NEW CENTURY RESOURCES

LIMITED AND CONTROLLED ENTITIES

ABN 53 142 165 080

HALF-YEAR FINANCIAL REPORT

FOR THE SIX MONTHS ENDED

31 December 2020

TABLE OF CONTENTS

CORPORATE DIRECTORY

Directors

Robert McDonald (Chairman)
Patrick Walta (Managing Director)
Nick Cernotta (Non-Executive Director)
Kerry Gleeson (Non-Executive Director)
Peter Watson (Non-Executive Director)

Company secretary

Tom Wilcox

Stock exchange

Australian Securities Exchange (ASX) Code: NCZ
Home office: Perth

Country of incorporation and domicile

Australia

Registered and business address

Level 4, 360 Collins Street
Melbourne, Victoria 3000
Australia
Telephone: +61 3 9070 3300
Email: info@newcenturyresources.com
Website: www.newcenturyresources.com

Auditors

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne, Victoria, 3000

Share registry

Automic Registry Services
126 Phillip Street
Sydney, New South Wales, 2000
Telephone: +61 2 9698 5414

Solicitors

Allens
Level 37
101 Collins Street
Melbourne, Victoria, 3000

DIRECTORS' REPORT

The Directors present their report, together with the Condensed Consolidated Interim Financial Statements ('the Financial Statements'), on the consolidated entity (referred to hereafter as the 'Group') consisting of New Century Resources Limited (referred to hereafter as 'New Century Resources' or the 'Company') and the entities it controlled for the half-year ended 31 December 2020.

Directors

The Directors who held office during or since the end of the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Robert McDonald (Chairman)	
Patrick Walta (Managing Director)	
Nick Cernotta	
Kerry Gleeson	appointed 30 November 2020
Peter Watson	
Bryn Hardcastle	resigned 30 November 2020
Evan Cranston	resigned 9 July 2020

Principal activities

The principal activities of the Group for the period were the mining and processing of tailings dam materials containing zinc. The Group also undertook mineral exploration activities and explored business development opportunities.

Dividends

No dividend has been declared or paid by the Group during the half-year and the Directors do not at present recommend a dividend (30 June 2020: Nil).

Operating results

The consolidated loss for the period of the Group amounted to $7,276,193 (6 months to 31 December 2019: Loss $7,354,039) after income tax expense of nil.

Review of operations and significant changes in the state of affairs

The safety and wellbeing of our people and other stakeholders has been at the forefront of the Group's response to the evolving COVID-19 pandemic. There have been no COVID-19 cases identified at any of the Group's sites or offices and no significant disruption was experienced during the half-year. To ensure the safety of our employees and business partners, extensive preventative and contingency measures remain in place. The Group has introduced work-life plans and has normalised remote working where possible, thereby creating a more resilient organisation without forgoing productivity.

As disruption continues to affect the global zinc mining industry, the Group has experienced increased demand for its product in recognition that Century's integrated mine and port facilities provide a strong platform for safe and uninterrupted operation during the COVID-19 pandemic. Century operations are well positioned to maintain continuity of supply into the tight market due to severe supply cuts and strong zinc concentrate demand. The Group is now experiencing a drop in treatment charges reflecting the response to growing demand for zinc. At this stage there is no indication that the COVID-19 pandemic will impact the Group's working capital outside of fluctuations in the zinc price and the exchange rates which may be linked to the market's reaction to broader economic factors.

Whilst the COVID-19 pandemic has not materially adversely impacted the asset recoverability or financial results of the Group during the half-year, the potential for increased volatility in commodity prices and foreign exchange rates and restrictions on movement of people and materials remains and may cause adverse impacts in the future.

The Group commenced commercial production at the Century Mine on 1 July 2020. From 1 July 2020, revenue from the sale of zinc together with the associated costs of producing zinc has been recognised in the income statement. In the prior period, the pre-commissioning sales and associated costs were being recognised as part of property, plant and equipment. The key criteria used to determine the status of commissioning of the Century Mine related to the achievement of commercial levels of production, included but was not limited to completion of a reasonable period of testing of the mine plant and equipment, the ability to produce zinc concentrate in saleable form and the ability to sustain continuous production of zinc concentrate at commercially viable levels.

In December 2020, the Company raised $35,058,765 (before transaction costs) via a placement and non-renounceable entitlement offer. Refer to Note 21 to the Financial Statements for further details.

During the period, the Group made further repayments on the borrowings from Varde Partners, and together with the favourable foreign exchange rate movements, it reduced the total borrowings by approximately 30 percent from $82,131,025 at 30 June 2020 to $57,382,436 at 31 December 2020. Refer to Note 17 to the Financial Statements for further details. In January 2021, the Group made an early repayment against the Varde borrowings which, together with scheduled repayments in March 2021, are forecast to reduce the outstanding debt to less than US$30 million by the end of March 2021, which is approximately 42 percent of the total funds drawn down under the facilities provided.

The Group has put in place hedges for a portion of the Century mine's future planned zinc production. Century's profitability and cash flow are sensitive to the realised Australian dollar zinc price. Having regard to the favourable spot and forward prices at the time, hedging in the form of US dollar zinc purchased put option contracts were put in place in the last quarter of 2020 (as well as in the first quarter of 2021). The zinc purchased put option contracts were not designated for hedge accounting. Refer to Note 12 to the Financial Statements for further details.

In the prior period, on 26 May 2020, the Company had announced it had entered into a 60-day exclusivity period with Vale Canada Limited (VCL), a subsidiary of Vale S.A., to complete due diligence and negotiate the acquisition of shares in Vale Nouvelle Calédonie S.A.S. (VNC), which owns and operates the Goro Nickel & Cobalt Mine in New Caledonia (Goro). On 8 September 2020, the Company announced it had elected not to proceed with the proposed transaction.

Kerry Gleeson joined the Group as a Non-Executive Director of New Century Resources in November 2020. Evan Cranston and Bryn Hardcastle stepped down from the Board of New Century Resources in July 2020 and November 2020 respectively.

