NEW CENTURY RESOURCES

LIMITED AND CONTROLLED ENTITIES

ABN 53 142 165 080

HALF-YEAR FINANCIAL REPORT

FOR THE SIX MONTHS ENDED

31 December 2022

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CORPORATE DIRECTORY

Directors

Kerry Gleeson (Chairman)
Robert Cooper (Managing Director)
Peter Watson (Non-Executive Director)

Company secretary

Thomas Wilcox

Securities exchange

Australian Securities Exchange (ASX) Code: NCZ

Country of incorporation and domicile

Australia

Registered office and business address

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

Auditors

Ernst & Young
Level 23, 8 Exhibition Street
Melbourne, Victoria, 3000

Share registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth, Western Australia 6000
Telephone: +61 2 9698 5414

ASX APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE MARKET

REVENUE AND PROFIT	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $ Restated	Increase/ (Decrease) %
Revenue	162,109,419	191,708,465	(15)
Net loss attributable to the parent entity	(28,480,467)	(6,377,493)	347

NET TANGIBLE ASSETS	31 Dec 2022 $	31 Dec 2021 $
Net tangible assets per share	0.58	0.56

In accordance with Chapter 19 of the ASX listing rules, net tangible assets per share represent total assets less intangible assets less liabilities ranking ahead of, or equally with, ordinary share capital, divided by the number of ordinary shares on issue at the end of the half-year. The Groups has treated Right-of-use assets (leased assets) as tangible assets.

Dividends

No dividend has been declared or paid by the Group during the financial period and the Board did not recommend a dividend. No dividends were declared or paid in the previous financial period.

Review of results

Refer to the Operating and Financial Review section.

Review report

The Financial Statements have been subject to review by the Group's external auditor. The review report includes a material uncertainty in respect of going concern.

DIRECTORS' REPORT

The Directors present their report, together with the Condensed Consolidated 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' or the 'Company') and the entities it controlled for the half-year ended 31 December 2022.

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.

Kerry Gleeson (Chairman)
Robert Cooper (Managing Director) – appointed effective 16 September 2022
Peter Watson (Non-Executive Director)
Robert McDonald - resigned effective 9 November 2022, and was the Chairman until that date
Patrick Walta – resigned effective 16 September 2022, and was the Managing Director until that date
Nick Cernotta – resigned effective 9 November 2022

Principal activities

The principal activities of the Group for the period were the mining and processing of tailings dam materials containing zinc, sales of concentrate, undertaking mineral exploration activities and exploring 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 2022: Nil).

Operating results

The consolidated loss for the period of the Group amounted to $28,480,467(6 months to 31 December 2021: loss $6,377,493 restated) after income tax expense of nil.

Review of operations and significant changes in the state of affairs

The Group achieved a number of operational records in the half-year ended 31 December 2022. Continued improvements at the Century Mine resulted in a record average zinc recovery of 50.0 percent for the half-year, a 3.3 percent increase on the six months to 31 December 2021. The Group also achieved record quarterly metal production of 35,257 tonnes in the three months to 30 September 2022 and 64,533 tonnes of zinc in the six months to 31 December 2022. Notably this was a 9 percent increase on the corresponding six months to 31 December 2021.

Pleasingly, these achievements were delivered alongside an industry leading safety record; the total recordable injury frequency rate (TRIFR) was 1.1 as at 31 December 2022, well below the last published Queensland industry average of 7.5.

During the period, a review was initiated to optimise the Century life extension projects (Silver King and East Fault Block) to further improve operating metrics, optimise cash flow and minimise up-front CAPEX requirements. Offtake and debt financing strategies related to the development of these projects were progressed during the period.

The Group is required to provide Financial Assurance to the Queensland Government to guarantee future potential costs to rehabilitate Century Mine. The appropriate amount of the Financial Assurance is subject to periodic review. The outcome of the most recent review, which was conducted during the period, is currently subject to an appeal process to be heard by the Land Court of Queensland during the course of 2023 and potentially 2024. Refer to Note 15 to the Financial Statements for further details.

Kerry Gleeson was appointed as the Chairman of the Company on 9 November 2022. Robert Cooper was appointed as the Managing Director of the Company on 16 September 2022. Robert McDonald and Nick Cernotta stepped down from the Board of New Century on 9 November 2022, and Patrick Walta resigned as Managing Director on 16 September 2022.

During the half-year, the Company changed its external auditor from Deloitte Touche Tohmatsu to Ernst & Young.

For more information on significant events that occurred subsequent to 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

On 23 January 2023, the Group announced the completion of a Pre-Feasibility Study for Mt Lyell which demonstrated highly attractive economics through the potential development of a low-cost, long-life copper and gold operation in a Tier-1 jurisdiction, supplied by 100 percent renewable power. Further details on this event are set out on the Company's website.

On 21 February 2023, Sibanye-Stillwater, which had an existing interest of 19.9 percent in the Company, announced its intention to make an off-market, cash takeover offer to acquire all of the shares in the Company that it did not own at a price of $1.10 per share.

On 22 February 2023, Sibanye-Stillwater announced it had increased its total shareholding and voting rights in the Company to 40.58 percent. Under the Amended EBF, this constituted a Change of Control Event and was therefore a Review Event under the agreement. The EBF Facility Agent was notified on 22 February 2023 triggering an obligatory 60-day period of good faith negotiation to attempt to agree appropriate amendments to the Facility to allow the Facility and Hedging Transactions to continue.

At the time of signing this Financial Report, Sibanye had increased its shareholding in New Century to 52.67 percent.

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 2022.

