

**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** – 1,170,000 t @ 6.4 g/t for 240,000 oz Au

**Maldon Gold Operations**

Operational 140 - 180,000tpa gold processing facility, Union Hill Mine, including underground development & infrastructure

**Executive Chair**

Dale Rogers

**Non-Executive Director**

Anthony Gray

**Company Secretary**

Dennis Wilkins

**Capital Structure:**

1,044,434,244 Ordinary Shares  
288,557,631 Listed Options  
94,500,000 Unlisted Options

**Contact:**

Dennis Wilkins

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admin.mine@centennialmining.com

# ASX Release – 31<sup>st</sup> October 2018

## September Quarter – Activities Report

Centennial Mining Limited (ASX: CTL) (**Centennial** or the **Company**) is pleased to provide a summary of activities for the Quarter ended 30<sup>th</sup> September, 2018.

### Highlights:

- ❖ **Following repayment of the Convertible Notes in early August operations recommenced**
- ❖ **Full production rates at the Porcupine Flat Mill achieved in mid-September following an extended ramp up phase**
- ❖ **Plant now up and running to restore production to ~40,000 tonnes per quarter volumes**
- ❖ **Gold sales of 3,657 ounces Au for the Quarter at an average price of \$1,660 per ounce Au for \$6.1 million in revenue**
- ❖ **Development towards the higher-grade Victory North block, intersected during the first half of the Quarter, has seen improved grades through the mill with September averaging 4.5 g/t Au after lower grades and tonnages in July and August from Union Hill**
- ❖ **Mine development in Victory North area has continued to extend on ore well beyond previously modelled boundary**
- ❖ **First 15 grade control drill holes at Victory North indicate a larger ore block than previously anticipated and containing multiple high-grade structures across a broad area**
- ❖ **Centennial is continuing to develop and drill to define the top level of Victory North stoping block**
- ❖ **Short term loan agreements finalised with a related entity of Octagonal Resources Pty Ltd and others with negotiations advanced to rotate the loans into new convertible notes, subject to shareholder approval**

## Operations Snapshot

Gold deliveries for the September Quarter were 3,657 ounces Au, an improvement on the June quarter of 3,480 ounces Au. The average price of gold sold during the Quarter was \$1,660 per ounce Au and revenue was \$6.1 million.

Mill throughput for the Quarter was 34,640 tonnes at 3.72 g/t Au and 91.3% recovery. Both mining and processing were negatively impacted during the Quarter as a result of the uncertainty with refinancing the old Convertible Notes ('Notes').

## Corporate

During the last week of the June Quarter the Notes, issued by the Company in 2015, fell due for repayment. The Notes totalled \$2.5 million plus interest and charges.

Centennial was in discussions with several parties to refinance the Notes prior to their maturation, however, the Company was unable to finalise these discussions and consequently suspended trading of its securities on the ASX on 21 June 2018.

In late June 2018, the Representative Noteholder granted the first of several short extensions to the Notes, with the last extension to 10 August 2018. In the final days leading up to 10 August 2018, the Company sourced funding (circa \$2.1m) from Centennial's largest shareholder, Octagonal Resources Pty Ltd, and its related entities ('Octagonal Loan') thereby enabling the Company to avoid the risk of the Representative Noteholder enforcing security.

By accessing the Octagonal Loan and utilising existing cash reserves the Notes were paid out, in full, on 10 August 2018 (refer to CTL ASX Announcement dated 15 August 2018). The importance of this support at a critical time cannot be understated as the outcome for all stakeholders would have been vastly different if Octagonal had not provided this financial assistance.

As a result of the uncertainty arising from the refinancing of the Notes, suppliers removed stocks of consignment goods, any hired equipment, contract personnel and associated tools and equipment from the Company's various sites. A significant portion of Centennial's employees also left the Company during that time due to the uncertainty.

Following repayment of the Notes, the Company sourced additional short term loans ('Additional Funds'), intended to be on a secured basis, from employees and suppliers to a total of \$1.5 million, in addition to the Octagonal Loan.

The time taken to untangle the first ranking security charge from the Notes delayed access to the Additional Funds until late August and prolonged the restart phase to the mining operations. The delay also impacted the finalisation of matters relating to the audit, an updated mineral resource statement and the independent experts report, all of which are required to support resolutions to be put to shareholders relating to the planned Rights Issue (refer to CTL ASX Announcement dated 15 August 2018), and the issue of new convertible notes to replace the short term loans. For terms of the Octagonal Loan and Additional Funds agreements refer to 'Short Term Loan Agreements' section in this report.

Centennial anticipates finalisation of these matters in the near term.

