**ASX / MEDIA ANNOUNCEMENT** **ASX: NCZ**

**24 August 2017**

# IDENTIFICATION OF SIGNIFICANT HIGH GRADE MINERALISATION AT THE WATSONS LODE PROSPECT

- **Watsons Lode Prospect - a high-grade Zn-Pb-Ag vein system over 4km strike:**
  - *23.0m at 13.7% Zn+Pb from 30m (LH007)*
  - *14.0m at 35.3% Zn+Pb from 33m (LH011)*
  - *7.0m at 20.6% Zn+Pb from 50m (LH003)*
  - *11.5m at 17.2% Zn+Pb from 145.3m (WLQ007)*
  - *3.8m at 23.7% Zn+Pb from 64.8m (WLQ042)*
  - *3.5m at 49.8% Zn+Pb from 55m (WLQ038)*
  - *9.0m at 28.9% Zn+Pb from 138m (WLQ038)*
  - *5.7m at 21.3% Zn+Pb from 90.7m (WLQ039)*
  - *9.7m at 17.2% Zn+Pb from 150.9m (OZM771)*
  - *9.0m at 27.5% Zn+Pb from 174m (ZCL642)*
- **Watsons Lode has strong potential to build on substantial existing in-situ resources at Silver King, East Fault Block & identified mineralisation at South Block**

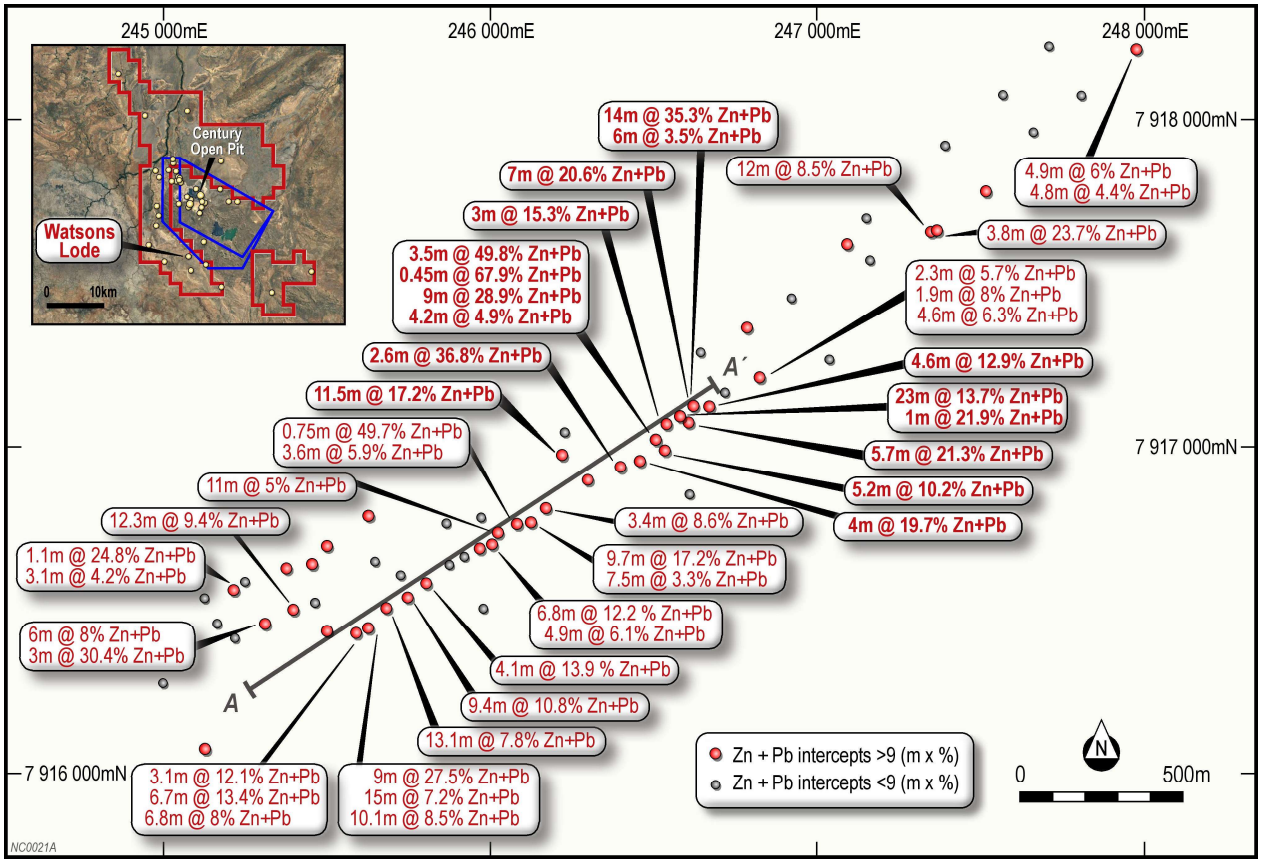


*Figure 1: Overview of historical drilling results at the Watsons Lode prospect*

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**New Century Resources Limited (Company or New Century)** (ASX: NCZ) is pleased to announce the results of a preliminary review and verification of historical drilling information from the prospect known as Watsons Lode at the Century Zinc Mine.