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

Kerry Gleeson
Chairman

27 February 2023

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
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Auditor's independence declaration to the directors of New Century Resources Limited

As lead auditor for the review of the half-year financial report of New Century Resources Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of New Century Resources Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

R Bembridge

Richard Bembridge
Partner
27 February 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $ Restated
Revenue	2	162,109,419	191,708,465
Fair value movements in trade receivables	2	9,983,328	9,823,814
Net fair value loss on zinc derivatives	2	(25,212,077)	(26,944,800)
Production costs	3	(108,947,259)	(105,530,213)
Freight costs	20	(8,868,659)	(10,460,692)
Employee benefits expense – labour costs	3	(26,610,410)	(22,928,543)
Changes in zinc concentrate inventory	3	16,059,986	2,698,731
Depreciation and amortisation expense	4	(31,218,416)	(29,710,819)
Exploration and evaluation expenses	5	(6,306,052)	(33,921)
Employee benefits – share based payments		(850,692)	(938,283)
Professional expenses		(1,749,794)	(2,328,006)
Foreign exchange (losses)/gains		1,218,480	(939,000)
Finance income		305,755	65,274
Finance expenses	6	(8,399,481)	(10,866,711)
Other income		5,405	7,211
Loss before income tax expense		**(28,480,467)**	**(6,377,493)**
Income tax expense		**-**	**-**
Loss for the half-year		**(28,480,467)**	**(6,377,493)**
Other comprehensive gain/(loss)			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedge changes in fair value		25,383,627	(72,426,213)
Other comprehensive gain/(loss) for the half-year		**25,383,627**	**(72,426,213)**
Total comprehensive (loss) for the half-year		**(3,096,840)**	**(78,803,706)**
Loss for the half-year attributable to:			
Members of the parent entity		**(28,480,467)**	**(6,377,493)**
Total comprehensive (loss) for the half-year attributable to:			
Members of the parent entity		**(3,096,840)**	**(78,803,706)**

Loss per share	Cents	Cents Restated
Basic and diluted loss per share	(21.72)	(7.00)

Refer to Note 20 to the Financial Statements for details relating to the restatement of the prior period comparatives.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 Dec 2022 $	30 Jun 2022 $ Restated
Current assets			
Cash and cash equivalents		47,808,368	95,171,196
Trade and other receivables		9,751,257	4,654,939
Inventories	7	53,649,336	32,640,362
Prepayments	8	12,841,677	7,846,148
Total current assets		**124,050,638**	**140,312,645**
Non-current assets			
Prepayments	8	1,620,028	1,799,164
Property, plant and equipment	9	246,701,910	251,162,436
Right-of-use assets	10	25,279,056	27,618,764
Exploration and evaluation assets	11	27,995,010	18,648,686
Financial assets – security guarantees	12	36,393,136	36,200,446
Total non-current assets		**337,989,140**	**335,429,496**
TOTAL ASSETS		**462,039,778**	**475,742,141**
Current liabilities			
Trade and other payables	13	109,742,369	98,269,318
Borrowings		103,201	158,839
Derivative financial instruments	14	32,817,704	47,030,971
Lease liabilities	10	8,292,003	8,609,704
Employee benefit provisions		4,198,144	4,516,621
Total current liabilities		**155,153,421**	**158,585,453**
Non-current liabilities			
Trade and other payables	13	8,081,598	5,297,601
Environmental rehabilitation provisions	15	196,412,283	190,312,211
Borrowings		186,888	231,450
Derivative financial instruments	14	6,040,947	21,948,764
Lease liabilities	10	18,702,453	20,198,303
Employee benefits provision		732,943	702,955
Total non-current liabilities		**230,157,112**	**238,691,284**
TOTAL LIABILITIES		**385,310,533**	**397,276,737**
NET ASSETS		**76,729,245**	**78,465,404**
Equity			
Issued capital	16	548,097,042	547,587,053
Cash flow hedge reserve	14	(29,923,809)	(55,307,436)
Accumulated losses		(441,443,988)	(413,814,213)
TOTAL EQUITY		**76,729,245**	**78,465,404**

Refer to Note 20 to the Financial Statements for details relating to the restatement of the prior period comparatives.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022	Ordinary shares $	Accumulated losses $	Cash flow hedge reserve $	Total $
Balance at 1 July 2022	**547,587,053**	**(413,814,213)**	**(55,307,436)**	**78,465,404**
Comprehensive income				
Loss for the half-year	-	(28,480,467)	-	(28,480,467)
Other comprehensive gain	-	-	25,383,627	25,383,627
Total comprehensive (loss)/gain	**-**	**(28,480,467)**	**25,383,627**	**(3,096,840)**
Transactions with owners recorded directly in equity				
Issue of shares	509,989	-	-	509,989
Share based payments	-	850,692	-	850,692
Balance at 31 December 2022	**548,097,042**	**(441,443,988)**	**(29,923,809)**	**76,729,245**

For the half-year ended 31 December 2021 Restated	Ordinary shares $	Accumulated losses $	Cash flow hedge reserve $	Total $
Balance at 1 July 2021 - as previously reported	**436,644,145**	**(363,492,372)**	**(15,450,738)**	**57,701,035**
Impact of restatement – refer to Note 20	-	(18,274,703)	-	(18,274,703)
Balance at 1 July 2021 - as restated	**436,644,145**	**(381,767,075)**	**(15,450,738)**	**39,426,332**
Comprehensive income				
Loss for the half-year	-	(6,377,493)	-	(6,377,493)
Other comprehensive loss	-	-	(72,426,213)	(72,426,213)
Total comprehensive loss	**-**	**(6,377,493)**	**(72,426,213)**	**(78,803,706)**
Transactions with owners recorded directly in equity				
Issue of shares	117,061,453	-	-	117,061,453
Share issue costs	(6,118,545)	517,000	-	(5,601,545)
Share based payments	-	938,283	-	938,283
Balance at 31 December 2021	**547,587,053**	**(386,689,285)**	**(87,876,951)**	**73,020,817**

Refer to Note 20 to the Financial Statements for details relating to the restatement of the prior period comparatives.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $ Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		176,208,556	185,443,489
Payments to suppliers and employees		(180,832,181)	(156,454,949)
Interest received		113,065	65,274
Financing expenses paid		(5,378,373)	(3,377,432)
Payments for exploration and evaluation expenses	5	(6,306,052)	(33,921)
Net cash (outflow)/inflow from operating activities		**(16,194,985)**	**25,642,461**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(16,384,841)	(6,956,964)
Payments for exploration and evaluation assets		(9,346,324)	(3,677,287)
Payments for security guarantees		-	(24,764,258)
Net cash (outflow) from investing activities		**(25,731,165)**	**(35,398,509)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		(5,330,353)	(7,690,593)
Repayment of borrowings – Equipment finance		(106,325)	(69,961)
Repayments of Varde borrowings		-	(42,480,010)
Payments for financial liability at fair value through profit or loss		-	(1,168,463)
Proceeds from share issues		-	116,734,453
Payments for share issue costs		-	(5,601,545)
Proceeds from borrowings – Equipment finance		-	329,392
Net cash (outflow)/inflow from financing activities		**(5,436,678)**	**60,053,273**
Net (decrease)/increase in cash and cash equivalents		(47,362,828)	50,297,225
Cash and cash equivalents at the beginning of the financial period		95,171,196	35,696,665
Cash and cash equivalents at the end of the half-year		**47,808,368**	**85,993,890**

Refer to Note 20 to the Financial Statements for details relating to the restatement of the prior period comparatives.

