NEW CENTURY RESOURCES

AND CONTROLLED ENTITIES

(Formerly Attila Resources Limited)

ABN 53 142 165 080

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 June 2017

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CORPORATE DIRECTORY

Directors

Evan Cranston (Executive Chairman)
Patrick Walta (Managing Director)
Tolga Kumova (Corporate Director)
(Ernest) Tom Eadie (Non-Executive Director)
Bryn Hardcastle (Non-Executive Director)

Company Secretary

Ms Oonagh Malone

Stock Exchange

ASX Codes: NCZ
Home Office: Perth

Country of Incorporation and Domicile

Australia

Registered and Business Address

Suite 23, 513 Hay Street
Subiaco WA 6008
Australia
Telephone: +61 8 6142 0989
Email: admin@newcenturyresources.com
Website: www.newcenturyresources.com

Auditors

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
Perth WA 6000

Share Registry

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Solicitors

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
Perth WA 6000

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 the 'Company') and the entities it controlled for the year ended 30 June 2017.

Directors

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

Evan Cranston	
Tom Eadie	(appointed 13 July 2017)
Bryn Hardcastle	
Tolga Kumova	(appointed 13 July 2017)
Oonagh Malone	(resigned 13 July 2017)
Patrick Walta	(appointed 13 July 2017)

Information on Current Directors

Evan Cranston, Executive Chairman (age 35)

Evan Cranston is a corporate advisor with a background in corporate law. He has extensive experience in the areas of capital raising, IPOs, joint ventures, mergers and acquisitions, corporate governance and liaison with market analysts and potential investors. He holds both a Bachelor of Commerce and Bachelor of Laws.

Mr Cranston was appointed to the Board on 10 October 2012 as an Executive Director. In April 2015, Mr Cranston transitioned to a non-executive director role. On 13 July 2017, Mr Cranston was appointed as Executive Chairman.

Other current listed directorships	***Former listed directorships in last 3 years***
Boss Resources Ltd (from 2 May 2012)	Cradle Resources Ltd (to 8 May 2016)
Carbine Resources Ltd (from 23 March 2010)	
Clancy Exploration Ltd (from 23 October 2014)	
Primary Gold Limited (from 8 March 2016)	

Patrick Walta, Managing Director (age 35)

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. Graduating from Melbourne University with degrees in Chemical Engineering and Science, Mr Walta has gone on to complete postgraduate studies including an MBA, Masters of Science (Mineral Economics) and a Diploma of Project Management.

Mr Walta's experience within the mining industry includes public & private company management, mineral processing, mergers and acquisitions, initial public offerings, project management, feasibility studies, exploration activities, competitive intelligence and strategic planning. Previously, Mr Walta was Executive Director of Carbine Resources Limited where his role involved the development of all facets of the Mount Morgan Gold & Copper Project, as well as general management and continued business development of the Company. Mr Walta also has a broad level of resource industry experience through Rio Tinto, Citic Pacific Mining, Cradle Resources, Primary Gold and Clean TeQ.

Mr Walta was appointed to the Board on 13 July 2017.

Other current listed directorships	***Former listed directorships in last 3 years***
Matador Mining Limited (from 28 June 2016)	Carbine Resources Ltd (to 13 April 2016)
	Primary Gold Limited (to 31 May 2017)

Tolga Kumova, Corporate Director (age 39)

Mr 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. Mr Kumova is currently non-executive chairman of European Cobalt Limited.

Mr Kumova was appointed to the Board on 13 July 2017.

Other current listed directorships	*Former listed directorships in last 3 years*
European Cobalt Limited (from 29 May 2017)	Syrah Resources Limited (to 5 October 2016)

(Ernest) Tom Eadie, Non-Executive Director (age 63)

Mr Eadie is a well-credentialed mineral industry leader and explorer with broad experience in both the big end and small end of town. He was the founding Chairman of Syrah Resources, Copper Strike and Discovery Nickel as well as a founding Director of Royalco Resources. At Syrah, he was at the helm during acquisition, discovery and early feasibility work of the huge Balama graphite deposit in Mozambique which is due to start production in late 2017.

Copper Strike, where he was also Managing Director for 10 years, made several significant copper/gold and lead/zinc/silver discoveries in North Queensland, and while at Discovery Nickel (later to be renamed Discovery Metals), Tom assisted with gaining control of the Boseto copper deposit in Botswana. Prior to this, Mr Eadie was Executive General Manager of Exploration and Technology at Pasminco Limited, at the time the largest zinc producer in the world. This came after technical and later management responsibilities at Cominco and Aberfoyle in the 1980s.

Mr Eadie has a Bachelor of Science (Hons) in Geology and Geophysics from the University of British Columbia, a Master of Science in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Security Institute of Australia. He is a Fellow (and past board member) of the AusIMM.

Mr Eadie was appointed to the Board on 13 July 2017.

Other current listed directorships	*Former listed directorships in last 3 years*
Alderan Resources Limited (from 23 January 2017)	Copper Strike Limited (to 6 September 2016)
Strandline Resources Limited (from 9 October 2015)	Syrah Resources Limited (to 2 October 2014)

Bryn Hardcastle, Non-Executive Director (age 39)

Bryn Hardcastle is Managing Partner of Perth-based law firm, Bellanhouse, specialising in corporate, commercial and securities law. He advises on equity capital markets, takeovers & schemes and corporate acquisitions, reconstructions and disposals predominantly in the energy and resources sector. Mr Hardcastle has previously worked in London, Melbourne and Dubai at Freehills and Allen & Overy and is a former partner of Perth boutique law firm, Hardy Bowen Lawyers.

Mr Hardcastle was appointed to the Board on 8 December 2011.

Other current listed directorships	*Former listed directorships in last 3 years*
Cre8tek Limited (from 6 November 2015)	Nil
MHM Metals Limited (from 20 December 2016)	
ServTech Global Holdings Ltd (from 14 September 2016)	

Oonagh Malone, Company Secretary and former Non-Executive Director (age 42)

Oonagh Malone was appointed as Company Secretary on 10 October 2012. Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 8 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed Boss Resources Ltd, Carbine Resources Ltd, Hawkstone Mining Limited, Matador Mining Limited, Draig Resources Limited, Primary Gold Limited and ServTech Global Holdings Limited.

Ms Malone was appointed as a Director on 4 June 2016 and resigned as a Director on 13 July 2017.

Other current listed directorships

Hawkstone Mining Limited (from 19 February 2015)

Former listed directorships in last 3 years

New Century Resources Limited (to 13 July 2017)

Directors' Meetings

During the financial year ended 30 June 2017, there were 4 meetings of the Board of Directors. The Board acts as Audit and Remuneration Committees. Attendances by each Director during the period were as follows:

	Board of Directors	
Director	**Number Attended**	**Number Eligible to Attend**
Evan Cranston	4	4
Bryn Hardcastle	4	4
Oonagh Malone	4	4

The Directors made and approved 3 circular resolutions during the financial period ended 30 June 2017.

Principal Activities

The principal activities of the Group are the review and development of mineral exploration projects. There were no significant changes in the nature of these activities during the year ended 30 June 2017.

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.

Operating Results

The consolidated comprehensive loss of the Group amounted to $4,365,082 (2016: Loss $3,172,076) after providing for income tax.

Review of Operations

During the period the Group continued to maintain the Kodiak Coking Coal Project (New Century: 70%) located in the Cahaba Basin, Alabama USA in care and maintenance mode.

On 31 May 2017, Shareholders approved the acquisition of the Century Zinc Mine which completed in July 2017.

Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the Group occurred during the year ended 30 June 2017:

- The Company issued 3,333,333 shares following a placement at $0.15 each to raise $500,000 before costs;
- 1,500,000 unlisted options in the Company expired unexercised during the year.

Matters Subsequent to the End of the Financial Year

On 13 July 2017, the Group completed the acquisition of the Century Zinc Mine with key actions occurring on completion as follows:

- The Century Zinc Mine acquisition commitment, as detailed in note 22, was finalised.
- 34,333,333 ordinary shares at a share price of $0.15 per share to raise $5,150,000 before costs were issued.
- 71,538,898 ordinary shares at a share price of $0.20 per share were issued on conversion of all outstanding convertible notes as detailed in note 13. This extinguished the $18,600,115 liability for consideration with a value of $14,307,781, as no redemption premium was payable. The consequent gain of $4,292,334 is recognisable in the year ended 30 June 2018.
- 30,000,000 unquoted share options exercisable at $0.25 each and expiring on 13 July 2022 were issued in partial consideration for the Century Zinc Mine.
- 42,000,000 unquoted share options exercisable at exercise prices ranging from $0.25 to $1.00 and expiring on 13 July 2021 or 13 July 2022 were issued to directors.
- 8,500,000 unquoted employee share options exercisable at $0.25 each and expiring on 13 July 2022 were issued.
- Mr Patrick Walta, Mr (Ernest) Tom Eadie, and Mr Tolga Kumova were appointed directors of the Company while Ms Oonagh Malone resigned from the position as a director.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the result of these operations, or the state of the affairs of the Group in future financial year.

Future Developments, Prospects and Business Strategies

Disclosure of further information regarding likely developments in the operations of the Group in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice of those operations, or the state of affairs of the Group in future financial periods.

Share Options

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

Type of Options	Number of Options	Exercise Price	Expiry Date
Unquoted options issued under the ESOP	8,500,000	$0.25	13/07/2020
Unquoted options issued to Directors	6,000,000	$0.25	13/07/2020
Unquoted options issued to Directors	6,000,000	$0.50	13/07/2020
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

At the date of this report, the total unissued ordinary shares of New Century Resources Limited under option are 80,500,000.

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:

DIRECTOR	ORDINARY SHARES FULLY PAID		OPTIONS	
	Direct	**Indirect**	**Direct**	**Indirect**
Evan Cranston	-	-	-	-
(Ernest) Tom Eadie	-	2,000,000		5,000,000
Bryn Hardcastle	180,000	933,334	-	4,000,000
Tolga Kumova	-	16,666,666	-	30,000,000
Patrick Walta	500,000	-	7,000,000	-
Total	**680,000**	**19,600,000**	**7,000,000**	**39,000,000**

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.

