

Regulated Information

## First Quarter 2016 Interim Management Statement

27 April 2016

### HIGHLIGHTS:

- Key strategic initiatives progressing well: balance sheet strengthened, mining divestment underway, significant reduction in cash consumption of mining segment and cost reductions ahead of plan.
- Group Underlying EBITDA of EUR 37 million for Q1 2016, a decrease of EUR 31 million on Q1 2015 primarily driven by a 19% decrease in the average zinc price (USD 2,080/t to USD 1,679/t), partially offset by foreign exchange movements and cost reductions
  - o Metals Processing EBITDA down EUR 24 million year-on-year at EUR 51 million, driven by lower commodity prices and lower zinc metal production (down 8%) due to planned maintenance shutdowns, partially offset by cost reductions
  - o Mining EBITDA down EUR 11 million year-on-year at negative EUR 7 million, driven by lower commodity prices, which were largely offset by the suspension and care & maintenance of the Myra Falls and Middle Tennessee Mines respectively
- Net debt (excluding other non-current financial liabilities) of EUR 639 million at the end of Q1 2016, a decrease of EUR 122 million on 31 December 2015 driven by the completion of the EUR 274 million rights offering in February 2016, partially offset by seasonally increased inventory and reductions in prepayment financing of finished products
- Substantial liquidity with cash on hand at the end of Q1 2016 of EUR 240 million and EUR 450 million of fully undrawn committed credit lines
- Tragically, despite significant improvements in safety performance across the Group, three fatalities occurred in the Mining segment during Q1 2016
- Mining divestment progressing in-line with schedule and management continues to target binding sales agreements by the end of H1 2016
- Port Pirie Redevelopment continues to be on schedule and budget, with AUD 86 million drawn from the Australian government backed perpetual notes by the end of Q1 2016

### Commenting on the first quarter 2016 interim management statement, Bill Scotting, Chief Executive Officer said:

"Against a backdrop of continuing macro-economic headwinds, we have made material progress during the quarter in implementing our stated strategic initiatives. These actions have contributed to a strengthening of the balance sheet and significantly reduced the cash consumption in the business. Looking forward, after a subdued start to the year, the recent rally of the zinc price on the back of improving supply-demand fundamentals should further support our financial performance.

Much weaker commodity prices in Q1 2016 compared to Q1 2015 reduced earnings by approximately EUR 42 million but this was partially offset by a further weakening of the Euro against the US dollar. Reduced production volumes in the Metals Processing and Mining segments were generally offset by cost reductions.

The Metals Processing segment has continued its recent strong operational performance with 255kt of zinc metal produced and EBITDA of EUR 51 million in Q1 2016. This performance was despite the planned maintenance shutdown at Aubrey, reduced power availability in Hobart, an unplanned blast furnace outage at Port Pirie and the continued headwinds of lower commodity prices.

Mining segment performance in Q1 2016 showed signs of improvement with production of 42kt of zinc in concentrate and EBITDA of negative EUR 7 million. Despite a lower average zinc price in Q1 2016 of USD 1,679 per tonne, cash outflow<sup>1</sup> in the Mining segment for the quarter was reduced by 67% to EUR 14 million versus EUR 43 million in Q3 2015 when the average zinc price was higher at USD 1,847 per tonne.

In line with the plan to strengthen the Company's balance sheet that was announced on 9 November 2015, the Company completed a EUR 274 million rights offering in February 2016. We are continuing to monitor and assess both short and long term financing alternatives, including finished product prepayments and the high yield bond markets, to further strengthen the balance sheet and ensure that the Company has the financial strength and liquidity to operate in a prolonged weak commodity price environment. As an ongoing initiative to continuously monetize our working capital, in April 2016, we successfully completed a USD 75 million silver prepay with an 8 month amortising structure.

Cash consumption in the Mining segment has been significantly reduced from the EUR 170 million run rate at Q3 2015. The suspension of activities at Myra Falls, the placement of Campo Morado and Middle Tennessee mines on care & maintenance and operating improvements across the segment have reduced the annualized cash consumption run rate by EUR 110 million to EUR 60 million. In parallel, the Mining segment divestment process has progressed and is now in its second phase with a number of parties conducting detailed due diligence, including site visits. The Company expects to announce a sale of all or part of the Mining segment in the coming months.

In addition to the cash consumption savings that have been achieved in the Mining segment, the Company is also ahead of target for its Metals Processing and Corporate operating cost savings. On the basis of the Q1 2016 results, the annualised aggregate Metals Processing and Corporate operating costs reductions are EUR 31 million.

