



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

EXPLANATORY NOTE

EXTRAORDINARY GENERAL MEETING

to be held on Wednesday 20 August 2014 at 10:30 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 various items on the agenda of the extraordinary general shareholders' meeting of the Company, to be held on 20 August 2014. Pursuant to article 533bis, §2, d) of the Belgian Company Code, this note contains for each of the items on the agenda of the aforementioned general shareholders' meeting a proposed resolution or, if the item does not require a resolution, a commentary on behalf of the Board of Directors.

As the quorum required for the deliberation and voting on the different items on the agenda of the extraordinary general shareholders' meeting held on Wednesday 30 July 2014, was not reached, the extraordinary general shareholders' meeting constitutes the second extraordinary general shareholders' meeting for the different items referred to in the agenda of the extraordinary general shareholders' meeting, and no quorum is required for the deliberation and voting on said items.

For further information on date, hour and venue of the extraordinary 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 extraordinary general shareholders' meeting, all of which are available on the Company's website (<http://www.nyrstar.com/investors/en/shareholderinformation/Pages/Shareholder-Meetings.aspx>).

Agenda and proposed resolutions

The agenda and proposed resolutions of the extraordinary general shareholders' meeting of the Company, contain several items aimed at updating the Company's Articles of Association. They are as follows (subject to amendments at the meeting on behalf of the Board of Directors, as the case may be):

1. Acknowledgment of reports

Explanation: This agenda item relates to the acknowledgment of the reports of the Board of Directors and the Statutory Auditor in connection with the proposed resolution set out in agenda item 2 regarding the proposal to amend the corporate purpose of the Company as set out in Article 3 of the Articles of Association. Copies of these documents are available on the Company's website and at the Company's registered office, as indicated in the notice convening the extraordinary general shareholders' meeting. In the reports, further information is provided on the amendment of the corporate purpose of the Company and the justification for the proposed amendment.

- (a) Acknowledgment of the report of the Board of Directors 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. Attached to its report is a balance sheet of the Company as at 31 May 2014.

- (b) Acknowledgment of the report of the Statutory Auditor on the balance sheet attached to the report of the Board of Directors in accordance with Article 559 of the Belgian Company Code.

2. Amendment to the corporate purpose of the Company

Explanation: This agenda item relates to the proposal to update the corporate purpose of the Company as set out in Article 3 of the Articles of Association. For further information on the proposal, see the report referred to in item 1 of the agenda.

Proposed resolution: The general shareholders' meeting decides to update the third bullet of the first paragraph of the corporate purpose of the Company as set out in Article 3 of the Articles of Association 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:

"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. Reduction of the share capital

Explanation: This agenda item relates to the proposed reduction of the fractional value of the Company's shares from EUR 2.18 to EUR 0.10 per share through a reduction of the Company's share capital with allocation of the amount of the share capital reduction to the issue premium account.

At the date of this explanatory note, the subscribed share capital of the Company amounts to EUR 370,649,145.92. The share capital is fully paid up and is represented by 170,022,544 shares, each representing the same fraction of the Company's share capital. The fractional value of a share is calculated as a fraction the numerator of which is the amount of the Company's subscribed share capital, and the denominator of which is the total number of issued and outstanding shares. The fractional value of the shares of the Company thus amounts to EUR 2.18.

It is not uncommon for shares in listed international companies to have a low par value or fractional value. Furthermore, pursuant to Article 606 of the Belgian Company Code, the Board of Directors cannot use its powers under the authorised capital to issue new shares at an issue price that is lower than the fractional value of the existing shares, or warrants or convertible bonds that are exercisable or convertible into new shares at an exercise price or conversion price (on a per-share-basis) that is lower than the fractional value of the existing shares. The current powers of the Board of Directors under the authorised capital are set out in Article 9 of the Articles of Association. The technique of the authorised capital offers the Board of Directors a degree of flexibility and expedience that is not available when a general shareholders' meeting must be convened. For example, the time to convene a general shareholders' meeting (including a second meeting if the required attendance quorum of 50% of the outstanding shares is not reached at the first meeting) can take approximately two months. During this period, market circumstances can change. In order to allow the Board of Directors to make use of its powers under the authorised capital, the Board of Directors proposes to reduce the fractional value of the Company's shares through a reduction of the Company's share capital with allocation of the amount of the share capital reduction to the issue premium account.

