

Nyrstar NV

**Statutory auditor's report on the statement
of assets and liabilities for the period ending
May 31, 2014 related to the proposed change
of the corporate goal**

The original text of this report is in Dutch

Table of contents

	Pg.
1. Introduction	3
2. Performed review	3
3. Remarks on the statement of assets and liabilities	4
4. Events after balance sheet date	4
5. Conclusion	4

1. Introduction

In the context of the planned change of the corporate goal of Nyrstar NV, which will be proposed to the extraordinary shareholders meeting of July 30, 2014, and in accordance with Article 559 of the Companies Code, we have performed a limited review of the attached statement of assets and liabilities for the period ending May 31, 2014, which shows a balance sheet total of 3.239.814 (000) EUR. This statement of assets and liabilities was established under the responsibility of the board of directors.

Article 559 reads as follows (free translation):

“If a change in the bylaws relates to the corporate goal, the board of directors has to justify the proposed change in a report that is mentioned in the agenda of the shareholders meeting. A statement of assets and liabilities not older than three months is attached to this report. The statutory auditor reports separately on this statement.

A copy of these reports can be obtained according Article 535.

The absent of these reports leads to the invalidity of the decision of the shareholders meeting.

(...)”.

2. Performed review

Our mission was executed in accordance with the audit recommendations of the Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d’Entreprises on limited reviews. A limited review of statements of assets and liabilities mainly consists of an analytical review of the financial data and a discussion of this information with management. The scope of this review is less than a full scope audit performed in accordance with the general accepted audit standards. As such, we cannot express an opinion on the attached statement of assets and liabilities.

3. Remarks on the statement of assets and liabilities

The interim statement of assets and liabilities for the period ending May 31, 2014 was established under the responsibility of the board of directors in accordance with the accounting legislation and the company's accounting policies and is based on the accounting records of Nyrstar NV. The accounting policies are consistent with those used during previous accounting years.

The comparative figures in the statement of assets and liabilities are based on the annual accounts as of December 31, 2013. We have audited these annual accounts and issued an unqualified opinion thereon on February 5, 2014. The annual accounts have been approved by the general shareholders' meeting of April 30, 2014.

4. Events after balance sheet date

On the date of the present report and based on our discussions with management no important events occurred after May 31, 2014, date of the interim statement of assets and liabilities, which could have a material impact.

5. Conclusion

Our audit did not reveal any facts or elements which could result in significant adjustments to the interim statement of assets and liabilities for the period ending May 31, 2014.

This report has been prepared for the sole use by the shareholders of the company in the context of the planned change of the corporate goal as described above and can therefore not be used for any other purpose.

Diegem, 26 June 2014

The statutory auditor



DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises
BV o.v.v.e. CVBA
Represented by Gert Vanhees

- Enclosures:
1. Board of directors report
 2. Statement of assets and liabilities as of May 31, 2014 and the company's accounting principles.



Limited Liability Company (*Naamloze Vennootschap*)
Zinkstraat 1, 2490 Balen (Belgium)
Company number VAT BE 0888.728.945 RPR/RPM Turnhout

**Report of the Board of Directors
in accordance with Article 559 of the Belgian Company Code**

1. Introduction

This report has been prepared by the Board of Directors of Nyrstar NV (the "**Company**") in accordance with Article 559 of the Belgian Company Code with respect to the proposal to amend the corporate purpose of the Company as set out in Article 3 of the Company's Articles of Association. The proposal will be submitted to an extraordinary general shareholders' meeting of the Company to be held before a notary public.

In accordance with Article 559 of the Belgian Company Code, the Board of Directors has provided in the present report a justification for the proposed amendment to the corporate purpose of the Company.

Attached to the present report in Annex A is a condensed balance sheet of the Company, providing a overview of the Company's assets and liabilities on a non-consolidated basis as per 31 May 2014, as required by Article 559 of the Belgian Company Code. The Company's statutory auditor has issued a separate report in relation to the balance sheet which has been attached as Annex B to the present report.

