

# Quarterly Activities Report

For the three months ending 30 September 2020

## New Century delivers strong positive operational cashflow quarter from the Century Mine

Century Production & Costs Summary	September 2020 Quarter	Q-on-Q Change	Y-on-Y Change
Zinc Metal Production <i>Total Payable</i>	33,633t (74.1Mlb) 28,054t (61.8Mlb)	-2%	+29%
C1 Costs (payable lb basis)	US\$0.85/lb	+7%	-13%
AISC (payable lb basis)	US\$0.96/lb	+7%	-14%
Net Sales Receipts (Sales + QPs less TCs)	A\$74.0 million	+38%	+63%
Operating Costs (Production Costs + SG&A)	A\$61.2 million	+4%	+13%
Operating Cash Margin	+A\$12.8 million		
Adjusted EBITDA <sup>1</sup>	+A\$13.2 million		

### Century Zinc Mine Highlights

- Net sales receipts increased 38% to A\$74.0m, with an operating cash margin of A\$12.8m and adjusted EBITDA of A\$13.2m for the September quarter, against an average quarterly zinc price of US\$1.06/lb (up 19%) - current zinc price US\$1.13/lb
- Zinc metal production was flat at 33.6kt for the September quarter, with production growth tempered by mechanical issues in the ball mill circuit (now rectified) and a planned major maintenance shutdown (4 days of affected operations)
- Rectification of ball mill circuit performance has generated a material improvement in zinc recovery and a strong quarterly exit rate, with recoveries increasing over the month of September to 48 - 50% (continuing in December quarter)
- Further recovery improvements are underway, with an independently verified flowsheet optimisation program outlining a low-cost pathway to achieve consistent performance of up to 12Mtpa at 50-54% recovery, delivering up to a 40% metal production increase from the September quarterly average of ~10Mtpa at 45% recovery
- Operating costs were maintained, with realised C1 costs (US\$0.85/lb) higher due to a 9% increase in the AUD:USD exchange rate (C1 costs excluding FX were US\$0.79/lb)
- Further strong growth in EBITDA & operational cashflow into the December quarter expected via improving metal production, recoveries and macro-economic conditions

<sup>1</sup> Adjusted EBITDA based on net earnings from payable quarterly metal production, which accounts for irregular shipping and invoicing

- Reduction in spot TCs to US\$110/t, supporting material cost savings in the Dec quarter, with New Century also transitioning to majority benchmark TC contracts in 2021

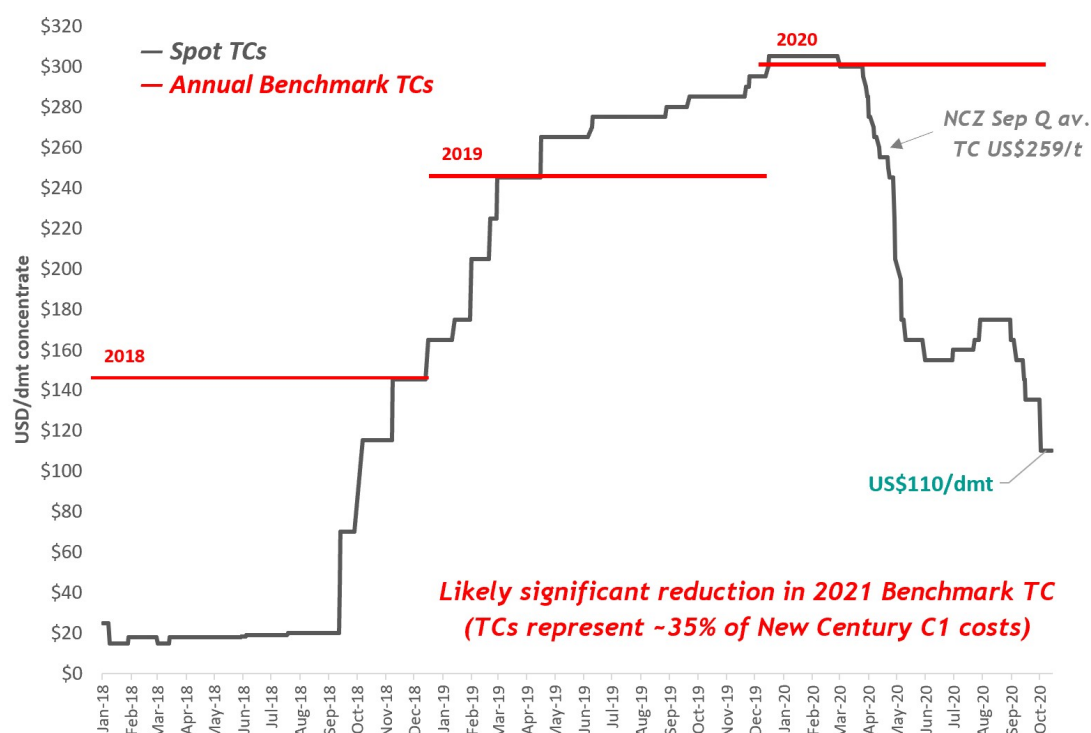


Figure 1: Spot & benchmark zinc treatment charges since 2018 (source: Bloomberg & SMM)

## Corporate Highlights

- Reduction of a further US\$7.2m in secured debt (25% debt reduction in 2020 to date)
- Election not to proceed with submission of a formal offer for the Goro Mine

Managing Director of New Century Resources, Patrick Walta, said:

*"New Century has achieved solid operational cashflow and zinc metal production for the September quarter. It is particularly pleasing to see the strong quarterly exit rate, with recoveries & production rising due to resolved mechanical issues within the ball mill circuit."*

*The Company continues to focus on increasing metal production and lowering unit costs, which will drive further growth in EBITDA and cashflow in the December quarter and beyond."*

*Macro-economic conditions for the industry continue to improve, providing strong tailwinds for New Century, with the zinc price rising above US\$1.13/lb for the first time since the onset of Covid-19. In addition, spot treatment charges have plummeted to US\$110/t, their lowest level since Century operations restarted. These improving macro conditions have been underpinned on the demand side by strong 'post Covid-19' zinc consumption in China, while continued challenges remain on the concentrate supply side, with mine production around the world reduced due to restrictions on human movement."*

*The Company sees opportunity for further improvement in the zinc price, with demand/consumption set to return in countries other than China as a result of infrastructure-focused stimulus packages in response to the Covid-19 economic downturn."*

