

**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 +150,000tpa gold processing facility, Union Hill Mine, including underground development & infrastructure

Executive Chairman

Dale Rogers

Non-Executive Directors

Anthony Gray

Company Secretary

Dennis Wilkins

Capital Structure:

1,044,434,244 Ordinary Shares
288,557,631 Listed Options
94,500,000 Unlisted Options
71,428,565 Convertible Notes

Contact:

Dennis Wilkins

Tel: +61 8 9389 2111

admin.mine@centennialmining.com

ASX Release – 31st July 2018

June Quarter – Activities Report

Centennial Mining Limited (ASX: CTL) (Centennial or the Company) is pleased to provide a summary of activities for the Quarter ended 30th June, 2018.

Highlights:

- ❖ Mill throughput of +40,000 tonnes for the Quarter was a new record for the operation, exceed the previous record by 16%
- ❖ Mill throughput of +4,000 tonnes for a week in early June exceeded previous weekly throughput record
- ❖ Following many months of Decline development towards the higher-grade Victory North block, at the A1 Gold Mine, the area was intersected in early July, subsequent to the end of the Quarter
- ❖ First milling results, in July, from the Victory North development ore exceeded expectations with grades between 5.0 g/t Au and 7.0 g/t Au
- ❖ Development towards Victory North was slowed in previous Quarters due to ground control issues. During the June Quarter Centennial acquired shotcreting machinery to become self-sufficient with this form of ground support
- ❖ Subsequently, significant portions of the main Decline at the A1 Gold Mine were shotcreted during the Quarter to reduce risk and the potential for further delays from ground control issues
- ❖ The Tailings Storage Facility expansion, at the Porcupine Flat plant near Maldon, was completed during the Quarter
- ❖ Following geological review of the structures at the Union Hill Gold Mine, near Maldon, it was found that previous mining (several years ago) had not focussed on the higher grade structure
- ❖ Mechanised stoping continued at the Union Hill Gold mine in the Alliance South zone however, dilution cause by incorrectly placed voids from previous mining negatively impacted grades
- ❖ Gold deliveries for the Quarter were 3,480 ounces yielding revenue of \$6 million

Gold deliveries for the June Quarter were 3,480 ounces. The average price of gold sold during the Quarter was \$1,723 per ounce. Revenue for the June Quarter was \$6 million dollars.

Corporate

During the June Quarter the Convertible Notes ('Notes'), entered into in 2015 by the Company, fell due for repayment. These Notes total \$2.5 million, of which Squadron Resources Pty Ltd ('Squadron') hold \$2.0 million and act as the Representative Noteholder for all the noteholders.

Centennial had been in discussions with alternative funders to replace the existing Notes for some time. However, the Company was notified by those alternative parties they would not take up the Notes three days before their due date. As a result, the Company suspended trading in Shares immediately to allow discussions with Squadron, as the Representative Noteholder, around extensions and or repayment of the Notes. Those discussions are continuing.

A1 Gold Mine

The majority of the ore tonnes mined from the A1 Gold Mine during the June Quarter were from airleg mining with some contribution from jumbo (mechanised) stoping. The focus of activities was directed towards capital investment on advancing the Decline development towards the next long hole stoping area, Victory North.

Subsequent to the end on the Quarter the Victory North area was reached with development. Initial milling results from the development ore returned grades in the 5 g/t Au to 7 g/t Au range. These grades are higher than expected and a significant improvement on the average grades milled during the June Quarter of ~3 g/t Au, mostly from the Union Hill Gold Mine.

It was initially expected that stoping from the higher-grade Victory North long hole stope would commence several months ago, however a re-design of the stoping levels was required in the March Quarter to access the ore deeper, following drilling, to optimise profitability. Rehabilitation work on the Decline and unexpected dewatering requirements also delayed development towards the Victory North area during the March Quarter. During this period the main Decline was also diverted at the 1380 RL to avoid a geotechnical hazard that was subject to controlled rehabilitation over the previous twelve months. While installing additional ground support, during the March Quarter, along the dyke sediment boundary in this section of the decline, a relatively minor unravelling event occurred which then progressed over several days. The decline was subsequently re-designed and diverted through dyke and away from this contact. This development was successfully completed and mitigated the geotechnical hazard through geotechnical controls and elimination.

