldon plant and its assets and mine (with its ~\$20m decline), exploration areas and some granted MLs in Central Victoria, including mining equipment such as jumbos, loaders, light vehicles etc from Octagonal for \$3m. Due to the amount of equipment CTL now has, it expected to move to owner mining from 31 Jan 2017, when the mechanised contract with Pybar finishes, to reduce costs.

The 120ktpa to 150ktpa plant was limited to 5 days a week of daylight operations, and CTL were trucking ~400tpd to 500tpd or ~2500tpwk for ~ 10ktpm to Maldon. After noise mitigation changes, the plant moved to 24/7 production in mid-January 2017. The plant is a conventional gold circuit of : jaw-crusher to SAG mill to gravity to cip to gold dore as shown in Figure 12b. Although, the gravity circuit is dated and hence only achieves ~25% gravity, whereas if upgraded (as planned at some stage) that may improve gravity recoveries closer to ~40% and total recoveries possibly closer to ~93%, and further reduce costs.

Gold production sold had increased to 4.63 koz in MQ2017 (up ~18x in the past year), after treating 25.5kt @ 6.29g/t with a ~90% recovery for 4,632oz as shown in Table 2, & highlighting the management change.

**Table 2. Quarterly Gold Production mostly from A1 Gold Mine (DQ 2014 to MQ 2017)**

| Quarter                     | DQ14 | MQ15   | JQ15       | SQ15       | DQ15       | MQ16       | Change in Management on 1-Jun-16 | JQ16  | SQ16  | DQ16           | MQ17        | JQ17         |
|-----------------------------|------|--------|------------|------------|------------|------------|----------------------------------|-------|-------|----------------|-------------|--------------|
| Mining                      |      | Union  | A1 & Union | A1 & Union | A1 & Union | A1 & Union |                                  | A1    | A1    | A1             | A1          | A1 Guidance  |
| Milled                      | 000t |        | 6.57       | 3.59       |            | 1.96       |                                  | 1.56  | 6.78  | 21.81          | 25.46       |              |
| Head Grade                  |      |        | 3.29       |            |            | 4.47       |                                  | 24.90 | 10.08 | 5.95           | 6.29        |              |
| Recovery                    |      |        | 90.0%      |            |            | 87.5%      |                                  | 97.8% | 95.4% | 90.1%          | 90.0%       |              |
| Recovered Grade             |      |        | 2.96       | 3.60       |            | 3.91       |                                  | 24.35 | 9.61  | 5.36           | 5.66        |              |
| Produced                    |      | 000oz  | 0.63       | 0.42       |            | 0.25       |                                  | 1.22  | 2.09  | 3.76           | 4.63        | 4.25 to 4.50 |
| Gold Sold                   |      | 000oz  | 0.00       | 0.15       | 0.63       | 0.13       | 0.53                             | 1.38  | 2.42  | 3.08           | 4.63        |              |
| Gold Sale Price             |      | A\$/oz |            | 1526       | 1612       | 1553       |                                  | 1693  |       | 1615           | 1610        |              |
| Cash costs (before capital) |      | A\$/oz |            |            |            |            |                                  |       |       | 1125           |             |              |
| Cash flow                   |      |        |            |            |            |            |                                  |       |       | just below b/e | c/flow +ive |              |