The Port Pirie Redevelopment is progressing on schedule and budget. At the end of Q1 2016, all major engineering work had been completed, and the acid plant and furnace modules have been delivered to site. The remaining project spend is being fully funded by the Australian government backed perpetual notes. Commissioning activities are expected to be underway by the end of H1 2016, and once ramped-up over the course of H2 2016 and 2017, the Port Pirie Redevelopment will allow Nyrstar to capture a greater proportion of the value contained within the feed material consumed by the global Metals Processing network of smelters.

Safety remains a key priority at Nyrstar. Tragically, and despite substantial improvements in safety performance across the Group, Nyrstar had three fatalities in the Mining segment during Q1 2016. Two fatalities occurred at El Mochito in Honduras and one fatality at Langlois in Canada.

In Q2 2016 we have a number of clear priorities for the business. These include a "visible safety leadership" programme, progressing the Mining segment divestment, Port Pirie Redevelopment, and continued cost and cash preservation measures. Nyrstar remains well placed to benefit from the forecasted strengthening of zinc market fundamentals."

## CONFERENCE CALL

Management will discuss this statement in a conference call with the investment community on 27 April 2016 at 09:00 am Central European Time. The presentation will be webcast live and will also be available in archive. The webcast can be accessed via: <http://edge.media-server.com/m/p/civ4sq73>

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<sup>1</sup> EBITDA minus capital expenditure

## KEY FIGURES

| EUR million (unless otherwise indicated)                        | Q1<br>2016 | Q1<br>2015 | %<br>Change  |
|-----------------------------------------------------------------|------------|------------|--------------|
| <b>Revenue</b>                                                  |            |            |              |
| Metals Processing                                               | 638        | 788        | (19%)        |
| Mining                                                          | 57         | 96         | (41%)        |
| Other and Eliminations                                          | (50)       | (94)       | 47%          |
| <b>Group Revenue</b>                                            | <b>645</b> | <b>791</b> | <b>(18%)</b> |
| <b>EBITDA<sup>2</sup></b>                                       |            |            |              |
| Metals Processing                                               | 51         | 75         | (32%)        |
| Mining                                                          | (7)        | 4          | (275%)       |
| Other and Eliminations                                          | (7)        | (10)       | 30%          |
| <b>Group EBITDA</b>                                             | <b>37</b>  | <b>68</b>  | <b>(46%)</b> |
| EBITDA margin                                                   | 6%         | 9%         | (33%)        |
| <b>Capex</b>                                                    |            |            |              |
| Metals Processing                                               | 58         | 58         | 0%           |
| Mining                                                          | 7          | 22         | (68%)        |
| <b>Group Capex</b>                                              | <b>65</b>  | <b>82</b>  | <b>(21%)</b> |
| Loans and borrowings, end of period                             | 879        | 942        | (7%)         |
| Cash and cash equivalents, end of period                        | 240        | 222        | 8%           |
| Zinc Prepay (non-current and current other financial liability) | 128        | -          | (100%)       |
| <b>Net Debt Exclusive of Zinc Prepay</b>                        |            |            |              |
| Net debt, end of period                                         | 639        | 720        | (11%)        |
| Net Debt to LTM EBITDA ratio <sup>3</sup>                       | 2.8        | 2.3        | 22%          |
| <b>Net Debt Inclusive of Zinc Prepay</b>                        |            |            |              |
| Net debt, end of period <sup>4</sup>                            | 768        | 720        | 7%           |
| Net Debt to EBITDA ratio <sup>5</sup>                           | 3.4        | 2.3        | 48%          |
| <b>Metals Processing Production</b>                             |            |            |              |
| Zinc metal ('000 tonnes)                                        | 255        | 278        | (8%)         |
| Lead metal ('000 tonnes)                                        | 47         | 48         | (2%)         |
| <b>Mining Production</b>                                        |            |            |              |
| Zinc in concentrate ('000 tonnes)                               | 42         | 67         | (37%)        |
| Lead in concentrate ('000 tonnes)                               | 1.6        | 6.0        | (73%)        |
| Gold ('000 troy ounces)                                         | 3.6        | 3.6        | 0%           |
| Silver ('000 troy ounces)                                       | 513        | 920        | (44%)        |
| Copper in concentrate ('000 tonnes)                             | 1.9        | 1.7        | 12%          |
| <b>Market<sup>6</sup></b>                                       |            |            |              |
| Zinc price (USD/t)                                              | 1,679      | 2,080      | (19%)        |
| Lead price (USD/t)                                              | 1,744      | 1,806      | (3%)         |
| Silver price (USD/t.oz)                                         | 14.85      | 16.71      | (11%)        |
| Gold price (USD/t.oz)                                           | 1,183      | 1,218      | (3%)         |
| EUR/USD average exchange rate                                   | 1.10       | 1.13       | (3%)         |
| EUR/AUD average exchange rate                                   | 1.53       | 1.43       | 7%           |

