

## ASX Release – 27<sup>th</sup> April 2017

# March Quarterly Activities Report

Centennial Mining Limited (ASX: CTL) (**Centennial** or the **Company**) is pleased to provide a summary of the activities conducted by the Company for the Quarter ending 31<sup>st</sup> March, 2017.

### Highlights:

- ❖ Record Gold Deliveries of 4,632oz for the Quarter
- ❖ Gold and silver sales generated revenue of \$7.4 million
- ❖ Centennial was cash flow positive for the Quarter
- ❖ Gold production exceeded guidance for the Quarter
- ❖ Gold sales averaged \$1,610 per ounce for the Quarter
- ❖ New Record Mill throughput
  - 25,457t at 6.29g/t and 90.4% recovery
- ❖ New Record Mine Production
- ❖ The Company's balance sheet strengthened from 31 December 2016 with cash and gold increasing to \$1.3 million and creditors reducing
- ❖ Centennial completed the transition to owner operating at the A1 Mine
- ❖ Significant Capital upgrades to Centennial's mining fleet undertaken during the Quarter
- ❖ Production guidance for June Quarter 4,250 to 4,500ozs

**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 120 - 150,000tpa gold processing facility, Union Hill Mine, including underground development & infrastructure

#### Executive Chairman

Dale Rogers

#### Non-Executive Directors

Jamie Cullen  
Anthony Gray

#### Company Secretary

Dennis Wilkins

#### Capital Structure:

705,444,920 Ordinary Shares  
288,557,631 Listed Options  
82,000,000 Unlisted Options  
71,428,565 Convertible Notes

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## Introduction

The March Quarter was again a good one for the Company with new Quarterly records achieved for;

- Production from the A1 Mine,
- Throughput at the Porcupine Flat Processing Plant,
- Ounces of gold produced and delivered, and
- Revenue.

Gold production and gold sales for the March Quarter set new records for the Company with 4,632 ounces delivered to the Mint. This was an increase of **24%** from the previous record set in the last Quarter. In addition, 224 ounces of silver were also delivered to the Mint during the Quarter.

The increased production was a result of record mining and milling tonnages for the March Quarter. The milled tonnes for the March Quarter were;

- o 25,457t at 6.29g/t and 90.43% recovery.

This was an increase from the previous production record for the Porcupine Flat Processing Plant set in the December 2016 Quarter of;

- o 21,810t at 5.95g/t and 90.0% recovery.

With an average sale price of \$1,610.1 per ounce for the Quarter, revenue generated for the March Quarter was also a new record at \$7.4 million. This was an increase of **23%** on the previous Quarter's record.

**As a result of increased revenues, Centennial was cash flow positive from Operations for the March Quarter, a first for the Company. This historic milestone is the culmination of the significant effort of Management over the previous 9 months.**

There was an increase in cash in bank and gold at the Perth Mint, to \$1.3 million, compared with the end of the December 2016 Quarter. The Company's balance sheet strengthened with additional cash and gold on hand and creditors reducing by approximately \$800,000 at the end of March.

Production guidance for the June Quarter is 4,250 to 4,500 ounces of gold. This is higher than the guidance for the March Quarter (+4,000 ounces of gold). Assuming the present gold price continues for the remainder of the June Quarter this will see a further increase in revenues from those seen in the March Quarter.

## Safety and Environment

There were no reportable environmental incidents during the Quarter. Further work on noise mitigation at the Porcupine Flat Processing Plant was conducted during the Quarter.

The Company achieved over 300,000 hours Lost Time Free during the Quarter however, in the final month of the Quarter, the A1 Mine recorded a Lost Time Injury when an airleg miner was struck by a small rock which required medical tests and time off work.

## Production Update

Early in the Quarter the mining contractor at the A1 Mine, PYBAR, was informed Centennial would not extend the mining contract. As a result, there was a reduction in development rates achieved by the mining contractor in January. PYBAR finished at the A1 Mine on 31<sup>st</sup> January and demobilised from site in early February.

There was a pause in mechanised development during February while the Company went through a transition to owner operating. Management are confident that this initiative will lead to material cost reductions however, once off costs were incurred during the Quarter as part of the transition.

These once off costs were associated with refurbishing and upgrading the Company's mining fleet, recruiting and training employees, inductions and mobilisation to site of the workforce.

In addition, work was undertaken on the existing decline at the A1 Mine to allow larger, more efficient underground trucks to be used. This included moving services (air lines, water lines and electrical cables) out of the decline, where possible, or elevating them. In addition considerable work ripping the floor of the Decline with a dozer was undertaken. This work added almost 500mm of clearance to the height of the decline.



**Figure 1. Photo of dozer ripping the decline at the A1 Mine**

As a result of this work, one of the Toro T45+ trucks the Company owns, that was at the Union Hill Mine near Maldon, was transported to site and used underground at A1 for the first time. This truck needed considerable work to bring it up to present specifications around emissions and safety standards. The Toro is capable of hauling almost 30 tonnes per load compared to the smaller trucks previously used by PYBAR, which hauled 18 tonne. . As a result, the single Toro truck is capable of meeting production requirements for the A1 Mine compared to the previous requirement of two PYBAR trucks.



