# News release

Regulated Information

## 2017 Second Interim Management Statement

31 October 2017 at 07:00 CET

HIGHLIGHTS:

- Group underlying EBITDA[1] of EUR 162 million for the first nine months of 2017, an increase of 35% on the first nine months of 2016, primarily due to a 42% increase in the average zinc price (USD 1,955/t to USD 2,783/t), and a substantial earnings increase in Mining, partially offset by lower treatment charge terms, reduced production at Port Pirie and reduced free metal price exposure due to the call option price in the zinc price collar hedging structure
  - Metals Processing underlying EBITDA of EUR 162 million, up EUR 19 million period-on-period, driven primarily by higher commodity prices, partially offset by lower zinc treatment charges, reduced lead and by-product production and unplanned product outages at Budel; and
  - Substantially improved Mining underlying EBITDA of EUR 33 million, up EUR 31 million period-on-period, driven by higher commodity prices, lower treatment charges, a positive contribution from the successful restart of the Middle Tennessee Mines, partially offset by the negative EBITDA contribution of the Myra Falls mine which commenced re-start activities in August 2017
- Balance sheet strengthened
  - Net debt excluding zinc metal prepay and perpetual securities of EUR 1,138 million at the end of September 2017, an increase of EUR 152 million from 30 June 2017, predominantly due to amortisation of the silver and zinc prepays, working capital outflow due to higher commodity prices and capex expenditure in-line with guidance. Net debt inclusive of zinc metal prepay and perpetual securities of EUR 1,387 million at the end of September 2017, an increase of EUR 144 million on 30 June 2017
  - Successful placement of leverage neutral EUR 400m notes due 2024 in March 2017 and EUR 100m upsize of SCTF facility in April 2017, further issuance of EUR 100m notes due 2024 and tender for 2018 convertible bonds in September 2017 to enhance credit, extend maturities and improve liquidity
- Major milestones reached at the Port Pirie Redevelopment, in line with guidance
  - successful commencement of hot commissioning at the end of September 2017; and
  - subsequent commencement of furnace heat-up on 25 October 2017 and achievement of first feed to the new TSL furnace on 30 October 2017
- Zinc smelting optimisation review completed in Q3 2017 with substantial improvements in production and operating costs identified which will be gradually implemented
- Latin American mining operations sales completed and divestment process now concluded with the North American mining portfolio to be held as a core component of the Nyrstar business and optimised; Middle Tennessee Mines ramp-up and Myra Falls restart on schedule
- Safety improvements across the group with four of Nyrstar's sites recordable injury free in Q3 2017

**Commenting on the third quarter 2017 interim management statement, Hilmar Rode, Chief Executive Officer said:**
"We have continued to deliver on our clear strategic priorities. A major milestone was reached at the Port Pirie Redevelopment with the successful start of hot commissioning at the end of September and yesterday the first feed to the new TSL furnace, EUR 100m upsizing of the 2024 notes issuance and completion of the zinc smelting optimisation review.

1 Underlying EBITDA is a non-IFRS measure of earnings, which is used by management to assess the underlying performance of Nyrstar's operations and is reported by Nyrstar to provide additional understanding of the underlying business performance of its operations. Nyrstar defines "Underlying EBITDA" as profit or loss for the period adjusted to exclude loss from discontinued operations (net of income tax), income tax (expense)/benefit, share of loss of equity-accounted investees, gain on the disposal of equity-accounted investees, net finance expense, impairment losses and reversals, restructuring expense, M&A related transaction expenses, depreciation, depletion and amortization, income or expenses arising from embedded derivatives recognised under IAS 39 "Financial Instruments: Recognition and Measurement" and other items arising from events or transactions clearly distinct from the ordinary activities of Nyrstar. For a definition of other terms used in this press release, please see Nyrstar's glossary of key terms available at: http://www.nyrstar.com/investors/en/Pages/investorsmaterials.aspx

Against this backdrop and despite some unplanned production outages during the quarter at Budel, the production results for the zinc smelting and mining operations were robust and in-line with guidance.

