NEW CENTURY RESOURCES

Annual Report 2020

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Corporate Directory

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Chairman's Message

Dear Shareholder,

Your Company is now established as a significant base metals producer.

Much of what we set out to achieve with the Company's Century operations was completed during the fiscal year, with the Declaration of Commercial Production made at year's end. There remain a few bugs to iron out during the current 2020/21 fiscal year to get production and cost performance to our targeted levels; this work is well in hand.

While we were investing in the ramp-up of Century, for much of the year the macroeconomic environment with lower zinc prices and higher treatment charges created some financing challenges. Your Board was delighted with the support the Company received from fellow Shareholders in its two equity raisings during the past year, the second being at a premium to the Company's prevailing share price, and from our debt providers.

While we managed to partially offset the macroeconomic headwinds with our incessant focus on driving down operating costs, the Company's share price nonetheless weakened during the year. We are determined to re-enter the S&P/ASX 300 Index during the coming year.

The macroeconomic environment rebounded later in the 2019/20 fiscal year and has continued since. For example, current zinc prices at the time I am writing to you now stand around US$1.15/lb compared to around US$0.85/lb at their low point during the past fiscal year.

Now that we have declared Commercial Production, our plan is to apply our cash flow from operations to both reduce our partner's environmental bond and to bolster the strength of our balance sheet to make it resilient to normal industry volatility.

The normal industry volatility was compounded during the year by the impact of COVID-19 and its impact on global economic conditions. I am pleased to report that we had been able to safely continue our operations and development programs at the remote Century mine and at our Karumba port facility in Northern Queensland. We are supportive of all the various State measures to contain the virus. With the assistance of the Commonwealth Government's Job Keeper scheme, full employment was maintained. On behalf of our Shareholders I acknowledge the inconvenience the virus imposed on the family life of some of our team. Morale nonetheless remains high. I applaud the dedication of the full team to the Company.

With the bringing in-house of several important activities otherwise undertaken by contractors, the total number of our employees appreciably increased during the year. We welcome our new employees. We thank our contractors for facilitating the start-up of operations.

We acknowledge the Gulf Communities as the traditional owners of the Century region. Our commercial activities help to return their land to its original state. I am pleased to report that during the year we have successfully divested our share of the pastoral leases covering the Century tenements to the local communities with whom we have a strong and respectful relationship.

With the plan for Century well underway we took the opportunity during the year to pursue the giant Goro nickel/cobalt operation in New Caledonia. This opportunity built on our established strengths in tailings management, energising tired assets and working with local communities. Goro would have propelled your company into the Battery Storage and Electric Vehicle space. Your management did a fine job in securing an exclusivity position, and negotiating the better part of a US$1 billion funding package; eventually management's recommendation not to complete the acquisition was accepted because of several outstanding loose ends which, to resolve in a timely manner, would have imposed unacceptable financial risk for the Company's Shareholders. There were important learnings from the Goro initiative which will be applied to any new major initiative.

While open to new opportunities that play to our strengths, our continued focus on Century and the Northern Queensland region continues unabated. Not only do we have existing in-situ resources to complement our tailings recovery operations, but our exploration potential also around established infrastructure is promising.

As part of our continuous board renewal program, soon after the end of the year the Board accepted the resignation of Evan Cranston, a founding chairman and non-executive director of the Company. Evan found that his various business engagements made it difficult for him to devote the attention he wanted to give your Company. I appreciated his wise counsel. Evan remains an important shareholder. We are well advanced in appointing a new non-executive director, an appointment which will underscore the independence, skill set and diversity of the Board.

We introduced a new remuneration structure during the year for senior executives where an important part of executive remuneration is at risk and dependent on the Company's share price performance relative to the Company's peers. This new structure better identifies long run managerial out-performance at the same time as aligning executive remuneration with shareholder returns.

Most recently, on 28 October 2020, we announced a share placement, in conjunction with our intention to make an entitlement offer to all Shareholders during November 2020. The proceeds of this raising will be used to strengthen your Company's balance sheet and, through debt retirement, alleviate the current disproportionate near-term debt repayment profile, allowing management to focus on growing profitability and regional exploration opportunities around the Century mine.

On behalf of your Board I look forward to receiving your ongoing support.

Robert McDonald
Chairman

Review of Operations

Over the course of FY20 Century has emerged as a significant zinc operation, now established within the top-10 global zinc producers. With no material impact on operations from Covid-19 interruptions, Century has continued to supply zinc concentrate to all our valued customers.

The Directors of New Century are pleased to present a summary of operations to Shareholders.

Ramp Up Progress to Date

Since the start of operations in August 2018, operations at Century have continued to ramp up, with consistent increases in quarterly zinc production. The ramp up of operations is scheduled to continue throughout FY21 to a forecast 12Mtpa.

Highlights

Highlights from operations include:

- Consistent increase in quarterly metal production, with the Company achieving an FY20 production of 116,948t zinc metal and on track to achieve current FY21 guidance of 140,000t to 160,000t zinc metal
- Zinc production rates increased consistently across the 12 months, with a Q4 FY20 exit rate an exceptional 64% increase year-on-year
- Consistent reduction in quarterly C1 costs throughout the year, with Q4 FY 20 C1 costs decreased to U&0.79/lb representing a year-on-year 33% reduction, and tracking to achieve current FY21 guidance of US$0.65/lb to US$0.75/lb.
- Over 270,000t of zinc concentrate shipments (China, Europe & Australia) since the commencement of operations
- Average impurity penalties and treatment charges continue to be maintained in line with standard market pricing and remain competitive with other miners
- Hydraulic mining continues to ramp up, benefiting from transition to owner/operator model, with operations now delivering an ~10Mtpa mining rate
- Continued strong reconciliation of mining grade to the ore reserve model, with the ore grade mined during the June 2019 quarter averaging 3.09% Zn

Mining & Production Performance

The figures below provided a detailed review of the operational performance data from the Century operations for the year.

Table 1: 2020 Production and Costs for Century Operations

Production & Costs	Units	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	Q4FY20 vs Q4FY19
Ore Mined	‘000t	2,456	2,102	2,010	1,868	+55%
Zinc Head Grade Silver Head Grade	% g/t	3.09 11.9	2.93 14.1	2.87 13.7	2.96 14.1	+6% -13%
Zinc Recovery Silver Recovery	%	45.3 31.0	45.9 31.7	48.7 31.9	47.6 30.7	+3% +1%
Concentrate Grade	% Zn g/t Ag	48.6 128	48.7 163	49.1 162	49.0 150	+1% -15%
Zinc Metal Production Total Payable Total Payable	 t t Mlb Mlb	 34,363 28,712 75.8 63.3	 28,291 23,645 62.4 52.1	 28,123 23,542 62.0 51.9	 26,171 21,891 57.7 48.3	+68%
Silver Production Total Payable	oz	 292,076 56,141	 301,861 89,355	 283,078 77,029	 259,906 69,576	 +19% +12%
Costs (payable basis) C1 AISC	US$/lb	 0.79 0.89	 0.95 1.07	 0.96 1.07	 0.99 1.12	 -33% -37%

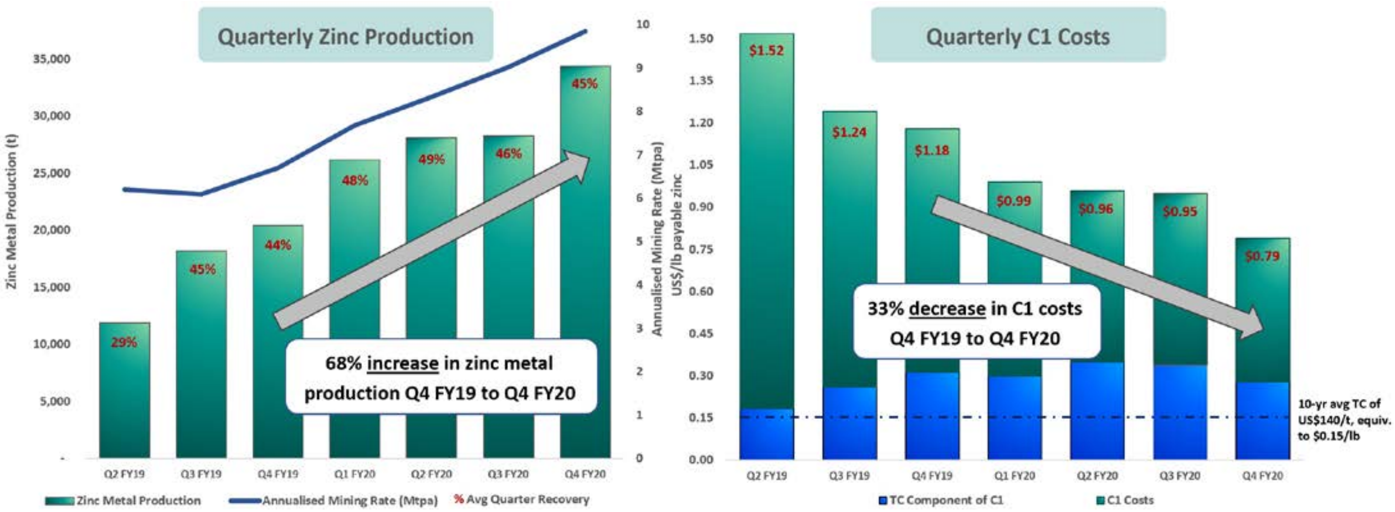


Figure 1: Century quarterly production and cost performance

Figure 2: Overview of hydraulic mining at the Century

Safety Performance

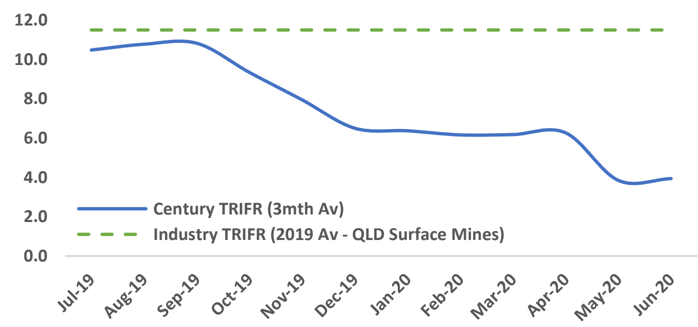


Figure 3: Total Recordable Incident Frequency Rate (TRIFR)

During FY20, the total recordable incident frequency rate (**TRIFR**) at the Century Mine & Karumba Port dropped from a high of 10.8 (September 2019) to 3.9 (June 2020).

No recordable incidents occurred in the June quarter, which is a significant achievement given the Company also transitioned from contractor services to full owner-operator during the period.

With continued focus on strengthening New Century's Health and Safety Management System, in February 2020 the Company launched an internal safety initiative known as Project Zero. Project Zero is focused on achieving a 0.00 TRIFR and has gained significant support from all personnel, with the Company's incident reporting culture being maintained as the TRIFR has reduced.

Concentrate Product Quality & Treatment Charges

Century operations have continued to produce good product quality, with Century concentrate being delivered to all major zinc consuming markets. Century concentrate has continued to experience limited, low impurity, penalty rates.

Spot treatment charges whilst high for the first half, began to steeply fall in response to supply constraints imposed by Covid-19 to major zinc producing nations. This trend has accelerated post close of FY20, with TC's plummeting to <U$100/t for imported concentrate in China. Treatment charges received for Century concentrate remain in line with standard market pricing and are also competitive with other global zinc miners, accessing spot pricing with cargoes and supplying into term contract at 'benchmark minus' rates.

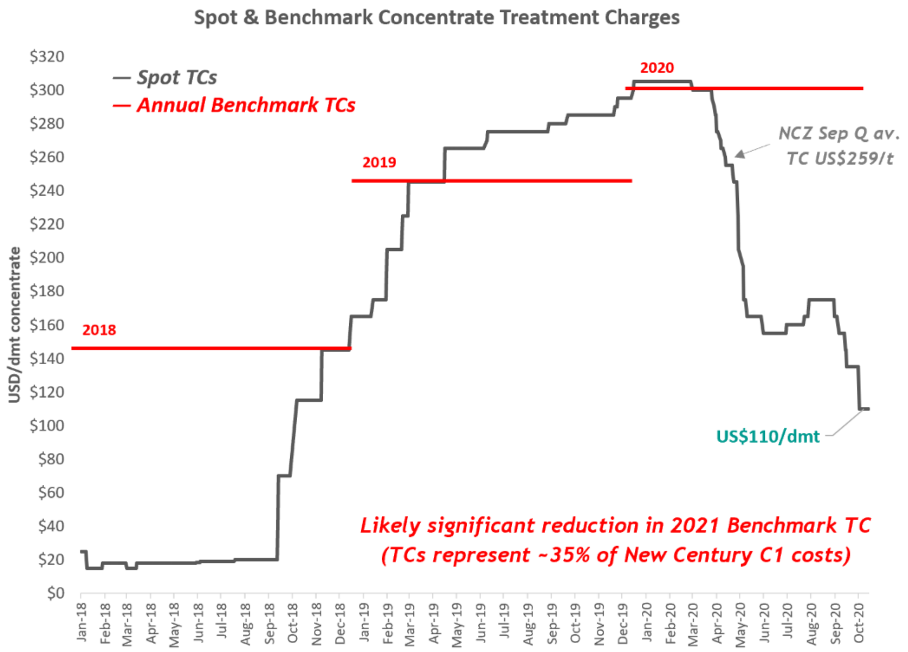


Figure 4: Spot & benchmark zinc treatment charges since 2018 (source: Bloomberg & SMM)

In-situ Resource Expansion

The Company released the In-situ Expansion Study in the last quarter of FY19, which investigated the incorporation of Century's in-situ Mineral Resources into the current tailings only mine plan. With current total Mineral Resources standing at 9.4Mt at 10.7% Zn+Pb (6.1% Zn, 4.6% Pb & 65g/t Ag), optimisation studies were continued in 2020 on these near mine brownfield expansion opportunities.

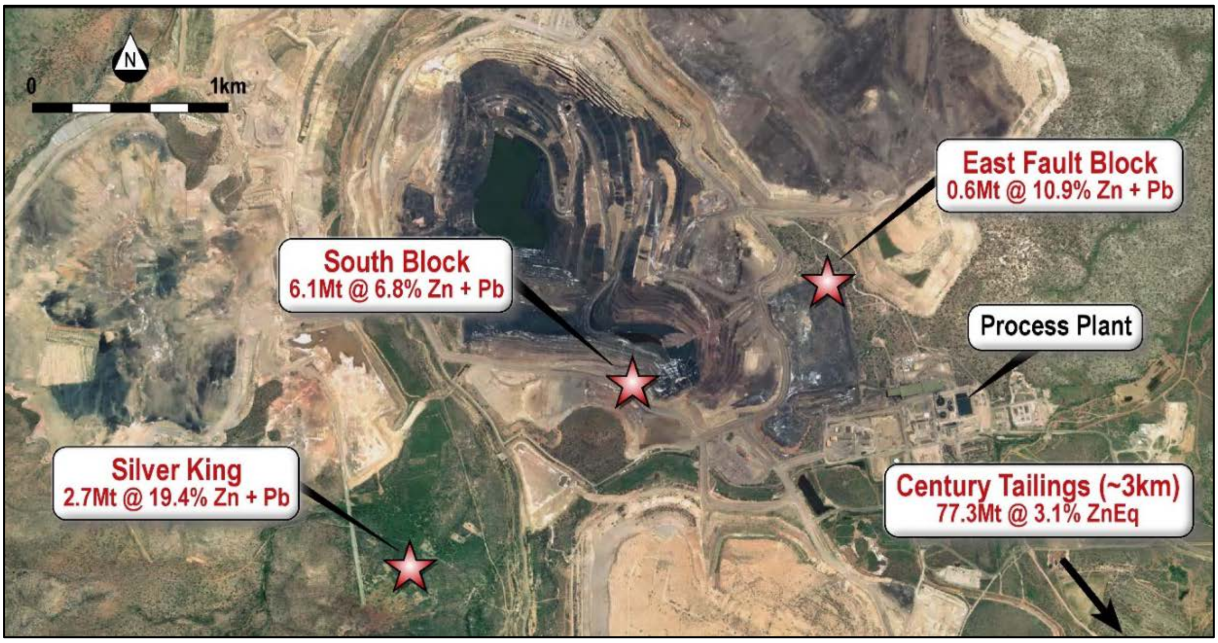


Figure 5: Overview of existing Reserves & Resources at the Century Zinc Mine

The Company's Technical Services team, over the course of the year, worked with various mining industry technical consultants in the development of optimisation studies over each of these deposits. The results of this work saw strong improvements to the overall in-situ mine plan, metal production profiles and projected operating costs.

The outcome of these optimisation studies will allow New Century to make a decision in 2021 on integrating these Mineral Resources into the current life-of-mine production profile, providing the opportunity for further extension of overall mine life at Century.

Century Exploration

Century exploration field activities during the March and June quarters were not possible due to interstate travel restrictions relating to the Covid-19 pandemic. As such no field reconnaissance or sampling occurred.

Significant progress was made within the Project Millennium targeting model assessment, relating to the impact-related modification of the Century orebody. This work generated priority works planning including field truthing and impact related sample collection, with targeted IP and MT Geophysical surveys earmarked for early in the December 2020 quarter.

IP programmes scheduled over the Century tenements include:

1. **Near Mine Targets:**
Detached portions of the Century Deposit & potential buried portions of a replicated system to the NW within the impact crater.
2. **Watsons/Lilydale Targets:**
Vein system and Century Host Rocks.
3. **Little Archie Targets:**
Favourable large NE trending structure and potential Century Host rocks.

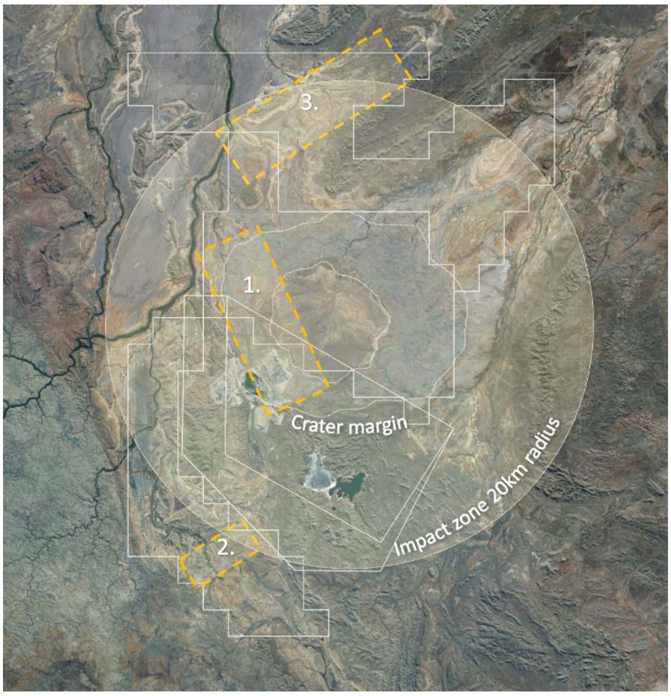


Figure 6: Century tenements and IP program target zones

Millennium Project Overview

The Millennium Project commenced in 2018 with the objective of testing the opportunity for detached blocks of the original Century deposit to have been displaced, and buried, within the adjacent Ordovician aged Lawn Hill impact crater.

An Induced Polarisation (**IP**) Geophysical survey was carried out by the Company in late 2018 to define the structural architecture of the crater directly adjacent to the deposit. This was followed by three deep stratagraphic diamond holes in 2019 to test the model. The identification of the impact horizon and a suevite breccia unit provided the basis for a rigorous re-interpretation of the significant near mine dataset within the context of the new model.

The conclusions to date not only support the potential for lost blocks within the crater, but allow disentanglement of the impact related modification from primary ore features, which is a crucial factor in regional exploration when seeking to discover new deposits.

Details of the geophysics and drilling programmes will be finalised based on the outcomes of field investigations once Covid-19 related travel restrictions are lifted.

Millennium Project Key Developments

Structure & Reconstruction

The initial stage of the project sought to reconstruct the orebody to its pre-impact form and location through reversing directly observable relationships and structures. When the extensional structures that created the terraces are reversed the Century orebody can be relocated some 2km to the SW, and 400m vertically from where it was discovered.

