

June 2019 quarter production results: Continued record zinc production from Century operations

Highlights

- Record quarterly zinc metal production, with June 2019 quarter totalling 20,450t (vs 18,170t in March 2019 quarter - 12% increase quarter-on-quarter)
- Strong exit rate performance to the quarter, with record monthly zinc production for the month of June & record weekly zinc production during first week of July
- Recovery growth trend re-established during the month of June, with recoveries up to 48% in July to date & improvement continuing as plant stabilises at ~8Mtpa
- Full cleaning circuit on track to be online in early August 2019, removing current recovery bottleneck for efficient 8-9Mtpa operations and capacity for up to 12Mtpa
- Third mining cannon online & now delivering ~8Mtpa mining rate (Phase 1 complete)
- New Century maintains September 2019 quarter guidance of 23,000t - 29,000t zinc metal & C1 Costs of US\$0.95/lb - US\$1.07/lb (payable metal, inc. treatment charges)
- Continued refurbishment process to double plant capacity during FY20, assisting to drive down C1 Costs to a LOM average target of US\$0.56/lb

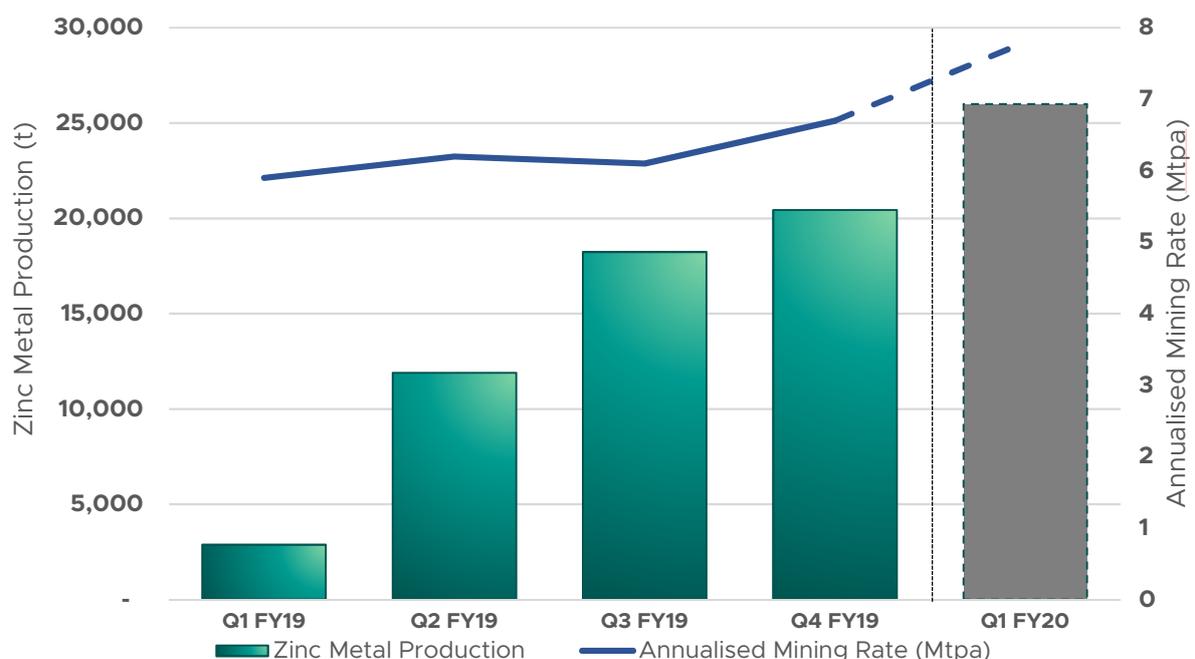


Figure 1: Century's quarterly metal production performance and annualised mining rate