The financial performance of the Company has been supported by the strong zinc market fundamentals, with the zinc price average 31% higher in Q3 2017 compared to a year ago. However, the Company has continued to be faced with headwinds from the lower zinc benchmark treatment charge, the translational earnings impact of the material weakening of the US dollar against the Euro and the impact of 70% of the free metal zinc price exposure being capped by the current collar hedge at USD 2,543/t through to the end of the year. We will continue to deliver the transformation of the Company through the implementation of our strategic priorities, reducing the sensitivity of the business to these headwinds.

Substantial further earnings uplift is expected from the North American mining operations in the remainder of 2017 and into 2018. Given this anticipated performance improvement, we have decided to retain the North American mines, which are integrated, have scale and are strategically important to Nyrstar.

As we conclude 2017 and move into 2018, the strategic priorities for the Company will be to deliver the Port Pirie Redevelopment ramp up to design capacity; increase production and reduce operating costs within our zinc smelter network in-line with the full potential review completed in Q3 2017; continue to deliver a substantial earnings uplift from the North American mining operations and maintain a strong and flexible balance sheet."

**CONFERENCE CALL**

Management will discuss this statement in a conference call with the investment community on 31 October 2017 at 10:00am Central European Summer Time. The presentation will be webcast live and will also be available in archive. The webcast can be accessed via https://edge.media-server.com/m6/p/bu5wemuz.

## KEY FIGURES

| EUR million (unless otherwise indicated) [2] | 9m 2016 | 9m 2017 | % Change | Q3 2016 | Q3 2017 | % Change |
|---|---|---|---|---|---|---|
| Metals Processing Revenue | 1,978 | 2,628 | 33% | 658 | 824 | 25% |
| Mining Underlying Revenue | 101 | 178 | 76% | 35 | 70 | 100% |
| Other and Eliminations Revenue | (102) | (176) | 73% | (37) | (70) | 89% |
| **Group Revenue** | 1,976 | 2,630 | 33% | 656 | 824 | 26% |
| Metals Processing Underlying EBITDA | 143 | 162 | 13% | 39 | 45 | 15% |
| Mining Underlying EBITDA | 2 | 33 | 1550% | 2 | 18 | 800% |
| Other and Eliminations Underlying EBITDA | (25) | (34) | 36% | (10) | (12) | 20% |
| **Group Underlying EBITDA** | 120 | 162 | 35% | 30 | 51 | 70% |
| Underlying EBITDA margin (%) | 6% | 6% | 0% | 5% | 6% | 20% |
| **Capex** | | | | | | |
| Metals Processing | 166 | 231 | 39% | 49 | 90 | 84% |
| Mining | 10 | 35 | 250% | 4 | 16 | 300% |
| **Group Capex** | 179 | 267 | 49% | 53 | 106 | 100% |
| **Metals Processing Production** | | | | | | |
| Zinc metal (‘000 tonnes) | 752 | 766 | 2% | 245 | 247 | 1% |
| Lead metal (‘000 tonnes) | 143 | 123 | (14%) | 48 | 39 | (19%) |
| **Mining Production** | | | | | | |
| Zinc in concentrate (‘000 tonnes) | 72 | 88 | 22% | 22 | 34 | 55% |
| **Market**[3] | | | | | | |
| Zinc price (USD/t) | 1,955 | 2,783 | 42% | 2,253 | 2,962 | 31% |
| Lead price (USD/t) | 1,780 | 2,259 | 27% | 1,872 | 2,334 | 25% |
| Silver price (USD/t.oz) | 17.12 | 17.16 | 0% | 19.62 | 16.83 | (14%) |
| Gold price (USD/t.oz) | 1,260 | 1,251 | (1%) | 1,335 | 1,278 | (4%) |
| EUR/USD average exchange rate | 1.12 | 1.11 | (1%) | 1.12 | 1.17 | 4% |
| EUR/AUD average exchange rate | 1.50 | 1.45 | (3%) | 1.47 | 1.49 | 1% |

