



LIMITED LIABILITY COMPANY ("NAAMLOZE VENNOOTSCHAP")
Registered Office: Zinkstraat 1, 2490 Balen, Belgium
Company Number VAT BE 0888.728.945 RPR/RPM Antwerp, division Turnhout

EXPLANATORY NOTE

SPECIAL GENERAL MEETING

to be held on Thursday 4 December 2014 at 11:00 a.m.

Introduction

This explanatory note has been prepared on behalf of the Board of Directors of Nyrstar NV (the "**Company**") in connection with the item on the agenda of the special general shareholders' meeting of the Company, to be held on 4 December 2014. Pursuant to article 533bis, §2, d) of the Belgian Company Code, this note contains for the item on the agenda of the aforementioned general shareholders' meeting a commentary on behalf of the Board of Directors.

For further information on date, hour and venue of the special general shareholders' meeting, the manner in which the holders of securities issued by the Company can participate to the meeting, the required quorum and majorities for voting, and background documentation regarding the meeting, reference can be made to the notice convening the special general shareholders' meeting, which is available on the Company's website (<http://www.nyrstar.com/investors/en/shareholderinformation/Pages/Shareholder-Meetings.aspx>).

Agenda and proposed resolution

The agenda and proposed resolution of the special general shareholders' meeting of the Company, is as follows (subject to amendments at the meeting on behalf of the Board of Directors, as the case may be):

Approval in accordance with Article 556 of the Belgian Company Code in connection with the Comprehensive Strategic Financing

Explanation: This agenda item relates to the financing arrangements that have been put in place by the Company and its subsidiaries in the context of the comprehensive strategic financing that was announced by the Company on 1 September 2014 and that are subject to the provisions of Article 556 of the Belgian Company Code.

- (a) As part of such comprehensive strategic financing, Senior Unsecured Notes due 2019 in a principal amount of EUR 350 million (the "**Notes**") were issued by Nyrstar Netherlands (Holdings) B.V., a wholly owned subsidiary of the Company (the "**Issuer**") and, together with the Company and their subsidiaries, "**Nyrstar**"), on 12 September 2014. The Notes are admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange. The Issuer's obligations under the Notes and the Indenture (as defined below) are guaranteed by, amongst others, the Company as Parent Guarantor.

As is customary market practice in the European high yield bond market, in order to sell the Notes, investors required a "change of control" clause with respect to the Notes. Pursuant to the "change of control" clause in the Indenture governing the Notes, upon the occurrence of certain events constituting a change of control, the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase. Likewise, the terms of the retail bonds due 2015 and 2016 and the convertible bonds due 2018 that have been

issued by the Company also contain change of control clauses that provide for an customary early redemption option for bond holders in case of a change of control.

As the Company is a guarantor of the Notes, the aforementioned provisions in the Notes are subject to the approval by the Company's general shareholders' meeting pursuant to Article 556 of the Belgian Company Code. Likewise, the change of control clauses in the outstanding bonds issued by the Company have also been approved by the general shareholders' meetings in the past. Hence, (a) of this proposed resolution aims at obtaining such approval. If the shareholders of the Company do not approve the clauses of the Indenture that are subject to Article 556 of the Belgian Company Code, or if such approval is not duly filed with the Clerk of the Commercial Court of Antwerp, division Turnhout, on or prior to the date that is 90 calendar days after 12 September 2014, Nyrstar will have to mandatorily redeem the Notes early. The early mandatory redemption price of the Notes will be equal to the greater of (x) 101% of the principal amount of the Notes, together with accrued but unpaid interest and additional amounts, if any, up to (but excluding) the early mandatory redemption date, and (y) 101% of the fair market value of the Notes (as defined by the terms of the Notes), together with accrued but unpaid interest and additional amounts, if any, up to (but excluding) the early mandatory redemption date.

- (b) Part of the proceeds of the comprehensive strategic financing were aimed at funding Nyrstar's direct contribution of ca. EUR 68 million in the redevelopment of Nyrstar's Port Pirie smelter in Australia, aimed at converting the Port Pirie smelter into an advanced metal recovery and refining facility. The remaining portion of the investment for the Port Pirie redevelopment has been partially financed through the forward sale of future silver production as announced by the Company on 9 October 2014. As part of this forward sale, Nyrstar Sales & Marketing AG ("**NSM**"), a wholly owned subsidiary of the Company, entered into the Silver Forward Purchase Agreement (as defined below) for a term of five years with a special purpose vehicle, Hydra Limited ("**Hydra**"), under which NSM received a ca. USD 109 million prepayment in return for the delivery of a total notional quantity of ca. 7.8 million ounces of silver. NSM's delivery obligation will primarily be discharged from 2016 to 2019.