## Operations

Mining and processing during the first half of the Quarter were negatively impacted by the uncertainty with refinancing the Notes, however, following the recommencement in activities during mid-August 2018, sufficient ore was being produced from the A1 Gold Mine and the lower grade Union Hill Gold Mine for continuous processing to be achieved by mid-September. The total tonnes and grade processed during the Quarter were:

Month	Tonnes processed	Grade g/t Au	Recovery %
July	11,926	2.95	89.4
August	10,945	3.68	90.4
September	11,769	4.54	93.2

The improvement in recovered grade over the quarter is a direct reflection on the ability to move away from processing lower grade ore and stockpiles from Union Hill (Maldon) as mining in the Victory North area commenced. The severely constrained working capital position in the first 6 weeks of the Quarter necessitated the processing of a significant amount of lower grade Union Hill ore. The impact on the Company's financial condition was partially recovered in the later part of the Quarter when ore could again be trucked from the higher grade A1 Gold Mine. The tonnages were achieved without the secondary crusher being utilised, to minimise costs. Of the ore processed during September 2018, just under 30% was from the lower grade Union Hill.

Over the coming months, the mining operations at both mines will return to levels previously attained and it is expected that the percentage of Union Hill ore processed will reduce to prioritise higher grade A1 Gold Mine ore, where long hole stoping recommenced after a hiatus of some 10 months subsequent to the end of the Quarter.

Drilling results from the 1360 Area of the A1 Gold Mine intersected broad zones of high-grade gold, adjacent to mine development, that presented an immediate long hole stoping opportunity and provided time to develop and drill define the upper level of the Victory North Stope (refer to following section).

Significant drill results from the 1360 Area included:

- o 24.8m @ 11.44 g/t Au from 7.2m in 1360\_S2\_1
- o 8.6m @ 8.24 g/t Au from 23.4m in 1360\_S3\_1
- o 18.0m @ 3.15 g/t Au from 10.8m in 1360\_R1A\_2
- o 33.8m @ 7.74 g/t Au from 1.8m in 1360\_R1B\_3
- o 14.4m @ 5.64 g/t Au from 18.0m in 1360\_R2\_4
- o 11.7m @ 6.59 g/t Au from 0.0m in 1360\_R3\_3
- o 21.6m @ 2.47 g/t Au from 7.2m in 1360\_R4\_2

Refer to the CTL ASX announcement dated 24 October 2018 for full details.

This area was developed during the Quarter, with the first blast undertaken in the second half of October.

## Victory North

The Victory North area of the A1 Gold Mine is the shallowest Exploration Target within the Magenta Zone.

The Magenta Zone extends at depth below the existing long hole stopes at the A1 Gold Mine and is a broad steeply plunging zone of gold mineralisation containing a number of higher grade Exploration Targets potentially suitable for long hole stoping, including:

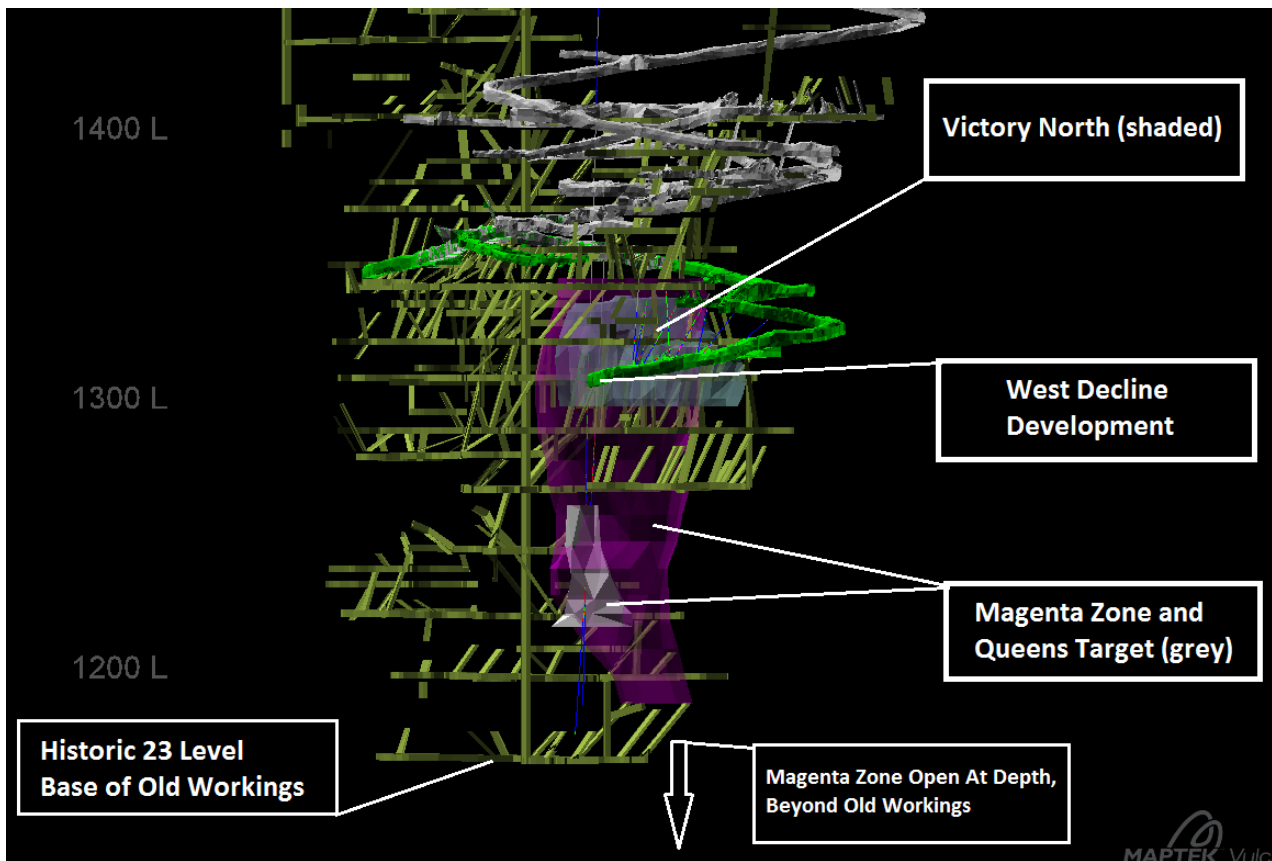
- |   |   |
|---|---|
| • <b>Victory North Exploration Target</b> | <b>approx. 50 – 70,000 tonnes grading 3.5 - 5.0 g/t Au</b>        |
| • <b>Mahoney's Exploration Target</b>     | <b>approx. 20 – 25,000 tonnes grading 3.5 t - 4.5 g/t Au, and</b> |
| • <b>Queen's Exploration Target</b>       | <b>approx. 60 – 70,000 tonnes grading 6.0 - 7 g/t Au</b>          |

