

## **NEW CENTURY EXECUTES A\$40M EPC CONTRACT WITH SEDGMAN FOR RESTART OF MINE & PORT AND SELECTS AUSENCO AS PREFERRED BIDDER FOR A\$1.7M PIPELINE REFURBISHMENT**

- A\$40M EPC contract with Sedgman executed for refurbishment and commissioning of the Century Process Plant & Karumba Port Facility
- Sedgman EPC expands on Early Works contract, underway since December 2017
- Front End Engineering Design works completed & long lead items procured
- Ausenco selected as preferred bidder for A\$1.7M Concentrate Slurry Pipeline refurbishment and commissioning
- Further high-calibre additions to the New Century management team
- Project remains on track for commencement of production in Q3, 2018

New Century Resources Limited (Company or New Century) (ASX:NCZ) is pleased to announce the execution of the Engineering, Procurement and Construction (EPC) contract with Sedgman Pty Ltd (Sedgman), a member of the CIMIC Group, and preferred bidder selection of Ausenco Management Pty Ltd (Ausenco) for the complete refurbishment and commissioning of operations associated with the Century Processing Plant, Slurry Pipeline and Karumba Port Facility.

### ***Sedgman: EPC Contract for Processing Plant & Karumba Port Refurbishment & Commissioning***

Following completion of the Front End Engineering Design (FEED) study and activities under the Early Works Contract, Sedgman has been awarded the EPC contract for the refurbishment and commissioning of the Century Processing Plant and Karumba Port Facility.

The total value of Sedgman's works, including the now complete Early Works Contract, is A\$40M.

Commenting on the Sedgman EPC contract, New Century Director Peter Watson said:

*"Having previously worked with the Sedgman team for over 10 years, I am very confident that New Century has partnered with a world-class project delivery team for the refurbishment and commissioning process.*

*The Sedgman team will also complement the existing management team within New Century, together providing a great combination of long term site knowledge and external expertise."*

The work under the EPC contract comprises the refurbishment and commissioning works for the Century Processing Plant at Lawn Hill and the Karumba Port Facility. Sedgman is also providing operations readiness services. The EPC contract scope also includes civil, structural, mechanical, piping and electrical work requirements as determined by the FEED study.

Early Works and long lead item procurement activities completed to date include procurement of electrical equipment and pumping equipment in addition to the commencement of general refurbishment activities.

The remainder of the Century Processing Plant and Karumba Port refurbishment and commissioning process is expected to take up to 5 months, which is in line with the planned scheduled for operations to commence in Q3 2018.



*Figure 1: Sedgman and New Century employees undertaking re-energisation works of the Century mine electrical substation in preparation for commissioning activities*

***Ausenco: Preferred Bidder for Concentrate Slurry Pipeline Refurbishment & Commissioning***

Following completion of a competitive tender process, which included bids from three specialist pipeline construction and operation companies, Ausenco has been selected as the preferred bidder for the works, with a contract expected to be in place within a week.

Ausenco have over 30 years' experience in pipeline design, construction, operation and maintenance globally, including the successful delivery of slurry pipeline projects such as:

- 2006 audit of the Century Concentrate Slurry Pipeline (304km length, 1.0Mtpa capacity);
- design and start-up for the world's first commercial nickel laterite slurry pipeline (208km length, 7.2Mtpa capacity) at the Ambatovy Minerals Nickel Mine in Madagascar;
- full engineering services for the copper-zinc slurry pipeline (300km length, 1.4Mtpa capacity) at the Antamina Cu-Zn Mine in Peru; and
- Minas-Rio Tinto iron concentrate slurry pipeline system development (525km length, 24.5Mtpa capacity) in Brazil.

The Concentrate Slurry Pipeline refurbishment is expected to take up to 3 months, which is in line with the planned schedule for operations to commence in Q3 2018.