During the June Quarter Centennial purchased and commissioned equipment to ensure that shotcrete can be applied within the A1 Gold Mine at any time. Shotcreting is the most effective form of ground support in the weak sedimentary rocks which cuts through the dyke and mining areas intermittently.

Weak sedimentary rock has been encountered several times over the past five years in primary and secondary access development in addition to the ore production areas. A Normet Spraymec, capable of spraying in excess of 15m³ of shotcrete per hour, was purchased during the Quarter along with a concrete agitator truck suitable for underground use, to remediate areas in the main Decline. Over 120 m³ of shotcrete and fibrecrete was subsequently sprayed in several portions of the Decline during the Quarter.

This work impacted on development rates in the Decline, however following the significant delays in the March Quarter from ground control issues it was deemed urgent and necessary.



Figure 1: Images of Shotcrete application at A1 Gold Mine, June Quarter

As the decline development continued deeper, access was gained from the historic 16 level to the 17 intermediate level and 17 level at the A1 Gold Mine ahead of the decline development. By accessing the main shaft and deeper levels of the mine this improved dewatering capacity and, more importantly, allowed extensive geological sampling through these areas. The results provided valuable additional information to the geological model for inclusion into mine planning for the Victory North Stope development and mining.

Mining is also being advanced in the 1410 South area at the A1 Gold Mine, adjacent to the historic South Shaft, with several development headings being opened up on targets recently delineated from grade control drilling results. The area around and below the South Shaft at depth, has been under explored with minimal to no mining activity for several decades.

Mine development to improve ventilation networks, in the same area, also identified highly prospective gold bearing reefs which are now contributing to production from the A1 Gold Mine. Mining activity includes the development of a small 3m x 3m decline, on ore, to expose further potential at depth in this South Shaft area.

Maldon Gold Operation

Union Hill Gold Mine

Centennial holds mining licence MIN5146 which covers the historic Maldon Goldfield in Central Victoria (Figure 2). The Maldon Goldfield historically produced 1.47 million ounces of gold between 1854 and 1920. The Eaglehawk Reef (shear zone) was one of the major producers with gold production of 491,400 oz between 1854 and 1911. Alliance South is the most southerly gold shoot on the Eaglehawk Reef. The Alliance South Shoot is a steeply dipping shear zone with quartz veining that hosts gold mineralisation.