<sup>2</sup> All references to EBITDA in the press release are Underlying EBITDA. Underlying measures exclude exceptional items related to restructuring measures, M&A related transaction expenses, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar

<sup>3</sup> Net Debt to EBITDA ratio is calculated as Net Debt at the end of the period divided by last 12 months EBITDA

<sup>4</sup> Calculated as non-current and current loans and borrowings plus non-current other financial liabilities less cash and cash equivalents at end of period.

<sup>5</sup> Calculated as non-current and current loans and borrowings plus non-current other financial liabilities less cash and cash equivalents at end of period divided by last 12 months EBITDA.

<sup>6</sup> Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver/Gold price is average of LBMA daily fixing / daily PM fixing, respectively

## GROUP FINANCIAL AND MACRO OVERVIEW

**Revenue** for Q1 2016 of EUR 645 million was down 18% on Q1 2015, driven by decreased metal prices and lower production volumes in both the Metals Processing and Mining segments, which was slightly offset by a weaker EUR:USD exchange rate. Both Mining and Metals Processing segments were impacted by the weakness in the commodity markets, with an average zinc price in Q1 2016 of \$1,679/t compared to an average of \$2,080/t in Q1 2015. Average prices for all key metals for the Company were down in Q1 2016 compared with Q1 2015: average zinc, lead, silver and gold prices were down 19%, 3%, 11% and 3%, respectively.

**Group underlying EBITDA** of EUR 37 million in Q1 2016, a decrease of EUR 31 million from Q1 2015, due to lower commodity prices and lower production from Metals Processing and Mining, partially offset by a strengthening USD over the Euro (up 3%).

**Capital expenditure** was EUR 65 million in Q1 2016, representing a decrease of EUR 17 million compared to Q1 2015 driven by a EUR 16 million capex decrease in the Mining segment with zero growth capex and flat capex spend in the Metals Processing segment compared to Q1 2015 at EUR 58 million, including EUR 35 million on the Port Pirie Redevelopment funded by the Australian Government backed perpetual notes.

**Net debt** at the end of Q1 2016 was EUR 639 million, representing a 16% decrease from EUR 761 million at the end of 2015 (in each case excluding other non-current financial liabilities) driven by the completion of the EUR 274 million rights offering in February 2016. Cash on hand at the end of Q1 2016 was EUR 240 million compared to EUR 116 million at the end of 2015.

## MARKET REVIEW

### Exchange rate

Nyrstar's earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. Dollar, the Euro, the Australian Dollar and the Swiss Franc. Nyrstar's reporting currency is the Euro. Zinc, lead and other metals are sold throughout the world principally in US Dollars, while the costs of Nyrstar's Metals Processing segment and corporate overheads are primarily in Euros, Australian Dollars and Swiss Francs.

The EUR/USD exchange rate was volatile during Q1 2016 with a strengthening trend for the Euro against the US dollar. At the start of the quarter, the EUR/USD traded at 1.085 and closed at 1.138 to average 1.10 (up 3% compared to Q1 2015). Despite an uncertain outlook for global growth, consensus market expectations are that the US Federal Reserve will continue to increase interest rates in 2016 whilst the European Central Bank will continue to implement quantitative easing. The average Australian dollar exchange rate to the Euro has devalued by 7% in Q1 2016 compared to Q1 2015 in line with the weakness in commodity prices that have impacted the value of commodity exports from Australia.

### Zinc

The average zinc price was lower by 19% in Q1 2016 at USD 1,679 per tonne compared to USD 2,080/t in Q1 2015 and traded within a very wide range of USD1,468 per tonne to USD 1,875 per tonne. On a relative basis, the zinc price has clearly outperformed against the other base metals in Q1 2016 with the zinc price having increased by approximately 15%.

