

Nyrstar NV

Statutory auditor's report to the shareholders' meeting on the financial statements for the year ended 31 December 2017

Statutory auditor's report to the shareholders' meeting of Nyrstar NV on the financial statements for the year ended 31 December 2017

In the context of the statutory audit of the financial statements of your company, we hereby submit our statutory audit report to you. This report includes our report on the financial statements together with our report on other legal and regulatory requirements. These reports are one and indivisible.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 29 April 2015 in accordance with the proposal of the board of directors issued upon recommendation of the Audit Committee. Our mandate will expire on the date of the shareholders' meeting approving the financial statements for the year ending 31 December 2017. We have performed the statutory audit of the financial statements of Nyrstar NV for six consecutive years.

Report on the audit of the financial statements

Unqualified opinion

We have audited the financial statements of the of Nyrstar NV ("the company"), which comprise the balance sheet as at 31 December 2017, the income statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The balance sheet shows total assets of 1 659 million and the income statement shows a loss for the year then ended of 15.7 million.

In our opinion, the financial statements of Nyrstar NV give a true and fair view of the company's net equity and financial position as of 31 December 2017 and of its results for the year then ended, in accordance with the accounting principles applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters?
<p>Going Concern</p> <p>The Directors of the company are required to make a rigorous assessment of whether the company and its subsidiaries, (together the "group"), will remain a going concern for a period of at least twelve months from the date of approval of the financial statements and assess whether there are any material uncertainties in relation to the going concern basis of preparation.</p> <p>The liquidity of the group and headroom on its financial covenants are closely linked to changes in zinc prices, treatment charges, exchange rates and production volumes from the smelter and mining operations, delays in the ramp-up of the Port Pirie smelting operations or the Myra Falls and Mid Tennessee mining operations.</p> <p>Significant management judgement and estimate is required to forecast future cash flows and conclude on whether the group will have sufficient liquidity and will be able to comply with its financial covenants for the period of at least 12 months from the date of authorising the financial statements.</p> <p>The details on going concern are included in C 6.19 'Valuation rules'.</p>	<p>We challenged the appropriateness of the assumptions in the going concern model, in particular the treatment charges, production volumes from the smelter and mining operations, status of the ramp-up of the Port Pirie smelting operations and the Myra Falls and Mid Tennessee mining operations and impact of the Group's hedging strategies. In challenging these assumptions we took account of actual results, external data, independent technical reports and market conditions.</p> <p>We have assessed the design and implementation of controls related to the assessment of going concern.</p> <p>We have tested the arithmetic integrity of the calculations including those related to management's sensitivities. We also performed our own sensitivity calculations to test the adequacy of the available headroom and we considered the mitigating actions available to management under these scenarios.</p> <p>We have tested the quality of management forecasting by comparing EBITDA forecasts for prior periods to actual outcomes.</p> <p>We have discussed and reviewed the financial covenants and recomputed the available headroom.</p>

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles applicable in Belgium and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the board of directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, if a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes any public disclosure about the matter.

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Report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian (revised in 2018) standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the financial statements and the non-financial information included in the director's report, as well as to report on these matters.

Aspects regarding the directors' report on the financial statements

In our opinion, after performing the specific procedures on the directors' report on the financial statements, the directors' report on the financial statements is consistent with the financial statements for the same year and, except for the omission of the non-financial information as required per article 96 §4, it has been established in accordance with the requirements of article 95 and 96 of the Companies Code. As indicated in the director's report, the company will include the non-financial information required in its annual sustainability report which will be published in the course of the second trimester of 2018.

In the context of our statutory audit of the financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement. We do not give any form of assurance conclusion regarding the director's report.

Statements regarding Social Balance

The social balance sheet, to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law and is free from any material inconsistencies with the information available in our audit file.

Statements regarding independence

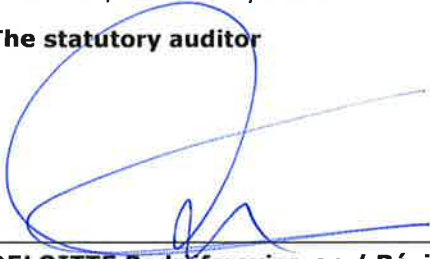
- We did not perform any services that are incompatible with the statutory audit of the financial statements and remained independent from the company during the performance of our mandate.
- The fees for the non-audit services compatible with the statutory audit of the financial statements as defined in article 134 of the Companies Code have been properly disclosed and disaggregated in the disclosures to the financial statements.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- Except for the omission of the non-financial information as explained in section 'Aspects regarding the directors' report on the financial statements', there are no transactions undertaken or decisions taken in violation of the company's articles of association or the Companies Code that we have to report to you.
- The decision of the board of directors on 24 January 2017 relating to the indemnification agreements between the company and the directors Mr. Fernandez and Mrs. Anne Fahy resulted in a conflict of interest in accordance with article 523 of the Companies Code and has the following financial consequences: if the directors would incur liabilities as a result of their director's mandate, the respective directors would be entitled to an indemnification of the company against the financial and other costs linked to this liability.
- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem, 23 February 2018

The statutory auditor



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BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gert Vanhees

Deloitte.

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
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