## New Century Operations

**100% owned, fully integrated top-10 zinc mine & concentrate export logistics chain**



**Figure 2: Location of the Century Zinc Mine & Karumba Port Facility**

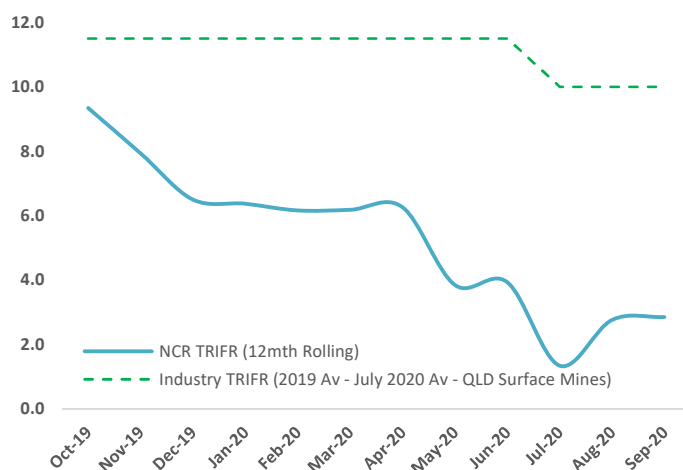
## Century Overview: Global Zinc Producer Comparison

#	Mine	Country	Company	Forecast Zinc Production <sup>1</sup>	% Change vs Jan 20
1	Red Dog	USA	Teck	485	-5%
2	Rampura-Agucha	India	Hindustan Zinc	455	-16%
3	Antamina	Peru	BHP, Glen., Teck, Mitsu.	400	-13%
4	Mount Isa Pb/Zn	Australia	Glencore	345	-
5	McArthur River	Australia	Glencore	267	-2%
6	Penasquito	Mexico	Newmont	190	-17%
7	Dugald River	Australia	MMG	175	3%
8	San Cristobal	Bolivia	Sumitomo Corporation	165	-28%
9	Sindesar Khurd	India	Hindustan Zinc	165	-
10	Century	Australia	New Century	150	3%
11	Vazante	Brazil	Nexa Resources	145	-
12	Chaihe Erdaohe	China	Guosen Mining	131	-
13	Tara	Ireland	Boliden AB	130	-10%
14	Bisha	Eritrea	Zijin Mining	125	-11%
15	Wenshan Dulong	China	Hualian Zinc & Indium	125	-
16	Gamsberg	Sth Africa	Vedanta	120	-50%

<sup>1</sup> Source: Wood Mackenzie September 2020 Short Term Forecast

## New Century Sustainability Performance

### Safety Performance



**Figure 3: Total Recordable Incident Frequency Rate (TRIFR)**

Over the last 12 months the total recordable incident frequency rate (TRIFR) at the Century Mine & Karumba Port has decreased from 9.3 (Oct 2019) to 2.8 (Sept 2020).

During the September quarter, a single medical treatment injury occurred as a result of an incident during routine maintenance in the reagents preparation facility at the Century Mine.

The Company continues its focus on enhancing safety culture and refining its Health and Safety Management System, with the goal of ensuring all our people go home safely thereby achieve our Project Zero TRIFR.

### Ongoing Covid-19 Management

To date, New Century has had no cases of Covid-19 either on site or within the broader workforce.

The Company continues to be proactive in minimising the potential for its workforce to introduce and transmit Covid-19 to our operations and the local communities in which we operate. This action involves exercising all precautions recommended by the health authorities which have been incorporated in our Covid-19 Management Plan.

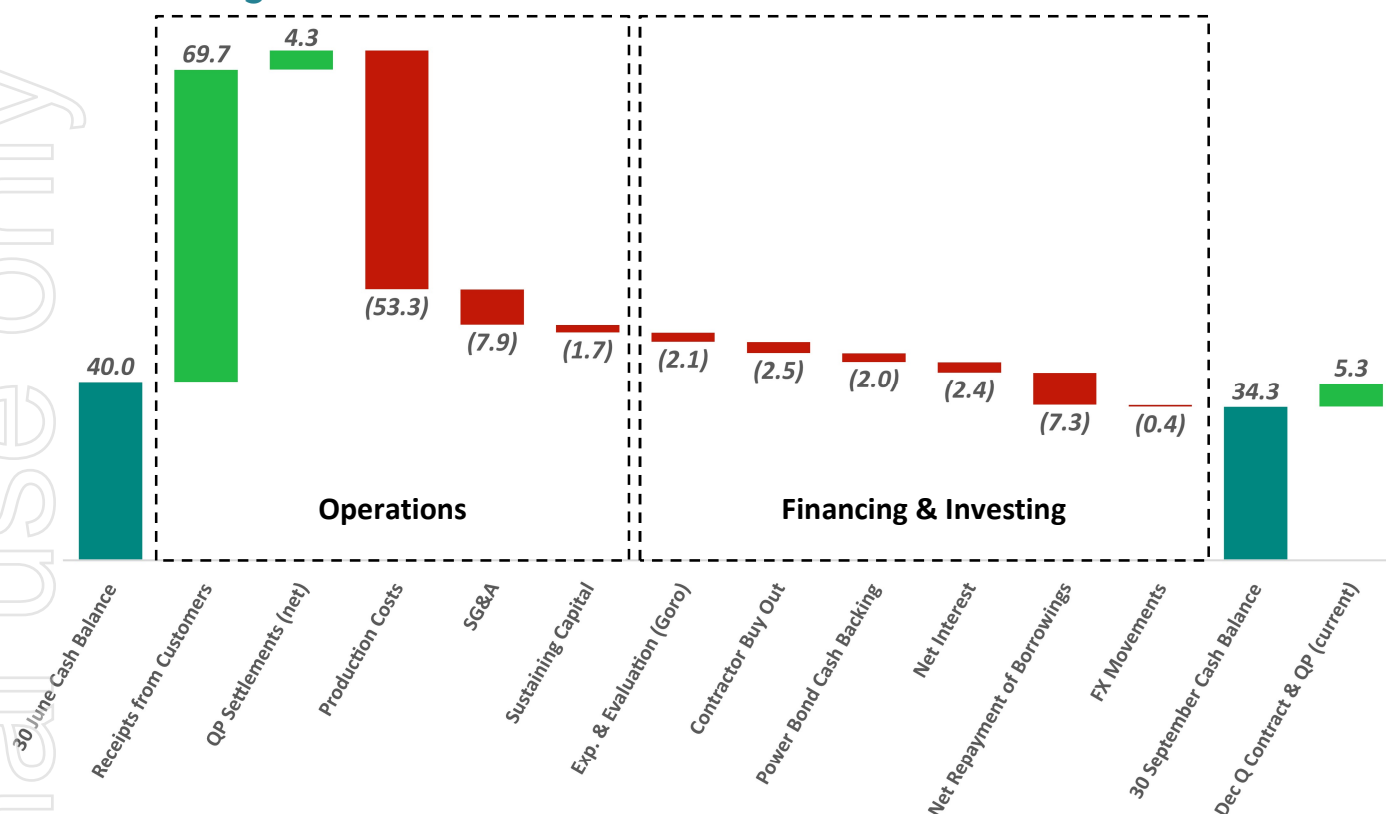
With these strict guidelines in place it has not only stopped Covid-19 but also had the additional benefit of a noticeable reduction in the common cold onsite.