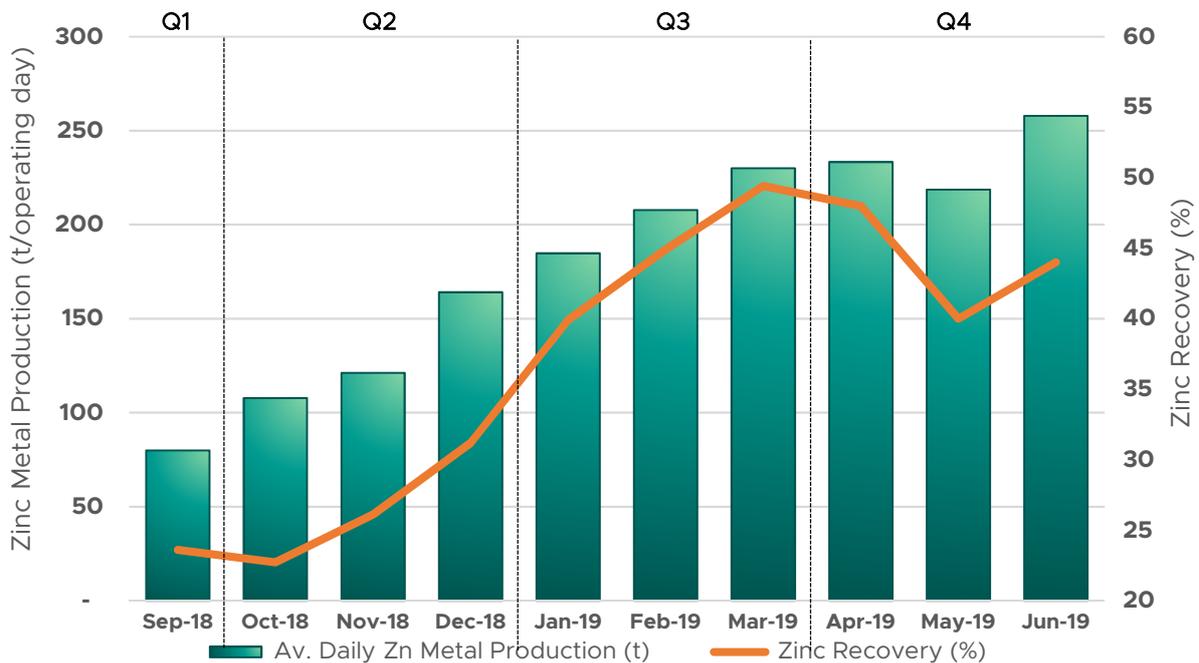


Figure 2: Century's average daily metal production ramp up & monthly zinc recovery trend

New Century Resources Limited (Company or New Century) (ASX:NCZ) is pleased to provide an update on Century production and operational ramp up during the June quarter of 2019.

Plant Performance

Overall zinc metal output increased by 12% during the June quarter, with 20,450t of zinc metal produced in 42,500t of concentrate grading 48.1% zinc (vs 37,500t at 48.3% zinc during the March quarter). Silver content of 150g/t in concentrate remained in line with previous quarter operations.

Early April operations achieved up to 55% recovery at a 6Mtpa mining rate (two cannons online), improving on the 50% average achieved for the month of March. However, overall quarterly recovery performance was hampered in late April and May by instability during commissioning of throughput expansion under three cannon operations (6Mtpa to 8Mtpa) and identification of a bottleneck through cleaner 2A. Importantly, the operations achieved a strong exit rate to the quarter, with the recovery growth trend re-established during June and results up to 48% recovery achieved in July to date.

Cleaner 2B is scheduled to be online in early August (see Figure 4), removing the identified bottleneck and allowing further recovery improvement for 8-9Mtpa operations. Further, the remainder of the cleaner circuit (cleaners 3B and 4B) will also be brought online in August, allowing for expansion and efficient operations at 12Mtpa throughput. A total of 44% additional cleaner capacity is scheduled to come online as part of the continued plant refurbishment process.

Overall, June quarter recovery was in line with the March quarter (44% June Q vs 45% March Q).