**Figure 2. First Load on Toro T45+ truck coming to the surface at the A1 Mine**

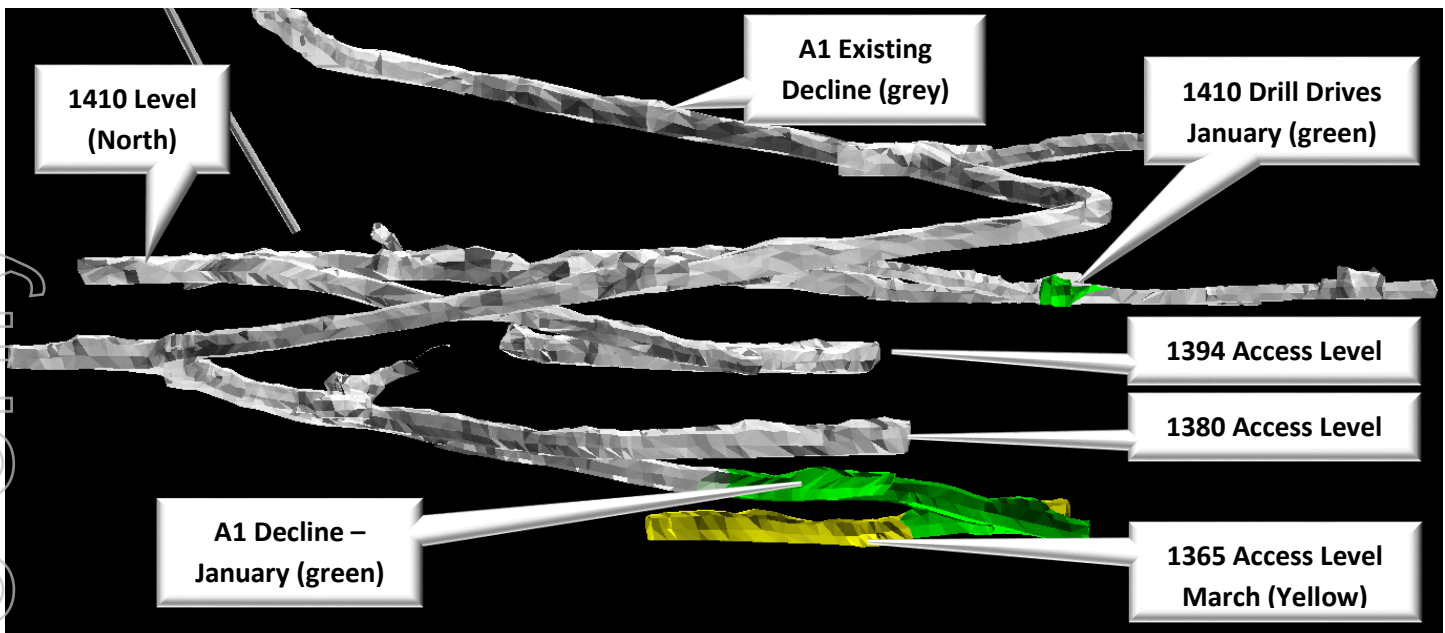
Upgrades to the Company's fleet, including the Toro truck, two boom development jumbo, 1700 loader, 1500 loader and various supporting vehicles were completed during February. Mechanised development in the Decline and access drives, for the continuation of the long hole stope at depth, recommenced in March.

As a result of focussed Management and concerted effort by Centennial employees, this transition was managed well and disruptions to ore production were minimised during the Quarter.

**Production from the A1 Mine set a new Quarterly record with 22,872 tonnes of ore trucked from the A1 Mine to the Porcupine Flat Processing Plant.**

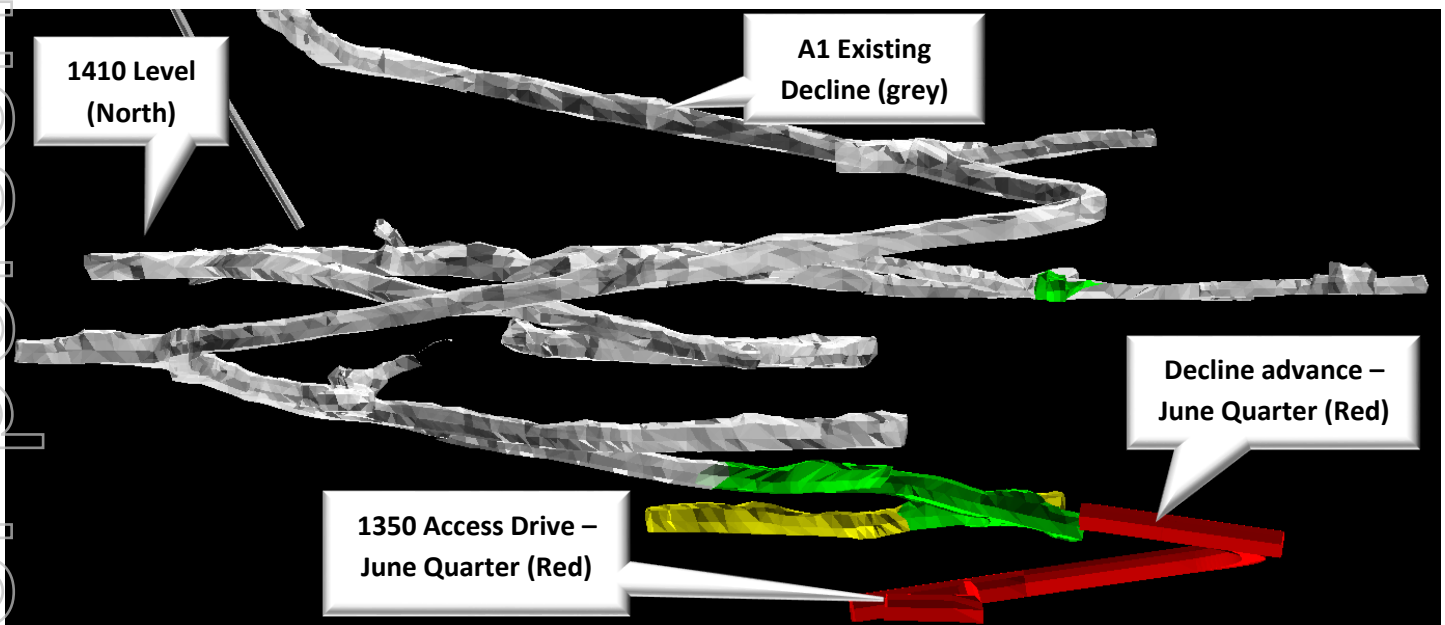
Mechanised development focussed on extension to the Decline and development of the 1365 ore drive for the extension, down dip of the long hole stope.





