

CENTURY MONTHLY DEVELOPMENT UPDATE - SEPTEMBER 2018

- Revenue of \$27.2M from zinc concentrate sales generated in September via:
 - A\$9.8M from production of 7,000t of zinc concentrate to date
 - A\$17.4M from the forward sale of 13,000t of October production
- First concentrate shipment direct to China scheduled for the end of October 2018
- Hydraulic mining and processing plant performance ramp up tracking to schedule
- Successful operational restart of the slurry pipeline and port facility
- MV Wunma due for imminent arrival back in Karumba in readiness for first shipment
- \$40M debt facility with National Australia Bank nearing completion

New Century Resources Limited (Company or New Century) (ASX:NCZ) is pleased to provide an update on operational ramp up activities at the Century Zinc Mine during September 2018.



Figure 1: New Century Port Manager Greg O'Shea with stockpiled zinc concentrate ready for October shipment

Hydraulic Mining Highlights

- Record daily hydraulic mining rates continually achieved during the month
- Completion of minor upgrades to hydraulic mining cannons, pumps & pipework
- Continuous improvement of operator competence and progressive performance upgrade
- Operators maintaining consistent high slurry density of 40-50% solids (target min. 37% solids)

Load Commissioning Commentary: September hydraulic mining load commissioning and operational ramp up has overall proceeded well, with minimal downtime and a progressive improvement in mining rates over the course of the month. As shown in Figure 2, the hydraulic mining operations team continued to deliver against an expedited ramp up schedule, with the mining rate already close to the 8.0Mtpa nameplate mining rate for Phase 1 of Century operations.

The comparative speed of the ramp up in the mining rate provides strong evidence of the robust simplicity of Century’s hydraulic mining operations and confidence in the full scale ramp up to 15.0Mtpa during the scheduled Phase 2 expansion of Century operations.

Focus for the hydraulic mining operations into Q4 2018 is now on ensuring consistent uptime and a feed rate of 8.0Mtpa+ into the processing plant.