Concentrate quality was also maintained in line with previous quarter performance (4-6% lead and 5-7.5% silica). Century concentrate continues to deliver low levels of typical penalty elements common in other zinc concentrates such as iron, manganese, cadmium, mercury and arsenic. Century also remains a low jarosite forming zinc concentrate (jarosite formation during smelting being a major component of recent environmental restrictions placed on Chinese zinc smelters).

New Century is targeting continued plant refurbishment (currently 55% online) and expansion to full plant capacity during FY20, providing the ability progress to 12Mtpa operations in line with additional hydraulic mining throughput (see Figure 4).

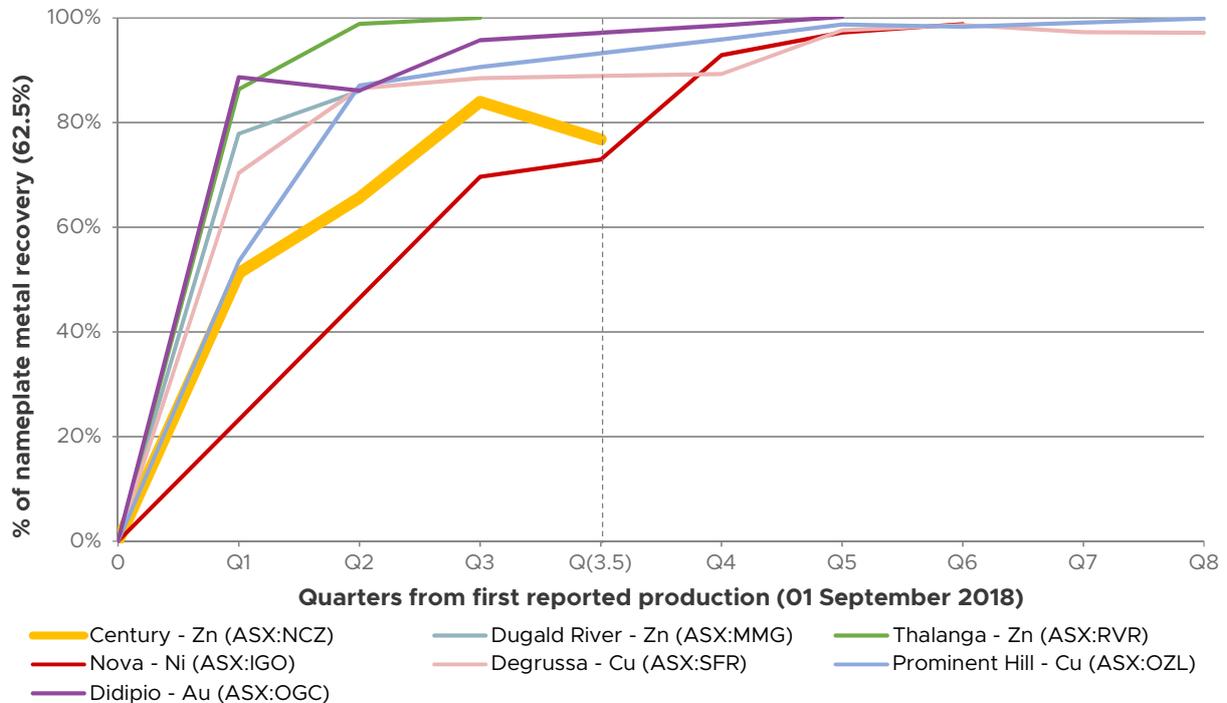


Figure 3: Century's processing plant ramp-up performance against other ASX listed start-up operations to date (Source: public company data & Credit Suisse estimates)