Compensation of Key Management Personnel

Remuneration is referred to as compensation throughout this report.

Key management personnel 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. Key management personnel comprises the Directors of the Company and the senior executives for the Group that are named in this report.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives, while at the same time being cognisant of the Company's financial position and activities. The Remuneration Committee, which at the date of this report comprises the full Board, assesses the appropriateness of compensation packages of the Group given trends in comparative companies and the objectives of the Group's compensation strategy.

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.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of key management personnel
- the key management personnel's ability to control the relevant segments' performance
- the Group's performance including:
  - the Group's earnings;
  - the growth in share price and delivering constant returns of shareholder wealth; and
  - the amount of incentives within each key management person's compensation.

Compensation packages can include a mix of fixed and variable compensation, and short and long term performance based incentives.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis), as well as non-monetary benefits, leave entitlements and employer contributions to defined contribution superannuation funds.

Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, the Board may from time to time engage external consultants to provide analysis and advice to ensure the Directors' and senior executives' compensation is competitive in the market place.

Performance linked compensation

Performance linked compensation includes both short and long term incentives, and is designed to reward senior executives for meeting or exceeding their financial and personal objectives. Short term incentives (STIs) are an "at risk" bonus provided in the form of cash. The long term incentive (LTI) can be issued in the form of options or performance rights.

Short term incentive bonus

The Board sets key performance indicators (KPIs) for relevant senior executives. The KPIs generally includes measures relating to the Group, the relevant segment, and the individual, and can include financial, people, strategy and risk measures. The measures are chosen as they directly align the individual's reward with the KPIs of the Group and with its strategy and performance.

At the end of the financial year, the Board assesses performance against any KPIs set at the beginning of the financial year. A percentage of the pre-determined maximum amount is awarded depending on results. The Board recommends the cash incentive to be paid for approval by the Board. The Board retains the discretion to vary the final cash incentive if performance if considered to be deserving of either a greater or lesser amount.

Long term incentive

The Company issues options to key management personnel in accordance with the Company's Employee Share Option Plan or in accordance with shareholder approval in the case of directors. Vesting conditions including length of service can be applied to these options. The Company views the exercise price being set at a premium to the share price at the time of issue as an incentive designed to drive Group performance.

Performance rights may be issued in accordance with the Company's Performance Rights Plan (subject to shareholder approval). Performance rights convert to ordinary shares of the Company on a one-to-one basis depending on the achievement of performance hurdles. The Board believes that the performance hurdle aligns the interests of the key management personnel with the interests of the Company's shareholders.

Rights that do not vest at the end of the five year period from issue will lapse, unless the Board in its discretion determines otherwise. Performance rights do not entitle holders to dividends that are declared during the vesting period.

Long term incentives are used to ensure that remuneration of key management personnel reflects the Group's financial performance, with particular emphasis on the Group's earnings and the consequence of the Group's performance on shareholder wealth.

At the 2016 AGM, 99.1% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Additional information for consideration of shareholder wealth

This table summarises the earnings of the consolidated entity and other factors that are considered to affect shareholder wealth for the five years to 30 June 2017. Comparative basic losses per share differ from those in previous financial reports because they have been updated to reflect the January 2016 rights issue and the March 2016 placements, in accordance with Australian Accounting Standards.

	2017	**2016**	**2015**	**2014**	**2013**
Loss after income tax attributable to shareholders ($)	(3,785,112)	(3,722,417)	(6,530,288)	(6,752,119)	(14,082,398)
Share price at financial year end ($)	0.195	0.195	0.16	0.38	0.44
Movement in share price for the year ($)	-	0.035	(0.22)	(0.06)	(0.06)
Total dividends declared (cents per share)	-	-	-	-	-
Returns of capital (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	(2.02)	(2.27)	(4.20)	(5.57)	(17.95)

Compensation of Key Management Personnel

2017	Short-Term Benefits Cash salary and fees	Post Employment Benefits Superannuation	Termination benefit	Share-Based Payment	Total	Proportion of remuneration performance related
	$	$		$	$	%
Non-Executive Directors:						
Evan Cranston	24,000	-	-	-	24,000	-
Bryn Hardcastle	24,000	-	-	-	24,000	-
Subtotal Non-Executive Directors	48,000	-	-	-	48,000	-
Company Secretary:						
Oonagh Malone (i)	30,000	-	-	-	30,000	-
Total	**78,000**	**-**	**-**	**-**	**78,000**	**-**

(i) Company Secretary for full year. No remuneration paid for Directorship.

2016	Short-Term Benefits Cash salary and fees	Post Employment Benefits Superannuation	Terminatio n benefit	Share-Based Payment - Reversal of shares to be issued	Total	Proportion of remuneration performance related
	$	$		$	$	%
Non-Executive Directors:						
Evan Cranston	24,000	-	-	-	24,000	-
Bryn Hardcastle	24,000	-	-	-	24,000	-
Subtotal Non-Executive Directors	48,000	-	-	-	48,000	-
Executive Directors:						
Max Brunsdon	22,267	-	-	-	22,267	-
Subtotal Executive Directors	22,267	-	-	-	22,267	-
Chief Executive Officer:						
Scott Sullivan (ii)	28,327	6,352	20,000	(20,000)	34,679	-
Company Secretary:						
Oonagh Malone (i)	30,000	-	-	-	30,000	-
Total	**128,594**	**6,352**	**20,000**	**(20,000)**	**134,946**	**-**

(i) Appointed a director on 4 June 2016 but Company Secretary for full year. No further remuneration paid for Directorship.
(ii) Employment ceased 26 September 2015. $20,000 of previously recognised share based payment was replaced with a termination benefit of $20,000, as detailed on page 11.

No expense was recognised for share based payments in 2017. No amounts have been recognised for long service leave.

Other transactions with Key Management Personnel

Evan Cranston is a director of Konkera Corporate. Konkera Corporate received $120,000 (2016: $120,000) during the year for administrative, bookkeeping and accounting services. The company secretarial fees of $30,000 (2016: $30,000) for Oonagh Malone and Director fees of $24,000 (2016: $24,000) for Evan Cranston were also payable to Konkera Corporate. $48,000 was outstanding to Konkera for director fees at 30 June 2017 (30 June 2016: $24,000 outstanding).

Mr Bryn Hardcastle is a director of Bellanhouse which provided legal services totalling $179,049 (2016: $72,000) in the financial year ended 30 June 2017. $112,100 was outstanding to Bellanhouse at 30 June 2017 (2016: $165,000).

Compensation Options

There were no (2016: nil) compensation options issued to Directors and Key Management Personnel during the year. 1,000,000 share options with an exercise price on $0.5251 and an expiry date of 15 April 2017, along with 500,000 share options with an exercise price of $0.6463 and an expiry date of 15 April 2017, granted to a previous Director expired during the year on the expiry date of the options.

Share Based Payment Compensations

Details of options over ordinary shares in the Company provided as remuneration to Directors and Key Management Personnel are set out below. When exercised, each option is convertible into one ordinary share of New Century Resources Limited.

2017	**Numbers of options granted during the year**	**Value of options at grant date* $**	**Numbers of options vested during the year**	**% vested during the year**	**Numbers of options lapsed during the year**
Non-Executive Directors					
Bryn Hardcastle	-	-	-	-	-
Evan Cranston	-	-	-	-	-
Oonagh Malone	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that 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. Refer to note 28.

Service Agreements

There were no Executive Directors at 30 June 2017. All Director fees were reset to $24,000 per annum on 10 February 2016, with the effect backdated to 1 July 2015. Fees for Mr Cranston since 1 July 2015 remained unpaid during 2017 with $48,000 owed at 30 June 2017.

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. The major provisions for 2017 relating to remuneration are set out below. The Company Secretary, Ms Malone, is paid fees of $30,000 per annum with no termination period required and no remuneration related to performance. She is not paid any additional fee for her directorship.

Non-Executive Director	**Term of Agreement**	**Base salary per annum for 2017 including superannuation* (Non-performance based)**	**Termination Conditions**	**Proportion of elements of remuneration related to performance**
Evan Cranston	No specified term	$24,000	1 month notice period	-
Bryn Hardcastle	No specified term	$24,000	No notice required to terminate	-

* Base salary quoted is the position as at 30 June 2017; salaries are reviewed at least annually.

Option holdings of Key Management Personnel

The number of options over ordinary shares of New Century Resources Limited held by each KMP of the Group during the year is as follows:

2017

Key Management Personnel	Balance at beginning of year	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
Evan Cranston	-	-	-	-	-	-	-
Bryn Hardcastle	-	-	-	-	-	-	-
Oonagh Malone	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**

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:

2017

Key Management Personnel	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Evan Cranston	-	-	-	-	-
Bryn Hardcastle	180,000	-	-		180,000
Oonagh Malone	203,336	-	-	-	203,336
	383,336	**-**	**-**	**-**	**383,336**

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 year ended 30 June 2017, to any person who is or has been an auditor of the Company.

Auditor

Bentleys Audit & Corporate (WA) Pty Ltd has been appointed as auditor of the Group in accordance with section 327 of Corporations Act 2001.

Non-audit Services

There were no non-audit services provided by a related practice of the Group’s auditor during the year ended 30 June 2017.

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 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 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 year ended 30 June 2017 has been received and can be found on page 14.