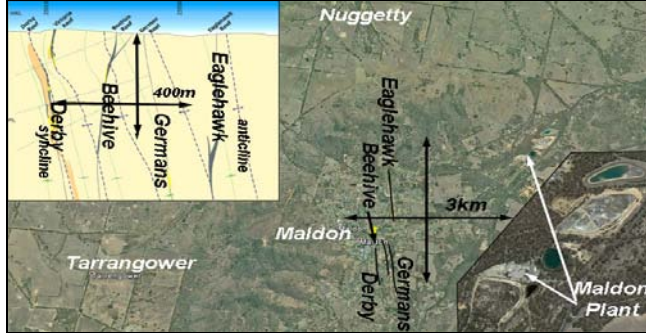
## Maldon

### Brief Background History

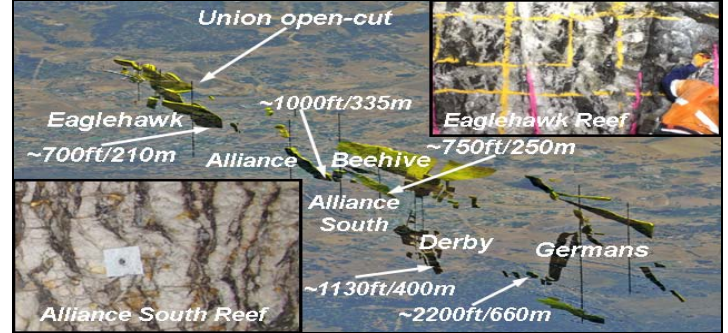
The Maldon goldfield was discovered in ~1853/1854 and initially focused on alluvial mining in the river gullies before switching onto visible gold in quartz mining at ~500oz/t at Eaglehawk, 300-400oz/t at Beehive & ~130oz/t at Bells over 1854-56. The geology consists of tightly folded meta-sediments striking ~N/S with a series of reefs in the synclines or anticlines as shown in Fig 13a. But by the end of WWI, most of the mines had closed, mining to depths mostly <1100ft from a number of shafts as shown in Fig 13b.

**Figure 13. Plan and Schematic Cross-section of Maldon, and 3d Schematic of Main Orebodies at Maldon**

**a. Plan and Schematic Cross-section of Maldon**



**b. 3d Schematic of Main Orebodies at Maldon**



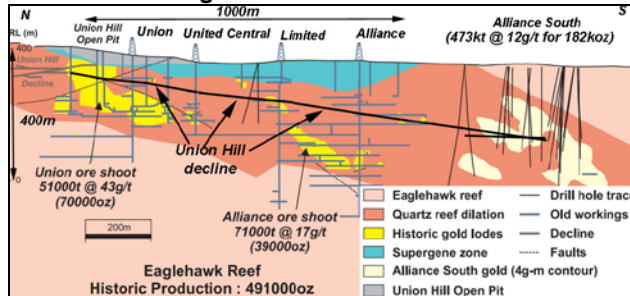
There were few minor revivals as the history for the goldfield has been recorded as ~1.7moz @ 28g/t from primary ore (being the main line of : Eaglehawk ~491.4koz [included the Union and Alliance ore shoots, & others as the 1953 record was 313.6koz], Victoria & Derby ~145koz, Beehive ~132koz (1860-97), Cymru ~63koz, and South Germans ~270koz), plus North British (south at 207koz), Nuggetty ~301koz (from 50kt between 1856 & 1896), and ~0.3moz from alluvials.

However, the next material mining focus was not until 1988 to 1994, when Triad mined ~55koz from the Union open-cut, followed by Alliance Mining (AGS) cutting the portal and top of the decline from the open-cut in 1997, aimed at mining the Eaglehawk and Linscotts reefs, but suspended it to explore. The Alliance South deposit was discovered in the "gap" shown in Fig 14a with a 473kt @ 12g/t resource of ~182koz, consisting of a series of higher grade southerly plunging ore shoots, and although intersections ranged up to 114g/t, it was remarked that visible gold intersections often assayed low at ~2g/t to 5g/t (because they apparently removed the visible gold and only assayed the remainder).

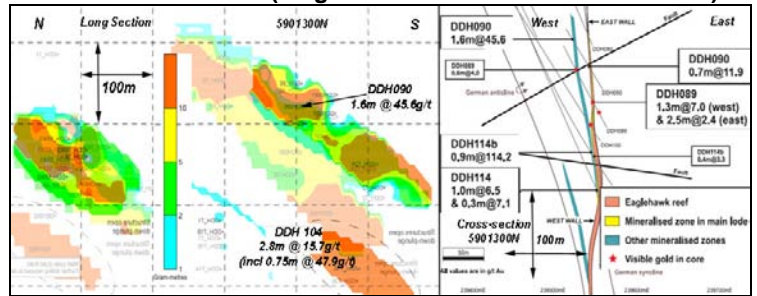
Declining recommenced in June 2006 and stopped in November 2008 with the decline 1772m from the portal, 218m vertically below surface and 169m developed on the 1120N sill drive exposing a ~4.5m wide reef structure. AGS stopped because they received a **cash call** for their 4-mile uranium project & **instantly closed everything non-uranium** despite having spent ~A\$17m on the ~1.8km long decline.