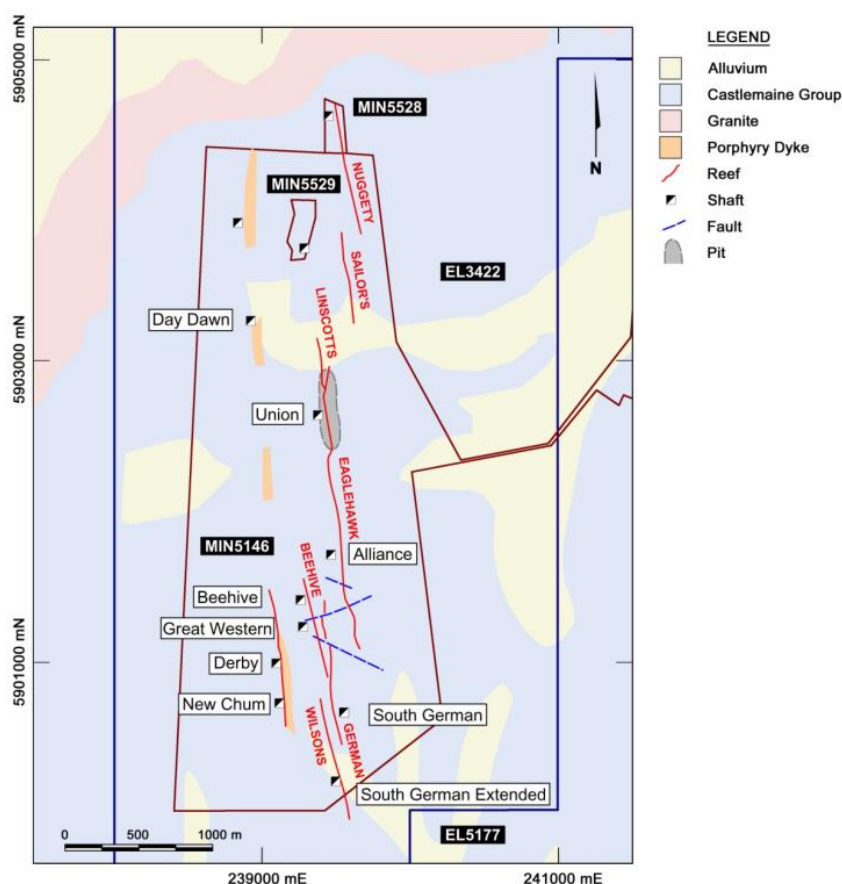


Figure 2: The Geology of the Maldon Goldfield with locations of major gold producing reefs

Development of the main Decline at the Union Hill Gold Mine, from the 1080 level, commenced mid-way through the June Quarter 2017. Prior to commencing mechanised development several months were spent refurbishing the Mine's support networks and systems including electrical and ventilation, check scaling and re-entry of the workings, pumping, re-installation of the explosives magazine and refurbishing the old mining equipment at the site.

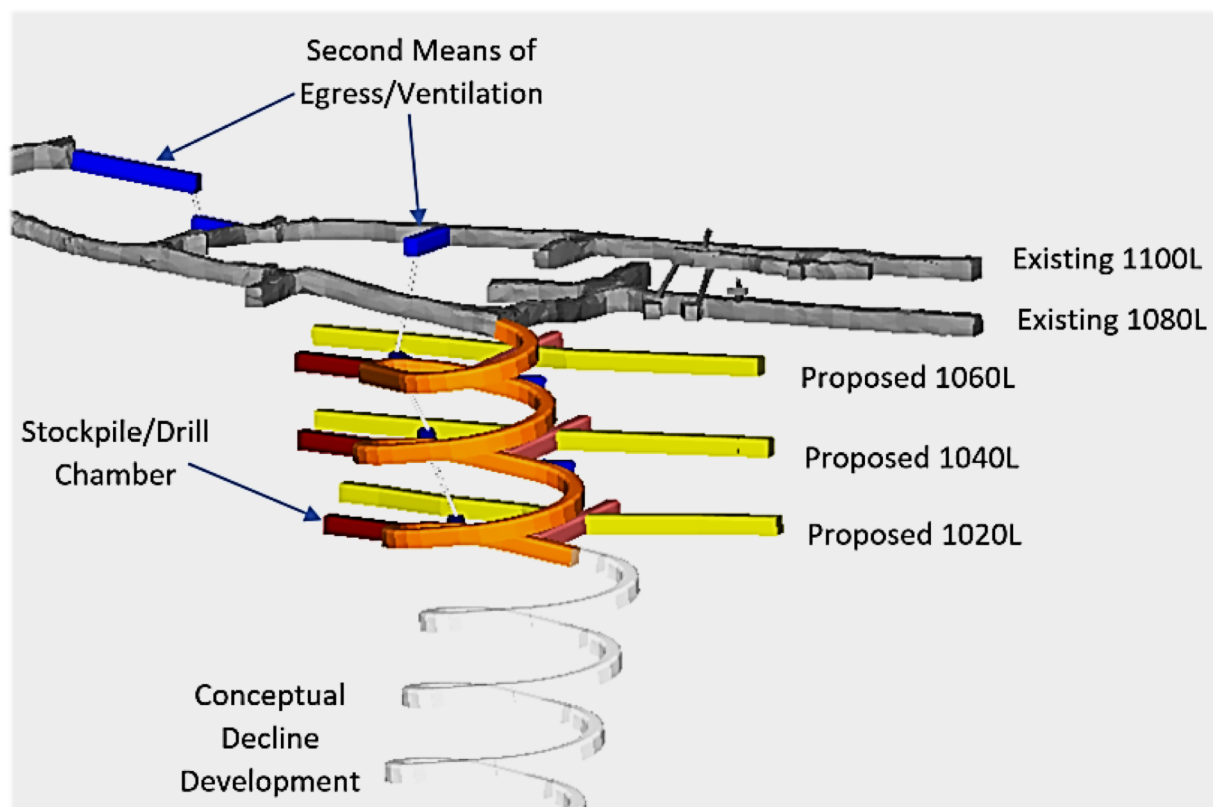


Figure 3: Long Section (Looking East) of Union Hill Mine showing existing Decline, 1100 and 1080 Level strike Drives (Grey). Decline Design (orange) and design of the first three strike drives (yellow) on the 1060, 1040 and 1020 Levels

