IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBS") AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR (2) OUTSIDE OF THE UNITED STATES AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Company or the Underwriters (each as defined in the Prospectus) as a result of such access.

Restrictions: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION (OTHER THAN BELGIUM) AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your representation: In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) outside the United States transacting in an offshore transaction (in accordance with Regulation S under the Securities Act). By accepting the e-mail or accessing this Prospectus, you shall be deemed to have represented to the Company and the Underwriters that (1) you and any customers you represent are either (a) QIBs or (b) persons outside the United States, (2) you are a person who is permitted under applicable law and regulation to receive this Prospectus and (3) you consent to delivery of such Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you or accessed by you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Prospectus to any other person. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Underwriters or any affiliate of the Underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Underwriters or such affiliate on behalf of the Company or holders of the applicable securities in such jurisdiction.

This Prospectus has been sent to you or accessed by you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of the Company or the Underwriters nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Underwriters. Please ensure that your copy is complete.

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nyrstar

Nyrstar NV

(incorporated in Belgium on 13 April 2007; registered office: Zinkstraat 1, 2490 Balen; Belgium enterprise number: 0888.728.945)

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1 for 1 Rights Offering of 170,022,544 new Shares

Subscription price: € 1.48 per new Share

Nyrstar NV (the ''**Company**'') is offering new shares in the Company without nominal value (the ''**Shares**''). The new Shares are being offered initially to shareholders who may lawfully subscribe for new Shares pro rata to their shareholdings at a subscription price per new Share of € 1.48 (the ''**Subscription Price**''), subject to applicable securities laws and on the terms set out in this Prospectus. For such a purpose, and subject to applicable securities laws, all shareholders of the Company as at the closing of Euronext Brussels on 11 September 2014 (the ''Record Date'') are being granted one non-statutory preference right per existing Share held (the ''**Rights**''). The Rights will entitle the holders thereof, subject to applicable securities laws, to subscribe for new Shares at the Subscription Price at the ratio of 1 new Share for 1 Right (the ''**Ratio**''). The offering of new Shares to be issued upon the exercise of Rights is referred to in this Prospectus as the ''**Rights Offering**''.

The Rights, represented by coupon No. 7 of the Shares, will be separated from the underlying Shares on 11 September 2014 after the closing of Euronext Brussels. Application has been made to admit the Rights to trading on Euronext Brussels. Trading in the Rights is expected to commence on 12 September 2014 and will continue until 23 September 2014. The Rights will be admitted to trading under the symbol NYR7 on Euronext Brussels. Holders of Shares being granted Rights (or subsequent transferees of Rights) will be entitled, subject to applicable securities laws, to subscribe for new Shares at the Subscription Price and in accordance with the Ratio from 12 September 2014 until 23 September 2014 (by 4.00 pm CEST) (the ''**Rights Subscription Period**''). If you are a holder of Shares being granted Rights (or a subsequent transferee of Rights) and you have not validly exercised such Rights by the last day of the Rights Subscription Period, you will no longer be able to exercise those Rights. Once you have exercised your Rights, you will not be able to revoke that exercise except as described in ''The Offering—Terms and conditions of the Offering—Revocation of the acceptance—Supplement to the Prospectus'' below.

After the Rights Subscription Period has expired, any Rights that are not exercised during the Rights Subscription Period will be converted into an equal number of scrips (the ''**Scrips**'') which will be offered by the Underwriters (as defined below) in an offering (i) by way of an exempt private placement in Belgium and elsewhere outside the United States pursuant to Regulation S of the United States Securities Act of 1933, as amended (the ''**U.S. Securities Act**''), and (ii) within the United States solely to qualified institutional buyers (''**QIBs**'' as defined in Rule 144A (''**Rule 144A**'') under the U.S. Securities Act) in transactions exempt from registration under the U.S. Securities Act (the ''**Scrips Offering**'', and together with the Rights Offering, the ''**Offering**''). The Underwriters of the Offering have agreed to subscribe for any new Shares not taken up in the Offering, subject to the terms and conditions of the Underwriting Agreement. Please refer to ''The Offering—Placing and underwriting—Underwriting—Underwriting Agreement'' below. The net proceeds of the Scrips (if any) will be divided proportionally between all holders of Rights that have not been exercised during the Rights Subscription Period, unless the net proceeds of the sale of Scrips divided by the number of unexercised Rights is less than €0.01. Purchasers of Scrips will have the obligation to subscribe for new Shares corresponding to the Scrips acquired by them in accordance with the Ratio. References herein to the new Shares include the new Shares issued as a result of the Scrips Offering. The Scrips Offering is expected to start on 25 September 2014 and is expected to end on the same day (the ''**Scrips Subscription Period**''). The results of the Offering are expected to be announced on or around 26 September 2014.

Investing in the new Shares and the Scrips and trading in the Rights involve certain risks, and in particular risks relating to economic downturns, commodity prices, Nyrstar's investment projects, its indebtedness, and its agreement with Talvivaara. Prospective investors must be able to bear the economic risk of an investment in the Rights and new Shares, and should be able to sustain a partial or total loss of their investment. See ''Risk Factors'' beginning on page 20 of this Prospectus to read about factors which should be carefully considered before investing in the new Shares or trading in the Rights.

The Rights, the Scrips and the new Shares have not been and will not be registered under the U.S. Securities Act and may only be offered or sold (i) within the United States to QIBs in reliance on an exemption from the requirements of the U.S. Securities Act and (ii) outside the United States to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. The Rights, the Scrips and the new Shares are also subject to transfer and selling restrictions in certain other jurisdictions. Prospective investors should read the restrictions described in ''The Offering—Plan of distribution and allocation of the securities—Categories of potential investors—Countries in which the Offering will be open—Restrictions applicable to the Offering'' below.

The statutory preference right of existing shareholders of the Company has been disapplied with respect to the Offering, but the Rights, each conferring a non-statutory preference right, are granted as described above.

The Company is not taking any action to permit a public offering of the Rights or the new Shares in any jurisdiction outside Belgium. The distribution of this Prospectus and the offer or sale of the new Shares (including through the exercise of Rights or Scrips) in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities including the Rights and the new Shares to which they relate in any circumstances in which such offer or solicitation is unlawful.

The Shares are listed and admitted to trading on Euronext Brussels under the symbol NYR, and application has been made to admit the new Shares to trading on Euronext Brussels under the symbol of NYR. The Rights and the new Shares have been separately accepted for clearance through Euroclear Bank SA/NV, as operator of the Euroclear system, under ISINs BE0970134376 and BE0003876936 respectively. It is expected that payment for and delivery of the new Shares will be made on or around 30 September 2014. On 10 September 2014 the closing price of the Shares on Euronext Brussels was € 2.90.

This document constitutes a prospectus for the purposes of Article 3 of the EU Prospectus Directive and has been prepared in accordance with the Belgian Act of 16 June 2006 on the public offering of securities and the admission of securities to be traded on a regulated market, as amended (the ''**Prospectus Act**''). This Prospectus was approved by the Belgian Financial Services and Markets Authority (Autorité des services et marchés financiers / Autoriteit voor Financiële Diensten en Markten) (the ''**FSMA**'') on 10 September 2014.

Global Coordinator

Goldman Sachs International

Joint Bookrunners

Goldman Sachs International | **KBC Securities**

Joint Lead Managers

ABN AMRO | **BNP Paribas Fortis** | **RBC Capital Markets**

PROSPECTUS DATED 10 SEPTEMBER 2014

APPROVAL OF THE PROSPECTUS

The FSMA approved the English version of this Prospectus on 10 September 2014 in accordance with Article 23 of the Prospectus Act. The FSMA's approval does not imply any opinion by the FSMA on the suitability and the quality of the transaction or of the position of the persons who are making this Offering.

AVAILABILITY OF THE PROSPECTUS

This Prospectus has been prepared in English and has been translated into Dutch and French. The Company is responsible for the consistency between the English, the Dutch, and the French versions of this Prospectus. In connection with the Offering, in case of inconsistencies between the language versions, the English version shall prevail.

Subject to certain restrictions described in ''The Offering—Plan of distribution and allocation of the securities—Categories of potential investors—Countries in which the Offering will be open—Restrictions applicable to the Offering'', copies of this Prospectus are available without charge, as from 11 September 2014, upon request in Belgium from KBC Bank on +32 3 283 29 70, CBC Banque on +32 800 92 020, and from BNP Paribas Fortis on +32 2 433 40 32 (French), +32 2 433 40 31 (Dutch) and +32 2 433 40 34 (English).

Subject to certain restrictions, the Prospectus may be accessed on the websites of KBC Bank (www.kbc.be/nyrstar), KBC Securities (www.kbcsecurities.be and www.bolero.be) and CBC Banque (www.cbc.be/nyrstar) and the website of BNP Paribas Fortis (www.bnpparibasfortis.be/sparenenbeleggen (Dutch and English) or www.bnpparibasfortis.be/epargneretplacer (French and English)), as well as on the website of Nyrstar (www.nyrstar.com) as from 11 September 2014.

Moreover and subject to the same restrictions, copies of this Prospectus are available, without charge, at Zinkstraat 1, B-2490 Balen, Belgium, telephone number: +32 14 44 95 00, as from 11 September 2014.

PRIOR WARNING

This Prospectus should not be considered as a recommendation by the Company or the Underwriters that any recipient of this Prospectus should purchase any of the Rights, Scrips or new Shares. Each investor contemplating the purchase of any Rights, Scrips or new Shares should make its own independent investigation and appraisal of the financial condition and affairs of the Company.

GENERAL INFORMATION

Certain key industry terms used in this Prospectus are defined in ''Annex 1—Glossary of Key Industry Terms''. In this Prospectus references to:

- the ''**Company**'' means Nyrstar NV; and
- ''**Nyrstar**'' or the ''**Group**'' means the Company together with its subsidiaries and other companies consolidated in its consolidated IFRS (as defined below) financial statements at the relevant time.

No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or the Underwriters. This Prospectus speaks as of its date. In the event of any material changes to the information in this Prospectus during the period between the approval of this Prospectus by the FSMA and the start of trading of the new Shares, expected to take place on or around 30 September 2014, such changes will be published as a supplement to this Prospectus pursuant to applicable laws and regulations. If a supplement to the Prospectus is published, subscribers in the Offering will have the right to withdraw subscriptions made by them prior to the publication of the supplement. Such withdrawal must be done within the time limits set forth in the supplement (which shall not be shorter than two business days after the publication of the supplement). See also ''The Offering—Terms and conditions of the Offering—Revocation of the acceptance—Supplement to the Prospectus''.

The distribution of this Prospectus, the allocation of Rights, the exercise of Rights, the offering, sale and exercise of Scrips and the Offering may, in certain jurisdictions, be restricted by law, and this

Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of, or an invitation to, purchase any Rights, Scrips or new Shares in any jurisdiction in which such offer or invitation would be unlawful. Nyrstar and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Neither Nyrstar nor the Underwriters accepts any legal responsibility for any violation by any person, whether or not such person is a prospective subscriber to or purchaser of Rights, Scrips or new Shares, of any such restrictions. For a more detailed description of certain restrictions in connection with the Offering, see ''The Offering—Plan of distribution and allocation of the securities—Categories of potential investors—Countries in which the Offering will be open—Restrictions applicable to the Offering''.

Nyrstar and the Underwriters reserve the right in their own absolute discretion to reject any subscription for new Shares or offer to purchase Scrips that Nyrstar, the Underwriters or their agents believe may give rise to a breach or violation of any laws, rules or regulations.

In connection with the Offering, Goldman Sachs International (together with KBC Securities, the ''**Joint Bookrunners**'') may (but without being obliged to), directly or through affiliates, in agreement with the Company and to the extent permitted by applicable laws and regulations, engage in transactions on Euronext Brussels, in over-the-counter market or otherwise, that stabilise or maintain the market price of the Rights and/or Shares at levels that might not otherwise exist.

NOTICES TO PROSPECTIVE INVESTORS OUTSIDE OF BELGIUM

This section should be carefully read by prospective investors outside of Belgium. This Prospectus is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (''RSA 421-B'') WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT, NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

None of the Rights, the Scrips or the new Shares have been, or will be, registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and they may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, none of the Rights, the Scrips or the new Shares may be offered or sold in the United States, and the Rights and Scrips may not be exercised, except to or by persons reasonably believed to be QIBs in transactions exempt from registration under the U.S. Securities Act; provided further that any such QIB that exercises Scrips in the United States shall be deemed to make substantially similar representations and agreements satisfactory to Nyrstar and the Underwriters. Any Rights, Scrips or new Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth in ''The Offering—Plan of distribution and allocation of the securities—Categories of potential investors—Countries in which the Offering will be open—Restrictions applicable to the Offering''.

None of the Rights, the Scrips or the new Shares have been approved or disapproved by the U.S. Securities and Exchange Commission (''**SEC**''), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of them passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In the United States this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Prospectus has been provided by Nyrstar and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Underwriters or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of Nyrstar, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Scrips or subscribe for or otherwise acquire the new Shares.

Prospective purchasers are hereby notified that sellers of Scrips and sellers of Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

In addition, until the expiration of the 40-day period beginning on the date of this Prospectus, an offer to sell or sale of the Rights, the Scrips or the new Shares within the United States by a broker/dealer (whether or not it is participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer to sell or sale is made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Prospectus is being distributed only to and is directed solely at (i) persons outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the ''**Order**'') or (iii) high net worth entities and other persons to whom it may otherwise lawfully be communicated falling within Article 49(2)(A) to (D) of the Order (all such persons together being referred to as ''**Relevant Persons**''). Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

Nyrstar has not authorised any offer to the public of new Shares, Rights or Scrips in any Member State of the European Economic Area (each, a ''**Member State**''), other than Belgium. With respect to each Member State that has implemented the EU Prospectus Directive (each, a ''**Relevant Member State**''), no action has been undertaken or will be undertaken to make an offer to the public of new Shares, Rights or Scrips requiring a publication of a prospectus in that Relevant Member State. As a result, the new Shares, Rights or Scrips may only be offered in a Relevant Member State under the following exemptions of the EU Prospectus Directive, if they have been implemented in that Member State:

(a) to any legal entity that is a qualified investor as defined in the EU Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in Article 2(1)(e) of the EU Prospectus Directive) as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of new Shares shall result in a requirement for the publication by Nyrstar or any Underwriter of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this paragraph, the expression an ''offer to the public'' of new Shares, Rights or Scrips in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the new Shares, Rights or Scrips to be offered so as to enable an investor to decide to purchase or subscribe to any such securities, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State; the expression ''**EU Prospectus Directive**'' means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression ''**2010 PD Amending Directive**'' means Directive 2010/73/EU.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements in this Prospectus that do not relate to historical facts and events are ''forward-looking statements''. In some cases, forward-looking statements can be identified by terminology such as ''may'', ''will'', ''should'', ''could'', ''would'', ''expect'', ''plan'', ''anticipate'', ''believe'', ''estimate'', ''continue'', ''goal'', ''intention'', ''objective'', ''aim'', ''strategy'', ''budget'', ''proposed'', ''schedule'' or the negative of such terms or other similar expressions. By their nature, forward-looking statements are subject to inherent risks and uncertainties, both general and specific, and the predictions, forecasts, projections and other forward-looking statements contained in this Prospectus could be materially different from what actually occurs in the future.

In addition, this Prospectus contains estimates of growth in the markets in which Nyrstar operates that have been obtained from independent, third party reports. These estimates assume that certain events, trends and activities will occur. Although the Company believes that these estimates are generally indicative of the matters reflected in those studies and reports, these estimates are also subject to risks and uncertainties and prospective investors are cautioned to read these estimates in conjunction with the rest of the disclosure in this Prospectus, particularly in the section entitled ''Risk Factors''.

Although the Company believes that its expectations with respect to forward-looking statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations as of the date of this Prospectus, prospective investors are cautioned that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed in the section entitled ''Risk Factors'' and elsewhere in this Prospectus.

The forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus or, if obtained from third party studies or reports, the date of the corresponding study or report and are expressly qualified in their entirety by the cautionary statements included in this Prospectus. Without prejudice to the Company's obligations under applicable law in relation to disclosure and ongoing information, the Company does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Prospectus might not occur.

PRESENTATION OF FINANCIAL INFORMATION

This Prospectus incorporates by reference the audited consolidated financial information of the Company as of and for the years ended 31 December 2013, 2012 and 2011 (the ''**Annual Financial Statements**''), which were prepared in accordance with International Financial Reporting Standards (''**IFRS**''), as adopted by the European Union (the ''**EU**''). Also incorporated by reference in this Prospectus are the unaudited consolidated financial information of the Company as of and for the six months ended 30 June 2014 (the ''**Unaudited Interim Financial Statements**''), which were prepared in accordance with International Accounting Standard (''**IAS**'') 34 *Interim Financial Reporting*. The Annual Financial Statements and the Unaudited Interim Financial Statements are herein referred to together as the ''**Nyrstar Financial Statements**''.

The financial statements and other financial information of the Company presented or incorporated by reference in this Prospectus were prepared in Euro. For further information on the information incorporated by reference, see the section ''Information Incorporated by Reference''.

The Company's consolidated financial statements for the financial year ended 31 December 2013 and 2012 have been audited by Deloitte Bedrijfsrevisoren BV ovve CVBA, with registered office at Berkenlaan 8B, 1831 Diegem, Belgium, represented by Gert Vanhees, auditor, who rendered an unqualified audit report (which report includes an emphasis of matter paragraph for the year ended 31 December 2013 regarding the recoverability of the Company's zinc purchase interest with Talvivaara Mining Company plc) on these financial statements which should be read in conjunction with the Company's consolidated financial statements and the report of the board of directors relating to that period. Deloitte Bedrijfsrevisoren BV ovve CVBA was appointed at the annual general shareholders' meeting of the Company held on 25 April 2012 as the Company's statutory auditor for the statutory term of three years. For further information on the Company's statutory auditor, see ''Legal Responsibility for the Information and the Auditing of the Accounts—Statutory Auditor''.

The Company's consolidated financial statements for the financial year ended 31 December 2011 have been audited by the Company's former statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren / Réviseurs d'Entreprises BCVBA/SCCRL, represented by Peter Van den Eynde, who rendered an unqualified audit report on these financial statements which should be read in conjunction with the Company's consolidated financial statements and the report of the board of directors relating to that period.

Non-IFRS financial measures

To assess underlying performance Nyrstar focuses on the non-IFRS measure ''underlying EBITDA'' as a measure of earnings, which Nyrstar's management believes provides useful information with respect to the underlying business performance of Nyrstar's operations. The Company defines ''underlying EBITDA'' as profit or loss for the period adjusted to exclude depreciation, amortisation and depletion, impairment losses and reversals, net finance expense, income tax expense/benefits and certain items that Nyrstar views as ''exceptional items''. ''Exceptional items'' represent earnings adjustments identified internally for management reporting purposes that are not considered to be indicative of Nyrstar's ongoing operations and/or may impact year on year comparability. These items are adjusted from loss for the year and operating costs to assist management in understanding their impact on the historical financial results of the Company and expected future performance. For the periods included in this Prospectus, exceptional items consists of gain on the disposal of equity accounted investees, restructuring costs, M&A related transaction expenses, and material income or expenses arising from embedded derivatives recognised under IAS 39.

Nyrstar also uses the non-IFRS measures of ''underlying operating costs'' and ''direct operating costs'' to provide useful information to assist its investors and Nyrstar's management to understand the key operating cost drivers and to provide a period-to-period comparison. The Company defines ''underlying operating costs'' as the sum of employee benefits expense, energy expenses, stores and consumables used, contracting and consulting expenses and other expenses (each as set out in the consolidated income statement), adjusted to exclude the net loss on the Hobart smelter embedded derivatives and deducting share of profit or loss of equity accounted investees and other income. Direct operating costs represent underlying operating costs adjusted to deduct the impact of other income and non-operating elements of other expense.

For a reconciliation of non-IFRS financial measures to the most directly comparable IFRS measures, please see ''Selected Financial Information—Reconciliation of underlying EBITDA and underlying operating costs''.

Investors should not consider ''underlying EBITDA'', ''underlying operating costs'' or ''direct operating costs'' in isolation of or as a substitute for ''Results from operating activities'' and ''Profit/(loss) for the period'' reported in the Nyrstar Financial Statements and related notes, or other statement of operations or cash flow data prepared in accordance with IFRS, as a measure of Nyrstar's profitability or liquidity. Other companies in Nyrstar's industry may calculate ''underlying EBITDA'', ''underlying operating costs'' and ''direct operating costs'' differently or may use them for different purposes.

PRESENTATION OF MARKET, INDUSTRY AND OTHER INFORMATION

Nyrstar obtained the market data used in this Prospectus from industry sources and currently available information. This market data is primarily presented in the sections ''Risk Factors'' and ''Business'' and ''The Mining and Smelting Industry''. The main source for information on the zinc, lead and copper industries was Wood Mackenzie Ltd (''**Wood Mackenzie**''), metal industry consultants. Information relating to the gold market (other than gold prices) have been sourced primarily from the GFMS Gold Survey 2014, and the information relating to the silver market (other than silver prices) have been sourced primarily from The Silver Institute's World Silver Survey 2014. Gold and silver prices have been sourced primarily from the London Bullion Market Association using AM Fix price data. Nyrstar also obtained foreign exchange data from the European Central Bank. The Company accepts responsibility for having correctly reproduced information from industry publications or public sources, and, so far as the Company is aware and has been able to ascertain from information published by those industry publications or public sources, no facts from such industry publications or public sources have been omitted which would render the reproduced information inaccurate or misleading. However, each prospective investor should keep in mind that the Company has not independently verified information that it has obtained from industry and government sources. Certain market share information and other statements in this Prospectus regarding the zinc, lead, copper, silver and gold industries and Nyrstar's position relative to its competitors may not be based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect Nyrstar's best estimates based upon information obtained from trade and business organisations and associations and other contacts within the zinc, lead, copper, silver and/or gold industries and is specified as such. This information from Nyrstar's internal estimates and surveys has not been verified by any independent sources.

In this Prospectus, Nyrstar presents averages of zinc, lead and copper prices using average London Metal Exchange daily cash settlement prices, and averages of silver and gold prices using average London Bullion Market Association daily AM fixing prices. Periodic average prices provided by other sources may vary slightly. For example, Wood Mackenzie data presented in the section ''Risk Factors'' and ''Business'' uses the average of the monthly average prices (monthly average prices calculated using the daily AM bid ask price).

MINERAL RESERVES AND RESOURCES INFORMATION

In this Prospectus, information as to mineral reserves and resources is contained in ''Business—Mining''.

In this Prospectus, reserves and mineral resources information with respect to the Contonga (Peru), East Tennessee (United States) and Middle Tennessee (United States) mines has been compiled in accordance with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, as amended, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the ''**JORC Code**''). For further information on the JORC Code, see www.jorc.org. No information on such website is part of this Prospectus.

In this Prospectus, reserves and mineral resources information with respect to the Campo Morado (Mexico), El Mochito (Honduras), El Toqui (Chile), Langlois (Canada) and Myra Falls (Canada) mines has been compiled in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (''**CIM**'') definitions as set forth in the CIM Definition Standards for Mineral Resources and Mineral Reserves, as amended (the ''**CIM Definition Standards**''), which have been incorporated by reference into the National Instrument 43-101—Standards of Disclosure for Mineral Projects (''**NI 43-101**''). The term ''Ore Reserves'' as defined in the JORC Code has the same meaning as ''Mineral Reserves'' as defined in the CIM Definition Standards. The CIM Definition Standards are incorporated by reference in NI 43-101. For further information on NI 43-101, see www.albertasecurities.com. No information on such website is part of this Prospectus.

Mineral resources are reported inclusive of mineral reserves. The mineral resources and mineral reserves in this Prospectus use a cut-off date of 31 December 2013 unless otherwise stated and have not been updated since such date. The data was prepared by or under the supervision of a ''Qualified Person'' (as defined in NI 43-101) or a ''Competent Person'' (as defined in the JORC Code), as applicable. Mineral resources and mineral reserves are estimates and subject to numerous uncertainties inherent in estimating quantities and classification of resources and reserves (including subjective judgments and determinations based on available geological, technical, contracted and economic information). Therefore, mineral resources and mineral reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. Statements of resources and reserves prepared by different engineers are estimates based on different technical assumptions and may vary as a result. There is no assurance that had such statements been prepared by the same engineers applying a uniform methodology, they would not differ substantially from the estimates included in this Prospectus.

For further information, see ''Risk Factors—Risks relating to Nyrstar's business and industries—Future profitability and operating margins depend partly upon Nyrstar's ability to access sufficient and adequate mineral resources. Estimates of ore reserves are based on certain assumptions, and changes in such assumptions could lead to reported ore reserves being restated at a lower level.''

The following definitions (as per the CIM Definition Standards), or similar, have been applied in estimating the reserves and resources disclosed within this Prospectus.

Mineral Reserve (referred to as an ''ore reserve'' under the JORC Code):	the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.
Probable Mineral Reserve:	the economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proven Mineral Reserve:	the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Mineral Resource:	a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.
Measured Mineral Resource:	that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
Indicated Mineral Resource:	that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Inferred Mineral Resource:	that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

The JORC Code and NI 43-101 definitions differ from reporting requirements in the United States, where reserves must be presented under the requirements as adopted by the SEC Industry Guide 7— Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations, which governs disclosure on mineral reserves in registration statements and reports filed with the SEC. In particular, the SEC permits mining companies to disclose only those mineral deposits from which a company can economically and reasonably extract, and therefore the SEC does not recognise classifications other than proven and probable reserves, and the SEC prohibits mining companies from disclosing ''mineral resources'' in SEC filings.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Company's ordinary shares are ''restricted securities'' within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the ''**Exchange Act**''), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, on the request of such holder, beneficial owner or prospective purchaser, the information required to be provided to such persons pursuant to Rule 144A(d)(4) under the Securities Act.