***Figure 2: 4MW in diesel power generators delivered to site & installed for commissioning activities. Post commissioning, the diesel generator power forms the backup power system for ongoing operations (re-establishment of grid power connection underway).***

### *Other Works*

As outlined in the Restart Feasibility Study (see ASX announcement 28 November 2017) the total estimated capital costs for the initial restart of operations is \$50M. The remaining capital works required outside of the Sedgman and Ausenco EPC contracts (together totalling \$41.7M) include: reconnection of site grid power, first fills, owners' costs and an additional provision for refurbishment works on the Century Processing Plant, Port and Pipeline.

Execution of these additional works remains in line with the planned schedule for operations to commence in Q3 2018.

### *Further Key Additions to the New Century Management Team*

The Company has made two more significant additions to the New Century execution and operations team. Further, the Company is pleased to advise that Mr Barry Harris has been promoted to the position of Chief Operating Officer in addition to his existing role as Site Senior Executive:

- Mr Barry Harris: Chief Operating Officer & Site Senior Executive
- Mr Peter Goodman: Project Manager
- Mr Chris Portelli: Superintendent, Processing Plant & Pipeline

Details of these New Century team members are located below. For further details on recent key hires, see the Company's ASX announcement on 18 Jan 2018.

These key hires and the internal promotion finalise the project delivery team for New Century, with the Company successfully executing the first stage of its human resources strategy to acquire the required skills and experience for the management of all aspects of the Century refurbishment and commissioning process.

The Company is also well advanced in the second phase of its human resources strategy to ensure sufficient competency for ongoing operations at the mine and port facilities.

#### *Barry Harris: COO and SEE*

Barry's experience within the mining industry includes operational and technical roles in metalliferous and coal operations. He has a First Class Mine Managers certification and a strong focus on increasing mine physicals and improving standards while reducing costs.

Graduating from the University of Queensland with a degree in Mining Engineering, Barry has gone on to complete post graduate studies including a Master's of Science (Mineral Economics) and the AICD Company Directors course.

Barry has been the Site Senior Executive for New Century since acquisition of the Century Zinc Mine and has played a pivotal role in the site based development to date. He will continue in this role as the Company progresses toward first production, while also taking on the Chief Operating Officer role for New Century.

*Peter Goodman: Project Manager*

Peter Goodman has joined the team as Project Manager and will be responsible for overseeing the execution of the EPC contracts with Sedgman and Ausenco for New Century.

Peter has been in both operations and in projects roles within the resources industry for over 40 years. He has a track record in successful project delivery in Australia and internationally, including Mongolia, China, Southern Africa, Vietnam, Indonesia and New Zealand. Peter also has significant experience in delivering brownfield mine restart projects similar to what is required at Century.

Peter's most recent roles have been in Mongolia, as the Project Manager for the Chandman Uul Project in South Gobi Desert in Mongolia and COO of Terra Energy's in-country operations. Previous project management roles include Magnet, Petana And Beryl Rose Mines in Zimbabwe, Cua Ong Coal Mine in Vietnam, Enterprise Mine and Mt Isa Copper Smelter and Concentrator Upgrade.

*Chris Portelli: Superintendent, Processing Plant & Pipeline*

Chris has qualifications in Metalliferous Mining (Processing) and also in Management, Occupational Health & Safety, and Training & Assessment. Chris has had significant experience in large complex metals processing plants both within Australia and offshore, most recently at the Lihir Mine in PNG where he has held a number of roles including the Process Superintendent.

Chris will work with New Century's Head of Processing, Adam Clarke who joined earlier this month from Glencore, to drive the restart of the Century Processing Plant and associated infrastructure.

***About Sedgman Pty Ltd***

Sedgman is CIMIC Group's (ASX:CIM) mineral processing company. Sedgman is a market leader in the design, construction and operation of mineral processing plants and associated mine site infrastructure. Sedgman has a balanced portfolio across base and precious metals, industrial minerals, coal and iron ore.

***About Ausenco***

Ausenco is a global company providing consulting, engineering, project delivery and asset operations and optimisation services to the Minerals & Metals, Oil & Gas and Industrial sectors. Headquartered in Brisbane, Australia, Ausenco's team is based across 26 offices in 14 countries and many project locations. Ausenco is recognised as a world leader in slurry pipelines. For more than 30 years their key people have been instrumental in the engineering and delivery of pipelines across the globe for a diverse array of products through challenging terrain, extreme climates and remote locations, including many of the world's longest and largest slurry pipelines.

