

CENTENNIAL MINING LIMITED
ACN 149 308 921

NOTICE OF GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

1 February 2018

Time of Meeting

2:00 pm (WST)

Place of Meeting

The Celtic Club
48 Ord Street
West Perth WA 6005

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

CENTENNIAL MINING LIMITED
ACN 149 308 921
NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Centennial Mining Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 1 February 2018 at 2:00pm (WST) (**Meeting**) for the purpose of transacting the following business in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 170,191,746 Tranche 1 Placement Shares at an issue price of \$0.011419 each to the parties, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast in favour of this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

However, the entity need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2 – APPROVAL TO ISSUE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue up to 59,112,006 Tranche 2 Placement Shares at an issue price of \$0.011419 each to the parties, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

However, the entity need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board

“Electronically signed”

Dennis Wilkins

Company Secretary

Date: 2 January 2018

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

EXPLANATORY STATEMENT

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (**proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company;
- a member may appoint a body corporate or an individual as its proxy; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's share registry no later than 2:00pm (WST) on 30 January 2018 by:

1. post to Security Transfer Australia Pty Ltd, PO Box 52, Collins Street West VIC 8007; or
2. facsimile to Security Transfer Australia Pty Ltd at (08) 9315 2233 (International: +61 8 9315 2233); or
3. email at registrar@securitytransfer.com.au; or
4. online at www.securitytransfer.com.au.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as 5:00pm (WST) on 30 January 2018. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the General Meeting.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

ELECTRONIC COMMUNICATION

All Shareholders may elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

The Proxy Form accompanying this Explanatory Statement confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the general meeting of the Company to be held on 1 February 2018.

The purpose of this Explanatory Statement is to provide Shareholders with all the information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

The Explanatory Statement should be read in conjunction with the accompanying Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. OVERVIEW OF CAPITAL RAISING

As announced on 17 October 2017, the Company undertook a share purchase plan in October/November 2017, giving eligible Shareholders to opportunity to purchase up to \$15,000 worth of Shares without incurring brokerage or other transaction costs and at a discount to market prices prior to allotment (**Share Purchase Plan**). Pursuant to the Underwriting Agreement, Patersons agreed to underwrite the Share Purchase Plan to the value of \$1,000,000 and to use its best endeavours to procure subscriptions for a top up placement following completion of the Share Purchase Plan at the same issue price as the Share Purchase Plan (**Top Up Placement**).

On 28 November 2017, the Company announced to ASX that it had completed the Share Purchase Plan oversubscribed, with demand in excess of the underwritten amount of \$1,000,000. The Share Purchase Plan issue price per share was calculated as \$0.011419 (1.1419 cents), being the price which represented a 20% discount to the 5 day volume weighted average price of Shares trading on ASX over the last 5 Trading Days on which Shares were traded immediately before the allotment date of 28 November 2017, rounded up to the nearest 0.0001 cent and as otherwise determined in accordance with Listing Rule 7.2, Exception 15 (**Issue Price**).

On 28 November 2017, the Company also announced that Patersons were proceeding with the Top Up Placement at the Issue Price, with the placement taking place in two tranches. Tranche 1 Shares were issued at the Issue Price on 30 November 2017, with 120,955,973 Shares issued pursuant to the Company's capacity under Listing Rule 7.1 and 49,235,773 Shares issued pursuant to the Company's Listing Rule 7.1A capacity to raise approximately \$1,943,419 (**Tranche 1 Placement Shares**). Tranche 2 was subject to Shareholder approval and for the issue of up to 59,112,006 Shares at the Issue Price to raise up to approximately \$675,000 (**Tranche 2 Placement Shares**).

Some of the funds raised from the Top Up Placement have been set aside to repay the Convertible Notes (due in June 2018 in the amount of \$2,500,000), thus providing the Company with flexibility to deal with possible contingencies. The Company has, however, reserved the right to consider other options with respect to financing the repayment of some or all of the Convertible Notes on or before the maturity date.

Having the majority of funding in place to repay the Convertible Notes, the Company now anticipates that cashflow generated from the second half of the 2018 financial year will be used to:

- (a) drill out the Magenta Zone with a view to expanding the resource and to confirm the development pathway for the next two to three years;
- (b) accelerate development activity at the A1 Gold Mine and other mines;
- (c) build working capital reserves; and
- (d) build cash reserves, opening up the possibility of paying dividends.

Please refer to the Company's ASX announcements on 28 November 2017, including the investor presentation, for more information.

2. RESOLUTION 1 – APPROVAL OF PRIOR ISSUE OF SHARES

2.1 General

Under the Top Up Placement, the Company issued 120,955,973 Tranche 1 Placement Shares pursuant to the Company's 15% placement capacity and 49,235,773 Tranche 1 Placement Shares pursuant to the Company's placement capacity under Listing Rule 7.1A on 30 November 2017. Refer to section 1 of this Explanatory Statement for more information on the Top Up Placement. The Company now seeks, pursuant to Resolution 1, to ratify the allotment and issue of those Shares.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1. The Company's placement capacity under Listing Rule 7.1A was approved by Shareholders at the annual general meeting held on 27 November 2017.

Where an eligible entity obtains shareholder approval to increase its placement capacity under Listing Rule 7.1A, then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in Listing Rule 7.1A; and
- (b) are counted in variable "E", until their issue has been ratified under Listing Rule 7.4 (and provided that the previous issue did not breach Listing Rule 7.1A) or 12 months has passed since their issue.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the threshold set by Listing Rule 7.1 or 7.1A. The purpose and effect of such a ratification is to restore a company's discretionary power to issue further shares pursuant to Listing Rule 7.1 and 7.1A without requiring shareholder approval.