**Figure 14. Schematic Long Section of the Union Decline at Maldon, and Alliance South Reef (per AGS)**

**a. Schematic Long Section of Maldon's Union Decline**



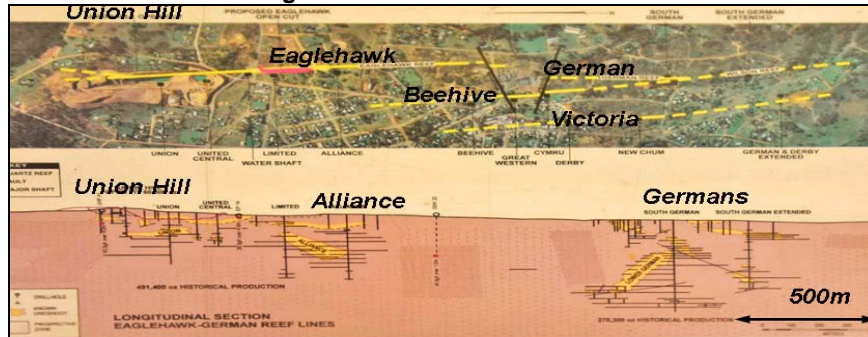
**b. Alliance South Reef (long and cross section in the 2005 AR)**



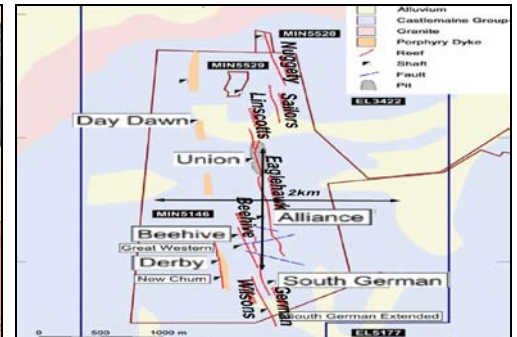
AGS drilled a number of exploration holes from the decline, and in 2007 intersected the (new) Ladies Reef 140m west of the decline & 100m below surface with **2.75m @ 22.1g/t**, however AGS planned to sell Maldon in 2009 to Drummond (DGO), which fell through in March 2010, due to the GFC.

**Figure 15. Plan and Historic Long Section of Maldon, and Plan of Reefs at Maldon in the ML**

**a. Plan and Historic Long Section of Maldon**



**b. Plan of Reefs at Maldon in the ML**





AGS vended Maldon into the Octagonal (ORS) IPO in late 2010 (retaining a 22% holding in ORS), & ORS undertook some minor development (at 5.5m x 5m), but averaged ~3g/t due to over-dilution of the 2 narrow veins either side of the face, and hence focused more on regional exploration before selling to AYC in ~2014. AYC stoped an ore block of 2kt @ 4.75g/t on Eaglehawk between the 1080 & 1100 Levels at the end of SQ15, and had minor extraction from the “Union” area to mid-2016 as shown in Table 2.

## Exploration Potential

The ORS’ 2012 presentation has a different Alliance South orebody interpretation that shows the initial development as being outside of the resource, which (besides dilution) may have added to the low grade result. **The decline also ignored the old workings**, apart from being used for exploration, and given what has happened at A1, CTL expects to be able to cut across to the old workings for possible remnant mining in addition to the Alliance South resource.

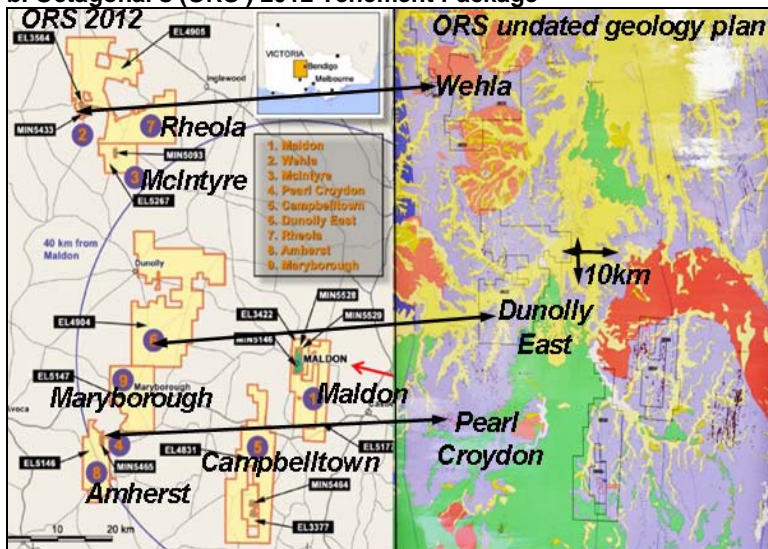
The package of reefs at Maldon does extend through the town of Maldon as shown in Figure 15a, of which ORS identified a number of additional exploration possibilities in Figure 15b, although there could be even more possibilities as shown in the old schematic map of Figure 16a (displayed in a local café), especially given the “X” locations of the old workings/old mines.