The relocation of Century effectively 'de-couples' the deposit from the Termite Range fault, previously considered to be the direct conduit for the metal bearing fluids which formed the deposit. The inferred location implies a direct spatial association of the deposit with an epithermal vein cluster which includes the Silver King deposit and implies a similar second order structure(s) was most likely the mineralising structure.

Another significant structural development included an explanation for the previously perplexing feature known as the Eastern Fault block. The block is a mega-clast of Century ore which is entrained wholly within the Cambrian carbonates, and vertically superior to the main orebody. The location can now be explained within the crater fill model by a radial transpression ridge formed along the compressional margin of two terrace blocks during collapse. This zone is a priority target for additional mega-blocks of ore.

Orebody Destruction

The Millennium Project determined that potential exists for detached blocks of the orebody to have been preserved:

- The northern limit of the known Century deposit is Nikkis Fault, now known to be part of the crater architecture. This fault appears to be an inter-terrace tear, but there may be other possibilities relating to the crater structure.
- The eastern and western terminations of the deposit previously ascribed to a pre-Cambrian erosional surface now appear to be impact related alteration; or post impact leaching by groundwater at the Cambrian-Proterozoic contact. Either alternative discounts the likelihood that the orebody was eroded away prior to impact.
- The identification of crater rim features in the hanging-wall of Pandoras Fault (some hundreds of metres above Century) places the deposit on the edge of the crater within a terrace floored by the Magazine Hill Fault. The extant of several hundred metres of hanging-wall strata above the northern orebody, and geometry of the reconstructed orebody, provides further evidence to discount the theory of an erosional terminations.

Mineralisation

Detailed studies of the paragenetic history and ore characteristics have presented confounding features relating to primary ore formation at Century. Relationships involving remobilised, and thermally altered mineral species, and a close association with mobile hydrocarbons have caused the most conjecture.

Studies indicate that between 80-90% of galena (PbS), and 15% of sphalerite (ZnS) across the deposit has been subjected to post diagenetic remobilisation, and at some stage hydrocarbon maturation has been invoked. The New Century team argue that these features represent previously unrecognised impact and shock related features.

Dating

An indirect consequence of the impact remobilisation of metals is that the lead isotope dating method was used to calculate the age of ore formation. The efficacy of this method requires that a single closed system is being measured – which given the postulated introduction of much younger radiogenic fluids related to the impact event, appears to be a flawed assumption.

The age of the orebody (currently dated 20Ma younger than the host units) is fundamental within the formation model, and in this case has the potential to invalidate the prevailing epigenetic model at Century and confirm the alternative syngenetic SEDEX model for the orebody. Such an outcome may present untested opportunities within regional exploration.

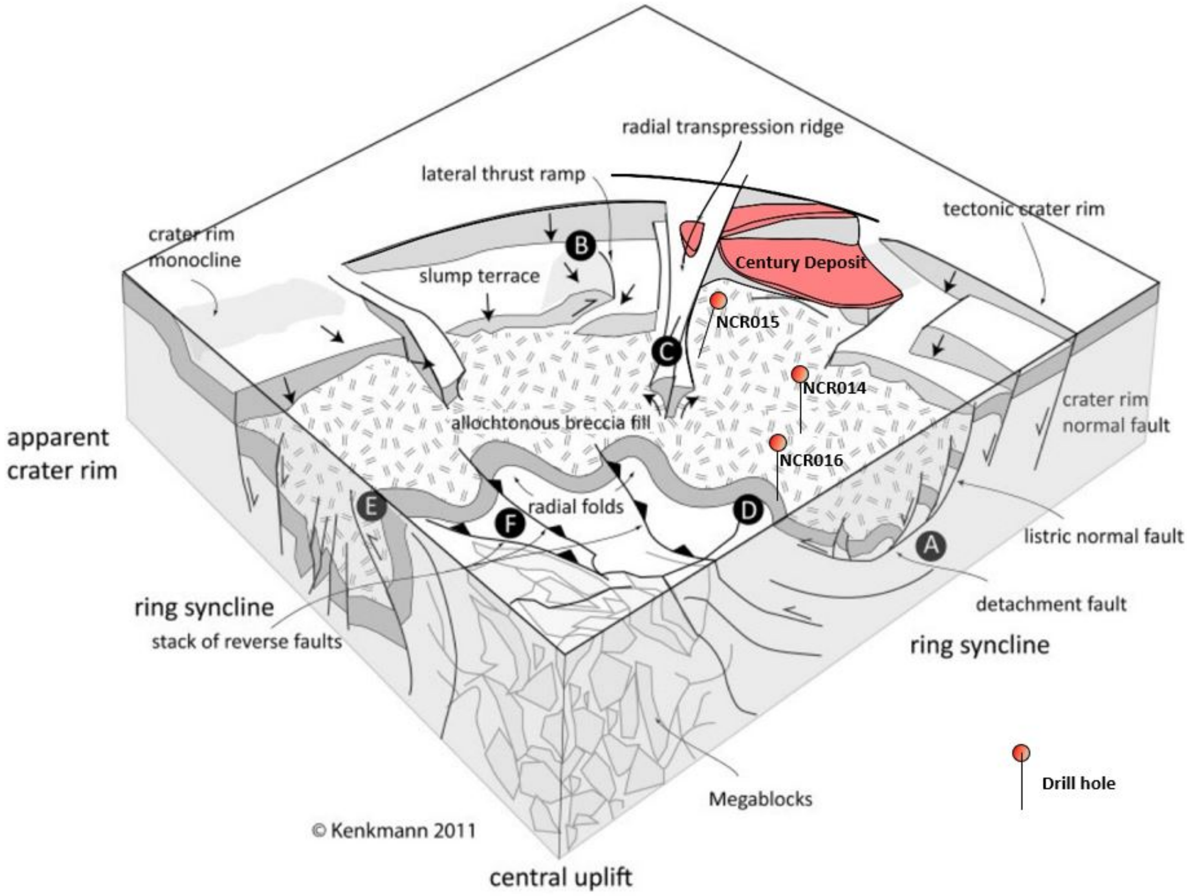


Figure 7: 3D representation of Century orebody within the crater architecture - modified from Kenkmann 2014

Non-Core Assets

Kodiak Coal Project (NCZ 70%)

The Kodiak Coal Project is currently on care and maintenance.

The Company continues to consider options regarding the future of the Kodiak Coking Coal Project in Alabama, USA, including assessing options in relation to joint venture opportunities or a disposal of the asset.

Lawn Hill & Riversleigh Pastoral Holding Company (previously NCZ 49%)

The Company's minority interest in Lawn Hill & Riversleigh Pastoral Holding Company was disposed of during the financial year, realising A$9.8M from this non-core asset.

Corporate Governance

New Century's Corporate Governance Statement for FY2020 is available on the Company's website www.newcenturyresources.com

Community Engagement and Social Investment

New Century has maintained a strong commitment to engagement with the local communities that host our operations and in 2020, we have developed new initiatives to build on our record and respond to the unique challenges presented by the COVID-19 pandemic.

The Company has continued its commitment to fulfilling the obligations within the Gulf Communities Agreement (**GCA**), a Native Title Agreement executed in 1997 which facilitates benefits to the Traditional Owners of the lands impacted by Century's operations. The Company continues to actively engage with the communities of the lower gulf to implement this agreement and the associated initiatives in a manner designed by the impacted communities to support the sustainable development of those communities.

A new initiative established in 2020 was the Community Sponsorship Program where the Company invites community organisations to submit applications for small sponsorships throughout the year. This is just another way that New Century Resources contributes to the communities that host and support our operations.

Figure 8: One of the recipients of the 2020 Community Sponsorship Initiative was the North West Canoe Club which runs the annual Gregory Canoe marathon

Active Community Engagement

New Century engages with our stakeholder communities via a number of formal and informal mechanisms. Throughout the year, the Company facilitated or participated in the following formal engagements with stakeholders in the lower gulf communities:

Forum	Number of Meetings	Purpose	New Century Role
Aboriginal Development Benefits Trust (ADBT)	6*	The ADBT is an independent Trust, established to administer funds from the Century Mine primarily for Indigenous business development, and Indigenous ownership / investment in business.	The Company appoints one director to the board of the ADBT Trustee.
Century Environment Committee (CEC)	4*	The CEC is established for the sharing of information regarding operational and environmental management information with representatives of Traditional Owner Groups, and receiving and responding to feedback from those groups.	The Company appoints two members to the CEC and provides secretariat services to the committee.
Century Employment and Training Committee (CETC)	4*	The CETC is established to advise Century on the development and implementation of the Century Employment and Training Plan with a view to maximising benefits to Local Aboriginal People and Corporations.	The Company appoints two members to the CETC and provides secretariat services to the committee.
Century Liaison and Advisory Committee (CLAC)	1*	The CLAC is established to discuss the working of the GCA and provide a forum for discussion and exchange of information between parties.	The Company appoints two members to the CLAC and provides secretariat services to the committee.

** Some engagements were either delayed or conducted via telephone link during periods of COVID-19 travel and gathering restrictions*

Amongst these formal engagements, New Century maintains regular informal and semi-formal contact with other community stakeholder groups including the Burke and Carpentaria Shire Councils, local landowners, State and Federal Parliamentarians, the Queensland Government, and other interested stakeholders from the lower Gulf of Carpentaria.

Aboriginal Development Benefits Trust

The Aboriginal Development Benefits Trust (**ADBT**) was established in 1997 following the execution of the Gulf Communities Agreement and continues to operate today. The purpose of the Trust is to administer annual funding contributions from the Century Mine with a view to enhancing Aboriginal business development and ownership within the Gulf Communities affected by the Century Mine's activities.

New Century has been represented on the Board of the Trustee of the ADBT since taking over stewardship of the Century Mine in 2017.

During that time, the ADBT has continued to receive annual funding contributions from Century in line with the obligations outlined in the Gulf Communities Agreement.

The Board of the ADBT has been able to apply that funding in thoughtful and constructive ways that have already built upon the aim of enhancing Aboriginal business development and ownership in the Gulf Communities. Key activities have included:

- Continued operation of the Daintree Discovery Centre, a profit-generating tourism endeavour that directs surplus funds back to the ADBT for the benefit of Local Aboriginal People;
- Transfer of ownership in the Burketown Pub, a landmark enterprise in the Gulf Communities, to local Indigenous ownership and operation;
- The establishment the ADBT's sports and personal development fund, providing opportunities to young members of the Gulf Communities to further their sporting and other interests.

New Century will continue its active participation with the ADBT and we remain encouraged by the excellent governance and administrative standards set by the ADBT Board which will ensure continuing positive outcomes for the Gulf Communities.

Figure 9: New Century's Head of Corporate Affairs and Social Responsibility, Shane Goodwin represents the company on the Board of the ADBT

Training and Development Initiatives

The continued commitment to delivering training and development opportunities for Local Aboriginal People remains one of the most significant elements of the Gulf Communities Agreement.

New Century Resources has maintained its relationship with the Waanyi-Downer Joint Venture to deliver community-led training and development programs that were designed to enhance sustainable development of the Local Aboriginal Communities impacted by the Century Mine's operations.

The Waanyi-Downer Joint venture is a 50:50 joint venture established between the Waanyi Registered Native Title Body Corporate (which represents the Native Title interests of the Waanyi People whose Traditional lands are impacted by the Century Mine) and the well-established international mining-services firm, Downer.

Through processes of genuine community-led engagement and design, key Training and Development initiatives have already been delivered in communities that have provided for sustainable development outcomes in those communities.

The Training and Development Program has continued to support initiatives such as the Cowboys House Mentorship Program, supporting students from the Gulf Communities who attend schools in Townsville, and the Mornington Island Teachers' Aide support initiative, helping students from Mornington Island improve their literacy outcomes.

In 2020, the Company has built on these initiatives through a number of other programs.

COVID-19 Response

The most significant and challenging aspect of delivering community initiatives in 2020 was the development of the COVID-19 global pandemic and the associated restrictions on travel and gatherings.

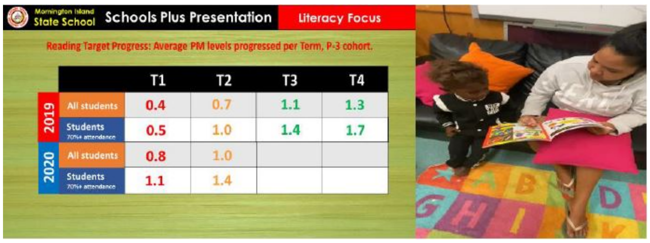
In response to these challenges, one of the initiatives we undertook was to redirect some of the resources that would have otherwise been invested in on-the-ground community interaction and engagement into practical initiatives designed to assist communities in responding to the unique challenges of COVID-19 in their remote communities.

In cooperation with the Waanyi-Downer JV, New Century Resources invested in COVID-19 response and cleaning assets for each of the Gulf Communities in Doomadgee, Burketown, Normanton and Mornington Island. The packs were designed to assist those communities in responding to any potential outbreaks whilst also maintaining clean conditions designed to prevent the spread of the virus throughout those communities. Thankfully, there have been no recorded cases of COVID-19 in any North West Queensland Community.

Figures 10 and 11: COVID 19 Emergency and Proactive Response Kits were delivered to the communities of Doomadgee, Burketown, Normanton and Mornington Island in order to assist with pandemic response

Indigenous Language Programs

New Century Resources has invested in the development of Indigenous Language Programs for students on Mornington Island (Kaiadilt and Lardil languages) and Normanton (Kurtijar/Kurtjar language). Support for these local language programs will have the effect of employing local language tutors and Traditional Language owners; increasing level of cultural education for the students who participate; and contributing towards ensuring the Traditional Languages do not die out.



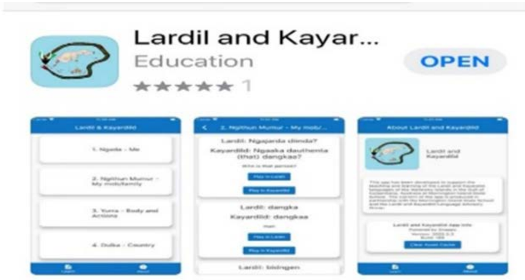


Figure 12 and 13: The Company's continued support for literacy programs on Mornington Island is yielding positive results and have been expanded to a Traditional Language Program both on Mornington Island and in Normanton.

Gulf of Carpentaria Rangers Program

The local Indigenous Rangers Program coordinated by the Carpentaria Local Aboriginal Land Council are recognised as amongst the best and most successful Indigenous Rangers Programs in the Country. Throughout 2020, New Century Resources has been able to partner with the Carpentaria Land Council to assist in the delivery of training and professional development for Indigenous Rangers to grow the capability and capacity of the Rangers operating throughout the Gulf of Carpentaria.

Training initiatives supported included:

- Vessel Training for Rangers (Cert II Maritime Operations) – 4 rangers;
- Seagrass Watch Training – 6 rangers;
- RSA, Food Handling & Barista Training – 6 rangers;
- Cert III in Conservation and Land Management – 4 rangers;
- Provide First Aid in Remote Situations – 4 rangers;
- Fire & Weed Management Training – 4 rangers;
- NLC Indigenous Ranger Forum – 12 rangers; and
- Cert I in Maritime Operations – 5 rangers.

Figure 14, 15 and 16: New Century Resources has provided support for training and professional development of Indigenous Rangers operating throughout the Gulf of Carpentaria.

Mineral Resources and Ore Reserves Statement

The following information is provided in accordance with Listing Rule 5.21 and as at 30 June 2020.

Mineral Resource Estimation Governance Statement

New Century Resources Ltd ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Mineral Resources have been generated by independent external consultants and internal employees who are experienced in best practices in modelling and estimation methods. Where applicable, the consultants have also undertaken review of the quality and suitability of the underlying information used to generate the resource estimations. The Mineral Resource estimates follow standard industry methodology using geological interpretation and assay results from samples won through drilling.

New Century Resources reports its Mineral Resources in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code.

The tables below set out the Mineral Resources and Reserves for 2019 and 2020 for the Century Zinc Project in Queensland. The Company advises that the material decrease in 2020 is the result of Mining Depletion at the Century Tailings Deposit.

Century Mine Resources and Reserves 2020 (rounding errors apply)

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
East Fault Block (Indicated)	0.6	9.8	1.1	42	63,000	7,300	872,000
Silver King (Inferred)	2.7	6.9	12.5	120	186,000	337,500	10,500,000
TOTAL	**9.4**	**6.1**	**4.6**	**65**	**571,000**	**434,800**	**19,922,000**
Ore Reserves	**Tonnes (Mt)**	**ZnEq (%)**	**Zn (%)**	**Ag (g/t)**	**Zn (t)**	**Pb (t)**	**Ag (Oz)**
Century Tails (Proved)	**62.3**	**3.0**	**2.9**	**12.7**	**1,837,000**	**-**	**25,452,000**

Century Mine Resources and Reserves 2019 (rounding errors apply)

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
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TOTAL	**9.4**	**6.1**	**4.6**	**65**	**571,000**	**434,800**	**19,922,000**
Ore Reserves	**Tonnes (Mt)**	**ZnEq (%)**	**Zn (%)**	**Ag (g/t)**	**Zn (t)**	**Pb (t)**	**Ag (Oz)**
Century Tails (Proved)	**71.6**	**3.1**	**3.0**	**12**	**2,132,000**	**-**	**28,340,000**

Zinc Equivalence (ZnEq) = Zn% + Ag g/t*0.0041 - the ZnEq calculation takes into account recoveries, payable metal and metal prices in generating a zinc equivalence value for silver. Values used in the calculation in 2020 are: Zn US$2,200/t, and Ag US$18/troy oz, Zinc Recovery 55%, Ag Recovery 40%, Zinc payable 83%, Ag payable 53%, Concentrate Zn grade 48%, Concentrate Ag grade 200g/t, Treatment Charge US$150/t.

The table below sets out Mineral Resources for 2019 and 2020 for the Kodiak Coking Coal Project in Alabama, USA. There was no change between the two periods.

Kodiak Project Resources as at 30 June 2019 and at 30 June 2020 (rounding errors apply)

Coal Seam	Measured Resource	Indicated Resource	Inferred Resource	Total Resource
Coke Seam, Gurnee Property	34.0Mt	3.2Mt	2.0Mt	39.2Mt
Atkins Seam, Gurnee Property	37.6Mt	1.6Mt	-	39.2Mt
TOTAL	**71.6Mt**	**4.8Mt**	**2.0Mt**	**78.4Mt**

Competent Persons' Statements

The information in this announcement that relates to 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 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, that all material assumptions and technical parameters underpinning that estimates in the relevant market announcements 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.

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.

The information in this report relating to Exploration Results and to JORC Compliant (Coal) Resources and Reserves for the Coke and Atkins Seams on the Gurnee Property at the Kodiak Coking Coal Project, Alabama, USA has been reviewed and is based on information compiled by Mr Alan Stagg of Stagg Resource Consultants Inc. Mr Stagg is a Registered Member of the Society of Mining, Metallurgy, and Exploration, Inc. (SME), registration number 3063550RM, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Stagg consents to the inclusion in the report on the matters on this information in the form and context in which it appears. The information in this report was first disclosed under the JORC Code 2004 on 8 October 2012, 12 October 2012, 27 November 2012, 19 March 2013, 6 August 2013 and 14 November 2013. It has not been updated since to comply with the JORC 2012 on the basis that the information has not materially changed since first being reported.

Financial Statements

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DIRECTORS' REPORT

The Directors present their report, together with the Financial Statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of New Century Resources Limited (referred to hereafter as 'New Century Resources' or the 'Company') and the entities it controlled for the financial year ended 30 June 2020.