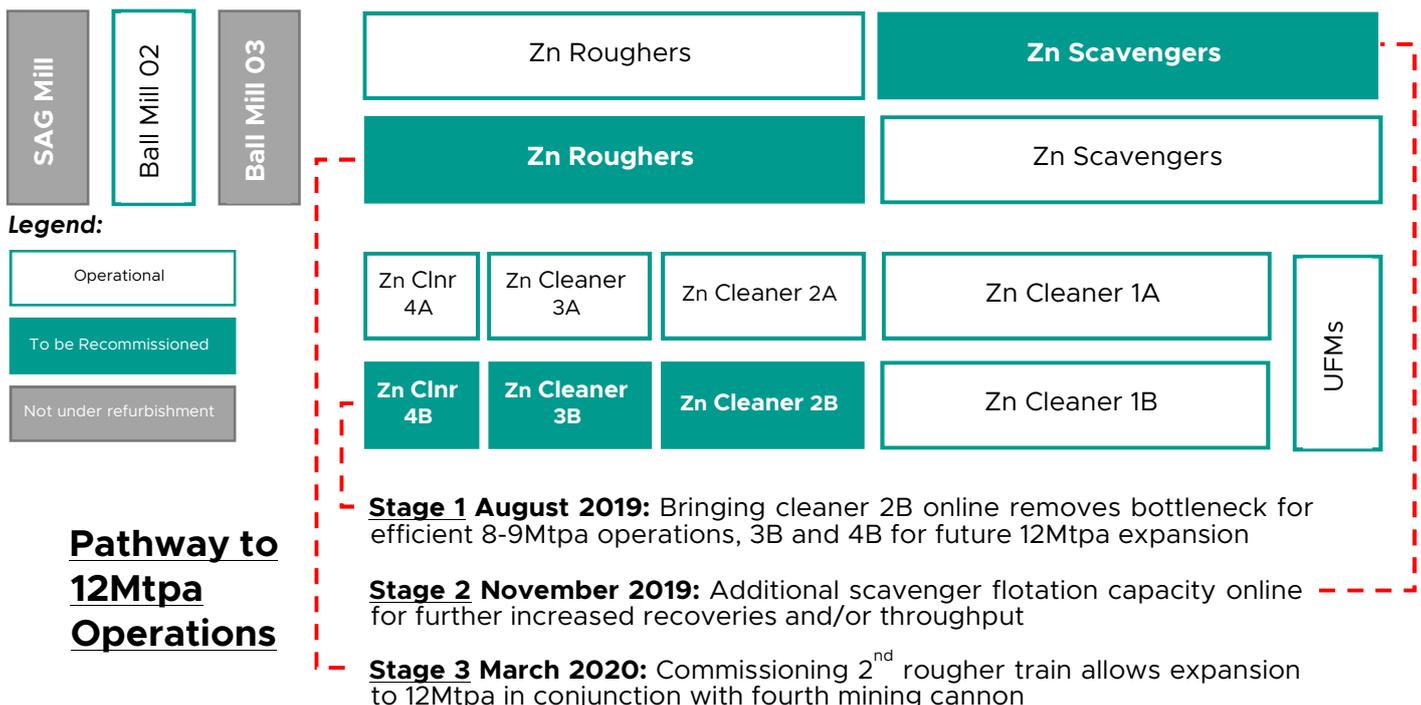


Figure 4: Simplified plan view of the processing plant and scheduled refurbishment process

Mining Performance

Expansion to three hydraulic mining cannons was the main focus of June quarter ramp up activities, with the third cannon and associated infrastructure commissioned and operational from May. The overall average mining rate increased 15% quarter-on-quarter (1.60Mt June Q vs 1.39Mt March Q).

Average mined grade during the quarter was 2.92% Zn, which continues to reconcile strongly with the Ore Reserve model and mine plan.

The operations are now achieving ~8Mtpa throughput, representing achievement of the Phase 1 mining rate target. New Century is now targeting ramp up in hydraulic mining capacity to 12Mtpa (over FY20) once steady state recoveries approaching nameplate have been established for the current 8-9Mtpa mining rate. The Company aims to fund the expansion to 12Mtpa (A\$40M) out of existing cash reserves, an undrawn conditional debt facility and cashflow from operations. No material capital commitments toward in-situ deposit development are anticipated in FY20, and all in-situ capital allocation remains subject to completion of a BFS and decision to mine by the Board.