**Figure 16. Old Schematic Plan of Maldon old Gold Mines, and Octagonals (ORS’) 2012 Tenement Package**

**a. Old Schematic Plan of Maldon’s old Gold Mines**



**b. Octagonal's (ORS') 2012 Tenement Package**



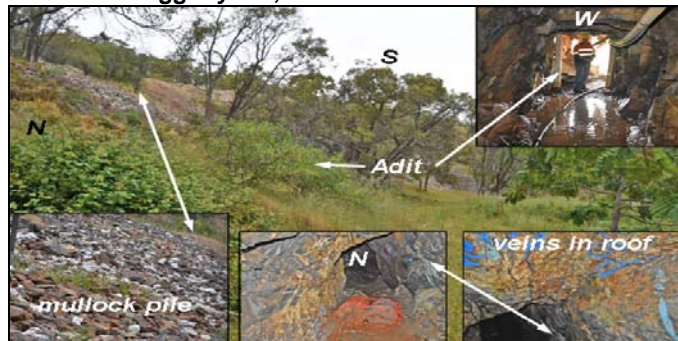
ORS had a material regional package of tenements, covered by granted ELs and MLs as shown in Figure 16b (some of which may have since been divested), & within its 2012 presentation, ORS had identified a number of potential 2g/t to 3g/t open-cut resources such as Wehla (~60km from Maldon), Pearl Croydon (~40km away), and Dunolly East (Specimen Reef ~30km away); to which may be added Nuggetty (~5km away).

Nuggetty was drilled by AGS in Apr 2004, but results were ~1g/t to 2g/t, so it was left, including its possible **surface mullock pile of ~2g/t to ~3g/t** (grab sampled 4g/t to 5g/t – note the high percentage of quartz [laminated too]) as shown in Figure 17a. An adit was driven into the hill (apparently in ~1870) & a ~90m long N/S drive developed on reef reputedly averaging ~4g/t to 5g/t, but the grades were too low for that time, so it was abandoned. The orebody / reef at Nuggetty has been described as “shooting” with boudinage or sausage-like lengths of mineralisation, so the “low” grade area may lie between two ore shoots.

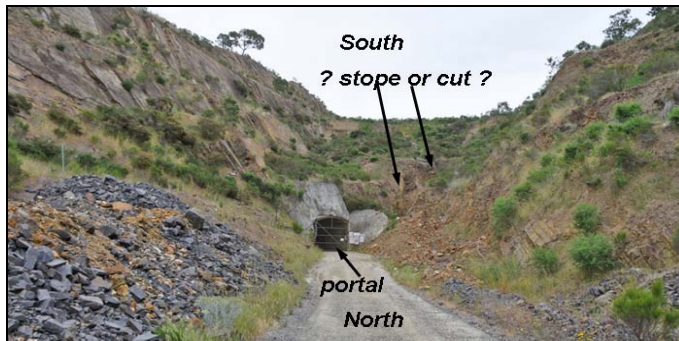
The Nuggetty reef (s?) and orebody ostensibly extended south from a granite pluton or plug, and was reputedly truncated at depth by granite, but apparently exploration has not tested the theory for any northern extensions beyond the granite, or below the granite, at depth.