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

Evan Cranston
Executive Chairman

Signed at Perth this 28th day of September 2017

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of New Century Resources Limited for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Director

Dated at Perth this 28th day of September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Finance Income	4	**16,232**	**21,446**
Depreciation and amortisation expense	11	(21,589)	(17,361)
Exploration and evaluation expenditure	4	(435,386)	(815,106)
Employee benefits	4	(48,000)	(104,945)
Loss on disposal of property, plant and equipment		-	(15,080)
Professional expenses	4	(339,829)	(345,329)
Foreign exchange gain/(loss)		(872)	(1,155)
Impairment of exploration interests	5	-	(398,188)
Impairment of intangible assets		(3,395)	-
Century project acquisition costs		(318,704)	-
Finance costs	4	(2,401,314)	(1,868,409)
Other expenses	4	(232,255)	(178,290)
Loss before income tax expense		**(3,785,112)**	**(3,722,417)**
Income tax expense	6	**-**	**-**
Loss for the year		**(3,785,112)**	**(3,722,417)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange (loss)/ gain on translation of foreign controlled entities, net of tax		(579,970)	550,341
Other comprehensive (loss)/ income for the year		(579,970)	550,341
Total comprehensive loss for the year		**(4,365,082)**	**(3,172,076)**
Loss for the year attributable to:			
Members of the parent entity		(3,785,112)	(3,722,417)
		(3,785,112)	**(3,722,417)**
Total comprehensive loss for the year attributable to:			
Members of the parent entity		(4,365,082)	(3,172,076)
		(4,365,082)	**(3,172,076)**
Earnings per share from continuing operations:			**Cents**
Basic loss per share	27	(2.02)	(2.27)
Diluted loss per share	27	(2.02)	(2.27)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Current Assets			
Cash and cash equivalents	7	5,606,108	1,325,655
Trade and other receivables	8	117,915	114,106
Other current assets	9	4,835	4,243
Total Current Assets		**5,728,858**	**1,444,004**
Non Current Assets			
Other financial assets	10	810,727	1,091,196
Property, plant and equipment	11	13,831,105	14,323,361
Deferred exploration, evaluation and development expenditure	5	3,287,297	3,053,375
Intangible assets		-	3,395
Total Non Current Assets		**17,929,129**	**18,471,327**
TOTAL ASSETS		**23,657,987**	**19,915,331**
Current Liabilities			
Trade and other payables	12	856,050	436,604
Borrowings	13	18,600,115	16,198,805
Total Current Liabilities		**19,456,165**	**16,635,409**
Non Current Liabilities			
Other payables	15	845,921	796,566
Provisions	14	739,531	1,045,835
Total Non Current Liabilities		**1,585,452**	**1,842,401**
TOTAL LIABILITIES		**21,041,617**	**18,477,810**
NET ASSETS		**2,616,370**	**1,437,521**
Equity			
Issued capital	16	32,259,433	26,715,502
Reserves	17	6,669,444	7,249,414
Accumulated losses		(36,312,507)	(32,527,395)
TOTAL EQUITY		**2,616,370**	**1,437,521**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-ENDED 30 JUNE 2017

2017	Ordinary shares $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Consolidated					
Balance at 1 July 2016	**26,715,502**	**(32,527,395)**	**4,052,878**	**3,196,536**	**1,437,521**
Comprehensive Income					
Loss for the year	-	(3,785,112)	-	-	**(3,785,112)**
Other comprehensive income for the year					
Exchange differences on translation of controlled entities	-	-	(579,970)	-	**(579,970)**
Total comprehensive income for the year	-	(3,785,112)	(579,970)	-	**(4,365,082)**
Transactions with owners, in their capacity as owners, and other transfers					
Issue of shares/options	500,000	-	-	-	**500,000**
Shares to be issued	5,089,834	-	-	-	**5,089,834**
Costs arising from issues	(45,903)	-	-		**(45,903)**
Balance at 30 June 2017	**32,259,433**	**(36,312,507)**	**3,472,908**	**3,196,536**	**2,616,370**

2016	Ordinary shares $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Consolidated					
Balance at 1 July 2015	**24,315,800**	**(28,804,978)**	**3,502,537**	**3,180,536**	**2,193,895**
Comprehensive Income					
Loss for the year	-	(3,722,417)	-	-	**(3,722,417)**
Other comprehensive income for the year					
Exchange differences on translation of controlled entities	-	-	550,341	-	**550,341**
Total comprehensive income for the year	-	(3,722,417)	550,341	-	**(3,172,076)**
Transactions with owners, in their capacity as owners, and other transfers					
Issue of shares/options	2,468,614	-	-	-	**2,468,614**
Payment in cash for previously recognised shares to be issued	(36,000)	-	-	16,000	**(20,000)**
Costs arising from issues	(32,912)	-	-	-	**(32,912)**
Balance at 30 June 2016	**26,715,502**	**(32,527,395)**	**4,052,878**	**3,196,536**	**1,437,521**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR-ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(1,573,799)	(1,497,449)
Interest received		12,913	21,494
Financing charges		(4)	(66)
Net cash (outflow) from operating activities	26	**(1,560,890)**	**(1,476,021)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mining lease interests		(267,727)	(275,951)
Refund of bonds		287,592	4,495
Payments for bonds and investments		(33,105)	-
Payments for property, plant and equipment		(2,151)	(2,197)
Net cash (outflow) from investing activities		**(15,391)**	**(273,653)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues		5,872,173	1,938,696
Share issue costs		(24,594)	(32,912)
Net cash from financing activities		**5,847,579**	**1,905,784**
Net increase in cash and cash equivalents		4,271,298	156,110
Cash and cash equivalents at the beginning of the financial year		1,325,655	1,169,552
Exchange difference on cash and cash equivalents		9,155	(7)
Cash and cash equivalents at the end of the financial year	7	**5,606,108**	**1,325,655**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The consolidated financial statements and notes represent those of New Century Resources Limited (formerly called Attila Resources Limited) and 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 28th September 2017.

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

For the year ended 30 June 2017, the Group has incurred a loss of $3,785,112 (2016: $3,722,417) and generated net cash outflows of $1,560,890 (2016: $1,476,021) from operating activities, as disclosed in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows respectively. It also has a deficiency in working capital of $13,727,307 (2016: $15,191,405) as at 30 June 2017 as disclosed in the consolidated statement of financial position.

The deficiency in working capital is primarily due to the convertible notes being due for repayment in cash by 26 June 2017 (refer to note 13). This liability has been extinguished by all noteholders converting all notes in July 2017.

As disclosed in note 25, on 13 July 2017, the Group completed the acquisition of the Century Zinc Mine. The terms of the acquisition includes project funding from MMG Australia Limited, under a Funding Deed, which is to be paid on scheduled dates with the final payment to occur on 1 July 2019. The funding that will be paid in accordance with the Funding Deed over the next 12 months, from the date of the financial report, is sufficient to cover all commitments and budgeted project costs.

Based on their assessment, the Directors believe it is appropriate to adopt the going concern basis of preparation for the financial statements and that the Group has the ability to discharge its debts as and when they fall due. This assessment that the Group has the ability to continue as a going concern is dependent on continued management of discretionary expenditure in line with the funds available to the Group.

b. Principles of Consolidation

The consolidated 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 24.

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.

Note 1: Summary of Significant Accounting Policies (continued)

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 (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss 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 year as well unused tax losses.

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

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 periods 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 consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Note 1: Summary of Significant Accounting Policies (continued)

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 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 profit or loss, 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 profit or loss.

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 reporting period;
- income and expenses are translated at average exchange rates for the period; 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 profit or loss in the period in which the operation is disposed of.

e. Cash and Cash Equivalents

Cash and cash equivalents includes 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

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 profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

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

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 repairs and maintenance are recognised as expenses in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Note 1: Summary of Significant Accounting Policies (continued)

Depreciation

Fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated commencing from the time the asset is ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Mining plant that was acquired with the acquisition of the Kodiak project is depreciated on a units of production basis. Other plant & equipment and buildings are depreciated on a straight-line basis over the asset's useful life.

Land is not depreciated.

Buildings	25 years	Mining plant	units of production
Motor vehicles	5 years	Other plant and equipment	3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

g. Intangibles other than goodwill

Trademarks, licences and logos are recognised at cost of acquisition. Trademark, licences and logos are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is calculated and determined based on case by case basis.

h. Exploration, Evaluation and Development Expenditure

All exploration and evaluation expenditure is expensed to the statement of profit or loss and other comprehensive income.

Expenditure in relation to the acquisition of a defined resource including an option to enter a mining lease is capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Note 1: Summary of Significant Accounting Policies (continued)

i. 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.

j. Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

k. 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. The expected life used in the model is been 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.

l. Trade and Other Payables

These amounts represent liabilities for goods and services 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.

m. 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.

Note 1: Summary of Significant Accounting Policies (continued)

n. 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 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 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 to the option reserve. 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.

o. 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 subsequently valued at fair value, amortised cost using the effective interest method, or cost.

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 profit or loss.

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (continued)

Fair value hierarchy

AASB 13 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:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) 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 because, while assets acquired and liabilities assumed in business combinations have been measured at their acquisition date fair values, in accordance with paragraph 18 of AASB 3, these initial measurements have formed the costs of the assets acquired and liabilities assumed for the purpose of other accounting standards.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Note 1: Summary of Significant Accounting Policies (continued)

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

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 profit or loss.

p. Revenue and Other Income

Interest revenue is recognised using the effective interest method.

q. Parent entity financial information

The financial information for the parent entity, New Century Resources Limited, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of New Century Resources Limited.

Tax consolidation legislation

New Century Resources Limited and its wholly-owned Australian controlled entity have implemented the tax consolidation legislation. The Group has applied to become consolidated tax entity.

The head entity, New Century Resources Limited, and the controlled entity 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.

Note 1: Summary of Significant Accounting Policies (continued)

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

r. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of the lease term or estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

s. Convertible notes

Compound financial instruments issued by the Group comprise convertible notes denominated in Australian dollars that can be converted to ordinary shares at any time before maturity at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

t. New and Amended Accounting Policies adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

u. New Accounting Standards for Application in Future Periods.

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 periods, are discussed below:

- *AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).*

Note 1: Summary of Significant Accounting Policies (continued)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *AASB 15: Revenue from Contracts with Customers and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).*

The Standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The potential financial impact of the adoption of AASB 15 on the Group is not yet possible to determine.