For more information on significant events that occurred since the end of the half-year, refer to the Matters subsequent to the end of the half-year section below.

Matters subsequent to the end of the half-year

In January 2021, the Group announced it had reduced its financial assurance requirements with the Queensland Department of Environment and Science. The finalisation of the rehabilitation estimates with the Queensland Department of Environment and Science, together with other periodic accounting adjustments of discount unwind and change in discount rate, resulted in the provision for mine rehabilitation reducing from $215,587,408 at 30 June 2020 to $175,494,186 at 31 December 2020.

In the prior financial periods, a strategic decision was made by the Group to suspend work on the definitive feasibility study for the Kodiak Coking Coal Project, which is located in Alabama, USA. The Project had been put in care and maintenance mode and the Group was considering its options with regards to the future of the Project. In February 2021, the Group sold its interest in the Kodiak Coking Coal Project. Total proceeds on disposal were approximately $0.1 million. The net carrying value of the operation was a liability of approximately $0.1 million. A net non-cash gain of approximately $4 million was recognised in February 2021 upon disposal of the operations due to the release of the Foreign Currency Translation Reserve. The Kodiak Coking Coal Project constituted a reportable segment, the USA segment, as set out in Note 2 to the Financial Statements.

There have been no other events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Group's operations or results in future periods.

Future developments, prospects and business strategies

Disclosure of further information regarding likely developments in the operations of the Group in future financial periods and the expected results of those operations are set out in the Company's ASX announcements which are located at the Company's website.

Auditor's independence declaration

The auditor's independence declaration is set out on the following page and forms part of the Directors' Report for the half-year ended 31 December 2020.

Made and signed in accordance with a resolution of the Directors.

Robert McDonald
Chairman

15 March 2021

Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

15 March 2021

The Board of Directors
New Century Resources Limited
Level 4
360 Collins Street
Melbourne, VIC, 3000

Dear Board Members

Auditor's Independence Declaration to New Century Resources Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of New Century Resources Limited.

As lead audit partner for the review of the financial statements of New Century Resources Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Vlahovic

Suzana Vlahovic
Partner
Chartered Accountants

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2020	Note	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Revenue	2	126,164,016	-
Fair value movements in trade receivables	2	6,192,477	-
Net fair value loss on zinc derivatives	12	(1,537,099)	-
Site production costs	2	(88,323,582)	-
Employee benefits	2	(18,093,491)	(1,606,346)
Changes in zinc concentrate inventory	10	9,460,752	-
Depreciation and amortisation expense	3	(32,821,993)	(98,250)
Exploration and evaluation expenditure		(631,660)	(732,267)
Employee benefits – share based payments		(629,311)	(282,853)
Professional expenses	4	(5,130,077)	(1,316,863)
Foreign exchange gains/(losses)	5	10,782,491	(2,091,729)
Finance income	6	36,863	181,189
Finance expenses	6	(12,907,445)	(1,402,861)
Other income		161,866	766,501
Other expenses		-	(770,560)
Loss before income tax expense		**(7,276,193)**	**(7,354,039)**
Income tax expense	7	**-**	**-**
Loss for the half-year		**(7,276,193)**	**(7,354,039)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange loss on translation of foreign controlled entities, net of tax		4,997	(21,017)
Other comprehensive gain/(loss) for the half-year		4,997	**(21,017)**
Total comprehensive loss for the half-year		**(7,271,196)**	**(7,375,056)**
Loss for the half-year attributable to:			
Members of the parent entity		**(7,276,193)**	**(7,354,039)**
Total comprehensive loss for the half-year attributable to:			
Members of the parent entity		**(7,271,196)**	**(7,375,056)**

Loss per share	$	$
Basic and diluted loss per share	(0.0072)	(0.0123)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2020	Note	31 Dec 2020 $	30 Jun 2020 $
Current assets			
Cash and cash equivalents	8	50,996,657	40,005,053
Trade and other receivables	9	8,466,988	13,499,524
Inventories	10	20,317,226	6,072,000
Prepayments	11	5,247,857	2,109,998
Financial assets	12	2,490,736	-
Total current assets		**87,519,464**	**61,686,575**
Non-current assets			
Property, plant and equipment	13	291,791,954	361,286,868
Right-of-use assets	14	39,341,913	44,430,521
Other financial assets	15	19,298,199	16,189,837
Total non-current assets		**350,432,066**	**421,907,226**
TOTAL ASSETS		**437,951,530**	**483,593,801**
Current liabilities			
Trade and other payables	16	74,296,740	76,716,927
Borrowings	17	38,724,309	40,945,834
Financial liability at fair value through profit and loss	18	3,127,663	3,127,663
Lease liabilities	14	11,631,835	11,205,730
Employee benefit provisions	19	3,534,588	2,642,422
Total current liabilities		**131,315,135**	**134,638,576**
Non-current liabilities			
Environmental rehabilitation provisions	20	175,494,186	215,587,408
Borrowings	17	18,658,127	41,185,191
Financial liability at fair value through profit and loss	18	4,036,143	5,672,286
Lease liabilities	14	28,458,397	33,934,515
Total non-current liabilities		**226,646,853**	**296,379,400**
TOTAL LIABILITIES		**357,961,988**	**431,017,976**
NET ASSETS		**79,989,542**	**52,575,825**
Equity			
Issued capital	21	436,644,145	402,588,543
Foreign currency translation reserve	22	4,058,372	4,053,375
Accumulated losses		(360,712,975)	(354,066,093)
TOTAL EQUITY		**79,989,542**	**52,575,825**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020	Ordinary shares $	Accumulated losses $	Foreign currency translation reserve $	Total $
Opening balance	**402,588,543**	**(354,066,093)**	**4,053,375**	**52,575,825**
Comprehensive income				
Loss for the half-year	-	(7,276,193)	-	(7,276,193)
Other comprehensive income for the half-year				
Exchange differences on translation of controlled entities	-	-	4,997	**4,997**
Total comprehensive loss for the half-year	**-**	**(7,276,193)**	**4,997**	**(7,271,196)**
Transactions with owners, in their capacity as owners				
Issue of shares	35,902,725	-	-	**35,902,725**
Share based payments	-	629,311	-	**629,311**
Costs arising from issue of shares	(1,847,123)	-	-	**(1,847,123)**
Closing balance	**436,644,145**	**(360,712,975)**	**4,058,372**	**79,989,542**