Development at the Union Hill Gold Mine continued during the June Quarter along the 1060 level south. Geological investigation and interpretation was completed as mining advanced and it has become apparent that previous mining activities at Alliance South focused on a lower grade eastern structure. Following this investigation mining was focussed onto the 'Western Reef' structures. This has led to improved grade and waste control efficiency, however dilution associated with voids and incorrectly located development from earlier mining events on the Eastern Reef significantly impacted the mined grades.

Long hole stoping commenced at the Union Hill Gold Mine in the March Quarter and the majority of tonnes trucked to the Porcupine Flat Processing facility during the June Quarter were from continued stoping at Union Hill. The gold grades mined at Union Hill are, on average, lower than those from the A1 Gold Mine however as the trucking distance is less than 5km compared to +300km from the A1 Gold Mine the overall production costs are significantly lower. Dilution from voids associated with previous mining activities negatively impacted on the mined grades from Union Hill during the Quarter.

With the knowledge gained from the 1060 and 1080 levels, structures above the 1100 level and adjacent to the 1120 drive (higher in the mine) were identified as having high potential to host economic gold. These structures are both within 20 metres of existing mine development and easy to access.

Subsequent grade control drilling has confirmed the existence of these gold bearing structures with mining scheduled to commence in the coming quarter.

A single boom jumbo and smaller, narrower, loader were commissioned and put to work at the Union Hill Gold Mine during the Quarter. These will enable narrower strike development on the 1100 and 1120 levels of the mineralised structure to reduce dilution and maximise mined grades.

Porcupine Flat Processing Facility

The June Quarter saw a number of significant highlights at the Porcupine Flat processing facility. Throughput increased again for the Quarter, exceed the previous record in the March Quarter, by 16%. For the first time the mill achieved in excess of 40,000 tonnes throughput in a Quarter.

Quarter	Sept' Q 17	Dec' Q 17	Mar' Q 18	June Q 18	YTD
Tonnes	23,735	30,356	34,641	40,285	129,017
Grade (grams per tonne)	4.8	3.6	4.6	3.0	3.9
Recovery (%)	90.7	86.1	91.9	89.6	89.7
Gold Production (oz Au)	3,590	2,957	4,732	3,480	14,759
Gold Price (\$/oz Au)	1,616	1,657	1,696	1,723	1,675
Gold Revenue (\$m)	5.8	4.9	8.0	6.0	24.7

Cash in bank at the end of the Quarter was \$0.52 million, not including gold at the Perth Mint of \$0.55 million. Revenue was impacted by the lower grades mined from the Union Hill Gold Mine.

Throughput was reduced early in the Quarter as relines and critical maintenance of the primary crusher, secondary crusher and ball mill were required. The time between relines has been significantly shortened as wear rates increased due to higher throughputs.

Throughput rates increased during the Quarter and following optimisation and blend determination, milling rates above 20tph (dry) were being achieved for most ore types by the end of May. Further mill optimisation (mill lifter profile and ball charge size optimisation etc.) was completed in order to provide more consistent high throughput results during the Quarter. As a result of the improvements achieved the secondary crushing circuit was demobilised from site late in the Quarter with only a small reduction in throughput.

Throughput was reduced late in the Quarter as delays in accessing the Victory North long hole stoping area pushed the delivery of these higher volumes and grades into the September Quarter. Despite these restrictions mill throughput of 40,285 tonnes was an increase of 16% from the previous quarter and was a new Quarterly record for Centennial.

Metallurgical recovery was marginally lower, as a result of the lower average head grade for the Quarter and the reliance on Union Hill as the primary feed source. Union Hill ores have typically exhibited slightly lower metallurgical recoveries.

The recovery was also impacted by the increasing Mill throughput and associated drop in residence time. Gold recovery for the Quarter was 89.6% compared to the average for the year of 89.7%.