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Basis of preparation

Reporting entity

New Century Resources Limited (the 'Company') is a company domiciled in Australia. The Condensed Consolidated Financial Statements (the 'Financial Statements') of the Company for the half-year ended 31 December 2022 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, sales of concentrate, undertaking mineral exploration activities and exploring business development opportunities.

The Annual Report of the Group for the year ended 30 June 2022 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 2022 and any public announcements made by the Company during the 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 27 February 2023.

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 2022. 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 2022.

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 activity of the Group for the period was the operation of the Century Mine which commenced commercial production on 1 July 2020. The operation involves the reprocessing of ore from a tailings storage facility and subsequent sale of zinc concentrate together with standard maintenance and the evaluation of, and early works towards, in situ developments to further enhance the economic return from the Mine. The Group also undertook mineral exploration activities and explored business development opportunities including undertaking a Pre-Feasibility Study of the Mt Lyell Mine which the Group has an option to acquire.

The Group incurred a net loss after tax of $28,480,467 during the period. Net cash outflows from operating activities were $16,194,985 for the period.

As of 31 December 2022, the Group had a net current asset deficiency of $31,102,783 after including $32,817,704 of current liabilities relating to the Australian dollar zinc hedge. These derivative financial instruments hedge against future forecast sales for which no assets are recognised.

These conditions, specifically the net current asset deficiency and factors affecting the Group's ability to continue to access its Environmental Bond Facility (Amended EBF) signed in August 2022 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The determinations detailed below were made after taking into account the cash flow impact of the revised amortisation profile and the amended financial and operating covenants resulting from the amendments to the Group's Amended EBF signed in August 2022.

In addition to the analysis below, a section has been included entitled "Additional going concern considerations in light of the off market take over offer by Sibanye-Stillwater on 21 February 2023."

The Group has prepared a cashflow forecast which indicates that the Group expects to generate positive cash flows for the period through 28 February 2024.

The expectations of positive cashflows are supported by the Group's track record of positive net cash flows from operating activities in previous periods, the current macro-economic environment, and the zinc metal price hedge.

Macro-Economic Environment

The ability of the Group to meet its operational cash expectations is dependent on a number of assumed macro-economic parameters. Macro-economic parameters used in the cashflow forecast which are the subject of influence and events outside of the control of the Group include the zinc price, the Australian dollar / United States dollar exchange rate, zinc concentrate treatment charges, the cost of consumables and sea freight costs. All of these parameters have shown considerable volatility in recent years as a result of the impact of COVID-19, inflation, energy costs and monetary policies.

The forecast that has been prepared is based on best estimate assumptions of these parameters that may or may not eventuate. In the cases of the zinc price and exchange rate they are based on the average of prices and rates seen over the last 24 months. For zinc treatment charges the forecast is based on the average of the spot charges observed over the last 12 months. Consumables are forecast to remain priced at current levels and freight costs are forecast slightly above those currently being achieved by the Group.

An overall substantial negative shift in the macro-economic environment for zinc, including the possible collective impact of a material fall in US dollar zinc prices, and/or a material rise in zinc treatment charges, the Australian dollar / United States dollar exchange rate and/or shipping costs could see a substantial negative impact on the forecast cashflows.

Forecast Production (Tailings)

The forecast production levels assume the hydraulic mining operations and processing plant at the Century Mine perform substantially in line with the head grade, production, zinc recovery rate and/or the zinc concentrate grade estimates used for modelling purposes.

The head grade, production, zinc recovery rate and zinc concentrate grade estimates used in the financial modelling were set by reference to the July 2021 - June 2022 full year and July 2022 - December 2022 half year operating performance and the Group's 2022-23 Budget. These parameters do not include the impact of recent capital works designed to enhance production as their performance is as yet unproven in practice.

Initial Cash Balance

The Directors note the following relevant considerations of the cash balance used to underpin the cashflow forecast:

- As at 31 December 2022, the Group had total unrestricted cash and cash equivalents of $47,808,368 in addition to $9,751,257 of trade receivables and $28,692,045 of zinc concentrate inventories measured at cost. Income received in advance was $25,818,779.

Timing of Receipts

The forecast model makes certain assumptions for the timing of receipts for the sale of product, the availability of prepayments and advances and other working capital movements. An unfavourable variation in any or a number of these mechanisms could impact the forecast cashflows.

Amended EBF

The Amended EBF incorporates a number of operating and financial covenants as generally seen in facilities of this nature. Under the terms of the Amended EBF, the Group is required to comply with certain undertakings and other obligations which include:

- Making amortisation payments quarterly for four quarters at A$10,000,000 per quarter commencing 3 April 2023 and finishing on 2 January 2024 and thereafter from 31 January 2024 at the rate of A$7,619,048 per month with the last amortisation payment due on 30 April 2025

- Compliance with quarterly production covenants related to payable zinc production in 6-month look back periods first tested on 30 June 2023;

- Compliance with the "Minimum Liquidity" covenant requiring the Group to hold no less than A$25,000,000 of cash and cash equivalents on quarter-ends and A$15,000,000 on month-ends between quarters;

- Compliance with an agreed Debt Service Cover Ratio (**DSCR**) of 1.20x first tested on 30 June 2023; and

- Compliance with an agreed Project Life Cover Ratio of 1.70x.

Unfavourable changes in forecast cash flows may impact the ability of the Group to meet its Amended EBF covenants on a forecast basis (which will be subject to testing within 12 months of the reporting date). At the date of this report, reasonably possible scenarios exist where the Amended EBF covenants are not met in the coming 12 months.

Contingent Liability – Environmental Rehabilitation Provision

The appropriate amount of the Financial Assurance Bond to be put in place with the Queensland Government remains subject to an appeal process being heard within the Land Court of Queensland as at the date of signing these Financial Statements. The Group may be exposed to further obligations depending upon the outcome of the Land Court matter which will likely be heard during 2023 and potentially into 2024. The maximum exposure to a possible increase in the Financial Assurance Bond is approximately $15,000,000. Refer to Note 15 to the Financial Statements.