The posting of this Prospectus or any summary thereof on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the new Shares, Rights or Scrips to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version of this Prospectus may not be copied, made available or printed for distribution. This Prospectus is valid only if circulated in compliance with applicable laws.

Although certain references are made to Nyrstar's website (www.nyrstar.com) in this Prospectus, no information on Nyrstar's website (other than the Prospectus) is part of this Prospectus.

The Company has filed its deed of incorporation and it must file its restated articles of association and all other deeds or resolutions that are to be published in the Annexes to the Belgian Official Gazette (*Moniteur Belge / Belgisch Staatsblad*) with the clerk's office of the commercial court of Turnhout (Belgium), where they are available to the public. The Company is registered with the register of legal entities under enterprise number 0888.728.945. A copy of the Company's most recently restated articles of association and corporate governance charter is also available on its website free of charge.

In accordance with Belgian law, the Company prepares annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the Company's board of directors and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, as a company with shares listed on the regulated market of Euronext Brussels, the Company also publishes an annual financial report (which includes its audited statutory and consolidated financial statements, the report of its board of directors and the report of the statutory auditor) and an annual announcement preceding the publication of the annual financial report, as well as a half-yearly financial report on the first six months of its financial year (which includes a condensed set of financial statements and an interim management report). In addition, the Company prepares interim management statements (one during the first six-month period of the financial year and the second during the second six-month period of the financial year concerned). Copies of these documents are available on the Company's website and on STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via www.fsma.be.

The Company also discloses price sensitive information (inside information) and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market, such information and documentation is made available through the Company's website, press releases, the communication channels of Euronext Brussels and on STORI. Except as stated in the section ''Information Incorporated by Reference'', no information on any website is part of this Prospectus.

ROUNDING

Certain monetary amounts and other figures included in this Prospectus have been subject to rounding adjustments. Accordingly, any discrepancies in any tables between the totals and the sums of amounts listed are due to rounding.

EXCHANGE RATE INFORMATION

In this Prospectus, unless otherwise indicated, all amounts are expressed in Euro. The following tables set forth, for the periods and dates indicated, certain information regarding the daily reference exchange rates published by the European Central Bank (''**ECB Daily Reference Rate**'') for the Euro and each of the U.S. Dollar, the Australian Dollar and the Canadian Dollar. On 10 September 2014 the ECB Daily Reference Rates were € 0.7735 per US$ 1, € 0.7069 per AUD 1 and € 0.7036 per CAD 1. These rates may differ from the actual rates used in the preparation of the financial statements and other financial information appearing in this Prospectus. Inclusion of these exchange rates is not meant to suggest that the U.S. Dollar, Australian Dollar or Canadian Dollar amounts (as the case may be) actually represent such Euro amounts or that such amounts could have been converted into Euro at any particular rate, if any. The following tables have been set out solely for the purpose of convenience.

The following tables illustrate the Euro / U.S. Dollar exchange rates:

	U.S. Dollar per Euro			
Year Ended 31 December	**High**	**Low**	**Average(1)**	**Period end**
2011	1.4882	1.2889	1.3920	1.2939
2012	1.3454	1.2089	1.2848	1.3194
2013	1.3814	1.2768	1.3281	1.3791

Note:

(1) The average of the ECB Daily Reference Rates on each business day during the relevant period.

	U.S. Dollar per Euro	
Months	**High**	**Low**
March 2014	1.3942	1.3722
April 2014	1.3872	1.3700
May 2014	1.3953	1.3607
June 2014	1.3658	1.3528
July 2014	1.3688	1.3379
August 2014	1.3422	1.3177
September 2014 (up to and including 10 September 2014)	1.3151	1.2902

The following table illustrates the Euro / Australian Dollar exchange rates:

	Australian Dollar per Euro			
Year Ended 31 December	**High**	**Low**	**Average(1)**	**Period end**
2011	1.4240	1.2723	1.3484	1.2723
2012	1.2977	1.1639	1.2407	1.2712
2013	1.5520	1.2234	1.3777	1.5423

Note:

(1) The average of the ECB Daily Reference Rates on each business day during the relevant period.

The following table illustrates the Euro / Canadian Dollar exchange rates:

	Canadian Dollar per Euro			
Year Ended 31 December	**High**	**Low**	**Average(1)**	**Period end**
2011	1.4332	1.2784	1.3761	1.3215
2012	1.3432	1.2139	1.2842	1.3137
2013	1.4764	1.2871	1.3684	1.4671

Note:

(1) The average of the ECB Daily Reference Rates on each business day during the relevant period.

In this Prospectus, references to ''**Euro**'', ''**EUR**'' or ''**€**'' are references to the Euro, the single currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; references to ''**U.S. Dollar**'' or ''**US$**'' are references to the United States dollar, the lawful currency of the United States of America; references to ''**Australian Dollar**'' or ''**AUD**'' are references to the Australian dollar, the lawful currency of the Commonwealth of Australia; references to ''**Canadian Dollar**'' or ''**CAD**'' are references to the Canadian dollar, the lawful currency of Canada; references to ''**Swiss Franc**'' or ''**CHF**'' are references to the Swiss Franc, the lawful currency of Switzerland; references to ''**Swedish Krona**'' or ''**SEK**'' are references to the lawful currency of Sweden; references to ''**Mexican Peso**'' are references to the lawful currency of Mexico; references to ''**Peruvian Sols**'' are references to the lawful currency of Peru; references to ''**Honduran Lempira**'' or ''**HNL**'' are references to the Honduran lempira, the lawful currency of Honduras; and references to ''**Chilean Peso**'' or ''**CLP**'' are references to the Chilean peso, the lawful currency of Chile.

JURISDICTION AND SERVICE OF PROCESS IN THE UNITED STATES AND ENFORCEMENT OF FOREIGN JUDGMENTS IN BELGIUM

The Company is a Belgian public limited liability company. Most of the members of the Company's board of directors and executive management and most of the persons named herein are non-residents of the United States. All or a substantial portion of the assets of such non-resident persons and of the Company are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or the Company or to enforce against them in U.S. courts a judgment obtained in such courts.

Original actions or actions for the enforcement of judgments of U.S. courts relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Belgium. The United States and Belgium do not currently have a multilateral or bilateral treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, in civil and commercial matters. In order for a final judgment for the payment of money rendered by U.S. courts based on civil liability to produce any effect on Belgian soil, it is accordingly required that this judgment be recognised and be declared enforceable by a Belgian court pursuant to the relevant provisions of the 2004 Belgian Code of Private International Law (the ''**PIL Code**''). Recognition or enforcement does not imply a review of the merits of the case and is irrespective of any reciprocity requirement. A U.S. judgment will, however, not be recognised or declared enforceable in Belgium if it infringes upon one or more of the grounds for refusal which are exhaustively listed in Article 25 of the PIL Code. In addition to recognition or enforcement, a judgment by a federal or state court in the United States against the Company may also serve as evidence in a similar action in a Belgian court if it meets the conditions required for the authenticity of judgments according to the law of the state where it was rendered.

In addition, with regard to enforcements by legal proceedings in Belgium (including the recognition of foreign court decisions in Belgium), a registration tax at the rate of 3% of the amount of the judgment is payable by the debtor, if the sum of money which the debtor is ordered to pay by a Belgian court, or by a foreign court judgment that is either (i) automatically enforceable and registered in Belgium; or (ii) rendered enforceable by a Belgian court, exceeds € 12,500. The registration tax is payable by the debtor. The creditor is jointly liable up to a maximum of one-half of the amount the creditor recovers from the debtor. A stamp duty is payable for each original copy of an enforcement judgment rendered by a Belgian court, with a maximum of € 1,250.

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SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A—E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable.

Section A—Introduction and warnings

Element	Disclosure requirement
A.1	**Introduction and warning** This summary must be read as an introduction to this Prospectus and is provided to aid investors when considering whether to invest in the Rights, the Scrips and the new Shares, but is not a substitute for this Prospectus. Any decision to invest in the Rights, the Scrips and the new Shares should be based on consideration of this Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability will attach to the persons responsible for this summary in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Rights, the Scrips and the new Shares. Where a claim relating to this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.
A.2	**Consent for use of the Prospectus for subsequent resale** Not applicable. Nyrstar NV (the "**Company**") does not consent to the use of the Prospectus for the subsequent resale or final placement of securities by financial intermediaries.

Section B—Company

Element	Disclosure requirement
B.1	**The legal and commercial name of the Company** Nyrstar NV
B.2	**Domicile and legal form of the Company** The Company is a limited liability company incorporated in the form of a *société anonyme* / *naamloze vennootschap* under the laws of Belgium. Nyrstar NV is registered with the legal entities register (Turnhout) under number 0888.728.945. The Company's registered office is located at Zinkstraat 1, 2490 Balen, Belgium.

Element	Disclosure requirement
B.3	**Current operations and principal activities of the Company and the principal markets in which it competes** The Company (together with its subsidiaries and other companies consolidated in its consolidated IFRS financial statements at the relevant time, ''**Nyrstar**'') is a leading global integrated mining and multi-metals business, with a market leading position in zinc and lead and a growing position in other products, such as copper, gold and silver. Nyrstar has nine mining and seven smelting and other operations located in Australia, the Americas and Europe, and employs approximately 6,600 people. Nyrstar is one of the world's largest zinc smelting companies based on production volumes. Having produced approximately 1.1 million tonnes of zinc market metal in 2013, Nyrstar's share of the global zinc market in 2013 was 8% according to Wood Mackenzie Limited (based on 2013 global consumption figures of 13.3 million tonnes), which makes Nyrstar the largest producer globally. While Nyrstar's smelters are mostly primary zinc smelters, its smelter in Port Pirie in Australia is a primary lead smelter with multi-metal recovery capabilities. With its multi-metal capabilities, Port Pirie has the flexibility to process a wide range of lead-containing feedstocks to produce refined lead, zinc in fume, silver, copper and gold, and is in the process of being redeveloped into an advanced metal recovery and refining facility, enabling a fundamentally different operating and business model for Port Pirie. In 2013, Nyrstar completed a strategic review of its smelting business, identifying an attractive portfolio of investments in multi-metals recovery and an overall transformation of its metals processing business. Since 2009, when Nyrstar began a significant strategic transformation to expand upstream into mining, Nyrstar's mining business has continued to grow both organically and through acquisitions, including acquisitions of mines throughout North and South America and interests in mining development projects. Nyrstar's mines are currently at various stages of operation, with some operating at full production capacity and others optimising their productive capabilities or on care and maintenance. Through its mining business, Nyrstar secures raw material supply for its smelters and gains exposure to the more profitable part of the zinc value chain (zinc mining being historically more profitable than zinc smelting). At full production, Nyrstar's zinc mining operations would be one of the five largest in the world (based on 2013 production according to Wood Mackenzie), and Nyrstar would have a significant position in copper and lead mining. In 2013, Nyrstar initiated a strategic review of its mining operations which is focused on identifying opportunities to make a step change improvement in the Mining segment's operational and financial performance. Nyrstar has global operations, with mines and smelters close to key customers and major transport hubs to facilitate delivery of raw materials and distribution of finished products.
B.4a	**Significant recent trends affecting the Company and the industries in which it operates** The market price of zinc is the primary factor affecting Nyrstar's results of operations. The relationship between the supply of zinc contained in zinc concentrates and secondary feed materials and the demand for refined zinc metal by the industries that use zinc in the production of their products (the so-called ''first use'' industries) is critical in determining the global market price of zinc. The market price for zinc is typically quoted as the daily cash seller and settlement price established by the London Metal Exchange (the ''**LME**''). Most of Nyrstar's zinc business is conducted with reference to this price. LME zinc prices are influenced by the global supply of and demand for zinc metal. The supply of zinc metal is a function of the amount of zinc concentrates and secondary feed materials produced and the availability of smelting capacity to convert them into refined metal. The demand for zinc metal is driven by numerous factors, including general economic activity both globally and regionally, industrial production, conditions in end-use markets such as the construction and automotive industries, and other factors. Zinc production growth has historically been closely correlated with global industrial production growth. Trends in the rate of worldwide industrial production growth overall and the rate of growth in the particular markets in which zinc end users operate (e.g., the construction, automotive and infrastructure sectors) affect demand for Nyrstar's products and significantly influence Nyrstar's performance. According to Wood Mackenzie, the long-term outlook for the zinc market is dominated by the structural issue of whether mine supply growth will be able to keep pace with consumption growth. With global zinc consumption forecast to grow at a compound annual growth rate of 3.5% per year over the 2014 to 2030 period, the average incremental increase in demand for zinc metal equates to 600kt/a. According to these forecasts, from 2016 an additional 400kt/a will be required to offset the effect of currently anticipated mine closures and attrition. Developing the new mine capacity to meet this requirement will be a significant challenge for the zinc industry. This is particularly the case as the current price and economic environment is not ideal for the financing and timely development of new mine capacity.

Element	Disclosure requirement
	Over the past decade the primary driving force behind the growth in global zinc consumption has been the industrialisation and urbanisation of China. However, the Chinese authorities are attempting to rebalance the country's economy away from one driven by investment in fixed assets and exports to one driven by domestic consumption. Therefore, while China is expected to continue to drive the absolute increase in global zinc demand over the coming decade, its consumption growth is projected to moderate. However, according to Wood Mackenzie, one consequence of China's rapid and spectacular expansion in zinc demand over the past decade is that the relatively modest average (compared to the previous decade) annual growth of 4.8% per annum over the period 2014 to 2030 is projected to increase Chinese zinc consumption by an average of 0.44 million tonnes per annum over the forecast period, compared with the average annual incremental increase in zinc consumption of 0.34 million tonnes per annum over the last decade. Although Chinese demand is forecast to increase significantly, as China undertakes to reorient its economy in the direction noted above, China's economic growth is expected to become less zinc dependent. LME zinc prices have been characterised by significant fluctuations over the last 20 years, predominantly as a result of the interplay between the supply of and demand for zinc, as summarised above. The zinc price can also be affected, and appears to have been so affected to a significant extent in recent years, by the participation of financial investors (as opposed to consumers of zinc) in the market. The volatility of LME zinc prices means that Nyrstar's sales, raw material costs and treatment charges (''**TCs**'') it receives from miners (or, in the case of the Mining segment, pays to Nyrstar's Metals Processing segment or third party smelters) have varied considerably and may continue to vary considerably from period to period. LME prices for zinc reached very high levels by historic standards in 2006 and until mid-2007, after which the global financial crisis and ensuing recession in the majority of industrialised economies led to a sharp decline in zinc and other commodity prices. Beginning in early 2009, prices began to recover (albeit not to 2007 levels), although subsequent tightening of fiscal and monetary policies and protracted low-growth environment forecasts for several industrialised economies have led to continuing uncertainty in the metal industry and to volatility in commodity prices, with prices declining in recent periods. However, according to forecasts published by Consensus Economics Inc., market analysts generally expect zinc prices to grow in the mid- to long-term as a result of anticipated imbalances in zinc supply and demand in future years.
B.5	**Description of the Group and the Company's position within the Group** The Company operates its business through several direct and indirect wholly owned subsidiaries. The Company is the direct or indirect parent company of these subsidiaries.
B.6	**Absence of major shareholdings** The Company has a wide shareholder base, mainly composed of institutional investors in the United Kingdom, the United States, Belgium and other European countries, but also comprising Belgian retail investors. There are no major shareholders. Umicore NV notified the Company pursuant to applicable transparency disclosure rules that it held 5,251,856 Shares, which represents 3.09% of the currently outstanding Shares (not taking into account the new Shares to be issued in connection with the Offering (as defined below) and not taking into account the issue of additional new Shares upon conversion of outstanding convertible bonds). In addition, the Company holds 12,697,734 Shares as treasury stock. No other shareholders, alone or in concert with other shareholders, notified the Company of a participation or an agreement to act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

Element	Disclosure requirement
B.7	**Selected historical key financial information**

The selected financial information set forth below should be read in conjunction with the audited consolidated financial information of the Company as of and for the years ended 31 December 2013, 2012 and 2011 and the unaudited consolidated financial information of the Company as of and for the six months ended 30 June 2014 (together, the ''**Nyrstar Financial Statements**'') incorporated by reference or referred to elsewhere in this Prospectus. The selected financial information set forth below as of and for the six months ended 30 June 2014 and 30 June 2013 and the years ended 31 December 2013, 2012 and 2011 has been extracted from the Nyrstar Financial Statements. The selected unaudited historical financial information for the six months ended 31 December 2013 have been derived from the financial records of the Company. The selected financial information set forth below is qualified in its entirety by reference to the Nyrstar Financial Statements.

€ millions (unless otherwise indicated)	Six months ended 30 June 2014	Six months ended 31 December 2013	Six months ended 30 June 2013	Year ended 31 December 2013	2012	2011
Key Financial Data						
Revenue	1,354	1,394	1,430	2,824	3,070	3,348
Treatment charges	136	136	125	261	238	316
Payable metal/free metal contribution	290	282	299	581	645	534
Premiums	76	66	61	127	115	120
By-products	192	198	190	388	447	418
Other	(57)	(53)	(53)	(106)	(89)	(102)
Gross profit	637	629	622	1,251	1,356	1,286
Underlying operating costs(1)	(527)	(532)	(535)	(1,067)	(1,137)	(1,022)
Underlying EBITDA(1)	**110**	**98**	**87**	**185**	**221**	**265**
Results from operating activities before exceptional items	(15)	(17)	(29)	(46)	(6)	122
Profit/(loss) for the period	**(66)**	**(104)**	**(92)**	**(195)**	**(97)**	**36**
Sustaining capex	52	57	71	126	148	126
Growth capex	20	15	15	31	30	53
Exploration and development capex	21	17	25	42	69	50
Capital expenditure	**93**	**89**	**111**	**199**	**248**	**229**
Cash flow from operating activities	167	205	94	299	361	121
Change in net working capital(2)	55	70	104	174	219	21
Net debt/(cash), end of period(3)	653	670	756	670	681	718
Gearing (%), end of period(4)	44%	44%	42%	44%	37%	35%
Net debt/LTM underlying EBITDA, end of period(5)	3.1x	3.6x	3.9x	3.6x	3.1x	2.7x
Earnings per share	(0.42)	(0.68)	(0.58)	(1.27)	(0.58)	0.24

Notes:

(1) Underlying EBITDA and underlying operating costs are unaudited, non-IFRS measures. See below for a reconciliation of underlying EBITDA to ''Profit/(loss) for the period'' and a reconciliation of underlying operating costs to a listing of operating cost line items from the consolidated income statement.

(2) Change in net working capital is calculated as the aggregate of change in inventories, change in trade and other receivables, change in deferred income and change in trade and other payables as disclosed in the consolidated statement of cash flow.

(3) Net debt/(cash) is calculated as non-current and current loans and borrowings less cash and cash equivalents.

(4) Gearing is calculated as net debt to net debt plus total equity at end of period.

(5) Net debt/LTM underlying EBITDA is calculated as non-current and current loans and borrowings less cash and cash equivalents divided by underlying EBITDA for the last twelve months (or for 30 June data, for the sum of the prior two fiscal halves).

Reconciliation of underlying EBITDA and underlying operating costs

The tables below set out the reconciliation between the ''Profit/(loss) for the period'' to Nyrstar's ''underlying EBITDA'' and between operating costs from the consolidated income statement and ''underlying operating costs''.

''Underlying EBITDA'' is an additional non-IFRS measure of earnings, which is reported by Nyrstar to provide useful information with respect to the underlying business performance of its operations. Underlying EBITDA represents profit/loss for the period adjusted to exclude depreciation, amortisation and depletion, impairment losses and reversals, net finance expense, income tax expense/benefits and certain items that Nyrstar views as ''exceptional items''.

Element	Disclosure requirement

''Exceptional items'' represent earnings adjustments identified internally for management reporting purposes that are not considered to be indicative of Nyrstar's ongoing operations and/or may impact year on year comparability. These items are adjusted from loss for the year and operating costs to assist management in understanding their impact on the historical financial results of the Company and expected future performance. For the periods included in this Prospectus, exceptional items consists of gain on the disposal of equity accounted investees, restructuring costs, M&A related transaction expenses, and material income or expenses arising from embedded derivatives recognised under IAS 39.

''Underlying operating costs'' and ''direct operating costs'' are additional non-IFRS measures, which are reported by Nyrstar to provide useful information to assist its investors and Nyrstar's management to understand the key operating cost drivers and to provide a period-to-period comparison. Underlying operating costs include employee benefits expense, energy expenses, stores and consumables used, contracting and consulting expenses and other expenses (each as set out in the consolidated income statement), adjusted to exclude the net loss on the Hobart smelter embedded derivatives and deducting share of profit or loss of equity accounted investees and other income. Direct operating costs represent underlying operating costs adjusted to deduct the impact of other income and non-operating elements of other expense.

Investors should not consider ''underlying EBITDA'', ''underlying operating costs'' or ''direct operating costs'' in isolation or as a substitute for Results from operating activities and Profit/(loss) for the period reported in the Nyrstar Financial Statements and related notes, or other statement of operations or cash flow data prepared in accordance with IFRS as a measure of Nyrstar's profitability or liquidity. Other companies in Nyrstar's industry may calculate underlying EBITDA, underlying operating costs or direct operating costs differently or may use them for different purposes.

Underlying EBITDA

€ millions	Six Months Ended 30 June 2014	Six Months Ended 31 December 2013	Six Months Ended 30 June 2013	Year Ended 31 December 2013	Year Ended 31 December 2012	Year Ended 31 December 2011
Profit/(loss) for the period	**(66)**	**(103)**	**(92)**	**(195)**	**(97)**	**36**
Adjustments						
Income tax expense/(benefit)	(12)	21	(10)	11	(15)	8
Gain on the disposal of equity accounted investees[(1)]	(1)	—	—	—	(27)	—
Net finance expense	60	50	49	99	93	56
Impairment reversal	—	(207)	—	(207)	—	—
Impairment loss	—	216	12	228	18	—
Restructuring expense[(2)]	3	8	11	19	17	9
M&A related transaction expense[(3)]	—	1	1	2	3	15
Depreciation, amortisation and depletion	124	114	106	220	218	145
Net loss/(gain) on Hobart Smelter embedded derivatives[(4)]	—	—	10	9	9	(4)
Underlying EBITDA	**110**	**98**	**87**	**185**	**221**	**265**

Notes:

(1) During 2012, the joint venture between Nyrstar and SimsMM sold Australian Refined Alloys' secondary lead producing facility in Sydney, Australia to companies associated with Renewed Metal Technologies for a total sale price of € 60 million (AUD 80 million) plus working capital. Nyrstar's share of the sales proceeds was € 32.5 million, including a working capital adjustment, with a gain on the sale of € 27 million.

(2) Restructuring expenses of € 3 million in H1 2014 (€ 8 million in H2 2013, € 19 million in 2013, € 17 million in 2012, € 9 million in 2011) were incurred mainly in relation to the announced cost savings programme, known in 2012 and 2013 as Project Lean, which is expected to deliver its full targeted benefits by the end of 2014, and the organisational restructuring announced in June 2013.

(3) M&A related transaction expenses include the acquisition and disposal related direct transaction costs (e.g., advisory, accounting, tax, legal or valuation fees paid to external parties). M&A related transaction expenses were nil in H1 2014, compared to € 1 million in H2 2013 (€ 2 million in 2013; € 3 million in 2012; € 15 million in 2011). These expenses have previously been classified within contracting and consulting expenses and have been reclassified to M&A related transaction costs to improve reporting transparency.

(4) The Hobart smelter is party to a long-term electricity supply contract with a CPI indexation clause. The Hobart smelter's electricity supply contract is hedged by a fixed price commodity contract, referred to as an embedded derivative, to reduce exposure to electricity price volatility. The embedded derivative has been designated as a qualifying cash flow hedge to fix Hobart smelter's electricity prices. To the extent that the hedge is effective, changes in its fair value are recognised directly in consolidated other comprehensive income. To the extent the hedge is ineffective, changes in fair value are recognised in the consolidated income statement. As the hedge is partially ineffective, the negative change in fair value (€ 0.4 million loss in H1 2014; € 9 million loss in 2013; € 9 million loss in 2012; € 4 million gain in 2011) on the ineffective portion of the hedge was recorded as a cost in energy expenses within the consolidated income statement. The impact on the income statement has been reversed from Profit/(loss) for the period for the purpose of calculating Nyrstar's underlying EBITDA.