**Figure 17. Views of Nuggetty Hill, its Mullock Pile and Adit, and View to South End of Union Pit & the Portal**

**a. View of Nuggetty Hill, its Mullock Pile and Adit**



**b. View to South End of Union Pit and the Decline Portal**



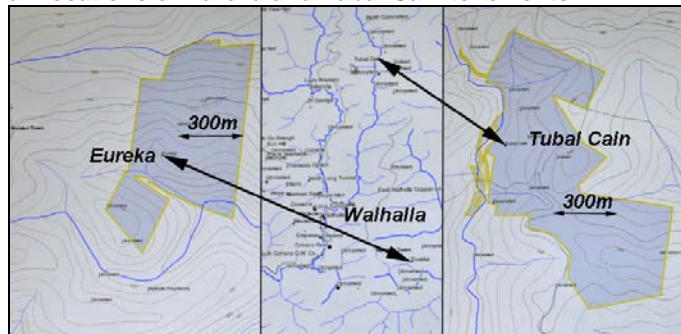


**It appears that Maldon has not received the attention that it should have done**, plus little apparent exploration of the Porcupine Flat area (which has been documented as being part of the gold rush area) where the plant is located. There **may also be cross-structures**. It can be noticed in the plans ERA has seen, that there is no apparent cross-structure at the southern end of the Union pit, however, looking at the open-cut and portal entrance, something was historically stoped or cut there as shown in Figure 17b.

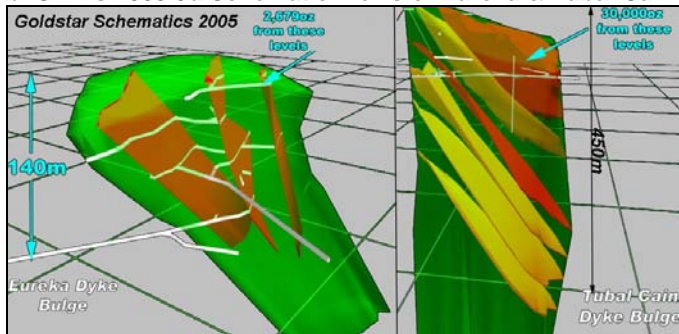
In February 2016, CTL purchased the historic Eureka and Tubal Cain dyke bulges, that are both on granted MLs as shown in Figure 18a, from Orion Gold (ORN), which had previously been extensively explored by ORN and its previous namesake : Goldstar (GDR) - whose views of them are in Figure 18b.

**Figure 18. Locations of Eureka and Tubal Cain tenements, and GDR's 2005 Views of Eureka & Tubal Cain**

**a. Locations of Eureka and Tubal Cain tenements**



**b. GDR's 2005 3d Schematic Views of Eureka & Tubal Cain**

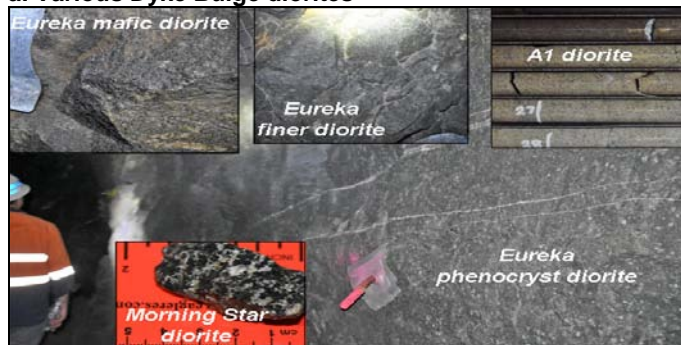


## Eureka

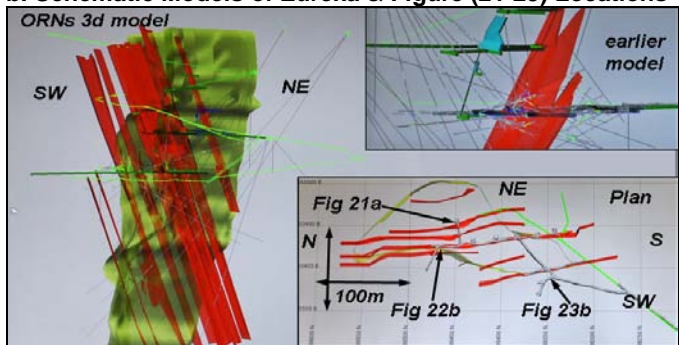
The general impression is that all the dyke bulges in the Woods Point dyke swarm have the same host rock – ie diorite, except that there are differences. ERA has seen that at Morning Star, the diorite is coarse mafic (locally called magpie rock), whereas at A1 it is much finer and appears to be more mafic in the north than in the south. While Eureka's diorite varies from feldspar phenocrysts inclusions to finer grained (like A1) to more mafic finer grained (like A1's northern area), as shown in Figure 19a. What that means for mineralisation has yet to be determined. However, as has been seen in A1 and Morning Star, the *dyke boundaries are not uniform*, especially vertically, and the plan in Figure 19b no longer displays Eureka as a simple round pipe, which hence questions Tubal Cain. Whether like the Rose of Denmark (ERA's 2016 Mantle Mining report), the lodes extend beyond the limits of the dyke bulges, has to be determined.