2. Proposal to amend the purpose of the Company

The present corporate purpose of the Company is set forth in Article 3 of its Articles of Association and reads as follows:

The purpose of the company is the carrying out of the following activities, both in Belgium and abroad, directly or indirectly, for its own account or for the account of third parties, alone or in association with third parties:

- *the acquisition, ownership, management and transfer, by means of purchase, contribution, sale, exchange, assignment, merger, split, subscription, financial intervention, exercise of rights or otherwise, of any participating interest in any business or branch of activity, and in any company, partnership, enterprise, establishment, association or foundation which does or may in the future exist;*
- *the purchase, subscription, exchange, assignment, sale and transfer of, and all other similar operations relating to, every kind of transferable security, share, bond, subscription right, option and government stock;*
- *the manufacturing, smelting, refining, transforming, recycling, marketing and trading of zinc and lead, zinc and lead alloys and products derived from zinc and lead, and the carrying out of all financial, manufacturing, commercial and civil operations relating to zinc and lead activities.*

The company may take out, make use of, purchase, acquire or transfer all forms of intellectual property rights relating directly or indirectly to its activities and may undertake research activities.

The company may acquire, rent, lease, fabricate, manage, transfer or exchange any personal or real property, with or without substance. It may carry out all real estate activities in any legal form, including the purchase, sale, leasing and renting of real estate, the issuing of real estate income certificates or land certificates and the management of real estate properties.

The company may grant loans of any kind, duration or amount. It may secure its own obligations or obligations of third parties notably by providing guarantees and by mortgaging or pledging its assets, including its own commercial undertaking ("handelszaak").

The company may exercise the functions of director, manager or liquidator in companies or associations. It may also supervise and control such companies or associations.

In general, the company may undertake all commercial, industrial and financial operations directly or indirectly related to its purpose and all actions which could facilitate the realisation of its purpose.

The third bullet of the first paragraph of the corporate purpose as presently stated refers to the Company's zinc and smelting business, which was the Company's initial main business when it acquired the smelting activities of its former parents in 2007. In the meantime, however, the Company has been able to further develop and grow its business.

Today, the Company is an integrated mining and metals business, with market leading positions in zinc and lead, and growing positions in other base and precious metals; essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. It has smelting, as well as mining and other operations located in Europe, the Americas, China and Australia. In view hereof, the Board of Directors found it appropriate to update the Company's corporate purpose and make it clear that its business is broader than at its inception in 2007.

Accordingly, the Board of Directors proposes that the extraordinary general shareholders' meeting of the Company updates the third bullet of the first paragraph of the Company's corporate purpose so that it refers to smelting as well as mining and other operations, and to lead and zinc as well as other metals and minerals, and to amend and restate it as follows (whereby the new provisions have been marked in the text):

The purpose of the company is the carrying out of the following activities, both in Belgium and abroad, directly or indirectly, for its own account or for the account of third parties, alone or in association with third parties:

- the acquisition, ownership, management and transfer, by means of purchase, contribution, sale, exchange, assignment, merger, split, subscription, financial intervention, exercise of rights or otherwise, of any participating interest in any business or branch of activity, and in any company, partnership, enterprise, establishment, association or foundation which does or may in the future exist;*
- the purchase, subscription, exchange, assignment, sale and transfer of, and all other similar operations relating to, every kind of transferable security, share, bond, subscription right, option and government stock;*

- the mining, extraction, production, manufacturing, smelting, refining, transforming, recycling, marketing and trading of zinc, lead and other metals and minerals, alloys of zinc, lead and other metals and minerals, and any products derived from zinc, lead and other metals and minerals, and the carrying out of all financial, mining, extraction, manufacturing, commercial and civil operations relating to zinc, lead and other metals and minerals activities.

The company may take out, make use of, purchase, acquire or transfer all forms of intellectual property rights relating directly or indirectly to its activities and may undertake research activities.

The company may acquire, rent, lease, fabricate, manage, transfer or exchange any personal or real property, with or without substance. It may carry out all real estate activities in any legal form, including the purchase, sale, leasing and renting of real estate, the issuing of real estate income certificates or land certificates and the management of real estate properties.

The company may grant loans of any kind, duration or amount. It may secure its own obligations or obligations of third parties notably by providing guarantees and by mortgaging or pledging its assets, including its own commercial undertaking ("handelszaak").

The company may exercise the functions of director, manager or liquidator in companies or associations. It may also supervise and control such companies or associations.