### Zinc Concentrates

Zinc concentrate 2016 benchmark treatment charges have been settled on the following terms:

- Base TC USD 203 per dmt (dry metric tonne) at basis zinc price of USD 2,000 per tonne;
- Escalators of 9% from zinc price of USD 2,000 to USD 2,500 per tonne; 8% from USD 2,500 to USD 3,000 per tonne; 5% from USD 3,000 to USD 3,750 per tonne and zero above USD 3,750; and
- De-escalator of 3% from zinc price of USD 2,000 to USD 1,500 per tonne and zero below USD 1,500 per tonne.

Nyrstar concluded its negotiations with all benchmark and non-benchmark suppliers in late March 2016. The 2016 benchmark zinc concentrate treatment charge represents a decrease of approximately 17% on the 2015 headline treatment charge of USD 245 per dmt, basis price USD 2,000 per tonne.

## **SAFETY, HEALTH AND ENVIRONMENT**

“Prevent Harm” is a core value of Nyrstar. The Company is committed to maintaining safe operations and to proactively managing risks including with respect to people and the environment. At Nyrstar, we work together for creating a workplace where all risks are effectively identified and controlled and everyone goes home safe and healthy each day of their working life.

The Company has had a tragic start to 2016 with three fatal accidents within 22 days in the Mining segment. The first fatal accident occurred on 18 January 2016 at the Langlois mine in Canada and the other two accidents occurred at the El Mochito mine in Honduras on 21 January 2016 and 8 February 2016.

The lost time injury rate (LTIR) for the Company in Q1 2016 was 2.8, an increase of 17% compared to a rate of 2.4 in 2015. The frequency rate of cases with time lost or under restricted duties (DART) and the frequency rate of cases requiring at least a medical treatment (RIR) declined by 2% and 11% compared to full year 2015. El Mochito and Langlois were over-represented in lost time injury cases (LTI) and cases requiring at least a medical treatment (RI) in Q1 2016, being 58% and 49% respectively across the Company. Excluding El Mochito and Langlois, safety performance in Q1 of 2016 was the best ever across Nyrstar.

As result of the poor performance at the start of the year, a “Visible Safety Leadership” program involving all management levels across Nyrstar Mining was initiated in March 2016. This program provides a foundation for reinforcing safety as a personal and organisational value throughout the Company.

No environmental events with material business consequences or long-term environmental impacts occurred during the period.

## OPERATIONS REVIEW: METALS PROCESSING

| EUR million<br>unless otherwise indicated | Q1<br>2016 | Q1<br>2015 | %<br>Change  |
|-------------------------------------------|------------|------------|--------------|
| Revenue                                   | 638        | 788        | (19%)        |
| <b>EBITDA</b>                             | <b>51</b>  | <b>75</b>  | <b>(32%)</b> |
| Sustaining                                | 18         | 15         | 20%          |
| Growth                                    | 5          | 10         | (50%)        |
| Port Pirie Redevelopment                  | 35         | 33         | 6%           |
| <b>Metal Processing Capex</b>             | <b>58</b>  | <b>58</b>  | <b>0%</b>    |

The Metals Processing segment delivered an underlying EBITDA result of EUR 51 million in Q1 2016, a decrease of 32% over Q1 2015 due to decreased zinc prices, lower treatment charges and lower zinc metal production volume, mainly at Auby as a result of planned roaster shutdown.

Sustaining capital spend in Q1 2016 was in-line year-over-year. The Port Pirie Redevelopment project capex is currently fully funded by the drawing of the perpetual notes which will cover the full remaining cost to complete up to AUD 563 million. As at 31 March 2016, a running total of AUD 422 million of capex had been incurred on the Port Pirie Redevelopment and AUD 511 million had been committed (i.e. order values placed).

|                                 | Q1<br>2016 | Q1<br>2015 | %<br>Change |
|---------------------------------|------------|------------|-------------|
| <b>Zinc metal ('000 tonnes)</b> |            |            |             |
| Auby                            | 29         | 43         | (33%)       |
| Balen/Overpelt                  | 65         | 67         | (3%)        |
| Budel                           | 71         | 71         | 0%          |
| Clarksville                     | 28         | 33         | (15%)       |
| Hobart                          | 62         | 63         | (2%)        |
| Port Pirie                      | -          | -          |             |
| <b>Total</b>                    | <b>255</b> | <b>278</b> | <b>(8%)</b> |
| <b>Lead metal ('000 tonnes)</b> |            |            |             |
| Port Pirie                      | 47         | 48         | (2%)        |
| <b>Other products</b>           |            |            |             |
| Copper cathode ('000 tonnes)    | 1.2        | 0.9        | 33%         |
| Silver (million troy ounces)    | 3.8        | 3.7        | 3%          |
| Gold ('000 troy ounces)         | 10.9       | 5.6        | 95%         |
| Indium metal (tonnes)           | -          | 9.8        | (100%)      |
| Sulphuric acid ('000 tonnes)    | 357        | 371        | (4%)        |