The potential quality and grade of these Exploration Targets is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource (refer to CTL ASX Announcement dated 10 October 2017).

The Victory North Target was initially defined by a few diamond drill hole intersections, as reported in the CTL ASX Announcement dated 10 October 2017. At this time the target area was defined from 1345m RL to at least the 1305m RL, but was unconstrained by drilling laterally and at depth as suitable drilling positions were not available due to its location beneath the historic Victory Stope.

With funds from the planned Rights Issue, the Company has a dedicated drilling programme designed to convert exploration targets into resources and to assist with the efficient planning and development of operations.

The Victory North area was accessed by the main mine decline on the 1320m RL level in July 2018 following several Quarters of decline development to the location, and development of the first production area commenced. This has involved cross-cutting across the planned stope area, development along strike to the South East and commencement of grade control sludge hole drilling late in the Quarter.



**Figure 1: Long section (Looking South) of A1 Gold Mine Showing Location of Magenta Zone, the Victory North area and Decline Development (green)**

### **Mine Development**

The main decline at the A1 Gold Mine intersected the northern extent of the first planned stoping area at Victory North on the 1320 mRL level.

The initial access drive developed off the decline exposed a number of prospective mineralised structures that extend beyond the planned stope area.

As development has continued south towards the Apollo historic stope area, the frequency of repeated quartz vein structures and altered dyke with disseminated sulphides has remained constant and mineralisation is still open to the south. Visible gold has commonly been observed in quartz veins and displays a strong correlation with bournonite and pyrite.