Directors

The names of Directors who held office during or since the end of the financial year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Robert McDonald (Chairman)	appointed 17 July 2019
Patrick Walta (Managing Director)	
Nick Cernotta	
Bryn Hardcastle	
Peter Watson	
Evan Cranston	resigned 9 July 2020
Tolga Kumova	resigned 17 July 2019

Information on current directors

Director	Experience and expertise	Other current listed entity directorships	Former listed entity directorships in last three years	New Century special responsibilities
Robert McDonald Chairman Appointed 17 July 2019 B.Comm MBA (Honours)	Robert McDonald has more than 40 years of broad experience in the international mining sector. His early career within the Rio Tinto Group involved various operational business development, deal making and strategic planning roles for Hamersley Iron, RTZ Services and Rio Tinto Minera SA. This experience was followed by 20 years of investment banking, initially with BA Australia, then as director and principal of Resource Finance Corporation, and subsequently as a Managing Director of N.M. Rothschild & Sons. In these roles he was responsible for a wide range of advisory services including company formation, mergers and acquisitions, business origination, strategic advice on value creation/recognition, risk management, fairness opinions, debt and equity capital raisings and corporate restructurings. Over the most recent decade Mr McDonald has continued as a trusted investment banking advisor to a selected group of major international mining and investment companies. He has also maintained an active involvement in publicly listed and private mining and mining service companies through various board roles including as non-executive director and chairman.	Cobalt Blue Holdings Limited	None	Chairman of New Century Limited Board Member of Remuneration & Nomination Committee Member of Audit & Risk Committee

Director	Experience and expertise	Other current listed entity directorships	Former listed entity directorships in last three years	New Century special responsibilities
Patrick Walta Managing Director Appointed 13 July 2017 Degrees in Chemical Engineering and Science MBA Masters of Science (Mineral Economics) Diploma of Project Management	Patrick Walta is a qualified metallurgist, mineral economist and board executive with experience across both technical and commercial roles within the mining and water treatment industries. Mr Walta's experience within the mining industry includes public and private company management, mineral processing, mergers and acquisitions, initial public offerings, project management, feasibility studies, exploration activities, competitive intelligence and strategic planning. Mr Walta also has a broad level of resource industry experience through Rio Tinto, Citic Pacific Mining, Cradle Resources, Carbine Resources, Primary Gold and Clean TeQ.	None	Matador Mining Limited (to 3 July 2018) Primary Gold Limited (to 31 May 2017)	Managing Director
Nick Cernotta Non-Executive Director Appointed 28 March 2019 B.Eng (Mining)	Nick Cernotta is a mining engineer who has held senior operational and executive roles in Australia and overseas over a 30 plus year period. Mr Cernotta has considerable experience in the management and operation of large resource projects, having served as Director of Operations at Fortescue Metals Group, Chief Operating Officer (Underground, International and Engineering) at MacMahon Holdings Limited and as Director of Operations for Barrick (Australia Pacific) Pty Ltd, a subsidiary of Barrick Gold Corporation. Mr Cernotta's particular operational expertise is in managing safety, culture, production and cost efficiency, and organisational effectiveness.	Northern Star Resources Limited Panoramic Resources Limited Pilbara Minerals Limited	ServTech Global Holdings Ltd (to 22 November 2017)	Chair of Remuneration & Nomination Committee Member of Audit & Risk Committee Member of Environmental, Social & Governance Committee

Director	Experience and expertise	Other current listed entity directorships	Former listed entity directorships in last three years	New Century special responsibilities
Bryn Hardcastle Non-Executive Director Appointed 8 December 2011 LLB	Bryn Hardcastle is a partner of HWL Ebsworth Lawyers, specialising in corporate, commercial and securities law. Mr Hardcastle advises on equity capital markets, takeovers, schemes and corporate acquisitions, reconstructions and disposals predominantly in the energy and resources sector.	Caprice Resources Limited Flamingo AI Limited Primero Group Limited	Flamingo AI Limited (formerly Cre8tek Limited) (to 27 August 2018) ServTech Global Holdings Ltd (to 22 November 2017) Vysarn Limited (formerly MHM Metals Limited) (to 27 October 2017)	Chair of Environmental, Social & Governance Committee Member of Remuneration & Nomination Committee
Peter Watson Non-Executive Director Appointed 22 January 2018 B.Eng (ChemEng) (Hons) Dip Acc & Fin Mgmt FIEAust GAICD	Peter Watson is a chemical engineer with over 30 years' experience in the resources sector, both in Australia and overseas. He has held technical and executive roles with a number of companies throughout his career, culminating in his appointment as the Managing Director & Chief Executive Officer of Sedgman Limited, a market leading engineering and mining services firm. Initially joining Sedgman as Chief Operating Officer Metals Division in 2010, Mr Watson successfully led and supported the development and execution of Engineering, Procurement and Construction as well as Operations Contracts in excess of $2 billion as he progressed through roles as Executive General Manager (2011 – 2012) and Global Executive Director (2012 – 2014), before being made Managing Director & Chief Executive Officer (2014 – 2016). During this time at Sedgman, Mr Watson provided leadership and guidance across a suite of over ten large scale mine operations contracts and over 30 EPC contracts across a broad spectrum of commodities.	Strandline Resources Limited Paladin Energy Limited	Resource Generation Limited (to 30 November 2018)	Chair of Audit & Risk Committee Member of Environmental, Social & Governance Committee

Former Directors				
Evan Cranston Non-Executive Director Appointed 10 October 2012 and resigned on 9 July 2020 B.Comm, LLB	Evan Cranston is an experienced mining executive with a background in corporate and mining law. He is the principal of corporate advisory and administration firm Konkera Corporate and has extensive experience in the areas of equity capital markets, corporate finance, structuring, asset acquisition, corporate governance and external stakeholder relations.	African Gold Resources Ltd Carbine Resources Limited Vital Metals Limited	Primary Gold Limited (to 29 November 2017) RareX Limited (formerly Clancy Exploration Ltd and Sagon Resources Limited) (to 1 December 2017) Boss Resources Limited (to 5 June 2020)	None
Tolga Kumova Non-Executive Director Appointed on 13 July 2017 and resigned on 17 July 2019	Tolga Kumova has 15 years' experience in stockbroking, corporate finance and corporate restructuring, and has specialised in initial public offerings and capital requirements of mining focused companies. He has raised in excess of $500 million for mining ventures, varying from inception stage through to construction and development. Mr Kumova was a founding shareholder of Syrah Resources in 2010 and served as an Executive Director from May 2013 to October 2016, and as Managing Director from October 2014 to October 2016. During his tenure at Syrah Resources, Mr Kumova led the business from resource stage through to full funding through to development, gaining experience negotiating offtake agreements with numerous globally recognised counterparties.	African Gold Resources Ltd European Cobalt Ltd Copperstrike Limited	Syrah Resources Limited (to 5 October 2016)	None

Oonagh Malone, Company Secretary

Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 10 years' experience in administrative support roles for listed companies and is a member of the Governance Institute of Australia and Australian Institute of Company Directors. Ms Malone is a non-executive director of Carbine Resources Limited. She is currently company secretary to ASX listed companies African Gold Ltd, Carbine Resources Limited, Caprice Resources Limited, European Cobalt Ltd, Hawkstone Mining Limited and RareX Limited.

Directors' meetings

During the financial year ended 30 June 2020, there were 17 meetings of the Board of Directors. Attendances by each Director during the period were as follows:

Director	Number attended	Number eligible to attend
Current directors		
Robert McDonald	16	16
Patrick Walta	17	17
Nick Cernotta	17	17
Bryn Hardcastle	16	17
Peter Watson	16	17
Former directors		
Evan Cranston	16	17
Tolga Kumova	1	1

The Directors made and approved 10 circular resolutions during the financial year ended 30 June 2020.

Principal activities

The principal activities of the Group for the financial year were the development of Century Mine to commercial production which was achieved on 1 July 2020. This constituted development of plant and infrastructure, processing of tailings dam materials containing zinc, and sales of concentrate during the development and testing phases. The Group also undertook mineral exploration activities and explored business development opportunities.

Dividends

No dividend has been declared or paid by the Group during the financial year and the Directors do not at present recommend a dividend (30 June 2019: Nil).

Operating results

The consolidated loss of the Group amounted to $8,107,272 (2019: Loss of $21,502,018) after providing for income tax.

Review of operations and significant changes in the state of affairs

The safety and wellbeing of our people and other stakeholders has been at the forefront of the Group's response to the evolving COVID-19 pandemic. There have been no coronavirus cases identified at any of the Group's sites or offices and no significant disruption was experienced during the financial year. It is a testament to the safety-first culture of the Group that all health and safety requirements have been met and exceeded. To ensure the safety of our employees and business partners, extensive preventative and contingency measures remain in place. The Group has introduced work-life plans and has normalised remote working where possible, thereby creating a more resilient organisation without forgoing productivity.

As the zinc mining industry has seen a number of operations suspended or closed, the Group has experienced increased demand for its product in recognition that Century's integrated mine and port facilities provide a strong platform for safe and uninterrupted operation during the COVID-19 pandemic. Century operations are well positioned to maintain continuity of supply into a rapidly tightening market due to severe supply cuts and strong concentrate demand. The Group is now experiencing a drop in treatment charges reflecting the response to growing demand for zinc. At this stage there is no indication that COVID-19 pandemic will impact the Group's working capital outside of fluctuation in the zinc price and exchange rate which may be linked to the market's reaction to broader economic factors.

Whilst the COVID-19 pandemic has not materially adversely impacted the asset recoverability or financial results of the Group during the financial year, the potential for increased volatility in commodity prices and foreign exchange rates and restrictions on movement of people and materials remains and may cause adverse impacts in the future.

During the financial year, the Group continued with the development of the Century Mine. The Group achieved commencement of commercial production of the Century Mine for accounting purposes on 1 July 2020. This means that from 1 July 2020, revenue from sale of zinc together with the associated cost of producing zinc will be recognised in the income statement. The key criteria used to determine the status of commissioning of the Century Mine related to the achievement of 'commercial levels of production', including but not limited to completion of a reasonable period of testing of the mine plant and equipment, the ability to produce metal in saleable form and the ability to sustain continuous production of metal.

In January 2020, the Group announced the completion of the expansion of existing working capital facilities with Varde Partners from a total US$42,900,000 to US$70,900,000. Refer to Note 16 to the Financial Statements for further details.

In August 2019, the Company raised $42,500,000 (before transaction costs) via a placement to institutional and sophisticated investors. Through April to June 2020, the Company raised $51,111,624 (before transaction costs) under subscription agreement and retail entitlement offer. Refer to Note 20 to the Financial Statements for further details.

In January 2020, the Group sold its non-controlling minority interest of 49 percent in the Lawn Hill and Riversleigh Pastoral Holding Company. Refer to Note 22 to the Financial Statements for further details.

Robert McDonald joined the Group as the Chairman of the Board of New Century in July 2019. Tolga Kumova and Evan Cranston stepped down from the Board of New Century in July 2019 and July 2020 respectively.

In the prior financial years, a strategic decision was made by the Group to suspend work on the definitive feasibility study for the Kodiak Coking Coal Project, which is located in Alabama, USA. During the financial year the Group continued to maintain the Kodiak Coking Coal Project in care and maintenance mode, including environmental studies and monitoring. The Group is considering its options with regards to the future of the Kodiak Coking Coal Project.

Refer to Matters subsequent to the end of the financial year section below for other significant events since the end of the financial year.

Matters subsequent to the end of the financial year

Prior to financial year-end, on 26 May 2020, the Company had announced it had entered into a 60-day exclusivity period with Vale Canada Limited (VCL), a subsidiary of Vale S.A., to complete due diligence and negotiate the acquisition of 95 percent 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). On 8 September 2020, the Company announced it had elected not to proceed with the proposed transaction.

The Group achieved commencement of commercial production of the Century Mine for accounting purposes on 1 July 2020. This means that from 1 July 2020, revenue from sale of zinc together with the associated cost of producing zinc will be recognised in the income statement. The key criteria used to determine the status of commissioning of the Century Mine related to the achievement of 'commercial levels of production', including but not limited to completion of a reasonable period of testing of the mine plant and equipment, the ability to produce metal in saleable form and the ability to sustain continuous production of metal.

On 9 July 2020, Mr Evan Cranston resigned as a Non-Executive Director of the Company.

There have been no other events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Group's operations or results in future financial years.

Future developments, prospects and business strategies

Disclosure of further information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations are set out in the Company's ASX announcements which are located at the Company's website.

Share options and performance rights

At the date of this report, the Group had the following options over ordinary shares and performance rights on issue:

Type of options	Number of options	Exercise Price $	Expiry date
Unquoted options issued to Directors	7,500,000	0.25	13/07/2021
Unquoted options issued to Directors	7,500,000	0.50	13/07/2021
Unquoted options issued to Directors	7,500,000	0.75	13/07/2021
Unquoted options issued to Directors	7,500,000	1.00	13/07/2021
Unquoted options issued to Vendors	30,000,000	0.25	13/07/2022
Unquoted options issued under the ESOP	500,000	1.60	02/10/2020
Unquoted consideration options	22,000,000	0.25	27/02/2021
Unquoted consideration options	6,000,000	0.50	27/02/2021
Unquoted consideration options	3,500,000	0.75	27/02/2021
Unquoted consideration options	3,500,000	1.00	27/02/2021
Unquoted options issued under the ESOP	500,000	0.25	27/02/2021
Unquoted options issued to Director	1,000,000	1.20	28/03/2022
Unquoted options issued to Director	1,000,000	1.50	28/03/2022
Unquoted options issued under the ESOP	250,000	0.95	06/06/2022
Unquoted options issued to Director	1,000,000	0.56	18/09/2022
Unquoted options issued to Director	1,000,000	0.70	18/09/2022
Unquoted options issued to Varde	25,000,000	0.25	17/07/2023
Class A performance rights	4,274,007	-	1/07/2024
Class B performance rights	1,249,716	-	1/07/2024
Class C performance rights	624,858	-	1/07/2024
Class D performance rights	1,390,729	-	1/07/2024
Total	**132,789,310**		

Directors' interests

The relevant interest of each Director in the share capital of the Group shown in the Register of Directors' shareholdings as at the date of this report is:

Directors	Ordinary shares fully paid			Options			Performance Rights		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Robert McDonald	-	489,025	489,025	-	2,000,000	2,000,000	-	-	-
Patrick Walta	33,421,788	-	33,421,788	15,750,000	-	15,750,000	1,907,258	-	1,907,258
Nick Cernotta	-	483,432	483,432	2,000,000		2,000,000	-	-	-
Bryn Hardcastle	231,429	1,387,015	1,618,444	-	-	-	-	-	-
Peter Watson	-	178,425	178,425	-	-	-	-	-	-
Total	**33,653,217**	**2,537,897**	**36,191,114**	**17,750,000**	**2,000,000**	**19,750,000**	**1,907,258**	**-**	**1,907,258**

REMUNERATION REPORT

The Remuneration Report, which has been audited, outlines the Director and executive remuneration arrangements for the Group and the Company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Remuneration governance

The Board recognises that the success of the business depends on the quality and engagement of its people. To ensure the Company continues to succeed and grow, it must attract, motivate and retain skilled Directors, Executives and employees. The Board's aim is to ensure that people and performance are a priority.

Role of the Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for the oversight of the remuneration system and policies. The Board, upon recommendation of the Remuneration & Nomination Committee, determines the remuneration of Executive Directors.

The Remuneration & Nomination Committee reviews and approves the remuneration of the executive management team. The objective of the Remuneration & Nomination Committee is to ensure that the remuneration system and policies attract and retain employees, Executives and Directors who will create sustained value for shareholders.

Remuneration philosophy

The remuneration policy of the Company has been designed to be simple and transparent, to promote the interests of the Company over the medium and long term, and encourage a 'pay for performance' culture.

The following guiding principles direct our remuneration approach. The remuneration structure aims to:

- Attract, retain and motivate the right calibre of people for the business;
- Provide strong linkage between incentive rewards and creation of value for shareholders;
- Reward the achievement of financial and strategic objectives; and
- Comply with applicable legal requirements and appropriate standards of governance.

Remuneration positioning

In order to reflect a 'pay for performance' culture, the Total Fixed Remuneration ("TFR") package is positioned at the median of the market for a fully proficient and experienced performer, whilst the Total Remuneration package (fixed and variable pay), reflects a median to upper quartile pay position when superior levels of performance have been met.

External advice and benchmarking

In April 2019, the Remuneration & Nomination Committee engaged BDO Remuneration and Reward ("BDO") to provide market data relating to the remuneration packages of the Group's senior executives to assist the Committee in assessing the positioning and competitiveness of current remuneration packages for the 2020 financial year. In August 2019, BDO were engaged to assist with aligning the Company's policies with remuneration best practice.

BDO were engaged by the Remuneration & Nomination Committee Chair and reported to the Committee and the Board. Further, BDO has processes and procedures in place to minimise potential opportunities for undue influence from senior executives.

The Board is satisfied that the interaction between BDO and Senior Executives is minimal, principally relating to provision of relevant Group information for consideration by the respective consultants. The Board is therefore satisfied that the advice received from BDO is free from undue influence from the Senior Executives to whom the remuneration recommendations apply.

The information provided by BDO was provided to the Board as inputs into decision making only. The Committee and the Board considered the information, along with other factors, in making its ultimate remuneration decisions. Total fees paid to BDO for services during the financial year ended 30 June 2020 were $12,750.

Key Management Personnel

The KMP of the Group are listed below:

TABLE 1

Name	Position	Period of KMP during the year
Current		
Robert McDonald	Chairman	From 17 July 2019
Patrick Walta	Managing Director	All of financial year 2020
Nick Cernotta	Director	All of financial year 2020
Bryn Hardcastle	Director	All of financial year 2020
Peter Watson	Director	All of financial year 2020
Mark Chamberlain	Chief Financial Officer	All of financial year 2020
Barry Harris	Chief Operating Officer	All of financial year 2020
Former		
Evan Cranston	Director	All of financial year 2020, resigned on 9 July 2020
Tolga Kumova	Director	Until 17 July 2019, resigned on 17 July 2019

Executive and KMP remuneration framework

KMP have authority and responsibility for planning, directing and controlling activities of the Group, directly or indirectly, including directors of the Company and other key executives. KMP comprises the Directors of the Company and the senior executives for the Group that are named above in this report.

Executive and KMP remuneration is comprised of fixed and at risk components, the purpose of which is to align executive reward with shareholder outcomes, executive performance and the retention of key talent. TFR and at risk remuneration are benchmarked annually by the Board. The table below provides an overview of the different remuneration components within the Company framework.

TABLE 2

Component	Vehicle	Purpose
Total Fixed Remuneration	Base salary, superannuation and non-cash benefits.	Pay for meeting role requirements with reference to experience and skills, size and complexity of role and proficiency.
Incentive Plan (IP)	Cash and equity based pay for delivering the plan and growth agenda for the Company which must translate into longer term value for shareholders. It reflects ‘pay for outcome based shareholder results’.	Cash and equity based pay for creating value for shareholders over the ‘mid to long term’ shareholder returns.

Total Fixed Remuneration

TFR is reviewed annually. Any adjustments to the TFR for the KMPs must be approved by the Board after recommendation by the Remuneration & Nomination Committee. The Executive Directors determine the TFR of other senior executives within specified guidelines approved by the Board, subject to final approval by the Remuneration & Nomination Committee.

The Group seeks to position fixed remuneration around the 50th market percentile of salaries for comparable companies within the mining industry with which the Group competes for talent and equity investment, utilising datasets and specific advice provided by independent remuneration consultants. To reflect the ‘pay for performance’ culture, the Total Remuneration package (fixed and variable pay), reflects a median to upper quartile pay position when superior levels of performance have been met.

Purpose of equity plans in 2020

Given the ongoing developing nature of the Company, the Board appointed a firm of remuneration advisors to review the Company’s remuneration and incentive plans for senior executives and KMPs for the 2020 financial year. The review was undertaken to ensure appropriateness of performance conditions (over the short and long term), vesting scales, targets and gates to the circumstances that are anticipated to prevail over the measurement period and the expectations of shareholders and to also take into account the strategic objectives of the Company going forward.

In October 2019, the Company received shareholder approval for the establishment of two new employee incentive schemes under which the Board may offer to eligible persons the opportunity to subscribe for such number of equity securities in the Company as the Board may decide and on the terms set out in the rules of the relevant plan. Both of these plans provide eligible employees the opportunity to participate in the future growth of the Company.

The General Employee Share Plan (**GESP**) allows for eligible persons to subscribe for shares that may be subject to income tax exemptions or deferral, while the Employee Share Incentive Plan (**ESIP**) is a broader plan under which the Board may offer eligible persons to subscribe for shares and/or equity securities.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term. The Board believes that incentivising with performance rights under the ESIP is a prudent means of conserving the Company's available cash reserves and also aligns the efforts of KMP in seeking to achieve growth of the share price and in the creation of shareholder value. The Board believes it is important to offer performance rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Company issued 4,427,558 performance rights under the ESIP to senior executives during the financial year which are subject to the achievement of various conditions which must be achieved on or before the end of the assessment period on 1 July 2022. The performance rights expire on 1 July 2024. Subsequent to the end of the financial year, shareholder approval was received to issue 1,907,258 performance rights to Managing Director, Patrick Walta.