For the half-year ended 31 December 2019	Ordinary shares $	Accumulated losses $	Foreign currency translation reserve $	Total $
Opening balance	**312,052,963**	**(346,514,089)**	**4,096,678**	**(30,364,448)**
Comprehensive income				
Loss for the half-year	-	(7,354,039)	-	**(7,354,039)**
Other comprehensive income for the half-year				
Exchange differences on translation of controlled entities	-	-	(21,017)	**(21,017)**
Total comprehensive loss for the half-year	**-**	**(7,354,039)**	**(21,017)**	**(7,375,056)**
Transactions with owners, in their capacity as owners				
Issue of shares	43,615,000	-	-	**43,615,000**
Share based payments	-	282,853	-	**282,853**
Costs arising from issue of shares	(2,264,848)	-	-	**(2,264,848)**
Closing balance	**353,403,115**	**(353,585,275)**	**4,075,661**	**3,893,501**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2020	Note	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		131,391,924	-
Payments to suppliers and employees		(115,815,900)	(749,944)
Interest received		36,863	181,189
Financing expenses paid		(3,743,066)	-
Payments for exploration and evaluation		(627,691)	(732,267)
Net cash inflow/(outflow) from operating activities		**11,242,130**	**(1,301,022)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from sale of pre-commissioning zinc concentrate	13	6,484,154	81,801,609
Payments for property, plant and equipment		(7,630,151)	(142,093,180)
Payments for security guarantees	15	(3,108,362)	-
Proceeds from disposal of property, plant and equipment		143,507	-
Proceeds from disposal of investment	23	-	10,000
Net cash outflow from investing activities		**(4,110,852)**	**(60,281,571)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of Varde borrowings – facility A	17	(15,355,798)	-
Repayments of Varde borrowings – facility B	17	(6,603,264)	-
Payments for financial liability at fair value through profit or loss – facility A	18	(376,416)	(1,187,795)
Payments for financial liability at fair value through profit or loss – facility B	18	(375,461)	-
Proceeds from share issues	21	35,058,765	43,518,000
Payments for share issue costs	21	(1,847,123)	(2,264,848)
Payments for lease liabilities	14	(6,918,217)	(6,604,478)
Proceeds from borrowings – Equipment finance	17	295,100	-
Repayment of borrowings – Equipment finance	17	(17,260)	-
Proceeds from MMG funding support		-	5,750,000
Net cash inflow from financing activities		**3,860,326**	**39,210,879**
Net increase/(decrease) in cash and cash equivalents		10,991,604	(22,371,714)
Cash and cash equivalents at the beginning of the financial period		40,005,053	34,282,769
Cash and cash equivalents at the end of the half-year		**50,996,657**	**11,911,055**

The accompanying notes form part of these financial statements.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1: Basis of preparation

Reporting entity

New Century Resources Limited ('the Company') is a company domiciled in Australia. The Condensed Consolidated Interim Financial Statements (the 'Financial Statements') of the Company for the half-year ended 31 December 2020 comprise the Company and its controlled entities (together referred to as the 'Group'). The principal activities of the Group for the period were the mining and processing of tailings dam materials containing zinc. The Group also undertook mineral exploration activities and explored business development opportunities.

The Annual Report of the Group for the year ended 30 June 2020 is available at the Company's website at www.newcenturyresources.com.

Statement of compliance

The Financial Statements are prepared on a going concern basis in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Financial Statements do not include all of the information required for a full annual financial report and should be read in conjunction with the Annual Report of the Group for the year ended 30 June 2020 and any public announcements made by the Company during the interim financial reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Financial Statements were approved by the Board of Directors on 15 March 2021.

Significant accounting policies

The accounting policies applied by the Group in the Financial Statements are consistent with those applied by the Group in its Annual Report for the year ended 30 June 2020, except for the accounting policies related to the commencement of commercial production on 1 July 2020, which have been disclosed in the notes to the half-year Financial Statements. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Critical accounting estimates and judgements

Estimates and judgements used in developing and applying the Group's accounting policies are continually evaluated and are based on experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical estimates and judgements are consistent with those applied by the Group in its Annual Report for the year ended 30 June 2020.

Going concern

The Financial Statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business for a period of at least 12 months from the date of signing the Financial Statements.

The principal activities of the Group for the period were the mining and processing of tailings dam materials containing zinc. The Group also undertook mineral exploration activities and explored business development opportunities. The Group achieved commencement of commercial production of the Century Mine on 1 July 2020.

The Group incurred a net loss of $7,276,193 during the period. As at 31 December 2020, the Group had a net current asset deficiency of $43,795,671 (30 June 2020: net current asset deficiency of $72,952,001). The net current asset deficiency is calculated as current assets less current liabilities. The Group generated for the period and expects to continue to generate positive earnings before interest, income tax, depreciation and amortisation (EBITDA) and positive operating cash flows for the next twelve months.

In addition, the Directors of the Company note the following considerations relevant to the Group's ability to continue as a going concern:

- As at 31 December 2020, total cash and cash equivalents of $50,996,657 were held by the Group.

- Cash flow forecasts from internal financial modelling show that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing the Financial Statements.

- The achievement of cash flow forecasts assumes no overall substantial negative shift in the macroeconomic environment for zinc, including the collective impact of a material fall in US dollar zinc prices, and/or a material rise in zinc treatment charges, the Australian dollar to US dollar exchange rate and shipping costs.

- It also assumes that the processing plant at the Century Mine does not substantially perform below the production, zinc recovery rate and zinc concentrate grade estimates used for financial modelling purposes. In arriving at the appropriate production, zinc recovery rate and zinc concentrate grade estimates to use in the financial modelling, the Directors took into account recent plant performance following the execution of various capital works and the guidance of an external, industry-recognised metallurgy consultancy.