Process improvements have been significant over the past 12 months with throughput rates being significantly improved many times. While further optimisation is planned, and other initiatives are being evaluated, the Porcupine Flat process plant has now demonstrated the capacity to process in excess of 180,000 tonnes per annum. This is a significant milestone for Centennial Mining as it not only crosses a hurdle previously believed unachievable, it also further demonstrates the capability, determination, and tenacity of a highly competent and driven Team who continue to push the boundaries to add value across the entire organisation.

During the March Quarter, the Tailings Storage Facility ('TSF') lift and expansion project was approved by Earth Resources (Department of Economic Development, Jobs, Transport and Resources), following submission of a detailed design report. The project involved lifting the existing tailings dam walls by ~2 metres on average and expanding the footprint from around 4.2ha to 7.0ha. The physical works commenced in January, were around 70% complete by the end of the March Quarter and completed in the June Quarter.



Figure 4: Southern Wall lift and tailings operation of TSF at Porcupine Flat

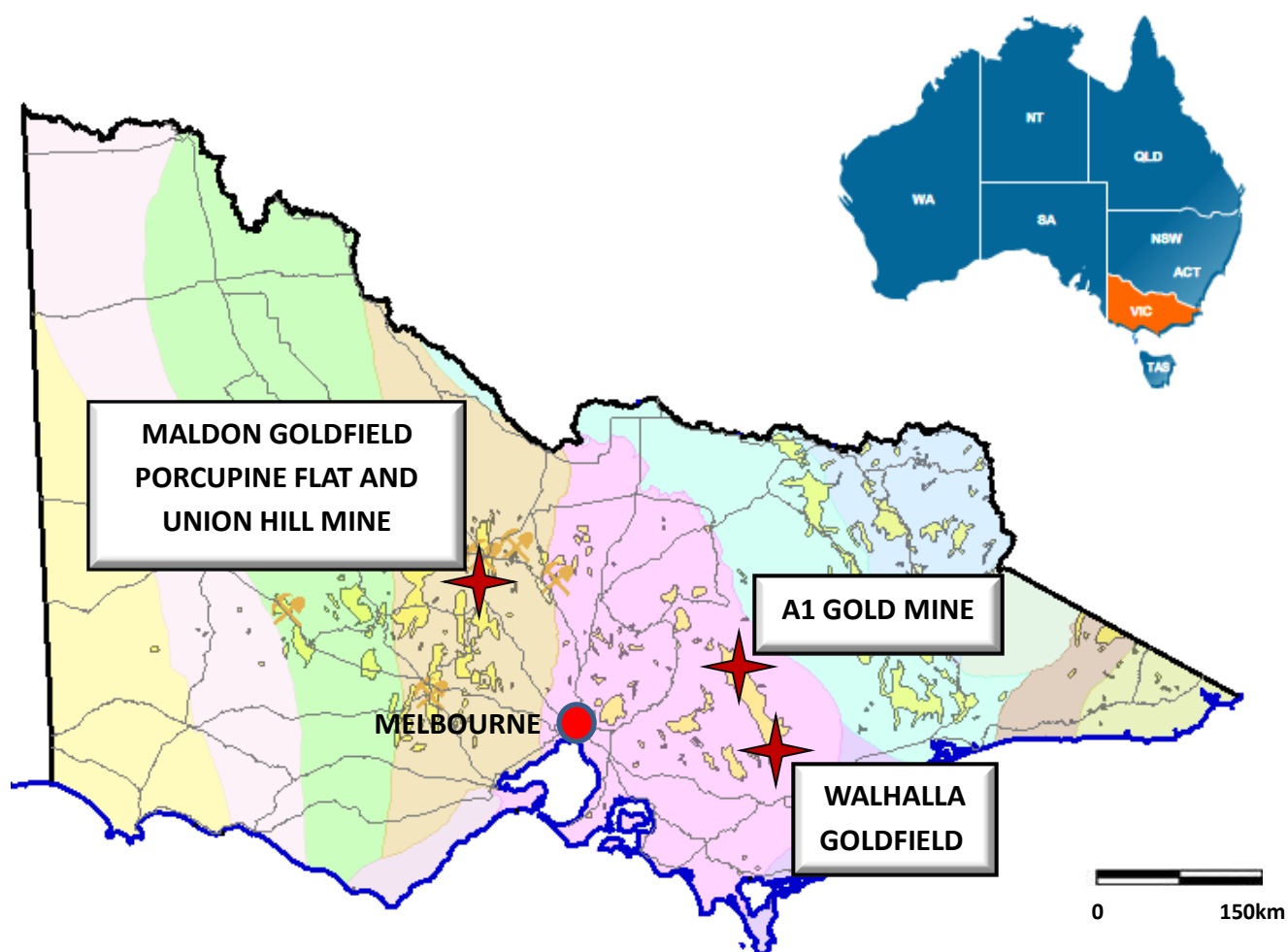
The finished lift will provide tailings storage capacity into the second half of 2019. A further 3 metres of height is currently approved, which should provide enough storage capacity to last into the second half of 2021 at current expected milling rates.

