



Company	New Century Zinc
Code	NCZ
Meeting	AGM
Date	31 October 2019
Venue	385 Bourke Street, Melbourne
Proxy Collector	Mike Muntisov

Number attendees at meeting	Approx 15
Number of holdings represented by ASA	0
Value of proxies	0
Number of shares represented by ASA	0
Market capitalisation	\$240m
Were proxies voted?	None received. Vote by show of hands.
Pre AGM Meeting?	No

Reclaiming stranded resources

New Century Zinc is a mining company with a difference. It has bought the old Century Zinc Mine in north-west Queensland, but also taken on the rehabilitation liabilities. The mine was previously in care and maintenance having closed operations three years ago.

NCZ restarted operations in August 2018 and are close to ramping up to full production rate. They are hydraulically mining the tailings residue, and expect to reach plant capacity of 12m t pa this year. They expect a 7-year life in processing the tailings. The cost of recovery is low and so they expect to be cash flow positive even with a depressed zinc price.

They have also identified high concentration in-situ deposits that they believe will be economic to mine when the tailings resource is depleted. They are also ramping up exploration in the region. They believe the region is underexplored because the previous owners' focus was on mining the rich core deposit.

They have inherited the obligation to rehabilitate the mine and have a contingent liability, backed by a bond from the original owners, MMG, and held by the Queensland Government to secure this work. NCZ's plan is to use the processing waste to fill the existing mine void, and so deal with that part of the rehabilitation. As they mine the tailings they will rehabilitate the exposed disrupted areas.

They also own the associated 300km slurry pipeline and port facilities. (The cost of the infrastructure to develop the original mine was around \$2b (by Pasminco))

At their planned production rate they will be the 4th largest zinc mine in Australia and the 15th largest in the world.

This is an interesting business model, one reflecting an agile approach to buying in to a major project at low/no cost near the end of its original life, when the majors want to move on to bigger and better things but are happy to leave the rehabilitation to others.

On the formal matters of the meeting, all resolutions were comfortably passed.

The company posted a net loss of \$21.5m in FY19.