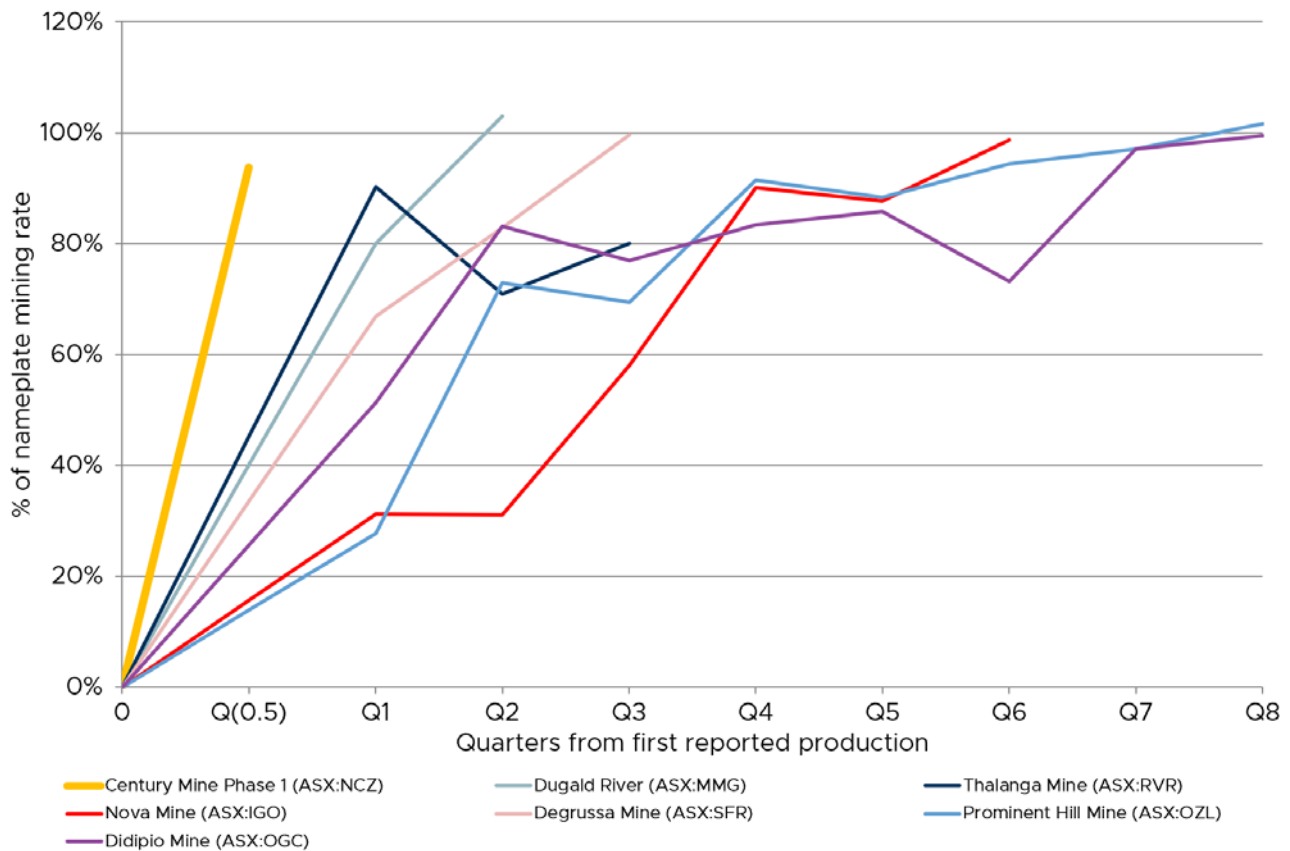


Figure 2: Century’s hydraulic mining ramp up performance against other ASX listed start-up mining operations
(Source: public company data & Credit Suisse estimates)



Figures 3 & 4: Hydraulic miner in operation (left) and the two hydraulic miners cutting the main trench on the Century Tailings Deposit (right)



Figure 5: View of the hydraulic mining operations centre during the official reopening ceremony of the Century Zinc Mine on 14 September 2018

Processing Plant Highlights

- Record shift concentrate production & recovery rate continually achieved during the month
- Systematic load commissioning process providing continuous improvements to plant stability and progressive increase in recoveries toward nameplate target
- Continued steady state production of saleable concentrate with grades ranging 47-52% Zn and 3.0-6.5% SiO₂ and the load commissioning process continuing to improve product specification

Load Commissioning Commentary: September processing plant commissioning and operational ramp up has overall proceeded well, with the main operational interruption caused by two extended power outages (one planned, one unplanned) due to network maintenance activities of the grid in Mt Isa from Century's power transmission provider. These outages resulted in 3-4 days of downtime and interruption to steady state conditions required for efficient plant load commissioning.

As shown in Figure 6, despite the downtime the load commissioning process has continued to achieve material improvements in plant performance throughout the month, with both daily and weekly sample composite recoveries progressively increasing. Also, both 1 hourly samples and lab scale flotation tests utilising current plant feed regularly continue to generate recoveries in line with feasibility work, demonstrating the ability of the plant to achieve nameplate performance as operational stability improves through the course of the load commissioning process.