The Metals Processing segment produced approximately 255,000 tonnes of zinc metal in Q1 2016, inline with full year 2016 guidance, representing an 8% decrease on Q1 2015. The decrease in zinc production year-over-year was driven by the planned maintenance shut at Auby and loss of production at Clarksville due to reduced feed from the Tennessee mines.

Auby zinc metal production in Q1 2016 was down 30% year-over-year as a result of the planned shutdown in Q1 2016. During March, the Auby cellhouse and roaster were shut for 20 days and 24 days respectively. As previously communicated, indium production at the Auby smelter was impacted in November 2015 by a fire on a new piping section

inside the indium plant. Repairs to the indium plant are currently underway and the indium plant is expected to resume production in October 2016. Clarksville zinc metal production in Q1 2016 decreased by 15% year-over-year as a result of lower concentrate feed grade and roaster throughput due to the loss of Middle Tennessee concentrates with the mine having been placed on care & maintenance in December 2015.

Lead market metal production at Port Pirie was 2% lower compared to Q1 2015 due to a leaking cooling water jacket requiring replacement. Gold, copper cathode and silver production was up 95%, 33% and 3% respectively compared to Q1 2015 as a function of higher gold, copper and silver in feed and a different mix of residues consumed.

Metals Processing safety performance in Q1 2016 achieved a new record low in the frequency rate of cases requiring at least a medical treatment (RIR). RIR ended Q1 2016 at 5.3, compared to 8.3 at the end of 2015. Lost Time Injury Rate (LTIR) and frequency rate of cases with Days Away, Restricted and Transfer (DART) also reduced by 39% and 28% respectively compared to full year 2015. Five of the seven Smelting segment sites and the Port Pirie transformation project were LTI free during Q1 2016.

During Q1 2016, the Clarksville smelter received the Commissioner's Award of Excellence for Workplace Safety and Health, from the Tennessee Department of Labor & Workforce Development. The award recognizes more than two years without a lost-time incident at the Clarksville smelter.

## OPERATIONS REVIEW: MINING

| EUR million<br>unless otherwise indicated | Q1<br>2016 | Q1<br>2015 | %<br>Change   |
|-------------------------------------------|------------|------------|---------------|
| Revenue                                   | 57         | 96         | (41%)         |
| <b>EBITDA</b>                             | <b>(7)</b> | <b>4</b>   | <b>(275%)</b> |
| Sustaining capex                          | 2          | 8          | (75%)         |
| Exploration and development capex         | 5          | 10         | (55%)         |
| Growth capex                              | -          | 4          | (100%)        |
| <b>Mining Capex</b>                       | <b>7</b>   | <b>22</b>  | <b>(68%)</b>  |

Negative mining EBITDA of EUR 7 million in Q1 2016 was due to the suspension of operations at Campo Morado since the start of 2015, Myra Falls since May 2015, Middle Tennessee Mines since December 2015 and the average zinc price in Q1 2016 of USD 1,679 per tonne being below the Mining segment's average current cost of production.

Mining capital expenditure was EUR 7 million, down 68% in Q1 year-over-year, due to the postponement of non-essential sustaining capital projects across all mining operations and the cancellation of non-committed growth Growth capex in the mining segment during Q1 2016.

Nyrstar remains extremely focused on reducing the cash consumption of its mining operations. As announced by the Company on 9 November 2015, a EUR 60 million cashflow savings for the Mining segment, compared to the annualised Q3 2015 cash outflow of c.EUR 170 million<sup>7</sup>, is being targeted. This target has already been exceeded, with the annualized run rate of cash consumption for the mining segment having been reduced to EUR 60 million on the basis of the Q1 2016 Mining segment EBITDA and capex. Since Q3 2015, the cash consumption of the mining segment has been reduced by EUR 110 million on an annualized basis. These savings have to date been achieved by placing Myra Falls on indefinite suspension, the Middle Tennessee and Campo Morado mines on care & maintenance, reducing cash consumption across the other mining assets and improving the earnings of the mines despite a lower zinc price environment and the incurrence of EUR 7 million of ramp-down costs at the Middle Tennessee Mines in Q1 2016.