| EUR million (unless otherwise indicated) | 30 Sep 2016 | 30 Sep 2017 | % Change | 30 Jun 2017 | 30 Sep 2017 | % Change |
|---|---|---|---|---|---|---|
| **Debt and cash** | | | | | | |
| Loans and borrowings, end of the period | 913 | 1,203 | 32% | 1,081 | 1,203 | 11% |
| Cash and cash equivalents, end of period | (126) | (65) | (48%) | (95) | (65) | (32%) |
| **Net Debt Exclusive of Zinc Prepay and Perpetual Securities** | 787 | 1,138 | 45% | 986 | 1,138 | 15% |
| Zinc Prepay | 152 | 95 | (38%) | 118 | 95 | (19%) |
| Perpetual Securities | 86 | 154 | 79% | 139 | 154 | 11% |
| **Net Debt Inclusive of Zinc Prepay and Perpetual Securities** | 1,025 | 1,387 | 35% | 1,243 | 1,387 | 12% |

2 9 months 2016, 9m 2017 and Q3 2016 numbers were adjusted to exclude El Toqui, El Mochito, Campo Morado, Contonga and Coricancha as the mines are sold or reclassified as discontinued operation

3 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 OVERVIEW

**Revenue** for the first nine months 2017 of EUR 2,628 million was up 33% on 9 months 2016, driven by higher zinc and lead prices which were up 42% and 27% respectively, benefit of a marginally stronger US dollar against Euro in 9 months 2017 versus 9 months 2016 and increased production volumes in zinc smelting and mining.

**Group underlying EBITDA** (continuing operations) of EUR 162 million in 9 months 2017, an increase of 35% on 9 months 2016, due to higher commodity prices and stronger US dollar, partially offset by lower treatment charges, lower production from Port Pirie and Budel and the opportunity cost of the strategic zinc price hedge which reduced free metal price exposure.

**Capital expenditure** (continuing operations) was EUR 267 million in 9 months 2017, representing an increase of 49% period-on-period driven by a EUR 65 million increase in Metals Processing due to the large planned maintenance shuts in the first nine months of 2017 at Budel, Balen and Hobart and EUR 25 million capex increase in Mining with the restart of the Middle Tennessee mines and Myra Falls mine. The total capex remains in-line with full year guidance provided for FY 2017 (EUR 275 – EUR 340 million).

**Net debt** at the end of September 2017, excluding the zinc metal prepay and perpetual securities, was 15% higher compared to the end of H1 2017 at EUR 1,138 million (EUR 986 million at the end of H1 2017), predominantly due to amortisation of the silver prepays, working capital outflow due to higher commodity prices and capex expenditure in-line with guidance. The net debt inclusive of the zinc metal prepay and perpetual securities at the end of September 2017 was EUR 1,387 million, up 12% compared to the end of H1 2017. Cash balance at the end of September 2017 was EUR 65 million compared to EUR 95 million at the end of H1 2017 with proforma liquidity at the end of September 2017 of EUR 600 million.

## SAFETY, HEALTH AND ENVIRONMENT

“Prevent Harm” is a core priority 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 to create a workplace where all risks are effectively identified and controlled and everyone goes home safe and healthy each day of their working life.

The lost time injury rate (LTIR) for the Company in the first 9 months of 2017 was 2, higher than the rate of 1.7 in the first 9 months of 2016. 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 significantly by 27% and 6% respectively in the first 9 months of 2017 compared to the first 9 months of 2016.

During Q3 2017, Nyrstar achieved a record performance in terms of injury rates. The third quarter is traditionally a quarter of high injury rates due to the summer vacation period in Europe and North America and the increase of casual workers across these sites. In addition to the construction and commissioning activities at the Port Pirie Redevelopment, this year we completed two roaster turnarounds at our smelters in Auby and Balen. In total, four of the eleven Nyrstar sites were recordable injury free in Q3 2017.

No environmental events with material business consequences or long-term environmental impacts occurred during the first 9 months of 2017.

