NEW CENTURY RESOURCES

ASX / MEDIA ANNOUNCEMENT **ASX: NCZ**

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21 April 2020

New Century launches A$51.1 million capital raising, with IGO Limited acquiring a strategic stake of up to 18.4%

Highlights

- **Capital raising of A$51.1 million via a placement and fully underwritten accelerated non-renounceable entitlement offer**
- **IGO Limited (ASX: IGO) to invest up to A$27 million, taking up to an 18.4% stake and entering a strategic relationship for ongoing collaborative assessment of Century exploration potential & other resource assets within the clean energy metals sector**
- **Issue price of both the placement & entitlement offer is A$0.15/share, representing a 19.0% premium to the 5-day VWAP**
- **Entitlement offer fully underwritten by Canaccord Genuity (Australia) Limited**

New Century Resources Limited (New Century or the **Company**) **(ASX:NCZ)** is pleased to announce it is conducting a capital raising by way of a placement and fully underwritten accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**) to raise approximately A$51.1 million (**Capital Raising**).

The issue price of shares under the Capital Raising (**New Shares)** will be A$0.15 (**Issue Price**), representing a 19.0% premium to the 5-day VWAP (A$0.126 per share) and is also equivalent to the last closing price as of 17 April 2020.

Funds raised from the Capital Raising will be used for general working capital as New Century continues to progress the final stage ramp up of operations to 12Mtpa at the Century Mine.

Placement

The Company has executed a subscription agreement with IGO Limited (**IGO**), pursuant to which IGO will invest A$27 million via a A$23.775 million placement (**Placement**), and a A$3.225 million sub-underwriting commitment under the Entitlement Offer, for a strategic 18.4% stake in the

Company on a post-Capital Raising basis[1]. IGO will have the right to appoint one member to the New Century Board, subject to IGO maintaining ownership above 10% of the Company.

New Century and IGO have also agreed to enter into a strategic relationship, which will allow the collaborative assessment of opportunities within the existing New Century tenements or other mining assets identified by the Company's ongoing due diligence programs. Where an asset is identified and jointly assessed as a suitable acquisition, the parties may enter into a joint venture or other commercial arrangement. This strategic relationship will cease to exist if IGO's shareholding in the Company falls below 10% for more than 30 consecutive days on which the ASX is open for trading.

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

> *"This fully underwritten capital raising provides important working capital for Century, which is now an established top-10 zinc mine globally and in the final stages of operational ramp up to nameplate 12Mtpa capacity.*
>
> *New Century would like to welcome IGO to the register as a new strategic major shareholder. The Company looks forward to working with the IGO team on opportunities for growth within the existing Century assets and beyond."*

Managing Director and CEO of IGO Limited, Peter Bradford, commented:

> *"IGO is pleased to support New Century through this placement and looks forward to both the success of current operations and potential collaboration with the Company on any future clean energy metals focused exploration or other business development initiatives that may add shareholder value for both companies."*

About IGO Limited

IGO Limited (ASX: IGO) is a leading ASX-listed exploration and mining company with a strategic focus on high quality assets of scale and longevity to produce metals critical to clean energy, including renewable energy, grid scale energy storage and the electrification of transport.

Headquartered in Perth, Western Australia, the Company owns 100% of the Nova nickel-copper-cobalt operation, holds a 30% non-operated interest in the Tropicana gold mine (a Joint Venture with AngloGold Ashanti), and is pursuing aggressive growth through a portfolio of belt scale exploration projects. IGO has a substantial cash balance, low debt and is currently net cash positive.

IGO's current market capitalisation is A$2,920 million.

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[1] *Assumes IGO's receives its full priority allocation as sub-underwriter.*

The Company will rely on the ASX Class Waiver Decision dated 31 March 2020 to undertake the Placement, with the Company's placement capacity calculated by reference to the number of Company shares that may be issued under the Entitlement Offer, and accordingly no shareholder approval is required in connection with the Placement. Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

Accelerated Entitlement Offer

Under the fully underwritten Entitlement Offer, the Company will raise A$27.3 million via the offer of two New Shares for every seven Shares held as at 7pm AEST on Thursday, 23 April 2020 (**Record Date**).