TABLE 3

Condition type	Condition description	Performance right allotment
Service Condition	Continuous employment with the Company over the assessment period (to 1 July 2022)	Mandatory requirement for consideration of any performance rights
Company Share Price Condition	If the Company's share price on 1 July 2022 for each Share is below $0.366, being the Share price at the time the Plan was approved by the Board, all Performance Rights will lapse after this date and no Shares will be issued. This supersedes the vesting conditions listed below.	Mandatory requirement for consideration of any performance rights
Class A Condition	Rights will vest according to a relative Total Shareholder Return (TSR) measure for the 2.667 year period from 31 October 2019 (being the date of Shareholder approval of the Plan) to 1 July 2022, with the proportion to vest calculated according to the performance of the Company relative to the performance of the other companies comprising the S&P/ASX 300 Metals and Mining Index. The TSR calculation for the Company and its peers will be based on the percentage change in the share price over the 2.667 years from 31 October 2019 to 1 July 2022. The percentage change will be calculated by comparing the 20 day volume weighted average price of shares in the 20 business day period immediately before the start and end of the measurement period and will include the reinvestment of dividends.	Up to 70% of total performance rights: Outperformance of less than 50% of Peer Group: 0% of total performance rights Outperformance is equal to 50% of Peer Group: 35% of total performance rights Outperformance between 50% and 80% of Peer Group: pro rata between 35% and 70% of total performance rights Outperformance is greater than 80% of Peer Group: 70% of total performance rights
Class B Condition	Achievement by the Company of a minimum annualised zinc metal production rate of 180,000tpa (calculated as a minimum 500 tonnes of zinc produced as a daily average over a 2 week period)	20% of total performance rights
Class C Condition	Announcement by the Company of completion of a positive DFS relating to the development of any Century in-situ resources for a final investment decision	10% of total performance rights

A further 1,390,729 performance rights were issued to other senior employees of the Company under the ESIP which will vest and become convertible to shares subject only to the holder remaining employed by the Company on 1 July 2022. These performance rights will also expire on 1 July 2024.

Non-Executive Director remuneration

The Board's policy is for fees to Non-Executive Directors to be competitive to market for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Incentive Options have been used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability and company specific requirements which include a competent and seasoned Board.

Principally, fees for Non-Executive Directors are not linked to the performance of the Group, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares and/or options in the Company and Non-Executive Directors may in limited circumstances receive incentive options in order to secure their initial or ongoing services.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. At the annual general meeting of shareholders held on 31 October 2019, shareholders approved the increase of the aggregate remuneration fee pool to $900,000 per annum which was determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each financial year, rather the proposed limit ensures that the Company:

- maintains its capacity to remunerate both existing and any new non-executive Directors joining the Board;
- remunerates its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates;
- has the ability to attract and retain non-executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company; and
- has the flexibility to appoint new non-executive Directors as it continues to evolve the Board in line with the development of the Company.

It is noted that the options issued to Nick Cernotta in the 2019 financial year and to Robert McDonald in the 2020 financial year are subject to a price hurdle and, as such, could be viewed as a performance-based option. The purpose of issuing these options at the time was to:

- Attract the right calibre of individual to ensure that the Company has a seasoned and respected Board;
- Ensure that the Non-Executive Director is committed to the Company's long term aspirations by virtue of accepting such options; and
- Preserve cash holdings in the most effective way possible.

Planned amendments for 2021

The Company continues to engage with a firm of remuneration advisors to review the remuneration structure for Non-Executive Directors to ensure the appropriateness and relevance of the fee structure and to consider amendments such as the inclusion of equity based fees (in lieu of fixed fees).

Additional information for consideration of shareholder wealth

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth for the five financial years to 30 June 2020. Comparative basic losses per share differ from those in previous financial reports because they have been updated to reflect the January 2016 rights issue for the financial year ended 30 June 2016 and the March 2016 placements, in accordance with Australian Accounting Standards.

TABLE 4

	2020	2019	2018	2017	2016
Loss after income tax attributable to shareholders - $	(8,107,272)	(21,502,018)	(119,021,291)	(3,785,112)	(3,722,417)
Share price at year end - $	0.16	0.49	1.31	0.20	0.20
Movement in share price for the year - $	(0.33)	(0.82)	1.11	-	0.03
Total dividends declared - cents	-	-	-	-	-
Returns of capital - cents	-	-	-	-	-
Basic loss per share - cents	(1.23)	(4.26)	(32.32)	(2.02)	(2.27)

Service agreements

A summary of service agreements with current KMP who were executives is set out below. These details are in addition to the share options issued as share based payment compensation.

TABLE 5

KMP	Term of agreement	Role	Base salary or fee per annum for 2020 including any superannuation (Non-performance based) $	Termination conditions
Patrick Walta	No specified term	Managing Director	473,000	6 month notice period
Mark Chamberlain	No specified term	Chief Financial Officer	371,003	6 month notice period
Barry Harris	No specified term	Chief Operating Officer	372,000	3 month notice period

On appointment to the Board, all Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Compensation of Key Management Personnel

TABLE 6

	Short-term benefits cash salary and fees $	Post-employment benefits superannuation $	Termination benefit $	Share based payments expenses $	Total $	Proportion of remuneration performance related %
2020						
Robert McDonald	120,000	-	-	235,900	355,900	-
Patrick Walta	345,998	10,501	-	67,231	423,730	16
Nick Cernotta	112,500	10,687	-	-	123,187	-
Bryn Hardcastle	90,000	-	-	-	90,000	-
Peter Watson	225,000	19,501	-	-	244,501	-
Evan Cranston	180,000	-	-	-	180,000	-
Tolga Kumova	-	-	-	-	-	-
Mark Chamberlain	350,000	21,003	-	92,035	463,038	10
Barry Harris	345,736	21,003	-	43,759	410,498	11
Total	**1,769,234**	**82,695**	**-**	**438,925**	**2,290,854**	**7**
2019						
Patrick Walta	240,000	-	-	-	240,000	-
Nick Cernotta	12,903	1,226	-	450,900	465,029	-
Evan Cranston	180,000	-	-	-	180,000	-
Bryn Hardcastle	53,135	-	-	-	53,135	-
Peter Watson	50,000	4,750	-	-	54,750	-
Tom Eadie	37,500	3,562	-	-	41,062	-
Tolga Kumova	54,750	-	-	-	54,750	-
Mark Chamberlain	19,445	1,847	-	3,247	24,539	-
Barry Harris	416,190	20,532	-	-	436,722	-
Total	**1,063,923**	**31,917**	**-**	**454,147**	**1,549,987**	**-**

Movements in annual leave and long service leave provisions for KMP have been recognised as short-term cash benefits.

The remuneration amounts for Peter Watson includes one off adjustments for prior financial year payments and payments for services provided to the Company to provide consultancy services on technical projects on an arms-length and commercial basis during the financial year.

Robert McDonald became a KMP from 17 July 2019. Evan Cranston was a KMP for all of financial year 2020 and resigned on 9 July 2020. Tolga Kumova resigned on 17 July 2019.

Other transactions with Key Management Personnel

A number of KMP, or their related parties, hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. Where the Group transacts with the KMP and their related parties, the terms and conditions of these transactions are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

Share based payment compensations

No shares were issued to KMPs of the Group as part of their remuneration during the financial year.

Details of options over ordinary shares in the Company and performance rights provided as remuneration to KMPs are set out below. Each option and performance right is convertible into one ordinary share of New Century Resources Limited upon exercise or vesting. These options and performance rights were granted with nil additional consideration. No options issued to current or previous KMPs expired or lapsed during the financial year.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from issue date to vesting date, and the amount is included in the remuneration tables below. Fair values at grant date are independently determined using a Black-Scholes option pricing model for options and hybrid employee share option pricing model for performance rights. The fair valuation takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the liquidity of the share market. Further details are set out in Note 25 to the Financial Statements.

Options

Options provided that resulted in remuneration expense during the financial year to KMPs are set out below:

TABLE 7

KMP	Grant date	Number granted	Exercise price $	Fair value per option $	Fair value of options granted $	Fair value of options recognised during the year $	Expiry date
Robert McDonald	12/09/2019	1,000,000	0.56	0.13	126,700	126,700	18/09/2022
Robert McDonald	12/09/2019	1,000,000	0.70	0.11	109,200	109,200	18/09/2022
Mark Chamberlain	06/06/2019	250,000	0.95	0.21	50,200	46,953	06/06/2022
Total		**2,250,000**			**286,100**	**282,853**	

Performance rights

Performance rights provided that resulted in remuneration expense during the financial year to KMPs are set out below:

TABLE 8

KMP	Grant date	Number granted	Fair value of performance rights granted $	Fair value of performance rights recognised during the year $	Expiry date
Patrick Walta	17/07/2020	1,907,258	268,923	67,231	01/07/2024
Mark Chamberlain	20/01/2020	1,278,921	180,328	45,082	01/07/2024
Barry Harris	20/01/2020	1,241,379	175,034	43,759	01/07/2024
Total		**4,427,558**	**624,285**	**156,072**	

For the performance rights formally approved by the shareholders and granted on 17 July 2020 to Patrick Walta, the vesting period commenced from 31 October 2019 for accounting purposes.

Option holdings of Key Management Personnel

Details

Details of all options held by KMP at the end of the financial year are shown below:

TABLE 9

KMP	Issue date	Number granted	Fair value of options granted $	Vesting date	Expiry date	Vested %
Directors						
Robert McDonald	18/09/2019	1,000,000	126,700	18/09/2019	18/09/2022	100
Robert McDonald	18/09/2019	1,000,000	109,200	18/09/2019	18/09/2022	100
Patrick Walta	13/07/2017	7,000,000	576,730	13/07/2017	13/07/2022	100
Patrick Walta	27/02/2018	5,500,000	6,501,000	27/02/2018	27/02/2021	100
Patrick Walta	27/02/2018	1,500,000	1,545,000	27/02/2018	27/02/2021	100
Patrick Walta	27/02/2018	875,000	799,750	27/02/2018	27/02/2021	100
Patrick Walta	27/02/2018	875,000	718,375	27/02/2018	27/02/2021	100
Nick Cernotta	28/03/2019	1,000,000	249,300	28/03/2019	28/03/2022	100
Nick Cernotta	28/03/2019	1,000,000	201,600	28/03/2019	28/03/2022	100
Bryn Hardcastle	13/07/2017	4,000,000	192,560	13/07/2017	13/07/2020	100
		23,750,000	**11,020,215**			
Other KMP						
Mark Chamberlain	06/06/2019	250,000	50,200	11/06/2020	06/06/2022	100
Barry Harris	13/07/2017	3,000,000	180,450	13/07/2017	13/07/2020	100
		3,250,000	**230,650**			
Former KMP						
Evan Cranston	27/02/2018	5,500,000	6,501,000	27/02/2018	27/02/2021	100
Evan Cranston	27/02/2018	1,500,000	1,545,000	27/02/2018	27/02/2021	100
Evan Cranston	27/02/2018	875,000	799,750	27/02/2018	27/02/2021	100
Evan Cranston	27/02/2018	875,000	718,375	27/02/2018	27/02/2021	100
Tolga Kumova	13/07/2017	30,000,000	1,428,525	13/07/2017	13/07/2021	100
		38,750,000	**10,992,650**			
Total		**65,750,000**	**22,243,515**			

Refer to Table 10 below for a reconciliation of the movement in all options held by KMP during the financial year.

Movements

The movement in options over ordinary shares held by each KMP of the Group during the financial year is as follows:

TABLE 10

KMP	Balance at beginning of year or appointment	Granted as remuneration during the year	Options exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable
Directors							
Robert McDonald	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000
Patrick Walta	15,750,000	-	-	-	15,750,000	-	15,750,000
Nick Cernotta	2,000,000	-	-	-	2,000,000	-	2,000,000
Bryn Hardcastle	4,000,000	-	-	-	4,000,000	-	4,000,000
Peter Watson	-	-	-	-	-	-	-
	21,750,000	**2,000,000**	**-**	**-**	**23,750,000**	**2,000,000**	**23,750,000**
Other KMP							
Mark Chamberlain	250,000	-	-	-	250,000	-	250,000
Barry Harris	3,000,000	-	-	-	3,000,000	-	3,000,000
	3,250,000	**-**	**-**	**-**	**3,250,000**	**-**	**3,250,000**
Former KMP							
Evan Cranston	8,750,000	-	-	-	8,750,000	-	8,750,000
Tolga Kumova	30,000,000	-	-	-	30,000,000	-	30,000,000
	38,750,000	**-**	**-**	**-**	**38,750,000**	**-**	**38,750,000**
Total	**63,750,000**	**2,000,000**	**-**	**-**	**65,750,000**	**2,000,000**	**65,750,000**

Performance rights of Key Management Personnel

Details

Details of all performance rights held by KMP at the end of the financial year are shown below:

TABLE 11

KMP	Grant date	Number granted	Fair value of performance rights granted $	Expiry date	Vested %
Patrick Walta	17/07/2020	1,907,258	268,923	01/07/2024	-
Mark Chamberlain	20/01/2020	1,278,921	180,328	01/07/2024	-
Barry Harris	20/01/2020	1,241,379	175,034	01/07/2024	-
Total		**4,427,558**	**624,285**		**-**

Refer to Table 12 below for a reconciliation of the movement in all performance rights held by KMP during the financial year.

Movements

The movement in performance rights held by each KMP of the Group during the financial year is as follows:

TABLE 12

KMP	Balance at beginning of year	Granted as remuneration during the year	Rights converted during the year	Balance at end of year	Vested during the year	Vested and convertible
Patrick Walta	-	1,907,258	-	1,907,258	-	-
Mark Chamberlain	-	1,278,921	-	1,278,921	-	-
Barry Harris	-	1,241,379	-	1,241,379	-	-
Total	**-**	**4,427,558**	**-**	**4,427,558**	**-**	**-**

Shareholdings of Key Management Personnel

The number of shares in New Century Resources Limited held by each KMP of the Group and their related parties during the financial year is as follows:

TABLE 13

KMP	Balance at beginning of year or appointment	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year or resignation
Directors					
Robert McDonald	-	-	-	489,025	489,025
Patrick Walta	32,043,000	-	-	1,378,788	33,421,788
Nick Cernotta	41,625	-	-	202,071	243,696
Bryn Hardcastle	1,213,334	-	-	405,110	1,618,444
Peter Watson	93,320	-	-	85,105	178,425
	33,391,279	**-**	**-**	**2,560,099**	**35,951,378**
Other KMP					
Mark Chamberlain	-	-	-	1,909,093	1,909,093
Barry Harris	1,235,000	-	-	(407,143)	827,857
	1,235,000	**-**	**-**	**1,501,950**	**2,736,950**
Former KMP					
Evan Cranston	31,600,000	-	-	1,645,457	33,245,457
Tolga Kumova	17,916,666	-	-	-	17,916,666
	49,516,666	**-**	**-**	**1,645,457**	**51,162,123**
Total	**84,142,945**	**-**	**-**	**5,707,506**	**89,850,451**

End of audited remuneration report

Indemnifying officers or auditor

The Company has paid premiums to insure all Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Disclosure of the nature and the amount of the premium is prohibited by the confidentiality clause of the insurance contract.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the financial year ended 30 June 2020, to any person who is or has been an auditor of the Company.

Auditor

Deloitte Touche Tohmatsu has been appointed as auditor of the Group in accordance with section 327 of *Corporations Act 2001.*

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 28 to the Financial Statements. The directors are of the opinion that the non-audit services as disclosed in Note 28 to the Financial Statements do not compromise the external auditor's independence.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the financial year.

Environmental regulations

The Group is required to carry out its activities in accordance with the Mining Laws and regulations in the areas in which it undertakes its exploration and development activities. The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Auditor's independence declaration

The lead auditor's independence declaration for the financial year ended 30 June 2020 has been received and can be found on the following page.

Made and signed in accordance with a resolution of the Directors.

Robert McDonald
Chairman

30 September 2020

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Melbourne VIC 3000
Australia

Tel: +61 3 9671 7000
www.deloitte.com.au

30 September 2020

The Board of Directors
New Century Resources Limited
Level 4
360 Collins Street
Melbourne, VIC, 3000

Dear Board Members

Auditor's Independence Declaration to New Century Resources Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of New Century Resources Limited.

As lead audit partner for the audit of the financial statements of New Century Resources Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Vlahovic

Suzana Vlahovic
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020	Note	2020 $	2019 $
Other income	4	**10,211,503**	**837,527**
Depreciation and amortisation expense	5	(174,911)	(261,604)
Exploration and evaluation expenditure	5	(1,271,707)	(1,901,570)
Employee benefits – share based payments	25	(555,268)	(454,147)
Employee benefits – other	5	(3,324,857)	(2,317,374)
Professional expenses	5	(2,594,893)	(3,561,154)
Foreign exchange losses	5	(3,943,491)	(1,045,910)
Finance income	5	317,255	374,297
Finance costs	5	(2,633,465)	(9,817,294)
Other expenses	5	(4,137,438)	(3,354,789)
Loss before income tax expense		**(8,107,272)**	**(21,502,018)**
Income tax expense	6	-	-
Loss for the year		**(8,107,272)**	**(21,502,018)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange loss on translation of foreign controlled entities		(43,303)	(49,239)
Other comprehensive loss for the year		**(43,303)**	**(49,239)**
Total comprehensive loss for the year		**(8,150,575)**	**(21,551,257)**
Loss for the year attributable to:			
Members of the parent entity		**(8,107,272)**	**(21,502,018)**
Total comprehensive loss for the year attributable to:			
Members of the parent entity		**(8,150,575)**	**(21,551,257)**

Loss per share		Cents	Cents
Basic and diluted loss per share	26	(1.23)	(4.26)

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020	Note	2020 $	(Restated) 2019 $
Current assets			
Cash and cash equivalents	7	40,005,053	34,282,769
Trade and other receivables	8	13,499,524	8,668,896
Inventories	9	6,072,000	7,903,782
Prepayments	10	2,109,998	7,945,067
Financial assets	11	-	5,750,000
Total current assets		**61,686,575**	**64,550,514**
Non-current assets			
Property, plant and equipment	12	361,286,868	243,501,162
Right-of-use assets	13	44,430,521	-
Other financial assets	14	16,189,837	13,166,698
Total non-current assets		**421,907,226**	**256,667,860**
TOTAL ASSETS		**483,593,801**	**321,218,374**
Current liabilities			
Trade and other payables	15	76,716,927	83,879,468
Borrowings	16	40,945,834	14,076,069
Financial liability at fair value through profit or loss	17	3,127,663	1,233,331
Lease liabilities	13	11,205,730	-
Employee benefit provisions	18	2,642,422	1,269,054
Total current liabilities		**134,638,576**	**100,457,922**
Non-current liabilities			
Trade and other payables	15	-	4,367,904
Environmental rehabilitation provisions	19	215,587,408	200,828,797
Borrowings	16	41,185,191	40,024,281
Financial liability at fair value through profit or loss	17	5,672,286	5,903,918
Lease liabilities	13	33,934,515	-
Total non-current liabilities		**296,379,400**	**251,124,900**
TOTAL LIABILITIES		**431,017,976**	**351,582,822**
NET ASSETS/(LIABILITIES)		**52,575,825**	**(30,364,448)**
Equity			
Issued capital	20	402,588,543	312,052,963
Foreign currency translation reserve		4,053,375	4,096,678
Accumulated losses		(354,066,093)	(346,514,089)
TOTAL EQUITY		**52,575,825**	**(30,364,448)**

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2020	Ordinary shares $	Accumulated losses $	Foreign currency translation reserve $	Total $
Balance at 1 July 2019	**312,052,963**	**(346,514,089)**	**4,096,678**	**(30,364,448)**
Comprehensive income				
Loss for the year	-	(8,107,272)	-	(8,107,272)
Other comprehensive income for the year				
Exchange differences on translation of controlled entities	-	-	(43,303)	(43,303)
Total comprehensive loss for the year	**-**	**(8,107,272)**	**(43,303)**	**(8,150,575)**
Transactions with owners, in their capacity as owners, and other transfers				
Issue of shares – Note 20	94,726,624	-	-	94,726,624
Costs arising from issues – Note 20	(4,191,044)	-	-	(4,191,044)
Share based payment – Note 25	-	555,268	-	555,268
Balance at 30 June 2020	**402,588,543**	**(354,066,093)**	**4,053,375**	**52,575,825**

2019	Ordinary shares $	Accumulated losses $	Foreign currency translation reserve $	Total $
Balance at 1 July 2018	**311,618,023**	**(325,466,218)**	**4,145,917**	**(9,702,278)**
Comprehensive income				
Loss for the year	-	(21,502,018)	-	(21,502,018)
Other comprehensive income for the year				
Exchange differences on translation of controlled entities	-	-	(49,239)	(49,239)
Total comprehensive loss for the year	**-**	**(21,502,018)**	**(49,239)**	**(21,551,257)**
Transactions with owners, in their capacity as owners, and other transfers				
Issue of shares	440,000	-	-	**440,000**
Costs arising from issues	(5,060)	-	-	**(5,060)**
Share based payment – Note 25	-	454,147	-	**454,147**
Balance at 30 June 2019	**312,052,963**	**(346,514,089)**	**4,096,678**	**(30,364,448)**

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2020	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(7,581,691)	(5,894,155)
Interest received		317,255	374,297
Financing expenses paid		-	(595,504)
Payments for exploration and evaluation expenditure		(1,271,707)	(1,901,570)
Net cash (outflow) from operating activities	27	**(8,536,143)**	**(8,016,932)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from customers during development phase		170,592,050	146,918,916
Payments for property, plant and equipment		(258,154,314)	(209,404,649)
Payments for borrowing costs capitalised		(8,736,191)	(4,525,914)
Payments for security guarantees		(3,023,139)	(9,998,946)
Proceeds from disposal of investment		9,750,000	-
Proceeds from disposal of property, plant and equipment		111,419	729,204
Net cash (outflow) from investing activities		**(89,460,175)**	**(76,281,389)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Varde borrowings – facility A		-	60,397,015
Payments for Varde borrowing – facility A		(16,590,057)	-
Payments for financial liability at fair value through profit and loss		(1,587,731)	-
Proceeds from Varde borrowing – facility B		40,000,000	-
Payments for transaction cost for Varde borrowing – facility B		(900,000)	-
Proceeds from NAB borrowings		-	11,438,424
Repayment of NAB borrowings		-	(11,438,424)
Proceeds from share issues		94,629,624	440,000
Payments for share issue costs		(4,191,044)	(5,060)
Payments for lease liabilities		(13,392,190)	-
Proceeds from MMG funding support		5,750,000	11,500,000
Net cash inflow from financing activities		**103,718,602**	**72,331,955**
Net increase/(decrease) in cash and cash equivalents		5,722,284	(11,966,366)
Cash and cash equivalents at the beginning of the year		34,282,769	46,249,135
Cash and cash equivalents at the end of the year	7	**40,005,053**	**34,282,769**

The accompanying notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

The Financial Statements and notes represent those of New Century Resources Limited (the "Company") and its controlled entities (the "Group"). The separate Financial Statements of the parent entity have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The Financial Statements for the Group were authorised for issue in accordance with a resolution by the Board of Directors on 30 September 2020.

