

Update on the Potential Goro Transaction: New Century Elects Not to Proceed with Binding Offer Submission

New Century Resources Limited (NCZ, New Century or the Company) (ASX:NCZ) advises the Company has elected not to proceed with submission of a binding offer for the potential acquisition of 95% of the issued shares in Vale Nouvelle-Calédonie S.A.S. (VNC), which owns and operates the Goro Nickel & Cobalt Mine in New Caledonia (Goro).

Since announcement of exclusivity regarding the potential acquisition on the 26th May 2020, New Century has been engaged in an extensive process of both asset due diligence and commercial negotiations with Vale, the French State and other stakeholders regarding suitable funding of the current simplification plan capex and long term general working capital requirements.

In addition, the Company has been engaging with the governing body of the Southern Province of New Caledonia regarding ongoing environmental bonding requirements for Goro and with minority VNC shareholder Société de Participation Minière du Sud Calédonien S.A.S (SPMSC) regarding the future equity structure of VNC.

While New Century's due diligence and business analysis is now complete, which indicated strong potential for sustainable long-term operations at Goro, negotiations with various stakeholders have not been able to generate a funding package and equity structure for VNC which adequately accommodates a suitable risk/reward scenario for shareholders of New Century Resources.

As a result, the Board of New Century has elected not to submit a binding offer for Goro within the current exclusivity period and this exclusivity has now lapsed.

The Board of New Century expresses its appreciation to all stakeholders in their efforts to work toward a potential successful transaction outcome, and wishes Vale and the entire VNC team every success in their endeavours to create a sustainable long-term future for the Goro operation.

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

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