

EXECUTION OF A\$40M DEBT FACILITY WITH NATIONAL AUSTRALIA BANK

New Century Resources Limited (ASX:NCZ) is pleased to announce that it has executed documentation for the A\$40 million senior secured debt and bank guarantee facility with National Australia Bank (ASX:NAB) (the Debt Facility).

As part of the execution of all material Debt Facility documentation, MMG Limited (ASX:MMG) has entered into a subordination and priority deed, with NAB taking a senior secured debt position. Final key terms of the Debt Facility are summarised on page 3 of this announcement.

The Debt Facility is believed to represent the first project debt financing package provided for a mine rehabilitation and tailings reprocessing operation by a major Australian bank, further demonstrating the robust economic value proposition associated with the operations at Century.

New Century Managing Director Patrick Walta stated:

“New Century is excited to finalise this debt facility with NAB, which will assist with the Company’s growth plans at the Century Zinc Mine.

We look forward to continuing to develop a close partnership with NAB as the New Century team delivers on operations at Century.”

Commenting on the Debt Facility, NAB’s Head of Natural Resources, Nick Rees said:

“We’re pleased to back clients like New Century - an Australian business that is focused on delivering environmentally and socially responsible outcomes.

This new debt facility will enable New Century to expedite economic rehabilitation of the Century Mine, a landmark project which we are proud to support.”

New Century plans to utilise funds to expedite the expansion process to full production at the Century Zinc Mine. As outlined in the Restart Feasibility Study (see ASX announcement 28 November 2017), New Century’s strategy for the ramp up of operations consists of two phases:

- Phase 1: Refurbishment of the southern train of the processing plant and supporting infrastructure throughout 2018, to bring operations to a capacity of 8Mtpa. With the initial refurbishment process complete, the Company is now progressing load commissioning and ramp up of the operations up to the initial Phase 1 capacity of 8Mtpa; and

- Phase 2: Through to the end of 2019, the Company is scheduled to progressively complete the refurbishment of the northern train of the processing plant and further supporting infrastructure to bring operations to the full Phase 2 capacity of 15Mtpa.

Financial close and drawdown of the Debt Facility is now only subject to customary drawdown conditions. The Company does not anticipate drawing more than A\$20 million prior to the completion of Phase 1.

About New Century Resources

New Century Resources Limited (ASX:NCZ) is an Australian base metal company, with its operation at the Century Mine in Queensland ramping up to become one of the world's top 10 zinc producers.

As part of the Century operations, the Company is upgrading the Mine's existing world-class infrastructure including a large scale multi train flotation plant, 700-person camp, private airport, grid power connection, 304km slurry pipeline, port facility and concentrate transshipment vessel.

New Century is initially focused the existing Proved Ore Reserves at Century to produce zinc in the lowest cost quartile globally. Substantial Mineral Resources also exist on the mining leases, which provide a significant opportunity for mine life extension and metal production increase.

To learn more, please visit: www.newcenturyresources.com

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Key Terms of the NAB Debt Facility

Term	Description
Total Facility Amount	A\$40,000,000
Facility Options	Cash Advance and Bank Guarantees
Term	2 years
Interest Rate	~5.25% per annum (Note: Interest Rate is calculated based on a rate of 3.75% pa for the first A\$10M drawn & 3.75% pa + BBSY (BBSY is a variable market rate, currently 2.00% pa) for any further debt drawings up to the total A\$40M)
Security & Ranking	All assets first ranking senior secured
Establishment & Arrangement Fee	2.00%
Drawdown Ability	A\$20,000,000 on financial close A\$20,000,000 from financial close (subject to NAB consent and matching liquidity on drawdowns)
Amortisation	Bullet repayment at maturity, with no penalty for early repayment
Hedging Requirement	None
Financial Covenants	Reserve Life Coverage Ratio not less than 2.0 times Historical Debt Service Coverage Ratio not less than 2.0 times Leverage Ratio (Debt/EBITDA) not greater than 1.5 times (Note: compliance with the Historical Debt Service Coverage Ratio and the Leverage Ratio is required only after satisfaction of completion tests associated with operations nearing nameplate capacity for Phase 2 (by 31 March 2020))
Events of Default	The Debt Facility includes events of default which are considered customary for facilities of this nature. These include (and are subject to, in some cases, cure rights and materiality thresholds) failure to make payments, failure to comply with any obligation (including failure to achieve completion tests associated with operations nearing nameplate capacity for Phase 1 by 31 March 2019 and Phase 2 by 31 March 2020), breach of a financial covenant, misrepresentation, occurrence of an insolvency event and occurrence of any matter that has or would have a material adverse effect.
Review event	Party acquiring ownership or control of more than 20% of shares of New Century