- *AASB 16 Leases (applicable for annual reporting periods commencing on or after 1 January 2019).*

This standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

The Group has decided against early adoption of these standards and interpretations.

v. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Note 2. Critical accounting judgements, estimates and assumptions

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Going concern basis

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

Impairment

The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, operating costs, future capital requirements, exploration potential, resources and reserves and operating performance. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Given the change in focus towards the Century Zinc Project during the year ended 30 June 2017, the Directors considered whether an impairment of assets relating to the Kodiak project was required. After considering various factors including sensitivities, the Directors concluded that no impairment was required on the Kodiak assets as the recoverable amount exceeded the carrying value of US $13,153,212 or $AUD17,099,859 at 30 June 2017.

Treatment of convertible notes

The change in terms of the convertible notes (Notes) in 2015 detailed in note 13 were sufficient for the extended Notes to be treated as a new convertible note and not an extension of the previous convertible notes. This led to the face value of the Notes on issue at 26 June 2015 being increased to include the interest capitalised to that date.

The new notes were valued and classified as a current liability based on the Directors' best expectation that they would be repaid within one year with a 15% redemption premium payable.

In 2016, when the Notes were extended to 26 June 2017, this was in accordance with the terms of the Notes, so the Notes were valued on the same basis with no additional amounts recognised in equity. Although Noteholders agreed during 2017 to convert all notes on completion of the Century Acquisition, with no redemption premia payable, these conversions without redemption premium were all conditional on completion of the Century Acquisition. As the Century Acquisition was not competed until July 2017, no adjustment has been made to the expected interest expense to 30 June 2017 to reflect this conversion.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. Where the equity instruments granted are performance rights that are convertible with no further consideration other than meeting non-market performance based vesting conditions, the fair value is equal to the value of the underlying share at the grant date.

Note 3. Operating segments

a. Description of Segments

The Board of Directors, which is the chief operating decision maker, has determined the operating segments based on geographical location as it reviews internal reports based on this. The Group has two reportable segments; namely, Australia and the United States of America, which are the Group’s strategic business units.

b. 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.

Intersegment transactions

Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

There are no items of revenue, expenses, assets and liabilities that are not allocated to operating segments.

c. Segment information

	Australia		United States of America		Elimination		Consolidated Group	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Finance Income								
Interest Income	11,263	20,743	4,969	703	-	-	16,232	21,446
Total Finance Income	**11,263**	**20,743**	**4,969**	**703**	**-**	**-**	**16,232**	**21,446**
Segment Result								
Loss after Income Tax	(3,373,976)	(2,264,383)	(411,136)	(1,256,909)	-	(201,125)	(3,785,112)	(3,722,417)
Assets								
Segment Assets	22,962,545	17,933,679	17,946,178	18,573,891	(17,250,736)	(16,592,239)	23,657,987	19,915,331
Liabilities								
Segment Liabilities	(19,321,251)	(16,462,339)	(26,785,911)	(21,130,768)	25,065,545	19,115,297	(21,041,617)	(18,477,810)
Other								
Depreciation and amortisation expense	(5,810)	-	(15,779)	(17,361)	-	-	(21,589)	(17,361)
Exploration and evaluation expenditure	(44,126)	-	(391,260)	(815,106)	-	-	(435,386)	(815,106)
Employee benefits – other	(48,000)	(104,945)	-	-	-	-	(48,000)	(104,945)
Professional expenses	(339,829)	(345,329)	-	-	-	-	(339,829)	(345,329)
Finance costs	(2,401,314)	(1,868,409)	-	-	-	-	(2,401,314)	(1,868,409)
Other expenses	(232,255)	(178,290)	-	-	-	-	(232,255)	(178,290)

Note 4. Loss Before Income Tax

	Consolidated	
	2017	**2016**
	$	**$**
a. Finance Income		
Interest received	16,232	21,446
Total	**16,232**	**21,446**
b. Loss before income tax includes the following specific expenses:		
Employee benefit expenses		
Wages and salaries including director fees	48,000	98,594
Other employment expenses	-	6,351
	48,000	**104,945**
Other expenses		
Listing fees	33,619	32,319
Share registry expenses	6,242	9,570
Rent expenses	82,621	41,376
Travel expenses	49,124	27,378
Insurance	20,860	20,560
Other administrative expenses	39,789	47,087
	232,255	**178,290**
Exploration and evaluation expenditure		
Definitive feasibility study costs	-	1,236
Other exploration and evaluation expenditure	435,386	813,890
	435,386	**815,106**
Finance costs		
Interest on convertible notes	2,401,310	1,868,343
Other interest expense	4	66
	2,401,314	**1,868,409**
Professional expenses		
Legal fees	62,783	73,307
Auditor's Remuneration		
- audit or review of financial report	42,009	53,428
Other professional expenses	235,037	218,594
	339,829	**345,329**

Note 5. Deferred exploration and development expenditure

Opening balance	3,053,375	2,291,577
Tenement acquisition costs during the year	346,127	1,095,022
Impairment of relinquished exploration interests	-	(398,188)
Exchange differences	(112,205)	64,964
Total	**3,287,297**	**3,053,375**

The ultimate recoupment of the deferred exploration and development expenditure is dependent upon the successful development and commercial exploration or alternatively the sale of respective areas of interest.

Capitalised acquisition costs are impaired on relinquishment of options or leases over the mineral exploration interest.

Note 6. Income Tax Benefit

a. Tax expense

The components of tax (expense)/income comprise:

	Consolidated	
	2017	2016
	$	$
Current tax	-	-
Deferred tax	-	-
Under/(over) provision in respect of prior years	-	-
	-	**-**

b. Numerical reconciliation of income tax benefit to prima facie tax payable

	2017	2016
Loss from continuing operations before income tax expense	3,785,112	3,722,417
Tax at the Australian tax rate of 30% (2016: 30%)	(1,135,534)	(1,116,725)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax effect of different tax rate of overseas subsidiaries	(41,113)	(145,803)
Share based payments expensed during the year		-
Capital raising expenditure	(99,363)	(77,925)
Interest on convertible notes expensed during the year	720,393	560,503
Other non-assessable items	261,534	215,600
Other non-deductible items	(52,886)	17,527
Income tax benefits not recognised	346,969	546,823
Income tax expense	**-**	**-**

c. Unrecognised deferred tax assets – tax losses

	2017	2016
Unused tax losses for which no deferred tax asset has been recognised	25,973,652	25,132,337
Potential tax benefit at the Australian tax rate of 30% (2016: 30%) and U.S. tax rate of 40% (2016: 40%)	**9,800,693**	**9,555,137**

The Group has Australian related tax losses for which no deferred tax asset is recognised of $5,887,679 and U.S. related revenue tax losses of $20,085,974 for which no deferred tax asset is recognised. Other than $8,093 of US tax losses that expire in 2021, these US tax losses expire between 2027 and 2037.

d. Unrecognised temporary differences

2017	**Opening balance $**	**Charged to Income $**	**Charged directly to equity $**	**Closing balance $**
Deferred tax assets				
Exchange differences	(268,249)	-	(470,961)	(739,210)
Accrued expenses	(51,166)	(25,791)	-	(76,957)
Capital raising costs	(152,398)	-	(8,299)	(160,697)
Balance not recognised as at 30 June 2017	**(471,813)**	**(25,791)**	**(479,260)**	**(976,864)**

2016	**Opening balance $**	**Charged to Income $**	**Charged directly to equity $**	**Closing balance $**
Deferred tax assets				
Exchange differences	(356,955)	-	88,706	(268,249)
Accrued expenses	(16,388)	(34,778)	-	(51,166)
Capital raising costs	(150,260)	-	(2,138)	(152,398)
Balance not recognised as at 30 June 2016	**(523,603)**	**(34,778)**	**86,568**	**(471,813)**

Note 6. Income Tax Benefit (continued)

The temporary differences and tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of those deferred tax assets as being probable. The benefit of these deferred tax assets will only be obtained if:

(1) 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;

(2) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and

(3) 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.

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2017	**2016**
	$	**$**
Cash on hand	114	116
Cash at bank	5,605,994	425,539
Cash on deposit	-	900,000
	5,606,108	**1,325,655**

The effective interest rate on cash on deposit was not applicable (2016: 2.54%).

An amount of $52,317 (2016: $140,619) was held in USD at balance date.

Note 8. Current assets - trade and other receivables

GST receivable	22,257	9,395
Other current receivable	95,658	104,711
	117,915	**114,106**

Note 9. Other current assets

Prepayments	4,835	4,243
	4,835	**4,243**

Note 10. Other financial assets

Non-current		
Deposits held as security guarantees	810,727	1,091,196
	810,727	**1,091,196**

Term deposits held as security guarantees are term deposits held for the benefit of other parties in guarantee of liabilities. They are valued at the face values of the term deposits.