### Environment

There were no environmental incidents of note reported from the mine or port operations during the quarter.

Good progress has been made in progressive rehabilitation works onsite, with sections of the tailings dam native earth exposed, allowing rehabilitation flushing to start. Sections of the evaporation dam have also been ripped and seeded as part of final rehabilitation, as well as the ongoing dismantling and sale of unused infrastructure.

## Cash Management



**Figure 4: Cash utilisation in the September 2020 quarter (figures in A\$ millions)**

The cash balance of New Century was A\$34.3 million at 30 September 2020 (versus A\$40.0 million at 30 June 2020). In addition to this amount, the Company holds A\$18.0 million in restricted cash against various operational contracts and bonds (not included in the Figure above).

Operational cashflow was strongly positive for the quarter, with receipts from customers (including treatment charges and penalties) of A\$69.7 million, bolstered by quotational period (QP) settlements (A\$4.3 million), for total net sales receipts of A\$74.0 million, up 38%. Production costs were A\$53.3 million for the quarter, with additional staff, administration & corporate costs (SG&A) totaling A\$7.9 million, resulting in a positive operating cash margin of A\$12.8 million. Sustaining capital costs totaling A\$1.7 million were also incurred in the quarter.

Non-operational expenditure in the September quarter included costs associated with due diligence activities for the potential Goro transaction (A\$2.1 million) and legacy costs associated with terminations and amendments of operational contractor agreements (with Sedgman and National Pump & Energy) for activities now undertaken within an owner-operator model (A\$2.5 million). The short-term costs associated with transition to owner-operator will deliver material cost savings going forward.

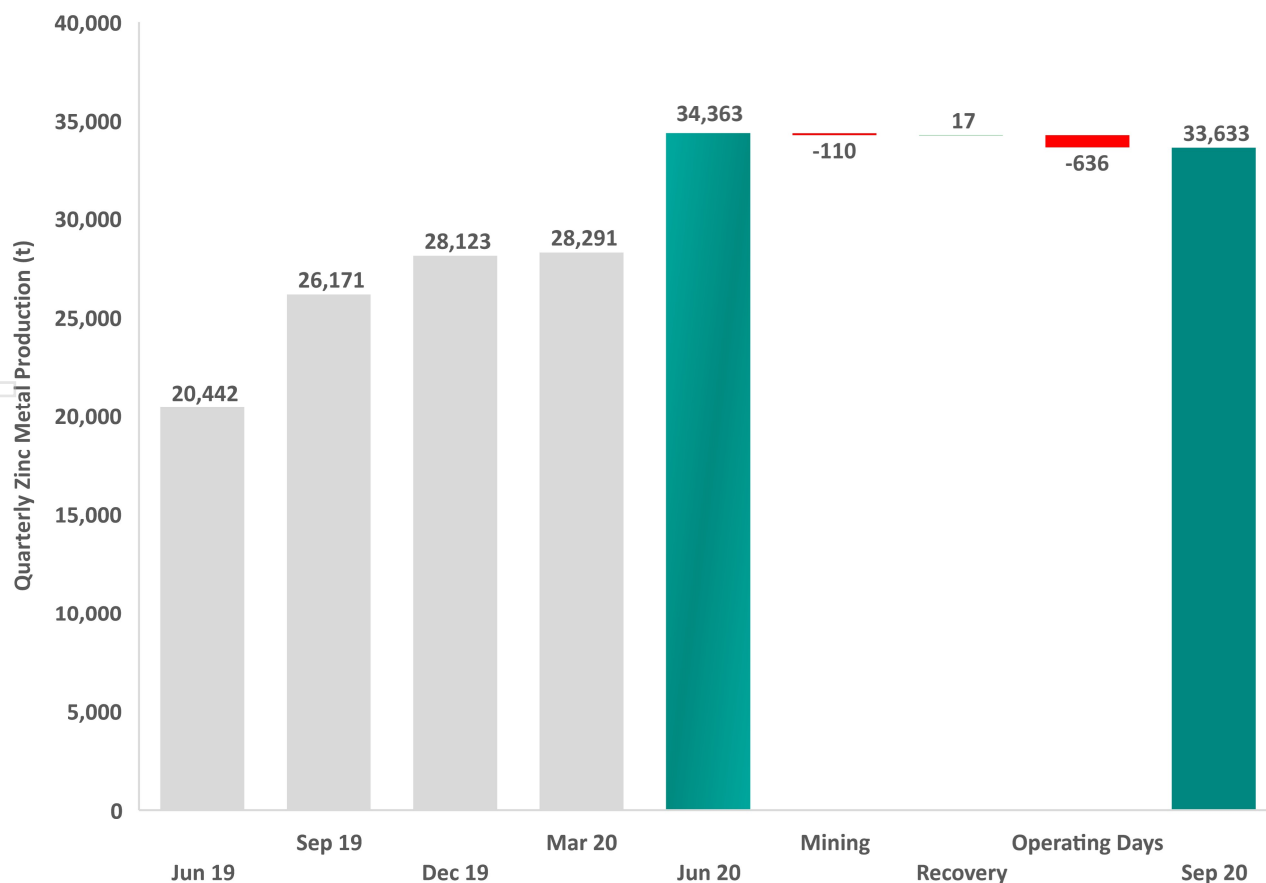
Corporate outflows included further reduction in overall debt (A\$7.3 million net repayments, 7% of total debt), interest of A\$2.4 million and cash-backing of a bond for a new power purchasing agreement (A\$2.0 million). The cash-backed power bond is returned at the conclusion of the contract term.

Foreign exchange movements negatively impacted the AUD value of cash balances held in USD (and C1 Costs - see Figure 9), with the quarterly AUD:USD exchange rate appreciating 9% from \$0.66 to \$0.72.

The Company notes the positive balance on open contracts for settlement and QPs into the December quarter (current total +A\$5.3 million), with continued improvement in the zinc price to US\$1.13/lb against a September quarter average of US\$1.06/lb.