Mitigating actions available to the Group

There are a number of actions the Group can take, if Directors believe to be warranted, to mitigate the risk of a breach of covenants under the Amended EBF and to otherwise ensure the Group continues to operate as a going concern. The effectiveness of any such actions would be assessed in the context of the economic, operating, and commercial climate faced by the Group at the relevant time.

These actions may include, amongst others:

(a) Restructuring the Amended EBF or replacing in its entirety.

(b) Discussions with the Amended EBF providers to amend, amongst other terms, the amortisation of the Amended EBF to accord more with the macro-economic conditions being encountered and/or seeking required waiver/s. It should be noted that to date the Group have met all financial and operating obligations imposed under the Amended EBF.

(c) Discussions with the Amended EBF providers to amend, amongst other terms, the DSCR of the Amended EBF to accord more with the macro-economic conditions being encountered and/or seeking required waiver/s.

(d) 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.

(e) Executing continuing operational improvements designed to enhance the level of metal production.

(f) Short-term deviations from the mine plan to maximise head grade and/or throughput.

(g) With the assistance of an external, industry-recognised metallurgy consultancy, continuing to implement a series of incremental projects designed to provide an improvement in the metal recoveries used.

(h) Discussions with counterparties seeking extended payment terms and conditions.

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

(j) Pursuing a renewed drive to reduce or defer costs in partnership with our major suppliers.

(k) Seeking a divestment of assets.

(l) Pausing new growth initiatives.

(m) Pursuing all available avenues to confirm the most appropriate interpretation required to finalise the final outcome of the statutory obligation, including discussions with the counterparty, disclosed in Note 20 to the Financial Statements.

(n) Should the payment of the statutory obligation disclosed in Note 20 to the Financial Statements become immediately payable, negotiating with the counterparty for a deferred payment schedule.

(o) If justified, accessing equity markets.

<u>Additional going concern considerations in light of the off market takeover offer by Sibanye-Stillwater on 21 February 2023</u>

On 22 February 2023, Sibanye-Stillwater announced it had increased its total shareholding and voting rights in the Company to 40.58 percent. Under the Amended EBF, this constituted a Change of Control Event and was therefore a Review Event under the agreement. The Amended EBF Facility Agent was notified on 22 February 2023 triggering an obligatory 60-day Review Period of good faith negotiation to attempt to agree appropriate amendments to the Facility to allow the Facility and Hedging Transactions to continue.

If, upon expiry of the Review Period, the Amended EBF parties have not agreed what amendments or other appropriate remedies the Group may need to make, the Amended EBF may be cancelled at the discretion of the Majority Sureties. Under such a scenario, the $160,000,000 utilisation would no longer be available to the Group, within no earlier than 60 days following the issuance of a cancellation notice. The Group would be required to obtain a replacement facility/facilities to enable it to comply with environmental regulation required to operate Lawn Hill. Separately, the Australian Dollar Zinc Hedges, recorded as a derivative liability of $38,858,651 at 31 December 2022 (refer to Note 14 to the Financial Statements) may be terminated or closed out at the discretion of the Hedge Counterparty.

In November 2021 the Group entered into a Deed of Covenant with Royaltyone Pty Ltd (Royaltyone) placing certain restrictions on making payments to Royaltyone. These restrictions have prevented the Group making any payments to Royaltyone since November 2021 with all payment obligations accruing as a non-current liability. Should the Amended EBF be cancelled, the Australian Dollar Zinc Hedges be terminated or closed out and all outstanding amounts under the Amended EBF be repaid by the Group, the Deed of Covenant will cease to have any effect. Unless other terms are agreed between the Parties all amounts owed to Royaltyone will become due and payable at that time and future obligations will require payment on their standard terms. As at 31 December 2022, $8,081,598 (refer to Note 13 to the Financial Statements) was owed to Royaltyone.

Acknowledging that Sibanye-Stillwater has acquired 52.67 percent of the total shareholding and voting rights on 27 February 2023, it may provide alternate options to the Group in respect of replacing the Amended EBF. The Group is yet to confirm Sibanye-Stillwater's intentions in respect of holding or replacing the Amended EBF.

While a number of uncertainties exists, the Directors are satisfied the mitigating actions and activities available to the Group enable it to continue its business activities and realise its assets and discharge its liabilities in the normal course of business and thereby will be able to meet its debts as and when they fall due. Accordingly, the Directors have prepared the Financial Statements on the going concern basis.

The financial report does not include any adjustments relating to the recoverability and the classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 2. Revenue and other related items

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $ Restated
Revenue from sale of zinc concentrates	162,109,419	191,708,465
Other related items:		
Fair value movements in trade receivables	9,983,328	9,823,814
Net fair value loss on zinc derivatives – refer Note 14	(25,212,077)	(26,944,800)

Fair value movements in trade receivables arise from subsequent changes in provisionally priced zinc sales and are recognised in the statement of profit or loss and other comprehensive income.

The Group primarily sells zinc concentrates to its offtake customers.

Note 3. Production costs and other related items

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $ Restated
Production costs	(108,947,259)	(105,530,213)
Employee benefits expense – labour costs	(26,610,410)	(22,928,543)
Change in zinc concentrate inventory – refer Note 7	16,059,986	2,698,731

The production costs represent all costs incurred in the production of zinc concentrate. The majority of the employee benefits expense directly relate to the production of zinc concentrate.

Note 4. Depreciation and amortisation expense

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $ Restated
Depreciation and amortisation of property, plant and equipment – refer Note 9	(26,142,165)	(23,184,546)
Amortisation of right-of-use assets – refer Note 10	(5,076,251)	(6,526,273)
	(31,218,416)	**(29,710,819)**

Note 5. Exploration and evaluation expenses

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $
Mt Lyell Project costs	(6,249,378)	-
Century Project costs	(56,674)	(33,921)
	(6,306,052)	**(33,921)**

In accordance with the Group's accounting policy, exploration and evaluation expenditure is either expensed as incurred or capitalised based on facts and circumstances relevant to each area of interest. All exploration and evaluation expenditure in relation to the Mt Lyell project is expensed under the Group's accounting policy.