Note 11. Non-current assets – property, plant and equipment

	Consolidated					
	Land	**Buildings**	**Mining Plant**	**Motor Vehicle**	**Other Plant & Equipment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
At 30 June 2017						
At cost	305,122	149,246	13,365,469	51,183	30,483	13,901,503
Accumulated depreciation	-	-	(11,751)	(47,274)	(11,373)	(70,398)
	305,122	149,246	13,353,718	3,909	19,110	13,831,105
Movements in carrying value						
Year ended 30 June 2017						
Balance 1 July 2015	316,052	154,592	13,835,833	15,538	1,346	14,323,361
Additions	-	-	-	2,197	24,353	26,550
Disposals	-	-	-	-	-	-
Exchange differences	(10,930)	(5,346)	(478,391)	(2,518)	(32)	(497,217)
Depreciation expense for the year	-	-	(3,724)	(11,308)	(6,557)	(21,589)
Balance at 30 June 2017	**305,122**	**149,246**	**13,353,718**	**3,909**	**19,110**	**13,831,105**

	Land	**Buildings**	**Mining Plant**	**Motor Vehicle**	**Other Plant & Equipment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
At 30 June 2016						
At cost	316,052	154,592	13,844,221	53,017	6,349	14,374,231
Accumulated depreciation	-	-	(8,388)	(37,479)	(5,003)	(50,870)
	316,052	154,592	13,835,833	15,538	1,346	14,323,361
Movements in carrying value						
Year ended 30 June 2016						
Balance 1 July 2015	305,599	149,479	13,383,364	22,951	20,189	13,881,582
Additions	-	-	-	2,197	-	2,197
Disposals	-	-	-	-	(18,972)	(18,972)
Exchange differences	10,453	5,113	457,871	945	1,533	475,915
Depreciation expense for the year	-	-	(5,402)	(10,555)	(1,404)	(17,361)
Balance at 30 June 2016	**316,052**	**154,592**	**13,835,833**	**15,538**	**1,346**	**14,323,361**

Note 12. Current liabilities – trade and other payables

	Consolidated	
	2017	**2016**
	$	**$**
Unsecured liabilities:		
Trade payables	201,868	217,604
Amounts payable to related party	191,450	189,000
Fund received for shares to be refunded	282,339	-
Other payables and accrued expenses	180,393	30,000
Total	**856,050**	**436,604**

Note 13. Borrowings – convertible notes

The Convertible Notes (Notes) are presented in the Consolidated Statement of Financial Position as follows:

	Consolidated	
	2017	2016
	$	$
Secured liabilities:		
Face value of Notes on issue	14,307,781	14,307,781
Accrued interest expense	4,292,334	1,891,024
Total carrying value of liability at 30 June	**18,600,115**	**16,198,805**
This liability is presented as:		
Current liability	18,600,115	16,198,805
Total carrying value of liability at 30 June	**18,600,115**	**16,198,805**

Issue of notes

On 27 June 2012, 52 12% Notes, including 15 issued to Kingslane Pty Ltd ("Kingslane"), were issued with a face value of $250,000 each, for a total face value of $13,000,000 including $3,750,000 issued to Kingslane, with convertibility subject to shareholder approval. As these Notes had not contained any conversion features at 30 June 2012, these were treated as secured debt with no equity component at 30 June 2012. Since 30 June 2012, an additional $500,000 was issued to Kingslane.

Security

The Notes are secured by a security interest over all assets of the Group's US subsidiaries. Each shareholder of Attila US LLC has pledged their interest in that company which owns 100% of Kodiak as security to the noteholders. The security is held by Kingslane Pty Ltd as agent and security Trustee under the Convertible Note Agreement.

Approval of convertibility

On 9 October 2012, shareholders approved the convertibility of 37 Convertible Notes which excluded those issued to Kingslane.

On 30 October 2012, 2 further Notes were issued to Kingslane with a face value of $250,000 each, with convertibility subject to shareholder approval.

On 30 November 2012, shareholders approved the convertibility of the 17 Convertible Notes issued to Kingslane.

A total of $715,000 of capitalised borrowing costs recognised for the year ended 30 June 2012 were expensed over the term of the initial convertible notes.

On 19 December 2012, 2 Notes for a total of $500,000 were issued and convertible from the date of 19 December 2012.

On 18 January 2013, 1 additional Note was issued for $250,000 and convertible from 18 January 2013.

On 25 June 2013, 1 Note was converted to 500,000 ordinary shares.

Initial recognition

The Notes were valued at initial recognition based on the difference between the face value of the Notes and the present value of the liability component at a market yield of 14% - the rate that could be earned on a similar debt instrument without the conversion feature. The value of the equity component is the residual difference between the liability component calculated without the conversion feature and the face value of the Notes. (note 16(c))

Extension of term

On 26 June 2015, remaining noteholders agreed to extend the term of the Notes for up to two years with the expiry date now 26 June 2016, or 26 June 2017 at the election of the Company. Payment of interest on the notes is deferred until redemption. Interest expense to 26 June 2015 of $837,699 was capitalised and included in the face value of the notes.

Note 13. Borrowings – convertible notes (continued)

In place of interest, a "Redemption Premium" is payable as follows:

(a) during the period from 26 June 2015 to 26 June 2016: 15% of the total amount owing under each note; or

(b) during the period from 26 June 2016 to 26 June 2017 (if the Company elects to extend the Maturity Date): 30% of the total amount owing under each note.

If the notes are not converted into shares on or before the Maturity Date, the Redemption Premium must be paid by the Company: 50% in cash and 50% in shares (at a share price of 85% of the volume weighted average price of shares in the Company on ASX over the 20 trading days immediately preceding the payment date).

If the Notes are converted on or before the Maturity Date, at the noteholders' option, the Redemption Premium will convert into shares at the Conversion Price. The conversion price was adjusted to $0.20 per share following shareholder approval on 30 November 2015.

The change in terms of the Notes on 26 June 2015 was sufficient to constitute new Notes, for accounting purposes, with the terms detailed. The face value of the new Notes of $14,837,699 is the original $14,000,000 subscription amount for the previous Notes plus $837,699 of capitalised interest that would have been payable on 26 June 2015 on the previous Notes. The new Notes were valued and classified as a current liability based on the Directors' best expectation that they would be repaid within one year with a 15% redemption premium payable. Unamortised capitalised transaction costs of $229,682 were expensed at 26 June 2015.

The new Notes were valued at initial recognition based on the difference between the face value of the Notes and the present value of the liability component at a market yield of 15% - the rate that could be earned on a similar debt instrument without the conversion feature. The nil value of the equity component was calculated as the residual difference between the liability component calculated without the conversion feature and the face value of the Notes.

During 2016, 2 Notes with a total face value of $529,918 were converted to a total 2,649,590 shares at the conversion price of $0.20 per share.

In 2016, the Company elected to extend the Maturity Date of remaining notes to 26 June 2017. To reflect this extension in maturity date, the notes are valued at 30 June 2017 as the $18,600,115 that would have been payable on redemption of the remaining notes on 26 June 2017, including the 30% redemption premium. Although all Notes were converted on 13 July 2017 following completion of the Century Acquisition, with no redemption premium paid, this conversion was subject to completion of the Century Acquisition that was not certain as at 30 June 2017. Consequently, the carrying value of the Notes at 30 June 2017 has not been adjusted to reflect the conversion without the redemption premium being paid.

Notes and future interest coupon payments are classified as current when the liabilities are due to be settled within 12 months of the balance date.

Note 14. Provisions

	Consolidated	
	2017	**2016**
	$	**$**
Current provision for annual leave		
Balance at 1 July	-	18,531
Movement for the year	-	(18,531)
Balance at 30 June	**-**	**-**
Non-current provision for mine site restoration:		
Balance at 1 July	1,045,835	1,011,246
Movement for the year	(287,592)	-
Exchange differences	(18,712)	34,589
Balance at 30 June	**739,531**	**1,045,835**

A provision has been recognised for the costs to be incurred for the restoration of the mining site at Kodiak Coking Coal Project, Alabama.

Note 15. Other payables

	Consolidated 2017 $	2016 $
Present value of expected amount payable for Gurnee lease	845,921	796,566
	845,921	**796,566**

As detailed in note 22, the Group has agreed to pay $US750,000 (AUD$1,009,965) on 26 December 2018 or earlier in the event of:

- Sale of coal mined from the area of the Gurnee lease;
- Sale, transfer or assignment of the lease; or
- Sale, transfer or assignment of Kodiak Mining Company LLC, the subsidiary of the Group that is the party to the lease.

This has been recognised as a non-current liability of the group and valued at the future amount payable of $US750,000 (AUD$975,039), discounted at a market interest rate of 10%pa from the expected payment date of 26 December 2018 back to the year end date of 30 June 2017.

Note 16. Issued capital

	Consolidated 2017 $	2016 $
189,852,519 (2016: 186,519,186) fully paid ordinary shares	26,765,051	26,310,954
	26,765,051	26,310,954
Funds received for shares to be issued	5,089,834	-
	5,089,834	-
Nil (2016: nil) fully paid ordinary shares to be issued	-	-
Shares to be issued recognised as a share based payment	-	-
Other equity securities (note 16(b))	404,548	404,548
	32,259,433	**26,715,502**

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.

Note 16. Issued capital (continued)

Issue of ordinary shares and other equity instruments during the year

	Consolidated			
	2017		2016	
	Number of shares	$	Number of shares	$
Opening balance	**186,519,186**	**26,715,502**	**86,934,798**	**24,315,800**
Shares expected to be issued due to short term bonus payment that was committed to on 25 June 2015, but reversed in 2016	-	-	-	(36,000)
Shares issued 7 January 2016 @ $0.02 per share following a rights issue	-	-	41,455,622	829,112
Shares issued 3 February 2016 @ $0.20 per share on conversion of convertible note	-	-	1,324,795	264,959
Shares issued 24 February 2016 @ $0.20 per share on conversion of convertible note	-	-	1,324,795	264,959
Shares issued 1 March 2016 @ $0.02 for shortfall of rights issue	-	-	45,479,176	909,584
Shares issued 1 March 2016 @ $0.02 in placement	-	-	10,000,000	200,000
Shares issued 2 May 2017 @ $0.15 in placement	3,333,333	500,000	-	-
Funds received for shares to be issued	-	5,089,834	-	-
Costs arising of issue	-	(45,903)	-	(32,912)
	189,852,519	**32,259,433**	**186,519,186**	**26,715,502**

On 25 June 2015 the Group committed to pay a short term bonus payment to the previous Chief Executive Officer (CEO) of $36,000. This amount was payable by the Company at the CEO's election as either:

(a) cash, subject to the Company completing a fundraising of no less than $2,000,000; or

(b) shares, with the deemed issue price being equal to the issue price of the most recent capital raising undertaken by the Company.

The Group expected to settle this liability through the issue of shares. Subsequent to 30 June 2015, the former CEO agreed to receive a cash payment of $20,000 in lieu of the previously agreed $36,000 in shares. Consequently, the previously recognised $36,000 of shares to be issued was reversed at 30 June 2016.