As outlined in the Independent Geologist's Report in the Company's Prospectus (see ASX announcement dated 20 June 2017), Watsons Lode represents a high priority prospect requiring follow up drilling.

Watsons Lode is located on the exploration permit (EPM 10544) surrounding the Century mining leases and is approximately 10km from the existing Century Processing Plant. Watsons Lode is one of many prospects in the vicinity of the Century Zinc Mine, with 40 targets identified to date.

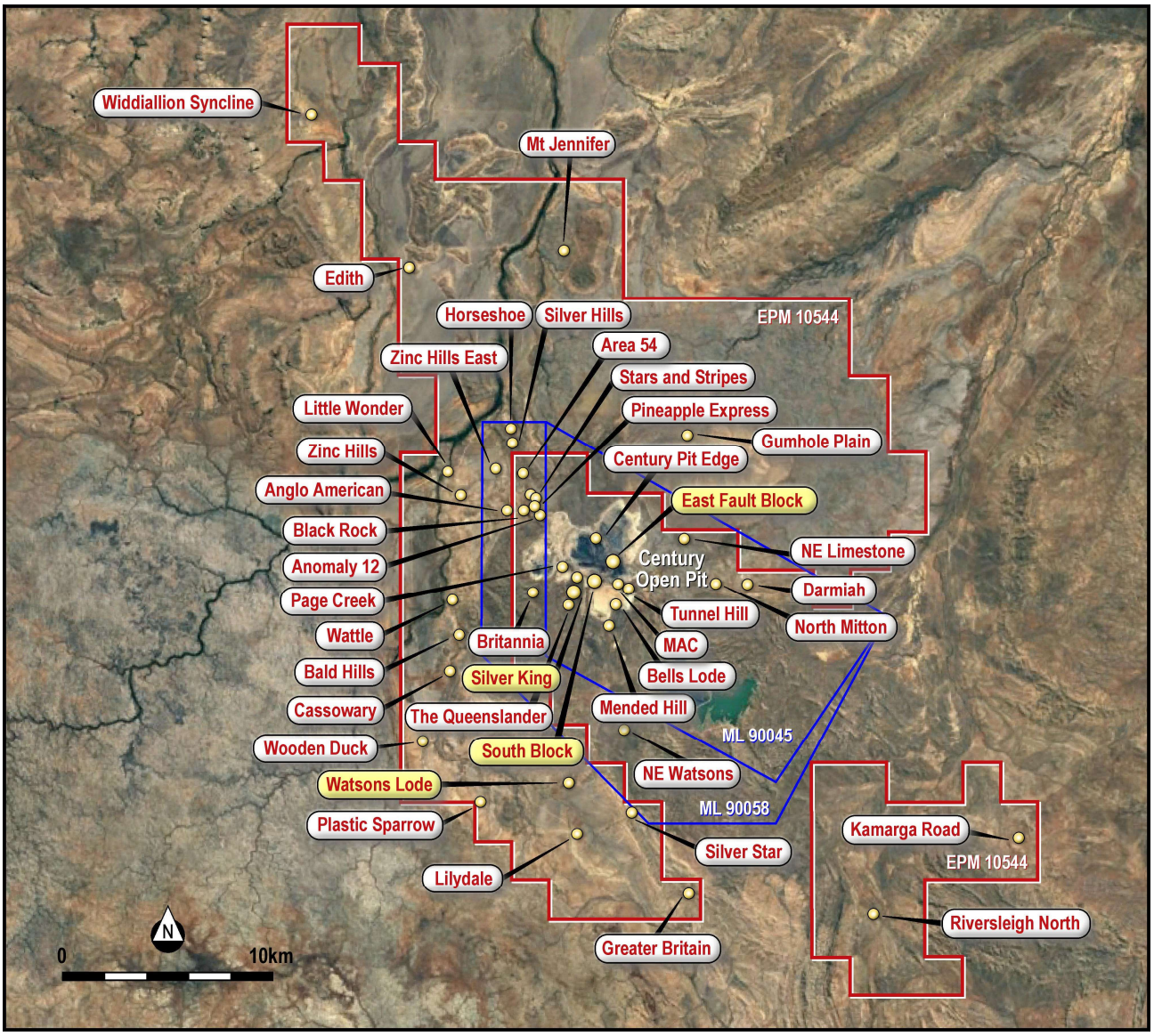


*Figure 2: Location of Watsons Lode and other prospects around the Century Zinc Mine*

Numerous high-grade intersections have been reported from historical drilling at Watsons Lode as well as historical mining development and production. During previous small scale operations the Watsons Shaft was sunk to 100ft and combined with Lucky Dollar and Coughlans Lode produced 176t of lead and 1,100oz silver. A long section of the main part of Watsons Lode is shown in Figure 3.