**Figure 3. Mechanised Development completed in March Quarter at the A1 Mine**

During the June Quarter, development of the A1 decline is planned to continue to the 1350 level and the next Ore Access level, on the 1350 horizon, will be developed to enable the long hole stopping to continue.



**Figure 4. Mechanised Development planned for June Quarter (Red) at the A1 Mine**

After the first firing of a long hole stope at the A1 Mine in the December Quarter, ore continued to be mined from the long hole stope in the March Quarter. The majority of ore mined was from the 1380 level and was from the area between the 1394 and 1380 levels.

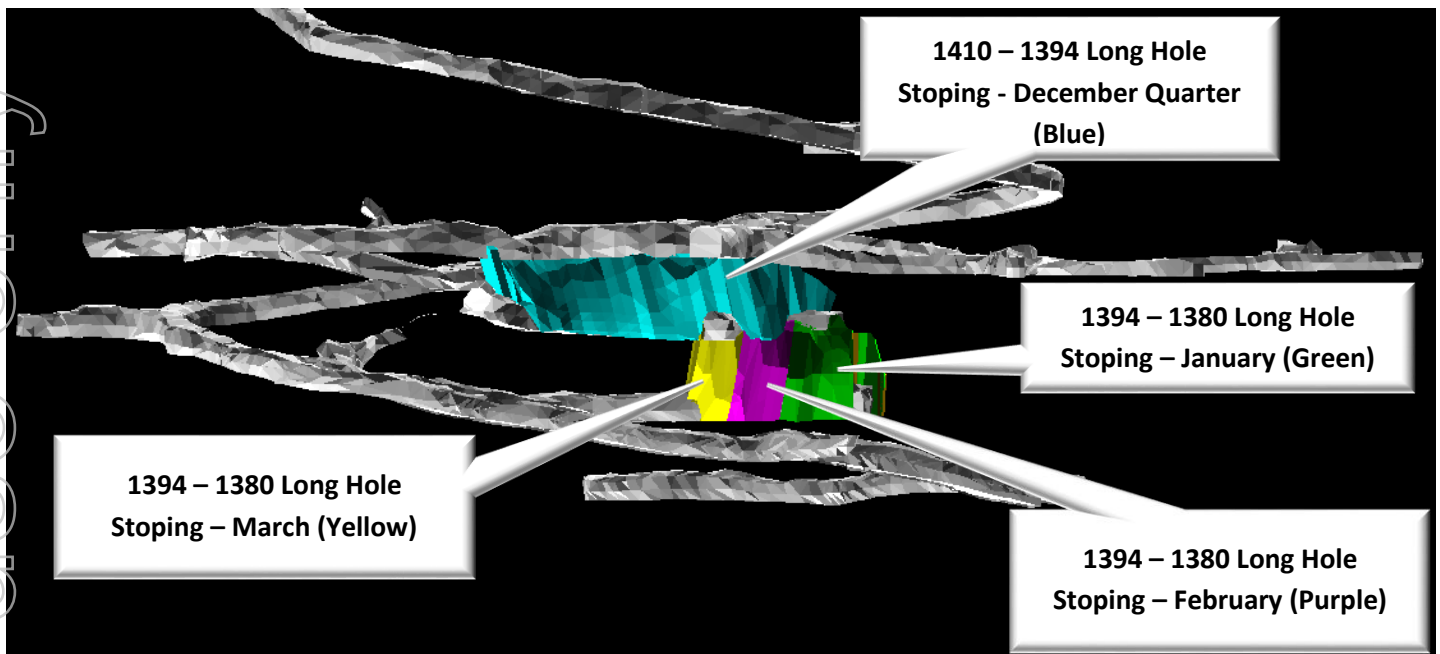


Figure 5. Long Hole Stopping by month during the March Quarter at the A1 Mine

During the June Quarter the decline will be extended to the 1350 level. The long hole stopping will continue on the 1380 level with that level being completed late in the Quarter before the 1365 level stopping commences.