- The Group will, if necessary and in response to a substantial decline in the macroenvironment for zinc, employ all operational and financial tools available to it to minimise the impact of such macroeconomic factors on the Group's ability to sustain positive cash outcomes.

  These tools will be accessed only if they become warranted and in the context of the overall economic climate. These tools may include, amongst others:

  i.) Ongoing judicious management by the Group's Marketing team of the balance between spot and frame contracts, their tenor, their renewal terms and the mechanisms negotiated to provide for advance payment or other timing benefits in order to maximise the cashflow benefit.

  ii.) Possible hedging of known production either outright and/or through the hedging of the Quotation Period exposure in the form of swaps, put options or collars provided such hedging falls within the Group's Financial Risk Management Policies.

  iii.) Executing continuing operational improvements designed to enhance the level of metal production. With the assistance of an external, industry-recognised metallurgy consultancy, the site-based operators have identified a series of such incremental projects which are in differing stages of assessment and execution but overall should provide an improvement of the metal recoveries used in the financial modelling.

  iv.) Pursuing a revived drive to reduce or defer costs in partnership with our major suppliers.

  v.) Managing reagents and spares inventory based on experience to date to maximise working capital efficiency.

  vi.) Initiating discussion with debt and funding providers to spread the timing of repayments to accord more with the macroeconomic conditions being encountered at the time or alternatively refinancing the exist debt over a longer tenor. In this regard the Directors of the Company noted that by the end of March 2021 the debt outstanding to Varde Partners will be less than US$30 million, which is approximately 42 percent of the total funds drawn down under the facilities provided.

  vii.) If justified accessing equity markets to replace existing debt. The Group has a history of successful capital raising.

As a result, the Directors are of the view that the Group will be able to meet its debts as and when they fall due and accordingly the Directors have prepared the Financial Statements on the going concern basis.

Note 2. Operating segments

Description of segments

The Group has determined the operating segments based on the reports reviewed by the Board of Directors in order to make strategic decisions. The Board of Directors considers how resources are allocated and performance is assessed and has identified two reportable segments being Australia (which constitutes the Century Mine) and United States of America (which constitutes the Kodiak Project which was disposed of subsequent to the half-year reporting period in February 2021).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Intersegment transactions

Segment assets and liabilities are presented net of any intersegment borrowings.

Segment information

	Australia 6 months to 31 Dec 2020 $	USA 6 months to 31 Dec 2020 $	Total 6 months to 31 Dec 2020 $	Australia 6 months to 31 Dec 2019 $	USA 6 months to 31 Dec 2019 $	Total 6 months to 31 Dec 2019 $
Revenue	126,164,016	-	126,164,016	-	-	-
Fair value movements in trade receivables	6,192,477	-	6,192,477	-	-	-
Net fair value loss on zinc derivatives	(1,537,099)	-	(1,537,099)	-	-	-
Site production costs	(88,323,582)	-	(88,323,582)	-	-	-
Employee benefits	(18,093,491)	-	(18,093,491)	(1,606,346)	-	(1,606,346)
Changes in zinc concentrate inventory	9,460,752	-	9,460,752	-	-	-
Exploration and evaluation expenditure	(168,304)	(463,356)	(631,660)	(99,633)	(632,634)	(732,267)
Employee benefits – share based payments	(629,311)	-	(629,311)	(282,853)	-	(282,853)
Professional expenses	(5,124,176)	(5,901)	(5,130,077)	(1,316,863)	-	(1,316,863)
Foreign exchange gains/(losses)	10,782,491	-	10,782,491	(2,091,729)	-	(2,091,729)
Other income	161,866	-	161,866	766,501	-	766,501
Other expenses	-	-	-	(766,161)	(4,399)	(770,560)
Earnings/(loss) before interest, income tax, depreciation and amortisation ('EBITDA')	**38,885,639**	**(469,257)**	**38,416,382**	**(5,397,084)**	**(637,033)**	**(6,034,117)**
Depreciation and amortisation expenses	(32,821,993)	-	(32,821,993)	(98,250)	-	(98,250)
Earnings/(loss) before interest and income tax ('EBIT')	**6,063,646**	**(469,257)**	**5,594,389**	**(5,495,334)**	**(637,033)**	**(6,132,367)**
Finance income	36,732	131	36,863	177,280	3,909	181,189
Finance expense	(12,907,445)	-	(12,907,445)	(1,402,861)	-	(1,402,861)
Earnings/(loss) before income tax ('EBT')	**(6,807,067)**	**(469,126)**	**(7,276,193)**	**(6,720,915)**	**(633,124)**	**(7,354,039)**
Income tax expense	-	-	-	-	-	-
Net loss for the period attributable to equity holders of New Century Resources Limited	**(6,807,067)**	**(469,126)**	**(7,276,193)**	**(6,720,915)**	**(633,124)**	**(7,354,039)**

Segment assets and liabilities

	Australia 31 Dec 2020 $	USA 31 Dec 2020 $	Total 31 Dec 2020 $	Australia 30 Jun 2020 $	USA 30 Jun 2020 $	Total 30 Jun 2020 $
Current assets	87,507,796	11,668	87,519,464	61,621,906	64,669	61,686,575
Non-current assets	349,672,195	759,871	350,432,066	421,055,717	851,509	421,907,226
Total assets	**437,179,991**	**771,539**	**437,951,530**	**482,677,623**	**916,178**	**483,593,801**
Current liabilities	(131,189,186)	(125,949)	(131,315,135)	(134,491,385)	(147,191)	(134,638,576)
Non-current liabilities	(225,908,282)	(738,571)	(226,646,853)	(295,551,625)	(827,775)	(296,379,400)
Total liabilities	**(357,097,468)**	**(864,520)**	**(357,961,988)**	**(430,043,010)**	**(974,966)**	**(431,017,976)**

The Group commenced commercial production at the Century Mine on 1 July 2020. From 1 July 2020, revenue from the sale of zinc together with the associated costs of producing zinc has been recognised in the income statement. In the prior period, the pre-commissioning sales and associated costs were being recognised as part of property, plant and equipment.