The Company proposes Resolution 1 to ratify a previous issue of securities in accordance with Listing Rule 7.4. The Company confirms that the issue and allotment of the securities the subject of Resolution 1 did not breach Listing Rule 7.1 or Listing Rule 7.1A.

By ratifying the Tranche 1 Placement Shares the subject of Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and up to the 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval. More particularly, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number, which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

2.2 Information required by Listing Rule 7.5

The following information is provided in accordance with Listing Rule 7.5.

- (a) 170,191,746 Tranche 1 Placement Shares were issued on the following basis:
 - (i) 120,955,973 Shares issued pursuant to Listing Rule 7.1; and
 - (ii) 49,235,773 Shares issued pursuant to Listing Rule 7.1A.
- (b) The Issue Price was \$0.011419 per Share for all Tranche 1 Placement Shares.
- (c) The Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Tranche 1 Placement Shares were issued to exempt investors under section 708(8) or (10) of the Corporations Act who are not related parties of the Company.
- (e) The funds raised from this issue have been set aside to repay the Convertible Notes (due in June 2018 in the amount of \$2,500,000) and for general working capital.
- (f) A voting exclusion statement is included in the Notice.

2.3 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 1 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 1. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 1 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 1. The Chair intends to vote all available proxies in favour of the Resolution.

3. RESOLUTION 2 – APPROVAL TO ISSUE SHARES

3.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 59,112,006 Tranche 2 Placement Shares. Refer to section 1 of the Explanatory Statement for more information on the Top Up Placement.

Listing Rule 7.1 prohibits a company from issuing securities representing more than 15% of its issued capital in any 12 month period, without the prior approval of its shareholders (subject to certain exceptions). The terms of the Top Up Placement as agreed with Patersons required the Company to obtain Shareholder approval before the issue of any Tranche 2 Placement Shares. Accordingly, Shareholder approval is being sought under Listing Rule 7.1 for the issue of up to 59,112,006 Tranche 2 Placement Shares. The effect of Resolution 2 will be to allow the Company to issue the Tranche 2 Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Information required by Listing Rule 7.3

The following information is provided in accordance with Listing Rule 7.3.

- (a) The maximum number of Shares to be issued is 59,112,006 Tranche 2 Placement Shares.
- (b) Any Tranche 2 Placement Shares issued in accordance with Resolution 2 will be issued and allotted within 3 months from the date of the Meeting (or such later date as approved by ASX).
- (c) The Issue Price of the Tranche 2 Placement Shares will be \$0.011419 per Share.
- (d) The Tranche 2 Placement Shares will be issued to clients of Patersons who are exempt investors under section 708 of the Corporations Act and not related parties of the Company.
- (e) The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) The issue of the Tranche 2 Placement Shares will occur progressively.
- (g) The Company intends to use the funds raised to repay the Convertible Notes (due in June 2018 in the amount of \$2,500,000) and for general working capital.
- (h) A voting exclusion statement is included in the Notice.

3.3 Directors' Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 2 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 2. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities (as the passing of Resolution 2 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval) and as Shareholder approval to issue the Tranche 2 Placement Shares was agreed with Patersons to be required.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 2. The Chair intends to vote all available proxies in favour of the Resolution.

GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

A1 Gold Mine means the Company's flagship gold mine near Woods Point, Victoria;

Associate has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act;

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Board means the board of Directors;

Company means Centennial Mining Limited (ACN 149 308 921);

Convertible Note means a convertible note issued pursuant to the convertible note agreements dated variously between 12 May 2015 and 23 June 2015 between the Company and each of the following persons:

- (a) Squadron Resources Pty Ltd; and
- (b) sophisticated and professional investor clients of Patersons;

Constitution means the Company's constitution, as amended from time to time;

Corporations Act means Corporations Act 2001 (Cth);

Director means a director of the Company;

Explanatory Statement means the explanatory statement accompanying this Notice;

Issue Price means \$0.011419 (1.1419 cents), being the price which represented a 20% discount to the 5 day volume weighted average price of Shares trading on ASX over the last 5 Trading Days on which Shares were traded immediately before the Share Purchase Plan allotment date of 28 November 2017, rounded up to the nearest 0.0001 cent and as otherwise determined in accordance with Listing Rule 7.2, Exception 15;

Listing Rules means the Listing Rules of the ASX;

Meeting has the meaning in the introductory paragraph of the Notice;

Notice means this Notice of general meeting;

Patersons means Patersons Securities Limited (ABN 69 008 896 311) (AFSL No. 239 052);

Proxy Form means the proxy form attached to this Notice;

Resolution means a resolution contained in this Notice;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means the holder of a Share;

Share Purchase Plan means the share purchase plan as announced by the Company on 17 October 2017 to allow eligible shareholders to purchase up to \$15,000 worth of Shares with a record date of 16 October 2017 as described in section 1 of the Explanatory Statement;

Top Up Placement means the placement undertaken after the Share Purchase Plan pursuant to the Underwriting Agreement as described in section 1 of the Explanatory Statement;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules;

Tranche 2 Placement has the meaning as detailed in the introductory paragraph of the Explanatory Statement of Resolution 2 in the Notice;

Tranche 1 Placement Shares means 120,955,973 Shares at the Issue Price issued pursuant to the Company's capacity under Listing Rule 7.1 and 49,235,773 Shares issued pursuant to the Company's Listing Rule 7.1A capacity to raise approximately \$1,943,419, being tranche 1 of the Top Up Placement;

Tranche 2 Placement Shares means up to 59,112,006 Shares at the Issue Price to raise up to approximately \$675,000, being tranche 2 of the Top Up Placement;

Underwriting Agreement means the underwriting agreement between Patersons and the Company dated 17 October 2017, as amended; and

WST means Australian Western Standard Time.