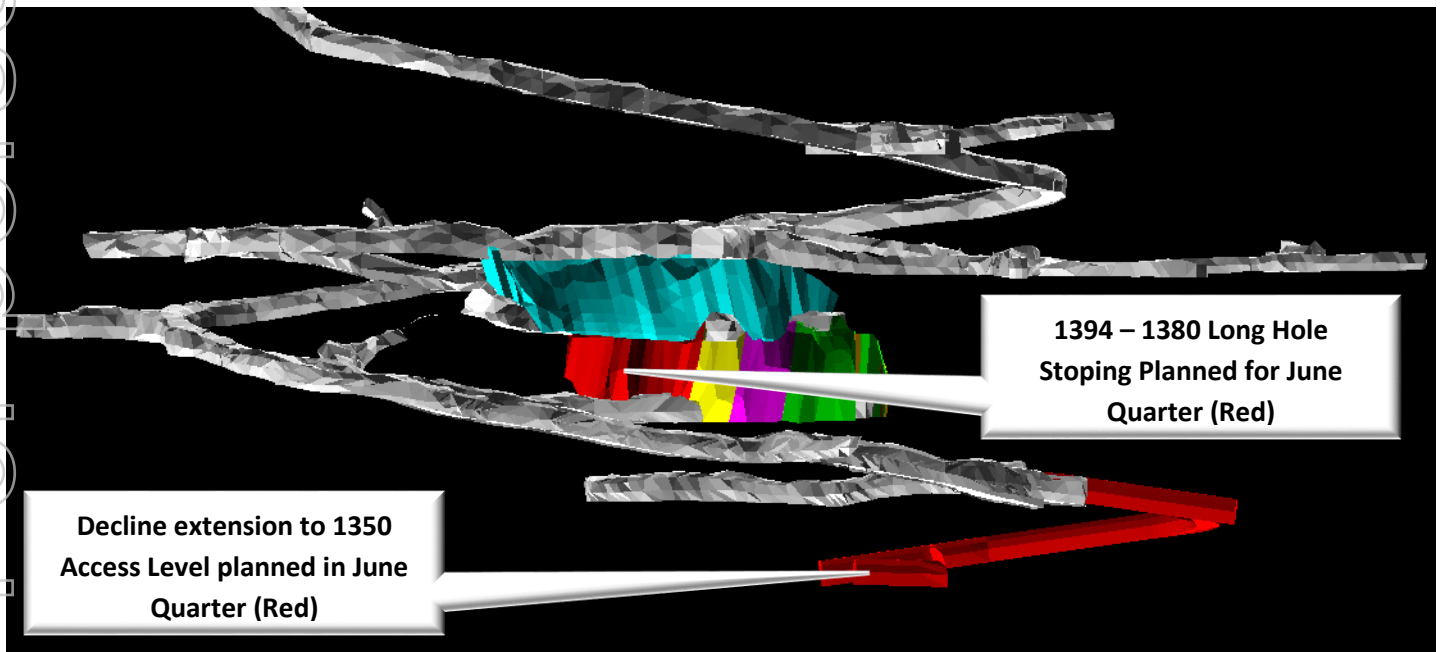


Figure 6. Long Hole Stopping planned for June Quarter (Red) at the A1 Mine



**Figure 7. View from 1394 Level of the Tele Remote Control Bogger entering the Long Hole Stope on the 1380 Level at the A1 Mine**



**Figure 8. View from 1394 Level of the Tele Remote Control Bogger loading Ore in the Long Hole Stope on the 1380 Level at the A1 Mine**

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As the long hole stoping was finished on the 1410 level during the Quarter several of the air leg miners were moved back into that level. As a result the average grade mined for the Quarter improved from 5.95g/t Au (in the December Quarter) to 6.29g/t Au.

Late in the Quarter, there was a fall of ground from the side wall of the long hole stope. This material was very low grade. In order to continue mining the high grade ore in the stope this material needed to be removed from the stope and taken to the surface. As the material was on the surface, an economic evaluation showed it was cash flow positive to truck the low grade ore to the Porcupine Flat Processing Plant. As a result, the average grade of ore milled during March was less than 6g/t Au.

As announced in the last Quarterly, one of the higher levels in the A1 Mine identified from drilling was between the 1465 Access Drive and 1470 Levels.

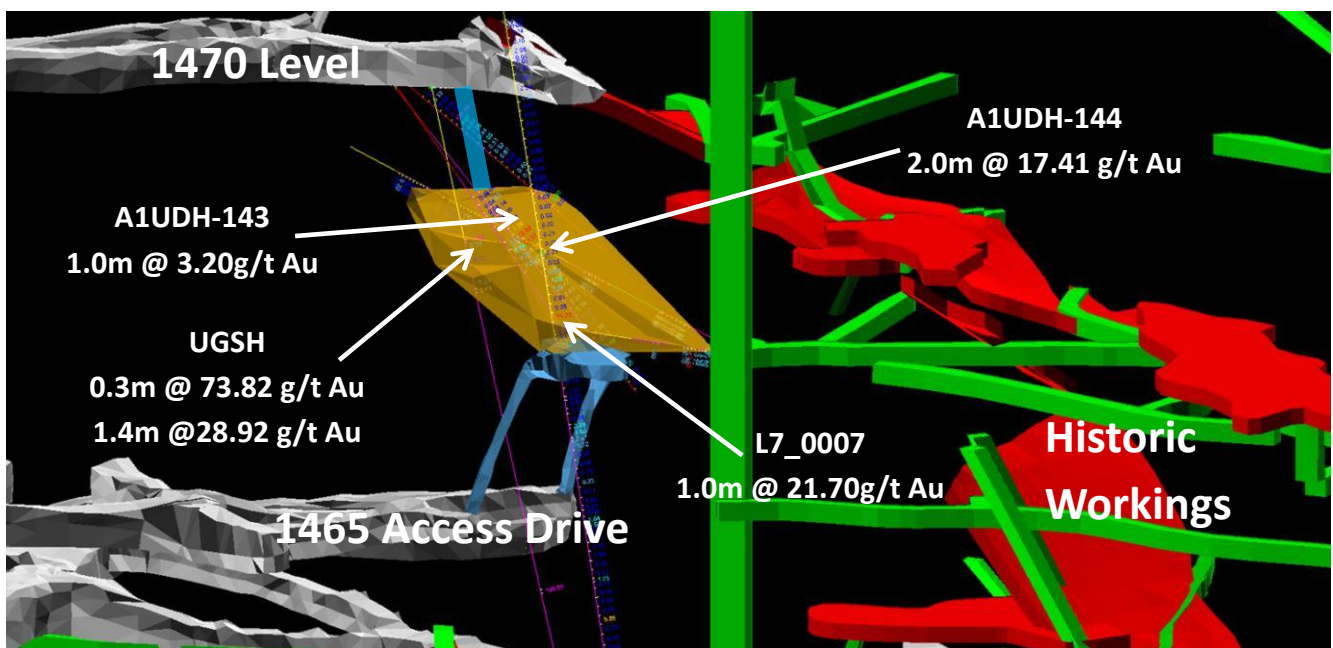


Figure 9. Air-leg Stope 1645-8764 (Previously Unmined) Showing Air leg Development Rises (blue), Mineralisation Envelope (Orange) and Drill Hole Intersections.

The initial capital waste development was completed during the Quarter consisting of level development and two air leg rises. It is anticipated the area will be mined for the next 4 – 6 months by air leg miners.