**Figure 19. Various Dyke Bulge diorites, and 3d Schematic Model of Eureka & Figure (21 to 23) Locations**

**a. Various Dyke Bulge diorites**



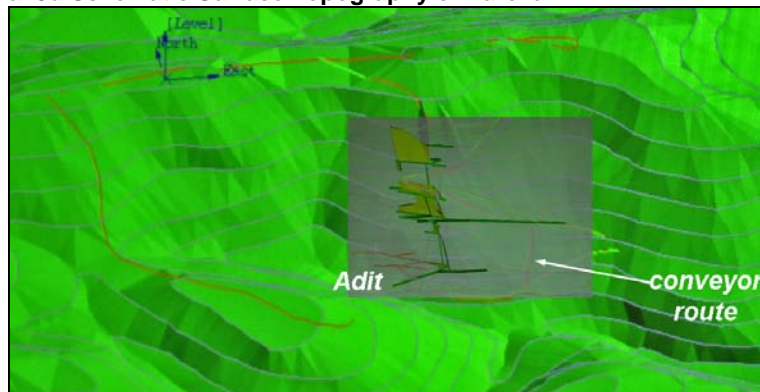
**b. Schematic Models of Eureka & Figure (21-23) Locations**



Based on our underground visit, the Eureka underground appears to be reasonably equipped for mining, which should place it ahead of Tubal Cain, although the geological interpretation appears to probably need further work and possibly more drilling. The multiple stacked lode geological interpretation that Orion (ORN) applied is shown in Figure 19b, and appears to conflict with the original model of Figure 18b.

**Figure 20. 3d Schematic Surface Topography of Eureka, and Eureka's Overland Conveyor Route**

**a. 3d Schematic Surface Topography of Eureka**



**b. Eureka's Overland Conveyor Route**



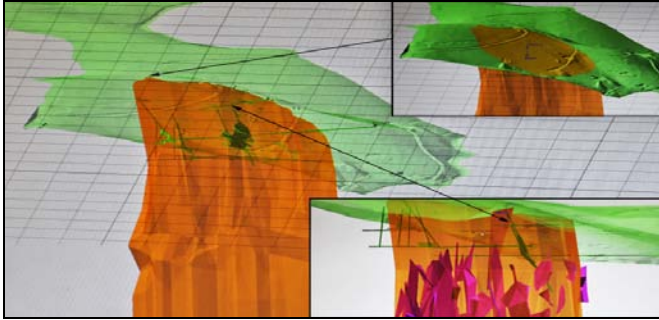




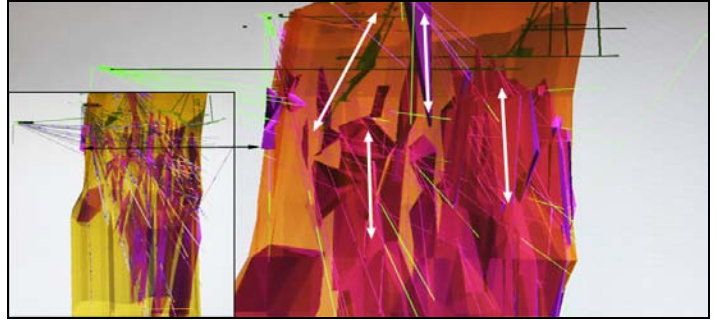


**Figure 24. Topographical Views and ORN's 3d Schematic Model of the Tubal Cain Dyke Bulge**

**a. Topographical Views of the Tubal Cain Dyke Bulge**



**b. ORN's 3d Schematic Model of Tubal Cain Dyke Bulge**



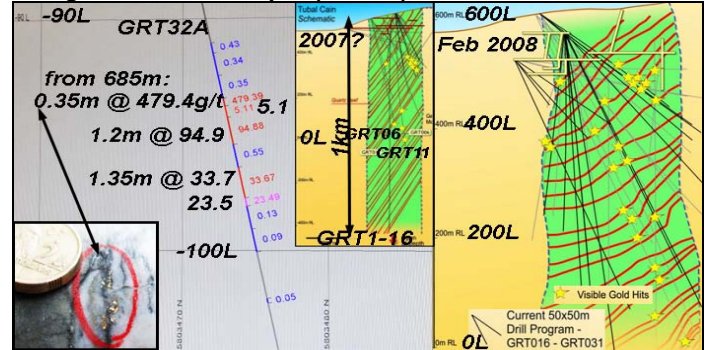
Tubal Cain has been interpreted by Orion (ORN) as a multiple series of vertically stacked lodes, that appear to have ignored the original stope shapes and angles of dip as shown in Figure 24b, or even the interpretation of 2005 in Figure 18b.