Note 1: Summary of significant accounting policies

Basis of preparation

The Financial Statements are general purpose Financial Statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in Financial Statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the Financial Statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these Financial Statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the Financial Statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Going concern

The Financial Statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business for a period of at least 12 months from the date of signing the Financial Statements.

The principal activities of the Group for the financial year were the development of Century Mine to commercial production which was achieved on 1 July 2020. This constituted development of plant and infrastructure, processing of tailings dam materials containing zinc, and sales of concentrate during the development and testing phases. The Group also undertook mineral exploration activities and explored business development opportunities.

The Group achieved commencement of commercial production of the Century Mine for accounting purposes on 1 July 2020. Given the Century Project was in development phase until 30 June 2020, no revenue was recognised in the consolidated statement of profit or loss and other comprehensive income. The Group incurred a net loss of $8,107,272 during the financial year.

As at 30 June 2020, the Group had a net current asset deficiency of $72,952,001 (30 June 2019: net current asset deficiency of $35,907,408). The net current asset deficiency is calculated as current assets less current liabilities. The Group expects to generate positive earnings before interest, income tax, depreciation and amortisation (EBITDA) and positive operating cashflows for financial year 2021. Expectations of continued positive operating cashflows are supported by the Group having achieved commencement of commercial production of the Century Mine for accounting purposes on 1 July 2020.

In addition, the Directors of the Company note the following considerations relevant to the Group's ability to continue as a going concern:

- As at 30 June 2020, total cash and cash equivalents of $40,005,053 were held by the Group.
- Cash flow forecasts from internal financial modelling show that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing the Financial Statements.

- Depending on timing of receipts for the sale of product and other working capital movements and the current schedule for payment of financial obligations, the cash balance at any time will be subject to a degree of volatility.

- The achievement of cash flow forecasts assumes no overall substantial negative shift in the macroeconomic environment for zinc, including the collective impact of a material fall in US dollar zinc prices, and/or a material rise in zinc treatment charges, the Australian dollar to US dollar exchange rate and shipping costs.

- It also assumes that the processing plant at the Century Mine does not substantially perform below the production, zinc recovery rate and zinc concentrate grade estimates used for modelling purposes. In arriving at the appropriate production, zinc recovery rate and zinc concentrate grade estimates to use in the financial modelling, the Directors took into account recent plant performance following the execution of various capital works and the guidance of an external, industry-recognised metallurgy consultancy.

- The Group will, if necessary and in response to a substantial decline in the macroenvironment for zinc, as was the case in early 2020 when the Group successfully managed the initial economic response to COVID-19 pandemic which saw a 26 percent decrease in the US dollar price of zinc, employ all operational and financial tools available to it to minimise the impact of such macroeconomic factors on the Group's ability to sustain positive cash outcomes.

  The effectiveness of each of these techniques will be accessed only if they become warranted and in the context of the overall economic climate. These tools may include, amongst others:

  i.) Ongoing judicious management by the Group's Marketing team of the balance between spot and frame contracts, their tenor, their renewal terms and the mechanisms negotiated to provide for advance payment or other timing benefits in order to maximise the cashflow benefit.

  ii.) Possible hedging of known production either outright and/or through the hedging of the Quotation Period exposure in the form of swaps, put options or collars provided such hedging falls within the Group's Financial Risk Management Policies.

  iii.) Executing continuing operational improvements designed to enhance the level of metal production. With the assistance of an external, industry-recognised metallurgy consultancy, the site-based operators have identified a series of such incremental projects which are in differing stages of assessment and execution but overall should provide an improvement of the metal recoveries used in the financial modelling.

  iv.) Pursuing a revived drive to reduce or defer costs in partnership with our major suppliers. The Group's experience of the initial impact of the COVID-19 pandemic crisis was that the Group's partners were willing to work with the Company to find savings that ensured the continuous operation of the Century Mine during this difficult period.

  v.) Managing reagents and spares inventory based on experience to date to better maximise working capital efficiency.

  vi.) Accelerating the existing non-core asset divestment program.

  vii.) Initiating discussion with debt and funding providers to spread the timing of repayments to accord more with the macroeconomic conditions being encountered at the time or alternatively refinancing the exist debt over a longer tenor. In this regard the Directors of the Company noted that by the end of March 2021 the debt outstanding to Varde Partners will be less than US$30 million, which is approximately 42 percent of the total funds drawn down under the facilities provided.

  viii.) If justified accessing equity markets to replace existing debt. The Group has a record of successful transactions including a A$51.1 million capital raising in April 2020.

As a result, the Directors are of the view that the Group will be able to meet its debts as and when they fall due and accordingly the Directors have prepared the Financial Statements on the going concern basis.

(b) Principles of consolidation

The Financial Statements incorporate all of the assets, liabilities and results of the parent (New Century Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22 to the Financial Statements.

The assets, liabilities and results of all subsidiaries are fully consolidated into the Financial Statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(c) Income tax

The income tax expense benefit for the financial year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense recognised in the statement of profit and loss and other comprehensive income is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the financial year as well unused tax losses.

Current and deferred income tax expense (income) is recognised or credited outside the statement of profit and loss and other comprehensive income when the tax relates to items that are recognised outside the statement of profit and loss and other comprehensive income.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future financial years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The Financial Statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the financial year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit and loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in the statement of profit and loss and other comprehensive income.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the financial year;
- income and expenses are translated at average exchange rates for the financial year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit and loss and other comprehensive income in the financial year in which the operation is disposed of.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in the statement of profit and loss and other comprehensive income. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The carrying amount of property, plant and equipment is reviewed annually by the Group to ensure it is not in excess of the recoverable amount from these assets.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Any proceeds during the development phase is offset against property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs including repairs and maintenance are recognised as expenses in the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation

Depreciation of assets commences when the assets are ready for their intended use. Capital Work in Progress, which relates mainly to Century Mine, is not depreciated until the mine reaches commercial production. Once the mine reaches commercial production, Capital Work in Progress is reclassified to relevant categories within property, plant and equipment, and depreciation commences from that time on the units of production basis over the life of the mine. All other assets are depreciated on a straight-line basis.

Mining Plant and Equipment relates mainly to the Kodiak Mine. This mine was fully impaired in previous financial years and is currently under care and maintenance and therefore no depreciation applies.

Items of property, plant and equipment initially recognised are derecognised upon disposal or when no future economic benefits are expected from their continued use. Any gain or loss arising on the disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised as other income or other expenses in the statement of profit or loss and other comprehensive income.

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure is recognised in the statement of profit and loss and other comprehensive income as incurred, unless the expenditure is expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale, in which case it is recognised as an asset on an area of interest basis.

When exploration and evaluation assets are capitalised they are classified as tangible (as part of property, plant and equipment) or intangible according to the nature of the assets. As the assets are not yet ready for use they are not depreciated.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating units (CGU) are not larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral reserves in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to relevant categories within property, plant and equipment.

(h) Goods and Services Tax (GST) and other indirect taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows included in receipts from customers or payments to suppliers. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in the profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income to the extent that it eliminates the impairment loss which has been recognised for the asset in prior financial years. Any increase in excess of this amount is treated as a revaluation increase.

(j) Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes model or hybrid employee share option pricing model. The expected life used in the models is adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of shares that will eventually vest.

(k) Trade and other payables

These amounts represent liabilities for goods, services and deferred proceeds provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Deferred proceeds generally have a longer settlement period.

(l) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Employee benefits

A provision is made for the Group’s liability for employee benefits arising from services rendered by employees to balance date. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Employee benefits that are expected to be settled wholly within one financial year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits not expected to be wholly settled within one financial year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments on grant dates and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded in accumulated losses, a component of equity. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The Group measures fair value for share based payments using the Black-Scholes model or hybrid employee share option pricing model.

(n) Financial instruments

Recognition

The Group recognises financial assets and financial liabilities on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss and other comprehensive income. All recognised financial instruments are subsequently measured at fair value or amortised cost using the effective interest method.

Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the statement of profit and loss and other comprehensive income.

Fair value

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the Financial Statements.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of AASB 9 *Financial Instruments* are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate. Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of AASB 9 *Financial Instruments* (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at fair value through profit or loss. An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	**Level 2**	**Level 3**
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

The Group has no assets or liabilities measured at fair value, except for financial liabilities at fair value through profit or loss. While assets acquired and liabilities assumed in business combinations have been measured at their acquisition date fair values, in accordance with AASB 3 *Business Combinations*, these initial measurements have formed the costs of the assets acquired and liabilities assumed for the purpose of other accounting standards.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI), lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss. A financial liability is designated as at fair value through profit or loss upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and AASB 9 *Financial Instruments* permits the entire combined contract to be designated as at fair value.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit and loss and other comprehensive income.

(o) Parent entity financial information

The financial information for the parent entity, New Century Resources Limited, disclosed in Note 21 to the Financial Statements has been prepared on the same basis as the Group Financial Statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at the lower of cost and recoverable amount in the Financial Statements of New Century Resources Limited.

Tax consolidation legislation

New Century Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The Group is now treated as a consolidated tax entity.

The head entity, New Century Resources Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, New Century Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the controlled entity in the tax consolidated group.

New Century Resources Limited will be responsible for any current tax payable, current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits of the wholly owned subsidiary, which are transferred to New Century Resources Limited under tax consolidation legislation.

The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising with the tax consolidated entity are recognised as current amounts receivable from or payable to other entity in the Group.

Any difference between the amounts assumed and amounts receivable or payable are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entity.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) Inventories

Inventories are made up of spare parts and consumables. They are valued at the lower of cost and net realisable value.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

(s) Derivatives

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised in the income statement. Fair values for derivative instruments are determined using valuation techniques, using assumptions based on market conditions existing at the reporting date. Derivatives embedded in non-derivative contracts are recognised separately unless they are closely related to the host contract, in which case they are accounted together with the host contract.

(t) Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per Section 254T(1) of the *Corporations Act 2001*, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(u) Mine rehabilitation, restoration and dismantling obligations

Provisions relating to mine rehabilitation, restoration and dismantling obligations are recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. Provisions are made for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during mining and exploration operations up to the reporting date but not yet rehabilitated.

Provision has been made in full for all the disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated costs include the current cost of rehabilitation necessary to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

These costs are based on judgements and assumptions regarding removal dates, technologies and industry practice. The capitalised cost of this asset is recognised in property, plant and equipment and is amortised over the life of the mine.

A corresponding asset is included in mine property and development assets, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the Group.

Changes in the liability relating to mine rehabilitation, restoration and dismantling obligations are added to or deducted from the related asset (where it is probable that future economic benefits will flow to the Group). Over time the liability is increased for the present value based on the risk adjusted pre-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs.

The costs of the restoration are brought to account in the statement of profit and loss and other comprehensive income through depreciation of the associated assets over the economic life of the mine which these costs are associated.

The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances.

(v) New and amended accounting policies adopted by the Group

The accounting policies applied by the Group in the Financial Statements are consistent with those applied by the Group in the previous financial year, except for the adoption of new standards and interpretations effective as of 1 July 2019, as follows:

- *AASB 16 Leases (applicable from 1 July 2019 for the Group)*

Policy applicable from 1 July 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases*.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use assets are subsequently amortised using either straight line or units of production method as relevant to the type of asset. In addition, the right-of-use assets are periodically adjusted by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using an incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured when there is a modification in the lease contract, which can include a change in future lease payments or lease terms. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets.

The Group presents the right-of-use assets and lease liabilities separately in the statement of financial position.

The financial impact from the adoption of the new lease standard is set out in Note 13 to the Financial Statements.

Policy applicable before 1 July 2019

For contracts entered into before 1 July 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific assets or assets; and
- the arrangement conveyed a right to use the asset.

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership were transferred to the Group were classified as finance leases. The Group did not have any finance leases in the comparative financial year.

Lease payments for operating leases, where substantially all the risks and benefits remained with the lessor, were recognised as expenses on a straight line basis over the lease term. Leases that were classified as operating leases at 30 June 2019 met the definition of a lease from 1 July 2019 in AASB 16 *Leases*.

Interpretation 23 Uncertainty over Income Tax Treatments

The Group has adopted *Interpretation 23* for the first time in the current financial year. *Interpretation 23* sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- Determine whether uncertain tax positions are assessed separately or as a group.
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
    - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
    - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

The adoption of the new Interpretation did not have any impact on the Group during the financial year.

(w) New accounting standards for application in future years

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future financial years, are discussed below:

- *Property, Plant and Equipment - Proceeds before Intended Use (applicable from 1 July 2022 for the Group)*

In May 2020, the International Accounting Standards Board (Board) issued *Property, Plant and Equipment - Proceeds before Intended Use*, which made amendments to IAS 16 *Property, Plant and Equipment*. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds in the statement of profit and loss and other comprehensive income. Given the Century Mine achieved commercial production on 1 July 2020, the proposed amendments will not have any financial impact on the Group in future periods, except where the Group undertakes any development work on other projects.

- *Other mandatory Accounting Standards and Interpretations*

Other mandatory Accounting Standards and Interpretations issued and available for early adoption but not applied by the Group or not available for early adoption which will become mandatory in subsequent financial years have not been included above as they are not expected to have a material impact on the Financial Statements.

(x) Restatement of comparative information

Trade and other payables and Property, plant and equipment amounts have been grossed up by $10,367,904 in the comparative financial year for a liability that related to the 2019 financial year that was identified subsequent to the signing of the 2019 Financial Statements. This also resulted in a consequential adjustment to several related notes in the comparative financial year. Current trade and other payables as at 30 June 2019 before and after restatement were $77,879,468 and $83,879,468 respectively. Non-current trade and other payables as at 30 June 2019 before and after restatement were $0 and $4,367,904 respectively. Property, plant and equipment as at 30 June 2019 before and after restatement was $233,133,258 and $243,501,162 respectively.

Some amounts in the comparative financial year have been reclassified to conform to the current financial year disclosure.

Note 2. Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may differ from the actual results. The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Going concern

For the reasons detailed in Note 1(a), the financial report is prepared on a going concern basis.

Mine rehabilitation, restoration and dismantling obligations

Provision is made for the anticipated costs of future restoration and rehabilitation of mining areas from which natural resources have been extracted in accordance with the accounting policy. These provisions which include future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demolition of equipment, decontamination, water purification and permanent storage of historical residues, are discounted to their present value.

At each reporting date the rehabilitation liability is remeasured in line with changes in discount rates, and timing or amounts of the costs to be incurred. Rehabilitation, restoration and dismantling provisions are adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgements and estimates involved.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation, and many other factors, including future developments, changes in technology, price increases and changes in interest rates.

The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, available technologies, engineering cost estimates and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine rehabilitation, restoration and dismantling provisions. The provision at reporting date represents management’s best estimate of the present value of the future rehabilitation costs required.

Recoverability of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

The recoverable amount of each cash-generating unit (CGU) is determined as the higher of the asset’s fair value less costs to sell and its value in use. The recoverable amount assessments require the use of estimates and assumptions including discount rates, exchange rates, commodity prices, future capital requirements and future operating performance, as well as the value that a market participant would place on any resources which have yet to be proven as reserves associated with the CGU.

A change in any of the critical assumptions listed will alter the value as initially determined and may therefore impact the carrying value of assets in the future.

Status of asset commissioning

The Group exercised judgment in assessing the status of commissioning of the Century Mine for accounting purposes in order to determine whether the mining project was substantially completed and ready for its intended purpose. The key criteria used to determine the status of commissioning of the mining project related to the achievement of ‘commercial levels of production’, including but not limited to completion of a reasonable period of testing of the mine plant and equipment, the ability to produce metal in saleable form and the ability to sustain continuous production of metal. As a result of this assessment the Group determined that Century Mine commenced commercial production for accounting purposes on 1 July 2020. Refer to Note 33 to the Financial Statements.

When a mine development/construction project moves into the production phase, the capitalisation of certain mine development/construction costs ceases. At this point all related amounts are reclassified from Capital work in progress to relevant categories within Property, Plant and Equipment and depreciation/amortisation commences.

Subsequent costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements.

Development expenditure is capitalised, provided commercial viability conditions continue to be satisfied. Proceeds from the sale of the product extracted during the development phase are netted against development expenditure. Upon completion of development and commencement of production capitalised development costs are further transferred as required, to the appropriate plant and equipment asset category and depreciated using the unit of production method (UOP) basis.

Income tax and deferred tax assets and liabilities

The Group is subject to income taxes of Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the group provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain for which provisions are based on estimated amounts. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provision in the period in which the determination is made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment.

Assumptions about the generation of future taxable profits depend on estimates of future cash flows. These estimates are based on future production and sales volumes, operating costs, restoration costs, capital expenditure and other capital transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, which may impact the amount of deferred tax assets and liabilities recognised and the amount of other tax losses and temporary differences not yet recognised.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. Determination of the Group’s contingent liabilities disclosed in the Financial Statements requires the exercise of significant judgement regarding the outcome of future events.

COVID-19

Whilst the COVID-19 pandemic has not materially adversely impacted the asset recoverability or financial results of the Group during the financial year, the potential for increased volatility in commodity prices and foreign exchange rates and restrictions on movement of people and materials remains and may cause adverse impacts in the future.

Note 3. Operating segments

Description of segments

The Group has determined the operating segments based on the reports reviewed by the Board of Directors in order to make strategic decisions. The Board considers how resources are allocated and performance is assessed and has identified two reportable segments being Australia (which constitutes the Century Mine, pipeline and Karumba Port Facility) and United States of America (which constitutes the Kodiak Project).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual Financial Statements of the Group.