**Figure 10. Air Leg Access Rise up to the 1465-8764 Stope at the A1 Mine**



**Figure 11. Air Leg Miner Mick Nolan Scraping in the 1465-8764 Air leg Stope at the A1 Mine**

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**Figure 12. Image of free gold in face of 1465-8764 Airleg Stope at the A1 Mine**



**Figure 13. Image of free gold in face of 1465-8764 Airleg Stope at the A1 Mine**

## Porcupine Flat Processing Plant - Maldon

During the Quarter, the Porcupine Flat Processing Plant, near Maldon, milled a total of 25,457 dry tonnes at a head grade of 6.29 g/t Au and recovery of 90.4%, yielding 4,658 ounces of gold recovered and 224 ounces of silver. Gold poured during the Quarter was less than the gold recovered at 4,632 ounces due to an increase in the Gold in Circuit during the Quarter.

**All of these numbers were an improvement on the previous Quarter and set new records for throughput and gold production for a Quarter.**

Ore mined and processed in the Quarter was from the mechanised development of the 1380 and 1365 level ore drives, from airleg stopes on the 1410 level, the Goodes and 1645-8762 stopes and the 1470 level.

The Porcupine Flat Processing Plant moved to continuous 24 hour seven day a week operations in early-January and continued to run on a 24 x 7 roster throughout the Quarter.

Concerns were raised about noise from the Porcupine Flat Processing Plant, by some households close to the Plant due to the increased operating hours during the Quarter. Following on from the considerable effort put into noise mitigation works in and around the Plant during preceding Quarters, further work was completed during the March Quarter.

The Company will continue work to ensure further reductions to noise levels from the Plant during the June Quarter. It is planned to replace several of the noisier components at the Plant during the June Quarter including the mill gearbox.

Mechanical utilisation for the Quarter was lower, at 95%, as a result of several planned maintenance shutdowns. It was apparent, from inspection of the ball mill, that a reline would be required early in the June Quarter. During the March Quarter, temporary repairs to the liners were continued while new liners were sourced. The reline was undertaken in early April, subsequent to the end of the Quarter, and has seen an immediate improvement in both the grind size and throughput of the ball mill.

As the Plant throughput per month has progressively increased the unit operating costs per ore tonne have significantly reduced due to the fixed costs for the Plant being offset by higher tonnages.

## Underground Drilling – A1

Underground diamond drilling and sludge hole drilling continued during the Quarter at the A1 Mine.

Results received during the Quarter are detailed in Appendix 1 and include:

- 7.0m at 8.83 g/t Au
- 1.4m at 263.86 g/t Au
- 1.0m at 35.29 g/t Au
- 0.5m at 40.07 g/t Au

Refer to Appendix 3 for JORC Table 1 disclosure.



## Corporate Update

The Board notes there was a significant increase in the volume of shares and options bought and sold in Centennial during the Quarter. The share register shows that parties associated with and/or linked to a former Director of the Company sold out of their holdings during the Quarter by some 55 million to 60 million shares.

The Company finalised an adjustment to the face value of the convertible notes on issue during the Quarter resulting from the entitlements issue which completed in late July 2016. As stated in the entitlements issue prospectus, the agreements governing the convertible notes on issue provide for an anti-dilution mechanism, which was triggered by the entitlements issue. The adjustment to the number and issue price of the shares issued upon conversion of the convertible notes had to be agreed with the representative noteholder, being Squadron Resources Pty Ltd. The outcome of this process was resolved during the Quarter, with the conversion rate for each convertible note adjusted from \$0.035 to \$0.03438.

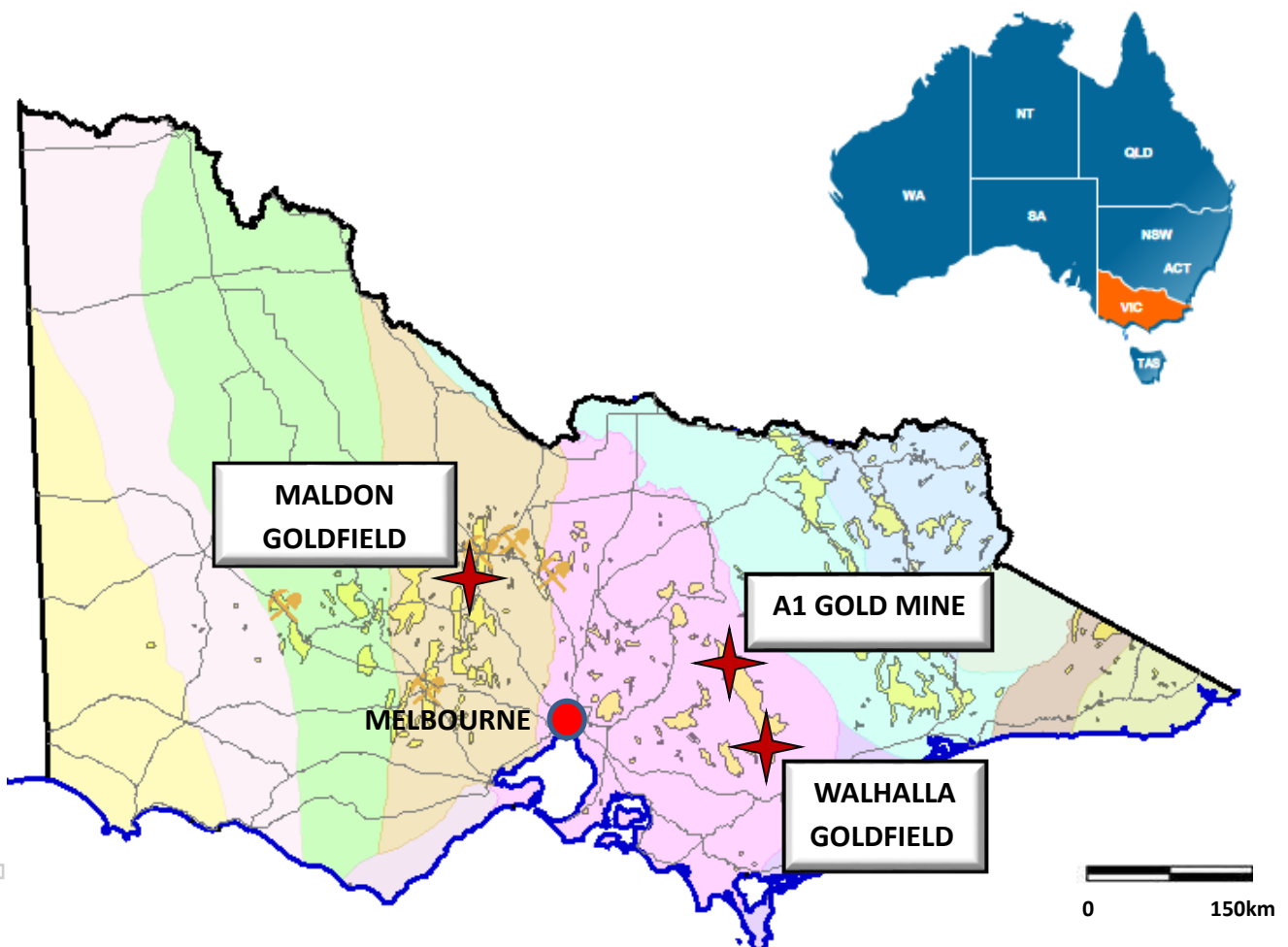
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## About the Company