Revenue from the sale of zinc concentrate is recognised when the Group satisfies its performance obligations under its contract with the customer by transferring such goods to the customer's control. The customer is generally deemed to have control when risk and title to the zinc concentrate passes to the customer.

Zinc concentrate revenue is generally recognised upon receipt of the bill of lading when the goods are delivered for shipment under Cost, Insurance and Freight (CIF) Incoterms. The terms of metal-in-concentrate sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal-in-concentrate is based on prevailing prices on a specified future date after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted market prices up to the date of the final settlement period. The period between provisional invoicing and final settlement is typically between one and four months. Revenue and trade debtors on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable and is net of deductions related to treatment and refining charges. Subsequent changes in fair value are recognised in the Income Statement each period until final settlement and presented as fair value movements in trade receivables. This equated to $6,192,477 for the current period.

The freight service on sales contracts with CIF Incoterms represents a separate performance obligation and is separately disclosed as revenue from freight service where material. This was not material for the current period.

Note 3. Depreciation and amortisation expense

	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Depreciation and amortisation of property, plant and equipment – refer Note 13	27,107,050	(21,590)
Amortisation of right-of-use assets – refer Note 14	5,714,943	(76,660)
	32,821,993	**(98,250)**

Note 4. Professional expenses

	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Professional expenses	**5,130,077**	**1,316,863**

The professional expenses during the period are mainly attributable to business development opportunities including the Group's proposal to acquire Goro Nickel & Cobalt Mine in New Caledonia. On 8 September 2020, the Company announced it had elected not to proceed with the proposed transaction.

Note 5. Foreign exchange gains/(losses)

	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Foreign exchange gains/(losses)	**10,782,491**	**(2,091,729)**

Foreign exchange gains in the current period are mainly due to revaluation of US dollar denominated borrowings (note 17) and deferred proceeds (note 16).

Note 6. Financing income/(expense)

	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Financing income		
Interest income	**36,863**	**181,189**
Financing expense		
Unwind of discount relating to environmental rehabilitation provision – note 20	(529,843)	(1,386,731)
Unwind of discount relating to lease liabilities – refer Note 14	(1,241,869)	(16,130)
Amortisation for effective borrowing rate – Facility A – refer Note 17	(3,407,000)	-
Amortisation for effective borrowing rate – Facility B – refer Note 17	(1,365,667)	-
Interest expense - Facility A	(1,498,177)	-
Interest expense - Facility B	(1,475,666)	-
Loan amendment fee - Varde	(2,620,000)	-
Interest on deferred proceeds	(562,597)	-
Interest on MMG bank guarantee support	(151,087)	-
Other	(55,539)	-
	(12,907,445)	**(1,402,861)**

Note 7. Income tax expense

	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from operations before income tax expense	(7,276,193)	(7,354,039)
Tax at the Australian tax rate of 30% (2019: 30%)	(2,182,858)	(2,206,212)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax effect of different tax rate of overseas subsidiaries	11,547	15,727
Share based payments	188,793	113,956
Income tax benefits not recognised	1,982,106	2,076,342
Other	412	187
Income tax expense	**-**	**-**

The Group has approximately $110 million (tax effected) of temporary differences and tax losses that have not been recognised as deferred tax assets. These temporary differences and tax losses have not been brought to account as they do not meet the recognition criteria as per the Group's accounting policy.

No franking credits are available.

Note 8. Cash and cash equivalents

	31 Dec 2020 $	30 Jun 2020 $
Cash at bank	50,996,657	40,005,053

The amount of cash and cash equivalents held as USD at 31 December 2020 was US$33,416,176 (30 June 2020: US$15,705,416).

Note 9. Trade and other receivables

	31 Dec 2020 $	30 Jun 2020 $
Trade receivables	6,342,910	-
GST receivables	1,794,091	1,732,546
Other receivables	329,987	11,766,978
	8,466,988	**13,499,524**

Other receivables in the comparative period comprise mainly outstanding invoice amounts of shipments made during the development phase.

The credit loss on trade receivables and other receivables was nil.

Note 10. Inventories

	31 Dec 2020 $	30 Jun 2020 $
Zinc concentrates – at cost	9,460,752	-
Consumables and spare parts – at cost	10,856,474	6,072,000
	20,317,226	**6,072,000**

Zinc concentrate and consumables inventory are carried at lower of cost and net realisable value. The cost of zinc concentrate comprises direct materials and labour, and a proportion of overhead expenditure directly related to the production of inventories.

Note 11. Prepayments

	31 Dec 2020 $	30 Jun 2020 $
Prepayments	5,247,857	2,109,998

The increase in prepayments is mainly due to timing of large payments (including insurance) and amortisation.

Note 12. Financial assets

	31 Dec 2020 $	30 Jun 2020 $
Zinc purchased put option contracts	2,490,736	-

The Group has put in place hedges for a portion of the Century Mine's future planned zinc production. Century's profitability and cash flow are sensitive to the realised Australian dollar zinc price. Having regard to the favourable spot and forward prices at the time, hedging in the form of US dollar zinc purchased put option contracts were entered into in the last quarter of 2020 (as well as in the first quarter of 2021).

The zinc purchased put option contracts were not designated for hedge accounting. Any fair value movements in the hedge instruments are immediately recognised in the income statement. This equated to a loss of $1,537,099 for the current period.