Options over ordinary shares

As at 30 June 2017, there were nil (2016: 1,500,000) unlisted options over ordinary shares in the Company. The fair value of unlisted options granted for nil consideration during the year ended 30 June 2017 was nil (2016: nil). 1,500,000 unlisted share options expired on 11 March 2017 without being exercised.

As at 30 June 2017, there were nil (2016: nil) listed options over ordinary shares in the Company.

Each option entitled the holder to subscribe for one share upon exercise of each option.

Total options on issue by the Company as at 30 June 2017 are nil (2016: 1,500,000). The weighted average contractual life is nil years (2016: 0.70 years). The weighted average exercise price is nil (2016: $0.63).

Note 16. Issued capital (continued)

a. 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 year.

b. Other equity securities

	Consolidated	
	2017	**2016**
	$	**$**
Opening balance (value of equity component of convertible notes – refer to note 13)	404,548	404,548
Total	**404,548**	**404,548**

Note 17. Reserves

	Consolidated	
	2017	**2016**
	$	**$**
Options reserve	3,196,536	3,196,536
Foreign currency translation	3,472,908	4,052,878
	6,669,444	**7,249,414**

Movements		
Options reserve		
Opening balance	3,196,536	3,180,536
Share based payment reclassified from shares to be issued on renegotiation of bonus payment for CEO from $36,000 in shares to be issued, to $20,000 in cash.	-	16,000
Balance as at 30 June	**3,196,536**	**3,196,536**

The Options reserve records items recognised as expenses on valuation of employee share options and options issued to external parties.

Exchange differences on translation of foreign controlled entities		
Opening balance	4,052,878	3,502,537
Foreign currency translation	(579,970)	550,341
Balance as at 30 June	**3,472,908**	**4,052,878**

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

Note 17. Reserves (continued)

All US subsidiaries have a functional currency of $US. At 30 June 2017, the US subsidiaries had net assets, exclusive of intragroup balances, of $US12,510,732 or $AUD16,264,602 (2016: $US12,296,283 or $AUD16,558,420) at the 2017 year end AUD:USD foreign exchange rate of 0.7692 (2016: 0.7426). In 2017, the net assets of US subsidiaries excluding intragroup balances decreased by $AUD293,818 (2016: increased by $AUD445,605) after functional currency translation. Without functional currency translation, this would have been an increase of $US214,650 or $AUD284,493 at the average AUD:USD foreign exchange rate for the year of 0.7545 (2016: decrease of $US78,359 or $AUD107,592 at the average AUD:USD foreign exchange rate for the year of 0.7283). Other movements in the foreign currency translation reserve are due to revenue and expense balances being translated at the average exchange rate for the year while equity items are never revalued after initial recognition.

Note 18. Financial instruments

Financial Risk Management

The Group’s principal financial instruments are cash, receivables, deposits held as security guarantees, and payables (including convertible notes).

Overview

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

- liquidity risk
- credit risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group’s exposure to each of the above risks.

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.

	Consolidated	
	2017	**2016**
	$	**$**
Financial Assets		
Cash and cash equivalents	5,606,108	1,325,655
Trade and other receivables	117,915	114,106
Non current other financial assets	810,727	1,091,196
	6,534,750	**2,530,957**
Financial Liabilities		
Trade and other payables	856,050	436,604
Current convertible notes	18,600,115	16,198,805
Other payables	845,921	796,566
	20,302,086	**17,431,975**

Non current other financial assets of $810,727 (2016: $1,091,196) consist of security deposits of $73,105 (2016: $40,000) plus an environmental bond of USD$563,630 or AUD$737,622 (2016: $1,051,196).

Note 18. Financial instruments (continued)

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 Group had funding through convertible notes of $18,600,115 (2016: $16,198,805) at balance date which were all converted in July 2017. The completion of the Century Mine transaction in July 2017 and completion of the associated capital raising, both detailed in note 25, provided ongoing funding liquidity following conversion of the convertible notes. The Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk. Refer to note 1(a) Going concern for further details of liquidity risk management.

The Group has access to a credit card facility totalling $40,000 (2016: $40,000). The credit card facility may be drawn at any time and may be terminated by the bank without notice.

The following are the contractual maturities of financial liabilities:

At 30 June 2017			**Consolidated**		
Non derivative financial liabilities:	**Carrying Amount**	**Under 6 Months**	**6 – 12 Months**	**1 - 2 years**	**2 – 5 years**
Trade and other payables (note 12)	856,050	751,649	-	-	-
Convertible notes (note 13)	18,600,115	18,600,115	-	-	-
Other payables (note 15)	845,921	-	-	845,921	-
	20,302,086	**19,351,764**	**-**	**845,921**	**-**

At 30 June 2016			**Consolidated**		
Non derivative financial liabilities:	**Carrying Amount**	**Under 6 Months**	**6 – 12 Months**	**1 - 2 years**	**2 – 5 years**
Trade and other payables (note 12)	436,604	436,604	-	-	-
Convertible notes (note 13)	16,198,805	-	18,600,115	-	-
Other payables (note 15)	796,566	-	-	1,009,965	-
	17,431,975	**436,604**	**18,600,115**	**1,009,965**	**-**

The conversion and conversion period of the Notes into ordinary shares of the parent entity were approved by the Company's shareholders at a General Meeting held on 9 October 2012. The convertible notes on issue at 30 June 2017 were all converted by shareholders in July 2017.

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 the security provided to the convertible noteholders whereby each shareholder of Attila US LLC has pledged their interest in that company which owns 100% of Kodiak as security to the noteholders.

Note 18. Financial instruments (continued)

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:

2017	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
	%	$	$	$	$	$
Financial Asset						
Cash and cash equivalents	0.43	4,037,690	-	-	1,568,418	5,606,108
Trade and other receivables	-	-	-	-	117,915	117,915
Non current other financial assets	0.27	-	73,105	-	737,622	810,727
Financial Liabilities						
Trade and other payables	-	-	-	-	(856,050)	(856,050)
Convertible Notes	15	-	(18,600,115)	-	-	(18,600,115)
Other payables	10	-	-	(845,921)	-	(845,921)
Net Financial Assets		**4,037,690**	**(18,527,010)**	**(845,921)**	**1,567,905**	**(13,767,336)**

2016	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
	%	$	$	$	$	$
Financial Asset						
Cash and cash equivalents	1.93	281,086	900,000	-	144,569	1,325,655
Trade and other receivables	-	-	-	-	114,106	114,106
Non current other financial assets	0.17	-	40,000	1,051,196	-	1,091,196
Financial Liabilities						
Trade and other payables	-	-	-	-	(436,604)	(436,604)
Convertible Notes	15.00	-	(16,198,805)	-	-	(16,198,805)
Other payables	10.00	-	-	(796,566)	-	(796,566)
Net Financial Assets		**281,086**	**(15,258,805)**	**254,630**	**(177,929)**	**(14,901,018)**

Note 18. Financial instruments (continued)

The following tables summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk:

2017		**-1%**		**+1%**	
	Carrying Amount	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Cash and cash equivalents	5,606,108	(40,377)	(40,377)	40,377	40,377
Trade and other receivables	117,915	-	-	-	-
Non-current other financial assets	810,727	(731)	(731)	731	731
Trade and other payables	(856,050)	-	-	-	-
Convertible Notes	(18,600,115)	-	-	-	-
Other payables	(845,921)	-	-	-	-
Total increase/(decrease)	**(13,767,336)**	**(41,108)**	**(41,108)**	**41,108**	**41,108**

2016		**-1%**		**+1%**	
	Carrying Amount	**Profit**	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**	**$**
Cash and cash equivalents	1,325,655	(11,811)	(11,811)	11,811	11,811
Trade and other receivables	114,106	-	-	-	-
Non-current other financial assets	1,091,196	(400)	(400)	400	400
Trade and other payables	(436,604)	-	-	-	-
Convertible Notes	(16,198,805)	-	-	-	-
Other payables	(796,566)	-	-	-	-
Total increase/(decrease)	**(14,901,018)**	**(12,211)**	**(12,211)**	**12,211**	**12,211**

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.

With instruments being held by overseas operations, fluctuations in the US dollar may impact on the Group's financial results unless those exposures are appropriately hedged. The Group does not currently have any foreign currency hedging facility in place.

Note 18. Financial instruments (continued)

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the presentation currency.

2017	Net Financial Assets/(Liabilities) in $AUD	
	USD	**Total**
Consolidated Group	66,955	66,955

2016	Net Financial Assets/(Liabilities) in $AUD	
	USD	**Total**
Consolidated Group	320,599	320,599

In respect of the above USD foreign currency risk exposure in existence at the balance sheet date a sensitivity of -10% lower and 10% higher has been applied. With all other variables held constant, post tax loss and equity would have been affected as follows:

AUD $6,695 loss; AUD $6,695 gain (2016: AUD $32,060 loss; AUD $32,060 gain).

Financial risk management objectives

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, ageing analysis for credit risk and beta analysis 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. The convertible notes are valued using an income approach using level 3 inputs.

Note 19. Interests of Key Management Personnel

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 key management personnel (KMP) for the year ended 30 June 2017.

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

	Short-Term Benefits	**Post Employment Benefits**	**Termination Payments**	**Share-Based Payments**	**Total KMP Compensation**
	$	**$**	**$**	**$**	**$**
2017 Total	78,000	-	-	-	78,000
2016 Total	128,594	6,352	20,000	(20,000)	134,946

Other KMP Transactions

For details of other transactions with KMP, refer to Note 23 Related Party Transactions and Balances.

Note 20. Remuneration of auditors

	Consolidated	
	2017	2016
	$	$
Remuneration of the auditors for:		
- Audit or review of the financial report	36,018	-
Remuneration of previous auditors for:		
- Audit or review of the financial report	5,991	53,428
Total	**42,009**	**53,428**

Note 21. Contingent Liabilities and Contingent Assets

The Group has no outstanding contingent assets or contingent liabilities at 30 June 2017, other than:

- A statement of claim received by the Group during 2013 filed at the Circuit Court of Shelby County, Alabama relating to an alleged unfair dismissal claim by Mr Don Brown. The claim is for approximately US$1,000,000. The Company intends to defend this matter and the Directors are of the opinion that the claim can be successfully defended. Accordingly, no liability has been recorded in relation to this matter.

