

New Century secures working capital facilities with Värde Partners for up to A\$100 million

Highlights:

- **Debt facilities providing up to A\$100 million in available working capital, via:**
 - **A\$60 million secured facility which is approved & available for drawn down; and**
 - **A\$40 million unsecured facility which remains subject to modest performance hurdles & MMG consent prior to being available for draw down**
- **Further strong progress of the Century Mine ramp up, with operations now regularly achieving 45%+ total zinc recovery & up to 51% total zinc recovery to date**
- **Restarted Century operations have now surpassed 50,000t concentrate production**
- **All Century infrastructure, including the 300km underground concentrate slurry pipeline & port facility at Karumba, remains unaffected by the recent extreme weather events in Queensland**

New Century Resources Limited (ASX:NCZ) is pleased to announce the execution of legally binding documentation for working capital facilities of up to A\$100 million with Värde Partners (**Debt Facilities**), a leading global investment firm. The Debt Facilities are comprised of a A\$60 million senior secured facility (**Senior Debt**) and a A\$40 million junior unsecured facility (**Junior Debt**).

The Senior Debt has a term of 2.5 years, carries an interest rate of 8% per annum and first ranking security over all Century assets. The Junior Debt has a term of 3 years, carries an interest rate of 10% per annum and is unsecured. The Debt Facilities also include a limited term capped silver royalty as detailed in the table below. New Century will also be required to pay customary fees associated with establishment of the Debt Facilities and early repayment fees (if incurred).

The Senior Debt is available for draw down and will immediately be used to extinguish and replace New Century's current facility with National Australia Bank (**NAB**). No early repayment penalties are applicable to the NAB facility (A\$20 million of the NAB facility previously drawn to date).

The Company retains NAB's support as its primary banking partner and continues to work closely with NAB to develop potential alternative forms of surety to replace existing bank guarantees, which were put in place by MMG Limited as part of the original transaction over the Century assets (see ASX announcement 19 November 2018).

The Junior Debt remains subject to completion of modest technical and commercial tests by 30 August 2019 and MMG Limited's consent prior to being available for draw down.

As part of the entry into the Debt Facilities with Värde, the Company has elected to cancel the existing A\$20 million prepayment facility with MRI Trading (without cost), which was not utilised.

Varde Debt Facility Terms Summary		
Facility	Senior Debt	Junior Debt
Facility Type	<i>Senior Secured (all assets)</i>	<i>Unsecured</i>
Facility Amount	<i>A\$60,000,000 (US\$42,900,000)</i>	<i>A\$40,000,000 (US\$28,600,000)</i>
Term	<i>2.5 years</i>	<i>3 years</i>
Interest Rate	<i>8% per annum</i>	<i>10% per annum</i>
Silver Royalty	<i>20% of payable silver production limited to 4 years (capped at US\$5M total)</i>	<i>35% of payable silver production limited to 4 years (capped at US\$4.5Mpa)</i>
Material Conditions Precedent	<i>None</i>	<i>35 days averaging above 45% zinc recovery, 7.3Mtpa & an EBITDA >A\$8M for previous month</i>

While New Century has made strong progress with the ramp up to date (see ASX announcement 21 January 2019), the Board has determined that obtaining additional working capital is a prudent measure to ensure the Company maintains a strong cash buffer to complement the growing cashflows from concentrate shipments.

The Debt Facilities also provide New Century with sufficient working capital to execute the Phase 2 ramp up program from 8Mtpa to a 15Mtpa mining rate at the Century Zinc Mine.

Kamara Group acted as advisers to New Century with respect to the Debt Facilities.

Commenting on the debt facilities, New Century Managing Director Patrick Walta stated:

“New Century is excited to have secured these working capital facilities with a global investment firm of the calibre of Värde. The facilities put the Company in a strong financial position, enabling it to focus on continuing to achieve its ramp up goals at Century.”

Century Operational Ramp Up Highlights

Highlights of the ramp up of Century operations to date include:

- Zinc recoveries now regularly above 45% with up to 51% total recovery achieved to date;
- Production to date has now surpassed 50,000dmt of zinc concentrate;
- Hydraulic mining rate up to 7.3Mtpa with the plan for expansion to 8Mtpa - 10Mtpa via the implementation of a third cannon on schedule for completion by the end of Q1 2019;
- Shipping and spot sales contracts to date totalling 80,000dmt of zinc concentrate;
- Continuing concentrate spot sales into Europe and China and first sales into Australia; and
- First sales under existing long term offtake agreements.

The Company also confirms that all operational infrastructure, including its 300km underground concentrate slurry pipeline and port facility at Karumba, has been unaffected by the recent extreme weather events in Queensland.



About Värde Partners

Värde Partners is a US\$14 billion global investment firm that employs a value-based approach to investing across a broad array of geographies, segments and asset types, including corporate and traded credit, real estate, mortgages, financial services, real assets and infrastructure.

The firm sponsors and manages a family of private investment funds with a global investor base that includes foundations and endowments, pension plans, insurance companies, other institutional investors and private clients.

Now in its third decade of operations, Värde employs more than 300 people globally with regional headquarters in Minneapolis, London and Singapore.

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