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is scheduled to complete on Wednesday, 22 April 2020.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from Monday, 27 April 2020 to Friday, 15 May 2020 to eligible retail shareholders with a registered address in Australia and New Zealand. Eligible retail shareholders will also be invited to subscribe for shares over and above their entitlement, subject to the overall level of participation in the Entitlement Offer.

Directors of the Company, together with their related entities, have also indicated they will seek to subscribe for up to a total amount of A$6.05 million, including via sub-underwriting in respect of entities associated with directors Robert McDonald and Evan Cranston for up to A$3.05 million.

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited, with IGO having a priority sub-underwriting allocation of A$3.225 million as part of its total A$27 million investment. Canaccord will also act as bookrunner for the Institutional Entitlement Offer.

Indicative Timetable

Event	Date
Announcement of Capital Raising Institutional Entitlement Offer opens	Tuesday, 21 April 2020
Institutional Entitlement Offer closes	Wednesday, 22 April 2020
Results of Institutional Entitlement Offer announced to ASX Suspension in trading lifted and trading resumes on an 'ex' entitlement basis	Thursday, 23 April 2020

Event	Date
Record Date for Entitlement Offer	7.00pm AEST Thursday, 23 April 2020
Settlement of Placement to IGO	Friday, 24 April 2020
Retail Entitlement Offer opens and despatch of offer booklet	Monday, 27 April 2020
Settlement of Institutional Entitlement Offer	Wednesday, 29 April 2020
Quotation of New Shares issued under the Institutional Entitlement Offer	Thursday, 30 April 2020
Retail Entitlement Offer Closing Date (5pm AEST)	Friday, 15 May 2020
Settlement and issue of New Shares under the Retail Entitlement Offer	Friday, 22 May 2020
Quotation of New Shares under Retail Entitlement Offer	Monday, 25 May 2020

The above timetable is indicative only and subject to change without notice. All references to time are to Australian Eastern Standard Time (AEST). The commencement of quotation of shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, New Century reserves the right to amend this timetable at any time without notice.

This announcement was approved for release by the Board. The Company will remain in suspension until the results of the Institutional Entitlement Offer are released to ASX.

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SPECIFIC RISK FACTORS

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of in evaluating the Company's business and risks of investing in the Company. Potential investors should carefully consider the following factors in addition to the other information presented in this announcement.

The principal risks include, but are not limited to, the following:

Commodity prices, treatment charges and exchange rate risk

The Company principally derives its revenue from the sale of zinc and silver. Consequently, any future earnings will be closely related to the price of these commodities, as well as the terms of any off-take agreements that the Company has or enters into.

The world market for minerals is subject to many variables outside of the control of the Company and may fluctuate markedly. These variables include world demand for zinc and silver, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions, expectations regarding inflation and interest rates and more recently the impact of COVID-19 on the economics of zinc demand and supply.

Production from the Company's mining operations is dependent upon the Australian dollar price of zinc and silver being sufficiently high for production to be economical. Material price declines in the market price of zinc or silver could cause commercial production from the Company's operations to be rendered uneconomic, or cause material losses in forecasted revenue and profitability. This may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities or continue as a going concern.

The Company would need to consider suspending operations at the Century Zinc Mine if there was a sustained low in zinc prices compared to its cost of production. In these circumstances, the Directors would need to consider whether operations at the Century Zinc Mine remain sustainable and viable, which could impact on the ability of the Company to continue as a going concern.

Receipts from the Company’s customers continue to be affected by 10-year highs to concentrate treatment charges in the zinc market. Since the re-starting of operations at the Century Zinc Mine in September 2018, treatment charges increased ~360%. Whilst there has been a recent reduction in treatment charges and industry expectation is that they will trend down, there is no guarantee the current trend will continue. In the event treatment charges return to their previous high, or move even higher, and / or the price of zinc declines, the revenue and profitability of the operations at the Century Zinc Mine would be adversely affected.