**Figure 25. Drillhole Results per Orion (ORN)'s model, and Higher Grades at depth and in Feb 2008 by GDR**

**a. Drillhole Results per Orion (ORN)'s model**



**b. Higher Grades at depth (~95RL) and Feb 2008 Vis Gold**



Looking at the ORN drillholes shown in Figure 25a, there seems to be mostly low grade (0g/t to 3g/t), with very little red or green intercepts. However, there was an extremely high grade intercept as shown in Figure 25b of **~479.4g/t** at a depth of ~-95RL or ~700m below the top of the hill, and there was another model with a number of **visible gold (VG)** intercepts as recorded by Goldstar (GDR) in its February 2008 release to the ASX, some of which appear to be reasonably close to the surface. Although stated as VG (usually needs to be >15g/t), the intercepts released were mostly in the 5g/t to 7g/t region (top-cut?). GDR stated at the time that it was using 3 diamond drillrigs and expected to add a 4th diamond drillrig.

In the GDR February 2008 model, the red lines are the interpreted quartz reefs, however, in GDR's May 2008 release apart from releasing the spectacular GRT32A drillhole with that 0.35m @ 479.4g/t intercept at a depth of ~685m downhole, in which the **VG** can be seen as being on a lamination in a quartz vein, the whole interval from 685.45m to 690.2m (4.75m @ 71.2g/t), was described as **quartz breccia in altered sediments**. In fact the release comprised of variations of quartz vein breccias, altered dolerite, quartz vein stockwork in altered dolerite, breccia altered dolerite and quartz breccia in altered dolerite. (It should also be noted that the stockwork may be a breccia – as for some reason in the Woods Point region breccias that are indisputably breccias such as at A1, are called stockworks – by the miners and even some of the geos). We have not seen any Tubal Cain drillcore, but a diorite is very different to a dolerite, yet it seems Tubal Cain may be a dolerite and not a diorite (Morning Star, A1 & Eureka all being various forms of diorite in the theoretical Woods Point diorite dyke swarm).

Given how different the other dyke bulges have been in shape and content, Tubal Cain really needs development to open it up and see what the geology is actually doing. Should Tubal Cain be capable of being bulk mined as a breccia, could place it in a different light from a mining viewpoint, especially if there is the added bonus of narrow high grade vein (VG) mineralisation.

## Other Prospects

CTL also has an exploration tenement covering the Ten Mile goldfield, including the Star of the West mine in the Kevington area of the Jamieson to Woods Point region, on which regional exploration at some stage was planned to occur, but we have not included it in this report, as we/ERA did not visit or review it.

## Financial Considerations

Centennial has been making significant progress in turning round the A1 gold mine into a profitable operation after replacing the previous management, as shown in Table 2 on page 6 of this report, with close to break-even cashflow in DQ2016 and profitability and debt repayments from MQ 2017. CTL has moved to 24/7 operations at A1 and at Maldon, which should increase gold production towards its 20kozpa to 25kozpa target. **Mining and production at A1 appears likely to be based on a ~1 year life for a number of years and hence we have not modelled CTL.**



## Upside Potential

Conceptually, ERA has observed that the minimum market cap of a producing Australian gold company should be its annual koz production for a 3 to ideally 5 year life, ie for 20kozpa to 25kozpa, potentially a minimum market cap of A\$20m to \$25m (**ie >3cps for CTL**). It can be seen that currently the A1 gold mine easily has a 1 year life that appears capable of lasting for a number of years, unless a significant discovery (which also appears to be very possible) is made as inferred on page 6 of this report.

**The surprise for ERA was Maldon** with a decline link to a resource apparently capable of supplying the Maldon plant for at least 3 years (plus surface resources), and given CTL's experience at A1 of how much has been left behind in the old stoping areas – could have upside opportunities at Maldon. Also in reviewing and visiting Eureka, perhaps both it and Tubal Cain appear to have been misinterpreted geologically, and Eureka appears to be reasonably equipped, ready for mining.