In general, the company may undertake all commercial, industrial and financial operations directly or indirectly related to its purpose and all actions which could facilitate the realisation of its purpose.

3. Justification of the proposed amendment

As explained above, the proposed amendment of the corporate purpose of the Company aims at updating the Company's corporate purpose. It does not imply an amendment to the activities of the Company, but has as purpose to reflect also in the Company's Articles of Association that the Company is an integrated mining and metals business.

* * *

Done on 25 June 2014,

On behalf of the Board of Directors,

By:



De Wilde J. Management BVBA
represented by its permanent
representative Julien De Wilde
Chairman

By:



Roland Junck
Director

ANNEX A

[see attached]

BALANCE SHEET

	Notes	Codes	Period	Previous period
ASSETS				
FIXED ASSETS		20/28	<u>2.178.808.120,26</u>	<u>2.182.106.798,61</u>
Formation expenses	5.1	20	1.913.355,76	3.434.572,73
Intangible fixed assets	5.2	21		
Tangible fixed assets	5.3	22/27	3.618,16	5.433,27
Land and buildings		22		
Plant, machinery and equipment		23	3.618,16	5.433,27
Furniture and vehicles		24		
Leasing and other similar rights		25		
Other tangible fixed assets		26		
Assets under construction and advance payments		27		
	5.4/			
Financial fixed assets	5.5.1	28	2.176.891.146,34	2.178.666.792,61
Affiliated enterprises	5.14	280/1	2.176.891.146,34	2.178.666.792,61
Participating interests		280	2.041.251.946,61	2.042.343.433,60
Amounts receivable		281	135.639.199,73	136.323.359,01
Other enterprises linked by participating interests	5.14	282/3		
Participating interests		282		
Amounts receivable		283		
Other financial assets		284/8		
Shares		284		
Amounts receivable and cash guarantees		285/8		
CURRENT ASSETS		29/58	<u>1.061.005.920,45</u>	<u>1.088.696.425,12</u>
Amounts receivable after more than one year		29	400.000.000,00	742.767.250,38
Trade debtors		290		
Other amounts receivable		291	400.000.000,00	742.767.250,38
Stocks and contracts in progress		3		
Stocks		30/36		
Raw materials and consumables		30/31		
Work in progress		32		
Finished goods		33		
Goods purchased for resale		34		
Immovable property intended for sale		35		
Advance payments		36		
Contracts in progress		37		
	5.5.1/			
Amounts receivable within one year	5.6	40/41	563.750.801,63	259.182.016,97
Trade debtors		40	1.203.278,81	1.624.618,74
Other amounts receivable		41	562.547.522,82	257.557.398,23
Current investments		50/53	30.855.500,92	35.431.773,31
Own shares		50	30.855.500,92	35.431.773,31
Other investments and deposits		51/53		
Cash at bank and in hand		54/58	810.783,72	219.038,49
Deferred charges and accrued income	5.6	490/1	65.588.834,18	51.096.345,97
TOTAL ASSETS		20/58	<u>3.239.814.040,71</u>	<u>3.270.803.223,73</u>