Metals are principally sold throughout the world in US dollars. The Company's cost base is substantially priced in Australian dollars with a much smaller contribution in US dollars. As a result, any significant and/or sustained rise in the exchange rate between the Australian dollar and the US dollar will have a materially adverse effect on the Company's financial position. Conversely any significant and/or sustained fall in the exchange rate between the Australian dollar and the US dollar will have a materially benefit on the Company's financial position.

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Liquidity position and availability of funding

Given the Company's current cash position (as disclosed in the Company's Quarterly Activities Report for the quarter ended 31 December 2019), if the Company is unable to raise sufficient funds in the short term via either debt or equity markets, then this may impact the ability of the Company to pay dividends and to continue as a going concern, especially if market conditions continue to deteriorate. In such circumstances the Company may need to consider alternative funding sources in the near term.

Production and development risk

The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage of production and development.

The Company is currently in the final stages of commissioning the Century Zinc Mine and is yet to reach commercial production. Whilst the Company has reached Phase 1 nameplate capacity of 8mtpa, as announced to ASX on 9 July 2019, it is yet to achieve full ramp up to Phase 2 nameplate capacity of 12mtpa, with current results to date up to 11.3mtpa (93% of nameplate). It is planned for nameplate throughput capacity to be reached by 30 June 2020.

Although the Company has continued to experience improved metallurgical performance and increased throughput towards the 12Mpta target, ongoing production and commissioning of the staged expansion may not proceed to plan, with potential for delay in the timing of targeted production and metallurgical recoveries and/or a failure to achieve the level of targeted production and recoveries. If such circumstances occurred in conjunction with adverse market factors such as low zinc prices and high smelter treatment charges, additional funding may be required by the Company.

In addition to potential delays, there is a risk that capital and/or operating costs will be higher than expected or there will be other unexpected changes in variables upon which expansion and commissioning decisions were made. These potential scope changes and/or cost overruns may lead also to reductions in revenues and profits and/or additional funding requirements or affect the ability of the Company to comply with the terms of financing facilities.

The Company's activities may be affected by numerous other factors. Mechanical failure of the Company's operating plant and equipment and general unanticipated operational and technical difficulties may adversely affect the Company's operations. Operating risks beyond the Company's control may expose it to uninsured liabilities. The business of mining, exploration and development is subject to a variety of risks and hazards such as mining accidents, flooding, environmental hazards, the discharge of toxic chemicals and other hazards. This can be compounded by the use of contractors including contract miners. Such occurrences may delay production, increase production costs or result in the suspension or termination of mining leases or licences, damage to, and destruction of, mineral properties or production facilities, personal injury, environmental damage and legal liability.

Mining operations, associated future development activities and sustaining exploration are highly speculative, involve many risks and may be unsuccessful. The Company's ability to sustain or increase its proposed forecast levels of production is dependent on its ability to achieve forecast geological interpretations, anticipated operating levels and to operate to set budgets and plans and the success of development projects associated with the life of mine business plan.

The ability of the Company to economically mine its mineral resources may be affected by a range of factors including:

- unanticipated variations in equipment productivity, operating parameters and cost;
- lack of availability or shortages of equipment, spare parts and consumables;
- continued access to appropriately skilled labour, competent operation and managerial employees, contractors and consultants;
- actual mineralisation consistency, the accuracy of Ore Reserve and Mineral Resource estimates, inconsistent or poor metallurgical recovery rates;
- the physical characteristics of the ore body including unanticipated changes in grade or tonnage of ore mined and processed, or reclassification of Mineral Resources and Ore Reserves;
- geotechnical, geological, metallurgical and hydrological conditions;
- availability of suitable water for processing plant operations;
- limitations to activities such as seasonal weather patterns and cyclone activity and other adverse weather conditions;
- other factors classified as force majeure circumstances;
- industrial action, disputes or disruptions;
- unanticipated operating and technical difficulties, mechanical failure of operating plant and equipment, industrial and environmental accidents;
- increases in costs and cost overruns; and
- financial failure, or default by any future alliance or service provider to the Company which may require the Company to face unplanned expenditure or interrupt mining and processing operations.

