

New Century to Reduce Net Secured Debt by >50% Through ~US\$15m Strategic Placement & up to US\$10m Entitlement Offer

Highlights

- Strategic Placement and non-renounceable Entitlement Offer to expedite retirement of over 50% of New Century's existing net secured debt:
 - ~US\$15m Placement to two existing institutional shareholders and new investor in US hedge fund Luxor Capital
 - Up to US\$10m non-renounceable Entitlement Offer to existing holders
 - Issue price of both Placement and Entitlement Offer is A\$0.155/share, representing a 6% discount to last closing price & 9% discount to the 5-day VWAP
- Funds raised are proposed to be used to strengthen New Century's balance sheet and, through debt retirement, alleviate the current disproportionate near-term debt repayment profile, allowing focus on growing Company profitability and exploration opportunities
- Interest savings of up to US\$1m through proposed early retirement of debt
- Subject to full uptake of the Entitlement Offer, Luxor Capital's equity stake will be ~7.7%, with overall institutional ownership in New Century moving to >40%

New Century Resources Limited (NCZ, New Century or the Company) (ASX:NCZ) is pleased to announce the undertaking of a ~US\$15 million (A\$20.7 million) placement (Placement) and a non-renounceable pro-rata entitlement offer for up to approximately US\$10 million (A\$14.0 million) (Entitlement Offer) (together, the Capital Raising).

The issue price of the shares to be issued under the Capital Raising (New Shares) will be A\$0.155 per share (Issue Price), representing a 6% discount to the most recent closing share price (A\$0.165 per share) and a 9% discount to the 5-day VWAP (A\$0.17 per share).

Secured Debt Reduction Profile

Over the course of 2020, the Company has been successful in progressively reducing its existing senior secured facilities (original total US\$70.9 million across Facilities A and B from Varde Partners), with ~US\$22.5 million (~32%) repaid to date. Approximately US\$48.4 million remains outstanding as per the repayment schedule in the Figure below.

The funds from the Capital Raising are intended to be used to expedite the debt repayment profile and improve the overall balance sheet of the Company, through the partial or complete retirement of Facility A (current balance US\$25.0 million), pending the uptake level of the Entitlement Offer.

New Century Resources Ltd

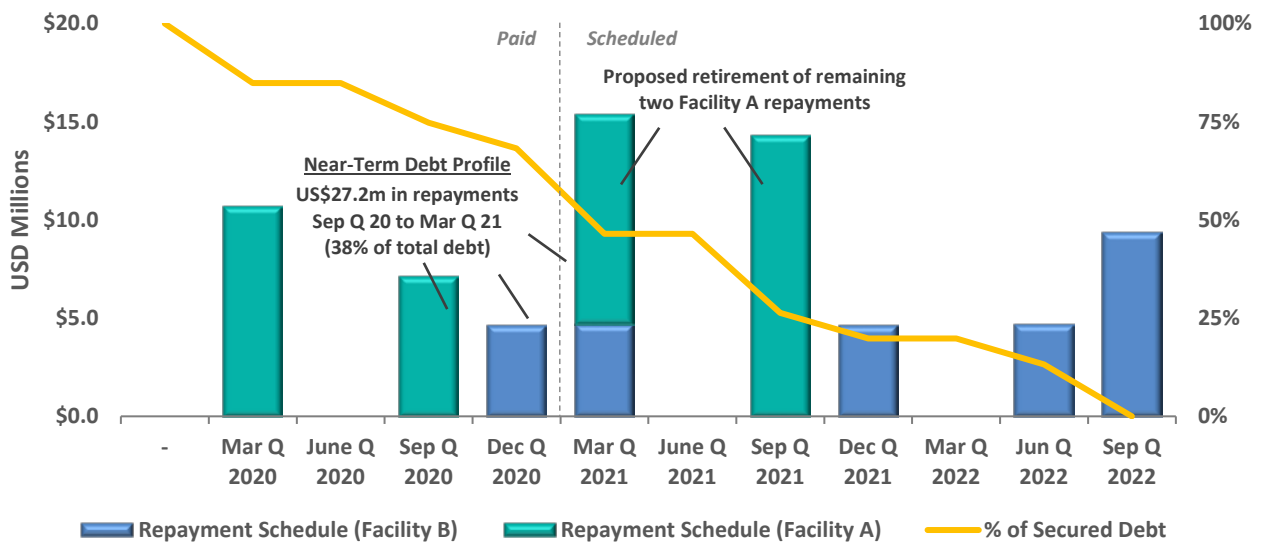
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In retiring Facility A, the debt balance will reduce by 67% from its original level, with a manageable repayment profile for the remaining secured debt (US\$23.5 million) over the next seven quarters of the life of Facility B (average US\$3.4 million per quarter).

