

KordaMentha

Restructuring

ASX Announcement

3 July 2019

Centennial Mining Limited (Subject to Deed of Company Arrangement)
ACN 149 308 921 ('Centennial')
ASX: CTL

Update on Deed of Company Arrangement

The Deed Administrators refer to the execution of the Deed of Company Arrangement ('DoCA') with Avior Consulting Pty Ltd ('DoCA Proponent') on 7 June 2019.

As discussed in the Administrators' Report to Creditors dated 10 May 2019 ('the Report'), Gandel Metals Pty Ltd ('Gandel Metals') previously made a claim it has or is entitled to have security over all, or substantially all, of Centennial's assets. It was the Administrators' preliminary view at the date of the Report that Gandel Metals does not hold a valid security interest over Centennial's assets and as a result is an unsecured creditor of Centennial.

The Deed Administrators wish to advise they recently received notice of a court application, which lists Centennial & Ors as defendants, filed by Gandel Metals ('the Proceedings') which is seeking:

- declaratory relief that Gandel Metals is a secured creditor of Centennial and its subsidiaries by way of equitable subrogation; and
- an order that the DoCA be set aside on the basis that it is prejudicial to Gandel Metals.

The Deed Administrators have engaged with Gandel Metals to work toward having this matter addressed through an urgent hearing toward the end of July 2019 or early August 2019.

For reasons outlined in the Report, the Deed Administrators do not accept Gandel Metals' position as outlined in the Proceedings. However, should Gandel Metals be successful in obtaining the relief as sought, it is likely the DoCA will be withdrawn as one of the conditions precedent to the DoCA will be unable to be satisfied.

Notwithstanding the above, the Deed Administrators are continuing to operate Centennial's assets in a limited mining capacity and the DoCA Proponent is continuing to progress towards satisfying its obligations under the DoCA including a capital raising to fund costs of the administrations, facilitate a distribution to unsecured creditors and provide working capital for Centennial to be reinstated to trading on the ASX.

Further updates in respect of the Proceedings and the DoCA progress will be provided in due course.

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