

Regulated Information

Outcome of the Smelting Strategic Review and update on the Port Pirie Redevelopment

29 October 2013

HIGHLIGHTS

- Nyrstar's industrial footprint of mining and smelting assets provides an unique opportunity to capture non-realised value and deliver its strategic mission
- Requires investments in the Metals Processing segment through:
 - The Port Pirie Redevelopment which will convert the primary lead smelter into an advanced metals recovery and refining facility, and;
 - Across the zinc smelting network through a Metals Processing Transformation, as defined through the Smelting Strategic Review
- Investments have a compelling business case:
 - Port Pirie Redevelopment: capital investment of approximately EUR 270 million expected to generate a post-tax IRR of 25-30%¹, using internal economic assumptions; and
 - Metals Processing Transformation (in addition to Port Pirie Redevelopment): capital investment of approximately EUR 280 million (approximately 25 projects) expected to generate a post-tax IRR of 25-30%², using internal economic assumptions
- Aligned with Marketing, Sourcing and Sales strategy
- Innovative financing and support package in place for the Port Pirie Redevelopment and assessing funding options for the Metals Processing Transformation

Nyrstar today announced that it has completed the Smelting Strategic Review ("SSR") and the pre-feasibility study of the proposed Port Pirie Redevelopment ("Redevelopment"). The SSR has identified an attractive portfolio of investments in multi-metals recovery and an overall Metals Processing Transformation ("Transformation") blueprint that provides a unique and compelling business case. The redevelopment of the Port Pirie primary lead smelter (South Australia) into an advanced metals recovery and refining facility is expected to fundamentally transform the site's operating and business model. The pre-feasibility study ("PFS") has confirmed the technical and environmental capability of the Redevelopment.

Smelting Strategic Review

Nyrstar commenced a thorough review of its zinc smelting business in Q4 2012 in order to identify opportunities to sustainably improve its profitability. The SSR systematically challenged how Nyrstar views and operates its smelters and the smelting network. Led by a dedicated project team of internal and external multi-disciplinary professionals, thousands of scenarios were modelled using different technologies, feed mixes, macroeconomic parameters and capacities to arrive at a final Transformation blueprint.

The SSR identified a significant amount of non-realised value in feed material that Nyrstar controls via the concentrates its mines produce, the residues its zinc smelters produce and historical ponds at the smelters. Nyrstar's unique asset footprint of zinc mines, poly-metallic mines, zinc smelters and a lead smelter provides Nyrstar with an opportunity to capture this non-realised value, through an investment in technical modifications at Port Pirie (through the Redevelopment) and across the smelting network (through the Transformation). The Transformation blueprint consists of approximately 25 projects

¹ Internal Rate of Return (IRR) calculated over 30 years and does not include a terminal value. Includes cash flow impacts from the Port Pirie financing package and a 10% capital charge on Nyrstar's direct investment.

² IRR calculated over 30 years and does not include a terminal value. Assumes a 10% capital charge on the investment.

which are categorised under debottlenecking smelters, building fuming capacity and minor metals extraction. Both the overall Transformation blueprint and project portfolio have been assessed by two external specialists with a focus on technology risk, capital and operating cost estimates and risk management.

The Transformation provides a unique and compelling business case. Earnings and free cash flow are expected to be driven by significantly higher gross profit, partially offset by a relatively modest increase in operating costs and sustaining capital spend and higher working capital requirements. The expected capital investment for the entire blueprint of approximately 25 projects is approximately EUR 280 million, with no single investment exceeding EUR 50 million. A sequencing of investments starting in early 2014 could result in incremental earnings starting to be generated in late 2014 with the completion of the full Transformation by early 2017. Based on this capital investment and timeline, the Transformation is expected to generate a post-tax IRR of 25-30%, using internal economic assumptions. Nyrstar is currently assessing funding options such as metal streaming arrangements, metal prepay, industrial partnerships, hybrid bond and/or other stakeholder participation.

Nyrstar's first investment into the Transformation, and first project within the blueprint, will be the acquisition of ERAS Metal, the owner of a fuming plant in Hoyanger, Norway, which Nyrstar has agreed to acquire for approximately EUR 5 million. The plant operates a fumer which currently produces zinc oxides from processing electric arc furnace dust, a feed from the steel industry. Nyrstar will invest an additional EUR 2 million, approximately, to upgrade the plant to process alternate valuable feed materials such as Nyrstar smelters' residues and ponds. Nyrstar expects to complete the acquisition by the end of November.