Note 13. Property, plant and equipment

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $	6 months to 31 Dec 2019 $
Balance at beginning of the period	361,286,868	243,501,162	233,133,258
Additions	4,630,151	259,432,316	142,093,180
Depreciation expense for the period	(27,107,050)	(21,590)	(21,590)
Impact of change in rehabilitation discount rate – Note 20	(6,319,574)	12,139,549	2,522,999
Reduction in rehabilitation provision capitalised – Note 20	(34,214,287)	-	-
Proceeds from zinc concentrate sales during development phase	(6,484,154)	(177,993,505)	(84,829,029)
Capitalisation of right-of-use assets amortisation – Note 14	-	11,029,519	5,579,267
Capitalisation of unwind of interest on lease liabilities – Note 14	-	2,888,898	1,528,890
Capitalisation of adjustment for effective borrowing rate – Facility A – refer Note 17	-	9,056,398	7,937,010
Capitalisation of adjustment for effective borrowing rate – Facility B – refer Note 17	-	1,254,121	-
Balance at end of the period	**291,791,954**	**361,286,868**	**307,943,985**

All proceeds earned from the sale of pre-commissioning zinc concentrate have been offset against property, plant and equipment in accordance with the Group's accounting policy. The $6,484,154 of proceeds during the current period that has been offset against property, plant and equipment relates to pre-commissioning zinc concentrate shipments made by 30 June 2020 with proceeds finalised during the current period.

No borrowing costs were capitalised during the period (31 December 2019: $16,859,323).

Note 14. Leases

As a lessee, the Group leases assets, including corporate office space and mining equipment at its Century Mine.

Right-of-use assets

The movement in the right-of-use assets is reconciled below:

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $	6 months to 31 Dec 2019 $
Balance at beginning of the period	44,430,521	-	-
Additions due to modification of lease rental rates	626,335	-	-
Recognition on first time adoption of AASB 16	-	55,613,361	55,613,361
Amortisation - capitalised as Property, plant and equipment	-	(11,029,519)	(5,579,267)
Amortisation – expensed during the period	(5,714,943)	(153,321)	(76,660)
Balance at end of the period	**39,341,913**	**44,430,521**	**49,957,434**

Lease liabilities

The movement in the lease liabilities is reconciled below:

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $	6 months to 31 Dec 2019 $
Balance at beginning of the period	45,140,245	-	-
Additions due to modification of lease rental rate	626,335	-	-
Recognition on first time adoption of AASB 16	-	55,613,361	55,613,361
Interest unwind – capitalised	-	2,888,898	1,528,890
Interest unwind – expensed	1,241,869	30,176	16,130
Lease payments	(6,918,217)	(13,392,190)	(6,604,478)
Balance at end of the period	**40,090,232**	**45,140,245**	**50,553,903**
Disclosed as			
Current	11,631,835	11,205,730	10,946,693
Non-current	28,458,397	33,934,515	39,607,210
Balance at end of the period	**40,090,232**	**45,140,245**	**50,553,903**

Lease liabilities are payable as follows:

	31 Dec 2020 $	30 Jun 2020 $	31 Dec 2019 $
Less than one year (gross amount)	13,593,766	13,480,333	13,549,444
Between one and five years (gross amount)	31,179,915	37,554,329	44,272,929
Total (gross amount)	**44,773,681**	**51,034,662**	**57,822,373**
Less future interest	(4,683,449)	(5,894,417)	(7,268,470)
Carrying value at the end of the period	**40,090,232**	**45,140,245**	**50,553,903**

Note 15. Other financial assets

	31 Dec 2020 $	30 Jun 2020 $
Deposit held as security guarantees	19,298,199	16,189,837

Deposits held as security guarantees are for the benefit of other parties in guarantee of potential future liabilities. They are valued at the face value of the deposits. An additional $3,108,362 of security guarantees were deposited during the period.

Note 16. Trade and other payables

	31 Dec 2020 $	30 Jun 2020 $
Current unsecured liabilities		
Trade and other payables	50,958,675	52,414,293
Deferred proceeds	23,338,065	24,302,634
	74,296,740	**76,716,927**

Proceeds of $23,338,065 against which shipment had not been made by 31 December 2020 has been treated as deferred proceeds. This will be recognised as revenue in the income statement in subsequent financial periods when shipment is made. Settlement of deferred proceeds is generally longer than three months.

Note 17. Borrowings

	31 Dec 2020 $	30 Jun 2020 $	31 Dec 2019 $
Secured - current			
Varde Facility A	28,060,522	27,082,244	25,461,399
Varde Facility B	10,568,175	13,863,590	-
Other borrowings – Equipment finance	95,612	-	-
Total current	**38,724,309**	**40,945,834**	**25,461,399**
Secured – non-current			
Varde Facility A	-	17,027,223	33,974,072
Varde Facility B	18,474,259	24,157,968	-
Other borrowings – Equipment finance	183,868	-	-
Total non-current	**18,658,127**	**41,185,191**	**33,974,072**
Total			
Varde Facility A	28,060,522	44,109,467	59,435,471
Varde Facility B	29,042,434	38,021,558	-
Other borrowings – Equipment finance	279,480	-	-
Total borrowings at end of the period	**57,382,436**	**82,131,025**	**59,435,471**

Description of the borrowing facilities

In February 2019, the Group secured a financing facility with Varde Partners. This comprised Varde Facility A of US$42,900,000 which has been drawn down. This facility attracts interest at eight percent per annum, has first ranking security over all Century Project assets and is repayable by scheduled payments over a period of 12 to 30 months after the utilisation date. The facility also includes payments based on silver production which is capped at US$5,000,000. This has been recognised as a financial liability at fair value through profit or loss as disclosed Note 18 to the Financial Statements.

In January 2020, the Group announced the completion of the expansion of existing working capital facilities with Varde Partners from a total US$42,900,000 to US$70,900,000. This additional US$28,000,000 comprises Varde Facility B which has a term of 2.5 years, carries an interest rate of eight percent per annum and first ranking security over all Century Project assets. It also includes a limited term silver royalty and options allocation, which have been recognised as a financial liability at fair value through profit or loss as disclosed Note 18 to the Financial Statements.

The details of the facilities are summarised below.