<sup>7</sup> Defined as EBITDA minus sustaining capex

| '000 tonnes<br>unless otherwise indicated | Q1<br>2016 | Q1<br>2015 | %<br>Change  |
|-------------------------------------------|------------|------------|--------------|
| <b>Total ore milled</b>                   | 1,011      | 1,592      | (36%)        |
| <b>Zinc in Concentrate</b>                |            |            |              |
| Campo Morado                              | -          | -          | -            |
| Contonga                                  | 3          | 3          | 0%           |
| El Mochito                                | 4          | 7          | (43%)        |
| El Toqui                                  | 9          | 10         | (10%)        |
| Langlois                                  | 10         | 10         | 0%           |
| Myra Falls                                | -          | 6          | (100%)       |
| East Tennessee                            | 16         | 17         | (6%)         |
| Middle Tennessee                          | -          | 13         | (100%)       |
| <b>Total</b>                              | <b>42</b>  | <b>67</b>  | <b>(37%)</b> |
| <b>Other metals</b>                       |            |            |              |
| Lead in concentrate                       | 1.6        | 6.0        | (73%)        |
| Copper in concentrate                     | 1.9        | 1.7        | 12%          |
| Silver ('000 troy oz)                     | 513        | 920        | (44%)        |
| Gold ('000 troy oz)                       | 3.6        | 3.6        | 0%           |

In Q1 2016, Nyrstar's mines produced approximately 42kt of zinc in concentrate, a decrease of 37% compared to Q1 2015. Production in the Mining segment was impacted due to the suspension of operations at Campo Morado, Myra Falls and Middle Tennessee and reduced grade and ore throughput at El Mochito.

Production of zinc in concentrate at El Mochito in Q1 2016 was reduced by 43% compared to Q1 2015. The reduced production was due to lower ore throughput (down 31%) and reduced mill head grades. The reduced ore throughput was primarily due to production suspensions linked to the mining fatalities during the quarter.

Mining safety in Q1 2016 was impacted by the three fatal accidents that occurred at the Langlois and El Mochito mines and more widely by a peak of injuries in these two sites. In the Mining segment, 78% of the Lost Time Injury cases (LTIs) and 74% of the cases requiring at least medical treatment, occurred at Langlois and El Mochito. As result of this, Lost Time Injury Rate (LTIR), frequency rate of cases with Days Away, Restricted and Transfer (DART) and recordable Injury Rate (RIR) increased by 69%, 24% and 13% respectively compared to full year 2015. Excluding these two sites, the LTIR, DART and RIR reduced by 35%, 32%, and 45% respectively at the remaining sites.

## OTHER DEVELOPMENTS

### Mining Segment Divestment Process

Nyrstar, together with its financial advisers BMO Capital Markets and Lazard, have progressed the mining segment divestment process over the course of Q1 2016. The mining asset sale process was formally launched on 7 January 2016 as a two stage process with indicative non-binding phase one bids received in Q1. Potential buyers are progressing in the second phase of the divestment process and are currently conducting additional due diligence, including site visits. Nyrstar will issue an update in the event a sale is agreed or disclosure is otherwise required.

### Metals Processing Growth Pipeline Projects

The upgrading of Nyrstar's zinc and lead smelter network represents a critical step in Nyrstar's value optimisation. Completion of these initiatives will enable Nyrstar to extract more value from the feed and treat significantly increased volumes of more valuable zinc residues, including substantially all of its internally generated zinc residues through the

redeveloped Port Pirie, as well as more complex and valuable zinc and lead concentrates. The nature of the identified investments is such that the timing of project development and implementation remains highly flexible.

During Q1 2016, Nyrstar has continued to progress the broader pipeline of growth projects with a strong focus on the completion of de-constraining projects required as a result of the Century mine closure, with progress also made on minor metals and fuming at Hoyanger.

## **Port Pirie Redevelopment**

During Q1 2016 all major engineering work, demolition, major civils and piling work, together with fabrication of the TSL furnace and key processing equipment was completed. The furnace and shipments for acid plant equipment and structures have been delivered to site and a module yard in China commenced fabrication of structural and equipment modules for the TSL furnace building.