Element	Disclosure requirement
	Underlying operating costs

€ millions	Six Months Ended 30 June 2014	Six Months Ended 31 December 2013	Six Months Ended 30 June 2013	Year Ended 31 December 2013	2012	2011
Employee benefits expense	200	189	203	391	409	339
Energy expenses	142	155	175	330	332	304
Stores and consumables used	90	86	94	180	195	152
Contracting and consulting expense	71	85	81	166	171	146
Other expense	30	21	43	63	62	92
Other income	(5)	(4)	(49)	(53)	(25)	(14)
Share of loss / (profit) of equity accounted investees	—	—	—	(1)	1	(1)
Net gain / (loss) on Hobart Smelter embedded derivatives(1)	(1)	1	(10)	(9)	(9)	4
Underlying operating costs	**527**	**532**	**535**	**1,067**	**1,137**	**1,022**

Notes:

(1) The Hobart smelter is party to a long-term electricity supply contract with a CPI indexation clause. The Hobart smelter's electricity supply contract is hedged by a fixed price commodity contract, referred to as an embedded derivative, to reduce exposure to electricity price volatility. The embedded derivative has been designated as a qualifying cash flow hedge to fix Hobart smelter's electricity prices. To the extent that the hedge is effective, changes in its fair value are recognised directly in consolidated other comprehensive income. To the extent the hedge is ineffective, changes in fair value are recognised in the consolidated income statement. As the hedge is partially ineffective, the negative change in fair value (€ 0.4 million loss in H1 2014; € 9 million loss in 2013; € 9 million loss in 2012; € 4 million gain in 2011) on the ineffective portion of the hedge was recorded as a cost in energy expenses within the consolidated income statement. The impact on the income statement has been reversed from Profit/(loss) for the period for the purpose of calculating Nyrstar's underlying EBITDA.

Direct operating costs

€ millions	Six Months Ended 30 June 2014	Six Months Ended 31 December 2013	Six Months Ended 30 June 2013	Year Ended 31 December 2013	2012	2011
Employee benefits expense	200	189	203	391	409	339
Energy expenses(1)	142	156	165	321	323	307
Other expenses / income(2)	185	198	203	401	426	344
Direct operating costs	527	542	571	1,113	1,158	990
Non-operating and other(3)	—	(10)	(36)	(46)	(21)	31
Underlying operating costs	**527**	**532**	**535**	**1,067**	**1,137**	**1,022**

Notes:

(1) The energy costs included in direct operating costs exclude the net gain/(loss) on the Hobart smelter embedded derivative described above.

(2) Other expenses / income includes Stores and consumables use, Contracting and consulting expense and the operating elements of Other expense.

(3) Non-operating and other includes Other income and non-operating elements of Other expense.

Element	Disclosure requirement
B.8	**Selected key pro forma financial information** Not applicable. No pro forma information has been included in the Prospectus.
B.9	**Profit forecast or estimate** Not applicable. No profit forecast or estimate has been included in the Prospectus.
B.10	**A description of the nature of any qualifications in the audit report on the historical financial information** Not applicable. There are no qualifications to the audit reports on the historical financial information.
B.11	**Working capital** In the Company's opinion, its working capital is sufficient for its present requirements and for the twelve month-period following the date of this Prospectus.

Section C—Shares

Element	Disclosure requirement
C.1	**Type and class of the securities being offered and admitted to trading** The Company is offering up to 170,022,544 new ordinary shares without nominal value (the ''**Shares**''). The new Shares to be issued within the framework of the Offering shall have the same rights and benefits as, and shall rank *pari passu* in all respects, including as to entitlement to dividends, with, the existing and outstanding Shares of the Company at the moment of their issue and will be entitled to distributions in respect of which the relevant record date or due date falls on or after their issue date.
C.2	**Currency of the Shares** The currency of the existing and new Shares is Euro.
C.3	**Number of Shares issued** On the date of this Prospectus, the share capital of the Company amounts to € 17,002,254.40 and is fully paid-up. It is represented by 170,022,544 ordinary Shares, each with a fractional value of € 0.10 and representing one 170,022,544th of the share capital. The Company's Shares do not have a nominal value. Upon successful completion of the Offering, the Company will issue 170,022,544 new ordinary Shares, for an aggregate issue price of € 251,633,365.12 (or € 1.48 per new Share). A portion of the issue price per new Share equal to the fractional value of the Shares, i.e. €0.10, will be allocated to the Company's share capital. The portion of the issue price in excess of the fractional value of the new Shares, i.e. € 1.38 will be booked as issue premium. As a result, upon successful completion of the Offering, the share capital would be increased up to € 34,004,508.80 and be represented by 340,045,088 ordinary Shares, each with a fractional value of €0.10 and representing one 340,045,088th of the share capital.
C.4	**Rights attached to the Shares** All of the existing Shares have the same voting rights except that voting rights are suspended when such Shares are held by the Company as treasury shares. All of the existing Shares are profit sharing as from any distribution in respect of which the relevant record date or due date falls on or after the date of the issue of such Shares (including any distribution in relation to the financial year that started on 1 January 2014, as the case may be). The new Shares shall be of the same class as existing Shares, including in respect of voting rights and profit sharing.
C.5	**Restrictions on the free transferability of the Shares** There are no provisions limiting the free transferability of the existing and new Shares included in the articles of association of the Company.
C.6	**Applications for admission to trading on a regulated market and identity of all the regulated markets where the Shares are or are to be traded** The Company has applied for admission to trading of the new Shares on the regulated market of Euronext Brussels. Listing and admission to trading of the new Shares are expected to take place on or around 30 September 2014. The new Shares will be listed on the regulated market of Euronext Brussels under the same symbol and ISIN code as the code for the existing Shares, namely ''NYR'' and BE0003876936, respectively.
C.7	**Description of the dividend policy** The Company's board of directors reviewed the Company's dividend policy in 2009 and concluded that in light of the revised Company strategy a dividend policy defining a fixed pay-out ratio was no longer appropriate. The Company's revised dividend policy aims to maximise total shareholder return through a combination of share price appreciation and dividends, while maintaining adequate cash flows for growth and the successful execution of the Company's strategy. The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's statutory unconsolidated financial statements rather than its consolidated financial statements. In August 2013, a dividend in the (gross) amount of €0.16 per Share was distributed to shareholders as a capital reduction with reimbursement of paid-up capital. The board of directors has decided not to propose to shareholders a distribution in respect of the 2013 financial year. This reflects the board of directors' commitment to maintain a sustainable capital structure.

Section D—Risks

Element	Disclosure requirement
D.1	**Risks Relating to the Company's industry and business** The Company is subject to the following material risks: • ***Nyrstar's results can be substantially affected by macroeconomic trends. Economic downturns can depress commodity prices and for this reason and other reasons economic downturns have in the past and may in the future have a material adverse effect on the results of operations of metals and mining companies such as Nyrstar.*** Nyrstar's activities and results are affected by international, national and regional economic conditions. For example, the steep downturn in the global economy in 2008/2009 resulted in a sharply reduced demand for metals and had a pronounced negative effect on Nyrstar's business, results of operations and financial condition, resulting in a total impairment charge of €575 million for the 2008 financial year. Prices for base metals, such as zinc, copper and lead, and precious metals such as silver and gold fluctuate based in part on macroeconomic sentiment as well as perceived demand and supply conditions. A deterioration of macroeconomic conditions and especially another global recession or depression could negatively impact metal prices, which in turn would have a material adverse effect on the metals and mining industry and on Nyrstar's business, results of operations and financial condition. Moreover, protracted declines in consumption caused by poor economic conditions in one or more of Nyrstar's major markets or the deterioration of the financial condition of one or more of its key customers could have a material adverse effect on demand for its products and hence on its business, results of operations and financial condition. • ***Nyrstar's results are highly sensitive to commodity prices, which are both cyclical and volatile.*** Nyrstar's profitability is highly sensitive to the market price of zinc and lead (which determines the amount of value available to be shared between the miner and the smelter) and TCs (which determine how that value is shared between the miner and the smelter). The sensitivity to TCs is pronounced due to the current configuration of Nyrstar's business, with the bulk of Nyrstar's revenues generated by smelting. Although Nyrstar's exposure to swings in zinc TCs is expected to diminish over time as projects identified in the Smelting Strategic Review and the Port Pirie Redevelopment project (each as defined below) are completed, enabling Nyrstar to capture more of the free metal contained in the feed materials to its smelters, these projects are themselves subject to numerous risks. In addition, Nyrstar's results are similarly impacted by the prices of copper, silver, gold and other metals. The price of zinc, lead, copper, silver, gold and other metals has historically been subject to wide fluctuations in response to market forces. Factors largely beyond Nyrstar's control, such as the cyclicality of consumption, actual or perceived changes in levels of supply and demand, the availability and cost of substitute materials, inventory levels maintained by producers, trading on the metals market and exchange rates, all influence metal prices. • ***Nyrstar's strategy includes the increased production of minor metals, such as indium, germanium and gallium, and a number of internal and external factors could affect its ability to execute this strategy and in particular achieve the higher profitability targeted by it.*** Nyrstar has recently completed a strategic review of its zinc smelting business (the ''**Smelting Strategic Review**'') in order to identify opportunities to sustainably improve its profitability. A principal output of the Smelting Strategic Review was a focus on increased production of minor metals and the Smelting Strategic Review identified a number of projects to this end. This focus is an intensification of an existing trend; in 2013 Nyrstar produced 27 tonnes of germanium contained in leach product and 38 tonnes of gallium contained in leach product at its Clarksville smelters and 33 tonnes of indium at its Auby smelter. The markets for indium, germanium and gallium are relatively young and tied to global demand for electronic devices. Indium is primarily used in LCDs for flat panel devices (such as mobile phones, computer and TV screens) as a solder, alloys and electrical components. Germanium is primarily used in optical fibre production, infrared devices and substrates for electronic devices due to its properties as a semiconductor. Gallium is primarily used in the superconductor industry.

Element	Disclosure requirement
	Due to the relative youth of these markets there remains uncertainty as to their supply and demand fundamentals. The market price of some of these metals has fluctuated significantly in recent years (from late 2010 to the end of 2013, the indium price has ranged from approximately US$550/kg to US$780/kg, the gallium price has ranged from approximately US$300/kg to US$920/kg and the germanium price has ranged from approximately US$1,200/kg to US$1,950/kg), and their market price may well continue to fluctuate widely. One of the main factors contributing to the uncertainty about demand is uncertainty around stock levels, itself due in large part to uncertainty around the levels of minor metal stock currently held in China. If there were to be a significant decrease in the prices for indium, germanium and gallium Nyrstar may not be able to achieve the business case for these projects that was developed as part of the Smelting Strategic Review. This may have a material impact on its overall strategic goal of upgrading the zinc smelter network to allow the processing of more high value feeds and unlocking incremental margin potential from the existing production base and could have a material adverse effect on its business, results of operations and financial condition. • ***Nyrstar's major investment projects are subject to the risk of delays, cost overruns and other complications, and may not achieve the expected returns.*** Nyrstar is implementing a number of major investment projects that are key to its strategy to leverage its existing industrial footprint to unlock and create further value. The principal investment projects being undertaken by Nyrstar are the Port Pirie redevelopment (the ''**Port Pirie Redevelopment**'') and the 25 projects identified during the Smelting Strategic Review designed to transform the blueprint of Nyrstar's Metals Processing business (the ''**Smelting Strategic Review Project Portfolio**'', and together with the Port Pirie Redevelopment, the ''**Transformation**''). The total estimated capital cost for the Port Pirie Redevelopment is €338 million (approximately AUD 514 million, based on an AUD/€ exchange rate of 1.52, the average exchange rate from January-April 2014). Nyrstar has signed a binding agreement for the final funding and support package for the Port Pirie Redevelopment with the EFIC, Australia's export credit agency, and the Treasurer of South Australia (for and on behalf of the State of South Australia). The funding package agreed comprises three envisaged parts: (i) a direct contribution from Nyrstar of approximately €68 million; (ii) the forward sale (in respect of which Nyrstar has received commitments from a syndicate of banks) of a portion of the silver output from the redeveloped Nyrstar Port Pirie facility for an upfront payment of approximately €79 million; and (iii) an approximately €191 million structured investment to be made by third party investors, with their investment benefiting from a guarantee from EFIC. The capital investment for the entire portfolio of projects that is the subject of the Smelting Strategic Review Project Portfolio has been estimated at approximately €265 million, with no single investment exceeding €50 million. There can be no assurance that the Port Pirie Redevelopment or the Smelting Strategic Review Project Portfolio will achieve the expected rate of return on investment and more generally have a positive long-term effect on Nyrstar's results of operations (including its operating cash flow and profitability) or financial condition. Furthermore, these projects are technically complex and may be subject to regulatory approvals of local authorities, possibly resulting in implementation delays. These projects are expected to have a significant impact on Nyrstar's future earnings, and any material delay in the optimisation of these operations, failure to reach the targeted production levels, design or technical constraints or significantly higher than expected ramp-up costs could have a material adverse effect on Nyrstar's ability to achieve its stated strategy and have a negative impact on its financial condition, operating results or cash flows. • ***Nyrstar's indebtedness has increased significantly in recent years due in part to its expansion into mining and will likely increase further as it implements its current strategy to transform its business model, making Nyrstar subject to risks inherent in higher leverage.*** As of 30 June 2014, Nyrstar had long-term borrowings of €622 million (65% of its total indebtedness, calculated as total loans and borrowings) and short-term borrowings of €341 million (35% of its total indebtedness). The average amount of such debt outstanding under its Revolving Structured Commodity Trade Finance Facility in the six month period ended 30 June 2014 was approximately €35 million. Nyrstar's other long-term debts consist primarily of its 5.5% senior unsecured fixed rate non-convertible bonds due 2015 (the ''**2015 Bonds**''), its 5.375% senior unsecured fixed rate non-convertible bonds due 2016 (the ''**2016 Bonds**'') and its 4.25% senior unsecured convertible bonds due 2018. As of 30 June 2014, 31 December 2013 and 31 December 2012, Nyrstar's gearing ratio (net debt to net debt plus equity) was 44%, 44% and 37%, respectively.

Element	Disclosure requirement
	Prior to this Offering, the Company's subsidiary Nyrstar Netherlands (Holdings) B.V. conducted an offering of €350 million aggregate principal amount of 8½% rated senior unsecured notes due 2019 (the ''**New Notes**'') to institutional investors in the high yield market, which are expected to be issued at an issue price of 98.018% on 12 September 2014 (the ''**Concurrent New Notes Offering**''). Nyrstar Netherlands (Holdings) B.V. intends to make a voluntary public tender offer in cash to purchase for an aggregate principal amount of up to €320 million: (i) any-and-all of the €220 million aggregate principal amount of outstanding 2015 Bonds, and (ii) up to an aggregate principal amount of €100 million outstanding 2016 Bonds (the ''**Existing Notes Tender Offer**''). The intention is to launch the Existing Notes Tender Offer in the near future. To the extent the Existing Notes Tender Offer is not fully taken up, Nyrstar may be subject to ''negative carry'' in that it will have higher gross debt (and consequently cash and short-term investments) than it would consider optimal pending the maturity date of the outstanding notes. In addition, the major investment projects being undertaken and/or contemplated by Nyrstar (such as the Port Pirie Redevelopment and the Smelting Strategic Review Project Portfolio) will likely increase Nyrstar's indebtedness directly or indirectly or have similar effects. For example, the Port Pirie Redevelopment is expected to be financed in substantial part by a €191 million structured investment to be made by third party investors, with their investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC). The perpetual securities underlying this third party investment, which are expected to be issued in 2015, are structured as an equity-like instrument, with discretionary amortisation, but including various covenants and undertakings, including a prohibition on dividends from Port Pirie while the perpetual securities are outstanding. Any potential financing arrangements with the relevant governmental authorities for other projects arising from the Smelting Strategic Review may similarly include restrictions on the operating companies holding those sites. While the restriction on Port Pirie paying dividends is not currently expected to materially affect the cash flows available for the Group's operations and debt-servicing (as well as potentially future distributions to shareholders), no assurance can be given that this will remain the case going forward with respect to this project or others. The Company and its subsidiaries are currently subject to restrictive covenants, including financial covenants linked to balance sheet ratios, under the terms of their existing indebtedness, and will be subject to additional incurrence-based covenants in connection with the New Notes to be issued under the Concurrent New Notes Offering, including a limit on their ability to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends on, redeem or repurchase capital stock; • make certain restricted payments and investments, including dividends or other distributions with regard to the capital stock of the Company or its subsidiaries; • create or incur certain liens; • enter into agreements that restrict subsidiaries' ability to pay dividends or other distributions or make loans or advances; • transfer or sell assets; • merge or consolidate with other entities; and • engage in certain transactions with affiliates. All of the foregoing could materially adversely affect Nyrstar's ability to finance its future operations or capital needs or to engage in other business activities that may be in its best interest. In addition, a breach of the terms of Nyrstar's indebtedness could cause a default under the terms of the indebtedness, causing some or all of such indebtedness to become due and payable prior to its stated maturity.

Element	Disclosure requirement
	• ***The New Notes to be issued in the Concurrent New Notes Offering have been assigned a credit rating. Nystar will therefore be subject going forward to the risk of a credit rating downgrade with its related consequences.*** The New Notes to be issued in the Concurrent New Notes Offering have been assigned a rating of ''B3'' by Moody's Investors Service and ''B – '' by Standard & Poor's Ratings Service. A credit rating is not a recommendation to buy, sell or hold securities and will be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, downgrade or withdrawal at any time of the credit rating assigned to the New Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of Nyrstar's financings and could adversely affect market perception of the Company and the market value of Nyrstar's equity or debt securities. • ***Nyrstar made a substantial investment to purchase a zinc stream from a mine under development (Talvivaara) that has experienced operational issues and liquidity constraints and is currently engaged in a restructuring proceeding. If such proceeding does not succeed Nyrstar will incur a substantial impairment and will not benefit from the expected zinc stream.*** In January 2010, Nyrstar agreed to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara for a purchase price of US$335 million (approximately €243 million) (the ''**Zinc Streaming Agreement**''). The Zinc Streaming Agreement was structured with the intention of providing Nyrstar with an opportunity to participate in the economic benefits of, while having no ownership of or operational responsibility for, a low cost nickel zinc mine with a defined life of 1.25 million tonnes of zinc in concentrate. Under the Zinc Streaming Agreement, Talvivaara agreed to deliver 100% of its zinc concentrate production to Nyrstar until the 1.25 million tonnes of zinc in concentrate has been delivered. As a result of unforeseen ongoing operational challenges at the Talvivaara's Sotkamo mine (including water balance issues), production of ore metal in concentrate from Talvivaara—and hence deliveries—were lower than expected in 2012, 2013 and the start of 2014. In November 2013, Talvivaara applied for the commencement of corporate reorganisation proceedings under Finland's Restructuring of Enterprises Act (the ''**Reorganisation**''). In April 2014, Nyrstar entered into a loan and streaming holiday agreement with Talvivaara, with the intention of supporting Talvivaara's corporate reorganisation without increasing Nyrstar's net exposure to Talvivaara. Considerable uncertainties exist as to the outcome of the Reorganisation, Talvivaara continuing as a going concern and the performance of its obligations under the Zinc Streaming Agreement. It is currently not possible to estimate the most likely outcome of the Reorganisation and its impact on the Zinc Streaming Agreement. In the event of the reorganisation process being unsuccessful, Talvivaara may have to file for bankruptcy. In bankruptcy, the bankruptcy administrator has the option to void the Zinc Streaming Agreement. Should the Zinc Streaming Agreement be voided, Nyrstar would become a creditor to Talvivaara for the amounts outstanding under the Zinc Streaming Agreement. Collectability of any such amounts would be uncertain. A bankruptcy in accordance with the above circumstances would likely result in the carrying value of the Zinc Streaming Agreement being impaired. As of 30 June 2014, the maximum amount of any impairment would be €176.1 million (being the tax effected carrying value of the Zinc Streaming Agreement of €223.4 million). Such an impairment would have a significant impact on Nyrstar's reported results of operations and financial condition, ability to borrow additional funds for working capital (over the longer term), capital expenditure, acquisitions and other general corporate purposes, and potentially its credit rating. In addition to those listed above, the Company is also subject to the following risks: • The LME has recently announced plans to change the LME Warehouse Rules, which may impact zinc premiums and the LME price and will create uncertainty. • Nyrstar's financial results are linked to TC levels, which are cyclical in nature, and to the amount of concentrate available to smelters. • Nyrstar is exposed to the shape of the forward price curve for underlying metal prices. • China is an important source of demand for zinc, copper and lead products. A reduction in the imports of zinc, copper or lead products by China may have a material adverse effect on Nyrstar's financial results.

Element	Disclosure requirement
	• Nyrstar's business is exposed to exchange rate fluctuations. • Nyrstar is exposed to credit risk in relation to its contractual and trading counterparties as well as to hedging and derivative counterparty risk. • Nyrstar is dependent on a limited number of suppliers for zinc and lead concentrate. A disruption in supply could have a material adverse effect on its production levels and financial results. • Nyrstar is partially dependent on the supply of zinc and lead secondary feed materials. • Nyrstar is subject to risks related to input costs. • An increase in energy costs, in particular electricity costs, or a disruption in the supply of energy for Nyrstar's operations may significantly increase production costs or adversely affect production. • Nyrstar is subject to a number of operational risks, and its insurance cover could be inadequate. • Nyrstar's mining operations are subject to a number of risks and hazards, including a significant risk of disruption or damage to persons and property. • Acquisitions, mergers or strategic alliances may adversely affect Nyrstar's results and financial condition. • Negative publicity, including that generated by non-governmental bodies, may harm Nyrstar's operations. • Future profitability and operating margins depend partly upon Nyrstar's ability to access sufficient and adequate mineral resources. Estimates of ore reserves are based on certain assumptions, and changes in such assumptions could lead to reported ore reserves being restated at a lower level. • Nyrstar is subject to intense competition, which may be exacerbated by changes in production technology and weigh on Nyrstar's revenue or margins. • Nyrstar's products may face the risk of substitution or ''thrifting'', which would negatively affect Nyrstar's financial performance. • Nyrstar's business could be adversely affected if it fails to obtain, maintain or renew necessary licenses and permits, or fails to comply with the terms of its licenses or permits. • If Nyrstar is unable to sell or store certain by-products (including leach products) that it produces in its smelting operations, it may be required to limit or reduce its overall production levels. • Nyrstar's operations are subject to stringent environmental, health and safety laws and regulations, which could expose it to significant increased compliance costs and litigation. • Climate change legislation could have an adverse impact on Nyrstar's business. • A change in underlying economic conditions or adverse business performance may result in impairment charges in particular in relation to acquisition goodwill as well as other tangible and intangible assets. • Nyrstar is exposed to interest rate risk. • Nyrstar may not be able to access markets for a number of reasons. • Nyrstar's mining and smelting operations are located in jurisdictions (including emerging markets) that have varying political, economic, security and other risks. • Nyrstar is subject to litigation risk. • Major accidents could result in substantial claims, fines or significant damage to Nyrstar's reputation and financial position. • Nyrstar is exposed to tax risks by virtue of the international nature of its activities. • Nyrstar's competitive position and future prospects depend on its employees' experience and expertise and Nyrstar's ability to recruit and retain qualified personnel. • Nyrstar may be subject to misconduct by its employees or contractors. • Nyrstar is subject to the risk of industrial relations actions which may disrupt its operations.

Element	Disclosure requirement
	• Fluctuations in the factors that determine the value of Nyrstar's employee benefit obligations could result in actuarial gains and losses. • Operating and capital costs associated with the development of acquired assets, projects and prospects, as well as those expected to be acquired, may be unpredictable and may not be in accordance with Nyrstar's assumptions. • The Company is a holding company and is therefore dependent on the results of operations generated by its subsidiaries. • Nyrstar will require a significant amount of cash to finance its debts, fund its operations and finance its capital investments and growth strategy. If Nyrstar is unable to generate this cash through its operations or through external sources, it may face liquidity pressure, be unable to fully fund its operations or undertake capital investments needed to achieve its business strategy.
D.3	**Risks relating to the Shares and the Offering** • The market price of the Shares may be volatile and could decrease. • There is no assurance that a trading market will develop for the Rights, and the market price for the Rights may be subject to greater volatility than the market price for the Shares. • Failure by a shareholder to exercise allocated Rights during the Rights Subscription Period will result in such Rights becoming null and void and in a dilution of such shareholder's percentage ownership of the Shares. • If the Offering is discontinued or there is a substantial decline in the price of the Shares, the Rights may become void or worthless. • Withdrawal of subscription in certain circumstances may not allow sharing in the Excess Amount and may have other adverse financial consequences. • Termination of the Underwriting Agreement could have a material adverse effect on the trading price and underlying value of the Rights and the Shares. • Certain transfer and selling restrictions may limit shareholders' ability to sell or otherwise transfer their Shares. • Certain creditors of the Company may benefit from a creditor's protection procedure triggered by the capital reserve reduction recently approved by the Extraordinary Shareholders' Meeting of the Company, which may require the Company to provide (additional) collateral or repay receivables. • Any future capital increases by the Company could have a negative impact on the price of the Shares. • Investors resident in countries other than Belgium may suffer dilution if they are unable to participate in future preferential subscription rights offerings. • Takeover provisions in Belgian national law may make it difficult for an investor to change management and may also make a takeover difficult. • Shareholders in jurisdictions with currencies other than the Euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of Shares. • Any future sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax. • Investors' rights as shareholders of the Company will be governed by Belgian law and may differ in some respects from the rights granted to shareholders in other companies under the laws of other jurisdictions. • The Company has no fixed dividend policy. • It may be difficult for investors outside Belgium to serve process on or enforce foreign judgments against the Company in connection with the Offering.