Facility	Varde Facility A A$60 million facility	Varde Facility B A$40 million facility
Facility type	Senior secured (all assets)	Senior secured (all assets)
Facility amount	A$60,000,000 (US$42,900,000)	A$40,000,000 (US$28,000,000)
Term	2.5 years from February 2019	2.5 years from January 2020
Interest rate	8% per annum	8% per annum
Silver royalty	20% of payable silver production limited to 4 years (capped at US$5 million)	10% of payable silver production limited to 4 years
Options	None	25 million options at $0.25 per share, 3.5 year term

Movements during the period

The movement in Varde Facility A is reconciled below:

	6 months to 31 Dec 2020 $	12 months to 30 June 2020 $	6 months to 31 Dec 2019 $
Opening balance	44,109,467	54,100,350	54,100,350
Adjustment for effective borrowing rate	3,407,000	9,056,398	7,937,010
Exchange differences	(4,100,147)	1,600,670	65,720
Establishment fee netted of against borrowings	-	(4,057,894)	(2,667,609)
Repayments	(15,355,798)	(16,590,057)	-
Balance at end of the period	**28,060,522**	**44,109,467**	**59,435,471**

The Group made an early repayment of $5,062,865 towards Varde Facility A during the period, which is included in the total repayments of $15,355,798 in the table above.

The movement in Varde Facility B is reconciled below:

	6 months to 31 Dec 2020 $	12 months to 30 June 2020 $	6 months to 31 Dec 2019 $
Opening balance	38,021,558	-	-
Borrowings obtained US$28,000,000	-	40,000,000	-
Amount disclosed as financial liability at fair value through profit or loss – silver	-	(2,299,536)	-
Amount disclosed as financial liability at fair value through profit or loss – options	-	(750,000)	-
Adjustment for effective borrowing rate	1,365,667	1,254,121	-
Exchange differences	(3,741,527)	716,973	-
Repayments	(6,603,264)	-	-
Establishment fee netted off against borrowings	-	(900,000)	-
Balance at end of the period	**29,042,434**	**38,021,558**	**-**

The movement in Other borrowings – Equipment Finance is reconciled below:

	6 months to 31 Dec 2020 $	12 months to 30 June 2020 $	6 months to 31 Dec 2019 $
Opening balance	-	-	-
Borrowings obtained	295,100	-	-
Interest	1,640	-	-
Repayments	(17,260)	-	-
Balance at end of the period	**279,480**	**-**	**-**

During the period, the Group acquired machinery for its Century Mine on finance from an equipment finance provider.

Note 18. Financial liability at fair value through profit or loss

	31 Dec 2020 $	30 Jun 2020 $	31 Dec 2019 $
Current			
Varde Facility A – silver royalties	1,920,000	1,920,000	1,920,000
Varde Facility B – silver royalties	1,207,663	1,207,663	-
Total current	**3,127,663**	**3,127,663**	**1,920,000**
Non-current			
Varde Facility A – silver royalties	2,858,475	3,821,880	4,066,853
Varde Facility B – silver royalties	427,668	1,100,406	-
Varde Facility B – options	750,000	750,000	-
Total non-current	**4,036,143**	**5,672,286**	**4,066,853**
Total			
Varde Facility A – silver royalties	4,778,475	5,741,880	5,986,853
Varde Facility B – silver royalties	1,635,331	2,308,069	-
Varde Facility B – options	750,000	750,000	-
Balance at the end of the period	**7,163,806**	**8,799,949**	**5,986,853**

Silver royalties - the financial liability at fair value through profit or loss represents the fair value of payments to be made under the Varde loan facilities which is dependent on forecast silver production. Refer to Note 17 to the Financial Statements for further details.

Options - the financial liability at fair value through profit or loss represents the fair value of options issued to Varde under the Varde loan facility. Refer to Note 17 to the Financial Statements for further details.

The movement in financial liability at fair value through profit or loss for Varde Facility A was as follows.

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $	6 months to 31 Dec 2019 $
Opening balance	5,741,880	7,137,249	7,137,249
Additions	-	-	
Repayments	(376,416)	(1,587,731)	(1,187,795)
Exchange differences	(586,989)	192,362	37,399
Balance at end of the period	**4,778,475**	**5,741,880**	**5,986,853**

The movement in financial liability at fair value through profit or loss for Varde Facility B was as follows.

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $	6 months to 31 Dec 2019 $
Opening balance	2,308,069	-	-
Additions		2,299,536	-
Repayments	(375,461)	-	-
Exchange differences	(297,277)	8,533	-
Balance at end of the period	**1,635,331**	**2,308,069**	**-**

Note 19. Employee benefits provision

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $	6 months to 31 Dec 2019 $
Opening balance	2,642,422	1,269,054	1,269,054
Movement for the period	892,166	1,373,368	166,490
Balance at end of the period	**3,534,588**	**2,642,422**	**1,435,544**

Employee benefits provision represents the annual leave and long service leave entitlements of the Group's employees.

Note 20. Environmental rehabilitation provisions

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $	6 months to 31 Dec 2019 $
Opening balance	215,587,408	200,828,797	200,828,797
Interest unwind	529,843	2,603,289	1,386,731
Impact of change in discount rate	(6,319,574)	12,139,549	2,522,999
Reduction in provision estimate	(34,214,287)	-	-
Exchange differences	(89,204)	15,773	985
Balance at end of the period	**175,494,186**	**215,587,408**	**204,739,512**

The Group has provisions for mine site restoration associated with the Century Mine in Queensland and the Kodiak Project in Alabama (disposed of in February 2021). Of the total provision, $174,755,615 relates to the Century Mine and the remaining $738,571 relates to the Kodiak Project. The Group assumes the rehabilitation will be carried out at the end of life of the Group's mining operations in estimating the environmental rehabilitation provisions.

Subsequent to half year-end, the Group disposed of the Kodiak Project and all associated rehabilitation provisions obligation have transferred to the new owners. Refer to Note 28 to the Financial Statements for further details.

During the period, the provision was reduced by $6,319,574 due to an increase in the discount rate. A corresponding decrease in Property plant and equipment was recognised in accordance with the Group's accounting policy – refer to Note 13 to the Financial Statements.