Note 6. Financing expense

	6 months to 31 Dec 2022 $	6 months to 31 Dec 2021 $ Restated
Interest on Environmental Bond Facility	(4,785,460)	(261,170)
Amortisation of environmental bond facility establishment costs	(634,770)	(128,512)
Unwind of discount relating to environmental rehabilitation provision – refer note 15	(803,277)	(872,529)
Unwind of discount relating to lease liabilities – refer Note 10	(780,259)	(1,208,134)
Interest on deferred proceeds	(295,474)	(312,151)
Interest expense on equipment finance	(6,123)	(5,388)
Amortisation for effective borrowing rate - Varde loan facilities	-	(1,865,049)
Derecognition of financial liability - Varde loan facilities	-	5,197,218
Fee payable on finalisation of borrowings – Varde loan facilities	-	(7,839,294)
Interest expense - Varde loan facilities	-	(1,313,739)
Loan amendment fee – Varde loan facilities	-	(47,912)
Interest on MMG bank guarantee support	-	(1,387,224)
Options issued to MMG	-	(260,000)
Other	(1,094,118)	(562,827)
	(8,399,481)	**(10,866,711)**

Note 7. Inventories

	31 Dec 2022 $	30 Jun 2022 $
Zinc concentrate – at cost	28,692,045	12,632,059
Consumables and spare parts – at cost	24,957,291	20,008,303
	53,649,336	**32,640,362**

Zinc concentrate and consumables inventories are carried at the lower of cost and net realisable value.

Note 8. Prepayments

	31 Dec 2022 $	30 Jun 2022 $
Prepayments – current	12,841,677	7,846,148
Prepayments – non-current	1,620,028	1,799,164
	14,461,705	**9,645,312**

The increase in prepayments is mainly due to the timing of large and irregular payments including insurance policies and local government rates.

Note 9. Property, plant and equipment

	6 months to 31 Dec 2022 $	12 months to 30 Jun 2022 $ Restated	6 months to 31 Dec 2021 $ Restated
Balance at beginning of the period	251,162,436	280,986,782	280,986,782
Additions	16,384,844	16,469,182	6,956,964
Depreciation expense for the period	(26,142,165)	(47,274,149)	(23,184,546)
Impact of change in rehabilitation discount rate – refer Note 15	2,755,450	980,621	(1,940,351)
Increase in rehabilitation provision capitalised – refer Note 15	2,541,345	-	-
Balance at end of the period	**246,701,910**	**251,162,436**	**262,818,849**

Note 10. Leases

As a lessee, the Group leases assets, including port facilities at Karumba, corporate office space in Melbourne and certain equipment at the Century Mine.

Right-of-use assets

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

	6 months to 31 Dec 2022 $	12 months to 30 Jun 2022 $ Restated	6 months to 31 Dec 2021 $ Restated
Balance at beginning of the period	27,618,764	43,922,204	43,922,204
Adjustments due to modification of lease	745,597	(4,458,062)	-
Additions	1,990,946	195,233	-
Amortisation – expensed during the period	(5,076,251)	(12,040,611)	(6,526,273)
Balance at end of the period	**25,279,056**	**27,618,764**	**37,395,931**

Lease liabilities

The movement in the lease liabilities is reconciled below:

	6 months to 31 Dec 2022 $	12 months to 30 Jun 2022 $ Restated	6 months to 31 Dec 2021 $ Restated
Balance at beginning of the period	28,808,007	44,988,659	44,988,659
Adjustments due to modification of lease	745,597	(4,458,062)	-
Additions	1,990,946	195,233	-
Interest unwind – expensed	780,259	2,121,292	1,208,134
Lease payments	(5,330,353)	(14,039,115)	(7,690,593)
Balance at end of the period	**26,994,456**	**28,808,007**	**38,506,200**

Disclosed as			
Current	8,292,003	8,609,704	10,017,280
Non-current	18,702,453	20,198,303	28,488,920
Balance at end of the period	**26,994,456**	**28,808,007**	**38,506,200**

Note 11. Exploration and evaluation assets

	31 Dec 2022 $	30 Jun 2022 $
	27,995,010	18,648,686

In accordance with the Group's accounting policy, exploration and evaluation expenditure is either expensed as incurred or capitalised based on facts and circumstances in relation to each area of interest. The increase in exploration and evaluation assets during the year relates to capitalisation of expenditure incurred for studies into the potential development of various in-situ deposits at the Century Mine.

All exploration and evaluation expenditure in relation to the Mt Lyell project is expensed under the Group's accounting policy.

Note 12. Financial assets – security guarantees

	31 Dec 2022 $	30 Jun 2022 $
	36,393,136	36,200,446

Deposits held as security guarantees are for the benefit of other parties in guarantee of obligations. They may bear interest with the interest rate dependent on the term and nature of the deposits. They are valued at the face value of the deposits held as security guarantees.

Note 13. Trade and other payables

	31 Dec 2022 $	30 Jun 2022 $ Restated
Trade and other payables	92,005,188	86,629,449
Deferred proceeds	25,818,779	16,164,532
GST payable	-	772,938
	117,823,967	**103,566,919**
Disclosed as		
Current	109,742,369	98,269,318
Non-current	8,081,598	5,297,601
	117,823,967	**103,566,919**

Proceeds of $25,818,779 (30 June 2022: $16,164,532) against which revenue has not been recognised by 31 December 2022 has been treated as deferred proceeds. This will be recognised as revenue in the statement of profit or loss and other comprehensive income in the subsequent financial period. The revenue is typically recognised within a three-month period from the date of the receipt of the proceeds once the revenue recognition criteria are met.

The non-current trade and other payables represent accrual for a 2 percent net smelter royalty from operations at the Century Mine to Royaltyone Pty Ltd, a company which is a related party to the Group's former Managing Director. Under the terms of a deed with the providers of the Amended EBF, payment of the royalty in cash is prohibited until the earlier of Amended EBF reaching final maturity, the Group meeting certain liquidity and production targets or termination of the Amended EBF. Otherwise, the royalty can be paid in shares in the Company.

Note 14. Derivative financial instruments

The Group entered into various derivative instruments to hedge price risk on a portion of the Century Mine's planned zinc concentrate production. The Group'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 Australian dollar zinc swap contracts were entered into by the Group.

The Australian dollar zinc swap contracts were designated as cash flow hedges and were assessed to be fully effective in managing the underlying risk of fluctuations in the Australian dollar zinc price.

Set out below are the key balances arising from the hedge accounting of the zinc swap contracts.