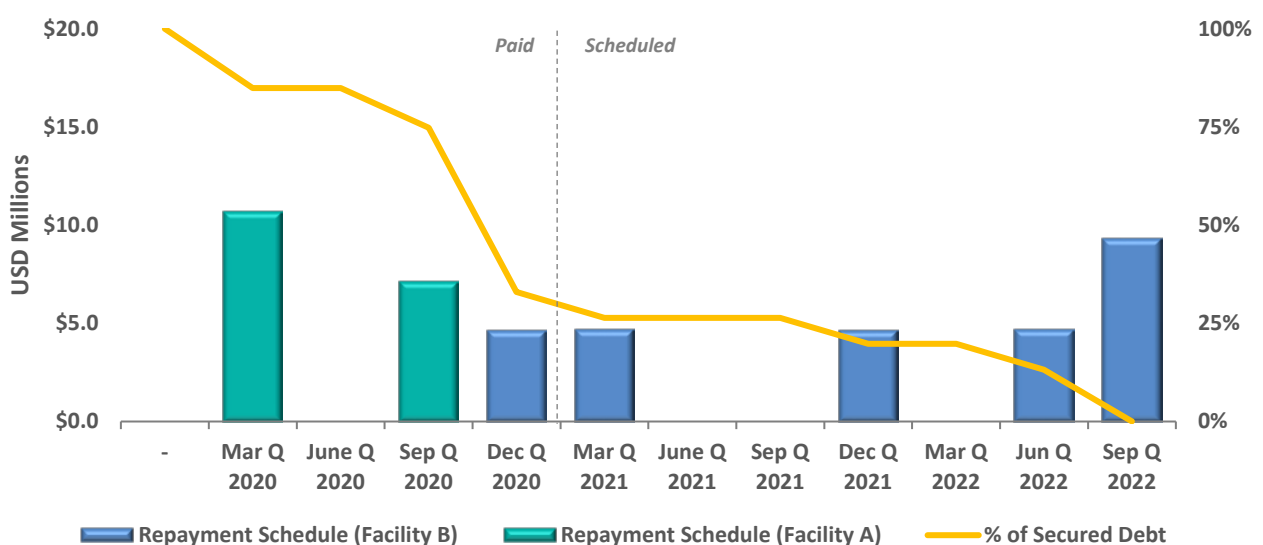
While operations have delivered positive operational cashflow (A\$13.2 million adjusted EBITDA) in the September 2020 quarter, with a strong exit rate and improving macro-economic conditions, the heavy weighting of the secured debt repayment schedule to the near-term (i.e. US\$27.2 million in repayments September 2020 quarter to March 2021 quarter) represents an unsatisfactory risk to maintaining a sufficient liquidity buffer for the business to properly manage irregular shipping and invoicing cycles.

The retirement of debt therefore alleviates significant business and financial risk for New Century while also providing the opportunity for capital allocation toward exploration opportunities.

Current Secured Debt Repayment Profile



Secured Debt Repayment Profile Following Proposed Facility A Retirement



The Company notes the level of proposed debt retirement remains subject to Entitlement Offer uptake. There is no guarantee that the full amount of the Entitlement Offer will be raised.

The proposed early retirement of Facility A will assist in reducing overall interest repayments associated with the senior secured debt of up to US\$1 million, pending timing of repayments.

Placement

The Company has executed subscription agreements totalling A\$20.7 million (~US\$15 million), with existing major shareholders and a new strategic shareholder, Luxor Capital, through the issuance of 133,616,538 New Shares at A\$0.155 per share.

Luxor Capital Group, LP is an investment management company with approximately US\$6 billion in assets under management. Luxor has significant experience in investment in the natural resources sector, with major positions in both mining and exploration companies across a range of commodities and geographies.

Upon completion of the Placement (prior to the undertaking of the Entitlement Offer), Luxor's stake in the Company will be approximately 7.7%.

The Company anticipates the Placement will complete on Monday 2 November 2020.

Entitlement Offer

Pursuant to the Entitlement Offer, the Company will seek to raise up to approximately US\$10 million via the offer of one (1) New Share at the Issue Price for every twelve (12) shares held as at 7pm AEST on Tuesday 3 November 2020.

The Entitlement Offer will be open to all eligible shareholders as determined by the Company. Eligible shareholders will also be invited to subscribe for New Shares over and above their entitlement, subject to overall participation levels in the Entitlement Offer. Further details will be contained in an Entitlement Offer booklet to be dispatched in accordance with the below indicative timetable.

All participants in the Placement have indicated they will be taking up their full rights associated with the Entitlement Offer.

Indicative Timetable

Event	Date
Issue and allot Placement	Monday, 2 November 2020
Record Date for Entitlement Offer (7.00pm AEST)	Tuesday, 3 November 2020
Dispatch Offer Booklet and Entitlement & Acceptance Forms	Friday, 6 November 2020
Entitlement Offer opens	Friday, 6 November 2020
Last day to extend Entitlement Offer	Tuesday, 17 November 2020
Entitlement Offer Closing Date (5pm AEST)	Friday, 20 November 2020
Settlement and issue of New Shares under Entitlement Offer	Wednesday, 25 November 2020
Quotation of New Shares under Entitlement Offer	Thursday, 26 December 2020

The above timetable is indicative only and subject to change without notice. All references to time are to Australian Eastern Standard Time (AEST). The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, New Century reserves the right to amend this timetable at any time without notice.

Placement Advisors

The Placement was managed by Tectonic Advisory Partners (Tectonic), who acted as advisor to New Century and were successful in introducing and advising on a number of blue-chip institutional investors including Luxor Capital.

Tectonic is a New York based resource focused boutique investment banking group. Tectonic securities transactions are executed through Ecoban Securities Corporation.

A fee of 5% of funds raised from the Placement is payable to Tectonic. For ongoing advisory work, the Company has also agreed to grant Tectonic 10m unquoted options at a strike price of A\$0.25/share, with a 3-year term.

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

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