Section E—The Offering

Element	Disclosure requirement
E.1	**Net proceeds and expenses of the Offering** See ''Use of Proceeds'' below.
E.2a	**Use of Proceeds** The Offering is part of a comprehensive strategic financing plan, which is the culmination of an extensive review by the Company of a range of financing options and which is consistent with its strategy of continuing to invest in the business while maintaining an appropriate financial position and financial flexibility. The comprehensive strategic financing plan includes the following sources of financing and uses of proceeds: <u>**Sources of Funds**</u> —**This Offering** in a nominal amount of €251.6 million. —**Concurrent New Notes Offering.** Prior to this Offering, the Company's subsidiary Nyrstar Netherlands (Holdings) B.V. conducted the Concurrent New Notes Offering of €350 million aggregate principal amount of New Notes to institutional investors in the high yield market, which are expected to be issued at an issue price of 98.018% on 12 September 2014. The equivalent of the gross proceeds of the Concurrent New Notes Offering will be placed into escrow until the completion of the Rights Offering. <u>**Uses of Funds**</u> The proceeds from this Offering and the Concurrent New Notes Offering are intended to be used as follows: —**Growth capital to improve operations** through asset improvement projects such as the Port Pirie Redevelopment and the Smelting Strategic Review, which together constitute the Transformation. ***Port Pirie Redevelopment:*** Nyrstar is conducting the Port Pirie Redevelopment initiative aimed at converting Nyrstar's Port Pirie smelter into an advanced metal recovery and refining facility. The total estimated capital cost for the Port Pirie Redevelopment is € 338 million (approximately AUD 514 million, based on an AUD/€ exchange rate of 1.52). The proceeds of the proposed transaction will be used to fund the remaining direct contribution from Nyrstar to the Port Pirie Redevelopment of approximately €68 million. The remaining portion of the capital expenditure investment in the project is expected to be covered by (a) approximately €191 million expected to be raised in 2015, via a special purpose vehicle, from third party investors which will benefit from a AAA-credit rated guarantee from EFIC, which is supported by a back-to-back guarantee from the South Australian Government), and (b) approximately €79 million expected to be raised in 2014 from the forward sale of future incremental silver production (in respect of which the Company has received commitments from a syndicate of banks). In 2014, approximately €68 million of proceeds is intended to fund the Port Pirie Redevelopment. ***Smelting Strategic Review:*** Nyrstar remains committed to the roll-out of its Smelting Strategic Review Project Portfolio. The Smelting Strategic Review resulted in the identification of compelling technical modifications that could significantly enhance Nyrstar's execution capabilities and strengthen its financial profile. The Smelting Strategic Review Project Portfolio consists of approximately 25 projects, which fall under three categories of investment: de-bottlenecking (or deconstraining) Nyrstar's smelters; building fuming capacity; and building minor metal extraction capability. The capital investment for the entire blueprint is estimated at €265 million, with no single investment exceeding €50 million. If fully implemented this would entail approximately €250 million of capital expenditure on the Smelting Strategic Review Project Portfolio in the next two years, of which approximately €200 million would be financed through the proceeds of this Offering and the Concurrent New Notes Offering. In 2014, approximately €20-30 million of proceeds is intended to finance growth capital expenditure identified in the Smelting Strategic Review. —**Existing Notes Tender Offer.** Nyrstar intends to address the refinancing of its 2015 Bonds ahead of their scheduled maturity in 2015, and proactively manage a portion of its 2016 Bonds maturing in 2016. As at the date of this Prospectus, an aggregate principal amount of €220 million of 2015 Bonds and an aggregate principal amount of €515 million of 2016 Bonds were outstanding. Nyrstar's liability management exercise allows the Company to proactively manage its debt position and improve the maturity profile of its outstanding debt, by addressing in full debt maturing in 2015, and addressing up to €100 million of the outstanding 2016 Bonds ahead of schedule. The extent to which this goal can be achieved through the tender offer will depend on the number of existing bonds that will be tendered in the offer, given the voluntary nature of the offer. Nyrstar intends to maintain cash available to repay any 2015 Bonds remaining after the Existing Notes Tender Offer in full at maturity.

Element	Disclosure requirement
	Nyrstar Netherlands (Holdings) B.V. intends to make the Existing Notes Tender Offer in cash to purchase for an aggregate principal amount of up to €320 million: (i) any-and-all of the €220 million aggregate principal amount of outstanding 2015 Bonds, and (ii) up to an aggregate principal amount of €100 million outstanding 2016 Bonds. The intention is to launch the Existing Notes Tender Offer in the near future. Any remaining proceeds are intended to be used to reduce net debt (towards a targeted Net Debt / underlying EBITDA ratio of 2.5x), for transaction costs and for general corporate purposes. The Company estimates that commissions and offering expenses of the Concurrent New Notes Offering, this Offering and the Existing Notes Tender Offer will be approximately €12 million. As a result of this comprehensive strategic financing plan, the leverage of Nyrstar is anticipated to decrease significantly in the near-term—in line with the Company's targeted Net Debt / underlying EBITDA ratio of 2.5x. The table below summarises Nyrstar's sources and uses of funds from the Offering and the Concurrent New Notes Offering.

Sources of Funds	Amount (€ millions)	Uses of Funds	Amount (€ millions)
This Offering	251.6	Fund Smelting Strategic Review growth capex (over the next two years)(2)	200.0
New Notes(1)	343.1	Fund direct contribution of Port Pirie Redevelopment(2)	68.0
		Repurchase 2015 Bonds(3)	220.0
		Repurchase 2016 Bonds(3)	100.0
Cash on hand	5.3	Fees and other expenses	12.0
Total sources	**600.0**	**Total uses**	**600.0**

Notes:

(1) The offering of € 350 million aggregate principal amount of new 8½% senior unsecured notes due 2019 under the Concurrent New Notes Offering, which are expected to be issued on 12 September 2014. The New Notes are expected to be issued at an issue price of 98.018%, resulting in original issue discount of €6.94 million.

(2) Approximately € 268 million of proceeds is intended to finance growth capital expenditure programmes over the next two years, including € 68 million of proceeds intended to fund the direct contribution in the Port Pirie Redevelopment and € 200 million of proceeds intended to finance investments in the Smelting Strategic Review Projects Portfolio.

(3) € 320 million of the net proceeds is intended to be used to repurchase (i) any-and-all of the €220 million aggregate principal amount of outstanding 2015 Bonds and (ii) up to an aggregate principal amount of € 100 million outstanding 2016 Bonds pursuant to the Existing Notes Tender Offer. Because the Existing Notes Tender Offer is a voluntary tender offer and depends on holders of the outstanding bonds voluntarily tendering their bonds for a premium, it is possible that such tender offer may not be successful, in that Nyrstar Netherlands (Holdings) B.V. may receive tenders for fewer outstanding bonds than it intends to repurchase. Nyrstar intends to maintain cash available to repay any 2015 Bonds remaining after the Existing Notes Tender Offer in full at maturity.

As of the date of this Prospectus, the Company cannot predict with certainty all of the particular uses for the balance of proceeds from the Offering or the Concurrent New Notes Offering, or the amounts that it will actually spend or allocate to specific uses. The amounts and timing of actual expenditures will depend upon numerous factors. Management will have significant flexibility in applying the balance of net proceeds from the Offering and may change the allocation of these proceeds as a result of these and other contingencies.

Element	Disclosure requirement
E.3	**Terms and conditions of the Offering** ***Offering*** The Offering by the Company in the amount of € 251,633,365.12 corresponding to 170,022,544 new Shares, will be carried out with non-statutory preference rights (the "**Rights**") for existing shareholders, subject to applicable securities laws. Each existing Share will entitle its holder to one Right. The Rights will entitle the holders thereof, subject to applicable securities laws, to subscribe for new Shares at the Subscription Price at the ratio of 1 new Share for 1 Right (the "**Ratio**"). The offering of new Shares to be issued upon the exercise of Rights is referred to herein as the "**Rights Offering**". ***Allocation of Rights*** Each existing Share will entitle its holder on 11 September 2014 (the "**Record Date**") to receive one Right. ***Subscription Price and Ratio*** The subscription price for the new Shares (the "**Subscription Price**") is € 1.48, which is below the closing price of € 2.90 per Share as quoted on the regulated market of Euronext Brussels on 10 September 2014.

Element	Disclosure requirement
	The ratio (the ''**Ratio**'') on the basis of which a person who is eligible to subscribe for the new Shares through the exercise of Rights or Scrips (as defined below), pursuant to the terms of this Prospectus (such person, an ''**Eligible Person**'') will have the right to subscribe for new Shares against payment of the Subscription Price, is 1 new Share for 1 Right. Based on the closing price of the Company's Shares on Euronext Brussels on 10 September 2014, the theoretical ex-right price (**''TERP''**) is €2.19, the theoretical value of one Right is €0.71, and the discount of the Subscription Price to TERP is 32.4%. ***Rights Offering*** Subject to restrictions under applicable securities laws, existing shareholders of the Company as at the closing of the regulated market of Euronext Brussels on 11 September 2014 and persons having acquired Rights during the Rights Subscription Period (as defined below) will have a non-statutory preference right to subscribe for the new Shares, at the Subscription Price and in accordance with the Ratio. The Rights, represented by coupon No. 7 of the existing Shares, will be separated from the underlying Shares on 11 September 2014 after the closing of the regulated market of Euronext Brussels and will be tradable on such regulated market from 12 September 2014 to 23 September 2014. Any sale of existing Shares prior to the closing of the regulated market of Euronext Brussels on 11 September 2014 and to be settled after 11 September 2014, will be settled ''cum Rights''. Any existing Shares sold after the closing of the regulated market of Euronext Brussels on 11 September 2014 will be sold and settled ''ex Rights''. Holders of Shares being granted Rights (or subsequent transferees of Rights) will be entitled, subject to applicable securities laws, to subscribe for new Shares at the Subscription Price and in accordance with the Ratio from 12 September 2014 until 23 September 2014 (by 4.00 pm CEST) (the ''**Rights Subscription Period**''). Subject to restrictions under applicable securities laws, existing shareholders whose holding of Shares is registered in the share register of the Company will receive communications informing them of the aggregate number of Rights to which they are entitled and of the procedures that they must follow to exercise or trade their Rights. Existing shareholders whose holdings of Shares are held in a securities account are expected to be informed by their financial institution of the procedure that they must follow to exercise or trade their Rights. Subject to restrictions under applicable securities laws, shareholders of the Company or transferees of Rights who do not hold the exact number of Rights to subscribe for a round number of new Shares may elect, during the Rights Subscription Period, either to purchase additional Rights in order to acquire additional new Shares or to transfer or sell all or part of their Rights. Rights can no longer be exercised after 4.00 pm CEST on 23 September 2014, which is the last day of the Rights Subscription Period. ***Scrips Offering*** The Rights that are not exercised at the time of the closing of the Rights Subscription Period, which will be 4.00 pm CEST on the last day of the Rights Subscription Period, will be converted into an equal number of scrips (the ''**Scrips**''). After the Rights Subscription Period has ended, the Underwriters (as defined below) will, subject to the terms and conditions of the Underwriting Agreement (as defined below) and this Prospectus and for the account of holders of Rights that have not been exercised, commence the sale, pursuant to this Prospectus (i) in an accelerated bookbuilt private placement to investors in Belgium, and by way of an exempt private placement in such other jurisdictions as shall be determined by the Company in consultation with the Joint Bookrunners, outside the United States pursuant to Regulation S of the United States Securities Act of 1933, as amended (the ''**Securities Act**''); and (ii) within the United States solely to qualified institutional buyers (''**QIBs**'' as defined in Rule 144A (''**Rule 144A**'') under the Securities Act) in transactions exempt from registration under the Securities Act (the ''**Scrips Offering**'', and together with the Rights Offering, the ''**Offering**''). Through such a procedure, the Underwriters will build a book of demand to determine a single market clearing price for the Scrips. The number of Scrips offered in the Scrips Offering will be equal to the number of Rights that have not been exercised at the closing of the Rights Subscription Period. Investors that acquire such Scrips irrevocably commit to subscribe at the Subscription Price to a number of new Shares corresponding to

Element	Disclosure requirement
	the Scrips acquired by them and in accordance with the Ratio. The Scrips Offering is expected to start on 25 September 2014 and is expected to end on the same day, though it may be extended. If the aggregate proceeds for the Scrips offered and sold in the Scrips Offering, and for the new Shares issued pursuant to the Scrips Offering, after deduction of any expenses relating to procuring such subscribers (including any value added tax), exceed the aggregate Subscription Price for the new Shares issued pursuant to the Scrips Offering (such an amount, the ''**Excess Amount**''), each holder of a Right that was not exercised by the last day of the Rights Subscription Period will be entitled to receive, except as noted below, a part of the Excess Amount in cash proportional to the number of unexercised Rights held by such holder on the last day of the Rights Subscription Period (rounded down to a whole Euro cent per unexercised Right) (the ''**Unexercised Rights Payment**''). There is no assurance that there will be any Excess Amount. Furthermore, there is no assurance that any or all Scrips will be sold during the Scrips Offering. If the Excess Amount divided by the total number of unexercised Rights is less than €0.01, the holders of any unexercised Rights will not be entitled to receive an Unexercised Rights Payment and, instead, any Excess Amount will be transferred to the Company. The Scrips Offering will only take place if fewer than all of the Rights have been exercised during the Rights Subscription Period. Neither the Company, the Collecting Agents (as defined below), the Underwriters, nor any other person procuring a sale of the Scrips will be responsible for any lack of Excess Amount arising from any sale of the Scrips in the Scrips Offering. ***Categories of potential investors*** Since the Offering is carried out with non-statutory preference rights for existing shareholders, Rights are allocated to all the shareholders of the Company as of the Record Date. Both the initial holders of Rights and any transferees of Rights, as well as any purchasers of Scrips in the Scrips Offering, may or, with respect to the latter, must subscribe for the new Shares, subject to the applicable securities laws referred to in this Prospectus. The Scrips Offering will only take place (i) in an accelerated bookbuilt private placement to investors in Belgium, and by way of an exempt private placement in such other jurisdictions as shall be determined by the Company in consultation with the Joint Bookrunners, outside the United States pursuant to Regulation S of the United States Securities Act of 1933, as amended; and (ii) within the United States solely to qualified institutional buyers as defined in Rule 144A under the Securities Act in transactions exempt from registration under the Securities Act. ***Rights Subscription Period*** Eligible Persons may subscribe for new Shares by exercising their Rights from 12 September 2014 until 23 September 2014 inclusive (by 4.00 pm CEST). The last date and time on which notification of exercise instructions may be validly given by Eligible Persons may be earlier than 4:00 pm CEST on 23 September 2014 depending on the financial institution through which the Rights of such Eligible Persons are held and depending on the communications that will be sent by the Company to the registered shareholders of the Company. Eligible Persons who have not exercised their Rights by the last day of the Rights Subscription Period will no longer be able to exercise their Rights thereafter. However, all new Shares timely subscribed by Eligible Persons will be fully allocated to them. All subscriptions are binding, and may not be revoked except as described below. ***Scrips Subscription period*** The Scrips Offering is expected to take place on or around 25 September 2014, but may be extended. ***Minimum or maximum amount that may be subscribed*** Subject to the Ratio, there is no minimum or maximum amount that may be subscribed by a single holder of Rights or Scrips pursuant to the Offering. ***Revocation or suspension of the Offering*** The Company has a right to proceed with the Offering in a reduced amount. This is, however, without prejudice to the underwriting commitment agreed to by the Underwriters.

Element	Disclosure requirement
	The Company reserves the right to revoke or suspend the Offering, if the Company's board of directors determines that market circumstances do not allow for the occurrence or completion of the capital increase in circumstances satisfactory to it or upon the occurrence after the beginning of the Rights Subscription Period of an event allowing the Underwriters to terminate the Underwriting Agreement. If the Company decides to revoke or suspend the Offering, a press release will be published and, to the extent such event would legally require the Company to publish a supplement to the Prospectus, such supplement will be published. ***Revocation of the acceptance—Supplement to the Prospectus*** The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Offering occurs prior to the start of trading of the new Shares, expected to take place on or around 30 September 2014. Subscriptions to the new Shares are binding and may not be revoked. However, if a supplement to the Prospectus is published, subscribers in the Rights Offering and subscribers in the Scrips Offering will have the right, within two business days, to withdraw subscriptions made by them prior to the publication of the supplement, provided that the event that triggered the requirement to publish a supplement took place prior to delivery of the new Shares. ***Payment of funds and terms of delivery of the new Shares*** The payment of the subscriptions with Rights is expected to take place on or around 30 September 2014 and will be done by debit of the subscriber's account with the same value date (subject to the relevant financial intermediary procedures). The payment of the subscriptions in the Scrips Offering is expected to take place on or around 30 September 2014. The payment of the subscriptions in the Scrips Offering will be made by delivery against payment. Delivery of the new Shares will take place on or around 30 September 2014. ***Publication of the results of the Offering*** The results of the Offering and the amount of the Unexercised Rights Payment due to holders of Rights that were not exercised will be published on or around 26 September in the financial press. ***Collecting Agents*** KBC Securities NV, KBC Bank NV and CBC Banque SA will act as collecting agents (the ''**Collecting Agents**'') to accept, free of charge, subscriptions for new Shares through the exercise of the Rights. The financial intermediaries through whom shareholders or other investors hold their Rights will be responsible for collecting exercise instructions from them and for informing the Collecting Agents of their exercise instructions. Shareholders should request details of the costs that these financial intermediaries may charge. The Company's registered shareholders will have to follow the instructions mentioned in the communications that they will receive from the Company (subject to applicable securities laws) informing them of the aggregate number of Rights to which they are entitled and of the procedure they have to follow to exercise and trade their Rights. ***Underwriting Agreement*** On 31 August 2014, the Company entered into an equity commitment agreement (the ''**Equity Commitment Agreement**'') with Goldman Sachs International and KBC Securities NV (the ''**Joint Bookrunners**''). In the Equity Commitment Agreement, the Joint Bookrunners agreed to underwrite the new Shares for an aggregate subscription amount of up to € 250 million (the ''**Aggregate Equity Commitment Amount**'') and, each of them, for a maximum subscription amount of € 125 million. By letters dated 9 September 2014, ABN AMRO Bank N.V., BNP Paribas Fortis SA/NV and RBC Europe Limited (together with the Joint Bookrunners, the ''**Underwriters**'') acceded to the Equity Commitment Agreement and have so committed to assume in equal share up to, in aggregate, 20%, and each of them 6.67%, of the Joint Bookrunners' respective underwriting commitments. Subsequently, the Underwriters and the Company, entered into an underwriting agreement on 10 September 2014 (the ''**Underwriting Agreement**''). Pursuant to the terms and subject to the satisfaction or waiver of the conditions of the Underwriting Agreement, the Underwriters have severally agreed to underwrite the Offering, and to procure purchasers and payment for, and failing which to subscribe and pay for, the new Shares in the proportions set out in the Underwriting Agreement.

Element	Disclosure requirement
	Stabilisation In connection with the Offering, the Underwriting Agreement provides that Goldman Sachs International (directly or through its affiliates) may (but is not obliged to), in agreement with the Company and to the extent permitted by applicable laws and regulations, engage in transactions on Euronext Brussels, in over-the-counter market or otherwise, that stabilise or maintain the market price of the Rights and/or Shares at levels that might not otherwise exist.
E.4	**Material interests to the Offering** There is no natural or legal person involved in the Offering and having an interest that is material to the Offering, other than the Underwriters.
E.5	**Lock-up** The Underwriting Agreement includes a 180-day lock-up undertaking given by the Company to the Underwriters.
E.6	**Dilution resulting from the Offering** Assuming that an existing shareholder of the Company holding 1% of the Company's share capital prior to the Offering does not subscribe for the newly issued Shares, such shareholder's participation in the Company's share capital would decrease to 0.50% as a result of the Offering. If a shareholder exercises all Rights allocated to it, there will be no dilution in terms of its participation in the Company's share capital or in terms of its dividend rights.
E.7	**Estimated expenses charged to the investor by the Company** Not applicable. No fees or expenses in connection with the Offering will be charged to investors by the Company.

RISK FACTORS

The following risk factors may affect the future operating and financial performance of Nyrstar and the value of an investment in Nyrstar's securities. Examples of past experience have been included where material in aiding the understanding of the risk. Investors should carefully consider the following risk factors, as well as the other information contained in this Prospectus, before making an investment decision. These risks and uncertainties are not the only ones Nyrstar faces. Additional risks and uncertainties not presently known, or that management currently believes to be immaterial, may also affect Nyrstar and an investment in its securities.

Risks relating to Nyrstar's business and industries

Nyrstar's results can be substantially affected by macroeconomic trends. Economic downturns can depress commodity prices and for this reason and other reasons economic downturns have in the past and may in the future have a material adverse effect on the results of operations of metals and mining companies such as Nyrstar.

Nyrstar's activities and results are affected by international, national and regional economic conditions. For example, the steep downturn in the global economy in 2008/2009 resulted in a sharply reduced demand for metals and had a pronounced negative effect on Nyrstar's business, results of operations and financial condition, resulting in a total impairment charge of € 575 million for the 2008 financial year.

Prices for base metals, such as zinc, copper and lead, and precious metals such as silver and gold fluctuate based in part on macroeconomic sentiment as well as perceived demand and supply conditions. A deterioration of macroeconomic conditions and especially another global recession or depression could negatively impact metal prices, which in turn would have a material adverse effect on the metals and mining industry and on Nyrstar's business, results of operations and financial condition. Moreover, protracted declines in consumption caused by poor economic conditions in one or more of Nyrstar's major markets or the deterioration of the financial condition of one or more of its key customers could have a material adverse effect on demand for its products and hence on its business, results of operations and financial condition.

Nyrstar's results are highly sensitive to commodity prices, which are both cyclical and volatile.

Nyrstar's profitability is highly sensitive to the market price of zinc and lead (which determines the amount of value available to be shared between the miner and the smelter) and treatment charges (''**TCs**'') (which determine how that value is shared between the miner and the smelter). The market price of zinc and lead impacts both the TC contribution and the free metal contribution to Nyrstar's revenues. The sensitivity to TCs is pronounced due to the current configuration of Nyrstar's business, with the bulk of Nyrstar's revenues generated by smelting. Although Nyrstar's exposure to swings in zinc TCs is expected to diminish over time as projects identified in the Smelting Strategic Review and the Port Pirie Redevelopment project (each as defined below) are completed, enabling Nyrstar to capture more of the free metal contained in the feed materials to its smelters, these projects are themselves subject to numerous risks. See ''—Nyrstar's major investment projects are subject to the risk of delays and other complications.'' In addition, Nyrstar's results are similarly impacted by the prices of copper, silver, gold and other metals. Although following the implementation of the Transformation (as defined below) Nyrstar's exposure to fluctuations in the prices of these metals would increase as the proportion of its revenues generated from such metals increases, this diversification would also reduce Nyrstar's reliance on zinc as a source of revenue generation, which in turn would decrease Nyrstar's exposure to zinc price fluctuations.

The price of zinc, lead, copper, silver, gold and other metals has historically been subject to wide fluctuations in response to market forces. Factors largely beyond Nyrstar's control, such as the cyclicality of consumption, actual or perceived changes in levels of supply and demand, the availability and cost of substitute materials, inventory levels maintained by producers, trading on the metals market and exchange rates, all influence metal prices.

Zinc

Nyrstar's zinc smelting activities are exposed to risks deriving mainly from the impact that metal prices have on TCs and on free metal recovered from materials supplied for treatment, both of which are components of Nyrstar's zinc smelting margin (i.e., the Metals Processing segment's gross profit). The Port Pirie Redevelopment and subsequent increase in free metal volumes is expected to diminish Nyrstar's reliance on TCs over time, but is itself subject to numerous risks. See ''—Nyrstar's major investment projects are subject to the risk of delays and other complications.''

Fluctuations in zinc prices affect the TCs Nyrstar realises both through the effect on the base TC which Nyrstar negotiates with its suppliers based in part on current and expected zinc price trends, as well as through the effect of escalators and de-escalators, which result in either a positive or negative difference between the market price for zinc (which is typically quoted as the daily cash seller and settlement price established by the London Metal Exchange (the ''**LME**'')) and the agreed basis zinc price. Rising zinc prices typically trigger application of an escalator and result in higher realised TCs (assuming a constant base TC). Conversely, decreases in zinc prices adversely affect the profitability of Nyrstar through the deduction, from the base TC, of a de-escalator applied to the negative difference between the LME quotation zinc price and the agreed basis zinc price (assuming a constant base TC). However, this exposure will be partially attenuated to the extent Nyrstar increases internal production and consumption of its own concentrate.

Zinc prices also directly affect the value of the free metal component of Nyrstar's gross profit, which is the difference between all the zinc recovered and sold by the smelter and the zinc in concentrate that is paid for by the smelter (the industry standard being 85% of contained zinc in concentrate).

Zinc prices have fluctuated widely in recent years. Depending on the interplay between zinc mine concentrate output, zinc smelter capacity and utilisation rates and demand for refined zinc, prices may fall in the future—for example, due to declining demand in the event of an economic downturn or rising supply from an increase in smelter capacity. See ''The Mining and Smelting Industry—Zinc industry overview—Economic drivers for zinc miners and smelters''.

Lead

The results of Nyrstar's lead smelting business depend on TCs and lead metal prices, which are determined using mechanisms similar to those for zinc, except that the payable element of lead metal, which has historically been 95%, is higher than it is for zinc, which has been 85%. Lead prices were significantly influenced by investor trading on the metals market in 2007 and 2008, and have also been influenced by changes in the levels of supply and demand for both lead concentrate and refined lead in recent years. See ''The Mining and Smelting Industry—Lead industry overview—Economic drivers for lead miners and smelters''. The profitability of Nyrstar's lead smelting business is also highly exposed to the price of zinc, as lead concentrate typically contains significant volumes of zinc metal of which only a limited portion is payable by Nyrstar.