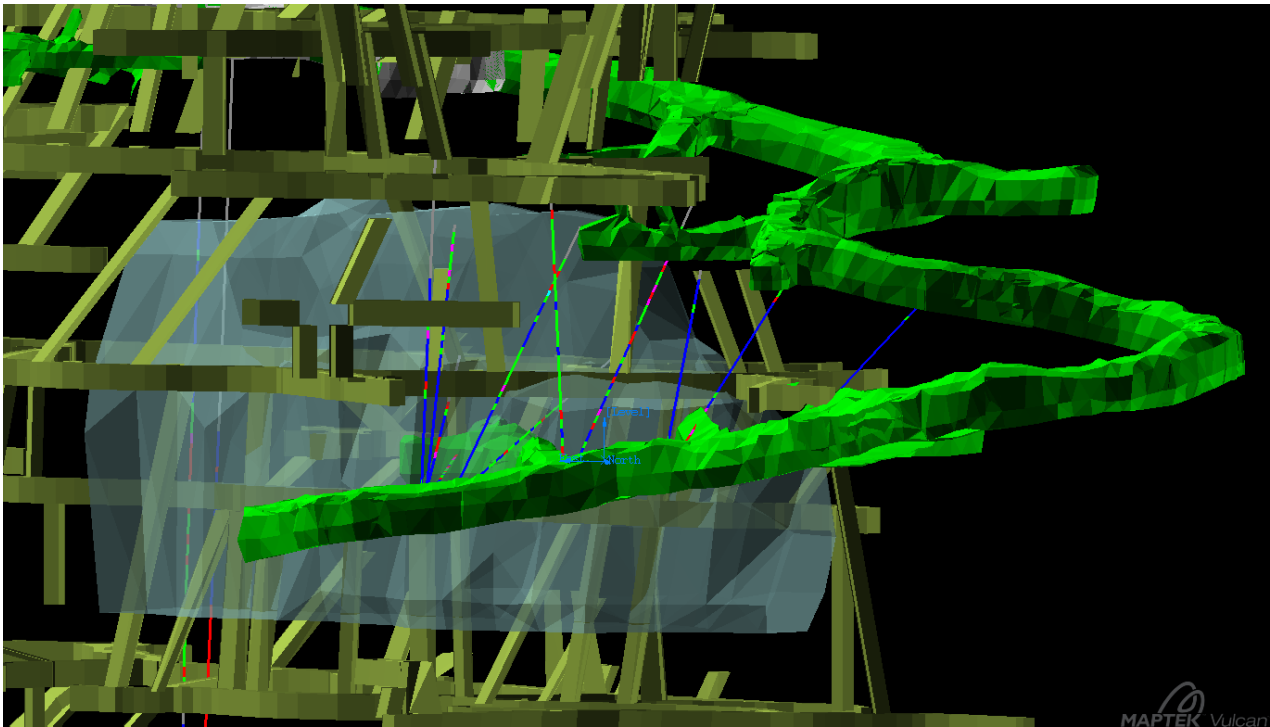
This localised discovery supports the notion that the Victory North ore body, which was modelled to be 16m wide, may in fact be 50% wider, based on continuity of the geology and diamond drilling intercepts on similar RLs to the south which are up-dip from the Apollo Stope off-shoot below the 1320 mRL.

The Company is continuing to assess the size of the Victory North stoping block with mine development and drilling and, at the time of writing this report, development of the 1320 cross cut South had extended past the Southern shaft into an area of the dyke with little previous recorded drilling or mining activities in over 80 years.

## Grade Control Drilling

Sludge hole grade control drilling is used to better define ore blocks before stope development. To date, assay results have been received from the first 15 sludge holes drilled from the decline into the northern end of the planned Victory North stope area, above the 1320 mRL level (Figure 2).

These drill holes have intersected broad zones of moderate grade gold that are interspersed with high-grade gold intersections (refer to CTL ASX Announcement dated 17 October 2018).



**Figure 2: Long-section (Looking South) of Victory North area with initial stope model and location of initial grade control sludge holes**

*Legend; dark blue: 0 – 1 g/t Au, green: 1 – 2 g/t Au, red: 2 – 5 g/t Au, magenta: 5 – 25 g/t Au, light blue: > 25 g/t Au*