Commenting on Watsons Lode New Century Resources Managing Director Patrick Walta said:
*"The historical drilling results from Watsons Lode show this Prospect has the potential to deliver a high-grade resource with strong geological similarities to the Silver King deposit. The Company is now planning a drilling program over the Prospect with the aim of bringing the existing mineralisation into a compliant Mineral Resource.*

*Any additional resources from Watsons Lode will compliment other established in-situ Mineral Resources from Silver King, East Fault Block and the recently identified mineralisation at South Block. These identified resources and prospects in turn provide significant additional value beyond the Century Tailings Deposit which is the current focus of initial development."*

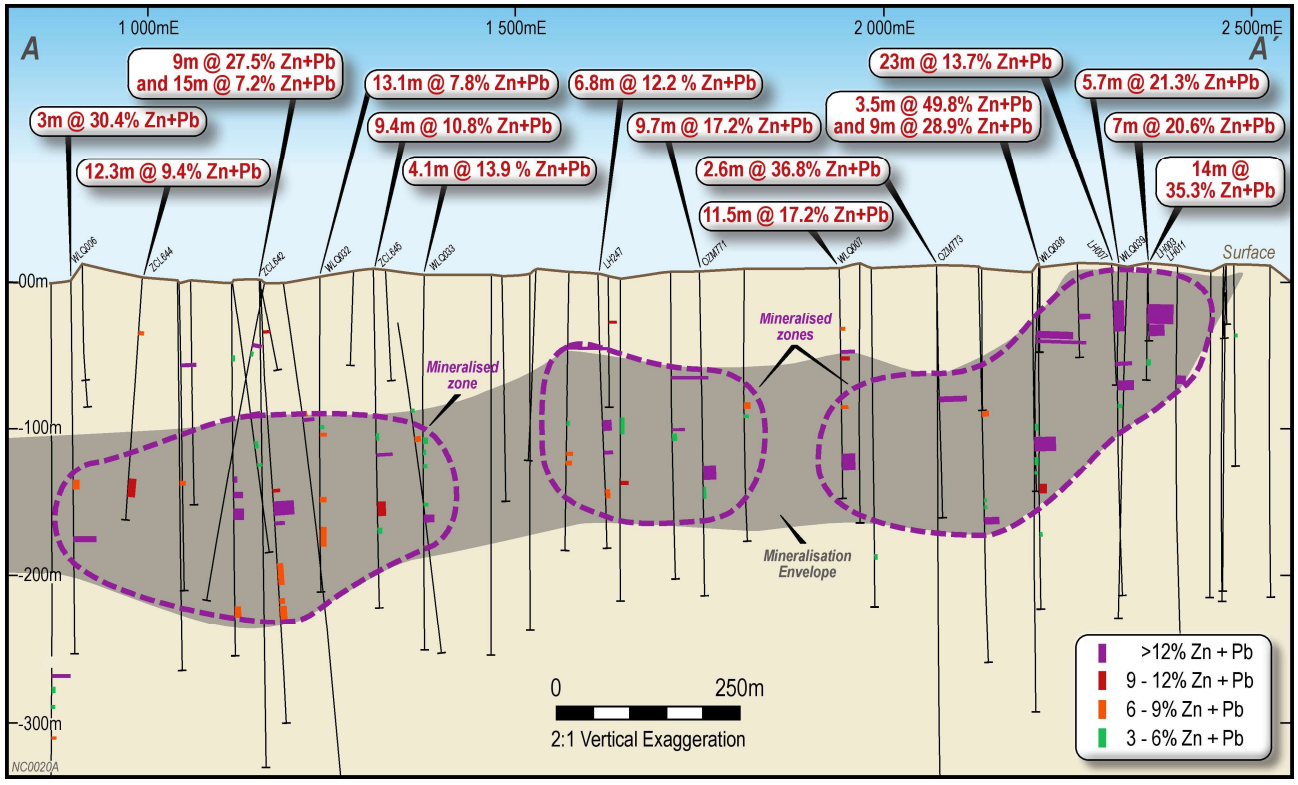


***Figure 3: Long section A-A' through the Watsons Lode prospect. Zones with strong mineralisation within the overall envelope are highlighted.***

## Watsons Lode Geology

The Watsons Lode vein system occurs over a strike of close to 4000m and comprises a series of fault-filling epithermal, quartz-carbonate-sphalerite-galena veins containing high grade lead-zinc-silver within a broader mineralised envelope. The individual veins are up to 15m wide and form an array in a zone up to 50m wide.


*Figure 4: Hole ZCL642 showing massive sphalerite mineralisation (honey colour) within the interval 174-183m grading 27.5% Zn + Pb*

*Figure 5: Perspective of the Watsons Lode veins, looking to the south-west, and close-up of the lode near Watsons shaft, showing the quartz vein with abundant cavities after sphalerite and carbonate.*

Within the larger vein system, multiple high-grade lead-zinc-silver intersections occur within a zone 1,700m long from Watsons Shaft to the south-west. This mineralised zone occurs largely within the Century host rock sequence. Drilling NE of Watsons Shaft has some moderate intersections (eg. WLQ012) but not in general the calibre of those in the area under discussion.

Within this array, veins are usually steeply dipping, intersect other structures of different orientations, may be truncated by younger fault. It should be noted that, as the veins are steeply dipping, many of the intersection widths differ from the approximate true width (see Appendix 1).

**Next Steps**

The Company is now progressing planning for a follow up drilling program which will be used to potentially generate a JORC compliant Mineral Resource at Watsons Lode, in addition to verifying the accuracy of the historical drilling data.