	31 Dec 2022 $	30 June 2022 $
Net fair value loss on zinc derivatives (expense)	(25,212,077)	(78,684,412)
Derivative financial instruments – current liability	32,817,704	47,030,971
Derivative financial instruments – non-current liability	6,040,947	21,948,764
Cash flow hedge reserve	(29,923,809)	(55,307,436)

The movements in the Cash Flow Hedge Reserve were as follows:

	31 Dec 2022 $	31 Dec 2021 $
Opening balance at 1 July	(55,307,436)	(15,450,738)
Effective portion of gain or loss on hedging instrument	171,550	(99,371,013)
Reclassification to profit or loss as hedged item recognised as loss	25,212,077	26,944,800
Closing balance at 31 Dec	**(29,923,809)**	**(87,876,951)**

During the year ended 30 June 2021, the Group entered into a fixed for variable swap agreement with Macquarie Bank Limited (Macquarie) to hedge the Australian dollar zinc price on 90,000 tonnes of zinc being a portion of forecast future sales exposure. The hedge is to be settled in equal portions of 2,500 tonnes per month from July 2021 through June 2024 inclusive.

During the year ended 30 June 2022, the Group entered into a second fixed for variable swap agreement with Macquarie to hedge the Australian dollar zinc price on an additional 90,000 tonnes of zinc being a portion of forecast future sales exposure. The hedge is to be settled in equal portions of 3,750 tonnes per month from January 2022 through December 2023 inclusive.

As at 31 December 2022, the combined hedge position was 90,000 tonnes (30 June 2022: 127,500 tonnes) with a weighted average fixed price of A$3,828 per tonne (30 June 2022: $3,834 per tonne).

Note 15. Environmental rehabilitation provisions

	6 months to 31 Dec 2022 $	12 months to 30 Jun 2022 $ Restated	6 months to 31 Dec 2021 $ Restated
Opening balance	190,312,211	187,413,683	187,413,683
Interest unwind	803,277	1,917,907	872,529
Impact of change in discount rate	2,755,450	980,621	(1,940,351)
Increase in provision estimate	2,541,345	-	-
Balance at end of the period	**196,412,283**	**190,312,211**	**186,345,861**

The rehabilitation provision relates to the Group's Century Mine and is calculated based on three key areas as follows:

(i) Lawn Hill Site Operations

As part of the acquisition of the Century Mine in 2017 the Group assumed the requirement to provide Financial Assurance to the Queensland Government to guarantee future potential costs to rehabilitate Century Mine.

The amount of this Financial Assurance, described formally as the Estimated Rehabilitation Cost (**ERC**) under the *Environmental Protection Act 1994* (Qld), is calculated by reference to a detailed methodology set out in the relevant legislation. Using a measure of the land disturbed at the time of the calculation (and not at the end of the mine life) this methodology calculates a rehabilitation cost based on third party providers undertaking the work. It excludes any residual value for the mining tenement or remaining facilities and equipment and takes no account of the actual plan for mine closure. Critically, the ERC does not take into account the tailings reclamation activities that the Group has completed and plans to complete over the life of mine.

Between January 2021 and August 2022, the ERC was determined to be $183,916,150. As part of the triennial update cycle, the Group estimated its ERC at $186,269,285 effective August 2022. The Queensland Government has asserted a different figure, and the matter is currently subject to an appeal process to be heard by the Land Court of Queensland during the course of 2023 and potentially into 2024. The outcome of the appeal will determine the revised ERC amount and, indirectly, the required Financial Assurance Bond (see contingent liabilities below).

As at 31 December 2022, the total environmental security provided to the Queensland Government for the Century Mine was $183,916,150 which was made up of a guarantee provided by Macquarie Bank Limited of $160,000,000 and restricted cash provided by the Group of $23,916,150.

The ERC calculation is determined by reference to the present obligation that would accrue to the Group to rehabilitate the disturbed land on the basis that all activities have immediately and permanently ceased at the Century Mine as at the date of the calculation.

The Group operates with a unique closure strategy for the Century Mine which differs considerably from a normal mining operation. One of the largest components of the immediate closure cost for the Century Mine in the ERC calculation is the rehabilitation of the Tailings Storage Facility, which contemplates a complex layering of materials comprising at least 2,800mm of cover on top of the current surface of the tailings.

However, the current and planned Century operations involves the removal of the tailings using hydraulic mining methods, reprocessing the tailings to profitably recover zinc within the tailings and redeposition of the remnant tailings in the existing Century open pit where they are permanently stored under water in accordance with good industry practice.

As the tailings are progressively removed over the remaining life of mine, the existing Tailings Storage Facility is stripped back to the natural surface such that only the base of the Tailings Storage Facility footprint requires rehabilitation. This is achieved by shaping and dozing the surface to create natural drainage, breaching the embankment, and finally ripping and seeding the natural surface of the dam. The cost of this final procedure is expected to be substantially lower than the calculated ERC for rehabilitating the Tailings Storage Facility in its current state, primarily as it does not require the 2,800mm layer of cover.

As well as the lower cost implications for the Group's unique closure strategy there are a number of further possible material cost savings and offsets on site closure that are not taken into account in the ERC calculation including:

- The Group could undertake the rehabilitation work using its own workforce and equipment, rather than the higher costs associated with using government appointed third party providers.
- The reduction in final closure costs as a consequence of capital expended in developing existing in-situ resources at Century.
- Postponing final site rehabilitation plans due to Century life extensions from the mining of in-situ deposits.
- Compensating cashflow attained from the sale to third parties of (amongst other things) residual inventory and stores, camp and equipment, salvage value of the processing plant, mining and exploration leases including valuable (pipeline) easement rights, substantial port facilities at Karumba and the sale of the transhipment vessel, M.V. Wunma.

It should be noted that as the Group progressively rehabilitates the Century Mine site as part of its normal operating activities there will be a corresponding reduction in the level of ERC required and consequently, after formal evaluation and acceptance by the Queensland Government, a reduction in the surety required by the Financial Provisioning Scheme, triggering a return to the Group of any excess bonds or cash provided to meet surety obligations.

Contingent liabilities

The appropriate amount of Financial Assurance Bond to be put in place with the Queensland Government remains subject to an appeal process being heard within the Land Court of Queensland as at the date of signing these Financial Statements. While the Group is of the belief that the Financial Assurance Bond should be $186,269,285, it may be exposed to further obligations depending upon the outcome of the Land Court matter. The maximum exposure to a possible increase in the Financial Assurance Bond is approximately $15,000,000. This exposure has no impact on the current period income statement but may result in an increase in provisions for rehabilitation and corresponding increase in property, plant and equipment.