	Mining Performance			Processing Performance		
	Mining Rate	Mined Grade	Cannons in Use	Concentrate	Grade	Zinc Metal
Dec 18 Q	1.50Mt	2.95% Zn	2	25,500t	47.0% Zn	12,080t
Mar 19 Q	1.39Mt	2.92% Zn	2	37,500t	48.3% Zn	18,170t
Jun 19 Q	1.60Mt	2.92% Zn	2 (3 rd online May)	42,500t	48.1% Zn	20,450t
Q-on-Q Difference	+15%	-	-	+12%	-	+12%

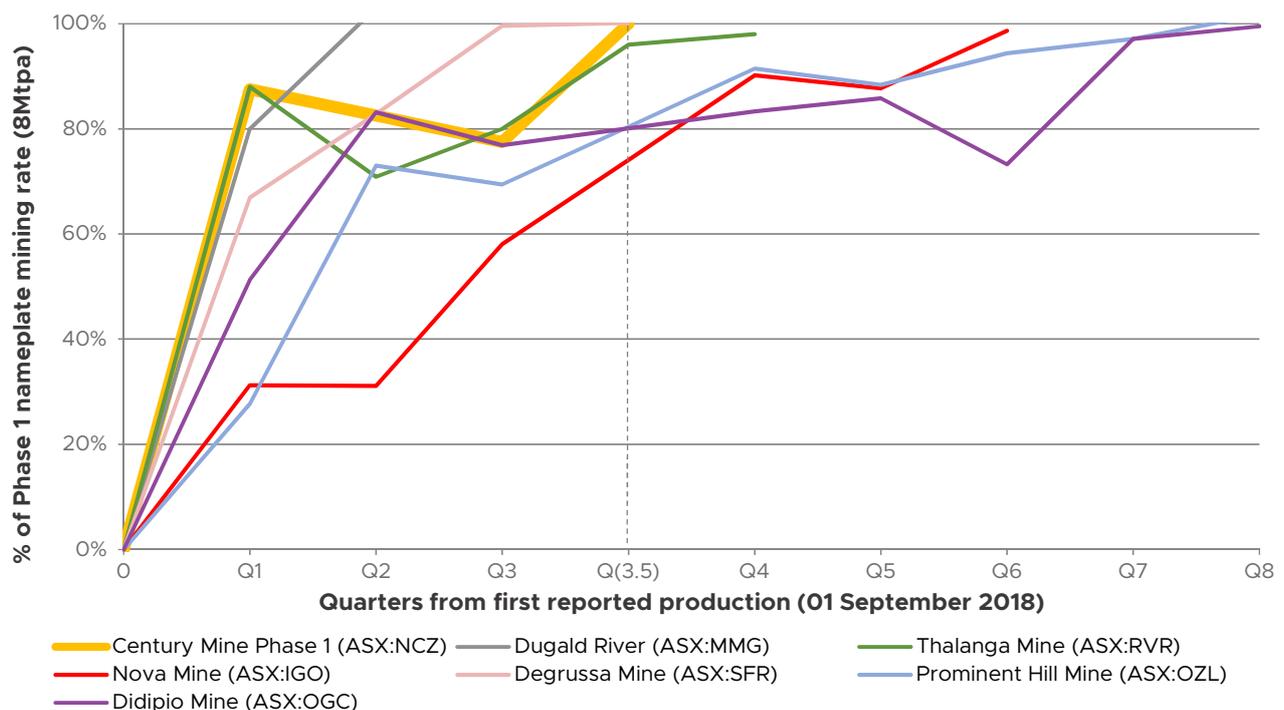


Figure 5: Century's hydraulic mining ramp-up performance against other ASX listed start-up operations to date (Source: public company data & Credit Suisse estimates)



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