Segment assets and liabilities are presented net of any intersegment borrowings.

Segment information

	Australia 2020 $	USA 2020 $	Total 2020 $	Australia 2019 $	USA 2019 $	Total 2019 $
Other income	10,211,503	-	10,211,503	837,527	-	837,527
Exploration and evaluation expenditure	(119,853)	(1,151,854)	(1,271,707)	(695,618)	(1,205,952)	(1,901,570)
Employee benefits – share based payments	(555,268)	-	(555,268)	(454,147)	-	(454,147)
Employee benefits – other	(3,324,857)	-	(3,324,857)	(2,317,374)	-	(2,317,374)
Professional expenses	(2,589,005)	(5,888)	(2,594,893)	(3,182,555)	(378,599)	(3,561,154)
Foreign exchange gains/(losses)	(3,943,491)	-	(3,943,491)	(1,045,910)	-	(1,045,910)
Other expenses	(4,132,801)	(4,637)	(4,137,438)	(3,348,765)	(6,024)	(3,354,789)
Earnings/(loss) before interest, income tax, depreciation and amortisation ('EBITDA')	**(4,453,772)**	**(1,162,379)**	**(5,616,151)**	**(10,206,842)**	**(1,590,575)**	**(11,797,417)**
Depreciation and amortisation expenses	(174,911)	-	(174,911)	(261,604)	-	(261,604)
Earnings/(loss) before interest and income tax ('EBIT')	**(4,628,683)**	**(1,162,379)**	**(5,791,062)**	**(10,468,446)**	**(1,590,575)**	**(12,059,021)**
Net financing (expense)/income	(2,323,189)	6,979	(2,316,210)	(9,449,456)	6,459	(9,442,997)
Earnings/(loss) before income tax ('EBT')	**(6,951,872)**	**(1,155,400)**	**(8,107,272)**	**(19,917,902)**	**(1,584,116)**	**(21,502,018)**
Income tax expense	-	-	-	-	-	-
Net loss for the year attributable to equity holders of New Century Resources Limited	**(6,951,872)**	**(1,155,400)**	**(8,107,272)**	**(19,917,902)**	**(1,584,116)**	**(21,502,018)**

Segment assets and liabilities

	Australia 2020 $	USA 2020 $	Total 2020 $	(Restated) Australia 2019 $	USA 2019 $	(Restated) Total 2019 $
Current assets	61,621,906	64,669	61,686,575	64,534,982	15,532	64,550,514
Non-current assets	421,055,717	851,509	421,907,226	255,839,490	828,370	256,667,860
Total assets	**482,677,623**	**916,178**	**483,593,801**	**320,374,472**	**843,902**	**321,218,374**
Current liabilities	(134,491,385)	(147,191)	(134,638,576)	(99,734,860)	(723,062)	(100,457,922)
Non-current liabilities	(295,551,625)	(827,775)	(296,379,400)	(250,312,899)	(812,001)	(251,124,900)
Total liabilities	**(430,043,010)**	**(974,966)**	**(431,017,976)**	**(350,047,759)**	**(1,535,063)**	**(351,582,822)**

Note 4. Other income

	2020 $	2019 $
Gain on sale of investment – refer note 22	9,750,000	-
Gain on sale of property, plant and equipment	111,419	729,204
Other income	350,084	108,323
Total	**10,211,503**	**837,527**

Note 5. Loss before income tax

Loss before income tax includes the following expenses

	2020 $	2019 $
Depreciation		
Depreciation and amortisation of property, plant and equipment – refer note 12	(21,590)	(261,604)
Amortisation of right-of-use assets – refer note 13	(153,321)	-
	(174,911)	**(261,604)**
Exploration and evaluation expenditure		
Kodiak Project costs	(1,151,854)	(1,205,952)
Century Project costs	(119,853)	(695,618)
	(1,271,707)	**(1,901,570)**

All eligible expenditure during the construction phase of the Century Mine has been capitalised as Property, Plant and Equipment. The exploration and evaluation costs of the Century Project of $119,853 (2019: $695,618) relates to exploration activities near the Century Mine that are expensed in accordance with the Group's accounting policy.

	2020 $	2019 $
Employee benefit expenses		
Wages and salaries including director fees	(3,324,857)	(2,317,374)
Professional expenses		
Legal fees	(1,525,582)	(1,659,214)
Other professional expenses	(1,069,311)	(1,901,940)
	(2,594,893)	**(3,561,154)**
Foreign exchange losses		
Foreign exchange losses	(3,943,491)	(1,045,910)

Foreign exchange losses are mainly due to revaluation of US dollar denominated receivables which arise from proceeds from sales during the development phase.

	2020 $	2019 $
Finance income		
Interest received	317,255	374,297
Finance costs		
Unwind of discount relating to mine restoration provisions – refer note 19	(2,603,289)	(9,221,790)
Unwind of discount relating to lease liabilities – refer note 13	(30,176)	-
Borrowing costs	-	(595,504)
	(2,633,465)	**(9,817,294)**
Other expenses		
Administrative expenses	(1,483,651)	(2,879,906)
Contract termination expenses	(2,649,152)	-
Other expenses	(4,635)	(474,883)
	(4,137,438)	**(3,354,789)**

	2020 $	2019 $

Note 6. Income tax expense

Numerical reconciliation of income tax loss to prima facie tax payable

	2020 $	2019 $
Loss from operations before income tax expense	8,107,272	21,502,018
Tax at the Australian tax rate of 30% (2019: 30%)	(2,432,182)	(6,450,605)
Tax effect amounts which are not deductible in calculating taxable income:		
Tax effect of different tax rate of overseas subsidiaries	28,689	39,517
Share based payments	166,580	136,244
Income tax benefits not recognised	2,236,288	6,248,432
Other	625	26,412
Income tax expense	-	-

Unrecognised deferred tax assets – tax losses

	2020 $	2019 $
Gross tax losses Australia and USA	193,770,193	102,890,501
Tax benefit not recognised Australia	50,366,230	23,990,891
Tax benefit not recognised USA	7,117,759	6,802,175
Total tax benefit not recognised	**57,483,989**	**30,793,066**

Unrecognised temporary differences

	2020 $	2019 $
Total timing differences not recognised	**51,487,929**	**75,642,349**

The above temporary differences and tax losses have not been brought to account as they do not meet the recognition criteria as per the Group's accounting policy. The benefit of these deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the temporary differences.

No franking credits are available (30 June 2019: Nil).

Note 7. Cash and cash equivalents

	2020 $	2019 $
Cash on hand	-	15
Cash at bank	40,005,053	34,282,754
	40,005,053	**34,282,769**

The effective interest rate on cash on deposit is disclosed in Note 31 to the Financial Statements.

Amount of cash and cash equivalents held as USD at 30 June 2020 was US$15,705,416 (2019: US$4,844,886).

Note 8. Trade and other receivables

	2020 $	2019 $
GST receivable	1,732,546	1,344,308
Other receivables	11,766,978	7,324,588
	13,499,524	**8,668,896**

Other receivables comprise mainly outstanding invoice amounts of shipment during the development phase. The expected credit loss is not significant on the other receivables.

Note 9. Inventories

	2020 $	2019 $
Consumables and spare parts – at cost	6,072,000	7,903,782

Consumables inventory are carried at lower of cost and net realisable value.

Note 10. Prepayments

	2020 $	2019 $
Prepayments	2,109,998	7,945,067

The reduction in prepayments is mainly due to timing of payments and amortisation, and reclassification of loan establishment fees to borrowings during the financial year – refer to Note 16 to the Financial Statements.

Note 11. Financial assets

	2020 $	2019 $
Current		
MMG funding support payment receivable	-	5,750,000

MMG agreed to pay a series of funding support payments for a total of $34,500,000 to support rehabilitation of the Century Project. The final payment of $5,750,000 was received on 1 July 2019.

Note 12. Property, plant and equipment

2020	Land and buildings $	Mining plant and equipment $	Capital work in progress $	Total $
At 30 June 2020				
At cost	2,171,694	15,050,038	358,667,633	375,889,365
Accumulated depreciation	-	(14,602,497)	-	(14,602,497)
	2,171,694	**447,541**	**358,667,633**	**361,286,868**
Movements in carrying value				
Year ended 30 June 2020				
Balance 1 July 2019	2,171,694	469,131	240,860,337	243,501,162
Additions	-	-	259,432,316	259,432,316
Capitalisation of rights-of-use assets amortisation – refer Note 13	-	-	11,029,519	11,029,519
Capitalisation of unwind of interest on lease liabilities – Refer Note 13	-	-	2,888,898	2,888,898
Capitalisation of adjustment for effective borrowing rate – Facility A – refer Note 16	-	-	9,056,398	9,056,398
Capitalisation of adjustment for effective borrowing rate – Facility B – refer Note 16	-	-	1,254,121	1,254,121
Additions to rehabilitation asset – Refer Note 19	-	-	12,139,549	12,139,549
Depreciation expense for the year	-	(21,590)	-	(21,590)
Proceeds from sale in development phase	-	-	(177,993,505)	(177,993,505)
Balance at 30 June 2020	**2,171,694**	**447,541**	**358,667,633**	**361,286,868**

2019	Land and buildings $	Mining plant and equipment $	(Restated) Capital work in progress $	(Restated) Total $
At 30 June 2019				
At cost	2,171,694	15,050,038	240,860,337	258,082,069
Accumulated depreciation	-	(14,580,907)	-	(14,580,907)
	2,171,694	**469,131**	**240,860,337**	**243,501,162**
Movements in carrying value				
Year ended 30 June 2019				
Balance 1 July 2018	2,171,694	384,073	57,856,390	60,412,157
Additions	-	346,662	298,218,774	298,565,436
Disposals	-	-	-	-
Exchange differences	-	-	-	-
Depreciation expense for the year	-	(261,604)	-	(261,604)
Proceeds from sale in development phase	-	-	(115,214,827)	(115,214,827)
Balance at 30 June 2019	**2,171,694**	**469,131**	**240,860,337**	**243,501,162**

The depreciation expense for the financial year relates mainly to the property, plant and equipment at the Group corporate office. Any proceeds during development phase has been offset against the property, plant and equipment in accordance with the Group's accounting policy. Proceeds against which shipment had not been made by 30 June 2020 has been treated as deferred proceeds as described in Note 15 to the Financial Statements. Borrowing costs capitalised during the financial year was $8,736,191 (30 June 2019: $4,525,914).

Note 13. Leases

As a lessee, the Group leases assets, including Corporate office building and mining equipment at Century Mine and Karumba Port.

Transition

The Group initially applied AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information is not restated.

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease in AASB 16 *Leases*. On transition to AASB 16 *Leases*, the Group assessed all the contracts that existed on the transition date.

Impact on transition

On transition to AASB 16 *Leases*, the Group recognised the following balances on 1 July 2019.

	1 July 2019 $
Right-of-use assets	55,613,361
Lease liabilities	(55,613,361)

On transition, the right-of-use assets equalled the lease liabilities, hence there was no impact on the retained earnings.

Balances at 30 June 2020

Right-of-use assets

The movement in the right-of-use assets is reconciled below:

	2020 $	2019 $
Balance at beginning of the year	-	-
Recognition on first time adoption of AASB 16	55,613,361	-
Amortisation – capitalised as Property, plant and equipment – refer note 12	(11,029,519)	-
Amortisation – expensed during the year	(153,321)	-
Balance at end of the year	**44,430,521**	**-**

The amortisation expensed during the financial year relates to leasing of the Group corporate office building. Amortisation of the leased assets at the Century Mine has been capitalised to Property, plant and equipment.

Lease liabilities

The movement in the lease liabilities is reconciled below:

	2020 $	2019 $
Balance at beginning of the year	-	-
Recognition on first time adoption of AASB 16	55,613,361	-
Interest unwind – capitalised – refer to Note 12	2,888,898	-
Interest unwind – expensed	30,176	-
Lease payments	(13,392,190)	-
Balance at end of the year	**45,140,245**	**-**
Disclosed as		
Current	11,205,730	-
Non-current	33,934,515	-
Balance at end of the year	**45,140,245**	**-**

Interest unwind of $2,888,898 relating to leased assets at Century Mine was capitalised to Property, plant and equipment - refer to Note 12 to the Financial Statements. Interest unwind of $30,176 relating to leasing of Group corporate office building was expensed during the financial year.

Lease liabilities are payable as follows:

	2020 $	2019 $
Less than one year (gross amount)	13,480,333	-
Between one and five years (gross amount)	37,554,329	-
Total (gross amount)	**51,034,662**	**-**
Less: future interest	(5,894,417)	-
Carrying value	**45,140,245**	**-**

Note 14. Other financial assets

	2020 $	2019 $
Non-current		
Deposits held as security guarantees	**16,189,837**	**13,166,698**

Term deposits held as security guarantees are for the benefit of other parties in guarantee of obligations. They are interest bearing with the interest rate dependent on the term of the deposits. They are valued at the face value of the term deposits.

Note 15. Trade and other payables

	2020 $	(Restated) 2019 $
Current unsecured liabilities		
Trade and other payables	52,414,293	52,175,379
Deferred proceeds	24,302,634	31,704,089
Total current	**76,716,927**	**83,879,468**
Non-current unsecured liabilities		
Trade and other payables	-	4,367,904
Total non-current	**76,716,927**	**4,367,904**
Total trade and other payables	**76,716,927**	**88,247,372**

Proceeds of $24,302,634 against which shipment had not been made by 30 June 2020 has been treated as deferred proceeds. This will be recognised as revenue in the income statement in subsequent financial year when shipment is made. Settlement of deferred proceeds is generally longer than three months. Proceeds against which shipment had been made by 30 June 2020 were offset against property, plant and equipment in accordance with the Group's accounting policy - refer to Note 12 to the Financial Statements.

Note 16. Borrowings

	2020 $	2019 $
Secured - current		
Varde Facility A	27,082,244	14,076,069
Varde Facility B	13,863,590	-
Total current	**40,945,834**	**14,076,069**
Secured – non-current		
Varde Facility A	17,027,223	40,024,281
Varde Facility B	24,157,968	-
Total non-current	**41,185,191**	**40,024,281**
Total		
Varde Facility A	44,109,467	54,100,350
Varde Facility B	38,021,558	-
Total borrowings at 30 June	**82,131,025**	**54,100,350**

Movements during the year

The movement in Varde Facility A is reconciled below:

	2020 $	2019 $
Opening balance	54,100,350	-
Borrowings obtained US$42,900,000	-	61,237,599
Amount disclosed as financial liability at fair value through profit or loss	-	(7,137,249)
Adjustment for effective borrowing rate	9,056,398	-
Exchange differences	1,600,670	-
Establishment fee netted of against borrowings	(4,057,894)	-
Repayments	(16,590,057)	-
Balance at end of year	**44,109,467**	**54,100,350**

The movement in Varde Facility B is reconciled below:

	2020 $	2019 $
Opening balance	-	-
Borrowings obtained US$28,000,000	40,000,000	-
Amount disclosed as financial liability at fair value through profit or loss – silver	(2,299,536)	-
Amount disclosed as financial liability at fair value through profit or loss – options	(750,000)	-
Adjustment for effective borrowing rate	1,254,121	-
Exchange differences	716,973	-
Establishment fee netted of against borrowings	(900,000)	-
Balance at end of year	**38,021,558**	**-**

Description of the borrowing facilities

During the previous financial year, the Group secured a financing facility with Varde Partners. This comprised Varde Facility A of US$42,900,000 (A$61,237,599 at 30 June 2019 exchange rate) which had been drawn down. This facility attracts interest at eight percent per annum and is repayable by scheduled payments over a period of 12 to 30 months after the utilisation date. The facility also includes payments based on silver production which is capped at US$5,000,000. This has been recognised as a financial liability at fair value through profit or loss as disclosed Note 17 to the Financial Statements. The establishment fee in the comparative financial year was recognised as prepayments in Note 10 to the Financial Statements.

On 17 January 2020, the Group announced the completion of the expansion of existing working capital facilities with Varde Partners from a total US$42,900,000 to US$70,900,000. This additional US$28,000,000 comprises Varde Facility B which has a term of 2.5 years, carries an interest rate of eight percent per annum and first ranking security over all Century Project assets. It also includes a limited term silver royalty and options allocation, which have been recognised as a financial liability at fair value through profit or loss as disclosed Note 17 to the Financial Statements.

The details of the facilities are summarised below.

Facility	Varde Facility A A$60 million facility	Varde Facility B A$40 million facility
Facility type	Senior secured (all assets)	Senior secured (all assets)
Facility amount	A$60,000,000 (US$42,900,000)	A$40,000,000 (US$28,000,000)
Term	2.5 years from February 2019	2.5 years from January 2020
Interest rate	8% per annum	8% per annum
Silver royalty	20% of payable silver production limited to 4 years (capped at US$5 million)	10% of payable silver production limited to 4 years
Options	None	25 million options at $0.25 per share, 3.5 year term

NAB facility

On 31 October 2018, the Group had obtained a financing facility from the National Australia Bank of $20,000,000 which constituted cash advances of $11,438,424 and $8,561,576 utilised as bank guarantees. In the comparative financial year, on 22 February 2019, the Group settled the National Australia Bank facility.

Note 17. Financial liability at fair value through profit or loss

	2020 $	2019 $
Current		
Varde Facility A – silver royalties	1,920,000	1,233,331
Varde Facility B – silver royalties	1,207,663	-
Total current	**3,127,663**	**1,233,331**
Non-current		
Varde Facility A – silver royalties	3,821,880	5,903,918
Varde Facility B – silver royalties	1,100,406	-
Varde Facility B – options	750,000	-
Total non-current	**5,672,286**	**5,903,918**
Total		
Varde Facility A – silver royalties	5,741,880	7,137,249
Varde Facility B – silver royalties	2,308,069	-
Varde Facility B – options	750,000	-
Balance at 30 June	**8,799,949**	**7,137,249**

Silver royalties - the financial liability at fair value through profit or loss represents the fair value of payments to be made under the Varde loan facilities which is dependent on forecast silver production. Refer to Note 16 to the Financial Statements for further details.

Options - the financial liability at fair value through profit or loss represents the fair value of options issued to Varde under the Varde loan facility. Refer to Note 16 to the Financial Statements for further details.

Movements

The movement in financial liability at fair value through profit or loss for Varde Facility A was as follows.

	2020 $	2019 $
Opening balance	7,137,249	-
Additions	-	7,137,249
Repayments	(1,587,731)	-
Exchange differences	192,362	-
Balance at end of year	**5,741,880**	**7,137,249**

The movement in financial liability at fair value through profit or loss for Varde Facility B was as follows.

	2020 $	2019 $
Opening balance	-	-
Additions	2,299,536	-
Exchange differences	8,533	-
Balance at end of year	**2,308,069**	**-**

Note 18. Employee benefit provisions

	2020 $	2019 $
Provision for employee entitlements - current		
Balance at 1 July	1,269,054	678,548
Movement for the year	1,373,368	590,506
Balance at 30 June	**2,642,422**	**1,269,054**

Employee benefits provision represents the annual leave and long service leave entitlements of the employees.

Note 19. Environmental rehabilitation provisions

	2020 $	2019 $
Provision for mine site restoration – non-current		
Balance at 1 July	200,828,797	117,297,685
Impact of change in discount rate – refer to Note 12	12,139,549	74,266,969
Interest unwind	2,603,289	9,221,790
Exchange differences	15,773	42,353
Balance at 30 June	**215,587,408**	**200,828,797**

The Group has provisions for mine site restoration associated with the Century Mine in Queensland and the Kodiak Project in Alabama. Movements in balances for the separate areas are as follows:

Century Mine		
Balance at 1 July	200,016,796	116,528,037
Impact of change in discount rate	12,139,549	74,266,969
Interest unwind	2,603,289	9,221,790
Balance at 30 June	**214,759,634**	**200,016,796**

Kodiak Project		
Balance at 1 July	812,001	769,648
Exchange differences	15,773	42,353
Balance at 30 June	**827,774**	**812,001**

The impact of change in discount rate of $12,139,549 (2019: $74,266,969) relates to a change in estimate of the discount rate as at the reporting date, with the corresponding amount recognised in Property plant and equipment in accordance with the Group's accounting policy. Refer to Note 12 to the Financial Statements.

The Group assumes the rehabilitation will be carried out at the end of life of the Group's mining operations in estimating the environmental rehabilitation provisions.