## Century Operations

Production & Costs	Units	Q1 FY21	Q4 FY20	Q3 FY20	Q2 FY20	Q1FY21 vs Q4FY20	Q1FY21 vs Q1FY20
Ore Mined	'000t	2,369	2,456	2,102	2,010	-4%	+27%
Zinc Head Grade	%	3.13	3.09	2.93	2.87	+1%	+6%
Silver Head Grade	g/t	12.4	11.9	14.1	13.7	+4%	-12%
Zinc Recovery	%	45.3	45.3	45.9	48.7	-	-5%
Silver Recovery	%	29.3	31.0	31.7	31.9	-5%	-5%
Concentrate Grade	% Zn g/t Ag	48.2 124	48.6 128	48.7 163	49.1 162	-1% -3%	-2% -17%
Zinc Metal Production							
Total	t	33,633	34,363	28,291	28,123		
Payable	t	28,049	28,712	23,645	23,542	-2%	+29%
Total	Mlb	74.1	75.8	62.4	62.0		
Payable	Mlb	61.8	63.3	52.1	51.9		
Silver Production							
Total	oz	278,516	292,076	301,861	283,078	-5%	+7%
Payable		48,399	56,141	89,355	77,029		
Costs (payable basis)							
C1	US\$/lb	0.85	0.79	0.95	0.96	+7%	-14%
AISC		0.96	0.89	1.07	1.07	+7%	-14%



**Figure 5: Zinc metal production movement for the September 2020 quarter**



## Mining

Hydraulic mining operations delivered 2.37Mt at 3.13% zinc in the September quarter, representing a 2% decrease in quarterly mined zinc for the operations (June quarter 2.46Mt at 3.09% zinc).

The marginal drop in quarterly mining rate was due to both reduced operational hours (due to a 4-day planned major maintenance shutdown) and a focus on recovery improvements over throughput via rectification of ball mill performance issues (now complete).

Mining maintained feed stability and overall feed density to the plant throughout the quarter with limited interruptions.

Focus during the quarter has included preparing for the upcoming wet season, with various new water pumping initiatives in place to ensure minimal downtime during seasonal weather events.

Mining operations continue to ramp up toward a capability of 12Mtpa (3.0Mtpa per quarter, versus September quarter production of 2.37Mt) and are now operating at ~80% of this capacity.



**Figure 6: Overview of hydraulic mining operations at Century**

## Processing & Production

Processing activities delivered 33,633t of zinc at a grade of 48.2% in the September quarter, representing a 2% decrease in zinc metal production (June quarter 34,633t zinc at a grade of 48.6%).

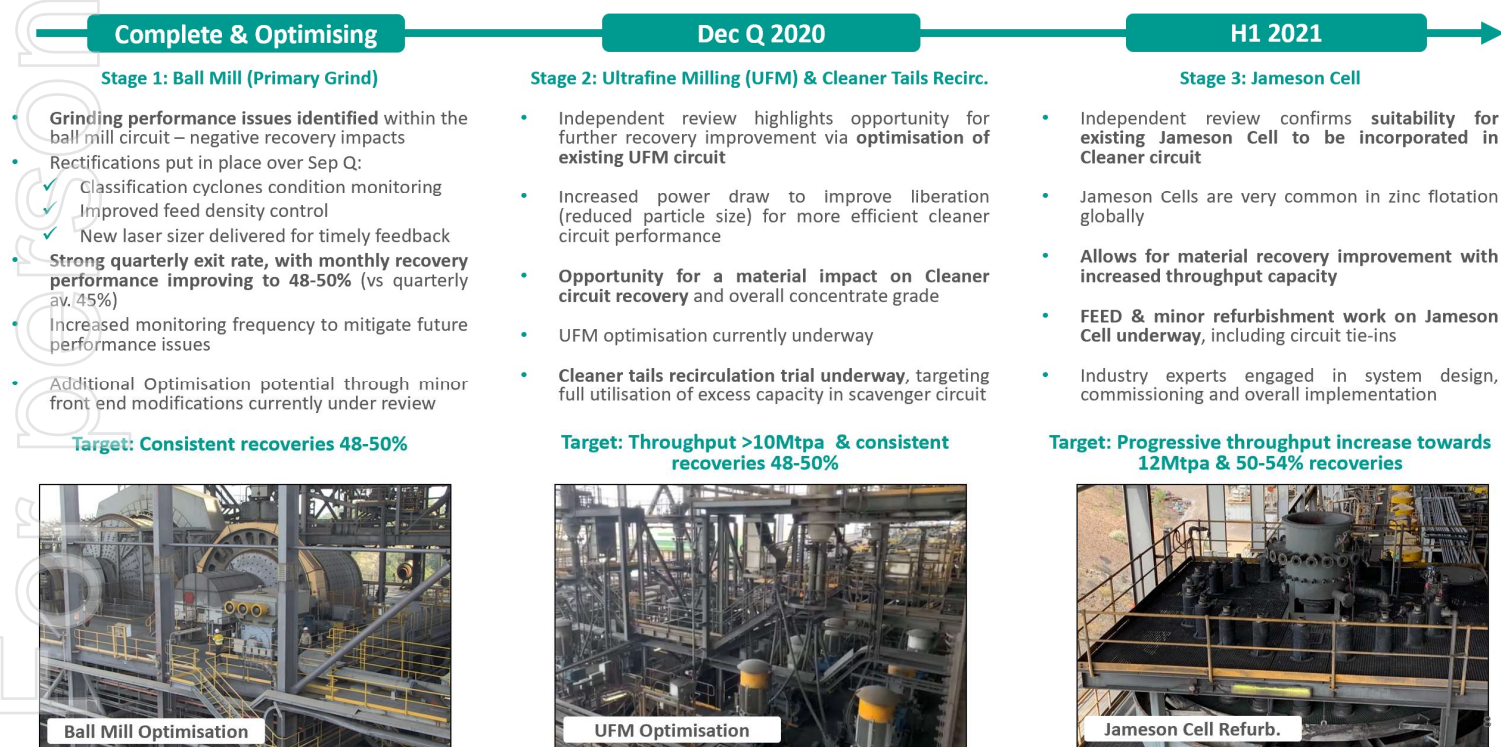
Average zinc recovery was 45.3% in line with performance in the June quarter. Importantly, recovery performance issues were rectified (see below) within the September quarter leading to a strong exit rate, with recoveries rising to 48-50% through the month of September. This performance has continued into the December quarter to date with steady-state operations.

As outlined in the June quarterly report, recovery performance has been below expectation, with the plant operations team continuing to focus on maintaining stable recovery within both the rougher/scavenger and cleaner circuits as throughput is ramped up.

As part of the rectification process, New Century engaged independent technical consultants Mineralis Consultants to assist the operations team with the process of recovery improvements while ramp-up to 12Mtpa throughput continues.

The results of this collaboration have identified a three-stage process (see Figure 7) towards increasing overall production on site, specifically targeting more efficient grinding operations and the use of latent capacity within un-utilised or underutilised operational equipment. Using existing site infrastructure means the capital cost (~A\$1.5 million) of the Production Optimisation Plan is modest, with the main capital item being the refurbishment of one of the existing Jameson Cells.