(ii) Pipeline corridor

The Group operates a pipeline for the purpose of transporting concentrate slurry from the Century Mine at Lawn Hill to the Karumba Port Facility. Any rehabilitation of the pipeline is at the discretion of the Government authorities with the decision to be made by the Government authorities in the future at the time of termination or cancellation of the agreement. The Group is confident that the rehabilitation of the pipeline corridor, involving the full removal of the pipeline, will not be a requirement of the rehabilitation obligations arising when the Group ceases the operations of the pipeline in the future. Accordingly, a provision for rehabilitation has been recognised in relation to the pipeline corridor at $188,210 relating to the cost of removing surface infrastructure along the corridor and capping each end of the pipeline.

(iii) Karumba Port Facility

The Group leases port facilities located in Karumba that are owned and managed by Far North Queensland Ports Corporation Limited. Any decommissioning of the Port Facility is at the discretion of the lessor with the decision to be made by the lessor in the future at the time of termination or cancellation of the agreement. There is a possibility that no or minimal rehabilitation may be required for various reasons including the ability of the lessor to sell or lease the Karuma Port Facility to another party. Notwithstanding, a rehabilitation provision of $13,693,544 has been recognised as at 31 December 2022 (30 June 2022: $13,192,802 restated). As this constitutes a prior period error, the Group elected to increase the recognised provision, effective July 2017. Refer to Note 20 to the Financial Statements for the impact of the correction of this error.

Note 16. Issued capital

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.

The Group completed a 15:1 share consolidation in December 2021 following approval by shareholders in November 2021. The share consolidation involved the conversion of every 15 fully paid ordinary share on issue into 1 fully paid ordinary share. Where the share consolidation resulted in a shareholder having a fractional entitlement to a share, the entitlement was rounded up to the next whole number of shares. Pursuant to the share consolidation, the number of shares on issue reduced from 1,725,753,750 shares to 115,052,085 shares.

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

	6 months to 31 Dec 2022	
	Number of shares	$
Opening balance – 1 July 2022	130,990,713	547,587,053
Shares issued on 9 November 2022 under Employee share plan	220,708	216,736
Shares issued on 9 November 2022 under Employee Securities Incentive Plan	161,920	293,253
Shares issued on 9 November 2022 for conversion of performance rights	134,381	-
Shares issued on 13 December 2022 for conversion of performance rights	145,436	-
Closing balance – 31 December 2022	**131,653,158**	**548,097,042**

	6 months to 31 Dec 2021	
	Number of shares	$
Opening balance – 1 July 2021	1,209,928,046	436,644,145
Shares issued on 28 October 2021 at 15.95 cents under Employee share plan	968,258	154,500
Shares issued on 3 November 2021 at 15.50 cents under institutional placement	212,375,434	32,918,192
Shares issued on 26 November 2021 at 15.50 cents under pro rata entitlement offer	302,482,012	46,884,715
Number of shares prior to 15:1 share consolidation	1,725,753,750	516,601,552
15:1 share consolidation on 1 December 2021	(1,610,701,665)	-
Number of shares post 15:1 share consolidation	115,052,085	516,601,552
Shares issued on 7 December 2021 at $3.18 in lieu of non-executive fees	54,092	172,500
Shares issued on 7 December 2021 $2.33 under placement	15,884,526	36,931,523
Shares issued on 9 December 2021 at $2.33 under cleansing prospectus	10	23
Total	**130,990,713**	**553,705,598**
Costs arising from issue of shares	-	(6,118,545)
Closing balance – 31 December 2021	**130,990,713**	**547,587,053**

Note 17. Financial instruments

With the exception of the derivative financial instruments which are measured at fair value (refer Note 14), the financial assets and financial liabilities are recorded at amortised cost in the financial statements and their fair value approximate the carrying amounts. The derivative financial instruments are categorised as a Level 2 measurement as defined by AASB 13 *Fair Value Measurement*. Level 2 measurements are based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Note 18. 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 19. 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 2022. There has been no significant change in commitments and contingent liabilities during the half-year, except for a matter noted in Note 15 to the Financial Statements.

Note 20. Restatements

During the period, the Group identified that adequate provision was not recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* as part of the purchase accounting in July 2017 for the rehabilitation of the port facility in Karumba. Refer to Note 15 to the Financial Statements.

During the period, the Group also identified a contract that constitutes a lease arrangement which was erroneously not treated as a lease since the inception of the AASB 16 *Leases* in July 2019.

Judgement is required in the interpretation and application of aspects relevant to the existence and measurement of a statutory obligation relating to the Group's mining operations. The Group has recognised a liability equal to its best estimate of the amounts required to settle the obligation. The Group continues to take action to confirm the most appropriate interpretation required to finalise the ultimate outcome, including discussions with the counterparty.

Additionally, freight costs in the comparative financial period have been reclassified as the Group sells its zinc concentrate on CIF Incoterms, and is responsible for and acts as the principal in the provision of shipping costs, based on AASB 15 *Revenue from Contracts with Customers*. Accordingly, freight costs have been reclassified to a separate line with the adjustment resulting in a higher revenue balance.

The above, together with all consequential adjustments, have been accounted for as a correction of errors in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Consequently, the financial information in respect of the prior periods is required to be restated. The following tables summarise the impact of these restatements on the relevant lines of the prior period Financial Statements.

Consolidated statement of profit or loss and other comprehensive income

6 months to 31 Dec 2021	As previously reported $	Rehabilitation adjustment $	Lease adjustment $	Statutory obligation adjustment $	Freight adjustment $	As restated $
Revenue	181,247,773	-	-	-	10,460,692	191,708,465
Freight costs	-	-	-	-	(10,460,692)	(10,460,692)
Production costs	(104,669,224)	-	1,003,214	(1,864,203)	-	(105,530,213)
Depreciation and amortisation expense	(28,413,799)	-	(876,834)	(420,186)	-	(29,710,819)
Finance expenses	(10,056,049)	-	(303,066)	(507,596)	-	(10,866,711)
Other income and expenses	(41,517,523)	-	-	-	-	(41,517,523)
Loss before income tax expense	**(3,408,822)**	**-**	**(176,686)**	**(2,791,985)**	**-**	**(6,377,493)**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the half-year	**(3,408,822)**	**-**	**(176,686)**	**(2,791,985)**	**-**	**(6,377,493)**
Other comprehensive (loss)/gain for the half-year	**(72,426,213)**	**-**	**-**	**-**	**-**	**(72,426,213)**
Total comprehensive loss for the half-year	**(75,835,035)**	**-**	**(176,686)**	**(2,791,985)**	**-**	**(78,803,706)**
Loss for the half-year attributable to:						
Members of the parent entity	**(3,408,822)**	**-**	**(176,686)**	**(2,791,985)**	**-**	**(6,377,493)**
Total comprehensive loss for the half-year attributable to:						
Members of the parent entity	**(75,835,035)**	**-**	**(176,686)**	**(2,791,985)**	**-**	**(78,803,706)**