**For further information please contact:**

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***Competent Person's Statement***

The information in this report that relates to historical exploration results for the Watsons Lode prospect and fairly represents is based on information compiled by Mr Terry Lees who is a Fellow of the Australian Institute of Geoscientists (AIG), and consultant of New Century Resources Ltd. Mr Lees has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Lees consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

*Appendix 1: Drill hole co-ordinates, orientations and intersections from Watsons Lode with a cut-off grade of 3% (Zn+Pb) and a minimum intercept metal content of 9 [metres × %(Pb+Zn)]*

| Hole_ID | E_AMG84 | N_AMG84 | RL | Hole Depth | HOLE TYPE | Dip | Azim (AMG) | From | To | Interval | Approx true thickness | Zn % | Pb % | Ag g/t | Zn + Pb % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LH003 | 246496.2 | 7916951 | 171.9 | 62 | RC | -60 | 330.5 | 50 | 57 | 7.00 | 3.50 | 14.23 | 6.34 | 28.71 | 20.58 |
| LH007 | 246455.1 | 7916924 | 171.4 | 96 | RC | -60 | 335.5 | 30 | 53 | 23.00 | 11.50 | 10.39 | 3.33 | 25.87 | 13.72 |
| | | | | | | | | 79 | 80 | 1.00 | 0.50 | 17.90 | 3.98 | 21.00 | 21.88 |
| LH010 | 246414.7 | 7916901 | 171.8 | 75 | RC | -60 | 331.5 | 41 | 44 | 3.00 | 1.50 | 3.22 | 12.10 | 32.00 | 15.32 |
| LH011 | 246492.7 | 7916956 | 171.9 | 93 | RC | -60 | 325.5 | 33 | 47 | 14.00 | 7.00 | 25.93 | 9.35 | 52.86 | 35.29 |
| | | | | | | | | 53 | 59 | 6.00 | 3.00 | 1.94 | 1.59 | 8.00 | 3.53 |
| LH241 | 246407.1 | 7916818 | 168.9 | 270 | PD/DD | -55 | 325.5 | 174.5 | 179.7 | 5.15 | 2.94 | 8.78 | 1.38 | 2.85 | 10.17 |
| LH243 | 246330.9 | 7916783 | 169.7 | 256 | PD/DD | -55 | 330.5 | 116.5 | 119.1 | 2.60 | 1.48 | 8.63 | 0.02 | 2.38 | 8.65 |
| LH247 | 245877.6 | 7916531 | 164.7 | 221 | PD/DD | -55 | 330.5 | 119.7 | 126.5 | 6.80 | 3.88 | 11.99 | 0.18 | 3.49 | 12.17 |
| | | | | | | | | 144.7 | 145.4 | 0.75 | 0.43 | 12.20 | 0.01 | 2.00 | 12.21 |
| | | | | | | | | 175.8 | 180.7 | 4.90 | 2.79 | 2.40 | 3.70 | 7.24 | 6.10 |
| OZM770 | 245893 | 7916564 | 161 | 246.5 | RC/DD | -60 | 330.5 | 107.8 | 118.8 | 11.00 | 5.50 | 4.99 | 0.04 | 1.08 | 5.03 |
| | | | | | | | | 156.5 | 157.5 | 0.95 | 0.48 | 4.96 | 5.25 | 11.40 | 10.21 |
| OZM771 | 245999 | 7916598 | 166 | 249.4 | RC/DD | -60 | 330.5 | 150.9 | 160.6 | 9.70 | 4.85 | 16.99 | 0.16 | 2.34 | 17.15 |
| | | | | | | | | 167.5 | 175 | 7.50 | 3.75 | 3.26 | 0.00 | 0.63 | 3.26 |
| OZM773 | 246272 | 7916769 | 170 | 201.4 | DD | -55 | 330.5 | 106.3 | 108.9 | 2.60 | 1.48 | 28.18 | 8.63 | 40.25 | 36.81 |
| OZM774 | 246333 | 7916786 | 168 | 276.7 | RC/DD | -75 | 335.5 | 175.5 | 179.5 | 4.00 | 1.04 | 10.65 | 9.05 | 11.49 | 19.71 |
| OZM777 | 246173 | 7916730 | 172 | 201.7 | RC/DD | -60 | 325.5 | 78.8 | 82.8 | 4.00 | 2.00 | 2.39 | 0.05 | 0.64 | 2.44 |
| OZM778 | 245502 | 7916278 | 158 | 246.7 | DD | -60 | 190.5 | 48.3 | 49.3 | 1.00 | 0.50 | 9.33 | 3.18 | 14.90 | 12.51 |