### Production Optimisation Plan



**Figure 7: Production Optimisation Plans underway at the Century Zinc Mine**

The progressive expansion up to 12Mtpa and 50-54% recoveries provides the opportunity for an additional ~40% increase in metal production against the September quarter output of ~10Mtpa at a 45% recovery. This supports significant upside for near-term increase to EBITDA and operational cashflow.



## Shipping & Sales

Shipping and sales continued in line with quarterly production performance of the operations, with a milestone 50<sup>th</sup> concentrate shipment recently loaded.

Over the course of 2020 to date, the Company has executed a number of long-term offtake arrangements linked to treatment charges that are lower than the annual benchmark. This will allow New Century to transition to a majority (~80%) of longer-term sales contract coverage moving forward. This strategic shift mitigates exposure to the volatile spot markets and provides greater certainty of consistent annual pricing for treatment charges, which represent the largest single cost for Century operations (currently ~35% of C1 costs), whilst also maintains flexibility to take advantage of opportunistic spot cargoes.

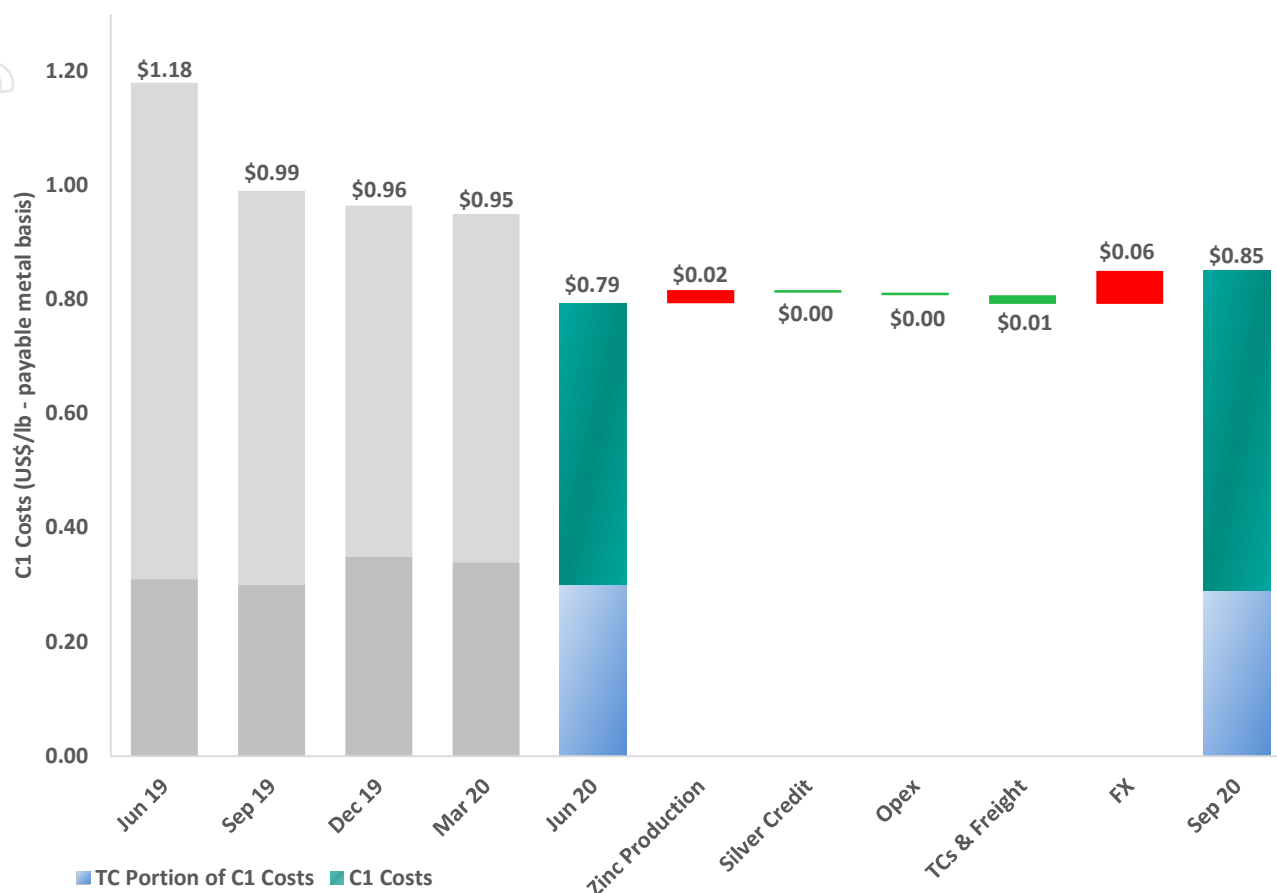
A sharp decline in the current benchmark treatment charges is expected into 2021 and beyond as a result of concentrate market tightness and strong smelter output. The significant drop in spot treatment charges that has occurred over the course of 2020 provides a strong indicator that a significant drop in the benchmark rate is likely.

The demand for New Century's zinc concentrate production continues to grow, with the Company having now established robust long-term contracts with market-leading smelter groups including several major Chinese smelters, Korea Zinc and Trafigura.



**Figure 8: Karumba Port Facility & MV Wunma transshipment vessel**

## Financials



**Figure 9: C1 Cost movement for the September 2020 quarter**

As shown in Figure 9, the largest factor in the increased C1 costs was the substantial increase (9%) in the AUD:USD exchange rate, averaging \$0.72 in the September quarter versus \$0.66 in the June quarter.

The marginal addition in C1 costs due to lower metal production was partially offset by a slight reduction in overall treatment charges (TCs).

The full effect of lower spot TCs is yet to flow through to the cost-base for New Century, with the September quarter shipping schedule requiring the majority of shipments to be delivered under existing long-term contracts (at a discount to the benchmark TC of US\$299.75/t) as opposed to spot TCs which progressively dropped to US\$110/t during the quarter (see Figure 1).

New Century anticipates further reduction in average realised TCs in the December quarter and into 2021 (providing a strong tailwind for C1 costs), with the average TC for the September quarter being US\$259/t, however the Company's most recent signed spot TC shipment contract (for December quarter delivery) was US\$157/t.

Lower spot TCs, combined with a likely significant drop in the annual benchmark TC in 2021, will provide a significant C1 cost benefit for New Century. For example, a US\$100/t drop in average TCs represents ~US\$0.10/lb on C1 costs, which is equivalent to US\$24.8 million per annum (~A\$35 million) in additional earnings based on an annualised September 2020 quarter production rate alone. This earnings growth increases as production increases.