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 Mine at Maldon and the Eureka and Tubal Cain deposits near Walhalla. Both of these locations are being assessed with the aim of adding to the expected production profile from the A1 Gold Mine in the medium term.

## Location of Projects



### **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.

### **Compliance Statements**

The information in this document that relates to the Phase 1 Resource at the A1 Gold Mine is extracted from the Company's (then named A1 Consolidated Gold Ltd ASX - AYC) ASX announcement dated 8 July 2016 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 and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based geological information compiled by Mr Peter de Vries, a consulting geologist, on behalf of Centennial Mining Limited. Mr de Vries is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and is a Competent Person as defined by the 2012 JORC Code, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in this report, and to the activity for which he is accepting responsibility. Mr de Vries consents to the publishing of the information in this report in the form and context in which it appears.

**Appendix 1**  
**Table of Significant Drilling Intercepts (+3 g/t Au)**

Hole ID	From (m)	To (m)	Length (m)	Grade (g/t Au)	GDA_94 East	GDS_94 North	RL	Depth (m)	Dip	Azimuth (Grid)
A1UDH-217	73.65	74.3	0.65	9.49	429540.0	5848777.8	1404.5	93.9	-76	067
A1UDH-217	81.8	82.5	0.7	9.3						
A1UDH-233	36	37	1	10.02	429558.7	5848748.9	1515.0	87.9	-21	152.7
A1UDH-233	75	75	1	9.62						
A1UDH-240	18.5	20.7	2.2	4.5	429556.0	5848750.0	1517.0	20.9	+45	177
A1UDH-241	32.50	33.00	0.50	40.07	429576.8	5848747.7	1404.9	108.8	-48.6	243.2
A1UDH-241	53.00	54.00	1.00	35.29						
A1UDH-260	40.70	41.40	0.7	5.95	429575.4	5848747.0	1404.9	55.60	-30.8	243.9
A1UDH-260	42.00	42.80	0.8	3.09						
A1UDH-260	48.00	48.30	0.3	4.53						
A1UDH-280	3.0	3.9	0.9	4.25	429515.0	5848839.1	1380.1	5.6	+2	049
A1UDH-280	3.9	4.65	0.75	5.36						
			1.65	4.75						
A1UDH-281	8	8.35	0.35	34.6	429511.4	5848842.5	1381.8	9.8	+49	048
A1UDH-282	0	0.6	0.6	3.34	429511.5	5848842.6	1379.8	7.1	0	049
	0.6	1.2	0.6	29.6						
			1.2	16.47						
A1UDH-288	0	1	1.0	3.64	429531.0	5848822.1	1381.4	40.6	+15	091
A1UDH-288	11.0	12.0	1.0	3.85						
A1UDH-288	23.0	24.0	1.0	3.34						
A1UDH-288	24.0	25.0	1.0	16.0						
A1UDH-288	25.0	26.0	1.0	10.0						
A1UDH-288	26.0	27.0	1.0	2.47						
A1UDH-288	27.0	28.0	1.0	3.53						
A1UDH-288	28.0	29.0	1.0	12.9						
A1UDH-288	29.0	30.0	1.0	13.6						
			7.0	8.83						
A1UDH-288	36.9	38.0	1.1	8.32						
A1UDH-291	6.0	6.85	0.85	6.71	429529.2	5848823.4	1379.3	13.1	-47	049
A1UDH-294	4.7	5.5	0.8	3.42	429524.6	5848828.9	1379.8	30.1	-24	049
A1UDH-294	25.2	25.7	0.5	9.42						