Changes in capital and operating cost estimates

The Company's capital and operating costs estimates are based on the best available information at the time. Any significant unforeseen increases or decreases in the capital and operating costs associated with the Century Zinc Mine would impact the Company's future cash flow and profitability. Capital and operating costs for the development of major projects in Australia can be highly sensitive to changes, positive or negative, in raw material prices as well as in labour and contractor costs.

Compliance with debt facility

The Company is required to comply with a number of covenants in its debt facility with Varde, which are standard for a facility of this type and include production tests. Non-compliance with the covenants may constitute an event of default (many of which are technical in nature). The occurrence of an event of default may entitle Varde to exercise certain rights (unless waived), including the acceleration of repayment of outstanding moneys on the facility and the enforcement of their security interests.

The exercise of such rights could have a material adverse effect on the Company's activities and financial condition.

Future capital requirements

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its ongoing revenues and the net proceeds of the Capital Raising should be adequate to fund its operations and other Company objectives in the medium term to long term.

In order to continue to the Company's expansion strategy at the Century Zinc Mine and any new business initiatives, the Company may require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Issue Price pursuant to the Capital Raising) or may involve restrictive covenants that limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities, in addition to those that the Company is already obliged to comply with under existing finance arrangements.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, or if operations do not generate sufficient revenues, the Company may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

In particular, MMG Limited has procured and stands behind the ongoing provision of bank guarantees of A$193.7 million to meet the Century Project financial assurance bond (lodged with the Queensland government) until 31 December 2023. Pursuant to arrangements with MMG, operating profits are to be partially used to replace the MMG-backed bank guarantees by 31 December 2023, whilst simultaneously reducing the financial assurance bond as rehabilitation activities proceed. There is no guarantee the Company will generate sufficient operating profits from operations to completely cover this obligation assuming it is not replaced by an alternative mechanism in this period. If the Company is unsuccessful in generating sufficient operating profits it will need to seek alternative coverage for the bond. In those circumstances the Company's ability to continue as a going concern at that time may be materially affected depending on the form of cover for the bond that can be obtained.

As outlined in section 10.2(f) of the Company's Prospectus dated 20 June 2017 (**Recompliance Prospectus**), MMG also has the ability to make cash calls in certain circumstances. Please refer to the Recompliance Prospectus for further details.

Business development initiatives

The Company maintains an ongoing process for reviewing a range of resource assets within the base metals and clean energy sectors for the purposes of assessing the suitability of these opportunities for potential corporate transactions.

As part of this strategy, the Company may make acquisitions or significant investments in companies, joint ventures, tenements or resource projects. In addition, the Company may also elect to issue shares or engage in capital raisings to fund investments, mergers or acquisitions that the Company may decide to undertake or if the opportunity arises. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or mining projects. This includes the potential dilution of shareholders' holdings or an increase of the current debts of the Company or impose further obligations on the Company subject to any contractual agreements, and the usual risks associated with mining projects.

All potential opportunity processes the Company is engaged in remain incomplete, and are subject to full technical, legal and economic due diligence. Whilst some processes are more advanced than others, and notwithstanding the Company's strategic relationship with IGO for the collaborative assessment of opportunities, there is no guarantee that the Company will be able to successfully conclude a transaction. The Company cautions investors that there is no certainty that any transaction will proceed.