The provision for mine site restoration constitutes a critical accounting judgement – refer to Note 2 to the Financial Statements.

Refer to Note 29 to the Financial Statements for disclosure of a contingent liability in respect of the provision for mine site restoration.

Note 20. Issued capital

	2020 $	2019 $
978,598,739 (2019: 505,732,048) fully paid ordinary shares	**402,588,543**	**312,052,963**

Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up the parent entity, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Issue of ordinary shares and other equity instruments during the year

	2020		2019	
	Number of shares	$	Number of shares	$
Opening balance	505,732,048	312,052,963	503,972,048	311,618,023
Shares issued on 8 August 2019 at 33 cents under placement	73,859,807	24,373,736	-	-
Shares issued on 18 September 2019 at 33 cents under placement	54,928,072	18,126,264	-	-
Shares issued on 18 September 2019 at 33 cents under placement	1,515,153	500,000	-	-
Shares issued on 20 September 2019 at 33 cents under share purchase plan	1,333,353	440,000	-	-
Shares issued on 18 November 2019 at 36 cents under Employee Share Plan	270,676	97,000	-	-
Shares issued on 18 November 2019 at 36 cents under Employee Share Plan	215,466	78,000	-	-
Shares issued on 24 April 2020 to IGO Limited at 15 cents pursuant to subscription agreement	158,500,000	23,775,000	-	-
Shares issued on 29 April 2020 at 15 cents to institutions under the accelerated pro rata non-renounceable entitlement offer	33,875,087	5,081,263	-	-
Shares issued on 5 June 2020 at 15 cents under retail entitlement offer and shortfall	105,496,743	15,824,511	-	-
Shares issued on 9 June 2020 at 15 cents under retail entitlement offer and shortfall	42,872,334	6,430,850	-	-
Shares issued 21 February 2019 at 25 cents on conversion of share options	-	-	1,260,000	315,000
Shares issued 22 May 2019 at 25 cents on conversion of share options	-	-	500,000	125,000
Total shares issued	472,866,691	94,726,624	1,760,000	440,000
Costs arising from issue of shares	-	(4,191,044)	-	(5,060)
	978,598,739	**402,588,543**	**505,732,048**	**312,052,963**

Total proceeds from issue of shares under placement equated to $42,500,000 being $24,373,736 on 8 August 2019 and $18,126,264 on 18 September 2019.

Total proceeds from issue of shares under subscription agreement and retail entitlement offer equated to $51,111,624 being $23,775,000 on 24 April 2020, $5,081,263 on 29 April 2020, $15,824,511 on 5 June 2020 and $6,430,850 on 9 June 2020.

The 270,676 shares issued on 18 November 2019 at 36 cents under the Employee Share Plan amounting to $97,000 did not result in receipt of cash. This was recognised as a debit to employee expense and credit to issued capital. Therefore, total cash proceeds from issue of shares during the financial year was $94,629,624.

Options over ordinary shares

Each option entitled the holder to subscribe for one share upon exercise of each option. Further details of the total options on issue by the Company are disclosed in Note 25 to the Financial Statements.

Capital management

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The Board effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues. The Board frequently review budgets and budget variance analyses that include cash flow projections and working capital projections, to ensure prudent management of capital budgeting requirements. There has been no change in the strategy adopted by the Board to control the capital of the Group since the prior financial year.

Note 21. Parent entity

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Accounting Standards.

Statement of financial position

	2020 $	2019 $
Assets		
Current assets	15,546,753	1,225,141
Non-current assets	110,914,800	40,422,137
Total assets	**126,461,553**	**41,647,278**
Liabilities		
Current liabilities	2,090,364	1,176,041
Non-current liabilities	309,617	-
Total liabilities	**2,399,981**	**1,176,041**
Net assets	**124,061,572**	**40,471,237**
Equity		
Issued capital	402,588,543	312,052,963
Accumulated losses	(278,526,971)	(271,581,726)
Total equity	**124,061,572**	**40,471,237**
Statement of profit or loss and other comprehensive income		
Total loss for the financial year	(7,500,513)	(6,488,175)
Total comprehensive loss	**(7,500,513)**	**(6,488,175)**

The non-current assets of the Company mainly represent its receivable from its subsidiary, Century Mining Limited. The receivable is unsecured with no fixed repayment terms. This receivable was deemed recoverable at 30 June 2020 based on the expected positive cash flows of Century Mining Limited.

Guarantees

There are no guarantees entered into by the parent entity in the financial years ended 30 June 2020 and 30 June 2019 in relation to the debt of a subsidiary.

Contingent liabilities and Commitments

Refer to Note 29 for Contingent liabilities and Note 30 for Commitments.

Note 22. Controlled entities

Information about principal subsidiaries

Set out below are the Group's subsidiaries at 30 June 2020. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, and the proportions of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

Name of subsidiary	Principal place of business	Ownership interest held by the Group		Proportion of non-controlling interests	
		2020 %	2019 %	2020 %	2019 %
Attila Resources US Pty Ltd	Australia	100	100	-	-
Attila Resources Holding US Ltd	United States of America	100	100	-	-
Attila Resources US LLC	United States of America	70	70	30	30
Kodiak Mining Company LLC	United States of America	70	70	30	30
Century Bull Pty Ltd	Australia	100	100	-	-
Century Mining Rehabilitation Pty Ltd (CMRP)	Australia	100	100	-	-
Century Mining Limited (CML)	Australia	100	100	-	-
PCML SPC Pty Ltd (PCML)	Australia	100	100	-	-
SPC1 Pty Ltd	Australia	100	100	-	-
SPC2 Pty Ltd	Australia	100	100	-	-
Investment Co Pty Ltd	Australia	100	100	-	-

The 30 percent non-controlling interest in Attila Resources US LLC and Kodiak Mining Company LLC (Kodiak) has nil value since acquisition.

Since acquisition on 13 July 2017, the Group also owns 1 Class C share in ABDT Pty Ltd, the trustee of the Aboriginal Development Benefits Trust (ADBT), which is a charitable trust established pursuant to the GCA for the delivery of economic benefits to the Native Title Groups and other Aboriginal peoples living in communities across the Lower Gulf Region.

In January 2020, the Group sold its non-controlling minority interest of 49 percent in the Lawn Hill and Riversleigh Pastoral Holding Company to Waanyi SPC Pty Ltd which had the 51 percent controlling interest in Riversleigh Pastoral Holding Company.

Waanyi SPC Pty was established in 1998 in accordance with the Gulf Communities Agreement, the Native Title Agreement for the Century Mine. The role of Waanyi SPC Pty is to be the corporate representative of the Waanyi People, particularly in relation to the ownership and management of pastoral companies.

Total consideration from the disposal of the investment was $9,750,000 which was received during the financial year. The carrying value of this investment as at the date of the disposal was nil, resulting in a gain of $9,750,000 recognised during the financial year.

Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are entities related to the Kodiak operation.

Summarised financial position after intra-group eliminations	2020 $	2019 $
Current assets	64,669	15,532
Non-current assets	851,509	828,370
Current liabilities	(147,191)	(723,062)
Non-current liabilities	(827,775)	(812,001)
Net liabilities	**(58,788)**	**(691,161)**
Carrying amount of non-controlling interests	**-**	**-**

In addition to the current liabilities in the table above, the Kodiak operations had an intra-group loan payable of $30,327,781 (30 June 2019: $27,990,534) as at the end of the financial year. The increase in intra-group loan payable from the prior financial year was due to funds advanced to Kodiak during the financial year and foreign exchange adjustments. These intra-group loan balances are unsecured and at call, so consequently considered current.

The non-current assets of Kodiak represents a secured deposit of $851,509 (30 June 2019: $828,370) that is security against a non-current reclamation liability of $827,775 (30 June 2019: $812,001). The nature of this non-current reclamation liability restricts the Group's ability to access the secured deposit for the purpose of meeting other liabilities of the Group.

Summarised financial performance before intra-group eliminations	2020 $	2019 $
Revenue	-	-
Loss before income tax	(1,155,400)	(1,584,116)
Income tax expense	-	-
Post-tax loss	**(1,155,400)**	**(1,584,116)**
Other comprehensive income	-	-
Total comprehensive income	**(1,155,400)**	**(1,584,116)**
Profit attributable to non-controlling interests	-	-
Distributions paid to non-controlling interests	-	-

Summarised cash flow information after intra-group eliminations	2020 $	2019 $
Cash and cash equivalents at beginning of year	**10,801**	**-**
Net cash from/(used in) operating activities	(1,451,405)	(856,725)
Net cash from/(used in) investing activities	(297,591)	(520,400)
Net cash from/(used in) financing activities	1,790,311	1,387,926
Cash and cash equivalents at end of year	**52,116**	**10,801**

Kodiak's net cash from financing activities for both 2020 and 2019 solely comprised movements in intra-group loan account balances.

Note 23. Significant related party transactions and balances

The significant related party transaction and balances during the financial year were as follows:

Key Management Personnel (KMP)

KMP are any people having authority and responsibility for planning, controlling and directing the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). For further disclosures relating to KMP refer to Note 24 to the Financial Statements.

Kingslane Pty Ltd (and its associated entities)

Kingslane Pty Ltd and associated entities (Kingslane) is controlled by the parents of former director, Evan Cranston, and held 41,658,965 (2019: 36,757,534) ordinary shares in the Company at 30 June 2020. Entities controlled by Kingslane also hold a 10 percent (2019: 10 percent) non-controlling interest in the Kodiak Project and Kodiak Mining Company LLC through a non-controlling shareholding in 70 percent owned Attila Resources US LLC.

Konkera Corporate

Evan Cranston (former director of New Century Resources Limited) is a director of Konkera Corporate. Konkera Corporate received the following payments during the financial year:

- Director and consulting fees totalling $180,000 (2019: $180,000) for Evan Cranston.
- Administrative, bookkeeping and accounting services fee of $120,000 (2019: $120,000).
- Company secretarial fees of $15,000 for Oonagh Malone for the period 1 July 2019 to 31 December 2019 (2019: $36,000 for full financial year).

Bellanhouse

Bryn Hardcastle is a director of Bellanhouse. Bellanhouse received the following payments during the financial year:

- Director fees of nil (2019: $54,750) for Bryn Hardcastle.
- Legal services fee of $442,759 (2019: $1,181,174).

Other

A number of KMP, or their related parties, hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. Where the Group transacts with the KMP and their related parties, the terms and conditions of these transactions are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

Note 24. Interests of KMP

Refer to the remuneration report contained in the Directors' Report for additional details of the remuneration paid or payable to each member of the Group's KMP for the financial year ended 30 June 2020.

The totals of remuneration paid to KMP of the Company and the Group during the financial year are as follows:

	Short-term benefits $	Post-employment benefits $	Other long-term benefits $	Termination benefits $	Share-based payments $	Total KMP compensation $
2020 Total	1,769,234	82,695	-	-	438,925	2,290,854
2019 Total	1,063,923	31,917	-	-	454,147	1,549,987

Other KMP Transactions

For details of other transactions with KMP, refer to Note 23 to the Financial Statements for Significant related party transactions and balances.

Note 25. Share based payments

The following table summarises the share options and performance rights outstanding as at 30 June 2020:

	2020 Number	2020 Weighted average fair value	2019 Number	2019 Weighted average fair value
Outstanding at the beginning of the year	115,390,000	0.27	114,900,000	0.42
Granted during the year	9,539,310	0.14	2,250,000	0.22
Exercised during the year	-	-	(1,760,000)	(0.38)
Outstanding at end of the year	**124,929,310**	**0.26**	**115,390,000**	**0.27**

Details of options and performance rights recognised during the financial year are as follows:

For the financial year-ended 30 June 2020

2020	Number of options	Exercise price $	Issue date	Expiry date	Fair value of options $	Amount recognised during the year $
$0.56 3 year director options	1,000,000	0.56	12/09/2019	18/09/2022	126,700	126,700
$0.70 3 year director options	1,000,000	0.70	12/09/2019	18/09/2022	109,200	109,200
95c 3 year employee options	250,000	0.95	06/06/2019	6/06/2022	50,200	46,953
Performance rights	5,732,062	-	20/01/2020	1/07/2024	820,736	205,184
Performance rights	1,907,258	-	17/07/2020	1/07/2024	268,923	67,231
Total	**9,889,320**				**1,375,759**	**555,268**

In addition to above options and performance rights, the Company also issued 25,000,000 options to Varde Partners during the financial year, which has been recognised as a financial liability at fair value through profit or loss. Refer to Note 17 to the Financial Statements.

These options and performance rights have been valued using the Black-Scholes model or hybrid employee share option pricing model with the following additional parameters.

2020 Tranche	Number of options	Share price on grant date $	Term years	Volatility %	Interest rate %	Grant date	Fair value per option $	Fair value of options $
$0.56 3 year director options	1,000,000	0.33	3	79	0.9	12/09/2019	0.13	126,700
$0.70 3 year director options	1,000,000	0.33	3	79	0.9	12/09/2019	0.11	109,200
95c 3 year employee options	250,000	0.65	3	62	1.1	06/06/2019	0.20	50,200
Performance rights	5,732,062	0.25	3	80	0.3	20/01/2020	0.15	820,736
Performance rights	1,907,258	0.20	3	80	0.3	17/07/2020	0.15	268,923
Total	**9,889,320**							**1,376,759**

For the performance rights formally approved by the shareholders and granted on 17 July 2020, the vesting period commenced from 31 October 2019 for accounting purposes.

For the financial year-ended 30 June 2019

2019	Number of options	Exercise price $	Issue date	Expiry date	Fair value of options $	Amount recognised during the year $
$1.20 3 year director options	1,000,000	1.20	28/03/2019	28/03/2022	249,300	249,300
$1.50 3 year director options	1,000,000	1.50	28/03/2019	28/03/2022	201,600	201,600
95c 3 year employee options	250,000	0.95	06/06/2019	6/06/2022	50,200	3,247
Total	**2,250,000**				**501,100**	**454,147**

2019 Tranche	Number of options	Share price grant date $	Term years	Volatility %	Interest rate %	Grant date	Fair value per option $	Fair value of options $
$1.20 3 year director options	1,000,000	0.81	3	62	1.4	28/03/2019	0.25	249,300
$1.50 3 year director options	1,000,000	0.81	3	62	1.4	28/03/2019	0.20	201,600
95c 3 year employee options	250,000	0.65	3	62	1.1	06/06/2019	0.20	50,200
Total	**2,250,000**							**501,100**

Note 26. Earnings per share

The following reflects the income used in the basic and diluted earnings per share computations:

	2020	2019
Basic/dilutive earnings per share		
Basic loss per share - cents	(1.23)	(4.26)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share – number of ordinary shares	661,580,317	504,470,788
Net loss used in the calculation of basic earnings per share - $	**(8,107,272)**	**(21,502,018)**

Share options are not considered dilutive as the conversion of options will result in a decrease in the net loss per share. The weighted average number of shares has no dilutive effect to the diluted earnings per share.

Due to the Group being in a loss position, it is considered anti-dilutive and therefore earnings per share are not diluted.

Note 27. Cash-flow information

Reconciliation of cashflow from operations with loss after income tax

	2020 $	2019 $
Loss after income tax	(8,107,272)	(21,502,018)
Non-cashflows in loss and items classified as investing activities		
Depreciation of property, plant and equipment	21,590	261,604
Amortisation of right-of-use assets	153,321	-
Interest unwind on rehabilitation provision	2,633,465	9,221,790
Share based payments	555,268	454,147
Gain on sale of investment classified as investing activities	(9,750,000)	-
Gain on disposal of property, plant and equipment	(111,419)	-
Other	2,588,008	104,494
Changes in assets and liabilities		
(Increase) in trade and other receivables	(4,830,628)	(5,787,565)
Decrease/(increase) in inventories	1,831,782	(7,903,782)
Decrease/(increase) in prepayments	3,167,460	(6,617,667)
Increase in trade and other payables	1,938,914	23,161,559
Increase in employee benefits provision	1,373,368	590,506
Net cash used in operating activities	**(8,536,143)**	**(8,016,932)**

Non-cash financing and investing activities

The Group did not have any non-cash financing and investing activities during the financial year, except as disclosed in Note 17 to the Financial Statements.

Note 28. Remuneration of auditors

	2020 $	2019 $
Deloitte Touche Tohmatsu		
Audit or review of the financial report of the Group	118,800	95,000
Other assurance and agreed-upon-procedures under other legislation or contractual arrangement		
Taxation services	-	40,000
Other non-audit services	38,400	5,000
	157,200	**140,000**

Note 29. Contingent liabilities

Bank guarantees

The Group has provided certain bank guarantees to third parties, primarily associated with the terms of mining financial assurance, exploration licences, provision of electricity and office leases, in respect of which the relevant entity is obliged to indemnify the bank if the guarantee is called upon. At the end of the financial year, no claims have been made under any of these guarantees. The amount of some of these guarantees may vary from time to time depending upon the requirements of the recipient. These guarantees are backed by restricted cash deposits which amounted to $16,189,837 as at 30 June 2020 (30 June 2019: $13,166,698).

Provision for mine site restoration

The $16,189,837 of restricted cash deposits mentioned above are in addition to $193,700,000 Financial Assurance Bond that MMG has put in place with the Queensland Government for the benefit of New Century Resources to meet its financial assurance obligations – refer to Note 30 to the Financial Statements for more details. The appropriate amount of the Financial Assurance Bond to be put in place with the Queensland Government remains subject to an appeal process being heard within the Land Court of Queensland as at the date of signing these Financial Statements. While New Century Resources is of the belief that the Financial Assurance Bond should be lower than the amount currently in place, it is exposed to possible further obligations depending upon the outcome of the Land Court matter. The maximum exposure to possible further Financial Assurance Bond is approximately $30,000,000. Similarly, the Group's Financial Assurance obligation may be reduced by up to $25,000,000 if the Land Court decides the case in the Group's favour. This exposure has no impact on the income statement but may result in an increase or decrease in provisions for mine site restoration and corresponding increase or decrease in property, plant and equipment.

Deeds of indemnity

The Group has granted indemnities under Deeds of Indemnity with current and former Executive and Non-executive Directors and officers. Each Deed of Indemnity indemnifies the relevant director or officer to the fullest extent permitted by law for liabilities incurred while acting as an officer of the Group, its related bodies corporate and any associated entity, where such an office is or was held at the request of the Company. Under these indemnities, the Company meets the legal costs incurred by Company officers in responding to investigations by regulators and may advance funds to meet defence costs in litigation, to the extent permitted by the *Corporations Act 2001.*

Other

The Company and its controlled entities are defendants from time to time in other legal proceedings or disputes, arising from the conduct of their business. The Group does not consider that the outcome of any of these proceedings or disputes is likely to have a material effect on the Company's or the Group's financial position.

Note 30. Commitments

Century Mine

As part of the acquisition of Century Project, the Group has an agreement with MMG for MMG to acquire and stand behind a Financial Assurance Bond of $193,700,000 for the benefit of Century Mining Limited to meet its financial assurance obligations with the Queensland Government through to 31 December 2023.

The Group achieved commencement of commercial production of the Century Mine for accounting purposes on 1 July 2020. From accounting commissioning of the Century Mine on 1 July 2020, the Group must allocate an amount equal to 40 percent of its earnings before interest, tax, depreciation and amortisation (EBITDA), which will go towards replacing the Financial Assurance Bond. The cash allocation must occur within 90 days from the end of each financial half-year. In the event that the total balance of the Financial Assurance Bond has not been replaced by 31 December 2023, the Group will be required to source alternative financing for the outstanding amount. Both the Company and subsidiaries holding the Century Project have indemnified MMG against any default on amounts owing to MMG under these agreements.

The Group has an obligation to pay MMG a fee payable quarterly in advance on the face value of the Financial Assurance Bond until the expiry of the Financial Assurance Bond agreement on 31 December 2023. The fee payable is initially 1.35 percent per annum and gradually rises to 2.85 percent per annum for the final year.

Community commitment

Community commitment relate to the Group’s contractual obligations under the Gulf Communities Agreement with the local communities. In the past, this obligation was met by MMG under various support agreements. The estimated commitments in respect of community expenses which are not recognised as liabilities as at 30 June 2020 are approximately $23,500,000 (2019: $28,000,000). These payments are made throughout the life of the project.

Take or pay contracts

The Group has entered into take or pay contracts for supply of electricity and gas for its Century Mine. The aggregate future take or pay commitment as at 30 June 2020 was $170,000,000 (30 June 2019: $75,000,000).