## OPERATIONS REVIEW: METALS PROCESSING

| EUR million (unless otherwise indicated) | 9m 2016 | 9m 2017 | % Change | Q3 2016 | Q3 2017 | % Change |
|---|---|---|---|---|---|---|
| Revenue | 1,978 | 2,628 | 33% | 658 | 824 | 25% |
| **Underlying EBITDA** | **143** | **162** | **13%** | **39** | **45** | **15%** |
| Sustaining | 62 | 97 | 56% | 20 | 38 | 90% |
| Growth | 19 | 31 | 63% | 8 | 14 | 75% |
| Port Pirie Redevelopment | 85 | 103 | 21% | 21 | 39 | 86% |
| **Metal Processing Capex** | **166** | **231** | **39%** | **49** | **90** | **84%** |

Metals Processing delivered an underlying EBITDA result of EUR 162 million in 9 months 2017, an increase of 13% over 9 months 2016 due to higher commodity prices and a marginally stronger USD, partially offset by lower zinc treatment charges, reduced lead and by-product production from Port Pirie and unplanned outages at Budel.

Sustaining capital spend in 9 months 2017 increased by 56% on 9 months 2016, in-line with the higher sustaining capital expenditure guidance provided for 2017 (EUR 100 million to EUR 135 million) compared to 2016 (EUR 97 million).

| | 9m 2016 | 9m 2017 | % Change | Q3 2016 | Q3 2017 | % Change |
|---|---|---|---|---|---|---|
| **Zinc metal ('000 tonnes)** | | | | | | |
| Auby | 107 | 123 | 15% | 38 | 41 | 8% |
| Balen/Overpelt | 175 | 181 | 3% | 51 | 64 | 25% |
| Budel | 212 | 197 | (7%) | 71 | 57 | (20%) |
| Clarksville | 81 | 85 | 5% | 25 | 26 | 4% |
| Hobart | 177 | 181 | 2% | 60 | 60 | 0% |
| **Total** | **752** | **766** | **2%** | **245** | **247** | **1%** |
| **Lead metal ('000 tonnes)** | | | | | | |
| Port Pirie | 143 | 123 | (14%) | 48 | 39 | (19%) |
| **Other products** | | | | | | |
| Copper cathode ('000 tonnes) | 3.6 | 3.1 | (14%) | 1.2 | 1.1 | (8%) |
| Silver (million troy ounces) | 12.3 | 9.5 | (23%) | 3.6 | 3.1 | (14%) |
| Gold ('000 troy ounces) | 39.8 | 48.9 | 23% | 7.9 | 13.7 | 73% |
| Indium metal (tonnes) | - | 16.5 | 100% | - | 7 | 100% |
| Sulphuric acid ('000 tonnes) | 1,018 | 945 | (7%) | 327 | 293 | (10%) |

Metals Processing produced approximately 766,000 tonnes of zinc metal in 9 months 2017, in-line with full year 2017 guidance (1.0 to 1.1 million tonnes), representing a 2% increase on 9 months 2016. The increase in zinc metal production year-over-year was despite the planned maintenance shuts at Balen and Budel in Q2 2017 which negatively impacted production by approximately 11,000 tonnes and 6,500 tonnes of zinc metal respectively; the planned maintenance shuts at Hobart and Clarksville in Q3 2017; and the unplanned outages experienced in Budel in Q3 2017. During Q3 2017, production at Budel was down by 19% compared to the same period in 2016, predominantly due to three roaster defluidisations during August with a production impact of approximately 16,000 tonnes of zinc metal. In October 2017, Budel experienced a further unplanned production outage of approximately 15 days due to a hydrogen explosion in a leaching department vessel. This outage has resulted in lost production of approximately 11,500 tonnes of zinc metal.

Hobart commenced its planned maintenance shut of its roasting and acid departments at the end of June 2017. The Hobart planned maintenance shut was completed by the end of July 2017, having been extended from a 28 day to a 41 day shut to allow repairs to the upper vertical wall of the number 6 roaster, with a production impact of approximately 5,500 tonnes of zinc metal.

Zinc metal production at Auby was up 15% in the first 9 months of 2017 as a result of a planned cellhouse maintenance shutdown in Q1 2016; Balen was up 5% despite a planned 21 day cellhouse shutdown in May 2017 which improved production rates; and Clarksville was up 5% primarily due to a higher proportion of feed being sourced from the East Tennessee mines. The Auby smelter successfully completed its planned roaster maintenance shutdown in September 2017.