Default under guarantee and security arrangements

The Company and its subsidiaries are party to guarantee and security arrangements as summarised in the Recompliance Prospectus. Non-compliance with the various obligations imposed on the Company and the subsidiaries under the guarantee and security arrangements could lead to the loss of title to the Century Zinc Mine. Further, the Company and the subsidiaries may also become liable to pay for losses sustained by relevant MMG Limited entities pursuant to the indemnity provided under the guarantee and security arrangements. If an indemnity payment became payable, it may have a material adverse effect on the Company's ability to continue as a going concern.

Underwriting risk

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Canaccord Genuity (Australia) Limited (**Underwriter**), who has agreed to fully underwrite the Entitlement Offer and act as lead manager to the Entitlement Offer, subject to certain terms and conditions. If certain conditions precedent are not satisfied or certain termination events occur, the Underwriter may terminate the Underwriting Agreement.

The Underwriter will have no obligations under the Underwriting Agreement until: the Company is granted suspension by ASX from the date of this announcement until the closing date of the institutional component of the Entitlement Offer; the lodgement of this announcement, an Appendix 3B and cleansing notice (in a form acceptable to the Underwriter) with ASX; the Underwriter receives copies of various due diligence documents in a form satisfactory to the Underwriter; and execution of the subscription agreement with IGO (**Subscription Agreement**).

In addition to the above conditions precedent:

- the obligations of the Underwriter to underwrite the institutional component of the Entitlement Offer are conditional upon satisfaction (or waiver) of additional conditions precedent, including (but not limited to) the settlement of the Placement, the results of the institutional component of the Entitlement Offer being announced and Shares resuming trading on that date; the Company releasing the retail entitlement offer booklet (in a form satisfactory to the Underwriter) to ASX and completing despatch of the offer booklet; and ASX not having indicated that it will not grant permission for official quotation of the Shares under the institutional component on or before the institutional settlement date;

- the obligations of the Underwriter to underwrite the retail component of the Entitlement Offer are conditional upon the conditions precedent referred to above and satisfaction (or waiver) of additional conditions precedent, including (but not limited to) allotment of the Shares pursuant to the institutional component and ASX not having indicated that it will not grant permission for official quotation of those Shares on or before the retail settlement date; and

- the Company is required to provide the Underwriter a certificate executed by the Company certifying various matters relating to performance of the Company's obligations under the Underwriting Agreement by the institutional settlement date and retail settlement date.

The termination events include (amongst others) any of the following events occurring prior to 8am on the retail allotment date (being the date of allotment of Shares under the retail component of the Entitlement Offer): the Company ceases to be admitted to the official list or the Shares are suspended from trading by reason of Listing Rule 17.3, or it is announced by ASX or the Company that such an event will occur, in each case other than the suspension expressly contemplated by the timetable in order to undertake the institutional component or other voluntary suspension with the prior consent of the Underwriter; the Company or a subsidiary is insolvent or a circumstance arises which is likely to result in the Company or subsidiary becoming insolvent; the Company notifies the Underwriter that it does not wish to proceed with the Entitlement Offer; there is a 'force majeure' event making it illegal for the Underwriter to satisfy a material obligation of the Underwriting Agreement or to market, promote or settle the Offer; any circumstance that results in the Company repaying application monies or offering applications the opportunity to withdraw their applications; fraudulent, misleading or deceptive conduct by the Company or its officers in connection with the Entitlement Offer; the Company being prevented from issuing Shares by virtue of applicable law or regulatory action; alteration to the Company's capital structure without Underwriter's consent or as otherwise provided by the Underwriting Agreement; the S&P/ASX 200 Index closing on any two consecutive business days prior to the retail settlement date, or the business day immediately prior to the institutional settlement date or retail settlement date, at a level that is 10% or more below its level as at the close of trading on the business day before the date of the Underwriting Agreement; the price of zinc by reference to the LME Zinc Official price closes on: any three consecutive business days prior to the retail settlement date, or the business day immediately prior to the institutional settlement date or retail settlement date, at a level that is 10% or more below its level as at the close of trading on the business day before the date of the Underwriting Agreement; certain regulatory action taken by ASIC; an application to a governmental agency for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Entitlement Offer; a corrective statement being made by the Company in respect of the cleansing notice; failure by the Company to furnish a certificate when required or furnishing of a defective certificate; refusal by ASX to grant official quotation of the Shares the subject of the Entitlement Offer in accordance with the timetable; an event in the timetable is delayed other than in accordance with the Underwriting Agreement; the Subscription agreement is terminated, rescinded, avoided or repudiated at any time prior to settlement of the Placement or failure to settle the Placement in accordance with the specified timetable.

