

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

NEW CENTURY RESOURCES LIMITED

ABN

53 142 165 080

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31,208	58,646
1.2 Payments for		
(a) exploration & evaluation	(678)	(3,356)
(b) development	(46,732)	(85,242)
(c) production	-	-
(d) staff costs	(4,041)	(7,054)
(e) administration and corporate costs	(2,188)	(4,622)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	110	225
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (MMG support fees)	(645)	(1,297)
1.9 Net cash from / (used in) operating activities	(22,967)	(42,702)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(407)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	549	549
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	1,680	2,200
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	2,229	2,342

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(15)
3.5 Proceeds from borrowings	11,438	11,438
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(833)	(833)
3.8 Dividends paid	-	-
3.9 Other – MMG Support fee received	-	5,750
3.10 Net cash from / (used in) financing activities	10,605	16,340

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	32,195	46,249
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(22,967)	(42,702)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	2,229	2,342
4.4 Net cash from / (used in) financing activities (item 3.10 above)	10,605	16,340
4.5 Effect of movement in exchange rates on cash held	356	189
4.6 Cash and cash equivalents at end of period	22,418	22,418

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	22,304	25,197
5.2 Call deposits	114	6,998
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	22,418	32,195

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
358
-

Payments to directors/director associates for director fees, legal fees and other fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
38
-

Payments to key management personnel

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	US\$15,000* ₂ AUD\$40,000* ₁	US\$0 AUD\$20,000
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.	

*1 A secured A\$40M Debt facility with National Australia Bank with options on Debt and Bank Guarantees with a term of 2 years. For further details see the Company's announcement dated 31 October 2018.

*2 Per the Company's ASX announcement dated 23 April 2018, the Company has a \$US15m unsecured debt facility for use as general working capital for operations at the Century Mine from offtake party MRI Trading. The debt facility is structured as a prepayment for zinc concentrates to be delivered under the offtake agreement, with the period for delivery or repayment being 120 days from drawdown. Drawdown on the debt facility is conditional upon, among other things, the commencement of commercial production of zinc concentrate at the Century Zinc Mine.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	100
9.2 Development	6,279
9.3 Production	40,179
9.4 Staff costs	3,945
9.5 Administration and corporate costs	2,039
9.6 Other (provide details if material) *	(57,853)*
9.7 Total estimated cash outflows	(5,311)

* Company is targeting its first cash flow positive quarter. Expected other cash flows (total aggregate \$57,853,000) are receivables of \$55,853,000 from the net revenue of zinc concentrate sales (\$14,750,000 already received in January 2019 from a recently completed shipment of December 2018 quarter production) and \$5,750,000 from MMG support payments (already received in January 2019), less an additional cash back bond requirement of \$3,750,000 associated with a long-term power generation contract.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	NA	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	NA	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


(Managing Director)

Date: 21 January 2019

Print name:

Patrick Walta

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.