EQUITY AND LIABILITIES		Notes	Codes	Period	Previous period
EQUITY			10/15	<u>2.173.167.949,22</u>	<u>2.182.838.406,11</u>
Capital	5.7	10		370.649.145,96	370.649.145,96
Issued capital		100		370.649.145,96	370.649.145,96
Uncalled capital		101			
Share premium account		11		1.555.133.254,64	1.555.133.254,64
Revaluation surpluses		12			
Reserves		13		47.112.528,97	51.688.801,37
Legal reserve		130		16.257.028,06	16.257.028,06
Reserves not available		131		30.855.500,91	35.431.773,31
In respect of own shares held		1310		30.855.500,91	35.431.773,31
Other		1311			
Untaxed reserves		132			
Available reserves		133			
Accumulated profits (losses)	(+)/(-)	14		200.273.019,65	205.367.204,14
Investment grants		15			
Advance to associates on the sharing out of the assets		19			
PROVISIONS AND DEFERRED TAXES		16		<u>3.367.177,73</u>	<u>3.302.472,94</u>
Provisions for liabilities and charges		160/5		3.367.177,73	3.302.472,94
Pensions and similar obligations		160		125.819,21	40.383,82
Taxation		161			
Major repairs and maintenance		162			
Other liabilities and charges	5.8	163/5		3.241.358,52	3.262.089,12
Deferred taxes		168			
AMOUNTS PAYABLE		17/49		<u>1.063.278.913,76</u>	<u>1.084.662.344,68</u>
Amounts payable after more than one year	5.9	17		620.311.989,43	838.981.583,92
Financial debts		170/4		620.311.989,43	838.981.583,92
Subordinated loans		170			
Unsubordinated debentures		171		620.311.989,43	838.981.583,92
Leasing and other similar obligations		172			
Credit institutions		173			
Other loans		174			
Trade debts		175			
Suppliers		1750			
Bills of exchange payable		1751			
Advances received on contracts in progress		176			
Other amounts payable		178/9			
Amounts payable within one year		42/48		434.779.868,50	213.639.185,58
Current portion of amounts payable after more than one year falling due within one year	5.9	42		339.505.175,61	118.466.651,24
Financial debts		43			
Credit institutions		430/8			
Other loans		439			
Trade debts		44		653.460,74	1.140.496,61
Suppliers		440/4		653.460,74	1.140.496,61
Bills of exchange payable		441			
Advances received on contracts in progress		46			
Taxes, remuneration and social security	5.9	45		417.980,72	557.576,52
Taxes		450/3		80.237,28	226.877,14
Remuneration and social security		454/9		337.743,44	330.699,38
Other amounts payable		47/48		94.203.251,43	93.474.461,21
Accrued charges and deferred income	5.9	492/3		8.187.055,83	32.041.575,18
TOTAL LIABILITIES		10/49		<u>3.239.814.040,71</u>	<u>3.270.803.223,73</u>

Valuation rules of Nyrstar NV

General

The valuation rules are drafted in accordance with the statements of the Royal Decree dd. 31st of January 2001 to the execution of the Company Code relating to valuation rules.

Specific rules

I. Formation expenses and costs of capital increase

Formation expenses are capitalized and depreciated over 3 years. The expenses of capital increase are also capitalized and depreciated over 3 years.

II. Intangible assets

Intangible fixed assets are valued at purchase cost. The depreciations are accounted for based on the following terms:

- software : 3 years
- other : 3 to 5 years

III. Tangible assets

Tangible assets are accounted for at historical purchase cost including incidental expenses. The depreciations for these assets is calculated based on the economical lifetime of the related asset and based on the straight-line method. The depreciation terms are defined as follows:

- Land : not amortized
- Buildings : 40 years
- Installations, machinery and equipment : 7 to 15 years
- Furniture and vehicles : 3 to 10 years
- Improvements to rented buildings : 10 years

IV. Financial fixed assets

Participations and receivables are accounted for at historical purchase cost. Allowances on these assets are accounted for in case of enduring reduction of value justified by the economical circumstances, profitability or prospects. Write-downs are reversed in case they are not longer justifiable based on current evaluations.

Receivables denominated in foreign currencies are valued at the closing rates at the end of the financial year. The negative (unrealized) exchange differences are accounted for in the income statement. As from accounting year 2011, based on the prudence principle, the positive unrealized exchange differences at closing balance date are accounted for as deferred income.

V. Current assets and liabilities

These are valued at nominal value. Current assets and liabilities denominated in foreign currencies are valued at the closing rates at the end of the financial year. The negative (unrealized) exchange differences are accounted for in the income statement. As from accounting year 2011, based on the prudence principle, the positive unrealized exchange differences at closing balance date are accounted for as deferred income.

Cash pooling balances are presented as other receivables and liabilities in accordance to CBN advice 120/1.

VI. Provisions for liabilities and charges

Provisions are accounted for to cover liabilities and charges, for which the nature is clearly defined and which are probable or certain at balance sheet date, but for which the amount is uncertain. Provisions relating to prior accounting years are regularly reviewed and reversed if they become purposeless and when these risks and charges are realized.

VII. Income statement

The income statement takes into account all expenses and income relating to the accounting year, regardless the date on which these expenses and income are paid or collected.

VIII. Additional note

The transactional expenses related to the convertible bond, issued in September 2013, are capitalized under formation expenses and depreciated over a period of 5 years, which corresponds to the maturity period of the bond.

ANNEX B

[see attached]