Copper

The profitability of both the Mining and Metals Processing segments is similarly impacted by movements in the copper price. In addition, the Mining segment's profitability is impacted by the interplay of prices and treatment charges/refining charges (''**TCs/RCs**'') for copper. Historically, copper TCs/RCs, relative to their respective prices, have been lower than those for zinc or lead. In copper, importantly, smelters traditionally receive no ''free'' metal. Changes in the levels of supply and demand have significantly influenced copper prices in recent years. See ''The Mining and Smelting Industry—Copper industry overview''.

Gold

The profitability of both the Mining and Metals Processing segments is impacted by the gold price. Since 2001, the price of gold has generally been increasing due to investment demand, stimulated by, amongst other factors, the weakening of the U.S. Dollar and low (in some cases negative) real interest rates, elevated industrial manufacturing, demand created by producers decreasing their outstanding hedge books, constrained supply from mines and, more recently, strategic purchases by central banks. On the back of the financial crisis in 2008/2009, a new investment-driven phase emerged, the key features of which have been concern about volatility in the financial markets, increased risk aversion, inflation concerns, the weakening of the U.S. Dollar and a fear of extended global recession. In more recent years fears of high inflation following expansionary monetary policies and concerns over slowing growth have continued to provide support to the gold price. The rise of commodities as a mainstream asset class in general have also contributed to gold's rising price over the past decade, facilitated by the development of gold exchange traded funds (‘‘**ETFs**’’) across many markets that have broadened the access to gold for retail investors as well as high net worth individuals.

The gold price has lost support over the past two years after reaching a record high in 2011, largely due to the recovery of advanced economies, which has caused gold and silver to lose their appeal as safe haven investments. See ‘‘The Mining and Smelting Industry—Silver and gold industry overview—Gold’’.

Silver

The profitability of both the Mining and Metals Processing segments is impacted by the silver price. In recent years, silver investment demand had seen the same robust support from events that have resulted in increased gold investment, namely U.S. Dollar devaluation, the sovereign debt crisis in Europe, inflation fears, low interest rates and the continued growth in commodities as an investment asset class. Silver's industrial applications have also enabled it to be regarded by investors as a precious metal with industrial exposure, which allows it to benefit from economic recovery and fast growth in developing countries such as China and India.

The silver price has been declining over the past two years, largely due to the recovery of advanced economies, which has caused gold and silver to lose their appeal as safe haven investments and prompted investors to allocate funds towards assets with a higher yield. See ‘‘The Mining and Smelting Industry—Silver and gold industry overview—Silver’’.

By-products

Finally, since Nyrstar also derives revenue from the sale of by-products such as sulphuric acid and other minor metals, its results are affected by fluctuations in the price of these products and a sustained decline in prices for these products could have a material adverse effect on Nyrstar's business, results of operations and financial condition. For further information on risks relating to minor metals, see ‘‘—Nyrstar's strategy relies on the increased production of minor metals, such as indium, germanium and gallium, and a number of internal and external factors could impact Nyrstar's ability to deliver this uplift.’’

Nyrstar's strategy includes the increased production of minor metals, such as indium, germanium and gallium, and a number of internal and external factors could affect its ability to execute this strategy and in particular achieve the higher profitability targeted by it.

Nyrstar has recently completed a strategic review of its zinc smelting business (the ‘‘**Smelting Strategic Review**’’) in order to identify opportunities to sustainably improve its profitability. A principal output of the Smelting Strategic Review was a focus on increased production of minor metals and the Smelting Strategic Review identified a number of projects to this end. This focus is an intensification of an existing trend; in 2013 Nyrstar produced 27 tonnes of germanium contained in leach product and 38 tonnes of gallium contained in leach product at its Clarksville smelters and 33 tonnes of indium at its Auby smelter.

The markets for indium, germanium and gallium are relatively young and tied to global demand for electronic devices. Indium is primarily used in LCDs for flat panel devices (such as mobile phones, computer and TV screens) as a solder, alloys and electrical components. Germanium is primarily used in optical fibre production, infrared devices and substrates for electronic devices due to its properties as a semiconductor. Gallium is primarily used in the superconductor industry.

Due to the relative youth of these markets there remains uncertainty as to their supply and demand fundamentals. The market price of some of these metals has fluctuated significantly in recent years (from late 2010 to the end of 2013, the indium price has ranged from approximately US$ 550/kg to US$ 780/kg, the gallium price has ranged from approximately US$ 300/kg to US$ 920/kg and the germanium price has ranged from approximately US$ 1,200/kg to US$ 1,950/kg), and their market price may well continue to fluctuate widely. One of the main factors contributing to the uncertainty about demand is uncertainty around stock levels, itself due in large part to uncertainty around the levels of minor metal stock currently held in China.

If there were to be a significant decrease in the prices for indium, germanium and gallium Nyrstar may not be able to achieve the business case for these projects that was developed as part of the Smelting Strategic Review. This may have a material impact on its overall strategic goal of upgrading the zinc smelter network to allow the processing of more high value feeds and unlocking incremental margin potential from the existing production base and could have a material adverse effect on its business, results of operations and financial condition.

Nyrstar's major investment projects are subject to the risk of delays, cost overruns and other complications, and may not achieve the expected returns.

Nyrstar is implementing a number of major investment projects that are key to its strategy to leverage its existing industrial footprint to unlock and create further value. The principal investment projects being undertaken by Nyrstar are the Port Pirie redevelopment (the ''**Port Pirie Redevelopment**'') and the 25 projects identified during the Smelting Strategic Review designed to transform the blueprint of Nyrstar's Metals Processing business (the ''**Smelting Strategic Review Project Portfolio**'' and together with the Port Pirie Redevelopment, the ''**Transformation**''). See ''Business—Metals Processing'' for a description of the Port Pirie Redevelopment, the Smelting Strategic Review and the Transformation.

The total estimated capital cost for the Port Pirie Redevelopment is € 338 million (approximately AUD 514 million, based on the AUD/€ exchange rate of 1.52, the average exchange rate from January-April 2014). Nyrstar has signed a binding agreement for the final funding and support package for the Port Pirie Redevelopment with the EFIC, Australia's export credit agency, and the Treasurer of South Australia (for and on behalf of the State of South Australia). The funding package agreed comprises three envisaged parts: (i) a direct contribution from Nyrstar of approximately € 68 million; (ii) the forward sale (in respect of which Nyrstar has received commitments from a syndicate of banks) of a portion of the silver output from the redeveloped Nyrstar Port Pirie facility for an upfront payment of approximately € 79 million; and (iii) an approximately € 191 million structured investment to be made by third party investors, with their investment benefiting from a guarantee from EFIC. The capital investment for the entire portfolio of projects that is the subject of the Smelting Strategic Review Project Portfolio has been estimated at approximately € 265 million, with no single investment exceeding € 50 million. There can be no assurance that the Port Pirie Redevelopment or the Smelting Strategic Review Project Portfolio will achieve the expected rate of return on investment and more generally have a positive long-term effect on Nyrstar's results of operations (including its operating cash flow and profitability) or financial condition.

Furthermore, these projects are technically complex and may be subject to regulatory approvals of local authorities, possibly resulting in implementation delays. These projects are expected to have a significant impact on Nyrstar's future earnings, and any material delay in the optimisation of these operations, failure to reach the targeted production levels, design or technical constraints or significantly higher than expected ramp-up costs could have a material adverse effect on Nyrstar's ability to achieve its stated strategy and have a negative impact on its financial condition, operating results or cash flows.

Nyrstar's indebtedness has increased significantly in recent years due in part to its expansion into mining and will likely increase further as it implements its current strategy to transform its business model, making Nyrstar subject to risks inherent in higher leverage.

As of 30 June 2014, Nyrstar had long-term borrowings of € 622 million (65% of its total indebtedness, calculated as total loans and borrowings) and short-term borrowings of € 341 million (35% of its total indebtedness). The average amount of such debt outstanding under its Revolving Structured Commodity Trade Finance Facility in the six month period ended 30 June 2014 was approximately € 35 million. Nyrstar's other long-term debts consist primarily of its 5.5% senior unsecured fixed rate non-convertible bonds due 2015 (the ''**2015 Bonds**''), its 5.375% senior unsecured fixed rate non-convertible bonds due 2016 (the ''**2016 Bonds**'') and its 4.25% senior unsecured convertible bonds due 2018 (the ''**2018 Convertible Bonds**''). As of 30 June 2014, 31 December 2013 and 31 December 2012, Nyrstar's gearing ratio (net debt to net debt plus equity) was 44%, 44% and 37%, respectively.

Prior to this Offering, the Company's subsidiary Nyrstar Netherlands (Holdings) B.V. conducted an offering of € 350 million of 8½% senior unsecured notes due 2019 (the ''**New Notes**'') to institutional investors in the high yield market, which are expected to be issued at an issue price of 98.018% on 12 September 2014 (the ''**Concurrent New Notes Offering**''). Nyrstar Netherlands (Holdings) B.V. intends to make a voluntary public tender offer in cash to purchase for an aggregate principal amount of up to € 320 million: (i) any-and-all of the € 220 million aggregate principal amount of outstanding 2015

Bonds, and (ii) up to an aggregate principal amount of € 100 million outstanding 2016 Bonds (the ''**Existing Notes Tender Offer**''). The intention is to launch the Existing Notes Tender Offer in the near future. To the extent the Existing Notes Tender Offer is not fully taken up, Nyrstar may be subject to ''negative carry'' in that it will have higher gross debt (and consequently cash and short-term investments) than it would consider optimal pending the maturity date of the outstanding notes.

In addition, the major investment projects being undertaken and/or contemplated by Nyrstar (such as the Port Pirie Redevelopment and the Smelting Strategic Review Project Portfolio) will likely increase Nyrstar's indebtedness directly or indirectly or have similar effects. For example, the Port Pirie Redevelopment is expected to be financed in substantial part by a € 191 million structured investment to be made by third party investors, with their investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC). The perpetual securities underlying this third party investment, which are expected to be issued in 2015, are structured as an equity-like instrument, with discretionary amortisation, but including various covenants and undertakings, including a prohibition on dividends from Port Pirie while the perpetual securities are outstanding. Any potential financing arrangements with the relevant governmental authorities for other projects arising from the Smelting Strategic Review may similarly include restrictions on the operating companies holding those sites. While the restriction on Port Pirie paying dividends is not currently expected to materially affect the cash flows available for the Group's operations and debt-servicing (as well as potentially future distributions to shareholders), no assurance can be given that this will remain the case going forward with respect to this project or others.

The Company and its subsidiaries are currently subject to restrictive covenants, including financial covenants linked to balance sheet ratios, under the terms of their existing indebtedness, and will be subject to additional incurrence-based covenants in connection with the New Notes to be issued under the Concurrent New Notes Offering, including a limit on their ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- pay dividends on, redeem or repurchase capital stock;
- make certain restricted payments and investments, including dividends or other distributions with regard to the capital stock of the Company or its subsidiaries;
- create or incur certain liens;
- enter into agreements that restrict subsidiaries' ability to pay dividends or other distributions or make loans or advances;
- transfer or sell assets;
- merge or consolidate with other entities; and
- engage in certain transactions with affiliates.

All of the foregoing could materially adversely affect Nyrstar's ability to finance its future operations or capital needs or to engage in other business activities that may be in its best interest. In addition, a breach of the terms of Nyrstar's indebtedness could cause a default under the terms of the indebtedness, causing some or all of such indebtedness to become due and payable prior to its stated maturity. There can be no assurance that Nyrstar would be able to generate the funds necessary to repay its indebtedness in the event of its acceleration or maturity, and even if it does, such acceleration may materially adversely affect its business, results of operations and financial condition. Any such default could also result in Nyrstar's creditors proceeding against inventories and receivables securing Nyrstar's indebtedness. Any such action could materially adversely affect Nyrstar's business, results of operations and financial condition. Although Nyrstar expects to be able to do so, it may not be able to do so on commercial terms, or at all. For further information on Nyrstar's debt obligations see ''—Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources''.

Nyrstar's indebtedness may also affect its business. For example, it could potentially:

- cause Nyrstar to dedicate a substantial portion of cash flow from operations to payments to service debt depending on the level of borrowings, prevailing interest rates and, to a lesser extent, exchange rate fluctuations, which reduces the funds available for working capital (over the longer term), capital expenditure, acquisitions and other general corporate purposes;
- curtail Nyrstar's ability to pay dividends;

- limit Nyrstar's ability to borrow additional funds for working capital (over the longer term), capital expenditure, acquisitions and other general corporate purposes;
- limit Nyrstar's flexibility in planning for, or reacting to, changes in technology, customer demand or other competitive pressures in the industries in which it operates;
- place Nyrstar at a competitive disadvantage compared to those of its competitors that are less leveraged than it is; and
- increase Nyrstar's vulnerability to both general and industry specific adverse economic conditions.

The New Notes offered in the Concurrent New Notes Offering have been assigned a credit rating. Nyrstar will therefore be subject going forward to the risk of a credit rating downgrade with its related consequences.

The New Notes to be issued in the Concurrent New Notes Offering have been assigned a credit rating of ''B3'' by Moody's Investors Service and ''B-'' by Standard & Poor's Ratings Service. A credit rating is not a recommendation to buy, sell or hold securities and will be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant, which may include, but are not limited to, failure to achieve investment objectives. See ''—Nyrstar's major investment projects are subject to the risk of delays, cost overruns and other complications, and may not achieve the expected returns.'' A suspension, downgrade or withdrawal at any time of the credit rating assigned to the New Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of Nyrstar's financings and could adversely affect market perception of the Company and the market value of Nyrstar's equity or debt securities.

The LME has recently announced plans to change the LME Warehouse Rules, which may impact zinc premiums and the LME price and will create uncertainty.

The LME warehouse system, as it relates to zinc metal, is intended to act as a supplier of last resort for the physical market; and provide a means for arbitrage between LME prices and physical prices. Each LME trade notionally involves a contract for physical delivery. If either the buyer or seller chooses to settle their LME contract physically rather than financially, then the seller must present the buyer with a ''warrant'' that represents an interest in a specific lot of zinc in an LME warehouse. Only LME-approved warehouses can be used to hold warranted metal. If the buyer wants to withdraw the metal, it requests the warehouse operator to load it out and cancel the warrant.

Almost all zinc sold to consumers who will use it in a manufacturing process (known as the physical market) is sold at a price comprised of a price set on the LME exchange (usually the daily spot price) and a regional premium.

Macroeconomic conditions following the financial crisis in 2008/2009 caused a large build up of zinc inventory in LME warehouses and led to queues of over 100 days at some warehouses for buyers to remove zinc. Various sectors of the industry believe that these queues have resulted in increased regional premiums for zinc sales in the physical market.

As a consequence of the above concerns regarding queue lengths and the impact on premiums, the LME announced plans in October 2013 to change the LME rules from 1 April 2014 to include a linked load-in / load-out requirement in the LME Policy Regarding the Approval of Warehouses (''**LME Warehouse Rules**''). This proposal was subsequently challenged in the UK High Court, which prevented the LME from implementing the proposed rule change on 1 April 2014 as originally planned. On 30 July 2014 the LME appealed the decision to the High Court, which has reserved its judgment on the matter; it is unclear when a decision will be handed down. There is therefore significant uncertainty around this rule change. To date, the LME has not clarified what it intends to do regarding the appeals process, including whether it will restart the consultation process for the rule change or choose not to further pursue the rule change. It is also unclear what impact any such rule change may have on zinc premiums and hence on Nyrstar's business, results of operations and financial condition.

Nyrstar made a substantial investment to purchase a zinc stream from a mine under development (Talvivaara) that has experienced operational issues and liquidity constraints and is currently engaged in a restructuring proceeding. If such proceeding does not succeed Nyrstar will incur a substantial impairment and will not benefit from the expected zinc stream.

In January 2010, Nyrstar agreed to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara for a purchase price of US$ 335 million (approximately € 243 million) (the ''**Zinc Streaming Agreement**''). The Zinc Streaming Agreement was structured with the intention of providing Nyrstar with an opportunity to participate in the economic benefits of, while having no ownership of or operational responsibility for, a low cost nickel zinc mine with a defined life of 1.25 million tonnes of zinc in concentrate. Under the Zinc Streaming Agreement, Talvivaara agreed to deliver 100% of its zinc concentrate production to Nyrstar until the 1.25 million tonnes of zinc in concentrate has been delivered. As a result of unforeseen ongoing operational challenges at the Talvivaara's Sotkamo mine (including water balance issues), production of ore metal in concentrate from Talvivaara—and hence deliveries— were lower than expected in 2012, 2013 and the start of 2014.

In November 2013, Talvivaara applied for the commencement of corporate reorganisation proceedings under Finland's Restructuring of Enterprises Act (the ''**Reorganisation**''). In April 2014, Nyrstar entered into a loan and streaming holiday agreement (the ''**Loan and Streaming Holiday Agreemen**t'') with Talvivaara, with the intention of supporting Talvivaara's corporate reorganisation without increasing Nyrstar's net exposure to Talvivaara. See ''Business—Mining—Talvivaara Zinc Streaming Agreement''.

Considerable uncertainties exist as to the outcome of the Reorganisation, Talvivaara continuing as a going concern and the performance of its obligations under the Zinc Streaming Agreement. It is currently not possible to estimate the most likely outcome of the Reorganisation and its impact on the Zinc Streaming Agreement. In the event of the reorganisation process being unsuccessful, Talvivaara may have to file for bankruptcy. In bankruptcy, the bankruptcy administrator has the option to void the Zinc Streaming Agreement. Should the Zinc Streaming Agreement be voided, Nyrstar would become a creditor to Talvivaara for the amounts outstanding under the Zinc Streaming Agreement. Collectability of any such amounts would be uncertain.

A bankruptcy in accordance with the above circumstances would likely result in the carrying value of the Zinc Streaming Agreement being impaired. As of 30 June 2014, the maximum amount of any impairment would be € 176.1 million (being the tax effected carrying value of the Zinc Streaming Agreement of € 223.4 million). Such an impairment would have a significant impact on Nyrstar's reported results of operations and financial condition, ability to borrow additional funds for working capital (over the longer term), capital expenditure, acquisitions and other general corporate purposes, and potentially its credit rating.

Nyrstar's financial results are linked to TC levels, which are cyclical in nature, and to the amount of concentrate available to smelters.

Nyrstar's results remain closely linked to the levels of TCs that it charges zinc miners to refine their zinc concentrates and lead miners to refine their lead concentrates. TCs are, in effect, paid by the miner to the smelter in the form of a concession (or deduction) on the price of the zinc or lead concentrates that the miner sells to the smelter.

TCs are subject to fluctuations based on the supply and demand dynamics of the global zinc, lead or copper concentrate market. TCs are typically negotiated annually between individual miners and smelters in view of the anticipated supply and demand of concentrates and the likely metal price. When supplies of concentrates (i.e., the mines' output) exceed available smelting capacity utilisation, there typically is a positive impact on the TCs realised by the smelters, and the smelters are able to obtain a larger portion of the value of the contained metal. Conversely, when supplies of concentrates are less than available smelting capacity utilisation, there usually is a negative impact on the TCs for smelters, and a greater share of the metal value is retained by miners. Depending on timing and overall circumstance, an increase in smelting capacity utilisation, particularly in regions like China where production costs are lower compared to operations in more mature regions, could therefore significantly and adversely affect TCs. According to Wood Mackenzie, as a consequence of higher than normal levels of concentrate stocks, miners were obliged to accept higher TCs in 2013. According to Wood Mackenzie, the concentrate market is expected to be tight in the medium term (i.e., concentrate demand exceeding available supply), and this is expected to give smelters a lower share of the paid zinc price but, with higher forecast zinc prices, to result in higher TCs.

Further, in anticipation of the closure of the Century mine in mid-2015 and as part of its multi-metals strategy, Nyrstar has been increasing its purchases of concentrate on the spot market and expects this trend to continue and increase in the near to mid-term. Generally spot market TCs are lower than those agreed in long term agreements for supply of concentrate. As a consequence, Nyrstar's revenue from TCs will be negatively impacted.

Realised TCs have historically been the largest contributor to Nyrstar's gross profit. Although the impact of TC levels is expected to decrease in the future when the Smelting Strategic Review Project Portfolio and the Port Pirie Redevelopment project are completed which enable Nyrstar to capture more of the free metal contained in the feed materials to its smelters, a decrease in TCs can be expected to have a material adverse effect on Nyrstar's business, results of operations and financial condition.

Nyrstar is exposed to the shape of the forward price curve for underlying metal prices.

While Nyrstar undertakes short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers, it is exposed to the shape of the forward price curve for underlying metal prices.

The metal price used to determine the amount paid by Nyrstar for metal contained in the raw materials purchased by Nyrstar is normally an average of the LME price for zinc (or London Bullion Market Association (''**LBMA**'') price for other metals) over an agreed period of time, typically a month. Similarly, when Nyrstar sells its products, a portion of the price charged by Nyrstar is an average of the metal price over an agreed period of time or a fixed forward metal price.

As a result of the lapse of time between the time of purchase of metal in its unprocessed form for conversion into products and the sale of those products, the volatility in the LME or LBMA price creates differences between the average price paid by Nyrstar for the contained metal and the price received as consideration by Nyrstar. Accordingly, Nyrstar is exposed to any fluctuations in price between the moment it purchases raw material (i.e., at the ''pricing-in'' of the metal) and the moment it sells its products to its customers (i.e., at the ''pricing-out'' of the metal). The times at which Nyrstar ''prices-in'' and ''prices-out'' are also referred to as ''Quotational Periods''.

At any given time Nyrstar holds metal as work-in-progress or stock on hand that has been ''priced-in'' but not ''priced-out''. This difference between the priced-in metal and the priced-out metal remains exposed to fluctuations in the price of zinc, lead or copper, called ''Metal at Risk''. Nyrstar monitors Metal at Risk on a regular basis and uses hedging transactions to mitigate this exposure. No assurance can be given that it will be able to do so fully, both due to the nature of transactional hedging and to the complexity of its implementation.

The price of placing transactional hedges is dependent on whether future or ''forward'' prices are higher or lower than current or ''spot'' prices, as indicated by the shape of the forward underlying metal price curve. Future prices can be either higher or lower than current prices, depending on a range of factors and can change quite rapidly at times.

The hedges required to hedge the Metal at Risk position of Nyrstar will be determined by whether the net position is positive, meaning that Nyrstar has more metal ''priced-in'' than is ''priced-out'', or alternatively is negative, meaning that Nyrstar has more metal ''priced-out'' than is ''priced-in''. If the Metal at Risk position of Nyrstar is positive, then Nyrstar needs to offset this net ''priced-in'' exposure by an equivalent ''priced-out'' hedge, by selling metal on the LME. Where future prices are higher than current prices, this hedge will realise an equivalent profit, since the sold hedge will realise a higher price on maturity. If future prices are lower than current prices then this hedge will realise a cost for the reverse reason. If the Metal at Risk position is negative, then the reverse of these hedging strategies would be used.

Nyrstar also undertakes hedging transactions to cover the timing exposure between order and delivery on fixed-price forward sales of metal to customers. These transactions consist of purchasing LME futures for the same amount and delivery period in order to hedge the related price exposure.

Consequently, in hedging its Metal at Risk position, the price of hedging can adversely impact the results of Nyrstar's operations, depending on the future prices and the type of Metal at Risk position being hedged. All decisions relating to hedging are taken at the corporate level with clearly established guidelines.

In addition, under its current policy in effect since 2012, depending on market conditions Nyrstar may also enter into strategic hedges in relation to commodity prices that are unrelated to the timing risk described in the previous paragraphs. These hedges are generally short term and are intended to improve profitability by, for example, taking advantage of price conditions. To date, Nyrstar has only entered into strategic hedges that are designed to secure prices seen as favourable while providing downside protection. However, if in the future Nyrstar enters into strategic hedges that are more speculative, it may be at risk of incurring significant losses, which could have a material adverse effect on Nyrstar's business, results of operations and financial condition.

China is an important source of demand for zinc, copper and lead products. A reduction in the imports of zinc, copper or lead products by China may have a material adverse effect on Nyrstar's financial results.

As a result of the increasing importance of China as a source of demand for zinc, copper and lead, Nyrstar may be adversely affected by a reduction in the imports of zinc, copper and lead into China.

China's expected continued growth in zinc consumption is expected to result in China becoming a structural net zinc importer. In the past, China has varied between being a net importer and a net exporter, based on arbitrage opportunities in the market. In 2010, Chinese zinc consumption increased by 14.8% to 4.7 million tonnes as a result of the Chinese government's focus on boosting domestic consumption, which led to higher demand for key end-use sectors such as construction and automobiles. In 2012 and 2013 Chinese zinc consumption increased by 6.6% to 5.61 million tonnes and by 8.2% to 6.06 million tonnes, respectively.

China is the world's largest consumer of copper and according to Wood Mackenzie its share of global refined consumption is expected to reach almost 46% by 2014. In 2013 Chinese copper consumption increased by 11.7% to 9.17 million tonnes.

In the lead market, China has already evolved from a structural net exporter into a structural net importer, due to demand for lead for battery production. Wood Mackenzie expects China to retain its spot as the world's number one consumer. Its share of global lead demand is forecast to increase from 42% in 2010 to 48% by 2017, driven by further growth in automotives, electric bicycles (e-bikes) and industrial battery demand from ongoing investment in transportation, infrastructure and networks.