Work on site is progressing well with all concrete work for the furnace, acid plant and oxygen plant completed. The installation of the structural and process equipment components commenced in Q4 2015. The modular offsite fabrication of the acid plant and furnace buildings also progressed, with offsite work ramping-up significantly throughout Q4 2015 and into Q1 2016. Delivery of major modules from the module fabrication yards commenced in late Q4 2015. In readiness for the installation of the various modules, a 2,600 tonne heavy lift mobile crane has been assembled on site. The Port Pirie Redevelopment remains on schedule for commencement of commissioning by the end of H1 2016, with ramp-up commencing in H2 2016 and continuing during 2017.

## **Termination of European marketing agreement for commodity grade zinc metal with Noble**

In April 2016, Nyrstar terminated the offtake and marketing agreement with Noble to market and sell 200,000 tonnes per annum of commodity grade zinc metal produced at its European smelters. Nyrstar has transitioned the zinc metal volumes that were previously to be provided to Noble until the end of 2016 into the zinc metal offtake agreement that exists with Trafigura with market based terms and a prepayment mechanism.

## 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 a global multi-metals business, with a market leading position in zinc and lead, and growing positions in other base and precious metals, which are 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 and Australia and employs approximately 5,000 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website: [www.nyrstar.com](http://www.nyrstar.com).