Consolidated statement of financial position

As at 30 June 2022	As previously reported $	Rehabilitation adjustment $	Lease adjustment $	Statutory obligation adjustment $	Freight adjustment $	As restated $
Total current assets	**140,312,645**	**-**	**-**	**-**	**-**	**140,312,645**
Non-current assets						
Property, plant and equipment	246,819,761	-	-	4,342,675	-	251,162,436
Right-of-use assets	19,142,705	-	8,476,059	-	-	27,618,764
Other non-current assets	56,648,296	-	-	-	-	56,648,296
Total non-current assets	**322,610,762**	**-**	**8,476,059**	**4,342,675**	**-**	**335,429,496**
TOTAL ASSETS	**462,923,407**	**-**	**8,476,059**	**4,342,675**	**-**	**475,742,141**
Current liabilities						
Trade and other payables	81,496,461	-	-	16,772,857	-	98,269,318
Lease liabilities	6,922,746	-	1,686,958	-	-	8,609,704
Other current liabilities	51,706,431	-	-	-	-	51,706,431
Total current liabilities	**140,125,638**	**-**	**1,686,958**	**16,772,857**	**-**	**158,585,453**
Non-current liabilities						
Lease liabilities	12,709,304	-	7,488,999	-	-	20,198,303
Environmental rehabilitation provisions	179,045,498	11,266,713	-	-	-	190,312,211
Other non-current liabilities	28,180,770	-	-	-	-	28,180,770
Total non-current liabilities	**219,935,572**	**11,266,713**	**7,488,999**	**-**	**-**	**238,691,284**
TOTAL LIABILITIES	**360,061,210**	**11,266,713**	**9,175,957**	**16,772,857**	**-**	**397,276,737**
NET ASSETS	**102,862,197**	**(11,266,713)**	**(699,898)**	**(12,430,182)**	**-**	**78,465,404**
Equity						
Accumulated losses	(389,417,420)	(11,266,713)	(699,898)	(12,430,182)	-	(413,814,213)
Other equity balances	492,279,617	-	-	-	-	492,279,617
TOTAL EQUITY	**102,862,197**	**(11,266,713)**	**(699,898)**	**(12,430,182)**	**-**	**78,465,404**

The impact of the restatements as at 1 July 2021 was an increase in environmental rehabilitation provisions of $11,266,713, increase in lease liabilities of $10,747,950, increase in right of use assets of $10,229,727, increase in property, plant and equipment of $5,198,620, and an increase in trade and other payables of $11,688,387 resulting in a net adjustment to accumulated losses of $18,274,703.

Consolidated statement of cash flows

6 months to 31 Dec 2021	As previously reported $	Rehabilitation adjustment $	Lease adjustment $	Statutory obligation adjustment $	Freight adjustment $	As restated $
Receipts from customers	174,982,797	-	-	-	10,460,692	185,443,489
Payments to suppliers and employees	(146,997,471)	-	1,003,214	-	(10,460,692)	(156,454,949)
Other operating activities	(3,346,079)	-	-	-	-	(3,346,079)
Net cash inflow from operating activities	**24,639,247**	**-**	**1,003,214**	**-**	**-**	**25,642,461**
Net cash outflow from investing activities	**(35,398,509)**	**-**	**-**	**-**	**-**	**(35,398,509)**
Payments for lease liabilities	(6,687,379)	-	(1,003,214)	-	-	(7,690,593)
Other investing activities	67,743,866	-	-	-	-	67,743,866
Net cash inflow from financing activities	**61,056,487**	**-**	**(1,003,214)**	**-**	**-**	**60,053,273**
Net increase in cash and cash equivalents	50,297,225	-	-	-	-	50,297,225
Cash and cash equivalents at the beginning of the financial period	35,696,665	-	-	-	-	35,696,665
Cash and cash equivalents at the end of the half-year	**85,993,890**	**-**	**-**	**-**	**-**	**85,993,890**

Loss per share	As previously reported Cents	Adjustment Cents	As restated Cents
Basic and diluted loss per share	(3.74)	(3.26)	(7.00)

Note 21. Matters subsequent to the end of the half-year

On 23 January 2023, the Group announced the completion of a Pre-Feasibility Study for Mt Lyell which demonstrated highly attractive economics through the potential development of a low-cost, long-life copper and gold operation in a Tier-1 jurisdiction, supplied by 100 percent renewable power. Further details on this event are set out on the Company's website.

On 21 February 2023, Sibanye-Stillwater, which had an existing interest of 19.9 percent in the Company, announced its intention to make an off-market, cash takeover offer to acquire all of the shares in the Company that it did not own at a price of $1.10 per share.

On 22 February 2023, Sibanye-Stillwater announced it had increased its total shareholding and voting rights in the Company to 40.58 percent. Under the Amended EBF, this constituted a Change of Control Event and was therefore a Review Event under the agreement. The EBF Facility Agent was notified on 22 February 2023 triggering an obligatory 60-day period of good faith negotiation to attempt to agree appropriate amendments to the Facility to allow the Facility and Hedging Transactions to continue.

At the time of signing this Financial Report, Sibanye had increased its shareholding in New Century to 52.67 percent.

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

In accordance with a resolution of the Directors of New Century Resources Limited, we state that:

In the opinion of the Directors:

a) The half year financial statements and notes are in accordance with the *Corporations Act 2001*, including:

   (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

   (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Kerry Gleeson
Chairman

27 February 2023

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Independent auditor's review report to the members of New Century Resources Limited

Conclusion

We have reviewed the accompanying half-year financial report of New Century Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and

b. 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 (ASRE 2410). 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 auditor independence requirements of the Corporations Act 2001 and 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the principal events or conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

Auditor's 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 2022 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.

Ernst & Young

Ernst & Young

RBembridge

Richard Bembridge
Partner

Melbourne
27 February 2023