Additional termination events include (amongst others) any of the following events occurring prior to 8am on the retail allotment date provided the event is considered by the Underwriter to have a material adverse effect on the Company, the Entitlement Offer, price of Shares or a decision of investors to invest in Shares and could reasonably be expected to give rise to a contravention or liability of the Underwriter under any applicable law: failure by the Company to observe obligations under the Underwriting Agreement; any of the due diligence documents being withdrawn or varied without prior written consent; the due diligence report becoming false or misleading or likely to mislead or deceive; breach of representation or warranty made by the Company; a new circumstance arises which is a matter adverse to investors and which would have been required to be included in the information documents; legal proceedings are brought against the Company or a group member; an adverse change or event occurs that is likely to give rise to an adverse change in the business, assets, liabilities, financial positon, performance, operations, management, outlook or prospects of the Company; where the Underwriter believes that an adverse change relating to the position of the Company has occurred as a director or indirect result of the coronavirus disease COVID-19 or SARS-COV-2; the information documents are issued or varied by the Company without prior consent of the Underwriter; change in law; certain specified disruption in financial markets; major international hostilities; change in certain officers of the Company; regulatory action being taken against directors or officers of the Company; any statement in the information documents associated with the Entitlement Offer becoming false, misleading or likely to mislead or deceive, or does not contain all information required to comply with all applicable laws or is withdrawn; or any expression of belief, expectation or intention or statement relating to future matters in an information document or public document is or becomes incapable of being met, in the opinion of the Underwriter.

Termination of the Underwriting Agreement could result in the Entitlement Offer not proceeding or not raising the anticipated amount of proceeds, and accordingly materially adversely affect the Company's business, cash flow, financial condition and its ability to continue as a going concern. In this event, the Company may be required to source funding by alternative means, which may result in additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which the Company may conduct its business and deal with its assets (for example, by way of restrictive covenants binding upon the Company).

Native title

The Company notes that Century Mining Limited (a Company subsidiary) is a party to the Gulf Communities Agreement and other cultural heritage and associated community native title agreements in connection with the Century Project. The company maintains an unblemished record of compliance with the Gulf Communities Agreement and associated community agreements and has no current need to negotiate any agreement to allow for the continuation of current activities or any future mining developments within the existing mining leases.

Issues with local communities may materially and adversely affect the Company's operations. Issues with the local communities surrounding the areas where the Company operates now or in the future may arise from the implementation of the Company's business activities. These issues may result in community protests, road blockades and third party claims. The failure to successfully settle any local community issues could have a material and adverse effect upon the Company's business, prospects, financial condition and results of operations.

Mine life risk

The Company currently has Ore Reserves (as that term is defined in the JORC Code) capable of supporting current production rates for approximately 6 years based on current tailings operations. The Company has exploration assets in addition to its economic mining operations, however the Company cannot guarantee the ability to develop its current exploration assets into economic production and increase mine life.

Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with the applicable regulations. Any failure to comply with such regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Rehabilitation costs

Legislation in Queensland was amended in 2018 to enshrine progressive rehabilitation of mining projects in law, including providing for alternative forms of surety. Previously, holders of an environmental authority were required to provide to the Department of Environment and Science (**Department**) financial assurance (as security) for compliance with the environmental authority. The present financial assurance provided to the Department for the Century Project is A$193.7 million. The concept of financial assurance has now been replaced with an 'Estimated Rehabilitation Cost' (**ERC**) which is advised by the Department.