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 Gold Mine at Maldon, which is presently being developed, and has entered into an agreement to acquire the Eureka and Tubal Cain deposits¹ 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.

Appendix 1 - Changes in Interests in Mining Tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
1.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
1.2	Interest in mining tenements ongoing				
	Centennial Mining Ltd	MIN5294*	Ongoing	100%	100%
		EL5109	Ongoing	100%	100%
		MIN5487	Ongoing	**	**
	Maldon Resources Pty Limited	MIN5146	Ongoing	100%	100%
		MIN5528	Ongoing	100%	100%
		MIN5529	Ongoing	100%	100%
		EL5499	Ongoing	100%	100%

* An application for Renewal of MIN5294 is with the Victorian Government. The company knows of no legal or material reason why the licence will not be renewed.

** MIN5487 has been purchased by Centennial from Orion Gold (ASX:ORN) subject to a binding agreement announced to the ASX on 30 December 2015. The acquisition of the Tenement by Centennial is subject to the grant of consents required under the Mineral Resources (Sustainable Development) Act. Transfer of 100% equity in the tenement is expected following Works Approval of the Mining Plan.

Highlake Resources Pty Limited	MIN5465	Ongoing	100%	100%
	MIN5563	Ongoing	100%	100%
Matrix Gold Pty Limited	MIN5433	Ongoing	100%	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CENTENNIAL MINING LTD	
ABN	Quarter ended ("current quarter")
50 149 308 921	30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,134	24,689
1.2 Payments for		
(a) exploration & evaluation	(52)	(370)
(b) development	(450)	(2,141)
(c) production	(2,826)	(13,574)
(d) staff costs	(2,506)	(9,942)
(e) administration and corporate costs	(350)	(927)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	20
1.5 Interest and other costs of finance paid	(2)	(376)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(49)	(2,621)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(309)	(1,032)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Refund of bond/Payment of bond	8	-
2.6	Net cash from / (used in) investing activities	(301)	(1,032)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,928
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(221)
3.5	Proceeds from borrowings – insurance funding	327	327
3.6	Repayment of borrowings – insurance funding	-	(386)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	327	3,648

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	546	528
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(49)	(2,621)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(301)	(1,032)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	327	3,648
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	523	523

Cash at the end of the quarter does not include \$550k of gold on deposit at the Perth Mint 30 June 2018

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	523	564
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	523	564

Cash at the end of the quarter does not include \$550k of gold on deposit at the Perth Mint 30 June

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	NIL
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	NIL
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	15
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	NIL
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Payments to related entities for:	\$A'000
Directors fees	15

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities (Convertible Notes)*	2,500	2,500
8.2 Credit standby arrangements	NIL	NIL
8.3 Other (please specify)**	327	NIL
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

* The repayment of Convertible Notes has been extended from 25/06/2018 to 10/08/2018. Refer to ASX Announcements dated 2/07/2018, 5/07/2018, and 13/07/2018

** Premium funding for Insurances - Macquarie

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	0
9.2 Development	700
9.3 Production	3,500
9.4 Staff costs	2,900
9.5 Administration and corporate costs	400
9.6 Other (provide details if material)	0
9.7 Total estimated cash outflows	7,500

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

- 1 This statement has been prepared in accordance with accounting standards and policies which
comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2018

Print name: Dale Rogers

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. By the Company signing this Appendix 5B, the Executive Chair and the person who performs the CFO function declare that the Appendix 5B for the relevant quarter:
 - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
 - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.