## 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.

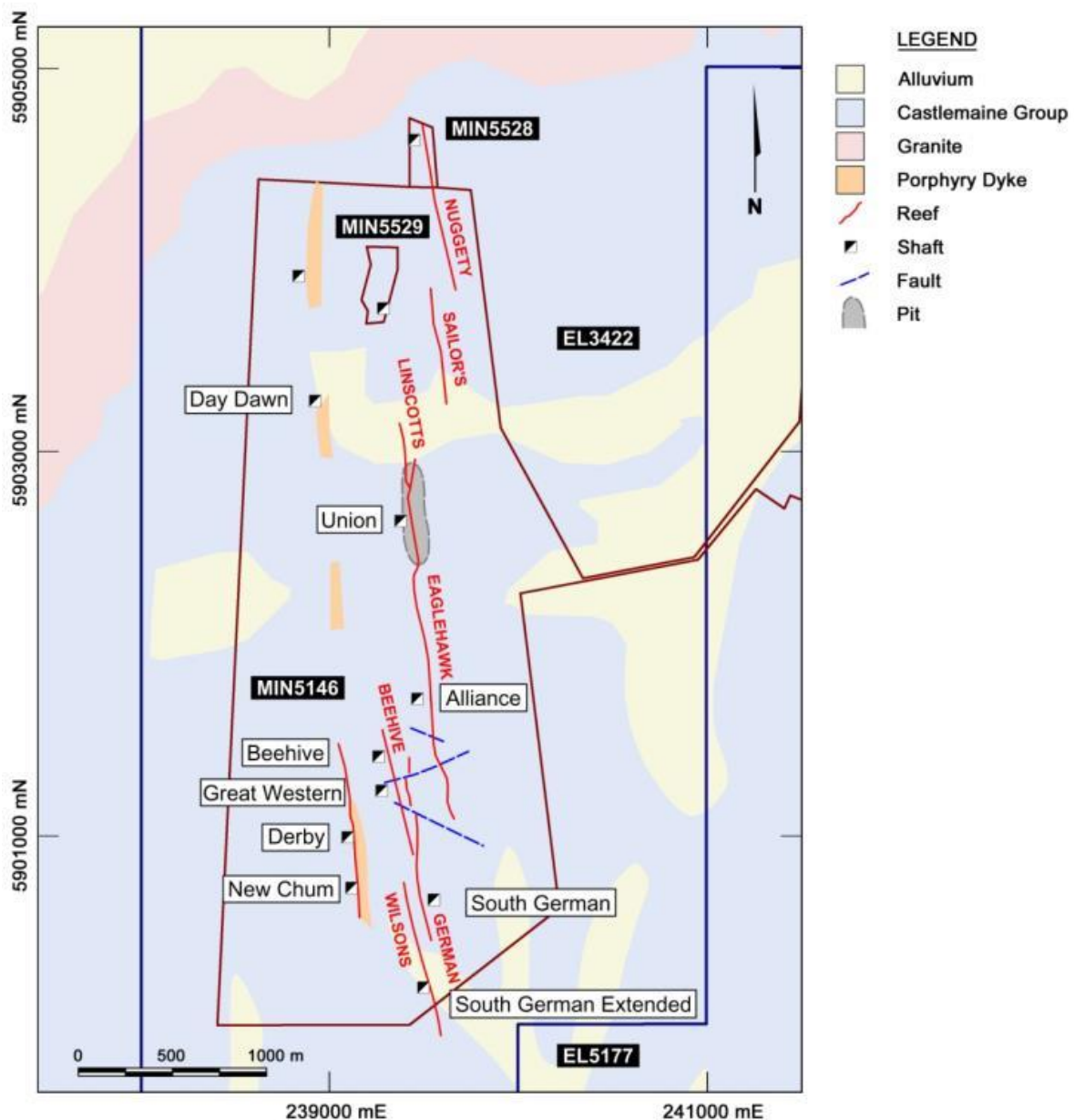
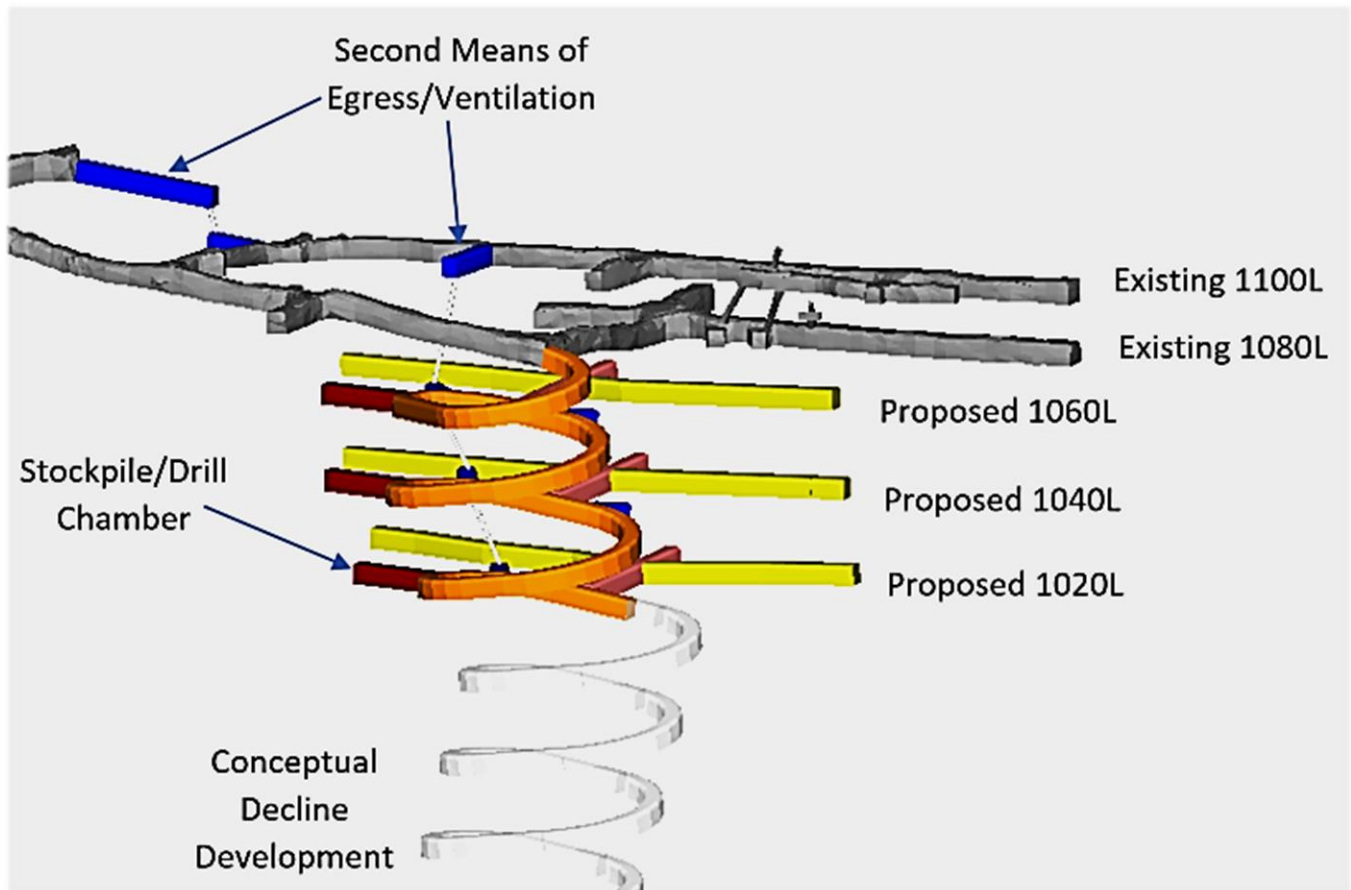