In transitioning to the new system, the Company completed a review of the new ERC for the Century Zinc Mine and made an application to the Department to lower the ERC. The Company since commenced proceedings in the Land Court appealing a decision of the Department to attempt to increase the ERC without sufficient review of its new ERC application, and has obtained a stay of the Department's decision. The effect of the stay is that the ERC will not be increased and no obligation to provide for additional security to meet the Department's ERC calculation has crystallised whilst the Land Court proceedings are on foot.

Whilst the Department has separately since commenced a further review of its decision, and the Company is confident there will not be an increase to the ERC, there is no guarantee the Land Court will not increase the ERC from the current A$193.7 million. If such an increase were material, the Company could be required to seek a financial instrument that covers such an extension of the ERC, or alternatively raise additional capital or find alternative sources of financing on terms that are dilutive or may involve restrictive covenants which limit the Company's operations and business strategy. The Company anticipates the Land Court proceedings will take approximately 12-15 months to finalise the matter.

Environmental risks

The Company's operations are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects have a variety of environmental impacts. Ongoing operations are dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company conducts and intends to continue to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

Operating risks

In common with other enterprises in the minerals and mining industry, the Company's mineral production, development and related mining activities, including the delivery of supplies and consumables and the transportation of products to customers are subject to conditions beyond the Company's control that can reduce production and sales and/or increase costs. These conditions include, but are not limited to: changes in legislative requirements (including those made to combat COVID-19); market conditions; supply constraints and disruptions; government policies; exchange rates; abnormal or severe weather or climatic conditions; natural disasters; unexpected maintenance, equipment or other technical problems; key equipment failures; industrial disruption; and variations in geological conditions. An inability to secure ongoing supply of goods and services at prices assumed within production budgets and targets, or a disruption to the supply chain when delivering goods to customers, could potentially impact the results of the Company's operations, and in a worst-case scenario, result in the shutdown of the operation.

Offtake risk

The Company has a number of offtake contracts in place for the sale of zinc concentrate. There is a risk the Company is unable to consistently meet product specifications or delivery obligations under those agreements. In those circumstances, the Company's cash flow may be adversely affected or curtailed.

The Company's cash flow and financial position will also depend on the performance by counterparties of their contractual obligations, including the timely payment in full of their purchases of product from the Company on the agreed terms and conditions. Such purchases of concentrate are typically payable in arrears, and any delay in receipt, or inability or refusal to pay in full, will negatively impact the Company's cash flow and financial position.

In particular, sales are usually provisionally priced on market prices set at the time of sale. But on finalisation of the contract, which generally can be up to six months after the initial sale, the applicable prices are adjusted for the market price then prevailing over the selected "quotational period" under the terms of the sales contract. This means the Company may be required to pay additional amounts at the time of the finalisation of the contract if the final market price has moved against the Company, or alternatively, receive additional amounts if the market price has moved favourably for the Company.

Key personnel and labour market risk

The ability of the Company to achieve its objectives depends upon the retention of key management and operational staff who constitute its technical, operational, marketing and commercial expertise. If the Company cannot secure and retain this expertise or if the services of such key personnel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframe and budget the Company has decided upon.

The ability of the Company to achieve its objectives also depends upon the retention of certain key external contractors that provide a number of important services and operational capabilities (for example, hydraulic mining, operation of the processing plant and maintenance) which are an important part of the Company's overall technical and operational expertise. If the Company cannot secure and retain this technical expertise or if the services of such key external contractors cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the expected timeframes and budget.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Company believes that generally appropriately skilled and experienced professionals and external contractors are available to provide services to the Company at market levels in the event some key management and operational personnel and external contractors cease to be available. This may not always be the case with the travel and other restrictions imposed at a national, state and local level as a result of the COVID-19 crisis.