Lead market metal production at Port Pirie of 123kt was 14% lower compared to 9 months 2016 due to two unplanned blast furnace stops to repair damaged water cooled jackets, heat exchanger failures in the old acid plant and operational issues in the sinter plant that have negatively affected sinter quality. These issues have now been largely resolved in Q3 2017 with the selective use of concentrates based on rankings, replacement of the acid plant cold heat exchanger and addressing some significant mechanical issues in the old sinter plant. Copper and silver production was lower in 9 months 2017 by 14% and 23% respectively whilst gold production was up 23%. The variance in the production of copper, silver and gold is mainly due to a different feed mix consumed with lower copper and silver and higher gold contained.

## OPERATIONS REVIEW: MINING

| EUR million (unless otherwise indicated) | 9m 2016[4] | 9m 2017 | % Change | Q3 2016 | Q3 2017 | % Change |
|---|---|---|---|---|---|---|
| Revenue | 101 | 178 | 76% | 35 | 70 | 100% |
| **Underlying EBITDA** | **2** | **33** | **1550%** | **2** | **18** | **800%** |
| Sustaining | 5 | 16 | 220% | 2 | 8 | 300% |
| Exploration and development | 5 | 15 | 200% | 2 | 4 | 100% |
| Growth | - | 4 | 100% | - | 4 | 100% |
| **Mining Capex** | **10** | **35** | **250%** | **4** | **16** | **300%** |

Mining underlying EBITDA of EUR 33 million in the first nine months of 2017 was exponentially higher than in the first nine months of 2016 due to the higher zinc price, lower zinc treatment charge terms, operational improvements and the successful restart of the Middle Tennessee Mines. As the Middle Tennessee Mines has continued to ramp-up in 2017, the quarterly EBITDA contribution has improved, with negative EUR 4.4 million, negative EUR 0.5 million and positive EUR 3.4 million contributed in Q1 2017, Q2 2017 and Q3 2017 respectively. Mining segment EBITDA was constrained during Q3 2017 with 70% of free metal (i.e. payable metal) limited to a price level of USD 2,543 due to the zinc price hedging collars in place for Q2 to Q4 2017. The Mining result excludes the underlying EBITDA impact of the Latin American mines which have been eliminated as discontinued operations due to their announced divestment. Myra Falls being on re-start since August 2017, contributed EBITDA of negative EUR 3.4 million in Q3 2017.

Mining capital expenditure in the first nine months of 2017 was EUR 35 million, up EUR 25 million year-on-year, due primarily to the re-start of the Middle Tennessee mines and Myra Falls mine which commenced in December 2016 and August 2017 respectively. Mining capex excludes the Latin American mining operations which have been eliminated from the results as discontinued mining operations.

4 9m 2016 and Q3 2016 numbers were adjusted to exclude Campo Morado, El Toqui, El Mochito, Contango and Coricancha as the mines are sold or reclassified as discontinued operations

| '000 tonnes unless otherwise indicated | 9m 2016[5] | 9m 2017 | % Change | Q3 2016 | Q3 2017 | % Change |
|---|---|---|---|---|---|---|
| **Total ore milled**[6] | 1,687 | 2,262 | 34% | 506 | 896 | 77% |
| **Zinc in Concentrate** | | | | | | |
| Langlois | 25 | 26 | 4% | 7 | 9 | 29% |
| East Tennessee | 46 | 49 | 7% | 15 | 17 | 13% |
| Middle Tennessee | - | 13 | 100% | - | 8 | 100% |
| **Total** | **72** | **88** | **22%** | **22** | **34** | **55%** |
| **Other metals** | | | | | | |
| Copper in concentrate | 1.6 | 1.4 | (13%) | 0.5 | 0.6 | 20% |
| Silver (‘000 troy oz) | 417 | 405 | (3%) | 110 | 134 | 22% |
| Gold (‘000 troy oz) | 1.4 | 1.3 | (7%) | 0.4 | 0.5 | 25% |

The Middle Tennessee mines were placed on care and maintenance throughout 2016 and were re-started in December 2016 with first mill production achieved in Q2 2017. Production of 13kt of zinc in concentrate from the Middle Tennessee mines in the period of May to September 2017 is in-line with management’s expectations. The Middle Tennessee mines are expected to ramp-up to an operating level of approximately 50kt per annum of zinc in concentrate by the end of the year. The East Tennessee Mines have performed well over the first 9 months 2017, with production of 49kt of zinc in concentrate being an improvement of 7% comparted to the same period in 2016. Production improvements at East Tennessee are due to increased development work to provide access to more mining areas and improved underground equipment availability, in part due to the replacement of some of the older units.