From an accounting and financial perspective, the proposed reduction of the fractional value will not affect the Company's (accounting) net equity, as the amount of the capital reduction will be booked as issue premium. While the capital reduction will not be distributed to the shareholders, in accordance with Article 613 of the Belgian Company Code, no distribution to the shareholders of the issue premium so booked shall be permitted as long as the demands for additional collateral, as the case may be, by creditors who within a term of two months following the publication of this resolution in the Annexes to the Belgian Official Gazette have made a demand for additional collateral for receivables that came into existence prior to, and that have not yet matured at, the date of such publication or for which proceedings have been initiated in a court of law or an arbitral tribunal before the date of the general shareholders' meeting approving the present resolution, have not been satisfied, unless such demands for additional collateral have been rejected by an enforceable ruling by a competent court of law. Accordingly, the proposed operation would not prejudice the rights of shareholders or creditors of the Company. Furthermore, the capital reduction shall occur without cancellation of existing shares of the Company, is to be borne by each of the existing shares in the same manner, and shall be fully imputed on the paid-up share capital. Following the capital reduction, each share will represent the same fraction of the Company's share capital, i.e. EUR 0.10. Accordingly, the proposed operation will not affect the relative rights attached to the respective shares.

Proposed resolution: The general shareholders' meeting decides to reduce the Company's share capital, resulting in a reduction of the fractional value of the Company's shares to EUR 0.10 per share and to resolve, in implementation hereof, as follows (whereby the amounts or numbers referred to in the sub-sections between square brackets shall be determined at the time of the approval of the proposed resolution in accordance with the proposal set out in such sub-sections):

- (a) Subject to the application of the provisions of Articles 612 and 613 of the Belgian Company Code, the share capital of the Company shall be reduced with such amount so that the amount of the resulting share capital shall be equal to the number of outstanding shares multiplied by EUR 0.10, and whereby the amount of the capital reduction shall be booked immediately to an unavailable issue premium account. As a result hereof, the share capital of the Company shall be reduced to the number of outstanding shares at the time of the approval of the proposed resolution multiplied by EUR 0.10.
- (b) The capital reduction shall occur without cancellation of existing shares of the Company, is to be borne by each of the existing shares in the same manner, and shall be fully imputed on the fiscal paid-up share capital. Following the capital reduction, each share shall represent the same fraction of the Company's share capital. As a result, the Company's share capital shall amount to [the number of outstanding shares as at the time of the approval of the proposed resolution multiplied by EUR 0.10], represented by [the number of outstanding shares as at the time of the approval of the proposed resolution], whereby each share shall have a fractional value of EUR 0.10.
- (c) In accordance with Article 613 of the Belgian Company Code, no distribution to the shareholders of the issue premium so booked shall be permitted as long as the demands for additional collateral, as the case may be, by creditors who within a term of two months following the publication of the present resolution in the Annexes to the Belgian Official Gazette have made a demand for additional collateral for receivables that came into existence prior to, and that have not yet matured at, the date of such publication or for which proceedings have been initiated in a court of law or an arbitral tribunal before the date of the general shareholders' meeting approving the present resolution, have not been satisfied, unless such demands for additional collateral have been rejected by an enforceable ruling by a competent court of law.
- (d) The amount of the capital reduction shall be booked as issue premium. This issue premium shall be accounted for on the liabilities side of the Company's balance sheet under its net equity. The account on which the issue premium shall be booked shall, like the share capital, serve as the guarantee for third parties and can only be reduced on the basis of a lawful resolution of the general shareholders' meeting passed in the manner required for an amendment to the Company's Articles of Association.
- (e) Article 5 of the Company's Articles of Association shall be amended and restated to take into account the aforementioned capital reduction.
- (f) In view of the aforementioned reduction of the fractional value of the Company's shares, the amount of the authorised capital mentioned in Article 9 of the Articles of Association, shall be reduced in the same manner, and accordingly, be reduced from EUR 370,649,145.92 (being the amount of the Company's share capital at the time of the grant of powers under the authorised capital) to EUR 17,002,254.40 (being an amount equal to EUR 0.10 multiplied by the number of shares outstanding at the time of the grant of powers under the authorised capital, being 170,022,544 shares).

4. Amendment to the Articles of Association

Explanation: This agenda item relates to the proposal to update the Company's Articles of Association so as to delete temporary provisions that have become redundant and to reflect changes in recent legislation.

Proposed resolution: The general shareholders' meeting decides to make the following amendments and updates to the Company's Articles of Association :

- (a) The temporary stipulation in Article 5 of the Articles of Association ("Temporary stipulation 23.05.2013") will be deleted.
- (b) In the second sentence of the first paragraph of Article 6 of the Articles of Association the following will be inserted before "in registered form": ", to the extent allowed by law,".
- (c) In the first sentence of the first paragraph of Article 8 of the Articles of Association the "Banking, Finance and Insurance Commission" will be replaced by "Financial Services and Markets Authority".
- (d) In the first sentence of the last paragraph of Article 8 of the Articles of Association the "Banking, Finance and Insurance Commission" will be replaced by "Financial Services and Markets Authority".

* * *

Done on 1 August 2014,

On behalf of the Board of Directors