| OZM779 | 245328 | 7916469 | 160 | 210.5 | RC/DD | -60 | 115.5 | 103 | 104 | 1.00 | 0.50 | 5.60 | 6.43 | 15.80 | 12.03 |
| | | | | | | | | 125 | 129 | 4.00 | 2.00 | 3.80 | 0.00 | 0.49 | 3.80 |
| OZM780 | 245375 | 7916525 | 158 | 493.2 | RC/DD | -60 | 115.5 | 100.5 | 102.5 | 2.00 | 1.00 | 6.09 | 0.01 | 0.59 | 6.10 |
| | | | | | | | | 105.5 | 106.5 | 1.00 | 0.50 | 4.95 | 10.35 | 28.40 | 15.30 |
| OZM781 | 245500 | 7916618 | 131 | 250 | RC/DD | -60 | 115.5 | 89 | 91 | 2.00 | 1.00 | 6.27 | 0.12 | 1.00 | 6.39 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| WLQ003 | 245249 | 7916455 | 160 | 303.4 | DD | -60.9 | 143.4 | 157 | 159 | 2.00 | 1.00 | 7.17 | 0.01 | 0.95 | 7.18 |
| WLQ006 | 245183.4 | 7916288 | 160 | 288.6 | DD | -60 | 144.5 | 156 | 162 | 6.00 | 3.00 | 0.76 | 7.25 | 15.17 | 8.01 |
| | | | | | | | | 199.5 | 202.5 | 3.00 | 1.50 | 30.21 | 0.15 | 55.28 | 30.36 |
| WLQ007 | 246093.7 | 7916802 | 168 | 180.2 | DD | -60 | 145.5 | 65 | 66 | 1.00 | 0.50 | 19.00 | 0.02 | 1.89 | 19.02 |
| | | | | | | | | 70 | 71.4 | 1.40 | 0.70 | 11.65 | 0.06 | 1.60 | 11.71 |
| | | | | | | | | 145.3 | 156.8 | 11.50 | 5.75 | 16.12 | 1.07 | 6.08 | 17.18 |
| WLQ012 | 246697.3 | 7917040 | 150 | 291.7 | DD | -60 | 325.5 | 62.3 | 64.6 | 2.30 | 1.15 | 5.23 | 0.45 | 3.39 | 5.68 |
| | | | | | | | | 125.1 | 127 | 1.90 | 0.95 | 6.36 | 1.72 | 8.31 | 8.08 |
| | | | | | | | | 172 | 176.6 | 4.60 | 2.30 | 4.70 | 1.62 | 3.07 | 6.32 |
| | | | | | | | | 193.5 | 195 | 1.50 | 0.75 | 11.82 | 0.13 | 5.07 | 11.96 |
| WLQ016 | 246657.9 | 7917192 | 172 | 201.2 | DD | -60 | 145.5 | 99 | 102.3 | 3.30 | 1.65 | 4.27 | 0.09 | 2.41 | 4.36 |
| WLQ017 | 246966.7 | 7917446 | 178 | 231.7 | DD | -60 | 143.5 | 208 | 211 | 3.00 | 1.50 | 4.71 | 0.08 | 1.56 | 4.80 |
| WLQ027 | 247390.5 | 7917606 | 168 | 210.6 | DD | -60 | 325.5 | 8.1 | 9.1 | 1.00 | 0.50 | 0.37 | 17.10 | 43.20 | 17.47 |
| | | | | | | | | 70.1 | 72 | 1.90 | 0.95 | 4.62 | 0.41 | 2.18 | 5.03 |
| WLQ030 | 247851.3 | 7918042 | 162 | 295.7 | DD | -60 | 145.5 | 65.65 | 70.5 | 4.85 | 2.43 | 5.64 | 0.31 | 4.08 | 5.95 |
| | | | | | | | | 104 | 108.8 | 4.80 | 2.40 | 4.33 | 0.07 | 2.25 | 4.39 |
| WLQ031 | 245463.5 | 7916256 | 158 | 288.3 | DD | -60 | 326.5 | 58 | 61 | 3.00 | 1.50 | 2.97 | 0.44 | 1.70 | 3.40 |
| | | | | | | | | 152.3 | 155.1 | 2.80 | 1.40 | 4.93 | 0.01 | 1.08 | 4.94 |
| | | | | | | | | 164 | 167.1 | 3.10 | 1.55 | 0.13 | 11.94 | 21.79 | 12.07 |
| | | | | | | | | 177 | 183.7 | 6.70 | 3.35 | 13.39 | 0.03 | 2.10 | 13.42 |
| | | | | | | | | 251 | 257.8 | 6.75 | 3.38 | 6.35 | 1.63 | 4.90 | 7.98 |
| WLQ032 | 245556.4 | 7916334 | 163 | 246.3 | DD | -60 | 325.5 | 130 | 135 | 5.00 | 2.50 | 2.63 | 0.00 | 0.75 | 2.63 |
| | | | | | | | | 174 | 176.4 | 2.40 | 1.20 | 8.06 | 0.00 | 1.99 | 8.06 |
| | | | | | | | | 196.9 | 210 | 13.10 | 6.55 | 3.20 | 4.62 | 5.69 | 7.82 |
| WLQ033 | 245676.8 | 7916408 | 164 | 288.4 | DD | -60 | 325.5 | 127.7 | 131 | 3.30 | 1.65 | 3.76 | 1.77 | 4.24 | 5.53 |
| | | | | | | | | 186.9 | 191 | 4.10 | 2.05 | 13.67 | 0.21 | 1.41 | 13.88 |