Figure 3: The Geology of the Maldon Goldfield with locations of major gold producing reefs



**Figure 4: 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 September Quarter along the 1060 level south.

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 and development towards them commenced during the Quarter.

A single boom jumbo and a 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 September Quarter saw a reduction in tonnes milled however, as grades increased during the Quarter, with the commencement of mining of Victory North, gold poured for the Quarter increased when compared to the June Quarter

Quarter	Dec' Q 17	Mar' Q 18	June Q 18	Sept' Q 18
<b>Tonnes</b>	30,356	34,641	40,285	34,640
<b>Grade (grams per tonne)</b>	3.6	4.6	3.0	3.72
<b>Recovery (%)</b>	86.1	91.9	89.6	91.3
<b>Gold Production (oz Au)</b>	2,957	4,732	3,480	3,675
<b>Gold Price (\$/oz Au)</b>	1,657	1,696	1,723	1,660
<b>Gold Revenue (\$m)</b>	<b>4.9</b>	<b>8.0</b>	<b>6.0</b>	<b>6.1</b>

Cash in bank at the end of the Quarter was \$0.36 million, not including gold at the Perth Mint of \$0.69 million. Revenue was impacted by the disruptions with refinancing the Notes and the increased reliance on the lower grade ore mined from the Union Hill Gold Mine. The improvements over the quarter are demonstrated by the September Quarter month on month comparisons in the following table.

Month	July '18	August '18	September '18
<b>Tonnes</b>	11,926	10,945	11,769
<b>Grade (grams per tonne)</b>	2.95	3.68	4.54
<b>Recovery (%)</b>	89.4	90.4	93.2
<b>Gold Sales (oz Au)</b>	842	1,082	1,733
<b>Gold Price (\$/oz Au)</b>	1,672	1,640	1,666
<b>Gold Revenue (\$m)</b>	1.41	1.77	2.89

Note: differences in ounces sold and recovered relate to changes in the gold in circuit

The improvements endorse Management's view that, given a proper crack at continuous operations, that sufficient working capital will deliver, the mining operations can deliver a financially robust result. The outlook is enhanced by the delivery of the Victory North, Mahoney's and Queen's Exploration Targets (refer above) into the mine plan.

Metallurgical recovery improved for the Quarter, as a result of the lower throughput and improved grade, compared to the June Quarter.

Gold recovery for the Quarter was 91.3% compared to the average for the year of 90%.

## Tenements

During the Quarter, subsidiary Matrix Gold Pty Ltd ('Matrix'), which holds the Black Reef mining tenement (MIN 5433), was sold to a private mining group for \$190,000. Black Reef is located approximately 60 kms from Maldon and Matrix was purchased in 2015 as part of the Maldon acquisition.

MIN 5433 is not a core asset of the Company.

The private mining group who have purchased Matrix have entered into an ore processing option agreement with Centennial should any material be mined at Black Reef. MIN 5433 has no drill defined JORC-compliant Mineral Resource, however a small open pit was historically mined which Centennial was obliged to rehabilitate if no further mining activity occurred.

### **Short Term Loan Agreements**

Centennial has entered into an unsecured short term loan with a related entity of the Company's largest shareholder, Octagonal Resources Pty Ltd ('Octagonal'), for the loan of approximately \$2.1m provided to assist the Company to redeem the Notes on 10 August 2018 (refer to CTL ASX Announcements dated 15 August 2018 and 17 October 2018).