As part of this forward sale of future silver, the Company entered into the Guarantee Agreement (as defined below) whereby it irrevocably and unconditionally guaranteed to Hydra the punctual performance by NSM of all obligations and liabilities owing by NSM to Hydra under the Silver Forward Purchase Agreement. Upon the occurrence of certain events constituting a change of control, a termination event or event of default will be triggered under the Silver Forward Purchase Agreement, which allows Hydra to effectively force a cancellation of all outstanding obligations and the set-off of losses and gains payable either way.

As the Company is a guarantor, these provisions are subject to the approval by the Company's general shareholders' meeting pursuant to Article 556 of the Belgian Company Code. Hence, (b) of this proposed resolution aims at obtaining such approval. If the shareholders of the Company do not approve the clauses of the Silver Forward Purchase Agreement that are subject to Article 556 of the Belgian Company Code, or such approval is not duly filed with the Clerk of the Commercial Court of Antwerp, division Turnhout within 20 business days following the date of the passing of the proposed resolution, the Company must pay a fee to Hydra in the amount of USD 2,000,000.

Proposed resolution: The general shareholders' meeting takes note of, approves and ratifies, in as far as necessary, the clauses in the financing arrangements that have been put in place by the Company and its subsidiaries in the context of the comprehensive strategic financing that was announced by the Company on 1 September 2014 and that are subject to the provisions of Article 556 of the Belgian Company Code. Accordingly, in accordance with Article 556 of the Belgian Company Code the general shareholders' meeting takes note of, approves and ratifies, any clauses included in:

- (a) the indenture of 12 September 2014 pursuant to which Nyrstar Netherlands (Holdings) B.V., a wholly owned subsidiary of the Company, has issued unsecured notes due 2019 for an aggregate principal amount of EUR 350 million, and which has been entered into by, amongst others, the Company as the "Parent Guarantor" (the "**Indenture**"), including, without being limited to, Section 1.01, Section 4.15 and Article 10 of the Indenture; and
- (b) the guarantee agreement of 5 September 2014 between the Company and Hydra Limited (the "**Guarantee Agreement**") and the 2002 ISDA Master Agreement between Nyrstar Sales & Marketing AG, a subsidiary of the Company, and Hydra Limited of 5 September 2014, together with the confirmation and schedule entered into thereunder between Nyrstar Sales & Marketing AG and Hydra Limited (the "**Silver Forward Purchase Agreement**"), including, without being limited to, Section 5(a)(viii) (*Merger Without Assumption*) of the 2002 ISDA Master Agreement that is part of the Silver Forward Purchase Agreement, read together with Sections 6(a) (*Right to Terminate Following Event of Default*) and 6(e)(i) (*Events of Default*) of the 2002 ISDA Master Agreement that is part of the Silver Forward Purchase Agreement, in combination with Section 2 (*Guarantee and Indemnity*) of the Guarantee Agreement; part 1(g)(iv) (*Change of control*) of the Schedule that is part of the Silver Forward Purchase Agreement, read together with Sections 5(b)(vi) (*Additional Termination Event*), 6(b) (*Right to Terminate Following Termination Event*) and 6(e)(ii) (*Termination Events*) of the 2002 ISDA Master Agreement that is part of the Silver Forward Purchase Agreement, in combination with Section 2 (*Guarantee and Indemnity*) of the Guarantee Agreement; part 7(d) (*Disposals*) of the Schedule that is part of the Silver Forward Purchase Agreement, read together with Sections 5(a)(ii) (*Breach of Agreement; Repudiation of Agreement*), 6(a) (*Right to Terminate Following Event of Default*) and 6(e)(i) (*Events of Default*) of the 2002 ISDA Master Agreement that is part of the Silver Forward Purchase Agreement, in combination with Section 2 (*Guarantee and Indemnity*) of the Guarantee Agreement;

which in accordance with Article 556 of the Belgian Company Code entail rights to third parties that have an impact on the Company's equity or that give rise to a liability or obligation of the Company, whereby the exercise of such rights is dependent upon a public takeover bid on the Company's shares or a change of the control over the Company. The general shareholders' meeting further grants a special power of attorney to each Director of the Company and the Company Secretary, acting singly and with the power of substitution, to perform the formalities required by Article 556 of the Belgian Company Code with respect to this resolution.

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Done on 4 November 2014,

On behalf of the Board of Directors