**Table of Significant Drilling Intercepts (+3 g/t Au) - Continued**

Hole ID	From (m)	To (m)	Length (m)	Grade (g/t Au)	GDA_94 East	GDS_94 North	RL	Depth (m)	Dip	Azimuth
A1UDH-295	0.7	1.0	0.3	4.65	429537.5	5848810.8	1379.5	8.3	-41	96
A1UDH-295	1.0	1.3	0.3	3.60						
			0.6	4.13						
A1UDH-295	2.30	3.10	0.80	3.8						
A1UDH-295	3.10	3.45	0.35	7.7						
A1UDH-295	3.45	4.00	0.55	3.13						
A1UDH-295	4.00	5.00	1.00	8.43						
			2.7	5.89						
A1UDH-295	6.9	7.4	0.5	391.1						
A1UDH-295	7.4	8.0	0.6	283.7						
A1UDH-295	8.0	8.3	0.3	12.1						
			1.4	263.86						
A1UDH-296	75.00	76.00	1.0	8.80	429509.6	5848759.9	1405.2	90.80	-24.5	043.7
A1UDH-296	76.00	76.50	0.5	2.90						
A1UDH-298	0.5	1	0.5	6.56	429517.5	5848838.9	1365.0	7.50	+0.3	037.3
A1UDH-298	2.5	3	0.5	3.12						
A1UDH-298	6	6.5	0.5	4.37						
A1UDH-302	3	4	1.0	6.52	429532.6	5848821.4	1365.8	4.50	+0.5	056
A1UDH-302A	4	4.95	0.95	8.51	429532.6	5848821.2	1365.9	8.30	+5.0	061.8
A1UDH-303	4	5	1.0	3.93	429514.5	5848835.3	1367.4	5.75	+36.3	214
A1UDH-304	3	4	1.0	3.04	429518.0	5848833.0	1366.2	9.80	-0.6	225.6
A1UDH-305	1.55	2	0.45	30.5	429520.7	5848829.5	1367.0	7.10	+36.6	238
A1UDH-305	5	6	1.0	3.01						
A1UDH-306	0	1	1.0	5.54	429520.8	5848829.6	1366.1	8.0	+1.8	236.6
A1UDH-306	6.5	7	0.5	6.75						
A1UDH-308	1	2	1.0	8.7	429535.7	5848817.9	1366.8	6.0	+38.0	048.3
A1UDH-308	5.7	6	0.3	4.69						
A1UDH-311	4	5	1.0	3.32	429545.5	5848807.2	1369.0	11.10	+30.3	057.2

## Appendix 2 - 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%
		EL3422	Ongoing	100%	100%
		EL5177	Ongoing	100%	100%
		EL5499	Ongoing	100%	100%

\* An application for Renewal of MIN5294 is with the Victorian Government.

\*\* 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	MIN5464	Ongoing	100%	100%
		MIN5465	Ongoing	100%	100%
		MIN5563	Ongoing	100%	100%
	Matrix Gold Pty Limited	MIN5433	Ongoing	100%	100%
		MIN5574	Ongoing	100%	100%

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## Appendix 3 - JORC Code, 2012 Edition – Table 1 report template

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>All sampling results reported are from Diamond Drilling.</li> <li>Reported drilling results are from the drill programme undertaken between January and the end of March 2017 by Centennial Mining, with 26 holes drilled for a total of 387.5m drilled from various underground positions within the A1 mine. Additional holes drilled in the previous quarter were also sampled with assays being received this Quarter. A total of 1,224 core samples were submitted during the period. Sample lengths varying from 0.3m to a maximum 1.2m. All NQ2 and HQ core was halved using an Almonte Core Cutter with guides to ensure an exact split, with coarse gold common within the deposit, one half of the core is sampled to reduce inherent sampling bias. All LTK-60 and LTK-48 diameter core was submitted for analysis in entirety. The samples to be utilised for resource / reserve calculations were dried, crushed and pulverised, then fire assayed (50g) for Au at the NATA accredited Gekko Laboratory. Any core submitted for production grade control purposes was dried, crushed and pulverised, then fire assayed (50g) for Au by On Site Laboratory Services at Bendigo.</li> <li>Centennial Mining have QAQC protocols in place, including the insertion of blanks and standards inserted at random and more select intervals such as blank samples after visible gold intersections and higher grade standards within potential high grade zones.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>All of the holes being reported are diamond drill holes.</li> <li>3 holes of the quarterly drilling were drilled by Star West Drilling contractors using an LM75 drill rig. The core diameter drilled was NQ (63.5mm) wire-line, the core was orientated using a Reflex ACT II orientation tool.</li> <li>16 holes were drilled using a Kempe drill rig supplied by Starwest Drilling but manned by Centennial Mining employees. The core diameter drilled was LTK-48 (32.3mm) the core was un-orientated</li> <li>7 holes were drilled by HMR with an LM75 Bobcat rig, drilling with LTK-60 (44.0mm) conventional. Core was orientated with a Reflex ACT II orientation tool.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>RQD and recovery data are recorded in the geology logs for all drilling being reported.</li> <li>Core loss is recorded by drillers on run sheets and core blocks</li> <li>Where the ground is broken, shorter runs are used to maximize recoveries. Areas of potential poor ground are included in drilling plods and communicated to the drillers.</li> <li>Mineralisation at the A1 Gold Mine is predominately hosted in competent quartz and dyke structures, therefore sample recoveries are generally high. No significant sample loss has been recorded with a corresponding increase in Au.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All holes reported have been logged in full, including lithology, mineralisation, veining, structure, alteration and sampling data</li> <li>All core has been photographed before sampling.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>All HQ and NQ2 core was half cored using an Almonte core saw.</li> <li>All HQ and NQ2 core samples were assayed at the independent Gekko laboratory located in Ballarat. After drying, samples were crushed, and pulverised to 95% passing 75um.</li> <li>LTK-60 and LTK-48 core was samples in entirety.</li> <li>LTK-60 and LTK-48 core samples were assayed at the independent Gekko laboratory located in Ballarat and On Site Laboratory Services in Bendigo. After drying, samples were crushed, and pulverised to 95% passing 75um.</li> <li>Although coarse gold dictates a larger sample size, the sample sizes are considered appropriate for this style of deposit and a history of re-assay of A1 drillcore splits and pulp splits, show that this is the case.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>The sample preparation and assay method of 50g Fire Assay is acceptable for this style of deposit and can be considered a total assay.</li> <li>Industry standards are followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate is approximately 1 every 10 to 15 samples both randomly and in select positions, such as blanks inserted after samples containing visible gold. QAQC results (Both A1 and internal laboratory QAQC) are reviewed by A1</li> </ul>