Reliance on key contractors

The Company relies on a number of key contractors for the provision of mining and other logistics services. Any delay in contractors completing work or encountering operational difficulties may lead to a loss of revenue and increased costs.

There is also a risk that the loss of one or more contracts with key contractors (including due to insolvency of the contractor) may lead to an increase in the Company's costs of production or even loss of production. The Company has considered and continues to consider various mitigants within its risk management processes to deal with the loss of a key contractor, but cannot guarantee the loss of a key contractor will not lead to an increase in costs and/or decrease in revenue.

Licenses and permits

The Company's mining and exploration activities are dependent upon the maintenance of appropriate licences, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of licences, obtaining renewals, or getting licences granted, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licences, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed.

Estimation of Mineral Resources and Ore Reserves

There is a degree of uncertainty to the estimation of Mineral Resources (as that term is defined in the JORC Code) and Ore Reserves and corresponding grades being mined or dedicated to future production. Until Mineral Resources or Ore Reserves are actually mined and processed, the quantity of Mineral Resources and Ore Reserves must be considered as estimates only. In addition, the grade of Mineral Resources and Ore Reserves may vary depending on, among other things, zinc, lead and silver prices. Any material change in quantity and grades of Mineral Resources or Ore Reserves may affect the economic viability of the properties.

Fluctuation in the price of commodities including zinc, lead and silver, results of drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any mineral resource estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources and/or Ore Reserves, could have a material adverse effect on the Company's financial condition.

Occupational health and safety risk

Mining activities have inherent risks and hazards. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. The Company provides appropriate instructions, equipment, preventative measures, first aid information, medical facilities and training to all stakeholders through its occupational health and safety management systems. While the Company has a strong record in achieving high quality safety performance at its sites, a serious site safety incident may expose the Company to significant penalties and the Company may be liable for compensation to the injured personnel. These liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Accordingly, any liabilities for workplace accidents could have a material adverse impact on the Company's liquidity and financial results.

It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation or directions or necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company.

Risks in the nature of common force majeure risks

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions usually described in force majeure provisions of contracts. These risks could result in production delays or disruptions to the Company's operations.

Coronavirus disease

The outbreak of coronavirus disease (**COVID-19**) is having a material effect on global economic markets and the operation of a wide variety of businesses, including those in the mining industry. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on the industry dynamics, the macro-economic environment, capital markets and share prices.

The Company's share price may be adversely affected by the economic uncertainty or specific requirements for the operations triggered by the response to COVID-19. Further, any measures to limit the transmission of the virus implemented by national, state and local governments around the world (such as travel bans and quarantining) or deemed necessary by the Company to protect the health of its workforce may adversely impact the Company's operations and affect its ability to continue as a going concern.

Insurance risks

The Company maintains insurance coverage that is substantially consistent with mining industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at economically viable premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

Litigation risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on its financial position and financial performance.

So far as the Directors are aware, other than as disclosed, there is no other current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would adversely affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's operations or development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

Negative publicity may adversely affect the Share price

Any negative publicity or announcement relating to any of the Company, its substantial shareholders or key personnel may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

Tax risk

The Company is subject to taxation and other imposts. Changes in taxation laws (including transfer pricing), or changes in the interpretation or application of existing laws by courts or applicable revenue authorities, may affect the taxation of the Company's business activities and adversely affect the Company's financial condition.

Climate change risks

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- The emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

- Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- zinc prices, exchange rates and treatment charges and other economic determinates of the Company's business;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and

- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders.

Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under the Capital Raising. Therefore, the New Shares to be issued pursuant to the Capital Raising carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to the Capital Raising.

INTERNATIONAL OFFER RESTRICTIONS FOR INSTITUTIONAL OFFER

This announcement does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(a) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(b) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(c) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(d) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NEW CENTURY RESOURCES

Forward-Looking Statements

This announcement includes forward-looking statements. These forward-looking statements are based on New Century's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of New Century, which could cause actual results to differ materially from such statements. New Century makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

Not for release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.