## OTHER DEVELOPMENTS

### Mining Divestment Process

The mine divestment that process that commenced in January 2016 has now been formally concluded. Over the course of the divestment process, Nyrstar sold all five of its mining assets in Latin America with a total cash consideration of USD 72 million (USD 40 million upfront and USD 32 million in contingent milestone payments).

The remaining North American mining portfolio has undergone a full potential review and Nyrstar is rolling out optimisation plans for all four of the mining assets. These optimisation plans together with more favourable macros means the North American mines are now considered a core part of the Nyrstar business and are positioned to ramp-up to 200kt per annum of zinc in concentrate production and deliver continued improvements in operating costs. At the end of October 2017, the Middle Tennessee mines ramp-up and the restart of the Myra Falls mine are both progressing well and are on-schedule.

### Port Pirie Redevelopment

As at 30 September 2017, capex incurred at Port Pirie was AUD 632 million, AUD 242 million drawn under the perpetual securities and AUD 50 million remaining to be drawn.

As communicated by the Company on 9 February 2017, a comprehensive review of the Port Pirie Redevelopment project has been undertaken and completed to ensure that the scope, flow sheet and commissioning will provide Port Pirie with industry leading performance. The review confirmed that the Port Pirie Redevelopment is the right strategy for the Company as it will have a significant positive long-term effect on Nyrstar’s operations and deliver a substantial earnings uplift. However, the review also identified that rework was required to the fabrication of key module components, which delayed the start of hot commissioning to the end of September 2017 as previously reported.

5 9m 2016 and Q3 2016 numbers were adjusted to exclude Campo Morado, El Toqui, El Mochito, Contango and Coricancha as the mines are sold or reclassified as discontinued operations
6 Mining production for both years was adjusted to exclude Contonga production volumes as it has been reclassified as a discontinued operation.

In the first 9 months of 2017, the Port Pirie Redevelopment focused on completing the rework referred to above and enhancing the slag tapping arrangements on the TSL furnace whilst completing the modular construction and progressing the commissioning of the new infrastructure and related control systems. In addition, training of Nyrstar personnel at the Kazzinc lead smelting operations in Kazakhstan was concluded. The lime plant commissioning and the piling for the relocation of the slag caster was completed during Q2 2017 and by the end of Q3 2017, the hot commissioning of the TSL plant had commenced. At the end of October 2017, a further substantial milestone was achieved at the Port Pirie Redevelopment with the first feed to the TSL furnace and the production of molten metal.

Nyrstar reaffirms that the incremental EBITDA uplift from the redevelopment, using 2016 as a basis, will increase from the previous full ramp-up guidance of EUR 80 million per annum and is expected to be in the region of EUR 40 million in 2018, EUR 100 million in 2019 and EUR 130 million per annum from 2020. The expected project cost to complete the redevelopment is also reaffirmed as approximately AUD 660 million.

**Strategic hedges**

During the implementation of the transformation and turnaround strategy, Nyrstar has taken prudent measures to mitigate downside risk on zinc prices and key currencies by placing zero cost hedging collars whereby Nyrstar buys put options and sells call options on zinc price and sells put options and buys call options on foreign exchange.