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## MINING PRODUCTION ANNEX

| Production KPI by Site |                     | Ore milled ('000 tonnes) | Mill head grade |              |              |             |              | Recovery     |              |              |              |              | Concentrate  |              |             | Metal in concentrate |              |             |              |                |
|------------------------|---------------------|--------------------------|-----------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|----------------------|--------------|-------------|--------------|----------------|
| PERIOD                 |                     |                          | Zinc (%)        | Lead (%)     | Copper (%)   | Gold (g/t)  | Silver (g/t) | Zinc (%)     | Lead (%)     | Copper (%)   | Gold (%)     | Silver (%)   | Zinc (kt)    | Lead (kt)    | Copper (kt) | Zinc (kt)            | Lead (kt)    | Copper (kt) | Gold (k'toz) | Silver (m'toz) |
| 2016 Q1                | Campo Morado        | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | Contonga            | 114                      | 2.96%           | 0.37%        | 1.55%        | -           | 45.90        | 81.9%        | 58.9%        | 78.4%        | -            | 85.7%        | 6            | 0.4          | 5.3         | 2.8                  | 0.2          | 1.4         | -            | 144            |
|                        | Coricancha          | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | El Mochito          | 140                      | 3.51%           | 1.18%        | -            | -           | 40.46        | 90.2%        | 76.1%        | -            | -            | 83.5%        | 7            | 1.7          | -           | 4.4                  | 1.3          | -           | -            | 153            |
|                        | El Toqui            | 154                      | 6.27%           | 0.19%        | -            | 0.87        | 14.63        | 92.7%        | 35.8%        | -            | 73.1%        | 68.2%        | 18           | 0.3          | -           | 9.0                  | 0.1          | -           | 3.1          | 49             |
|                        | Langlois            | 120                      | 9.00%           | -            | 0.59%        | 0.17        | 47.64        | 95.4%        | -            | 70.4%        | 75.8%        | 90.1%        | 20           | -            | 2.1         | 10.3                 | -            | 0.5         | 0.5          | 166            |
|                        | Myra Falls          | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | East Tennessee      | 482                      | 3.52%           | -            | -            | -           | -            | 93.1%        | -            | -            | -            | -            | 26           | -            | -           | 15.8                 | -            | -           | -            | -              |
|                        | Middle Tennessee    | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | <b>Mining Total</b> | <b>1,011</b>             | <b>4.53%</b>    | <b>0.58%</b> | <b>1.06%</b> | <b>0.56</b> | <b>35.75</b> | <b>91.7%</b> | <b>56.1%</b> | <b>74.3%</b> | <b>74.3%</b> | <b>81.0%</b> | <b>76</b>    | <b>2.4</b>   | <b>7.4</b>  | <b>42.3</b>          | <b>1.6</b>   | <b>1.9</b>  | <b>3.6</b>   | <b>513</b>     |
| 2015 Q1                | Campo Morado        | 17                       | 3.99%           | 1.06%        | 0.67%        | 1.27        | 122.22       | 72.9%        | -            | 61.3%        | 19.5%        | 30.9%        | 1            | -            | 0.5         | 0.5                  | -            | 0.1         | 0.1          | 21             |
|                        | Contonga            | 100                      | 3.63%           | 0.27%        | 1.02%        | -           | 33.32        | 87.7%        | 47.4%        | 73.7%        | -            | 85.2%        | 7            | 0.2          | 3.2         | 3.2                  | 0.1          | 0.8         | -            | 91             |
|                        | Coricancha          | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | El Mochito          | 204                      | 4.16%           | 2.74%        | -            | -           | 83.27        | 82.9%        | 79.1%        | -            | -            | 85.0%        | 14           | 7.0          | -           | 7.0                  | 4.4          | -           | -            | 464            |
|                        | El Toqui            | 137                      | 7.98%           | 1.66%        | -            | 0.32        | 25.51        | 94.4%        | 60.2%        | -            | 70.1%        | 88.1%        | 21           | 2.1          | -           | 10.3                 | 1.4          | -           | 1.0          | 99             |
|                        | Langlois            | 128                      | 8.60%           | -            | 0.51%        | 0.15        | 50.87        | 94.2%        | -            | 68.5%        | 68.6%        | 81.1%        | 19           | -            | 1.8         | 10.4                 | -            | 0.4         | 0.4          | 170            |
|                        | Myra Falls          | 91                       | 7.00%           | 0.42%        | 0.70%        | 1.15        | 31.24        | 89.8%        | 22.1%        | 65.6%        | 60.1%        | 82.0%        | 11           | 0.2          | 1.8         | 5.7                  | 0.1          | 0.4         | 2.0          | 75             |
|                        | East Tennessee      | 510                      | 3.72%           | -            | -            | -           | -            | 89.3%        | -            | -            | -            | -            | 28           | -            | -           | 16.9                 | -            | -           | -            | -              |
|                        | Middle Tennessee    | 405                      | 3.30%           | -            | -            | -           | -            | 100.1%       | -            | -            | -            | -            | 21           | -            | -           | 13.4                 | -            | -           | -            | -              |
|                        | <b>Mining Total</b> | <b>1,592</b>             | <b>4.62%</b>    | <b>1.64%</b> | <b>0.76%</b> | <b>0.51</b> | <b>52.06</b> | <b>91.8%</b> | <b>58.5%</b> | <b>72.6%</b> | <b>64.8%</b> | <b>83.2%</b> | <b>121</b>   | <b>9.5</b>   | <b>7.3</b>  | <b>67.5</b>          | <b>6.0</b>   | <b>1.7</b>  | <b>3.6</b>   | <b>920</b>     |
| % Change               | Campo Morado        | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | Contonga            | 14%                      | (18)%           | 37%          | 52%          | -           | 38%          | (7)%         | 24%          | 6%           | -            | 1%           | (14)%        | 100%         | 66%         | (13)%                | 100%         | 75%         | -            | 58%            |
|                        | Coricancha          | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | El Mochito          | (31)%                    | (16)%           | (57)%        | -            | -           | (51)%        | 9%           | (4)%         | -            | -            | (2)%         | (50)%        | (76)%        | -           | (37)%                | (70)%        | -           | -            | (67)%          |
|                        | El Toqui            | 12%                      | (21)%           | (89)%        | -            | 172%        | (43)%        | (2)%         | (41)%        | -            | 4%           | (23)%        | (14)%        | (86)%        | -           | (13)%                | -93%         | -           | 210%         | (51)%          |
|                        | Langlois            | (6)%                     | 5%              | -            | 16%          | 13%         | (6)%         | 1%           | -            | 3%           | 10%          | 11%          | 5%           | -            | 17%         | (1)%                 | -            | 25%         | 25%          | (2)%           |
|                        | Myra Falls          | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | (100)%       | -              |
|                        | East Tennessee      | (5)%                     | (5)%            | -            | -            | -           | -            | 4%           | -            | -            | -            | -            | (7)%         | -            | -           | (7)%                 | -            | -           | -            | -              |
|                        | Middle Tennessee    | -                        | -               | -            | -            | -           | -            | -            | -            | -            | -            | -            | -            | -            | -           | -                    | -            | -           | -            | -              |
|                        | <b>Mining Total</b> | <b>(36)%</b>             | <b>(2)%</b>     | <b>(65)%</b> | <b>39%</b>   | <b>10%</b>  | <b>(31)%</b> | <b>(0)%</b>  | <b>(4)%</b>  | <b>2%</b>    | <b>15%</b>   | <b>(3)%</b>  | <b>(37)%</b> | <b>(75)%</b> | <b>1%</b>   | <b>(37)%</b>         | <b>(73)%</b> | <b>12%</b>  | <b>0%</b>    | <b>(44)%</b>   |