- The Company agreed to guarantee the obligations of Century Mine Rehabilitation Pty Ltd under various agreements, pending the completion of the Century Zinc Mine acquisition that occurred on 13 July 2017.

Note 22. Commitments

Milestone Agreements

In December 2012, New Century Resources Limited entered into formal consultancy agreements with its project partner, TBL Metallurgical Resources, and its key personnel in relation to the Kodiak Coking Coal Project. In addition to the provision of key services to ensure the success of the Kodiak Coking Coal Project, the agreements provide for milestone payments of up to US$1 million each upon the achievement of key milestones linked to the Kodiak Coking Coal Project. The maximum outstanding amount payable for these milestones is US$3 million. The outstanding milestones include the Group releasing a definitive feasibility study, the commencement of mining and washing of coal from the Kodiak Project and also annualised production of 250,000 saleable tonnes of hard coking coal from the Seymour or Gurnee Properties.

Gurnee Property

In the year ended 30 June 2012, the Group acquired, through its 70% owned subsidiary, Kodiak Mining Company LLC, an option over a coal lease for the Atkins and Coke coal beds at the Gurnee Property. This option was exercised on 27 December 2012.

The resulting agreement to lease the underground mining rights to Atkins and Coke coal beds created the following outstanding commitments:

- Term of the lease: 3 year rolling terms until exhaustion of any discovered coal reserves subject to certain minimum production milestones per 3 year term; and
- Royalty of 8% on net coal sales with a minimum monthly payment of US$15,000 (AUD$19,501) per month commencing in December 2014. The minimum royalty payments will be offset against future actual production royalty payments.

Note 22. Commitments (continued)

This lease was extended to 26 December 2018 in consideration for the Group agreeing to pay $US750,000 (AUD$975,039) on 26 December 2018 or earlier in the event of:

- Sale of coal mined from the leased area;
- Sale, transfer or assignment of the lease; or
- Sale, transfer or assignment of Kodiak Mining Company LLC, the subsidiary of the Group that is the party to the lease.

This agreement to pay $US750,000 (AUD$975,039) has been recognised as a noncurrent liability of the group as detailed in note 15.

Project X – Gholson and Clark Coal Seams Lease

On 23 September 2013, the Group announced that its 70% owned subsidiary, Kodiak Mining Company, had entered into a lease agreement with RGGS to mine the Gholson and Clark coal seams at an area known as Project X, which is also located on the Company's Gurnee Property.

The key terms for the acquisition of Project X, which incorporates the Gholson and Clarke seams are as follows:

- Upfront leasing fee of US$25,000 paid in 2014;
- Term of the lease has been revised to be until 22 August 2019; and
- Royalty of 8% on net coal sales at mine gate with a minimum monthly royalty of $US3,000 (AUD$3,900) from August 2014 to January 2016. This Minimum royalty payment reduced to $US1,000 (AUD$1,300) from February 2016 to August 2016, before increasing to $US2,000 (AUD$2,600) per month from September 2016 until expiry on 22 August 2019. Minimum royalty payments cannot be offset against future actual production royalty payments.

Century Zinc Mine Acquisition

During the year, the Company executed a binding earn-in agreement to earn 100% of Century Mine Rehabilitation Project Pty Ltd (CMRP), a wholly owned subsidiary of Century Bull Pty Ltd (Century Bull), via:

- Initial 70% of CMRP (transferred up front) in consideration for:
    - the issue of 30M unquoted options in New Century Resources Limited with an exercise price of $0.25 each and expiring 5 years from the date of issue to Century Bull or its nominees;
    - a 2% net smelter royalty from operations; and
    - a commitment to sole fund project expenditure of $10M for first three years.
- Following expenditure of the $10M, an option to acquire the remaining 30% based on an agreed New Century Resources Limited enterprise value formula, being 30% of the fully diluted enterprise value of New Century Resources Limited, to be paid at New Century Resources Limited's sole election in any combination of cash (if permitted by the Listing Rules applicable at the time) and New Century Resources Limited shares subject to requisite shareholder approval.

Completion of this acquisition was subject to New Century Resources Limited shareholder approval, which was given on 31 May 2017, and regulatory approvals, which were finalised on 13 July 2017. Mr Evan Cranston, a director of New Century Resources Limited, is a 25% shareholder in Century Bull.

CMRP owns 100% of the Century Zinc Mine and associated infrastructure, following agreements with MMG Limited (MMG) for the acquisition of the relevant MMG Australian subsidiaries which hold the Century assets. The Century assets include:

- All MLs and the EPM associated with the Century mine site;
- All site infrastructure including processing plant, mining camp and airport;
- The slurry pipeline, Karumba Port Facility and M.V. Wunma Transhipment Vessel; and
- A 49% interest in the Lawn Hill & Riversleigh Pastoral Holding Company.

Note 22. Commitments (continued)

As part of the transaction with MMG, CMRP also acquired:

- $34.5M in progressive cash payments to assist with ongoing rehabilitation and care and maintenance activities for the site;
- $12.1M in cash, administered by an independent trust, to assist with remaining obligations contained in the Gulf Communities Agreement and agreed community projects for the benefit of Lower Gulf communities; and
- An agreement with MMG to procure and stand behind the existing provision of bank guarantees of $193.7M for the benefit of Century to meet its financial assurance obligation with the Queensland Government for a period of 10 years through to 31 December 2026, which is to be progressively replaced via profits from operations.

Other commitments due within 1 year

	Consolidated	
	2017	**2016**
	$	**$**
Operating lease of serviced office premises	71,492	30,000
Professional fees	37,500	37,500
Executive fees	120,000	2,000
US Consultants	19,028	11,166
Total	**248,020**	**80,666**

Note 23. Related party transactions and balances

The Group's main related entities are key management personnel and Kingslane Pty Ltd (and its associated entities). Key management personnel 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 key management personnel see note 19.

Kingslane Pty Ltd and associated entities (Kingslane) is a substantial shareholder in the Company and held 22,090,028 (2016: 22,090,028) ordinary shares in the Company at 30 June 2017. Entities controlled by Kingslane also:

- Held a 10% non-controlling interest in the Kodiak project and Kodiak Mining Company LLC through a non-controlling shareholding in 70% owned Attila Resources US LLC;
- held Notes with face values of $4,504,301 (2016: $4,504,301) convertible into 22,521,506 (2016: 22,521,506) shares, that were recognised as a current liability of $5,855,592 (2016: current liability of $5,099,624) at 30 June 2017. Interest of nil (2016: $nil) was paid on these Notes during the year through the issue of nil (2016: nil) ordinary shares.
- Received $60,000 (2016: $39,000) during the year for office rent.

Evan Cranston is a director of Konkera Corporate. Konkera Corporate received $120,000 (2016: $120,000) during the year for administrative, bookkeeping and accounting services. The company secretarial fees of $30,000 (2016: $30,000) for Oonagh Malone and Director fees of $24,000 (2016: $24,000) for Evan Cranston were also payable to Konkera Corporate. $48,000 was outstanding to Konkera for director fees at 30 June 2017.

Mr Bryn Hardcastle is a director of Bellanhouse which provided legal services totalling $179,049 (2016: $72,000) in the financial year ended 30 June 2017. $112,100 was outstanding to Bellanhouse at 30 June 2017 (2016: $165,000).

All related party transactions are on normal arms' length terms.

Note 24. Controlled entities

a. Information about Principal Subsidiaries

The information presented in this note is presented here in accordance with AASB 12.

Set out below are the Group's subsidiaries at 30 June 2017. 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	
		2017	2016	2017	2016
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%

*Indirect Holdings

Summarised Financial Information of Subsidiaries with Material Non-controlling Interests

The 30% non-controlling interests in Attila Resources US LLC and Kodiak Mining Company LLC (Kodiak) had nil value at the date of acquisition because the value at the date of acquisition of the business combination was calculated by deducting New Century Resources Limited's convertible note liability from the fair value of the Kodiak minority shareholders' proportionate interests in the net assets of Kodiak. This is because the convertible note is secured by the members of Kodiak in proportion with each members' interest in the shares of Kodiak.

In accordance with the agreements with the Kodiak minority shareholders, subsequent to acquisition, all funding towards the feasibility study and operations of Kodiak is to be funded and borne by New Century Resources Limited resulting in a free carry for the non-controlling interests until a decision to mine is made. Once a decision to mine is made capital contributions made by New Century Resources Limited will be refunded in priority to normal equity distributions to Kodiak equity holders. New Century Resources Limited considers that this is an arrangement to share profits (losses) in a manner other than in proportion to their ownership interests. Accordingly, New Century Resources Limited has reflected this profit-sharing arrangement when attributing the profit or loss and OCI of Kodiak, resulting in the non-controlling interest being carried at nil value.

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

	Kodiak	
Summarised Financial Position before intra-group eliminations	**2017**	**2016**
	$	**$**
Current assets	166,407	145,161
Non-current assets	17,837,482	18,443,639
Current liabilities	(23,394,654)	(23,260,907)
Non-current liabilities	(1,487,016)	(1,842,400)
Net Assets	**(6,877,781)**	**(6,514,507)**
Carrying amount of non-controlling interests	**-**	**-**

The non-current assets and non-current liabilities of Kodiak include a secured deposit of $737,622 (30 June 2016: $1,051,196) that is security against a non-current reclamation liability of $739,531 (30 June 2016: $1,045,835). The nature of this non-current reclamation liability significantly restricts the Group's ability to access the secured deposit for the purpose of meeting other liabilities of the Group.

Note 24. Controlled entities (continued)

The current liabilities of Kodiak also include intra-group loan balances totaling $23,142,491 (30 June 2016: $23,072,129). These intra-group loan balances are unsecured and at call, so consequently considered current.