If Chinese demand for foreign zinc, copper, lead and other metals decreases (including due to cooling in the Chinese economy resulting in part from monetary tightening, a drop in government spending, or other policy changes) or if Nyrstar's Chinese customers are successful in sourcing zinc, copper and lead domestically or from Nyrstar's competitors (particularly if volatility in the freight market impacts the competitiveness of Nyrstar's supply of zinc, copper and lead) Nyrstar's business, results of operations, financial condition and future prospects could be materially adversely affected.

Nyrstar's business is exposed to exchange rate fluctuations.

Nyrstar's assets, earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. Dollar, the Euro, the Australian Dollar, the Canadian Dollar, the Peruvian Sol, the Chilean Peso, the Mexican Peso, the Honduran Lempira and the Swiss Franc. Nyrstar's reporting currency is the Euro. Zinc, lead and other metals are sold throughout the world principally in U.S. Dollars, while the costs of Nyrstar are primarily in Euros, Australian Dollars, the Canadian Dollar, U.S. Dollars, Peruvian Sols, Chilean Pesos, Mexican Pesos, Honduran Lempiras and Swiss Francs. As a result, movement of the U.S. Dollar, the Australian Dollar, the Canadian Dollar, the Peruvian Sol, the Chilean Peso, the Mexican Peso, the Honduran Lempira, the Swiss Franc or other currencies in which Nyrstar's costs are denominated against the Euro could adversely affect Nyrstar's profitability and financial position.

In particular, Nyrstar's profitability and financial position are affected by the relative weakness of the U.S. Dollar versus the Euro as well as the relative strength of the Australian Dollar versus the Euro.

The U.S. Dollar significantly weakened against the Euro in 2012 and 2013, with the Euro rising from US$ 1.20 to US$ 1.39 at its peak. Quantitative easing by the U.S. Federal Reserve, leading to an overall lower interest rate environment in the United States compared to the Eurozone, has supported that Euro strength. A continued weakness of the U.S. Dollar versus the Euro could reduce Nyrstar's profitability due to the fact that a significant portion of Nyrstar's revenues are generated in U.S. Dollars. This exposure is only partially offset by Nyrstar's North American cost structure.

The Australian Dollar strengthened versus the Euro in the period late 2011 to mid-2012, the Euro trading at AUD 1.38 early October 2011, then losing ground hitting a bottom at around AUD 1.16 in August 2012. However since March 2013 the Australian Dollar has significantly declined against the Euro and other major currencies and reductions in the price of commodities produced in Australia coupled with slowing growth rates of China, a key market for Australia's exports, has led to increased concerns about Australia's economic growth. This has led to a series of interest rate cuts by the Reserve Bank of Australia, which have reduced demand for the Australian Dollar. A strong Australian Dollar versus the Euro could reduce Nyrstar's profitability due to regional cost structure, and therefore could expose a downside risk on a rising Australian Dollar.

Nyrstar has not entered and does not currently intend to enter into transactions that seek to hedge or mitigate its exposure to exchange rate fluctuations, other than:

- short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers (as mentioned above under ''—Nyrstar is exposed to the shape of the forward price curve for underlying metal prices''); and
- hedging transactions undertaken in circumstances when Nyrstar incurs significant capital expenditure commitments in currencies other than the Euro (such as capital expenditure costs associated with the Port Pirie Redevelopment) where there may be components or equipment priced in such other currencies, which may be hedged at the point at which the cost is committed.

Nyrstar is exposed to credit risk in relation to its contractual and trading counterparties as well as to hedging and derivative counterparty risk.

Nyrstar is subject to the risk that the counterparties with whom it conducts its business (including in particular its customers) and who have to make payments to Nyrstar are unable to make such payment in a timely manner or at all. While this credit risk exists for any market participant, it has increased due to the weak economic situation, which sharply worsened the credit and cash position of customers worldwide. While Nyrstar has determined a credit policy with credit limits, approval procedures and a continuous monitoring of its credit exposure, this policy can only limit some of its credit risks. If amounts that are due to Nyrstar are not paid or not paid in a timely manner, this may not only impact Nyrstar's current trading and cash-flow position but also its financial and commercial position. In addition, Nyrstar's derivatives, metals hedging and foreign currency and energy risk management activities expose Nyrstar to the risk of default by the counterparties to such arrangements. Any such default could have a material adverse effect on Nyrstar's business, results of operations and financial condition.

Nyrstar is dependent on a limited number of suppliers for zinc and lead concentrate. A disruption in supply could have a material adverse effect on its production levels and financial results.

Nyrstar is dependent on its ability to source adequate supplies of zinc and lead concentrate. The availability and price of zinc and lead concentrate may be negatively affected by a number of factors largely beyond Nyrstar's control, including interruptions in production by suppliers, decisions by suppliers to allocate supplies of concentrate to other purchasers, price fluctuations and increasing transport costs.

Nyrstar is highly dependent on a limited number of suppliers of concentrates for a significant portion of its concentrate needs, with its largest supplier, Minerals and Metals Group (the owner of the Century and Rosebery mines), having represented approximately 46% of its zinc concentrate needs in 2013. Nyrstar's own mines (including Talvivaara) represented approximately a further 30% of its zinc concentrate needs in 2013. Any significant disruption for a sustained period of time to the continued operations at any of the mines operated by Nyrstar's suppliers, to Nyrstar's own mines producing zinc concentrate, to infrastructure used to transport zinc concentrates or more generally to the timely delivery of zinc concentrate to Nyrstar's smelters would have a material adverse effect on Nyrstar's business, results of operations and financial condition.

This risk is particularly relevant for the Century mine in Australia, which operates a single line production system and is currently the single largest supplier of zinc concentrate to Nyrstar, supplying approximately 40%, 40% and 37% of Nyrstar's concentrate requirements in 2011, 2012 and 2013 respectively. In particular, the Budel and Hobart smelters have been especially reliant on Century concentrate (72% and 57% of their respective concentrate consumption in 2013). The Century mine is currently expected to reach its life-of-mine and thereby cease supplying Nyrstar's smelters by mid-2015. Management has been taking steps to secure raw materials from other sources, as described in more detail in ''Business—Marketing, Sourcing & Sales—Raw materials'' and the Transformation will increase the flexibility of Nyrstar's smelters to treat differing feed materials, as described in more detail in ''Business—Metals processing—The Port Pirie Redevelopment and the Smelting Strategic Review'', but there can be no assurance that Nyrstar will be able to secure sufficient alternative sources of supply or that any alternative supply will be on similar terms or of similar quality or that the Transformation will achieve the expected outcome (see ''—Nyrstar's major investment projects are subject to the risk of delays, cost overruns and other complications and may not achieve the expected returns''), and therefore that the transition away from Century concentrate will not have a material adverse effect on Nyrstar's business, results of operations and financial condition.

The efficiency of a smelter's production over time is affected by the mix of the concentrate qualities it processes. In circumstances where Nyrstar cannot source adequate supplies of the concentrate qualities that make up the most efficient mix for its smelters, alternative types of concentrate may be available, but the use thereof may increase Nyrstar's costs of production and adversely affect its business, results of operations and financial condition.

Moreover, should Nyrstar's contractual relationships with any of its suppliers change or terminate without renewal or replacement, Nyrstar could be left with insufficient supplies of concentrate. To the extent Nyrstar is unable to obtain adequate supplies of zinc and lead concentrate from alternative sources or if Nyrstar has to pay higher than anticipated prices, Nyrstar's business, results of operations and financial condition may be materially adversely affected.

Nyrstar is partially dependent on the supply of zinc and lead secondary feed materials.

Nyrstar's smelters are capable of processing significant quantities of secondary feed materials, i.e., not concentrates sourced directly from mines. Zinc sourced from suppliers of secondary feed material currently represents approximately 20% of the Metals Processing segment's total zinc feedstock. Materials such as zinc oxides are largely produced by specialist steel recyclers. The principal drivers of the price of zinc secondaries, as for concentrates, are the LME zinc price and a rebate, which can take the form of a TC that generally follows the same trends as that for zinc concentrates, although it is not pegged to or precisely correlated with the TC for zinc concentrates, or it can take the form of a reduction of the percentage of zinc payable. Prices are also affected by the quality of the secondaries (both the grade and the degree of contamination) and the distance of the supplier from the smelter, as the supplier is normally responsible for the cost of transporting the secondaries to the smelter. To the extent Nyrstar is unable to obtain adequate supplies of zinc and lead secondary feeds or if Nyrstar has to pay higher than anticipated prices, Nyrstar's business, results of operations and financial condition may be adversely affected.

Nyrstar is subject to risks related to input costs.

Nyrstar is unable to directly set the prices it receives for the commodities it produces. Therefore, its competitiveness and long-term profitability depend, to a significant degree, on its ability to reduce costs and maintain low-cost, efficient operations. In addition to the electricity costs noted below, important cost inputs in Nyrstar's operations generally include the extraction and processing costs of raw materials and consumables, such as reductants, reagents, fuels, labour, transport and equipment, many of which have been, and continue to be, particularly susceptible to inflationary and supply and demand pressures. At times in the past, these costs have increased at significant rates, with supply shortages also being experienced in some cases. Because it is difficult for Nyrstar to pass these costs onto its customers, any increases in input costs will adversely affect Nyrstar's business, results of operations or financial condition.

In addition, if certain mining sector inputs are unavailable at any price (as has been the case with haul truck tires from time to time), Nyrstar may find its production of certain commodities to be involuntarily curtailed, which would result in lost revenue and profits, which would adversely affect Nyrstar's business, results of operations or financial condition.

An increase in energy costs, in particular electricity costs, or a disruption in the supply of energy for Nyrstar's operations may significantly increase production costs or adversely affect production.

Nyrstar sources its energy through purchases of electricity, coke, coal and natural gas.

Electricity in particular represents a very significant part of its production costs and any increase in the price thereof (including as a result of the implementation of stringent greenhouse gas emission policies or the suspension or phase out of nuclear power programmes proposed by various governments) would significantly increase Nyrstar's costs and reduce its margins.

Any disruption in the supply of energy may impair the ability of Nyrstar to conduct its business and meet customer demands and may have a material adverse effect on Nyrstar's results of operations. In many of the countries in which Nyrstar operates, Nyrstar is dependent on monopolist and government-controlled companies for a significant portion of its electricity needs. Unexpected changes in a government's policy of electricity supply may occur from time to time. Such changes may negatively impact the production capacity of Nyrstar or its production costs and may adversely affect the results of Nyrstar. In addition, governmental regulation (including the imposition of various forms of energy consumption taxes or carbon-trading schemes, changes to carbon tax regimes, or the suspension or phase out of nuclear power programmes) may significantly impact the availability and price of energy. (See ''—Climate change legislation could have an adverse impact on Nyrstar's business.'')

Since the number of energy suppliers is generally limited, Nyrstar may not be able to negotiate favourable terms when its energy supply agreements are up for renewal and Nyrstar may be required to accept significant increases in the costs of its energy purchases. Nyrstar attempts to limit its exposure to short term energy price fluctuations through forward purchases, long term contracts and participation in energy purchasing consortia. These mechanisms may not always be available at all or on acceptable terms.

In 2013, Nyrstar sourced most of its zinc smelting electricity consumption in Australia and the U.S. under long-term contracts valid for at least five years, although a portion of the electricity used in the Port Pirie and Hobart smelters was sourced under shorter contracts or spot purchases. In the U.S. the price is adjusted quarterly based upon the energy fuels index. In Europe long-term contracts were not available in 2013, but through a portfolio of forward contracts, price protection was provided for 90% of the volume in 2012 and 70% and 40% for 2013 and 2014, respectively.

Energy price volatility may therefore increase Nyrstar's production costs and may adversely affect Nyrstar's business, results of operations or financial condition.

Nyrstar is subject to a number of operational risks, and its insurance cover could be inadequate.

In addition to other operational risks set forth in this section, the success of Nyrstar's business is affected by a number of factors affecting its operations, which are, to a large extent, outside its control, including unusual or unexpected geological features, ground conditions or seismic activity; climatic conditions (including as a result of climate change) such as flooding or drought or limitations on available water; interruptions to power supplies; congestion at commodities transport terminals; industrial action or disputes; environmental hazards; and technical failures, fires, explosions and other accidents at a mine, processing plant, cargo terminal or related facilities. For example, at the Campo Morado mine, 2013 production of all metals was impacted by the temporary suspension of mining activities in the first quarter of the year as a result of the cancellation of the site's explosives permit (due to an administrative issue) by the Mexican Department of the Army, the body responsible for issuing and managing explosives permits at mines in Mexico. At the Hobart smelter, the first half of 2013 was impacted by record regional temperatures in Q1 2013, which constrained electrolysis throughput due to reductions in available power and a planned maintenance shutdown of one of the roasters. These and other risks and hazards could result in damage to, or destruction of, properties or processing or production facilities, may reduce or cause production to cease at those properties or production facilities, may result in personal injury or death, environmental damage, business interruption, monetary losses and possible legal liability and may result in actual production differing from estimates of production, including those contained whether expressly or by implication in this Prospectus or in information incorporated by reference into this Prospectus.

Smelters are especially vulnerable to interruptions, particularly where events cause a stoppage which necessitates a shutdown in operations. Stoppages in smelting, even if lasting only a few hours, can cause the contents of furnaces to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs, any of which could adversely affect Nyrstar's business, results of operations or financial condition.

Moreover, Nyrstar depends upon seaborne freight, rail, trucking, and other systems to receive raw materials and to deliver its commodities to market. Disruption of these transport services because of any impact of piracy, terrorism, climate change, weather-related problems, key equipment or infrastructure failures, leakage, packing errors, failure in environmental requirements and documentation, strikes, lock-outs, blockades due to social unrest or other events could temporarily impair Nyrstar's ability to supply its commodities to its customers or otherwise conduct its business and thus could adversely affect Nyrstar's results or financial condition. Consistent with practice in the industries in which Nyrstar operates, it may enter into long-term contracts related to, for example, infrastructure and supply of services. Any early termination of such contracts may require the payment of amounts that might have a material adverse effect on Nyrstar's results. In addition, Nyrstar's ability to maintain and increase its material imports, material and waste movements and export sales may be restricted by available road and rail infrastructure and port capacity, which may materially adversely affect Nyrstar's business, results of operations or financial condition.

Nyrstar currently has insurance coverage for its operating risks associated with its zinc and lead smelters and mining operations which includes all risk property damage (including certain aspects of business interruption), operational and product liability, marine stock transit, charters liability and directors' and officers' liability (see also ''Business—Insurance''). However, Nyrstar may become subject to liability (including in relation to pollution, asbestos contamination, occupational illnesses or other hazards) against which Nyrstar has not insured or cannot insure, including those in respect of past activities. Should Nyrstar suffer a major uninsured loss, future earnings could be materially adversely affected. In addition, insurance may not continue to be available or may not be available at economically acceptable premiums. As a result, Nyrstar's insurance coverage may not cover the full scope and extent of claims against Nyrstar or losses that it may incur, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses, pollution and product liability and business interruption. A successful claim against Nyrstar may have a material adverse effect on Nyrstar's revenues. Moreover, the defence against such claims may cause a considerable strain on management resources, require Nyrstar to incur significant legal and consulting fees and adversely affect Nyrstar's reputation.

Nyrstar's mining operations are subject to a number of risks and hazards, including a significant risk of disruption or damage to persons and property.

Nyrstar's expansion into mining exposes it increasingly to risks that are specific to the mining industry. Mining operations are subject to hazards and risks normally associated with the exploration, development and extraction of mineral resources, any of which could result in production shortfalls or damage to persons or property. Insurance for these risks is not always available or available on economically acceptable terms. Environmental incidents have the potential to create a material impact on Nyrstar's mining operations and include uncontrolled tailings containment breaches, subsidence from mining activities and the escape of polluting substances. Any liability imposed on Nyrstar resulting from such environmental incidents may lead to significant losses for Nyrstar and consequently have a material adverse effect on its business, results of operations and financial condition. See ''—Nyrstar's operations are subject to stringent environmental, health and safety laws and regulations, which could expose it to significant increased compliance costs and litigation.''

Hazards associated with underground mining operations include, among others:

- underground fires and explosions, including those caused by flammable gas;
- cave-ins or falls of ground;
- discharges of gases and toxic chemicals;
- flooding;
- sinkhole formation and ground subsidence;
- other accidents and conditions resulting from drilling, transportation and use of heavy equipment; and
- blasting, removing and processing material from an underground mine.

Hazards associated with open pit mining include accidents involving the operation of open pit mining and rock transportation equipment and the preparation and ignition of large scale open pit blasting operations, collapses of open pit walls, flooding of open pits, production disruptions due to weather and hazards associated with the disposal of mineralised waste water, such as groundwater and waterway contamination. While Nyrstar does not currently operate any open pit mines, Nyrstar could acquire and operate open pit mines in the future. In addition, the Talvivaara Zinc Streaming Agreement is dependent on an open pit mine, which could indirectly expose Nyrstar to some of the risks associated with open pit mining.

Acquisitions, mergers or strategic alliances may adversely affect Nyrstar's results and financial condition.

Nyrstar has made significant acquisitions in the past and may continue to do so. There can be no assurance that Nyrstar will continue to identify suitable acquisition opportunities, obtain the financing necessary to complete and support such acquisitions or investments, acquire businesses on satisfactory terms, or that any acquired business will prove to be profitable. Furthermore, there can be no assurance that an acquisition offer made by Nyrstar will ultimately be accepted or obtain requisite regulatory approval. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on Nyrstar's operating results, risks associated with unanticipated events or liabilities (including in relation to permits, tax and environmental matters or title to land) relating to the acquired assets or businesses which may not have been disclosed during due diligence investigations and the possibility that any indemnification agreements with the sellers of those assets may be unenforceable or insufficient to cover potential tax, environmental or other liabilities, difficulties in the assimilation of the acquired operations, technologies, systems, services and products, and risks arising from provisions in contracts that are triggered by a change of control of an acquired company.

Nyrstar has made significant acquisitions in the past, in particular the acquisition of Farallon Mining Ltd and Breakwater Resources Ltd, and may make further acquisitions. The integration of acquired businesses involves a number of risks, including:

- The attention of management may be diverted away from other business concerns;
- Management may be unable to integrate acquired businesses in a cost-effective manner, which could result in duplication of management information and financial control systems, customer service teams and product offerings;
- There may be outstanding or unforeseen legal, regulatory, contractual, labour or other issues arising from the acquisition, including as a result of limited due diligence;
- Nyrstar may find it difficult to effectively integrate its business and management cultures with the acquired business and its employees or to retain key employees; and
- Nyrstar may not be able to achieve any or all of the vertical integration benefits, cost savings or other benefits identified prior to such acquisition.

Further, Nyrstar's integration strategy may also be influenced by local factors in the markets in which it has made or may make acquisitions. Any failure to successfully integrate such acquisitions could have a material adverse effect upon its business, results of operations or financial condition.

Acquired assets may not perform in line with expectations. If the results and cash flows generated by acquired businesses are not in line with Nyrstar's expectations, a write-down may be required against the carrying value of such investment. Such a write-down may affect Nyrstar's business and may also reduce Nyrstar's ability to generate distributable reserves by the extent of the write-down, and consequently affect Nyrstar's ability to pay dividends or service its debt.

Negative publicity, including that generated by non-governmental bodies, may harm Nyrstar's operations.

There is an increasing level of public concern relating to the effect of mining and smelting on adjacent surroundings and the environment. Certain non-governmental organisations are vocal critics of the industries in which Nyrstar operates. Nyrstar has in the past been subject to adverse publicity relating to, among other things, environmental issues and incidents relating to operating equipment failures. For example, in response to occasional deteriorations in air lead levels and blood lead levels in the areas surrounding the Port Pirie operations, Nyrstar receives negative media coverage. Nyrstar responded by taking, and is continuing to take, further steps to address the concerns of the local community and regulatory bodies, and Port Pirie is now undergoing a major redevelopment that, amongst other things, is intended to address environmental concerns. While Nyrstar seeks to operate in a socially responsible manner, adverse publicity, including that generated by non-governmental organisations, related to extractive industries generally or Nyrstar's operations specifically, could have an adverse effect on the reputation or results of operations of Nyrstar or its relationships with the communities in which it operates. Furthermore, if Nyrstar were to experience adverse publicity related to its operations, it could have an adverse effect on its reputation and as a result, its business, results of operations and financial condition.

Future profitability and operating margins depend partly upon Nyrstar's ability to access sufficient and adequate mineral resources. Estimates of ore reserves are based on certain assumptions, and changes in such assumptions could lead to reported ore reserves being restated at a lower level.

Nyrstar's profitability in its mining activities is linked to its ore reserves. Nyrstar's recoverable reserves decline as the commodities are extracted. These reserves represent the estimated quantities of minerals that Nyrstar believes could be mined, processed, recovered and sold at prices sufficient to cover the estimated future total costs of production, remaining investment and anticipated additional capital expenditures as of 31 December 2013. Nyrstar's future profitability and operating margins depend partly upon Nyrstar's ability to access mineral reserves that have geological characteristics enabling mining at competitive costs either by conducting successful exploration and development activities or by acquiring properties containing economically recoverable reserves. Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to existing mines.

The estimates of zinc and other mineral reserves and resources included in this Prospectus are estimates and subject to numerous uncertainties inherent in estimating quantities and classification of resources and reserves (including subjective judgments and determinations based on available geological, technical, contracted and economic information). Therefore, these statements should not be interpreted as assurances of mine life or of the profitability of current or future operations.

Statements of resources and reserves prepared by different Qualified Persons (as defined in NI 43-101) and Competent Persons (as defined in the JORC Code) are estimates based on different technical assumptions (all of which comply to the applicable mining standards) and may vary as a result. There is no assurance that had such statements been prepared by the same engineers applying a uniform methodology, they would not differ substantially.

Resource and reserve information contained herein is based on engineering, economic and geological data assembled and analysed by third parties. Estimates as to both quantity and quality are periodically updated to reflect extraction of commodities and new drilling or other data received. There are numerous uncertainties inherent in estimating quantities and qualities of reserves and costs to mine, including many factors beyond Nyrstar's control. Estimates of reserves necessarily depend upon a number of variable factors and assumptions, all of which may vary considerably from actual results, such as:

- geological and mining conditions which may not be fully identified by available exploration data, or which may differ from experience in current operations;
- historical production from the area compared with production from other similar producing areas; and
- the assumed effects of regulation and taxes by governmental agencies and assumptions concerning commodity prices, operating costs, mining technology improvements, severance and excise tax, development costs and reclamation costs.

Further, mineral resource estimates are based on concentrations or occurrences of minerals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, mineral resources are of a higher risk and are less likely to be accurately estimated or recovered than mineral reserves. As noted in the 2013 Reserves and Resources statement for the Campo Morado Mine, this mine currently has no reserves. Accordingly there is a higher risk that these resources are not accurately estimated or able to be eventually economically recovered. If these resources are not able to be economically recovered then the mine life of Campo Morado will be shortened and the mine may need to be closed.

Assumptions that are valid at the time of estimation may change significantly when new information becomes available. This may, ultimately, result in the reserves or resources needing to be restated. Such changes in reserves or resources could also impact depreciation and amortisation rates, asset carrying values, deferred stripping calculations and provisions for close down, restoration and environmental clean-up costs. If the prices of the commodities produced by Nyrstar decrease, or if there are adverse changes in treatment charges, foreign exchange rates or other variables, certain of Nyrstar's reserves which are currently classified as proved or probable may cease to be classified as recoverable as they become uneconomic to mine. In addition, changes in operating, capital or other costs may have the same effect by rendering certain mineral reserves or resources uneconomic to mine in the future. Should such reductions occur, material write-downs of its investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow. Moreover, short-term operating factors relating to mineral reserves or resources, such as the need for orderly development of the mineral deposit or the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. The volume and grade actually recovered and rates of production may be less than geological measurements, which may result in Nyrstar realising less value than has been predicted. In the future, short-term operating factors relating to minerals, such as the need for orderly development of ore bodies and other mineral resources, or the processing of different ore grades, may cause estimates to be modified or Nyrstar's operations to be unprofitable in a particular period.

No assurance can be given that the indicated amount of ore or other minerals will be recovered, or will be recovered at the prices assumed. Estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative of the entire ore body and mineral resource. As a better understanding of the ore body or resource is obtained, the resource and reserve estimates may change significantly, either positively or negatively.

For these reasons, estimates and classifications of reserves and resources prepared by different engineers or by the same engineers at different times may vary substantially. Actual commodity tonnage recovered from identified reserves and resources and revenue and expenditures with respect to Nyrstar's reserves and resources may vary materially from estimates. Accordingly, these reserve and resource estimates may not accurately reflect Nyrstar's actual reserves and resources. Any inaccuracy in the estimates related to Nyrstar's reserves and resources could result in lower than expected revenue, higher than expected costs, decreased profitability and asset impairment.

All references to amounts and/or quantities of mineral resources and mineral reserves contained in this Prospectus should be read subject to the above risks.

Nyrstar is subject to intense competition, which may be exacerbated by changes in production technology and weigh on Nyrstar's revenue or margins.