Operating leases

Upon the adoption of AASB 16 *Leases* from 1 July 2019, the Group no longer has any operating lease commitments. Under the previous AASB 117 *Leases*, the Group had outstanding commitments for future minimum lease payments (undiscounted) under non-cancellable operating leases at 30 June 2019 as follows:

	2019 $
Up to 1 year	11,851,931
In the second to fifth years inclusive	33,857,329
More than five years	5,170,570
Total	**50,879,830**

These operating leases at 30 June 2019 met the definition of a lease from 1 July 2019 in accordance with AASB 16 *Leases*.

Capital commitments

The Group did not have any significant commitments for capital expenditure contracted for at the reporting date that were not recognised as liabilities.

Note 31. Financial instruments

Financial risk management

The Group's principal financial instruments are cash, receivables, deposits held as security guarantees, and payables.

Overview

The Group has exposure to the following financial risks from their use of financial instruments:

- liquidity risk
- credit risk
- interest rate risk; and
- foreign exchange risk

This note presents information about the Group's exposure to each of the above risks. There was no material exposure to price risk or market risk in respect of financial instruments in 2020 as the Group had no significant exposures to equity markets or derivatives.

Financial risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established by the Board of Directors to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

	2020 $	(Restated) 2019 $
Financial assets		
Cash and cash equivalents	40,005,053	34,282,769
Trade and other receivables (excluding GST receivable)	11,766,978	7,324,588
Current financial assets	-	5,750,000
Non-current financial assets	16,189,837	13,166,698
Total	**67,961,868**	**60,524,055**
Financial liabilities		
Trade and other payables (excluding deferred proceeds)	52,414,293	56,543,283
Borrowings	82,131,025	54,100,350
Financial liability at fair value through profit or loss	8,799,949	7,137,249
Total	**143,345,267**	**117,780,882**

Liquidity risk and liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund raising initiatives.

The Board frequently reviews budget variance analyses that include working capital projections to monitor working capital requirements and optimise cash utilisation.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Under 6 months	6 - 12 months	1 - 2 years	2 - 5 years
30 June 2020					
Trade and other payables	52,414,294	52,414,294	-	-	-
Borrowings	82,131,025	17,641,904	23,303,930	36,408,415	4,776,776
Financial liability at fair value through profit or loss	8,799,949	1,563,831	1,563,831	3,281,524	2,390,763
Total	**143,345,268**	**71,620,029**	**24,867,761**	**39,689,939**	**7,167,539**
30 June 2019					
Trade and other payables (restated)	56,543,283	56,543,283	-	-	-
Borrowings	54,100,350	-	14,076,069	19,613,790	20,410,491
Financial liability at fair value through profit or loss	7,137,249	-	1,233,331	3,525,073	2,378,845
Total (restated)	**117,780,882**	**56,543,283**	**15,309,400**	**23,138,863**	**22,789,336**

The table below details changes in Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated cash flow statement as cash flows from financing activities.

2020	1 July 2019 $	Financing cash inflows $	Financing cash outflows $	Foreign exchange adjustment $	Fair value adjustment $	Transaction fee $	30 June 2020 $
Varde loan	54,100,350	40,000,000	(16,590,057)	2,317,643	7,260,983	(4,957,894)	82,131,025
Financial liability at fair value through profit or loss	7,137,249	-	(1,587,731)	200,895	3,049,536	-	8,799,949
MMG funding support	(5,750,000)	5,750,000	-	-	-	-	-
Total	**55,487,599**	**45,750,000**	**(18,177,788)**	**2,518,538**	**10,310,519**	**(4,957,894)**	**90,930,974**

2019	1 July 2018 $	Financing cash inflows $	Financing cash outflows $	Foreign exchange adjustment $	Fair value adjustment $	Transaction fee $	30 June 2019 $
Varde loan	-	60,397,015	-	840,584	(7,137,249)	-	54,100,350
Financial liability at fair value through profit or loss	-	-	-	-	7,137,249	-	7,137,249
NAB loan	-	11,438,424	(11,438,424)	-	-	-	-
MMG funding support	(17,250,000)	11,500,000	-	-	-	-	(5,750,000)
Total	**(17,250,000)**	**83,335,439**	**(11,438,424)**	**840,584**	**-**	**-**	**55,487,599**

Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Banks and financial institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than MMG.

The carrying amount of financial assets recorded in the Financial Statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Weighted average interest rate %	Floating interest rate $	Fixed interest maturing in 1 year or less $	Fixed interest maturing in over 1 year $	Non-interest bearing $	Total $
2020						
Financial assets						
Cash and cash equivalents	0.1	24,731,318	-	-	15,273,735	40,005,053
Trade and other receivables	-	-	-	-	11,766,978	11,766,978
Non-current financial assets	0.4	-	15,338,328	-	851,509	16,189,837
Financial liabilities						
Trade and other payables	-	-	-	-	(52,414,293)	(52,414,293)
Borrowings	8.0	-	(40,945,834)	(41,185,191)	-	(82,131,025)
Financial liability at fair value through profit or loss	-	-	-	-	(8,799,949)	(8,799,949)
Net financial liabilities		**24,731,318**	**(25,607,506)**	**(41,185,191)**	**(33,322,020)**	**(75,383,399)**

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing in over 1 year	(Restated) Non-interest bearing	(Restated) Total
2019						
Financial assets						
Cash and cash equivalents	0.4	26,050,221	-	-	8,232,548	34,282,769
Trade and other receivables	-	-	-	-	7,324,588	7,324,588
Current financial assets	-	-	-	-	5,750,000	5,750,000
Non-current financial assets	2.2	-	12,337,128	-	829,570	13,166,698
Financial liabilities						
Trade and other payables	0.1	-	(285,490)	-	(56,257,793)	(56,543,283)
Borrowings	8.1	-	(14,076,069)	(40,024,281)	-	(54,100,350)
Financial liability at fair value through profit or loss	-	-	-	-	(7,137,249)	(7,137,249)
Net financial liabilities		**26,050,221**	**(2,024,431)**	**(40,024,281)**	**(41,258,336)**	**(57,256,827)**

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. As at 30 June 2020, the group had USD denominated net financial liabilities of A$68,135,547 (2019: A$53,491,765). In respect of this USD foreign currency risk exposure in existence at the balance sheet date a sensitivity of 10 percent higher and 10 percent lower has been applied in the US dollar against the Australia dollar. With all other variables held constant, post tax loss and equity would have been affected by approximately $7,000,000 (2019: A$5,000,000).

Financial risk management objective

The Group's and parent entity's activities expose them to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Group's and parent entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group and parent entity use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors. These policies include identification and analysis of the risk exposure of the Group and parent entity and appropriate procedures, controls and risk limits.

Fair value estimation

The net fair value of cash and non-interest bearing monetary assets and financial liabilities of the Group approximates their carrying amount.

Note 32. Dividends

No dividend has been declared or paid by the Group during the financial year and the Directors do not at present recommend a dividend. No dividends were declared or paid in the comparative financial year.

Note 33. Matters subsequent to the end of the financial year

Prior to financial year-end, on 26 May 2020, the Company had announced it had entered into a 60-day exclusivity period with Vale Canada Limited (VCL), a subsidiary of Vale S.A., to complete due diligence and negotiate the acquisition of 95 percent 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). On 8 September 2020, the Company announced it had elected not to proceed with the proposed transaction.

The Group achieved commencement of commercial production of the Century Mine for accounting purposes on 1 July 2020. This means that from 1 July 2020, revenue from sale of zinc together with the associated cost of producing zinc will be recognised in the income statement. The key criteria used to determine the status of commissioning of the Century Mine related to the achievement of ‘commercial levels of production’, including but not limited to completion of a reasonable period of testing of the mine plant and equipment, the ability to produce metal in saleable form and the ability to sustain continuous production of metal.

On 9 July 2020, Mr Evan Cranston resigned as a Non-Executive Director of the Company.

There have been no other events that have occurred subsequent to the reporting date which have significantly affected or may significantly affect the Group’s operations or results in future financial years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the Financial Statements and notes, as set out on pages 25 to 72 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the Financial Statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the financial year ended on that date of the Company and Group;

2. in the Directors' opinion there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

This declaration is made in accordance with a resolution of the Board of Directors.

Robert McDonald
Chairman

30 September 2020

Deloitte.

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Independent Auditor's Report to the members of New Century Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New Century Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to directors of the Company, would be in the same terms if given to directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recognition and measurement of the mine site restoration provision	
As disclosed in Note 19, at 30 June 2020 the Group has a Mine Site Restoration Provision of $215.6 million relating to the Group's requirement to rehabilitate its development and exploration areas. Given the nature of its operations, the Group incurs obligations to close, restore and rehabilitate its sites. Closure and restoration activities are governed by legislative requirements. The calculation of the provision requires significant judgment in relation to determining the manner in which rehabilitation activities will be undertaken, estimating the future costs and the timing of these activities, and the determination of an appropriate rate to discount the future costs to their net present value.	Our procedures included, but were not limited to: • Obtaining an understanding of the key processes and relevant controls management has in place to estimate the mine site restoration provision; • Confirming the timing of closure and restoration estimates are consistent with the latest estimate of the life of mine; • Assessing the estimated costs of rehabilitation for reasonableness against legislative requirements and our understanding of the Group's development and exploration areas; • Obtaining an understanding of the status of the Land Court appeal in relation to the estimated rehabilitation cost for the Century Mine, including assessment of correspondence with the Group's legal advisors; and • Assessing the accuracy of the calculations used to determine the mine site restoration provision including the discount rate applied and the appropriateness of the current and non-current classification of the provision. We also assessed the appropriateness of the disclosures included in Notes 1(u), 2, 19 and 29 to the financial statements.
Capitalisation of the development costs of the Century Mine	
The Century Mine is in the development phase as at 30 June 2020. As disclosed in Note 12, the Group capitalised costs of $295.8 million related to the development of the Century Mine, and recognised proceeds from sales generated during the development phase of $178.0 million, which have been netted against Capital Work in Progress. As at 30 June 2020 the carrying value of Capital Work in Progress is $358.7 million. As disclosed in Note 2, management has determined that the criteria for the assessment of when the Century Mine achieves commercial production, being when the Century Mine is available for use in the manner intended by management, includes, but is not limited to: • completion of a reasonable period of testing of the mine plant and equipment;	Our procedures included, but were not limited to: • Obtaining an understanding of, and evaluating, the Group's processes and relevant controls in relation to the capitalisation of costs to Capital Work in Progress; • Evaluating whether the capitalised costs within Capital Work in Progress, and the offsetting proceeds from sales generated during the development phase have been accounted for in accordance with relevant accounting standards and the Group's capitalisation policy; • Testing a sample of additions to Capital Work in Progress to underlying records, including assessing of the appropriateness of the amounts capitalised;

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>
demonstrating the sustained ability to produce metal in a saleable form, to defined specifications; and
the ability to sustain ongoing production of metal.
Based on management’s analysis performed, the Century Mine does not meet the metal concentrate production tonnes, grade and recovery targets, as set by the Board for commercial levels of production as at 30 June 2020.

The Group announced commencement of commercial production of the Century Mine subsequent to the reporting period, on 1 July 2020.

The significant impact that the commencement of commercial production has on the accounting for the Century Mine, and its ongoing operations, includes but is not limited to:
the capitalisation of development costs and qualifying borrowing costs;
the commencement of amortisation and depreciation; and
the recognition of revenues and related cost of sales.
</td><td>
Agreeing the proceeds from sales generated during the development phase to underlying records; and
Assessing the reasonableness of the criteria used by the Group in determining whether commercial production has been achieved as at 30 June 2020.
We also assessed the appropriateness of the disclosures included in Notes 2, 12 and 33 to the financial statements.
</td></tr>
<tr><td>Cashflow forecasts and funding</td><td></td></tr>
<tr><td>
The Group is dependent on the positive cash flows generated from the Group’s future mining operations for the 12 months following the approval of the annual financial report.

The Group’s management has prepared a cash flow forecast which involves inherently complex and subjective judgements and estimates based on management’s input of key market and operational assumptions.

As disclosed in Note 1(a), the directors are of the view that the Group will be able to meet its debts as and when they fall due.
</td><td>
Our audit procedures included, but were not limited to:
Challenging the key assumptions in management’s forecast cash flows for the 12 months following the approval of the financial report;
Comparing the cash flow forecasts against the budget approved by the board of directors of the Company and testing the accuracy of the model;
Assessing consistency between the forecasts used to test the Group’s going concern basis and those used in the asset impairment assessment, including commodity prices;
Agreeing the Group’s committed debt facilities to supporting documents;
Performing stress tests for a range of reasonably possible scenarios (including commodity prices) on Group management’s cash flow for the 12 months following the approval of the financial report; and
Challenging Group management’s plans for mitigating any identified exposures.
We also assessed the appropriateness of the disclosures included in Note 1(a) to the financial statements.
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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 22 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of New Century Resources Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Suzana Vlahovic
Partner
Chartered Accountants
Melbourne, 30 September 2020

ASX Additional Information

Shareholder Information

The following information is based on share registry information processed up to 28 October 2020.

Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for fully paid ordinary shares in the Company is:

Spread of Holders	Number of Holders	Number of Shares
1 – 1,000	356	177,522
1,001 – 5,000	994	3,056,416
5,001 – 10,000	620	4,856,298
10,001 – 100,000	1,777	66,302,464
100,001 and over	562	904,206,039
Total	**4,309**	**978,598,739**

There are 840 holders of unmarketable parcels comprising a total of 1,193,965 ordinary shares amounting to 0.12% of issued capital.

Twenty Largest Holders of Shares in New Century Resources Ltd

	Shareholder	Number Held	% of Issued Shares
1	J P Morgan Nominees Australia Pty Limited	124,604,055	12.73
2	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	99,499,559	10.17
3	Citicorp Nominees Pty Limited	50,558,337	5.17
4	Zero Nominees Pty Ltd	38,750,000	3.96
5	Pacreef Investments Pty Ltd <The Pacreef A/C>	38,042,480	3.89
6	Mr John Carr <JSC Holdings A/C>	33,833,333	3.46
7	Mr Patrick Christopher Andrew Walta <FJB & Associates A/C>	33,421,788	3.42
8	Konkera Pty Ltd	31,545,457	3.22
9	HSBC Custody Nominees (Australia) Limited	31,414,034	3.21
10	Woodross Nominees Pty Ltd	23,234,573	2.37
11	Sparta AG	21,500,000	2.20
12	Delphi Unternehmensberatung Aktiengesellschaft	19,700,273	2.01
13	Kitara Investments Pty Ltd	15,066,666	1.54
14	Kingslane Pty Ltd <Cranston Super Pension A/C>	14,889,762	1.52
15	Kingslane Pty Ltd <Cranston Superannuation A/C>	12,914,150	1.32
16	HSBC Custody Nominees (Australia) Lmited – A/C 2	10,810,678	1.10
17	Little Cove Capital Pty Ltd <Little Cove Cap Trading A/C>	10,100,000	1.03
18	National Nominees Limited <DB A/C>	9,614,537	0.98
19	Kingslane Pty Ltd <J W Cranston Family A/C>	7,598,356	0.78
20	Delphi Unternehmensberatung Aktiengesellschaft	7,350,000	0.75
Total		**634,448,038**	**64.83**

There are 978,598,739 ordinary fully paid shares currently listed and trading on the Australian Securities Exchange. There is no current on-market buy back taking place.

Voting Rights - Fully Paid Ordinary Shares

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

Unquoted Equity Securities

Quantity	Class
7,500,000	Options exercisable at $0.25 each on or before 13 July 2021
7,500,000	Options exercisable at $0.50 each on or before 13 July 2021
7,500,000	Options exercisable at $0.75 each on or before 13 July 2021
7,500,000	Options exercisable at $1.00 each on or before 13 July 2021
30,000,000	Options exercisable at $0.25 each on or before 13 July 2022
22,000,000	Options exercisable at $0.25 each on or before 27 February 2021
6,000,000	Options exercisable at $0.50 each on or before 27 February 2021
3,500,000	Options exercisable at $0.75 each on or before 27 February 2021
3,500,000	Options exercisable at $1.00 each on or before 27 February 2021
500,000	Options exercisable at $1.99 each on or before 27 February 2021
1,000,000	Options exercisable at $1.20 each on or before 28 March 2022
1,000,000	Options exercisable at $1.50 each on or before 28 March 2022
250,000	Options exercisable at $0.95 each on or before 6 June 2022
1,000,000	Options exercisable at $0.56 each on or before 18 September 2022
1,000,000	Options exercisable at $0.70 each on or before 18 September 2022
25,000,000	Options exercisable at $0.25 each on or before 17 July 2023
4,374,007	Class A Performance Rights expiring 1 July 2024
1,249,716	Class B Performance Rights expiring 1 July 2024
624,858	Class C Performance Rights expiring 1 July 2024
1,390,729	Class D Performance Rights expiring 1 July 2024

Holders of Unquoted Securities Holding More than 20% of Each Class

Class	Holder	Number
Options exercisable at $0.25 each on or before 13 July 2021	Kitara Investments Pty Ltd	7,500,000
Options exercisable at $0.50 each on or before 13 July 2021	Kitara Investments Pty Ltd	7,500,000
Options exercisable at $0.75 each on or before 13 July 2021	Kitara Investments Pty Ltd	7,500,000
Options exercisable at $1.00 each on or before 13 July 2021	Kitara Investments Pty Ltd	7,500,000
Options exercisable at $0.25 each on or before 13 July 2022	Mr John Carr	7,000,000
	Longreach Capital Pty Ltd	7,000,000
	Mr Patrick Christopher Andrew Walta	7,000,000
Options exercisable at $0.25 each on or before 27 February 2021	Mr John Carr	5,500,000
	Konkera Pty Ltd	5,500,000
	Mr Patrick Christopher Andrew Walta	5,500,000
Options exercisable at $0.50 each on or before 27 February 2021	Mr John Carr	1,500,000
	Konkera Pty Ltd	1,500,000
	Mr Patrick Christopher Andrew Walta	1,500,000
Options exercisable at $0.75 each on or before 27 February 2021	Mr John Carr	875,000
	Konkera Pty Ltd	875,000
	Mr Patrick Christopher Andrew Walta	875,000
Options exercisable at $1.00 each on or before 27 February 2021	Mr John Carr	875,000
	Konkera Pty Ltd	875,000
	Mr Patrick Christopher Andrew Walta	875,000
Options exercisable at $1.99 each on or before 27 February 2021	Mr William Wise	500,000
Options exercisable at $1.20 each on or before 28 March 2022	Mr Nicholas Luigi Cernotta	1,000,000
Options exercisable at $1.50 each on or before 28 March 2022	Mr Nicholas Luigi Cernotta	1,000,000
Options exercisable at $0.95 each on or before 6 June 2022	Mr Mark Chamberlain	250,000
Options exercisable at $0.56 each on or before 18 Sept. 2022	The Minera Group Pty Ltd	1,000,000
Options exercisable at $0.70 each on or before 18 Sept. 2022	The Minera Group Pty Ltd	1,000,000
Options exercisable at $0.25 each on or before 17 July 2023	Aus Funding I Pte Ltd	25,000,000
Class A Performance Rights expiring 1 July 2024	Mark Norman Chamberlain	895,245
	Mr Patrick Christopher Andrew Walta	1,335,080
Class B Performance Rights expiring 1 July 2024	Mark Norman Chamberlain	255,784
	Mr Patrick Christopher Andrew Walta	381,452
Class C Performance Rights expiring 1 July 2024	Mark Norman Chamberlain	127,892
	Mr Patrick Christopher Andrew Walta	190,726
Class D Performance Rights expiring 1 July 2024	Mr Craig Russell Delany	339,790

Schedule of Mining Tenements

Project	Location	Status	Interest
Century Zinc Mine	**Queensland, Australia**		
ML 90058	Mt Isa	Granted	100%
ML 90045	Mt Isa	Granted	100%
EPM 10544	Mt Isa	Granted	100%
EPM 26722	Mt Isa	Granted	100%
Kodiak Coking Coal Project	**Alabama, USA**		
Coke Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Atkins Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Gholson Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%
Clark Seam, Gurnee Property	Shelby & Bibb Counties	Lease	70%

Company Secretary

Ms Oonagh Malone

Registered Office

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Share Registry

Automic Registry Services
126 Phillip Street
Sydney NSW 2000
Telephone: 1300 992 916

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