Although the functional currency of Kodiak is United States dollars and the presentation currency of the Group is Australian dollars, there are no foreign currency translation reserve movements recognised in other comprehensive income of Kodiak as foreign currency translation reserve movements only arise on consolidation.

	Kodiak	
Summarised Financial Performance before intra-group eliminations	**2017**	**2016**
	$	**$**
Revenue	-	-
Loss before income tax	(402,069)	(1,245,034)
Income tax expense/income		-
Post-tax loss from continuing operations	(402,069)	(1,245,034)
Post-tax loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	**(402,069)**	**(1,245,034)**
Profit/(loss) attributable to non-controlling interests	-	-
Distributions paid to non-controlling interests	-	-

Summarised Cash Flow Information before intra-group eliminations	**2017**	**2016**
	$	**$**
Net cash from/(used in) operating activities	(699,458)	(848,599)
Net cash from/(used in) investing activities	19,865	(280,518)
Net cash from/(used in) financing activities	885,144	1,136,846
Cash and Cash Equivalents at End of Year	**52,317**	**46,457**

Kodiak's net cash from financing activities for both 2017 and 2016 solely comprised movements in intra-group loan account balances.

Note 25. Events occurring after reporting period

On 13 July 2017, the Group completed the acquisition of the Century Zinc Mine with key actions occurring on completion as follows:

- The Century Zinc Mine acquisition commitment, as detailed in note 22, was finalised.
- 34,333,333 ordinary shares at a share price of $0.15 per share to raise $5,150,000 before costs were issued.
- 71,538,898 ordinary shares at a share price of $0.20 per share were issued on conversion of all outstanding convertible notes as detailed in note 13. This extinguished the $18,600,115 liability for consideration with a value of $14,307,781, as no redemption premium was payable. The consequent gain of $4,292,334 is recognisable in the year ended 30 June 2018.
- 30,000,000 unquoted share options exercisable at $0.25 each and expiring on 13 July 2022 were issued in partial consideration for the Century Zinc Mine.
- 42,000,000 unquoted share options exercisable at exercise prices ranging from $0.25 to $1.00 and expiring on 13 July 2021 or 13 July 2022 were issued to directors.
- 8,500,000 unquoted employee share options exercisable at $0.25 each and expiring on 13 July 2022 were issued.
- Mr Patrick Walta, Mr (Ernest) Tom Eadie, and Mr Tolga Kumova were appointed directors of the Company while Ms Oonagh Malone resigned from the position as a director.

Note 25. Events occurring after reporting period (continued)

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the result of these operations, or the state of the affairs of the Group in future financial year.

Note 26. Cash-flow information

a. Reconciliation of cashflow from operations with loss after income tax

	Consolidated	
	2017	**2016**
	$	**$**
Loss after income tax	(3,785,112)	(3,722,417)
Non-cashflows in loss:		
Depreciation and amortisation	21,589	17,361
Impairment of intangibles	3,395	-
Impairment of exploration interests	-	398,188
Loss on disposal of property, plant and equipment	-	15,080
Changes in assets and liabilities net of effects of purchase of subsidiaries:		
(Increase) in trade and other receivables	(3,809)	(78,232)
(Increase)/ decrease in prepayments	(592)	4,475
Increase in trade and other payables	93,597	69,931
Increase in borrowings due to accrued interest payable and expensing of capitalised borrowing costs	2,401,310	1,868,343
Decrease in provisions	(287,592)	(18,531)
Exchange differences	(3,676)	(30,219)
Net cash used in operating activities	**(1,560,890)**	**(1,476,021)**

b. Acquisition of subsidiaries

No subsidiary or business combination was acquired in 2017 or 2016.

c. Non cash financing and investing activities

The Group did not have any non-cash financing and investing activities during the year ended 30 June 2017 (2016:nil) except as disclosed in note 16 related to the issue of ordinary shares as a result of conversion of notes.

Note 27. Earnings per share

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

	Consolidated	
	2017	**2016**
	$	**$**
Basic / dilutive earnings per share		
Basic loss per share (cents per share)	(2.02)	(2.27)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	187,057,999	164,033,002
Net loss used in the calculation of basic earnings per share	**(3,785,112)**	**(3,722,417)**

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.

Note 27. Earnings per share (continued)

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

Note 28. Share Based Payments

Options

No options were granted in 2017 or 2016. No amounts were recognised over the vesting periods for previously granted share based payments in 2017 or 2016.

The total share based payment expense for options during the year ended 30 June 2017 was $nil (2016: $nil).

The Company established an Employee Share Option Plan on 6 December 2010 as a long-term incentive to recognise talent and motivate employees and consultant to strive for Group performance. The options are granted at the sole discretion of the Board for no consideration and carry no entitlements to voting rights or dividends of the Group. The Board, in its discretion, determine the strike price of the options and may apply vesting conditions. On resignation from the Group, the optionholder has 30 days to exercise or forfeit the options. On termination without cause, the optionholder has six months to exercise or forfeit the options.

A summary of the movements of options issued as share-based payments is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2015	11,250,000	1.0899
Granted	-	-
Forfeited	(1,500,000)	0.5655
Exercised	-	-
Expired	(8,250,000)	1.2682
Options outstanding as at 30 June 2016	1,500,000	0.6341
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	(1,500,000)	0.6341
Options outstanding as at 30 June 2017	-	-
Options exercisable as at 30 June 2017	-	-
Options exercisable as at 30 June 2016	1,500,000	0.6341

The weighted average remaining contractual life of options outstanding at year end was 0.70 years.

The fair value of options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was nil (2016: nil).

Performance Rights

There were no performance rights on issue in 2017 or 2016.

Note 29. 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	**Parent entity**	
	2017	**2016**
	$	**$**
Assets		
Current assets	5,581,371	1,298,315
Non current assets	17,381,174	16,635,364
Total Assets	**22,962,545**	**17,933,679**
Liabilities		
Current liabilities	19,321,251	16,462,339
Non current liabilities	-	-
Total Liabilities	**19,321,251**	**16,462,339**
Net Assets	**3,641,294**	**1,471,340**
Equity		
Issued capital	32,259,433	26,715,502
Reserves	3,196,536	3,196,536
Accumulated losses	(31,814,675)	(28,440,699)
Total Equity	**3,641,294**	**1,471,339**
Statement of Profit or Loss and Comprehensive Income		
Total loss	(3,373,976)	(2,264,383)
Total comprehensive loss	**(3,373,976)**	**(2,264,383)**

Guarantees

There are no guarantees entered into by the parent entity in the financial year ended 30 June 2017 in relation to the debt of a subsidiary.

Contingent Liabilities

The Company has been named as a part of a group that received a statement of claim filed at the Circuit Court of Shelby County, Alabama relating to an alleged unfair dismissal claim by Mr Don Brown. As detailed in Note 21, the Company intends to defend this matter.

As detailed in note 21, the Company agreed to guarantee the obligations of Century Mine Rehabilitation Pty Ltd under various agreements, pending the completion of the Century Zinc Mine acquisition that occurred on 13 July 2017.

Contractual commitments

At 30 June 2017, New Century Resources Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment except as described in note 22 for the Century Zinc Mine acquisition (2016: nil).

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 15 to 54 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 2017 and of the performance for the year ended on that date of the company and consolidated group;

2. in the Directors' opinion there are reasonable grounds to believe that the Company 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 2017.

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

Evan Cranston
Executive Chairman

Dated this 28th day of September 2017

Bentleys
THINKING AHEAD

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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 2017, 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 the directors' declaration.

In our opinion:

a. 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 2017 and of its financial performance for the year then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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 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 of 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 our audit addressed the key audit matter
Exploration and evaluation expenditure	

As disclosed in note 5 to the financial statements, as at 30 June 2017, the Group's capitalised exploration and evaluation expenditure was carried at $3,287,297.
 	
The recognition and recoverability of the exploration and evaluation expenditure was considered a key audit matter due to:
 	
- The carrying value represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest the carrying amount of this asset may exceed the recoverable amount; and
- Determining whether impairment indicators exist involves significant judgement by management
	Our audit procedures included but were not limited to:
	
	- Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 *Exploration and Evaluation of Mineral Resources* ("AASB 6");
	- Assessing the Group's rights to tenure for a sample of tenements;
	- Testing the Group's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of AASB 6;
	- By testing the status of the Group's tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs:
	  - The licenses for the rights to explore expiring in the near future or are not expected to be renewed;
	  - Substantive expenditure for further exploration in the area of interest is not budgeted or planned;
	  - Decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and

Key Audit Matter	How our audit addressed the key audit matter
	- Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale. - We also assessed the appropriateness of the related disclosures in note 5 to the financial statements.
Recoverability of Property, Plant and Equipment	
The Company has property, plant and equipment with aggregate carrying values of $13,831,105 as at 30 June 2017. Property, plant and equipment are considered to be a key audit matter due to the carrying value represents a significant asset of the Group.	Our procedures amongst others included: - Assessing the Group's method for determining the carrying amount of Property, Plant and Equipment; - Evaluating management's assessment as to whether indicators of impairment had occurred; and - Assessing the adequacy of the disclosures included in Note 11 to the financial statements
Accounting for convertible notes	
As disclosed in note 13 to the financial statements, the Company has significant amount of outstanding convertible note as at 30 June 2017 was $18,600,115. Convertible notes are considered to be a key audit matter due to the complexities involved in the recognition and measurement of these instruments.	Our procedures amongst others included: - Verifying amounts, interest rate and maturity date to the debt agreement and examined terms and conditions of the notes; - Assessing the accuracy of historical financial information, examined the mathematical accuracy of calculations, evaluated the valuation technique applied and approach used and evaluated the assumptions used to calculate discount rate; - Verifying the outstanding monies to be converted into shares subsequent to year end to signed conversion notice; and - Assessing the adequacy of the disclosures included in Note 13 to the financial statements.

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 2017, 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 accordingly 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 Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability 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 or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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.

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, related safeguards.

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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of New Century Resources Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Director

Dated at Perth this 28th day of September 2017