

Chairman's Address to Shareholders 2021 Annual General Meeting

Good morning fellow shareholders, my name is Rob McDonald. I am one of the four non-executive directors of New Century Resources Limited (**New Century**), and Chairman of your Board. I will be chairing today's Annual General Meeting.

As we meet today via video conferencing, we are all located in various parts of the country, so I would like to begin by acknowledging the Traditional Owners and Custodians of the lands on which we meet today, and pay my respect to their Elders past, present and emerging. I would also like to particularly acknowledge the Waanyi, Minginnda and the Gkuthaarn and Kukatj People, the Custodians of the lands on which our Century operations are based. We acknowledge the Traditional Owners and Custodians of country throughout Australia and their connections to land, sea and community.

You will of course be aware of the various shareholder resolutions to be addressed at this meeting. Before considering these resolutions, I would appreciate the opportunity to reflect on the Company's activities over the past year. After addressing the formalities of the meeting, I will invite shareholders and other stakeholders to stay online to hear more about your Company's prospects from our Managing Director, Pat Walta.

As a company, New Century is young and focussed on growth and expansion. It is pleasing for me to note the various accomplishments achieved during the year by Pat and his management team to consolidate our standing as a sustainable business. During the past year, commercial production was declared at the Century Mine and the Company has delivered consistent and growing earnings before interest, tax, depreciation and amortisation (**EBITDA**) and operational cashflow. New Century is also now established as a globally significant zinc producer, with current production ranking 13th in the world out of approximately 250 operating zinc mines. Further optimisation work was undertaken at Century during the year and plans have been developed to exploit additional in-situ resources in the near vicinity of the Company's strategic processing infrastructure. What we have achieved at Century is a formidable demonstration of large-scale economic rehabilitation and brownfield asset management that is acknowledged by the mining industry. Our aim is to replicate this formula elsewhere.

In the second half of the year, we enjoyed a pleasing tailwind of stronger zinc prices and lower treatment charges allowing the Company to report annual EBITDA of A\$73.5 million. This tailwind has continued into the first few months of this financial year, and we have now locked in a portion of that tailwind by expanding our hedging program.

I acknowledge that we have had our disappointments and come up short against some of our own expectations. One disappointment is that we have yet to re-join the ASX 300 Mining and Metals Index. Another is our decision to withdraw from the very bold, long life Goro initiative; this acquisition – at a modest front end capital cost – would have propelled the Company into the battery materials space.

Our strategy remains to create shareholder value by pursuing a tailings asset management business both to recover valuable metals and as a service to the industry. Post the close of the financial year, your Company announced a material transaction consistent with this strategy.

The transaction included a number of discrete but interrelated elements. Implementation of those elements has proceeded to plan, with one, a placement of shares to Sibanye-Stillwater Limited (**Sibanye-Stillwater**), being subject to a shareholder resolution at this meeting. This strategic transaction will underpin a successful future for your Company.

I now highlight five elements of the transaction.

- Subject to the resolution at today's meeting, we welcome Sibanye-Stillwater, a US\$10 billion diversified mining powerhouse as a 19.99% shareholder and look forward to the potential of collaborating with them on our respective growth plans in profitable tailings recovery and mine rehabilitation. Often two heads are better than one.
- As part of the strategic transaction, we are replacing the old MMG Ltd (**MMG**) environmental bond with a new one from US group Argonaut Insurance Company. The new bonding arrangements provide us with significant flexibility with the management of cash being generated by Century's ongoing operations. I thank MMG for entrusting us with the stewardship of the Century Mine and the economic rehabilitation project, and for their support during your Company's formative years.
- We have now forward sold a total of 170,000 tonnes of zinc production to 30 June 2024. The hedge price achieved reflects the forward curve for both US dollar zinc prices and the USD/AUD exchange rate. The hedging was done at an Australian dollar price of A\$3,834 per tonne, which we could only have dreamt of a year ago and has secured us a price greater than our long-term planning price. I know there are different views amongst investors on the merits of hedging. In our case the decision to hedge a significant share of our future production and leave the remainder subject to future market conditions is more about downside risk management while we further consolidate Century's position as a reliable platform for future Company growth.
- The binding term sheet to secure a two-year option to acquire the Mt Lyell copper/gold operation in Tasmania with a deferred payment structure is a good illustration, as was last year's Goro nickel / cobalt initiative, of how we will blend our opportunity origination and deal structuring skills together with our established rehabilitation and safety reputation to create innovative platforms for additional shareholder wealth.
- You will have seen that one of today's resolutions is to consider a consolidation of the Company's shares by a ratio of 15:1. That is, shareholders will have their current holdings consolidated into one share for every 15 shares held today. This share consolidation will reduce the Company's total issued capital to what we believe to be a more appropriate and effective capital structure and a result in a share price that is likely to be more appealing to a wider range of investors, in particular institutional funds in overseas jurisdictions.