With such “old assets” and numerous owners, one would have thought that the geology would be well understood in Centennial's three operational areas of A1, Maldon and Eureka-Tubal Cain. However, as reviewed above in this report, apart from the early rich pickings of mega-oz/t of gold, the orebodies **appear to be in relative infancy, with potentially material upside.**

## Management

### Board of Directors

**Dale Rogers – Executive Chairman** since 2014. Dale is a mining engineer with over 30 years' experience in operations management, project development and start-ups. His working experience covers all the aspects from underground miner to operations manager, managing director and chairman of a range of mostly underground and open-cut gold companies, both in Australia and overseas. Dale holds and has held other directorship positions.

**Jamie Cullen – Non-Executive Director** since 2015. Jamie is a Chartered Accountant with over 20 years' experience growing businesses domestically and internationally, both organic and through acquisition, mostly in the resource sector. Jamie holds and has held other directorship positions mostly in ASX listed companies.

**Anthony Gray – Non-Executive Director** since 2015. Anthony is a geologist with over 20 years' experience in public and private sectors of the Australian mining industry covering exploration through to corporate fundraising, & was formerly MD of Octagonal.

**Dennis Wilkins – Company Secretary** since 2012. Dennis is the founder and principal of DWCorporate Pty Ltd, a leading privately held corporate advisory firm servicing the natural resources industry, specialising in capital raisings for emerging companies. Dennis has over 25 years' corporate experience & holds and has held other directorships.

### Senior Management

**Peter Crooks - GM Ops** since 2016. Peter is a mining engineer with almost 30 years' experience in senior management and executive roles within mining construction through to operations, both underground and surface. Peter has held a number of contract GM Ops positions throughout the world under the privately owned Bendan Consultancy Company, since 2011.

**Peter de Vries – Geology Manager** since 2016. Peter is a geologist with over 30 years' experience in the mining and resources industry in Australia and overseas. Peter's experience ranges from tenement establishment through exploration, resource modelling, economic analysis to open-pit and underground establishment and production.

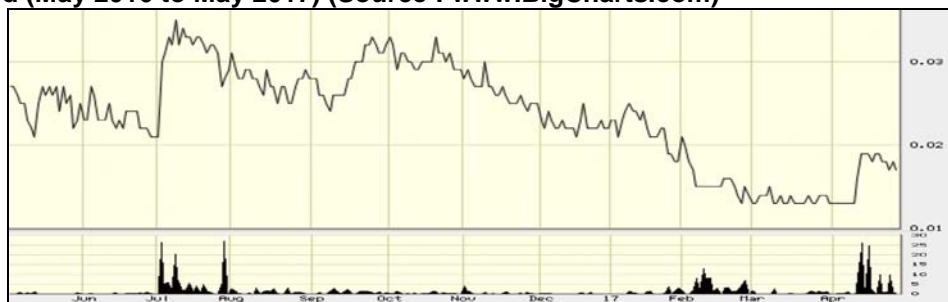
**John Clout – GM Development** since 2017, but has been Technical Adviser (Squadron Resources) to the A1 Board since 2015. John has over 35 years' experience in the mining industry including holding senior geology and metallurgical positions in gold, iron ore and nickel operations, directing mineral processing R&D and exploration. From 2004-10 John was Head of Resource Strategy for FMG on iron ore resource identification, development and process design.

### Chart of Centennial Mining Limited (May 2016 to May 2017) (Source : [www.BigCharts.com](http://www.BigCharts.com))

**CTL's share price fell with the sale of ~55m to 60m shares by the previous management in MQ 2017..**

**...and has recovered post that selling pressure...**

**...and can now advance ahead with improving profitability**



### Disclosure

Centennial Mining Limited commissioned Keith Goode (who is a Financial Services Representative with Taylor Collison Ltd ACN 008 172 450, and is a consultant with Eagle Research Advisory Pty Ltd ACN 098 051 677) to compile this report, for which Eagle Research Advisory Pty Ltd has received a consultancy fee. At the date of this report Keith Goode and his associates held interests in shares issued by Centennial Mining Limited. At the date of this report, Taylor Collison Limited or their associates within the meaning of the Corporations Act, may hold interests in shares issued by Centennial Mining Limited.

### Disclaimer

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