| WLQ035 | 245841.4 | 7916516 | 166 | 219.7 | DD | -60 | 325.5 | 60.45 | 60.75 | 0.30 | 0.15 | 49.00 | 4.90 | 9.55 | 53.90 |
| | | | | | | | | 141.9 | 143.5 | 1.55 | 0.78 | 0.14 | 8.57 | 18.46 | 8.72 |
| | | | | | | | | 148.9 | 150.7 | 1.80 | 0.90 | 0.01 | 7.24 | 19.39 | 7.24 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| WLQ036 | 245955.3 | 7916594 | 166 | 246.5 | DD | -60 | 325.5 | 84.15 | 84.9 | 0.75 | 0.38 | 0.46 | 49.20 | 98.00 | 49.66 |
| | | | | | | | | 130 | 133.6 | 3.60 | 1.80 | 5.90 | 0.01 | 1.36 | 5.91 |
| WLQ037 | 246044 | 7916640 | 168 | 218.1 | DD | -60 | 325.5 | 107.5 | 110.9 | 3.40 | 1.70 | 8.52 | 0.08 | 1.51 | 8.60 |
| WLQ038 | 246382.3 | 7916854 | 172 | 351.3 | DD | -60 | 320.5 | 55 | 58.5 | 3.50 | 1.75 | 32.13 | 17.67 | 69.97 | 49.80 |
| | | | | | | | | 61.7 | 62.15 | 0.45 | 0.23 | 66.30 | 1.56 | 24.70 | 67.86 |
| | | | | | | | | 128 | 131 | 3.00 | 1.50 | 4.17 | 0.12 | 2.73 | 4.29 |
| | | | | | | | | 138 | 147 | 9.00 | 4.50 | 28.59 | 0.28 | 17.15 | 28.87 |
| | | | | | | | | 154 | 158.2 | 4.20 | 2.10 | 4.54 | 0.34 | 4.18 | 4.89 |
| WLQ039 | 246479.1 | 7916904 | 170 | 257.7 | DD | -60 | 325.5 | 90.7 | 96.4 | 5.70 | 2.85 | 19.46 | 1.84 | 13.36 | 21.31 |
| WLQ040 | 246542.9 | 7916952 | 170 | 328.1 | DD | -60 | 325.5 | 87.41 | 92 | 4.59 | 2.30 | 12.46 | 0.48 | 2.46 | 12.94 |
| WLQ042 | 247234.8 | 7917489 | 162 | 174.3 | DD | -60 | 325.5 | 64.8 | 68.6 | 3.80 | 1.90 | 23.68 | 0.06 | 3.95 | 23.74 |
| WLQ043 | 245087.8 | 7916388 | 158 | 440.9 | DD | -60 | 145.5 | 300 | 301.1 | 1.10 | 0.55 | 20.71 | 4.04 | 5.25 | 24.75 |
| | | | | | | | | 309.6 | 312.7 | 3.10 | 1.55 | 4.13 | 0.05 | 0.51 | 4.18 |
| WLQ044 | 245373.6 | 7916264 | 158 | 237.3 | DD | -60 | 143.5 | 64.15 | 65.05 | 0.90 | 0.45 | 13.18 | 7.23 | 42.97 | 20.41 |
| WLRC029 | 247221.9 | 7917487 | 171 | 179 | RC | -60 | 325.5 | 59 | 71 | 12.00 | 6.00 | 7.81 | 0.81 | 8.67 | 8.53 |
| WT001 | 244999 | 7915906 | 160 | 376.8 | DD | -60 | 5.5 | 40 | 41 | 1.00 | 0.50 | 15.54 | 0.23 | 2.20 | 15.77 |
| | | | | | | | | 278.3 | 279.5 | 1.20 | 0.60 | 14.70 | 0.18 | 3.80 | 14.88 |
| ZCL642 | 245499 | 7916273 | 161 | 339.4 | DD | -61 | 335.5 | 174 | 183 | 9.00 | 4.37 | 27.51 | 0.01 | 5.10 | 27.51 |
| | | | | | | | | 189.2 | 190 | 0.80 | 0.39 | 13.30 | 0.00 | 0.94 | 13.30 |
| | | | | | | | | 221 | 236 | 15.00 | 7.28 | 7.21 | 0.02 | 1.15 | 7.23 |
| | | | | | | | | 247 | 249.8 | 2.75 | 1.33 | 0.02 | 6.23 | 6.29 | 6.25 |
| | | | | | | | | 253.1 | 263.2 | 10.10 | 4.90 | 2.66 | 5.85 | 16.21 | 8.51 |
| ZCL644 | 245271 | 7916331 | 162 | 189.5 | DD | -60 | 155.5 | 158.2 | 170.4 | 12.25 | 6.13 | 0.23 | 9.20 | 25.34 | 9.43 |
| ZCL645 | 245620 | 7916368 | 168 | 264.6 | DD | -60 | 331.5 | 129.3 | 133.5 | 4.20 | 2.10 | 2.41 | 1.20 | 3.19 | 3.61 |
| | | | | | | | | 145.3 | 146 | 0.70 | 0.35 | 21.40 | 0.01 | 2.18 | 21.41 |
| | | | | | | | | 183 | 192.4 | 9.40 | 4.70 | 10.70 | 0.09 | 6.19 | 10.79 |
| | | | | | | | | 203.4 | 206 | 2.60 | 1.30 | 1.25 | 3.44 | 3.20 | 4.69 |