The $34,214,287 reduction in the provision reflects revisions in mine rehabilitation cost estimates that were approved by the Queensland Department of Environment and Science in January 2021. A corresponding decrease in Property, plant and equipment was recognised in accordance with the Group's accounting policy – refer to Note 13 to the Financial Statements.

Note 21. Issued capital

The movement in issued capital during the period was as follows:

	6 months to 31 Dec 2020	
	Number of shares	$
Opening balance – 1 July 2020	978,598,739	402,588,543
Shares issued on 1 December 2020 at 15 cents under placement and non-renounceable entitlement offer	226,185,578	35,058,765
Shares issued on 1 December 2020 at 15 cents in lieu of professional services fees	115,585	17,915
Shares issued on 4 December 2020 at 15 cents in lieu of professional services fees	3,900,916	604,645
Shares issued on 4 December 2020 at 22 cents under Employee share plan	541,491	117,900
Shares issued on 11 December 2020 at 18 cents in lieu of non-executive fees	585,737	103,500
Total shares issued	**231,329,307**	**35,902,725**
Costs arising from issue of shares	-	(1,847,123)
Closing balance – 31 December 2020	**1,209,928,046**	**436,644,145**

Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up the parent entity, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 22. Foreign currency translation reserve

	31 Dec 2020 $	30 Jun 2020 $
Foreign currency translation reserve	4,058,372	4,053,375

The foreign currency translation reserve relates to exchange differences arising on translation of the Kodiak Project foreign operation which has a functional currency other than Australian dollars. Subsequent to the half year-end, these exchange differences have been recognised as a gain in the statement of profit and loss and other comprehensive income in February 2021 due to the disposal of the Kodiak operations.

Note 23. Assets held for sale during the prior period

The Group did not have any assets held for sale during the current period. Refer to Note 28 to the Financial Statements for disposal of Kodiak Project subsequent to the end of the half-year.

In the prior period in January 2020, the Group sold its non-controlling minority interest of 49 percent in the Lawn Hill and Riversleigh Pastoral Holding Company to Waanyi SPC Pty Ltd which owned the 51 percent controlling interest in Riversleigh Pastoral Holding Company.

Waanyi SPC Pty was established in 1998 in accordance with the Gulf Communities Agreement, the Native Title Agreement for the Century Mine. The role of Waanyi SPC Pty is to be the corporate representative of the Waanyi People, particularly in relation to the ownership and management of pastoral companies.

Of the agreed sale price of $9,750,000, a deposit of $10,000 had been received in December 2019, with the remaining proceeds of $9,740,000 received in January 2020.

The 49 percent interest in the Lawn Hill and Riversleigh Pastoral Holding Company met the assets held for sale criteria at 31 December 2019.

The carrying value of this investment as at 31 December 2019 was nil. Therefore, there was no impact on the statement of financial position at 31 December 2019 from the reclassification of the investment to assets held for sale. There was also no operational income, expense, or cashflow associated with this investment in the comparative period.

The gain on sale of $9,750,000 was recognised in the income statement in January 2020.

Note 24. Key management personnel and related parties

Remuneration arrangements of Key Management Personnel (KMP) are disclosed in the 30 June 2020 Annual Financial Report. During the period, there were no changes in the remuneration arrangements of the key management personnel.

A number of KMP, or their related parties, hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. Where the Group transacts with the KMP and their related parties, the terms and conditions of these transactions are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

Note 25. Financial instruments

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

Note 26. Dividends

No dividend has been declared or paid by the Group during the half-year and the Directors do not at present recommend a dividend. No dividends were declared or paid in the comparative periods.

Note 27. Commitments and contingent liabilities

The commitments and contingent liabilities of the Group are set out in the Annual Financial Report of the Group for 30 June 2020. There has been no significant change in commitments and contingent liabilities during the half-year, except for the finalisation of the following matter.

As at the date of signing the 30 June 2020 Financial Statements, the appropriate amount of the Financial Assurance Bond to be put in place with the Queensland Government remained subject to an appeal process being heard within the Land Court of Queensland. This matter was subsequently finalised in January 2021 with the Land Court of Queensland deciding that the appropriate amount of Financial Assurance Bond to be $183,916,150. This outcome led to a reduction in the Group's Environmental Rehabilitation Provisions – refer to Note 20 to the Financial Statements.

Note 28. Matters subsequent to the end of the half-year

In January 2021, the Group announced it had reduced its financial assurance requirements with the Queensland Department of Environment and Science. The finalisation of the rehabilitation estimates with the Queensland Department of Environment and Science, together with other periodic accounting adjustments of discount unwind and change in discount rate, resulted in the provision for mine rehabilitation reducing from $215,587,408 at 30 June 2020 to $175,494,186 at 31 December 2020.

In the prior financial periods, a strategic decision was made by the Group to suspend work on the definitive feasibility study for the Kodiak Coking Coal Project, which is located in Alabama, USA. The Project had been put in care and maintenance mode and the Group was considering its options with regards to the future of the Project. In February 2021, the Group sold its interest in the Kodiak Coking Coal Project. Total proceeds on disposal were approximately $0.1 million. The net carrying value of the operation was a liability of approximately $0.1 million. A net non-cash gain of approximately $4 million was recognised in February 2021 upon disposal of the operations due to the release of the Foreign Currency Translation Reserve. The Kodiak Coking Coal Project constituted a reportable segment, the USA segment, as set out in Note 2 to the Financial Statements.

There have been no other events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Group's operations or results in future periods.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 8 to 29 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with *International Financial Reporting Standards* (IFRS); and

   b. give a true and fair view of the financial position as at 31 December 2020 and of the performance for the half-year ended on that date of the Group;

2. in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2020.

This declaration is made in accordance with a resolution of the Board of Directors.

Robert McDonald
Chairman

15 March 2021

Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

Independent Auditor's Review Report to the Members of New Century Resources Limited

Conclusion

We have reviewed the half-year financial report of New Century Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2020, and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 30.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

S Vlahovic

Suzana Vlahovic
Partner
Chartered Accountants
Melbourne, 15 March 2021