## In-Situ Resource Development

Outside of the existing Mineral Reserves of the tailings deposit, Century also contains a significant endowment of Mineral Resources, currently contained within three deposits known as South Block, East Fault Block and Silver King.



**Figure 10: Mineral Resources of the Century Zinc Mine**

The current total Mineral Resources stands at 9.4Mt at 10.7% Zn+Pb (6.1% Zn, 4.6% Pb & 65g/t Ag).

During the quarter, the Company's Technical Services team continued working with various mining industry technical consultants in the development of optimisation studies over each of these deposits. The results of this work to date has seen strong improvements to the overall in-situ mine plan, metal production profiles and projected operating costs.

The outcome of the optimisation studies is to allow New Century to make a decision in 2021 on integrating these Mineral Resources into the current life-of-mine production profile, providing the opportunity for further extension of overall mine life at Century.

Mineral Resources	Tonnes (Mt)	Zn (%)	Pb (%)	Ag (g/t)	Zn (t)	Pb (t)	Ag (Oz)
South Block (Indicated)	6.1	5.3	1.5	43	322,000	90,000	8,550,000
East Fault Block (Indicated)	0.6	9.8	1.1	42	63,000	7,300	872,000
Silver King (Inferred)	2.7	6.9	12.5	120	186,000	337,500	10,500,000
<b>TOTAL</b>	<b>9.4</b>	<b>6.1</b>	<b>4.6</b>	<b>65</b>	<b>571,000</b>	<b>434,800</b>	<b>19,922,000</b>



## Century Exploration

Century exploration field activities during the September quarter have not been possible due to interstate travel restrictions relating to the Covid-19 pandemic. As such no field reconnaissance or sampling occurred.

Priority works include field truing and impact related sample collection, with targeted IP and MT Geophysical surveys earmarked for the December 2020 quarter.

IP programmes scheduled over the Century tenements:

### 1. Near Mine Targets:

Detached portions of the Century Deposit & potential buried portions of a replicated system to the NW within the impact crater.

### 2. Watson's Lode / Lilydale Targets:

Vein system and Century Host Rocks.

### 3. Little Archie Targets:

Favourable large NE trending structure and potential Century Host rocks.

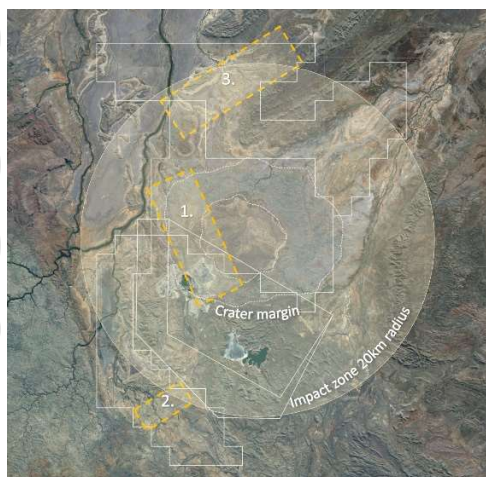


Figure 11: Century IP target zones

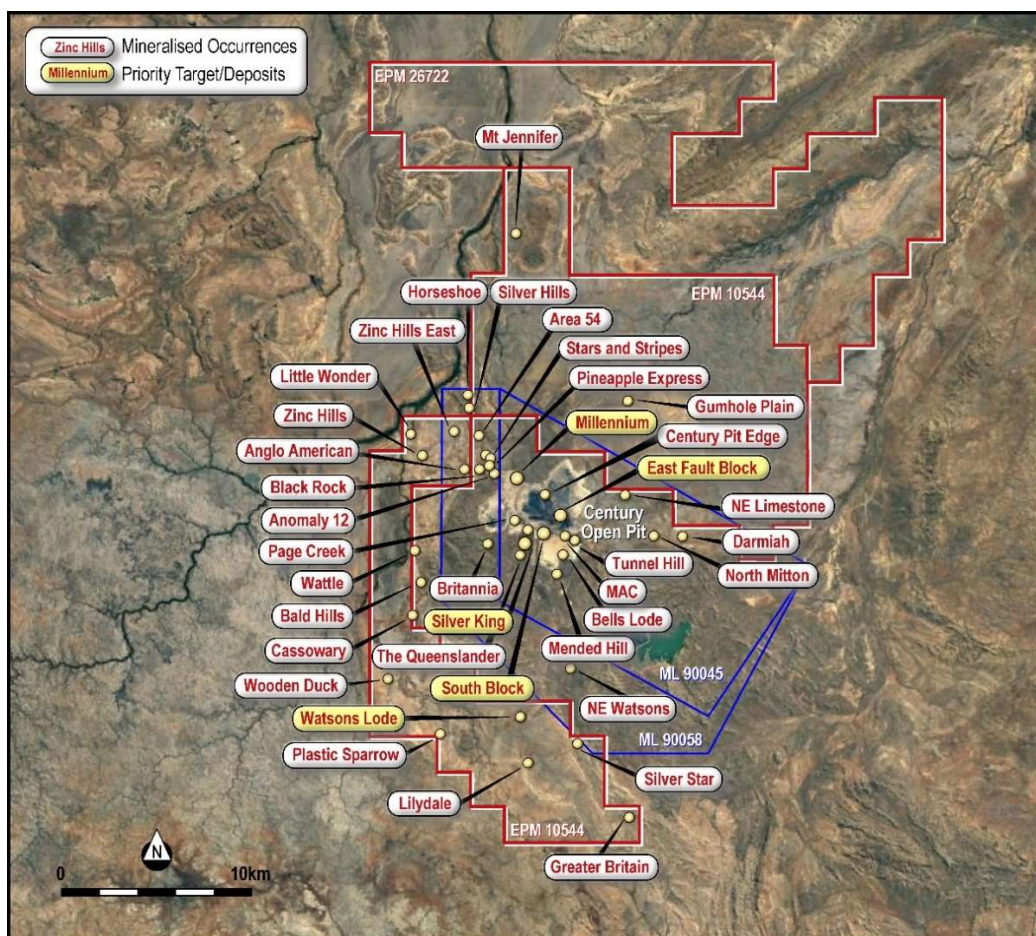


Figure 12: Regional targets within the Century tenements



## Millennium Project Overview

The Millennium Project commenced in 2018 with objective of testing the opportunity for detached blocks of the original Century deposit to have been displaced, and buried, within the adjacent Ordovician aged Lawn Hill impact crater.