The markets for zinc and lead products are intensely competitive, and Nyrstar has numerous competitors worldwide. The zinc and lead industries are subject to technological advancements and the introduction of new production processes using new technologies. Although Nyrstar believes that the technology it uses to produce and process metals is advanced and, in part due to high investment costs, subject only to slow technological change, Nyrstar's competitors may develop technologies and processing methods that are more effective or less costly than Nyrstar's existing technologies and processing methods. Some of Nyrstar's competitors are integrated miners and smelters or conglomerates and have substantially more resources and a greater marketing scale than Nyrstar. Competitive activity in the markets Nyrstar serves can have a significant impact on the price Nyrstar realises for its products, and could therefore have a material adverse effect on Nyrstar's business, results of operations or financial position. There can be no assurance that more economical production or processing technology will not be developed, or that the economic conditions in which current technology is applied will not change, which could adversely affect Nyrstar's business, results of operations or financial condition. For a discussion of the competitive forces in the zinc and lead industries, see ''—The Mining and Smelting Industry''.

Nyrstar's products may face the risk of substitution or "thrifting", which would negatively affect Nyrstar's financial performance.

Nyrstar's products (or the end-uses of its products) may be subject to substitution by other products or thrifting. Substitution or thrifting can be technology-induced when technological improvements render alternative products more attractive for first-use or end-use than Nyrstar's products or allow for reduced application of Nyrstar products (e.g. thinner coating to be used in the galvanising of steel). More significantly, price-induced substitution or thrifting could also occur when a sustained increase in a metal's price leads to partial substitution of that metal by a less expensive product or reduced application of that product. Substitution may also occur when end-products that use Nyrstar's products are substituted for different end-products, such as the use of aluminium in lieu of galvanised steel. Any such substitution or thrifting would negatively affect Nyrstar's financial performance and results of operations.

In addition, almost all of the lead Nyrstar produces is used in the production of lead acid batteries for use in the automotive industry. If the demand for electric or hybrid vehicles increases compared to traditional vehicles and such hybrid vehicles do not use lead acid batteries, Nyrstar's results may be adversely affected.

Nyrstar's business could be adversely affected if it fails to obtain, maintain or renew necessary licenses and permits, or fails to comply with the terms of its licenses or permits.

In many of the jurisdictions where Nyrstar operates its smelters, mines and other installations, it is required to have licenses, permits or titles covering several of its activities. Regulatory authorities can exercise considerable discretion in the timing of license issuances and renewal and the monitoring of licensees' compliance with license terms. Compliance with requirements imposed by these authorities, which require Nyrstar, among other things, to comply with numerous industrial standards, recruit qualified personnel, maintain necessary equipment and quality control systems, monitor its operations, make appropriate filings and, upon request, submit appropriate information to licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of production operations. For example, in 2013, production of all metals at the Campo Morado mine was significantly impacted by the temporary suspension of mining activities during February and March due to the cancellation of the site's explosives permit (resulting from an administrative issue) by the Mexican Department of the Army, the body responsible for issuing and managing explosives permits at mines in Mexico. In addition, the applicable requirements can be amended and new or more stringent requirements can be imposed, which may require Nyrstar to modify its working practices and could restrict Nyrstar's ability to conduct its business as it sees fit. Moreover, Nyrstar's compliance with the terms of its licenses may be subject to challenge by regulatory authorities, competitors, or in some cases, members of the public. Licenses may be invalidated, revoked or suspended, may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion or on acceptable conditions. The same can be true of acquired companies. The occurrence of any of these events, including the failure to manage, obtain, maintain and renew all licences necessary may require Nyrstar to incur substantial costs or may restrict Nyrstar's ability to conduct its operations or to do so profitably.

If Nyrstar is unable to sell or store certain by-products (including leach products) that it produces in its smelting operations, it may be required to limit or reduce its overall production levels.

The economics of many smelting operations, including those operated by Nyrstar, are reliant in part on the prices achievable for the marketable by-products of smelting. Nyrstar generates large quantities of by-products such as sulphur dioxide gas in its zinc and lead production process, as well as solid residues with zinc, lead, copper, silver, gold and other minor metal values. In order to maximise recovery of resource components, minimise emissions and comply with its environmental commitments, it processes these by-products into forms that facilitate further metals recovery or render them suitable for sale to external parties. For example, a significant by-product of zinc concentrate smelting is sulphuric acid, which in recent years has experienced significant fluctuations in demand, pricing and storage capacity. Should sulphuric acid prices decline below the current levels, or should the storage capacity become insufficient, it will result in many smelters facing severe financial and operational pressures at current TC and refining charge ("**RC**") levels. If the smelters are unable to increase their treatment and refining charges to compensate, they may be forced to close. Higher TC and RC levels would result in higher costs to Nyrstar where it does not smelt sulphide concentrates produced by its own mines. By contrast, if Nyrstar's smelters are unable to increase TCs and RCs to reflect reduced revenues from sulphuric acid sales (or other by-products), the contribution of these operations to Nyrstar's profitability would be adversely affected. Either possibility could materially adversely affect Nyrstar's business, results of operations or financial condition.

While Nyrstar currently sells these products, there can be no assurance that Nyrstar will be able to maintain its sales of these products. This can be due to changed market conditions or environmental legislation. In the event that Nyrstar is unable to sell or store substantially all of these by-products, it may be required to reduce its overall zinc or lead production levels or invest in new treatment processes in order to reduce production of these by-products. Should Nyrstar be required to reduce its overall zinc or lead production levels, this could have a material adverse effect on its business, results of operations and financial condition (depending on industry supply/demand dynamics at a given time).

Nyrstar's operations are subject to stringent environmental, health and safety laws and regulations, which could expose it to significant increased compliance costs and litigation.

Due to the nature of its activities, and the associated by-products, emissions (including greenhouse gases) and wastes generated from these activities, Nyrstar's operations are subject to stringent environmental, health and safety laws and regulations. Such laws and regulations address air emissions, discharges to surface water and groundwater, solid and hazardous waste treatment, storage and disposal, and remediation of releases of hazardous substances, soil and ground water survey and remediation, noise controls, slope stability, integrity of containment structures, impact on flora and fauna, and occupational health and safety. Many of the substances processed or created by Nyrstar are required to be treated, disposed of or handled in accordance with stringent standards and procedures contained in current environmental, health and safety laws and regulations. Government authorities and the courts have the power to enforce compliance (and in some jurisdictions, third parties and members of the public can initiate private procedures to enforce compliance) with applicable laws and regulations, violations of which may result in civil or criminal penalties, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and orders to take preventative steps against possible future violations.

Numerous governmental permissions, approvals and leases are required for each of Nyrstar's operations. These permissions, approvals, licenses and leases are subject, in certain circumstances or on the occurrence of certain events, to modification, renewal or revocation. Nyrstar is required to prepare and present to national, state or local authorities data pertaining to the anticipated effect or impact that any proposed exploration, mining or production activities may have upon the environment.

Compliance with environmental, health and safety laws and regulations requires ongoing expenditure and considerable capital commitments. Because many of Nyrstar's sites have been operating in their current capacity for relatively long periods of time, including during periods when environmental, health and safety laws and regulations were not as stringent as they are today, they may incur relatively high compliance costs. Furthermore, safety is one of the core values of Nyrstar, and currently it is implementing common safety policies across all sites.

Product-focused environmental, health and safety regulation may materially adversely affect Nyrstar's ability to manufacture its products and affect the demand for its products, its cost structure, its customers' ability to use the commodities produced by Nyrstar, the quality of its products and its methods of production and distribution. For example, in 2007, a new EU regulation for the Regulation, Evaluation and Authorisation of Chemicals ("**REACH**") came into force across the European Union, with a phased implementation until 2018. REACH addresses the production and use of chemical substances, and their potential impacts on both human health and the environment. It is intended to place the burden of ensuring the safety of chemical substances in terms of both occupational and environmental exposures on the shoulders of the industry instead of authorities. Many of the commodities produced by Nyrstar and the chemicals used by it for production or other purposes fall within the scope of REACH. REACH requires EU-based legal entities manufacturing or importing chemical substances into the European Union in quantities of one tonne or more per year to register these substances with the European Chemicals Agency (ECHA) to pre-register and subsequently register (and, in certain cases (i.e. substances of very high concern), to seek authorisation for the use or placing on the market of) chemical substances that they import into or manufacture within the European Union by certain deadlines as a pre-condition to market access. REACH sets three major deadlines for registration of chemicals, which are determined by tonnage manufactured or imported: 1 December 2010 for chemicals supplied at 1000 tonnes or more per year, 1 June 2013 for chemicals supplied at 100 tonnes or more per year and 1 June 2018 for chemicals supplied by 1 tonne or more per year. REACH provides a restriction process to regulate the manufacture, placing on the market or use of certain substances, either on their own or in mixtures or articles, within the EU territory, if they pose an unacceptable risk to health or the environment. Such activities may be limited or even banned, if necessary. Nyrstar has put a programme in place for meeting REACH obligations. However, Nyrstar may be denied market access for some or all of these materials in the future due to various restrictions or authorisation measures which may arise as a result of REACH in the European Union or similar legislation elsewhere in the world. Nyrstar pro-actively monitors changes to environmental, health and safety laws and regulations. Nyrstar may incur significant additional costs to comply with new or more stringent environmental, health and safety laws and regulations, including the costs associated with the implementation of preventive or remedial measures, as well as to conform the policies and procedures of newly acquired operations with Nyrstar's general environmental, health or safety controls. Some of the issues which may be relevant to Nyrstar that are currently under review by environmental regulatory agencies include reducing or stabilising various emissions, including sulphur dioxide, dust and greenhouse gas emissions, geochemical and geotechnical stability of mine works, mine reclamation and rehabilitation, water, air and soil quality standards, waste water discharge limits and strict liability for spills or for exceeding prescribed limits. There can be no assurance that future changes in laws and regulations will not require Nyrstar to install additional environmental, health or safety controls, to undertake changes in Nyrstar's manufacturing processes or other operations, to remediate soil and groundwater contamination in areas where such clean-up is not currently required, or to increase financial reserves for mine closures or other similar events, which could have an adverse effect on Nyrstar's business, results of operations or financial condition.

Soil or groundwater contamination presently exists on most of Nyrstar's sites and, in some instances, in areas surrounding its sites, and in the future may be discovered at levels that require remediation over and above actions that are currently underway or presently contemplated. Environmental laws may impose remediation liability on owners and occupiers of contaminated property, including, but not limited to, past or divested properties, regardless of whether the owners and occupiers caused the contamination or whether the activity that caused the contamination was lawful at the time it was conducted. Many of Nyrstar's present and former operations are and were located on properties with a long history of industrial use. Any liability imposed on Nyrstar with regard to environmental damage may lead to significant losses for Nyrstar and consequently have a material adverse effect on its business, results of operations and financial condition.

Third parties may also file direct claims requesting that a court order Nyrstar to clean up its property or pay compensation for damages incurred as a result of the contamination or use of its products. In particular, there is a risk that actions could be brought against Nyrstar alleging adverse effects of lead or other substances on health or the environment in areas surrounding Nyrstar's sites. Nyrstar would generally be solely liable for its environmental liabilities and obligations vis-a-vis third parties, irrespective of the period to which the claims of third parties relate. If any such claims are brought against Nyrstar and are successful, the outcome could have a material adverse effect on Nyrstar's business, results of operations and financial condition.

There is a risk that the past, present or future operations of Nyrstar and those of acquired companies do not or will not meet environmental, health or safety requirements. If Nyrstar breaches such requirements, Nyrstar may incur fines or penalties, be required to curtail or cease operations, or be subject to significantly increased compliance costs or significant costs for rehabilitation or rectification works which have not been previously planned, at one or more of the sites. For example, the Port Pirie operations are subject to ongoing investigations by the Australian environmental protection authority, who has referred the matter to the Solicitor General's Office, in connection with lead emissions, and the authority may subject the Port Pirie operations to more stringent regulations. In addition, environmental regulation of lead and certain of its other products and by-products, as well as permit requirements for emissions to air, waste water discharge limits and occupational exposure limits, is generally becoming more onerous and stringent. Increased environmental, health or safety regulation of Nyrstar's products or activities could have an adverse effect on its business, results of operations and financial condition.

While the progressive remediation programme at some of the sites may reduce the eventual closure liability, closure of any of Nyrstar's operating sites could trigger significant environmental closure costs, rehabilitation expense and other costs. Nyrstar does not book closure provisions in its financial statements for smelting sites until a plan for closure is effected. Moreover, in the event one or more of such sites is closed earlier than anticipated, Nyrstar will be required to fund the closure costs on an expedited basis, which could have an adverse effect on Nyrstar's business, results of operations and financial condition. In addition, the risk exists that claims will be made against Nyrstar arising from environmental remediation upon closure of one or more of Nyrstar's sites.

Closure and restoration costs related to Nyrstar's mining activities include the dismantling and demolition of infrastructure, the removal of residual materials and remediation of the disturbed area. In the case of mining sites, estimated closure costs are provided for in the accounting period when the obligation arising from the related disturbance occurs but do not include any additional obligations which may arise from future disturbances. These costs are estimated from closure plans, third party studies and the application of professional judgment.

In view of the uncertainties concerning future removal, stabilisation, reclamation and site rehabilitation costs on certain of Nyrstar's properties, the costs actually incurred by Nyrstar could differ from the amounts estimated. Estimates for such future costs are subject to change based on amendments to applicable laws and regulations, the nature of ongoing operations and technological innovations. Future changes, if any, due to their nature and unpredictability, could have a significant impact and would be reflected prospectively as a change in an accounting estimate. In addition, regulatory authorities in various jurisdictions around the world where Nyrstar operates may require Nyrstar to provide financial security to secure, in whole or in part, future removal, stabilisation, reclamation and site rehabilitation obligations in such jurisdictions. In some instances, Nyrstar has already provided such security. In other instances, such security may be required to be provided upon the occurrence of certain events, including situations when the relevant property nears the end of its operation. Although the provision of such security does not increase the future removal, stabilisation, reclamation and site rehabilitation costs (other than costs associated with the provision of such security), a portion of Nyrstar's financial resources may be required to support these commitments, which could adversely affect the financial resources available to Nyrstar.

All estimates of environmental rectification and remediation costs contained in this Prospectus should be read subject to the above risks.

Climate change legislation could have an adverse impact on Nyrstar's business.

Nyrstar has operations in various jurisdictions that may be subject to national, regional or local laws, regulations, taxes and policies aimed at limiting or reducing greenhouse gas emissions.

In the European Union, Nyrstar's operations are subject to the Emissions Trading Directive, the European Union's central instrument for achieving the EU greenhouse gas emission reduction commitments by providing a European emissions trading system (''**ETS**'') for carbon dioxide emissions. The EU ETS works on the 'cap and trade' principle. A cap is set on the total amount of greenhouse gases that can be emitted by all the installations in the system. The cap is reduced over time so that total emissions fall. Within the cap, companies receive or buy emission allowances which they can trade with one another as needed. One allowance gives the holder the right to emit one tonne of carbon dioxide. After each year a company must surrender enough allowances to cover all its emissions, otherwise heavy fines are imposed. Companies that keep their emissions below the level of their allowances can keep the spare allowances to cover their future needs or else can sell them to other companies that are short of allowances. Companies that do not keep their emissions below the level of their allowances must either reduce their emissions, such as by investing in more efficient technology or using less carbon-intensive energy sources, or purchase the extra allowances that they need on the open market. Launched in 2005, the EU ETS is now in its third phase, running from 2013 to 2020. A major revision approved in 2009 in order to strengthen the system means the phase 3 is significantly different from phase 1 (2005-2007) and phase 2 (2008-2012) and is based on rules which are far more harmonised than before. The current phase 3 of the EU ETS brings significant changes, such as the introduction of an EU-wide cap on the number of available allowances (instead of the previous system of national caps) and an increase in auctioning of those allowances (instead of the previous free allocation). In 2013 more than 40% of allowances were auctioned, and this share will rise progressively each year (with the goal of phasing out free allocation completely by 2027). Although auctioning is the default method for allocating emission allowances to companies participating in the EU ETS, manufacturing industry will continue to receive a share of allowances for free until 2020 and beyond. Free allocation is carried out on the basis of harmonised allocation rules which are based on ambitious EU-wide benchmarks of emissions performance. The EU-wide cap will reduce the number of available allowances by 1.74% each year, delivering an overall emissions reduction of 21% below 2005 verified emissions by 2020. By 2030, the

European Commission proposes, total emissions would be 43% lower (i.e. reduction of the overall emissions cap by 2.2% each year from 2021 to 2030).

Various other laws and regulations relating to greenhouse gas emissions are being considered or enacted.

In Australia the Clean Energy Act 2011 (Cth) (''**CE Act**'') introduced a carbon trading scheme, which would have operated with a fixed price for the first 3 years of the scheme (1 July 2012 - 30 June 2015) then moved to a floating price from 1 July 2015. The price for the 2013/14 compliance year was AUD 24.15 per tonne of CO2. Nyrstar's Hobart and Port Pirie smelters were recognised as emissions intensive trade exposed industries under the legislation and were initially entitled to receive an allocation of free carbon units equating to 94.5% and 66% of industry average carbon costs for direct and indirect CO2 emissions related to zinc and lead production respectively. On 17 July 2014, the Clean Energy Legislation (Carbon Tax Repeal) Bill 2014, together with a number of other related Bills, passed the Senate and received Royal assent, thereby repealing the CE Act in its entirety and abolishing Australia's carbon trading scheme. The repeal applies retrospectively from 1 July 2014, and liable entities must still meet their obligations for the 2013-2014 financial year. Applications for free carbon units for the 2014-2015 financial year that have already been submitted to the Clean Energy Regulator (the ''**Regulator**'') will not be processed. Entities who have received free carbon units for the 2013-2014 financial year are required to report to the Regulator by 31 October 2014 as part of a ''true-up'' process relating to the discontinuation of that assistance. If the Regulator's ''true-up adjustment'' (based on the information provided in the report) reveals that an entity has received an ''under-allocation of free carbon units'' for the 2013-2014 financial year, then the Regulator will issue additional free carbon units. If, on the other hand, an entity has received an ''over-allocation of free carbon units'' during that year, then a levy will be imposed on the ''true-up shortfall'' (set at AUD 24.15 per unit in the shortfall).

The Australian government has also introduced a bill to establish an Emissions Reduction Fund (''**ERF**'') which would give effect to the purchasing element of its ''Direct Action'' greenhouse gas emissions policy. If the bill passes through Parliament, the ERF would be a government fund which will purchase carbon units from eligible Australian emission reduction and sequestration projects. A second element of the Direct Action policy involves imposing a safeguarding baseline on facilities that emit more than the equivalent of 100,000 tonnes of CO2 and penalising facilities that exceed that baseline. Legislation for the safeguarding mechanism is expected to be prepared in late 2014. Although the CE Act has now been repealed, there is uncertainty as to whether either component of the Direct Action policy will obtain sufficient support in the Senate to become law.

In the United States, as confirmed by a recent Supreme Court decision (Utility Air Regulatory Group v. Environmental Protection Agency), over the next several years the Environmental Protection Agency (''**EPA**'') will be implementing new regulations to require stationary sources to install ''Best Available Control Technology'' (''**BACT**'') for greenhouse gases if emissions of conventional pollutants exceed certain thresholds. If the Nyrstar Clarksville smelter exceeds the regulatory thresholds for conventional pollutants, it would be required to undergo BACT analysis, and possibly to install additional controls, for its greenhouse gas emissions.

The EPA is undertaking an analysis of how it will regulate methane from a multitude of sectors, including coal mining. EPA is scheduled to announce its decision whether to regulate methane in the fall of 2014. At the same time, environmental organisations have pressured EPA to regulate methane from mines, especially coal mines.

Under Section 111(b) and 111(d) of the Clean Air Act, the EPA has proposed carbon dioxide performance standards for new and existing power plants in the U.S. The rules would require any new coal-fired power plants to install carbon capture and sequestration. The standards for existing sources will be implemented by the states with EPA oversight. It is expected that the existing source standards will encourage greater deployment of renewable energy, energy efficiency and natural gas-fired power. Coal-fired power will be disincentivised under the proposed rules. While Nyrstar will likely not be directly impacted by these rules, it may experience an increase in energy costs.

States have also taken steps to regulate greenhouse gases through the development of cap-and-trade programmes, including states in the Northeast and California.

On the international level, negotiations are ongoing to develop a climate change treaty to succeed the Kyoto Protocol. The development of the treaty language is ongoing and expected to be agreed upon in December 2015. It is likely that any treaty will involve a bottom-up approach whereby countries develop nation-level mitigation measures to meet internationally-committed contribution levels. Countries will continue to be incentivised to develop greenhouse gas regulations or legislation across various sectors, which may impact smelting and mining operations.

While the impact of greenhouse gas legislation and regulation for Nyrstar cannot be fully quantified at this time, the likely effect will be to increase costs for fossil fuels, electricity and transport, restrict industrial emission levels, impose added costs for emissions in excess of permitted levels and increase costs for monitoring, reporting and financial accounting.

The direct impacts of the Australian carbon tax have been assessed as not being material due to the levels of proposed compensation. However, the combined impact of direct and indirect CO2 costs across Nyrstar's business could have a material adverse effect on Nyrstar's business, results of operations or financial condition. Further, Nyrstar may be required to change operations, reduce production capacity or make additional investments or increase tax payments to adapt to new or amended environmental laws and regulations, which could have a material adverse effect on Nyrstar's business, results of operations or financial condition.

A change in underlying economic conditions or adverse business performance may result in impairment charges in particular in relation to acquisition goodwill as well as other tangible and intangible assets.

An asset impairment charge may result from the occurrence of unexpected adverse events that may impact Nyrstar's expected performance. In accordance with IFRS, Nyrstar does not amortise goodwill but rather tests it at least annually for impairment. As of 31 December 2013, Nyrstar recorded an impairment loss of € 118.2 million on goodwill, resulting in Nyrstar having no recognised goodwill. Other assets are tested for impairment when indicators of impairment exist. Nyrstar will continue to test goodwill and other assets (when required) and it may, in the future, record additional impairment charges (which are non-cash) that could be significant and that could have a significant impact on Nyrstar's reported results of operations or financial condition. For further information on past impairments, see ''—Nyrstar's results can be substantially affected by macroeconomic trends. Economic downturns can depress commodity prices and for this reason and other reasons economic downturns have in the past and may in the future have a material adverse effect on the results of operations of metals and mining companies such as Nyrstar.'' In addition, see ''—Nyrstar made a substantial investment to purchase a zinc stream from a mine under development (Talvivaara) that has experienced operational issues and liquidity constraints and is currently engaged in a restructuring proceeding. If such proceeding does not succeed Nyrstar will incur a substantial impairment and will not benefit from the expected zinc stream.''

Nyrstar is exposed to interest rate risk.

Nyrstar is exposed to interest rate risk on its floating rate loans and borrowings, which primarily consist of its Revolving Structured Commodity Trade Finance Facility (the ''**RSCTFF**''). At 31 December 2011, 2012 and 2013 and 30 June 2014, the RSCTFF was undrawn, but was partially drawn at various times during the period. See ''Operating and Financial Review—Liquidity and capital resources—Funding sources—Revolving Structured Commodity Trade Finance Facility''. Nyrstar has not entered into any interest rate hedging arrangements and there can be no assurance that any future interest rate hedging arrangements will be effective. See ''Operating and Financial Review—Risk Management—Interest Rate Risk Management.'' As such, movements in interest rates could have material adverse effects on Nyrstar's cash flows and financial condition.

Nyrstar may not be able to access markets for a number of reasons.

Global and regional demand for metals is influenced by regulatory and voluntary initiatives to restrict or eliminate the use of certain metals in various products or applications. For example, in certain jurisdictions the use of lead in consumer goods is restricted due to human health and safety concerns. The impact of such measures can be global, creating non-tariff barriers to international trade and affecting product design and specifications on a global basis. Such measures could also affect the balance between supply and demand and depress metal prices and treatment/refining charges. Metals with a limited number of major applications, such as cadmium, are most susceptible to changes in demand and price in response to such measures. Such changes in demand and price could have a material adverse effect on Nyrstar's business, results of operations or financial condition.

Nyrstar's mining and smelting operations are located in jurisdictions (including emerging markets) that have varying political, economic, security and other risks.

Through its production sites and commercial offices, Nyrstar operates in a challenging and constantly changing international environment across operational sites in eleven countries.

Certain of Nyrstar's current activities and related assets are, and many of the assets it may acquire in the future will be, located in countries which may be, or become, politically or economically unstable. Activities in such countries may require protracted negotiations with host governments, international organisations and other third parties, including nongovernmental organisations and indigenous or other communities and are frequently subject to unpredictable economic and political considerations, such as taxation, nationalisation, inflation, currency fluctuations and governmental regulation and approval requirements, which could adversely affect the economics of projects. These projects and investments could be adversely affected by war, terrorism, kidnappings, civil disturbances and activities of governments which limit or disrupt markets, restrict the movement of funds or supplies or result in the restriction or rescission of contractual rights or the taking of property without fair compensation. The security risks in certain of the countries in which Nyrstar operates can often be high. These risks include, amongst others, the destruction of property, the kidnapping of or injury to personnel and the cessation or curtailment of operations, any of which could have an adverse effect on Nyrstar's operations.

Nyrstar performs a thorough risk assessment on a country-by-country basis when considering its investment activities, and attempts to conduct its business and financial affairs so as to minimise to the extent reasonably practicable the political, social, legal, regulatory and economic risks applicable to operations in the countries where Nyrstar operates. However, there can be no assurance that Nyrstar will be successful in protecting itself against any of these risks. For example, social unrest in Chile at the El Toqui mine stopped production for 20 days during the first quarter of 2012. These projects and investments could also be adversely affected by changes in laws and regulations relating to foreign trade, investment and taxation.

