

New Century delivers a milestone 500,000th tonne of zinc concentrate & successfully executes a hedging program to lock in a guaranteed zinc floor price of US\$1.20/lb (US\$2,645/t)

Highlights

- Major production milestone, with New Century delivering its 500,000th tonne of zinc concentrate since operations at the Century Mine were restarted in late 2018
- Execution of FY21 zinc price hedging, via put contracts, providing a guaranteed floor price of US\$1.20/lb (US\$2,645/t) for 100% of March '21 quarter sales and 50% of June '21 quarter sales. The Company retains full exposure to upside in zinc price above this amount
- New Century expects a material increase in December '20 quarter adjusted EBITDA, (A\$13.2 million September '20 quarter), with the quarterly average zinc price up 12% to US\$1.19/lb

New Century Resources Limited (NCZ, New Century or the Company) (ASX:NCZ) is pleased to announce it has reached a major milestone, producing its 500,000th tonne of zinc concentrate since the recommencement of operations in August 2018.



Figure 1: NCZ Port Manager, Greg O'Shea, and Carpentaria Shire Councillor, Peter Wells, standing with the MV Wunma containing the 500,000th zinc concentrate tonne produced

New Century is also pleased to advise it has executed a zinc price hedging program for the remainder of FY21, with the Company securing put contracts to guarantee a floor price of US\$1.20/lb (US\$2,645/t) for 100% of sales in the March '21 quarter and 50% of sales in the June '21 quarter.

The securing of put contracts eliminates downside price risk while also providing full upside exposure to zinc prices above US\$1.20/lb.

The hedging of zinc at a guaranteed floor price of US\$1.20/lb captures strong tail winds within the industry (December '20 quarter average zinc price was up 12% quarter-on-quarter to US\$1.19/lb), with New Century expecting to deliver material growth in its adjusted EBITDA for the December '20 quarter compared to the reported A\$13.2 million for the September '20 quarter.

Commenting on the production milestone and hedging program, New Century Resources Managing Director, Patrick Walta, said:

“The milestone of producing 500,000 tonnes of zinc concentrate is a significant achievement for the Company and testament to the efforts of our team on site, as well as our strong culture and partnerships with stakeholders throughout the region.

In addition, New Century’s hedging program has successfully locked in the current buoyant market conditions for the remainder of the financial year, while also providing full exposure to further zinc price improvement.

The Company sees strong potential for zinc price upside, given the continued demand from growth within China and the likely near-term improved demand around the world as infrastructure-focused government stimulus packages are rolled out. This demand is in contrast to continued global supply challenges, with traditional underground miners facing additional operational difficulties in improving production while also implementing social distancing and Covid-19 mitigation practices.”

New Century intends on releasing its quarterly results near the end of January, following completion of its usual production and financial reconciliation process.

The Company will also continue to assess opportunities for zinc price hedging throughout FY21 and beyond.

This announcement has been approved for release by the Board of New Century Resources.

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