**For further information please contact:**

Patrick Walta - Managing Director +61 (08) 6142 0989

Shane Goodwin - Head of Corporate Affairs +61 434 039 106

## About New Century Resources Limited

New Century Resources Limited (ASX:NCZ) is an ASX listed base metal development company targeting the recommencement of operations from the Century Zinc Mine in Queensland, Australia.

The Company has recently completed a Feasibility Study over the existing Ore Reserves (77.3Mt at 3.1% ZnEq<sup>1</sup>) of the Century Zinc Mine, outlining a robust operation which is scheduled to become one of the top 10 zinc producers in the world and also in the lowest cost quartile globally.

The Company has all permits in place and is fully funded (subject to finalisation of the Sprott facility, see ASX announcement dated 11 October 2017), with >A\$100M in equity and debt available for operational restart in Q3 2018.

The proposed operations at Century will utilise the existing world class infrastructure at the mine, including a large scale multi train flotation plant, 700 person camp, private airport and sealed run way, mining fleet, grid power connection, 304km slurry pipeline and its own concentrate shipping port and transshipment vessel in Karumba.

In addition, Century boasts substantial Mineral Resources (9.3Mt at 10.8% Zn + Pb) which provide a significant opportunity for mine life extension and metal production increases from the scheduled operations.

## Statement of JORC 2012 Compliant Resources & Reserves

| Mineral Resources             | Tonnes (Mt) | Zn (%)                | Pb (%)     | Ag (g/t)  | Zn (t)           | Pb (t)         | Ag (Oz)           |
|-------------------------------|-------------|-----------------------|------------|-----------|------------------|----------------|-------------------|
| South Block (Indicated)       | 6.1         | 5.3                   | 1.5        | 43        | 322,000          | 90,000         | 8,550,000         |
| Silver King (Inferred)        | 2.7         | 6.9                   | 12.5       | 120       | 186,000          | 337,500        | 10,500,000        |
| East Fault Block (Inferred)   | 0.5         | 11.6                  | 1.1        | 48        | 60,000           | 5,500          | 800,000           |
| <b>TOTAL</b>                  | <b>9.3</b>  | <b>6.1</b>            | <b>4.7</b> | <b>66</b> | <b>568,000</b>   | <b>433,000</b> | <b>19,850,000</b> |
| Ore Reserves                  | Tonnes (Mt) | ZnEq <sup>1</sup> (%) | Zn (%)     | Ag (g/t)  | Zn (t)           | Pb (t)         | Ag (Oz)           |
| <b>Century Tails (Proved)</b> | <b>77.3</b> | <b>3.1</b>            | <b>3.0</b> | <b>12</b> | <b>2,287,662</b> | <b>-</b>       | <b>29,734,819</b> |

<sup>1</sup> The ZnEq calculation is located below the Statement of JORC 2012 Compliant Resources & Reserves.

### *Zinc Equivalent Calculation*

ZnEq was calculated for each block of the Century Tailings Deposit from the estimated block grades. The ZnEq calculation takes into account, recoveries, payability (including transport and refining charges) and metal prices in generating a zinc equivalent value for each block grade for Ag and Zn.  $ZnEq = Zn\% + Ag \text{ troy oz/t} * 0.002573$ . Metal prices used in the calculation are: Zn US\$3,000/t, and Ag US\$17.50/troy oz.

### *Competent Persons Statement*

#### *Mineral Resources*

The information in this announcement that relates to Inferred Mineral Resources on the Silver King Deposit and the East Fault Block Deposit was first reported by the Company in its prospectus released to ASX on 20 June 2017, and the South Block Deposit was first reported by the Company to the ASX on 15 January 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

#### *Ore Reserves*

The information in this announcement that relates to the Ore Reserve at the Century Tailings Deposit was first reported by the Company in its ASX announcement titled "New Century Reports Outstanding Feasibility Results that Confirm a Highly Profitable, Large Scale Production and Low Cost Operation for the Century Mine Restart" dated 28 November 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.