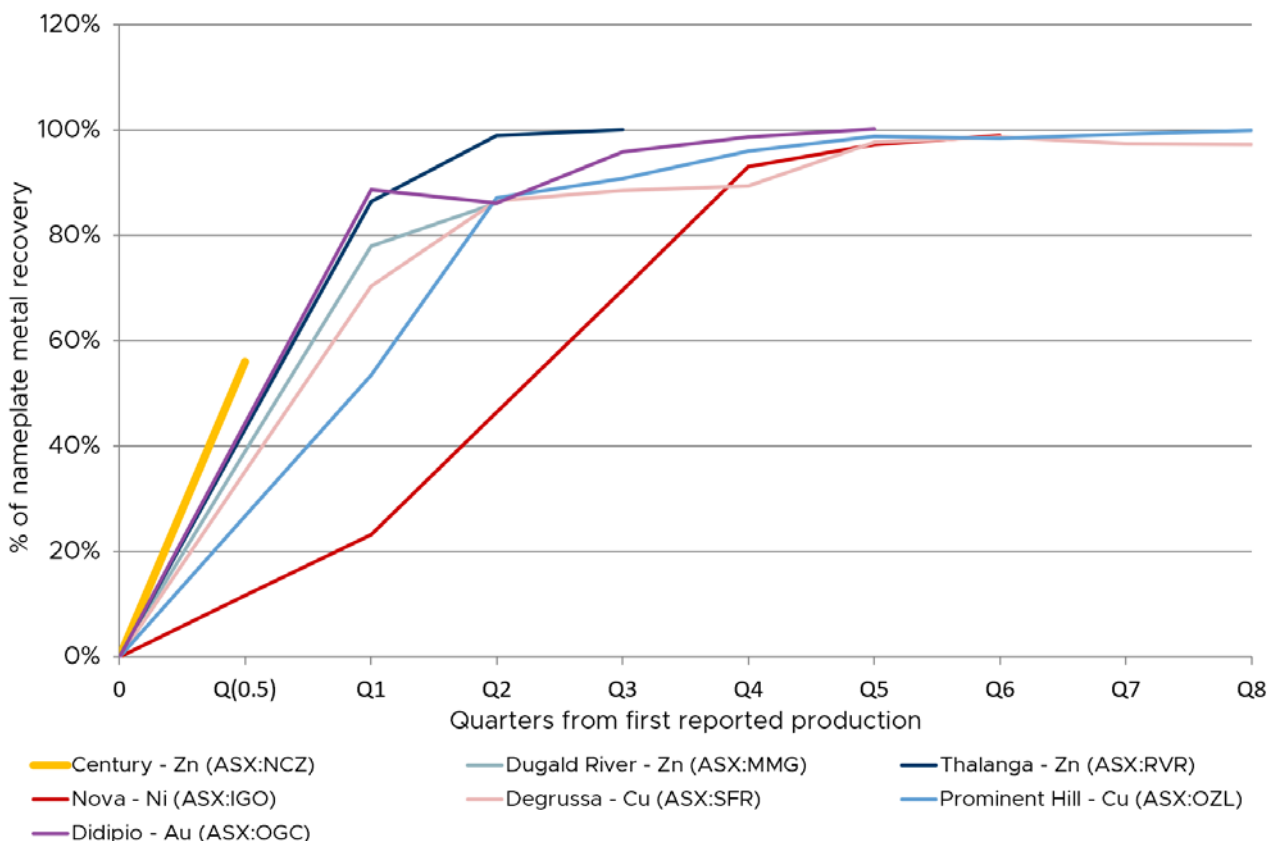


Figure 6: Century's processing plant ramp up performance against other ASX listed start-up operations
(Source: public company data & Credit Suisse estimates)

As part of the load commissioning process, the plant operations team have also continued to progressively bring concentrate grade toward New Century's target specification. Steady state production during September continued to achieved good quality saleable zinc concentrate grading 47-52% and 3.0-6.5% SiO₂.

The current 'commissioning concentrate' specification has received strong demand and resulting sales, which is discussed further in the 'Pipeline, Port, MV Wunma & Concentrate Sales Highlights' section of this monthly update.

Focus for the processing plant operations team into Q4 2018 remains on maintaining plant uptime and steady state operations to allow the systematic load commissioning process to continue.



Figure 7: Zinc concentrate product in storage tanks and the zinc thickener at the Lawn Hill mine site, ready for pumping to Karumba

Pipeline, Port, MV Wunma & Concentrate Sales Highlights

- Ongoing pumping of concentrate along the entire 304km slurry pipeline to Karumba
- Restart of Karumba operations, with successful operation of the slurry thickener system, water treatment facility, filter presses, rotary dryer & stockpiling of concentrate in the storage shed
- All MV Wunma refurbishments completed, with the vessel now on voyage to Karumba
- First shipment of concentrate scheduled for the end of October 2018, direct into China
- 7,000t of zinc concentrate production to date into a forward sale of 20,000t, generating \$27.2M in revenue for the Company

Load Commissioning Commentary: September pipeline and port commissioning has overall proceeded well, with minimal downtime and the successful operation of all components of the logistics chain from the mine site at Lawn Hill to the concentrate storage shed at the Karumba Port.

The Company has experienced strong demand for the 'commissioning concentrate' currently being produced as part of the load commissioning process, as evidenced by the forward sale of 20,000t of production, with demand for further commissioning grade product if made available. Treatment charges for the forward sale are more attractive than most existing offtake contracts, including an immaterial impurity penalty associated with silica and no penalties for any other elements.

The forward sale of 20,000t of zinc concentrate during the month of September has generated revenue of \$27.2M for the operations, providing the Company with first operational cashflow and full confidence of the continuing sales for all of New Century's concentrate production.

Concentrate production to date from the Century operations has totalled 7,000t, with the Company scheduled to complete shipment of the commissioning concentrate at the end of October 2018.

Focus of the pipeline and port operations into Q4 2018 will be to maintain uptime, concentrate stockpiling and preparations for export shipments via the MV Wunma.



Figures 8 & 9: Zinc concentrate slurry entering the concentrate thickener from the slurry pipeline (left) and through one of the five filter presses (right) at the Karumba Port Facility



Figure 11: Zinc concentrate stockpiled at the Karumba Port Facility



Figure 12: MV Wunma on voyage from Port Moresby to Karumba after completion of refurbishment activities

Other Highlights

- Official reopening of the Century Zinc Mine on 14 September 2018 by Senator the Honourable Matt Canavan, Federal Minister for Resources and Northern Australia
- A\$40 million debt facility with National Australia Bank nearing completion
- IP exploration program underway as a precursor to drilling identified prospective anomalies



Figure 13: Century Zinc Mine official reopening video (<https://youtu.be/nlReBhPq-Ao>)

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