In Q1 2017, Nyrstar had in place zinc price collar hedges to protect 70% of total free metal produced at the zinc smelters and North American mines within a price range of USD 2,127 and USD 2,496 with full upside from USD 2,800; and for Q2 2017 to Q4 2017, a collar of USD 2,172 to USD 2,543. At the end of Q2 2017, protective hedges were put in place for 70% of the total free metal produced by Nyrstar's zinc smelters (8,300 tonnes of zinc metal per month) and mines (7,500 tonnes per month of the payable zinc metal produced in concentrate) for H1 2018. These hedges result in full exposure to the zinc price for 100% of the production volume in H1 2018 between a floating zinc price of USD 2,300/t and USD 3,094/t. Above and below these prices, Nyrstar's exposure is limited to 30% of the total free metal produced. During the entirety of 2017, the zinc production at Langlois has been hedged with a fixed forward position of USD 2,280 per tonne on a payable volume of 2,000 tonnes per month.

In Q3 2017, Nyrstar has placed additional zinc collar hedges to protect approximately 15% of total free metal produced across the zinc smelters and mines (3,250 tonnes per month) in H2 2018 within a price range of USD 2,600 and USD 3,545. These hedges result in full exposure to the zinc price for 100% of the production volume in H2 2018 between a floating zinc price of USD 2,600/t and USD 3,545/t. Above and below these prices, Nyrstar's exposure is reduced to 85% of the total free metal produced. Nyrstar has also placed fixed forward hedges to protect the profitability of the Myra Falls mine during its restart and ramp-up. The Myra Falls fixed forward commodity price hedging has been placed at USD 2,760 and USD 2,685 per tonne for zinc in 2018 and 2019 respectively; USD 1,281 and USD 1,296 per troy ounce in 2018 and 2019 respectively; USD 6,461 and USD 6,415 per tonne for copper in 2018 and 2019 respectively; and USD 17.41 per troy ounce for silver in both 2018 and 2019.

Since H1 2016, Nyrstar has entered into a series of foreign exchange options to hedge the Company's monthly exposure related to the direct operating costs denominated in Australian dollars (AUD), Canadian Dollars (CAD) and in Euro (EUR) utilising put and call collar structures. For the EUR/USD transactional exposure, various collars have been executed resulting in a weighted average collar of 1.05 to 1.14 for approximately 100% of the total transactional expenses for H1 2017; and a weighted average collar of 1.00 to 1.10 for approximately 100% of the total transactional expenses for H2 2017. For the AUD/USD transactional exposure, various collars have been executed resulting in a weighted average collar of 0.62 to 0.81 for approximately 100% of the total transactional expenses for H1 2017; a weighted average collar of 0.68 to 0.81 for approximately 100% of H2 2017; and a weighted average collar of 0.68 to 0.80 for approximately 33% of 2018. For the CAD/USD transactional exposure on Langlois, various collars have been executed resulting in a weighted average collar of 1.28 to 1.35 for approximately 70% of 2017 and a weighted average collar of 1.32 to 1.36 for approximately 100% of 2018.

In Q3 2017, Nyrstar did not undertake any further currency hedging and is continuing to review options to place further EUR/USD hedges to provide transactional protection.