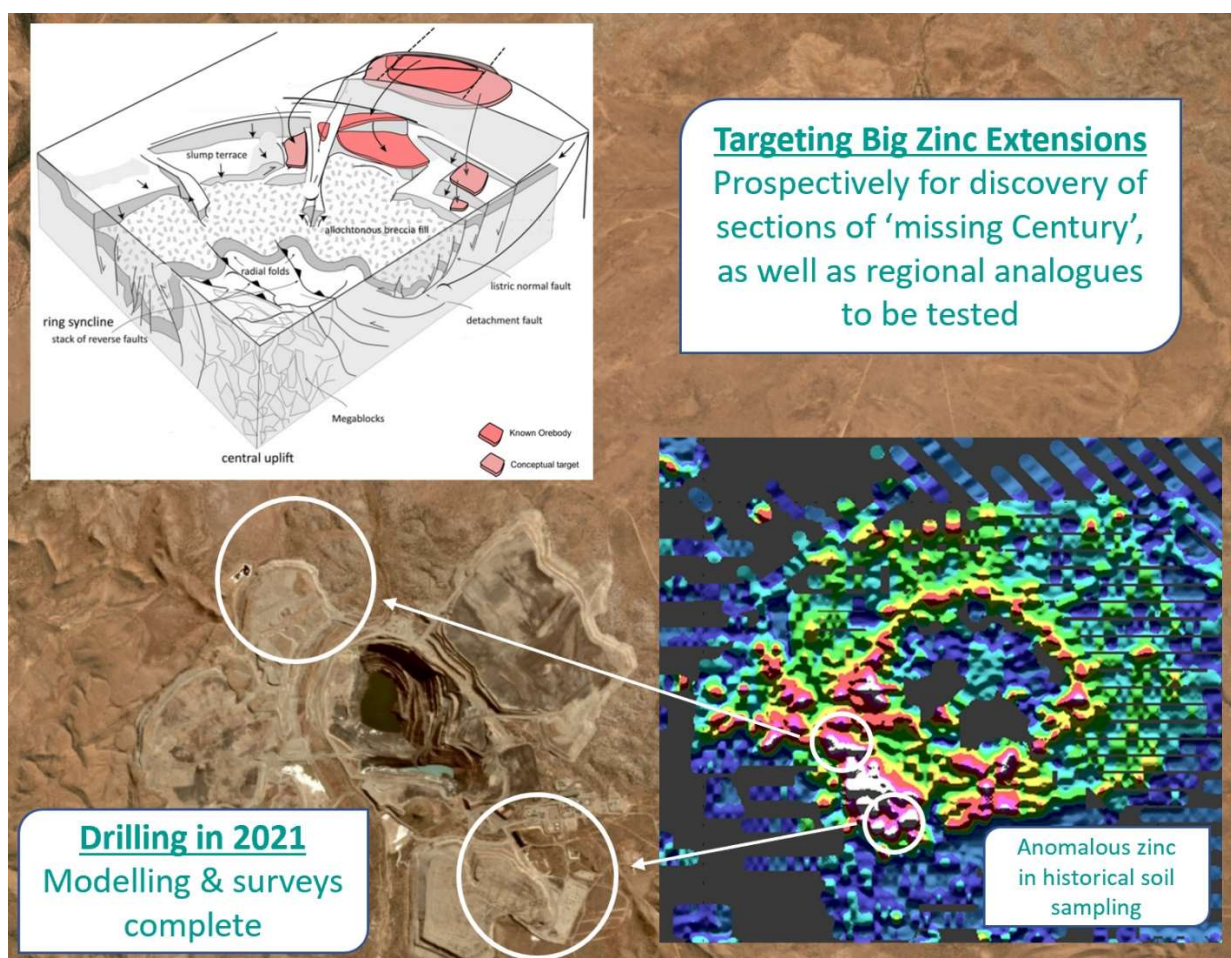
An Induced Polarisation (IP) Geophysical survey was carried out by the Company in late 2018 to define the structural architecture of the crater directly adjacent to the deposit.

This was followed by three deep stratigraphic diamond holes in 2019 to test the model. The identification of the impact horizon and a suevite breccia unit provided the basis for a rigorous re-interpretation of the significant near mine dataset within the context of the new model.

The conclusions to date support the potential for lost blocks within the crater, and allow disentanglement of the impact related modification from primary ore features, which is a crucial factor in regional exploration when seeking to discover new deposits.

Field works are planned for ground truthing, sampling and reconnaissance prior to additional geophysical surveys and follow up drilling.

Details of the geophysics and drilling programmes will be finalised based on the outcomes of field investigations once Covid-19 related travel restrictions are lifted.



**Figure 13: 3D representation of Century orebody within the crater architecture - modified from Kenkmann 2014**

## Corporate Activities

### Century Guidance Maintained

Century operations full year guidance for FY21 is set at 140,000t to 160,000t of total zinc metal (308Mlb to 352Mlb) and C1 costs of US\$0.65/lb to US\$0.75/lb on a payable zinc metal basis.

The Company maintains its FY21 guidance outlook, and anticipates a progressive improvement in zinc metal production (via a combination of increased mining rate and metallurgical recoveries) and lowering C1 costs.

A breakdown of the macroeconomic assumptions used within the C1 cost guidance is provided below:

	Guidance & Macroeconomic Assumptions
<b>FY21 Guidance</b>	140,000t to 160,000t total zinc production (308Mlb to 352Mlb) US\$0.65/lb - US\$0.75lb (payable lb basis)
<b>Av. Treatment Charges</b>	US\$215/t
<b>AUD:USD Exchange Rate</b>	\$0.69
<b>Silver Price</b>	US\$21.5/oz

### Reduction in Secured Debt Facilities

During the quarter New Century continued to reduce its secured debt balance with Varde partners, with a further US\$7.15 million repaid.

Total repayment of secured debt in 2020 to the end of September is US\$17.88 million (25% reduction), bringing the total secured balance at the end of the September quarter to US\$53.0 million.

A further US\$4.65 million has also been repaid to date in October 2020.

### Election Not to Proceed with Goro Transaction

During the quarter, the Company completed due diligence and negotiations relating to the potential acquisition of Vale New Caledonia (VNC) and the Goro Nickel & Cobalt Mine (Goro) from Vale. The Company elected not to proceed with submission of a binding offer for the potential acquisition.

Since announcement of exclusivity regarding the potential acquisition on the 26<sup>th</sup> May 2020, New Century engaged in an extensive process of both asset due diligence and commercial negotiations with Vale, the French State and other stakeholders regarding suitable funding of the proposed simplification plan capital expenditure and long term general working capital requirements.

In addition, the Company engaged with the governing body of the Southern Province of New Caledonia regarding ongoing environmental bonding requirements for Goro and with minority VNC shareholder Société de Participation Minière du Sud Calédonien S.A.S regarding the future equity structure of VNC.