## APPENDIX 2: JORC CODE, 2012 EDITION – TABLE 1

### SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • Four distinct drilling programs were completed between 1990 and 2014. Of the 87 completed holes, 12 were drilled by RC, the remainder NQ diamond core (sometimes with percussion or RC precollars).<br>• Diamond drill core of NQ size was collected in core trays, core was marked and cut in half. Diamond core sampling intervals were based on geological logging and ranged from 0.02m to a maximum 6.5m interval. Split core was submitted for assay.<br>• A split of unknown size was taken for analysis from RC chips. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method,* | • Four previous drill programs were conducted by CRAE (1990-92; 'LH' series holes, a mix of RC and diamond core holes), CRAE (1997; 'WT series holes: NQ diamond core); Zinifex/Oz Minerals (2008; 'ZCL' and 'OZM' series holes; diamond drill core), and MMG (2012-2014; 'WLQ' series: diamond drill core and 'WLRC' series holes RC chips). |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *etc).* | • Approximately 95% of the drilled intersections are in diamond drill core, the remaining 5% RC chips (12 holes in total 1,069m).<br>• Drill holes are at a variety of orientations (refer Appendix 1). |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Core recovery from CRAE (1990-92; 'LH' series holes) was not recorded. Core recovery from CRAE (1997; 'WT series holes) is not recorded. For Zinifex/Oz Minerals (2008); 'ZCL' and 'OZM' series holes, recovery for each drill run was recorded), and MMG (2012-2014); 'WLQ' series recovery for each drill run was recorded.<br>• No assessment of recovery in RC holes is recorded. Whether measures were taken to maximise sample recovery and ensure representative nature of RC samples is not known.<br>• No assessment of any possible relationship between sample recovery and grade or whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • A total of 87 holes, with a total of 20,427m of drilling is being reported.<br>• Core logs by professional geologists are all holes except the 1997 CRAE 'WT' series (4 diamond holes in total 1,682m) for which no drill logs are available at present. Logging where it exists is both a qualitative (lithology, alteration, vein type, mineralisation) and quantitative (mineralisation abundance) basis. No drill core photos are presently available.<br>• All holes were logged (with the exception of the 'WT' series, for which no records are available at present) for the entire lengths of the drill core. All intervals with significant intercepts have been included in this logging process. |
| *Sub-sampling techniques* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | • Half core of sulphide mineralisation is industry standard for the style of mineralisation currently being targeted.<br>• The sampling method for RC holes is not recorded. Whether measures were taken to maximise sample recovery and ensure representative |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *and sample preparation* | • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | nature of RC samples is not known.<br>• For the drill programs were conducted by CRAE (1990-92; 'LH' series holes, a mix of RC and drill core), CRAE (1997; 'WT series holes: NQ diamond core), no QAQC methods or data are available.<br>• For Zinifex/Oz Minerals (2008; 'ZCL' and 'OZM' series holes; diamond drill core), and MMG (2012-2014; 'WLQ' series: diamond drill core and 'WLRC' series holes RC chips), field duplicate samples, generated by quartering core, and assaying both samples; were inserted into the sample stream at rate of approximately 1 in 25. Lab pulp duplicates, generated by the laboratory after the sample was crushed, were included in all drill core batches at a rate of one each per 25 samples. Repeat assays were run at a rate of one each per 25 samples. The results of this field duplicate, lab duplicate and repeat assay showed good consistency and repeatability. Reports suggest that Certified Reference Materials (standards and blanks) were inserted into the sample stream, however this data is unavailable/unusable at this time; thus the confidence on the accuracy of the reported assays requires further confirmation.<br>• Half core of sulphide mineralisation is industry standard for the style of mineralisation currently being targeted. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory* | • For the drill programs were conducted by CRAE (1990-92; 'LH' series holes, a mix of RC and drill core), CRAE (1997; 'WT series holes: NQ diamond core), no data are available on the assaying and lab procedures. It appears no Certified Reference Materials (standards and blanks) were inserted into the sample stream; thus the accuracy of the reported assays requires further confirmation.<br>• For Zinifex/Oz Minerals (2008; 'ZCL' and 'OZM' series holes; diamond drill core), and MMG (2012-2014; 'WLQ' series: diamond drill core and 'WLRC' series holes RC chips), samples were analysed by ALS Minerals Division in Townsville. Half core samples were crushed, pulverised and |