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	<ul style="list-style-type: none"> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<p>geological staff upon receipt of the assay results. No issues were raised with the data being reported.</p>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intersections are reviewed by geological staff upon receipt, to ensure the intersections match the logging data, with the checks including verification of QAQC results.</li> <li>All field data is entered directly into an excel spreadsheet with front end validation built in to prevent spurious data entry.</li> <li>Data is stored on a server at the A1 Mine with daily backups. Backed up data is also stored offsite.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All holes are labelled during the drilling process, and all holes have been picked up by Centennial Mining's in-house surveyor</li> <li>Holes are labelled by drillers upon completion of the hole.</li> <li>Short grade control holes (&lt;15m) are picked up by surveyor putting in dummy drill rod and obtaining dip and azimuth reading.</li> <li>Down hole surveys where taken were taken at 15m, and every 30m after this with a reflex single shot camera.</li> <li>Grid used is MGA_GDA94.</li> <li>The topography control is of a high standard.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drill spacing's for exploration were of varying widths. Grade control drilling on 1380 and 1365 Levels were undertaken on 5.0m spacing perpendicular to the strike of the orebody.</li> <li>There is good correlation between sections on the larger structures, with some of the narrow reefs not as continuous across some sections.</li> <li>Given the density of drilling, good continuity of structures and high grades between sections in the area being drilled, the drilling spacing is sufficient to be used for Mineral Resource calculations</li> <li>Sample compositing has not been applied.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the relatively perpendicular intersection angle on the grade control drilling undertaken on the 1380 and 1365 levels the majority of the drill angles are not expected to produce any sampling bias. Other mine based exploration drilling intersected a number of mineralised reefs intersected at various angles, there is a chance of some bias, which has been identified and modelled accordingly.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were transported from the A1 Gold Mine to the laboratories via the Maldon Processing Plant either by A1 staff, or contractors. Calico bags</li> </ul>

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		<p>containing the sample were placed inside larger green bags (Gekko) or poly-woven white bags (On Site Laboratory Services), with the bags sealed with a plastic cable tie. Samples that are taken to Ballarat were placed in a security box at Maldon and collected by courier for transport. Samples taken to Bendigo were delivered to the laboratory by a Maldon senior staff member.</p> <ul style="list-style-type: none"> <li>• Core sample numbers and dispatch references are sequential and have no reference to hole number.</li> <li>• Visible gold locations are not permanently marked on the core, instead pink flagging tape is placed on the intersection until sampling when it is then removed.</li> <li>• Core trays containing visible gold are stored inside the locked core shed until logged.</li> </ul>
<p><b>Audits or reviews</b></p>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The recent drilling has not been independently reviewed.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The A1 Gold Mine is located wholly within MIN5294. Renewal of this license by Centennial Mining (CTL) is currently under application with the Victorian Government.</li> <li>The A1 Mine is located approximately 75km southeast of Mansfield in northeast Victoria (approximately 15km northwest of Woods Point).</li> <li>In 2012 CTL acquired the rights to the asset from Heron Resources Ltd (HRR).</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The A1 Gold Mine has been an active mine since 1861 with an extensive list of previous owners and tenement consolidations. Most recently before Centennial Mining, the tenement was held by Gaffney's Creek Gold Mine Pty Ltd which consolidated the 3 mining leases MIN5375, MIN5326, and MIN5294.</li> <li>Heron Resources who conducted the 2009-2011 L7 drilling programme and commenced decline development.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The project area lies within the Woods Point – Walhalla Synclinorium structural domain of the Melbourne Zone, a northwest trending belt of tightly folded Early Devonian Walhalla Group sandy turbidites. The domain is bounded by the Enoch's Point and Howe's Creek Faults, both possible detachment-related splay structures that may have controlled the intrusion of the Woods Point Dyke Swarm and provided the conduits for gold bearing hydrothermal fluids. The local structural zone is referred to as the Ross Creek Fault Zone (RCFZ).</li> <li>Most gold mineralisation in the Woods Point to Gaffney's Creek corridor occurs as structurally controlled quartz ladder vein systems hosted by dioritic dyke bulges. The A1 mine is central to this corridor.</li> <li>Recent level development and drilling has identified a series of east and west dipping brecciated quartz reefs with varying widths from several metres to &lt;10cm. High grade gold mineralisation within the broad brecciated reefs occurs as coarse and disseminated gold, predominately associated with stylolites of arsenopyrite and euhedral pyrite and soft sulphide assemblages. This style of mineralisation is also evident within the narrow reefs, with generally a higher proportion of stylolites containing high percentages of predominately Bournonite with minor Arsenopyrite. The broader zones currently being mined by long-hole stoping method are</li> </ul>

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		<p>the result of a culmination of structures beneath the 1410 level truncated by shallow east dipping structures.</p> <ul style="list-style-type: none"> <li>• Fine disseminated arsenopyrite mineralisation extends into the host dyke surrounding the larger breccia systems with these haloes generally assaying between 0.5g/t to 3g/t with minimal veining,</li> <li>• Shallow dipping fracture veining emanating from larger steep breccia reefs often carry high grade within close proximity to these breccias, with the grade dissipating within a short distance from the structure.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Refer to tables contained within the report body.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Reported results have been weight averaged, and are reported uncut.</li> <li>• Multiple intersections within close proximity have been incorporated and reported together only where the structures are of a similar orientation.</li> <li>• Metal equivalents have not been reported.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>• All results reported are downhole length and have not been corrected for true width. A large portion of the structure being mined on the 1394 and 1380 Levels are steep dipping, and with flat grade control holes, the intersection angle is generally regarded as true width through these structures.</li> <li>• Combination of diamond drilling from the east and west used to reduce potential bias of drill angles.</li> <li>• Flat series of fracture veins potentially under drilled due to the shallow drill</li> </ul>



Criteria	JORC Code explanation	Commentary
		angle intersections with this data set.
<b>Diagrammes</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to images in report body.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All results received greater than 3 g/t have been reported.</li> <li>Assay results have been received for all of the holes drilled in this programme.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Surveyed hole pickups are cross checked with hole design positions and modelled development.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Multiple areas drill tested during the quarter are still open at depth, along strike and up-dip Drilling is continuing from prepared drill cuddies on the 1410 Level and other sites throughout the mine..</li> </ul>

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