Interest is payable on the loan at 12.5% per annum and a sign on fee of 20% of the value of the loan will, subject to shareholder approval, be payable via the issue of Company shares. Octagonal has the right to invest another \$1.0m in the Company on the same terms ahead of any issue of securities by the Company or the Company incurring any further liabilities in respect of borrowings or financial accommodation for a period of 18 months.

The loan is repayable in February 2019. By or before the repayment date, the Company and Octagonal intend to negotiate an agreement to convert the loan into convertible notes, subject to obtaining the necessary shareholder approvals. The Company will also seek shareholder approval to provide Octagonal with first ranking security in common with the additional lenders. The Company must pay a 10% break fee in shares (or, if shares cannot be issued, in cash) if the shareholder meeting is postponed past 31 December 2018 without the consent of Octagonal. The Company is progressing with the independent experts report to support the meeting materials and is planning to issue the notice of meeting prior to the end of November to meet this timeline.

As previously announced, the Company intends to proceed with a non renounceable rights issue ('Rights Issue'), currently proposed on the basis of 5 new shares for every 2 shares held at an issue price of \$0.004. The convertible notes will be issued at a 10% premium to the Rights Issue price.

Additional short term loans from a consortium of unrelated employees and suppliers total \$1.5m and security has been registered by those parties against the assets of the Company (security to be in common with all convertible note holders, if the required approvals are obtained). Interest is payable on those loans at 12.5% with a 20% sign on fee variously payable in cash or shares. The intention is to negotiate terms to convert these loans to convertible notes at the same premium to the Rights Issue price of 10%, subject to any shareholder approvals required.

Mr Blake Stanley, associated with one of the lenders, has the right to nominate one Board member to the Company. The Company is actively seeking a director to join the Board to enable the Company to have the necessary number of directors.

\$240,000 of the additional funds loaned is due to be repaid in late December 2018, with the balance to be repaid in August 2020, subject to conversion to convertible notes. The Company has retained a right to issue convertible notes to a total value of \$4m exclusive of the Octagonal investment rights.

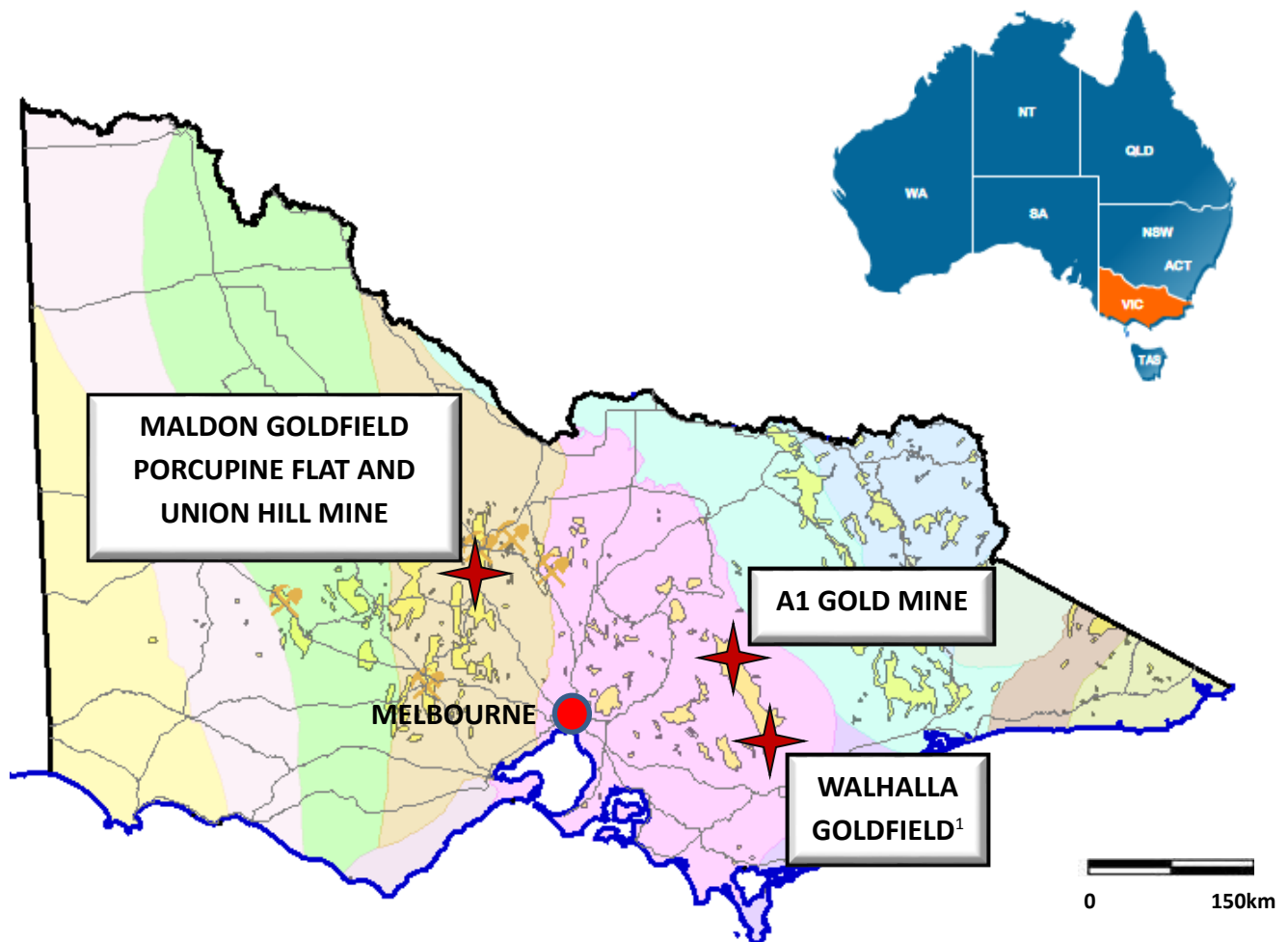
The Company is now proceeding with negotiating the terms of the convertible note and formal security agreements, as well as progressing the notice of meeting to seek the required shareholder approvals and the prospectus for the Rights Issue and secondary trading purposes.