| Criteria | JORC Code explanation | Commentary |
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| | *checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | a split taken for assay. Samples were analysed for a range of elements using ME-MS62s, ME-ICP61 (inductively coupled plasma-atomic emission spectrometry techniques) and AU-AA25 fire assay for gold); these are. are industry standard at are appropriate. Reports suggest that Certified Reference Materials (standards and blanks) were inserted into the sample stream, however this data is unavailable/unusable at this time; thus the accuracy of the reported assays requires further confirmation.<br>• No geophysical instruments were used. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Data generated by CRAE, Zinifex/Oz Minerals and MMG were captured by those companies and documented in various Annual Reports now held by New Century Resources. New Century Resources staff/consultants have viewed and visually confirmed about half the core intersections.<br>• No twinned holes have been drilled.<br>• Data was acquired from MMG, where it was stored in their GBIS database.<br>• Fully validated data are in the process of being uploaded to the auditable and independently managed company database hosted by Maxwells Geoservices, known as Webshed.<br>• No adjustments to assay data have been undertaken or are known to have occurred. |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Drill holes completed by CRAE have co-ordinates given by CRAE; the method and accuracy of the survey is unknown.<br>• Drill holes completed by Zinifex/Oz Minerals and MMG were picked up using DGPS post-drilling. The accuracy of this work is unknown.<br>• Down-hole surveys were routinely carried out on all holes at a nominal 30m spacings. Spurious down-hole survey data were manually altered and saved in the database. |

| Criteria | JORC Code explanation | Commentary |
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| | | • All work was carried out in Australian Map Grid zone 54, using the Australian Geodetic Datum (AGD84).<br>• Topographic control is derived from a digital terrane model generated around the Century mineral deposit. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Drill spacing is irregular along the known 4km strike of Watson Lode, but is more focussed on an area extending from Watsons Shaft, with small-scale historic workings, along the lode for some 1.5km to the south-west.<br>• Drill spacing and data quality is insufficient to allow calculation of a Mineral Resource.<br>• Sample compositing, using length-weighted averages, has been carried to derive intersections as shown in Appendix 1.<br>• Cut off values of ≥9%(Pb+Zn) * m (intersection length) (with intervals of internal waste allowed) and a minimum grade of 3% Pb+Zn for the intersection, have been applied to composited intervals, for the results in Appendix 1. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Nearly all past drilling was aligned perpendicular to the strike of the lode. The lode dips steeply, so that drill intersections are often significantly exaggerated with respect to the likely true thickness.<br>• The orientation of steeply dipping lode and drilling is likely to exaggerate the drilled thickness, but not introduce a sampling bias. |
| *Sample security* | • *The measures taken to ensure sample security.* | • New Century Resources is not aware of any documentation that exists regarding the chain of custody of samples. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • No audits or reviews have occurred. |

## SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
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| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • Most of Watsons Lode occurs within EPM 10544, held by MMG Australia Ltd (MMG) but in the process of being transferred to New Century Resources. Under agreement with MMG, New Century Resources is entitled to undertake exploration on the EPM. The north-east part of Watsons Lode extends on to a mining lease (ML90058), one of two over the Century mine held by New Century Resources Ltd.<br>• All activities undertaken are subject to the conditions of an associated Environmental Authorities EPVX00939013, with respect to EPM 10544, and EPML00888813, with respect to ML90058, issued by the Queensland Department of Environment and Heritage Protection. All activities are monitored by site based environmental scientists.<br>• EPM 10544 is subject to Native Title conditions. The Gulf Communities Agreement between Native Title parties and New Century Resources covers ML90058.<br>• There are no known impediments to operating in the area. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Four distinct drilling programs have been completed between 1990 and 2014. The drill programs were conducted by CRAE (1990-92; 'LH' series holes, a mix of RC and drill core), CRAE (1997; 'WT series holes: NQ diamond core), Zinifex/Oz Minerals (2008; 'ZCL' and 'OZM' series holes; diamond drill core), and MMG (2012-2014; 'WLQ' series: diamond drill core and 'WLRC' series holes RC chips). |

| Criteria | JORC Code explanation | Commentary |
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| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The Watsons Lode deposit is a number of linked quartz-sphalerite-galena-carbonate veins within a major NE trending fault zone. The fault zone has a width of about 50m, and consists of a number of discrete shears/faults within that zone. The veins form an anastomosing array intimately associated with the fault zone. Vein textures show a complex, multi-stage paragenesis, with mineralised veins, barren quartz-carbonate veins, and brecciation. |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • All drill hole information is included as Appendix 1.<br>• Drill holes without significant intersections are not reported. |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | • Length-weighted average grades for all holes have been reported as hole composites.<br>• Cut off values of ≥9%(Pb+Zn) * m (intersection length) (with intervals of internal waste allowed) and a minimum grade of 3% Pb+Zn for the intersection, have been applied to composited intervals, for the results in Appendix 1.<br>• Metal equivalents are not reported. |

| Criteria | JORC Code explanation | Commentary |
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| | • *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | . |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • Watsons Lode strikes north-east and is steeply dipping, but individual veins within the zone may have a different orientation. Most historic drilling was perpendicular to the lode. Hole were angled at -55˚ and steeper; many steepened slightly with depth. Therefore, intersection widths are much more than true widths. Estimated true widths (Appendix 1) were calculated on the basis the lode is vertical. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Refer to plans and sections within Figures 1 and 3 of this report. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • The accompanying document is considered to represent a balanced report. |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • No other exploration data is considered meaningful and material to this announcement. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • A comprehensive drill program for Watsons Lode has been planned for late 2017 or early 2018.<br>• Refer to Figures 1 and 3 within this report. |