Port Pirie Redevelopment

In December 2012 Nyrstar announced it had reached an in-principle agreement with the Australian Federal Government and the South Australian Government with respect to the funding of a redevelopment of the Port Pirie smelter primary lead smelter into an advanced metals recovery and refining facility. During 2013 Nyrstar has progressed the final investment case, including detailed engineering studies, and has now completed the pre-feasibility study.

The PFS has confirmed the following:

- The technical feasibility of a new oxidation furnace to replace the existing Sinter Plant, which will enable the processing of Nyrstar's zinc smelter residues and an increased range of other metal-bearing feed materials
- The oxidation furnace technology is proven and has successfully operated at other industrial installations and is highly flexible in processing different raw materials
- The Redevelopment addresses the environmental needs at the site, including a significant reduction in lead in air emissions achieved through the replacement of the sinter plant, and
- The schedule for construction during 2014 and 2015, with commissioning in Q1 2016 is viable

The business case for the Redevelopment is driven by a substantial increase in free metal, with higher margins expected to be earned on every unit of metal produced through the processing of internal zinc smelter residues, which could account for approximately 50% of feed material requirements. The Redevelopment will also enable an increase in the production of metals. Earnings and free cash flow are expected to be driven by a significant increase in gross profit and lower working capital requirements, partially offset by a relatively modest increase in operating costs and sustaining capital expenditure. Combined with the higher working capital requirements for the Transformation, the net working capital impact for Nyrstar is expected to be neutral. The base case project capital investment is estimated at EUR 270 million, compared to the original target capital cost of EUR 280 million. Based on this level of investment the proposed Redevelopment is expected to generate a post-tax IRR of 25-30%, using internal economic assumptions.

The funding package for the Redevelopment, announced in December 2012, is a critical enabler for the investment. It comprises a EUR 120 million structured investment by third party investors, benefiting from a guarantee from the Australian Export Finance and Insurance Corporation ("EFIC") (the export credit agency of the Australian Federal Government), a EUR 80 million forward sale of incremental silver produced at the redeveloped Port Pirie and a EUR 80 million direct investment from Nyrstar. During 2013 Nyrstar progressed various components of the funding package including signing an implementation agreement with EFIC for the structured investment and sold forward 5 million troy ounces of silver at a price of approximately USD 28/toz, with the intention to roll the position into the silver forward sale.

Nyrstar also progressed support elements of the Redevelopment including the project being awarded major development status by the South Australian Government, which also confirmed its AUD 5 million funding towards the final investment case. In addition the South Australian State Parliament passed legislation providing Nyrstar with regulatory certainty for the Redevelopment.

Nyrstar is proceeding with the final feasibility study, with a report due to the board in Q1 2014.

CONFERENCE CALL

Nyrstar Management will host a conference call with the investment community to discuss the Company's continuing strategic journey including the proposed transformation of its Metals Processing business on 29 October 2013 at 11.00am Central European Time. The presentation will be webcast live on the Nyrstar website, www.nyrstar.com, and will also be available in archive. The webcast can be accessed via: <http://www.media-server.com/m/p/kjn8xgrz>

The call can also be accessed using the following dial-in numbers:

Country	Toll Number
UK	+44(0)20 3427 1911
Belgium	+32(0)2 402 3092
France	+33(0)1 76 77 22 22
Germany	+49(0)30 3001 90539
Switzerland	+41(0)22 592 7953
USA	+1 212 444 0895
Canada	+1 416 216 4141
Australia	+61(0)2 8223 9222
The Netherlands	+31(0)20 716 8257

If your country is not listed above please dial the international number: +44(0)20 3427 1911.

1. Please dial in 5 minutes prior to the call
2. Ask for the Nyrstar call (confirmation code 1827883), and advise your name and company name
3. You will then be placed on hold until the conference starts

- End -

FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements that reflect Nyrstar's intentions, beliefs or current expectations concerning, among other things: Nyrstar's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Nyrstar operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause Nyrstar's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Nyrstar cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which Nyrstar operates may differ materially from those made in or suggested by the forward-looking statements contained in this news release. In addition, even if Nyrstar's results of operations, financial condition, liquidity and growth and the development of the industry in which Nyrstar operates are consistent with the forward-looking statements contained in this news release, those results or developments may not be indicative of results or developments in future periods. Nyrstar and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this report or any change in Nyrstar's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

About Nyrstar

Nyrstar is an integrated mining and metals business, with market leading positions in zinc and lead, and growing positions in other base and precious metals; essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. Nyrstar has mining, smelting, and other operations located in Europe, the Americas, China and Australia and employs over 7,000 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on NYSE Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website, www.nyrstar.com

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