Your Managing Director will discuss the details of the strategic transaction in his presentation.

Please indulge me further while I elaborate on several other noteworthy Board deliberations.

Firstly, now that we have achieved a commercial operation status at Century, we are aware that we have appreciably over provisioned in our financial accounts for the cost of rehabilitation when Century operations eventually cease. We further discuss the conservative approach to provisioning in our Annual Report. I draw shareholders' attention to this issue for fear that otherwise the provisioning amount may continue to be incorrectly considered as if it was conventional third-party debt.

Secondly, there has been – rightly in my view – considerable attention given during the year to a breakdown in communications between a major mining company and traditional landowners in Western Australia which led to the destruction of an important heritage site. Let me state that we are acutely aware of our obligations – which extend beyond solely our legal obligations – in relation to the heritage site at Century known as Magazine Hill. The Company has already commenced investigations into how one of our in-situ zinc resources, South Block near Magazine Hill, might be mined in future without the need to disturb the site at Magazine Hill. It is our hope that these investigations will lead to the

mining of South Block in a manner that sees the Waanyi People retaining the benefits of the commercial agreement we entered into in 2018 and retains the cultural values of the site at Magazine Hill. We will continue our regular engagement with the Waanyi People on this matter and will provide updates to our shareholders and broader stakeholder groups as those investigations progress.

Thirdly, our environmental, social and governance (**ESG**) credentials are at the core of our business. It is the nature of our operations to safely return land previously disturbed from mining operations to a rehabilitated state. Thanks to the dedication and commitment of our Operations team we were able to continue operating in Northern Queensland during the COVID-19 pandemic whilst simultaneously achieving an industry leading safety performance.

Fourthly, the Company's unique 'capital lite' acquisition strategy, as evidenced by the Century acquisition, the proposed Goro deal structure and current Mt Lyell binding term sheet, provides the Company with the ability to generate capital returns when securing long life assets and commodity diversification, particularly in new economy minerals and metals. The current focus is to set up the business for a long-term sustainable future through our capital appreciation targets including Century in-situ development, Mt Lyell restart and execution of a tailings asset management business. In the medium term it is your Board's desire and intention for New Century to become a dividend payer.

Despite the consolidation of Century's performance, the potential of additional higher-grade resources at Century and a stronger balance sheet, our share price continues to lag, with an appreciable gap between your Board's assessment of the Company's intrinsic value and its present market capitalisation. Let me assure you that your Board and management are very aware of our task to create wealth for shareholders, while conducting the Company's activities in a safe and sustainable manner. We are focussed on both closing the existing gap and as well as adding value from our new economic rehabilitation initiatives including the potential restart of Mt Lyell.

Today, I am joined by my Board colleagues Kerry Gleeson, Peter Watson and Pat Walta in Melbourne and Nick Cernotta via video link from Perth. Also in attendance in Melbourne is the Company Secretary, Tom Willcox along with the Chief Financial Officer, Mark Chamberlain. As well the Company's external auditor, Suzana Vlahovic is present.

I now turn to the business of the meeting.

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