While New Century's due diligence and business analysis indicated strong potential for sustainable long-term operations at Goro, negotiations with various stakeholders had not been able to generate a funding package and equity structure for VNC which adequately accommodates a suitable risk/reward scenario for shareholders of New Century Resources.

As a result, the Board of New Century elected not to submit a binding offer for Goro within the exclusivity period and this exclusivity has now lapsed.

## Other Non-Core Assets: Kodiak Coal Project (NCZ 70%)

The Kodiak Coal Project is currently on care and maintenance.

The Company continues to consider options with regard to the future of the Kodiak Coking Coal Project in Alabama, USA, including the disposal of the asset.

This announcement has been authorised for release by the Board.

For further information, please contact:

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## Statement of JORC 2012 Compliant Resources & Reserves (30 June 2020)

Mineral Resources	Tonnes (Mt)	Zn (%)	Pb (%)	Ag (g/t)	Zn (t)	Pb (t)	Ag (Oz)
South Block (Indicated)	6.1	5.3	1.5	43	322,000	90,000	8,550,000
East Fault Block (Indicated)	0.6	9.8	1.1	42	63,000	7,300	872,000
Silver King (Inferred)	2.7	6.9	12.5	120	186,000	337,500	10,500,000
<b>TOTAL</b>	<b>9.4</b>	<b>6.1</b>	<b>4.6</b>	<b>65</b>	<b>571,000</b>	<b>434,800</b>	<b>19,922,000</b>
Ore Reserves	Tonnes (Mt)	ZnEq (%)	Zn (%)	Ag (g/t)	Zn (t)	Pb (t)	Ag (Oz)
<b>Century Tails (Proved)</b>	<b>62.3</b>	<b>3.0</b>	<b>3.0</b>	<b>12.7</b>	<b>1,837,000</b>	<b>-</b>	<b>25,452,000</b>

### Zinc Equivalent Calculation - Century

ZnEq was calculated for each block of the Century Tailings Deposit from the estimated block grades. The ZnEq calculation takes into account, recoveries, payability (including transport and refining charges) and metal prices in generating a zinc equivalent value for each block grade for Ag and Zn.  $ZnEq = Zn\% + Ag \text{ troy oz/t} \times 0.002573$ . Metal prices used in the calculation are: Zn US\$3,000/t, and Ag US\$17.50/troy oz.

## Competent Persons Statement

### Mineral Resources

The information in this announcement that relates to Inferred Mineral Resources on the Silver King Deposit was first reported by the Company in its prospectus released to ASX on 20 June 2017. The South Block Deposit was first reported by the Company to the ASX on 15 January 2018 and the East Fault Block Deposit was first reported by the Company to the ASX on 25 June 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified.

### Ore Reserves

The information in this announcement that relates to the Ore Reserve at the Century Tailings Deposit was first reported by the Company in its ASX announcement titled "New Century Reports Outstanding Feasibility Results that Confirm a Highly Profitable, Large Scale Production and Low Cost Operation for the Century Mine Restart" dated 28 November 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Appendix 1:

The following information is pursuant to Listing Rule 5.3.3 for the quarter ended 30 September 2020:

Project	Location	Status	Interest
<b>Century Zinc Mine</b>	<b>Queensland, Australia</b>		
ML 90058	Mt Isa	Granted	100%
ML 90045	Mt Isa	Granted	100%
EPM 10544	Mt Isa	Granted	100%
EPM 26722	Mt Isa	Granted	100%
<b>Kodiak Coking Coal Project</b>	<b>Alabama, USA</b>		
Coke Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Atkins Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Gholson Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Clark Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%

## Appendix 2:

Payments to related parties of the entity and their associates (in accordance with Section 6 of Appendix 5B Quarterly Financial Report): Directors fees and salaries: \$232k



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

NEW CENTURY RESOURCES LIMITED

ABN

53 142 165 080

Quarter ended ("current quarter")

30 SEPTEMBER 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	69,653	69,653
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(2,077)	(2,077)
	(b) development	(1,739)	(1,739)
	(c) production	(53,333)	(53,333)
	(d) staff costs	(6,981)	(6,981)
	(e) administration and corporate costs	(903)	(903)
	(f) realised gain/(loss) on quotational periods for sale contracts	4,308	4,308
1.3	Dividends received (see note 3)		
1.4	Interest received	18	18
1.5	Interest and other costs of finance paid	(2,433)	(2,433)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (MMG Support Fees)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>6,513</b>	<b>6,513</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(2,479)	(2,479)
	(d) exploration & evaluation (if capitalised)		
	(e) investments		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets (cash backed bonding for new power contract)	(1,980)	(1,980)
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	72	72
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(4,387)</b>	<b>(4,387)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(137)	(137)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(10,264)	(10,264)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (repayment/reduction of rolling offtake pre-payments)	2,941	2,941
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(7,460)</b>	<b>(7,460)</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	40,005	40,005
4.2	Net cash from / (used in) operating activities (item 1.9 above)	6,513	6,513
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,387)	(4,387)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7,460)	(7,460)
4.5	Effect of movement in exchange rates on cash held	(354)	(354)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>34,317</b>	<b>34,317</b>

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	34,317	40,005
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>34,317</b>	<b>40,005</b>

**6. Payments to related parties of the entity and their associates**

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

232

0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
7.1	Loan facilities	US\$53,024	US\$53,024
7.2	Credit standby arrangements		
7.3	Other – offtake pre-payment	US\$18,102	US\$18,102
7.4	<b>Total financing facilities</b>	<b>US\$71,126</b>	<b>US\$71,126</b>

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 Loan facilities comprises two senior secured loan facilities:

- Facility A: Balance ~US\$25 million, maturity August 2021 (next repayment Feb 2021, US\$10.7M)
- Facility B: Balance ~US\$28 million, maturity July 2022 (next repayment October 2020, US\$4.7M)
- Refer to announcements dated 18 February 2019 & 23 December 2019 for further details

7.3 Other - offtake pre-payment comprises a rolling unsecured offtake agreement:

- Pre-payment balance (repayable in concentrate) is rolled in conjunction with continued concentrate sales between the parties. Adjustment in the pre-payment balance is by mutual agreement between the parties subject to market conditions.

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	6,513
8.2	Capitalised exploration & evaluation (Item 2.1(d))	0
8.3	Total relevant receipts/(outgoings) (Item 8.1 + Item 8.2)	6,513
8.4	Cash and cash equivalents at quarter end (Item 4.6)	34,317
8.5	Unused finance facilities available at quarter end (Item 7.5)	0
8.6	Total available funding (Item 8.4 + Item 8.5)	34,317
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>NA</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A



## 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.

Date: .....

Authorised by: .....  
(Board of New Century Resources Limited)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.