## 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 4,300 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.

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# News release

## MINING PRODUCTION ANNEX

| PERIOD | Production KPI by Site | Ore milled ('000 tonnes) | Mill head grade | | | | | Recovery | | | | | Concentrate | | | Metal in concentrate | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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) |
| **CONTINUING OPERATIONS** | | | | | | | | | | | | | | | | | | | | |
| 9m 2016 | Langlois | 309 | 8.63% | - | 0.74% | 0.18 | 50.54 | 95.0% | - | 70.5% | 78.4% | 82.9% | 48 | - | 6.4 | 25.4 | - | 1.6 | 1.4 | 417 |
| | East Tennessee | 1,378 | 3.57% | - | - | - | - | 93.8% | - | - | - | - | 75 | - | - | 46.2 | - | - | - | - |
| | Middle Tennessee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **MiningTotal** | **1,687** | **4.50%** | **-** | **0.74%** | **0.18** | **50.54** | **94.0%** | **-** | **70.5%** | **78.4%** | **82.9%** | **123** | **-** | **6.4** | **71.6** | **-** | **1.6** | **1.4** | **417** |
| 9m 2017 | Langlois | 337 | 7.98% | - | 0.55% | 0.16 | 44.29 | 95.0% | - | 76.7% | 78.5% | 84.3% | 48 | - | 6.0 | 25.5 | - | 1.4 | 1.3 | 405 |
| | East Tennessee | 1,477 | 3.50% | - | - | - | - | 95.3% | - | - | - | - | 80 | - | - | 49.2 | - | - | - | - |
| | Middle Tennessee | 447 | 3.12% | - | - | - | - | 91.2% | - | - | - | - | 20 | - | - | 12.7 | - | - | - | - |
| | **MiningTotal** | **2,262** | **4.09%** | **0.00%** | **0.55%** | **0.16** | **44.29** | **94.5%** | **0.0%** | **76.7%** | **78.5%** | **84.3%** | **147** | **0.0** | **6.0** | **87.5** | **0.0** | **1.4** | **1.3** | **405** |
| % Change | Langlois | 9% | (8)% | - | (26)% | (11)% | (12)% | - | - | 9% | 0% | 2% | - | - | - | 4% | - | (50)% | - | (3)% |
| | East Tennessee | 7% | (2)% | - | - | - | - | 2% | - | - | - | - | 7% | - | - | 7% | - | - | - | - |
| | Middle Tennessee | 100% | 100% | - | - | - | - | 100% | - | - | - | - | 100% | - | - | 100% | - | - | - | - |
| | **MiningTotal** | **34%** | **(9)%** | **-** | **(26)%** | **(11)%** | **(12)%** | **1%** | **-** | **9%** | **0%** | **2%** | **20%** | **-** | **-** | **22%** | **-** | **(50)%** | **-** | **(3)%** |

| PERIOD | Production KPI by Site | Ore milled ('000 tonnes) | Mill head grade | | | | | Recovery | | | | | Concentrate | | | Metal in concentrate | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 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) |
| **CONTINUING OPERATIONS** | | | | | | | | | | | | | | | | | | | | |
| Q3 2016 | Langlois | 88 | 8.00% | - | 0.80% | 0.18 | 53.71 | 94.5% | - | 69.4% | 78.0% | 72.6% | 12 | - | 1.9 | 6.6 | - | 0.5 | 0.4 | 110 |
| | East Tennessee | 419 | 3.75% | - | - | - | - | 95.5% | - | - | - | - | 25 | - | - | 15.0 | - | - | - | - |
| | Middle Tennessee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **MiningTotal** | **506** | **4.49%** | **-** | **0.80%** | **0.18** | **53.71** | **95.3%** | **-** | **69.4%** | **78.0%** | **72.6%** | **37** | **-** | **1.9** | **21.6** | **-** | **0.5** | **0.4** | **110** |
| Q3 2017 | Langlois | 135 | 7.32% | - | 0.54% | 0.16 | 38.87 | 95.2% | - | 77.4% | 78.4% | 79.4% | 18 | - | 2.5 | 9.4 | - | 0.6 | 0.5 | 134 |
| | East Tennessee | 514 | 3.52% | - | - | - | - | 94.9% | - | - | - | - | 28 | - | - | 17.2 | - | - | - | - |
| | Middle Tennessee | 247 | 3.37% | - | - | - | - | 91.3% | - | - | - | - | 12 | - | - | 7.6 | - | - | - | - |
| | **MiningTotal** | **896** | **4.05%** | **-** | **0.54%** | **0.16** | **38.87** | **94.0%** | **-** | **77.4%** | **78.4%** | **79.4%** | **58** | **-** | **2.5** | **34.1** | **-** | **0.6** | **0.5** | **134** |
| % Change | Langlois | 53% | (9)% | - | (33)% | (11)% | (28)% | 1% | - | 12% | 1% | 9% | 50% | - | - | 29% | - | - | - | 22% |
| | East Tennessee | 23% | (6)% | - | - | - | - | (1)% | - | - | - | - | 12% | - | - | 13% | - | - | - | - |
| | Middle Tennessee | 100% | 100% | - | - | - | - | 100% | - | - | - | - | 100% | - | - | 100% | - | - | - | - |
| | **MiningTotal** | **77%** | **(10)%** | **-** | **(33)%** | **(11)%** | **(28)%** | **(1)%** | **-** | **12%** | **1%** | **9%** | **57%** | **-** | **-** | **55%** | **-** | **-** | **-** | **22%** |