## 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 deposits<sup>1</sup> near Walhalla.

## Location of Projects



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

### **Compliance Statements**

The information in this announcement that relates to Exploration Targets is extracted from the Company's ASX announcement dated 10 October 2017 and is available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

The potential quality and grade of the Exploration Targets within the Magenta Zone are conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

The information in this announcement that relates to Exploration Results is extracted from the Company's ASX announcements dated 17 October 2018 and 24 October 2018 and are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements.

### **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				
	Centennial Mining Ltd	EL5109	Expired	100%	0%
	Matrix Gold Pty Ltd	MIN5433	Sold	100%	0%
1.2	Interest in mining tenements ongoing				
	Centennial Mining Ltd	MIN5294	Ongoing	100%	100%
		MIN5487	Ongoing	*	*
	Maldon Resources Pty Ltd	MIN5146	Ongoing	100%	100%
		MIN5528	Ongoing	100%	100%
		MIN5529	Ongoing	100%	100%
		EL5499	Ongoing	100%	100%
	Highlake Resources Pty Ltd	MIN5465	Ongoing	100%	100%
		MIN5563	Ongoing	100%	100%

\* MIN5487 is subject to a binding agreement to purchase from Orion Gold (ASX:ORN) 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 anticipated following Works Approval of the Mining Plan.

## 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

<b>CENTENNIAL MINING LTD</b>	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
50 149 308 921	30 September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,931	5,931
1.2 Payments for		
(a) exploration & evaluation	(85)	(85)
(b) development	(489)	(489)
(c) production	(3,102)	(3,102)
(d) staff costs	(2,726)	(2,726)
(e) administration and corporate costs	(477)*	(477)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(54)	(54)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(998)</b>	<b>(998)</b>

\*Administration costs include \$328k relating to insurance costs, audit fees and accounting fees

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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	(1)	(1)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(5)</b>	<b>(5)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Repayment of convertible notes	(2,500)	(2,500)
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	3,473	3,473
3.6	Repayment of borrowings – insurance funding	(132)	(132)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>841</b>	<b>841</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	523	523
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(996)	(996)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(5)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	841	841
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>363</b>	<b>363</b>

Cash at the end of the quarter does not include \$693k of gold on deposit at the Perth Mint 30 September 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	363	363
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>363</b>	<b>363</b>

Cash at the end of the quarter does not include \$693k of gold on deposit at the Perth Mint 30 Sep 2018

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

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities (Convertible Notes)	NIL	NIL
8.2 Credit standby arrangements	NIL	NIL
8.3 Other (please specify)	3,670	3,670
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.		

Macquarie premium funding \$197k – Unsecured, 3.2% flat rate  
 Fee Synergy \$62k, 23.4%  
 Short term loans \$3.41m, of which \$1.24m is secured over mining tenements and \$2.17m is unsecured at present. The interest rate on all the loans 12.5%

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	100
9.2 Development	900
9.3 Production	3,300
9.4 Staff costs	2,500
9.5 Administration and corporate costs	400
9.6 Other (provide details if material)	100
<b>9.7 Total estimated cash outflows</b>	<b>7,300</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Ten Mile EL5109	Tenement Expired	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Black Reef MIN5433	Tenement Sold	100%	0%

The proceeds from the sale of MIN5433 (\$190,000) was deposited during the Dec 2017 quarter and disclosed under receipts from customers. The nature of the transaction specified that the sale only occurred after the exercise of a put option, which happened on 3 Sep 2018.

**Compliance statement**

- 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.

Sign here:



(Director)

Date: 31 October 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.