Furthermore, the regulations to which Nyrstar is subject differ from one jurisdiction to the other, as may the implementation or interpretation of seemingly similar regulations. Moreover, these regulations are often highly complex and are subject to changes in both substance and interpretation. In particular, areas such as taxes (and especially VAT), export and import duties and quotas and environmental compliance are characterised by a high degree of complexity. Changes in investment policies or shifts in the prevailing political climate in any of the countries in which Nyrstar operates, buys from or sells to could result in the introduction of increased government regulations, including embargos with respect to, among other things:

- price controls;
- export, import and throughput controls, duties, tariffs and quotas;
- mining duties and royalties;
- income, withholding, VAT and other taxes;
- electricity and energy supply;
- environmental legislation;
- foreign ownership restrictions;
- foreign exchange and currency controls;
- financial, commercial or disclosure rules;
- labour and welfare benefit policies; and
- land and water use.

While it is Nyrstar's corporate policy to comply with all applicable laws and regulations in each jurisdiction in which Nyrstar operates, breaches of or deviations from such laws and regulations may occur. In such a case, Nyrstar could be subject to liability or censure, including the imposition of fines or penalties, which could have a material adverse effect on Nyrstar's business, results of operations or financial condition.

A number of countries, including Australia, Brazil, Chile, China, India, Mexico, Canada, Honduras and Russia are considering or have recently introduced or increased the level of duties they impose on the mining industry. While the recent duties imposed in Canada, Mexico, Honduras and Chile have not been material, it is possible that any future changes could have a material adverse impact on Nyrstar's operations.

In addition to the risks arising from the varying regulatory regimes, risks inherent in international operations, in particular in emerging markets such as Peru, Honduras and Mexico, where Nyrstar operates, and in China, a significant growth market for Nyrstar's products, include amongst others the following:

- agreements may be difficult to enforce and receivables difficult to collect through a foreign country's legal system;
- import and export licenses may be difficult to obtain and maintain;
- disputes may arise over ownership of land and other property, including mining rights and permits;
- intellectual property rights may be more difficult to enforce in foreign countries;
- security issues or political and social instability could affect operations;
- interpretation and enforcement of existing laws may force delay or cancellation of business plans;
- public officials may be prone to corruption or bribery, which violates company policy and adversely affects operations;
- governments may be prone to intervene in the economy, including via the direct participation of government or state-owned enterprises in the industries in which Nyrstar operates; and
- general economic conditions, including hyper-inflation and extreme foreign exchange and interest rate fluctuations, in the countries in which Nyrstar operates could have an adverse effect on the earnings from operations in those countries.

As a result of the foregoing, Nyrstar's ability to run its business as it sees fit may be impaired and such changes could have a material adverse effect on Nyrstar's business, results of operations or financial condition.

Nyrstar is subject to litigation risk.

In addition to the environmental and regulatory risks discussed above, the nature of Nyrstar's business subjects it to numerous claims, lawsuits and other proceedings in the ordinary course of its business, including claims challenging title to the real property on which Nyrstar's mining and smelting operations are located. The results of these proceedings cannot be predicted with certainty. There can be no assurance that they will not have a material adverse effect on Nyrstar's results of operations in any future period, and a substantial judgment against it could have a material adverse impact on Nyrstar's business, financial condition, liquidity and results of operations.

Major accidents could result in substantial claims, fines or significant damage to Nyrstar's reputation and financial position.

Major accidents at Nyrstar's sites, whether due to human error, system failures, deliberate sabotage, extreme weather or other natural disasters or other causes, could result in severe physical injuries, loss of life or extensive damage to the environment or to nearby, sizable communities. Such events could result in major claims, fines, penalties or significant damage to Nyrstar's reputation and could have a material adverse effect on Nyrstar's business, results of operations or financial condition.

Nyrstar is exposed to tax risks by virtue of the international nature of its activities.

As an international group operating in multiple jurisdictions, Nyrstar is subject to tax laws in many countries throughout the world. Nyrstar structures and conducts its business globally in light of diverse regulatory requirements and Nyrstar's commercial, financial and tax objectives. As a general rule, Nyrstar seeks to structure its operations and arrangements in a tax efficient manner. Although it is anticipated that these are likely to achieve their desired effect, if any of them were successfully challenged by the relevant tax authorities, Nyrstar and its subsidiaries could incur additional tax liabilities which could adversely affect Nyrstar's effective tax rate, results of operations and financial condition. Furthermore, given that tax laws and regulations in the various jurisdictions in which Nyrstar operates often do not provide clear-cut or definitive guidance, Nyrstar and its subsidiaries' structure, business conduct and tax regime is based on Nyrstar's interpretations of Belgian, Swiss and local tax laws and regulations in the jurisdictions in which Nyrstar and its consolidated subsidiaries operate. Although supported by local tax consultants and specialists, Nyrstar cannot guarantee that such interpretations will not be questioned by the relevant tax authorities or that the relevant tax and export laws and regulations in some of these countries will not be subject to change, varying interpretations and inconsistent enforcement, which could adversely affect Nyrstar's effective tax rate, results of operations and financial condition.

Nyrstar's competitive position and future prospects depend on its employees' experience and expertise and Nyrstar's ability to recruit and retain qualified personnel.

The management of Nyrstar's operations depends on a relatively small number of key employees. Nyrstar's ability to maintain its competitive position and to implement its business strategy is dependent to a large degree on Nyrstar's senior management team. The loss or diminution in the services of members of Nyrstar's senior management team, particularly to competitors, or an inability to attract and retain additional senior management personnel, could have a material adverse effect on Nyrstar's business, financial position, results of operations or prospects. Competition for personnel with relevant expertise is intense due to the relatively small number of qualified individuals, and this situation seriously affects Nyrstar's ability to retain existing senior management and attract additional qualified senior management personnel. The loss of the services of members of Nyrstar's senior management could divert management's attention to seeking qualified replacements and could adversely affect Nyrstar's ability to manage the company effectively and carry out its business plan. Each member of senior management may resign at any time. Not all members of Nyrstar's senior management are subject to non-competition agreements and, even if they are, such agreements may be difficult to enforce in practice. Accordingly, the adverse effect resulting from the loss of certain members of senior management could be compounded by Nyrstar's inability to prevent them from competing with it. Nyrstar does not carry key-man insurance on any member of its senior management team. If Nyrstar were to lose the ability to hire and retain key executives and employees with a diversity and high level of skills in appropriate domains, it could have a material adverse impact on its business activities and results of operations.

Nyrstar may be subject to misconduct by its employees or contractors.

Nyrstar may be subject to misconduct by its employees or contractors, such as theft, bribery, sabotage, fraud, insider trading, violation of laws, slander or other illegal actions and may be exposed to the risk of stoppages by third parties, such as hauling companies. Any such misconduct may lead to fines or other penalties, slow-downs in production, increased costs, lost revenues, increased liabilities to third parties, impairment of assets or harmed reputation, any of which may have a material adverse effect on Nyrstar's business, results of operations or financial condition.

Nyrstar is subject to the risk of industrial relations actions which may disrupt its operations.

Approximately 60% of Nyrstar's workforce is covered by collective bargaining arrangements. Nyrstar believes that all of Nyrstar's operations have, in general, good relations with their employees and unions, but historically, the operations of certain of Nyrstar's sites have from time to time experienced work stoppages and other forms of industrial action. There can be no assurance that Nyrstar's operations will not be affected by industrial relations actions in the future. In addition, Nyrstar has been subject to union demands for pay rises and increased benefits. Strike action at other industry participants' operations may encourage work stoppages in connection with any labour-related demands of employees or unions at Nyrstar's operations. Nyrstar could be adversely affected by labour disruptions involving third parties who provide Nyrstar with goods or services at its operations. Strikes and other labour disruptions at any of Nyrstar's operations, or lengthy work interruptions at its existing and future development projects, could materially adversely affect the timing, completion and cost of any such project, as well as Nyrstar's business, results of operations or financial condition. There can be no assurance that work stoppages or other labour-related developments (including the introduction of new labour regulations in countries where Nyrstar operates) will not adversely affect Nyrstar's business, results of operations or financial condition. For example, the Contonga mine was temporarily affected by a two week period of industrial action during H1 2013 which resulted in lower volumes of ore milled.

Nyrstar's collective agreements are negotiated with unions and other employee representative organisations from time to time. The collective agreements establish and set the terms and conditions of employment of the employees covered by the collective agreements. Nyrstar's collective agreements have differing terms and expiry dates. Prior to the expiry of a collective agreement, negotiation of conditions for renewal occurs between the relevant employing entities within Nyrstar and the relevant unions or other employee representative organisations. There can be no assurance that collective agreements will be renewed when due without work stoppages or other forms of industrial action, or without additional or unforeseen costs being incurred by Nyrstar.

Fluctuations in the factors that determine the value of Nyrstar's employee benefit obligations could result in actuarial gains and losses.

Nyrstar grants its active and retired personnel post-employment benefits, other long term benefits and termination benefits. These benefit plans have been valued in conformity with IAS 19. Actuarial gains and losses are recorded in other comprehensive income. The main assumptions used in computing the benefit obligations on the statement of financial position date include demographic assumptions such as employee turnover and mortality and financial assumptions such as future increases in salaries that will affect the cost of the benefit. Discount rates used to discount post-employment benefit obligations are determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields (at the end of the reporting period) on government bonds are used. Fluctuations in these factors will cause the value of employee benefits to change and may result in actuarial gains and losses. If Nyrstar were to experience significant actuarial gains and losses, Nyrstar's business, financial condition, results of operations and prospects could be materially adversely affected.

Operating and capital costs associated with the development of acquired assets, projects and prospects, as well as those expected to be acquired, may be unpredictable and may not be in accordance with Nyrstar's assumptions.

While Nyrstar has investigated the operational performance and costs associated with acquired assets and major projects, Nyrstar's assumptions may prove inaccurate, and such costs may prove to be unpredictable or increase rapidly as a result of, among others, unanticipated capital expenditure requirements, production interruptions or delays, increased or new license requirements and fees, new or increased royalties or direct or indirect taxes, increased labour costs, changes or variations in geologic conditions, environmental hazards and weather and other natural phenomena, mining and processing equipment failures and unexpected maintenance problems and interruptions due to transportation delays. Such cost increases may be material and beyond Nyrstar's control and may have a material adverse effect on its business, financial condition, operating results and cash flows.

The Company is a holding company and is therefore dependent on the results of operations generated by its subsidiaries.

The Company is a holding company that derives the substantial majority of its operating income and cash flows from its subsidiaries. Nyrstar's business, results of operations and financial condition are therefore dependent on the trading performance of members of the Nyrstar group of companies. Nyrstar's ability to service its debt and to pay dividends will depend upon the level of distributions, if any, received from Nyrstar's operating subsidiaries and interests, any amounts received on capital raisings (including the Offering) and asset disposals and the level of cash balances. These subsidiaries are not required and may not be able to pay dividends to Nyrstar, and a number of Nyrstar's subsidiaries are located in countries that may impose regulations restricting the payment of dividends outside of the country through exchange control regulations. Certain of Nyrstar's operating subsidiaries and associated companies may, from time to time, be subject to restrictions on their ability to make distributions to Nyrstar, including as a result of restrictive covenants contained in loan agreements, foreign exchange limitations, tax and company law constraints and other regulatory restrictions; for example, under the terms of the financing structure for the Port Pirie Redevelopment, Port Pirie is contractually prohibited from paying dividends in certain circumstances (see "Business—Port Pirie multi-metals smelter—Port Pirie Redevelopment project"). In cases where Nyrstar is not the only shareholder of its subsidiaries, such as in the case of its joint ventures, restrictions on the payment of dividends and other distributions may be contained in agreements with the other shareholders of such subsidiaries or associated companies, or royalty or similar arrangements. If in the future these restrictions are increased or if Nyrstar is otherwise unable to ensure the continued transfer of dividends and other income to it from its subsidiaries, its ability to pay dividends and/or make debt payments will be impaired.

Nyrstar will require a significant amount of cash to finance its debts, fund its operations and finance its capital investments and growth strategy. If Nyrstar is unable to generate this cash through its operations or through external sources, it may face liquidity pressure, be unable to fully fund its operations or undertake capital investments needed to achieve its business strategy.

Nyrstar's business is, and will continue to be, capital intensive. A number of its plants have operated for many years, and many of Nyrstar's capital expenditures relate to the repair, reconstruction and improvement of these existing facilities. Nyrstar's actual expenditures may ultimately be higher than budgeted for various reasons. Nyrstar also regularly explores additional opportunities to implement its strategy of selectively integrating its smelting business by expanding further into mining. This has required and will require substantial investment and subsequent capital expenditure.

As part of the Port Pirie Redevelopment, Nyrstar intends to invest an estimated approximately € 338 million (approximately AUD 514 million, based on an AUD/€ exchange rate of 1.52, the average exchange rate from January-April 2014) to transform the Port Pirie operation (South Australia) from a primary lead smelter into an advanced poly-metallic processing and recovery centre capable of processing a wider range of high margin metal bearing feed materials. The capital investment is intended to be financed by an approximately € 191 million structured investment to be made by third party investors, with their investment benefiting from a guarantee from the export credit agency of the Australian Federal Government; a € 79 million forward sale arrangement in relation to future incremental silver production at Port Pirie as a consequence of the Port Pirie Redevelopment, representing a delivery obligation on Nyrstar's balance sheet; and an approximately € 68 million direct investment by Nyrstar. Capital expenditure is expected to be incurred over a number of years.

Nyrstar has also identified in the Smelting Strategic Review Project Portfolio an attractive portfolio of investments in multi-metals recovery and an overall Transformation blueprint intended to improve the profitability of Nyrstar's zinc smelting business. The capital investment for the entire Smelting Strategic Review Project Portfolio has been estimated at approximately € 265 million, with no single investment exceeding € 50 million.

To date, Nyrstar has been able to fund its capital investment projects and acquisitions through cash generated from its internal operations, capital markets and debt financing and a rights offering in 2011. If Nyrstar's cash flows were reduced or if it were to make further acquisitions, Nyrstar would need to seek to fund its cash requirements through additional debt and equity financing or through asset divestitures. Nyrstar's ability to raise equity or debt or to divest assets and the terms upon which such transactions would be made are uncertain, and if additional debt is successfully incurred, it will exacerbate the risks described above under ''—Nyrstar's indebtedness has recently increased significantly in order to finance its expansion into mining, will increase further, and it is now subject to risks inherent with higher leverage''. If Nyrstar is not able to obtain alternative sources of external financing at an acceptable cost or in the amounts required, its planned capital investments may be substantially delayed or interrupted or it may not be able to fully implement its strategy, which could have a material adverse effect on Nyrstar's business, results of operations and financial condition.

Risks relating to the Offering

The market price of the Shares may be volatile and could decrease.

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the performance of the companies that have issued them. The market price of the Shares may fluctuate significantly as a result of various factors, many of which are beyond Nyrstar's control, including:

- market expectations for Nyrstar's financial performance;
- actual or anticipated fluctuations in Nyrstar's business, results of operations and financial condition;

- changes in the estimates of Nyrstar's results of operations by securities analysts;
- investor perception of the impact of the Offering on Nyrstar and its shareholders;
- potential or actual sales of blocks of Shares in the market or short selling of Shares;
- the entrance of new competitors or new products in the markets in which Nyrstar operates;
- volatility in the market as a whole or investor perception of Nyrstar's industries and competitors;
- announcements by Nyrstar or its competitors of significant contracts;
- acquisitions, strategic alliances, joint ventures, capital commitments or new products or services;
- loss of major customers;
- additions or departures of key personnel;
- any shortfall in revenue or net income or any increase in losses from levels expected by securities analysts;
- future issues or sales of ordinary Shares;
- new government regulation; and
- the risk factors mentioned above.

The market price of the Shares may be adversely affected by most of the preceding or other factors regardless of Nyrstar's actual results of operations and financial condition.

There is no assurance that a trading market will develop for the Rights, and the market price for the Rights may be subject to greater volatility than the market price for the Shares.

The Rights are expected to be traded on the regulated market of Euronext Brussels from 12 September 2014 to 23 September 2014. There will be no application for the Rights to be traded on any other exchange. There is no assurance that an active trading market in the Rights will develop during that period and, if a market does develop, there is no assurance regarding the nature of such trading market. If an active trading market does not develop or continue, the liquidity and trading price of the Rights could be adversely affected. The trading price of the Rights depends on a variety of factors, including but not limited to the performance of the price of the Shares, but may also be subject to significantly greater price fluctuations than the Shares.

Failure by a shareholder to exercise allocated Rights during the Rights Subscription Period will result in such Rights becoming null and void and in a dilution of such shareholder's percentage ownership of the Shares.

Rights not exercised by the closing of the regulated market of Euronext Brussels on the last day of the Rights Subscription Period will become null and void and will be converted into an equal number of Scrips. To the extent that a shareholder does not exercise Rights to subscribe for the Shares, such shareholder's proportionate ownership and voting interest in the Company will be reduced, and the percentage that such shareholder held prior to the Offering represents of the increased share capital after the Offering will accordingly be reduced. Each holder of a Right that is not exercised by the last day of the Rights Subscription Period will, unless the net sales proceeds of the Scrips divided by the number of unexercised Rights is less than € 0.01, be entitled to receive a proportional part of the proceeds of the sale of Scrips, if any (as described in ''The Offering—Terms and conditions of the Offering—Offering procedure'' below). There is, however, no assurance that any or all Scrips will be sold during the Scrips Offering or that there will be any such proceeds.

If the Offering is discontinued or there is a substantial decline in the price of the Shares, the Rights may become void or worthless.

If there is a substantial decline in the price of the Shares, including as a result of short selling of the Company's stock, this may have a material adverse effect on the value of the Rights. Any volatility in the price of Shares will also affect the price of the Rights, and the Rights could become void or worthless as a result. Further, the obligations of the Underwriters pursuant to the Underwriting Agreement may be terminated in certain circumstances (see ''—Termination of the Underwriting Agreement could have a material adverse effect on the trading price and underlying value of the Rights and the Shares'' below). If the Rights Offering is discontinued, the Rights will become void or worthless. Accordingly, investors who have acquired any such Rights in the secondary market will suffer a loss, as trades relating to such Rights will not be unwound once the Rights Offering is terminated.

Withdrawal of subscription in certain circumstances may not allow sharing in the Excess Amount and may have other adverse financial consequences.

Subscriptions to the new Shares are binding and may not be revoked. However, if a supplement to the Prospectus is published, subscribers in the Rights Offering and subscribers in the Scrips Offering will have the right to withdraw subscriptions made by them prior to the publication of the supplement. Such withdrawal must be done within the time limits set forth in the supplement (which shall not be shorter than two business days after publication of the supplement). Any Right or Scrip in respect of which the subscription has been withdrawn as permitted by law following a publication of a supplement to the Prospectus shall be deemed to have been unexercised for the purposes of the Offering. Accordingly, holders of such unexercised Rights shall be able to share in the Excess Amount, as the case may be. However, subscribers withdrawing their subscription after the close of the Scrips Subscription Period when permitted by law following a publication of a supplement to the Prospectus will not be able to share in the Excess Amount, as the case may be, and will not be compensated in any other way, including for the purchase price (and any related cost) paid in order to acquire any Rights or Scrips.

Termination of the Underwriting Agreement could have a material adverse effect on the trading price and underlying value of the Rights and the Shares.

Pursuant to the Underwriting Agreement, the Underwriters have, on the terms and subject to the conditions of the Underwriting Agreement, agreed to subscribe for any new Shares not subscribed for in the Offering. The Underwriting Agreement entitles the Joint Bookrunners, acting on behalf of the Underwriters, to terminate the Underwriting Agreement under certain circumstances, as more fully described in ''The Offering—Placing and underwriting—Underwriting'' below, whereupon the Underwriters would be released from their obligation to subscribe for any underwritten new Shares not subscribed for in the Offering. These circumstances include the occurrence of a material adverse change to Nyrstar or the occurrence of force majeure events, including disruption to certain financial markets.

If the Underwriting Agreement is terminated prior to the start of trading of the new Shares, Nyrstar will publish a supplement to the Prospectus. If a supplement to the Prospectus is published, subscribers in the Rights Offering and subscribers in the Scrips Offering will have the right, within two business days, to withdraw subscriptions made by them prior to the publication of the supplement, as further described in ''The Offering—Placing and underwriting—Underwriting—Underwriting Agreement''.

The termination of the Underwriting Agreement, the circumstances giving rise to such termination, or the publication of a supplement to the Prospectus could have a material adverse effect on the trading price and underlying value of the Rights and the Shares, regardless of Nyrstar's actual results of operations and financial condition.

Certain transfer and selling restrictions may limit shareholders' ability to sell or otherwise transfer their Shares.

The Shares have been admitted to public trading in Belgium, but Nyrstar has not registered the Shares under the U.S. Securities Act or securities laws of other jurisdictions, including Canada, Australia and Japan, and it does not expect to do so in the future. The Shares may not be offered or sold in the United States, Canada, Australia, Japan or in any other jurisdiction in which the registration or qualification of the Shares is required but has not taken place, unless an exemption from the applicable registration or qualification requirement is available or the offer or sale of the Shares occurs in connection with a transaction that is not subject to such provisions.

Certain creditors of the Company may benefit from a creditor's protection procedure triggered by the capital reduction recently approved by the Extraordinary Shareholders' Meeting of the Company, which may require the Company to provide (additional) collateral or repay receivables.

On 20 August 2014, an Extraordinary Shareholders' Meeting of the Company approved a capital reduction of € 353,646,891.52 with allocation of the capital amount to the issue premium account. This triggered a creditors' protection procedure under the Belgian Companies Code. Creditors of the

Company whose receivables came into existence prior to, and that have not yet matured at, 2 September 2014 (being the date of publication of the shareholders' resolution in respect of the aforementioned transaction in the annexes to the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur Belge*)) or for which proceedings have been initiated in a court of law or an arbitral tribunal before 20 August 2014 (being the date of the general shareholders' meeting resolving upon the capital reduction), may request that the Company provide (additional) collateral in respect of such receivables. Such creditors are entitled to request (additional) collateral for a period of two months following the publication of the resolution in the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur Belge*). The Company may also discharge any such creditor's request by paying the receivable at its value less a discount for early payment. If a creditor exercises its rights under the creditors' protection procedure and requests (additional) collateral, the Company may not distribute the proceeds of the capital reduction or pay the exceptional dividend (to the extent sourced from the legal reserve reduction) to its shareholders until such creditor has obtained (additional) collateral or payment from the Company, unless a court, ruling in the form of summary proceedings, has denied the creditor's request for collateral on the ground that the creditor benefits from sufficient existing collateral or that the solvency profile of the Company does not justify a request for collateral. If the Company were required to provide (additional) collateral or repay any receivables, this could have a material adverse effect on its business, financial conditions, results of operations and prospects. As of the date of this Prospectus, no request for collateral has been filed with the Company.

Any future capital increases by the Company could have a negative impact on the price of the Shares.

The Company may in the future increase its share capital against cash or contributions in kind to finance any future acquisition or other investment or to strengthen its balance sheet. In connection with such transactions, the Company may, subject to certain conditions, limit or cancel the preferential subscription rights of the existing shareholders otherwise applicable to capital increases through contributions in cash, while no preferential subscription rights apply to capital increases through contributions in kind. Such transactions could therefore dilute the stakes in the Company's share capital held by the shareholders at that time and could have a negative impact on the Share price, earnings per Share and net asset value per Share.

Investors resident in countries other than Belgium may suffer dilution if they are unable to participate in future preferential subscription rights offerings.

Under Belgian law and the Company's constitutional documents, shareholders have a waivable and cancellable preferential subscription right to subscribe pro rata to their existing shareholdings to the issue, against a contribution in cash, of new Shares or other securities entitling the holder thereof to new Shares, unless such rights are disapplied by resolution of the Company's shareholders' meeting or, if so authorised by a resolution of such meeting, the board of directors. The exercise of preferential subscription rights by certain shareholders not residing in Belgium (including those in the United States, Australia, Canada or Japan) may be restricted by applicable law, practice or other considerations, and such shareholders may not be entitled to exercise such rights, unless the rights and Shares are registered or qualified for sale under the relevant legislation or regulatory framework. In particular, there can be no assurance that Nyrstar will be able to establish an exemption from registration under the U.S. Securities Act, and it is under no obligation to file a registration statement with respect to any such preferential subscription rights or underlying securities or to endeavour to have a registration statement declared effective under the U.S. Securities Act. Shareholders in jurisdictions outside Belgium who are not able or not permitted to participate in the Offering or exercise their preferential subscription rights in the event of a future preferential subscription rights, equity or other offering may suffer dilution of their shareholdings.

Takeover provisions in Belgian national law may make it difficult for an investor to change management and may also make a takeover difficult.

Public takeover bids on the Company's Shares and other voting securities (such as its 2018 Convertible Bonds) are subject to the Belgian Act of 1 April 2007 on public takeover bids, as amended (the "**Takeover Act**"), and to the supervision by the FSMA. Public takeover bids must be made for all of the Company's voting securities, as well as for all other securities that entitle the holders thereof to the subscription to, the acquisition of or the conversion in voting securities. Prior to making a bid, a bidder must issue and disseminate a prospectus, which must be approved by the FSMA. The bidder must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of the Company.

The Takeover Act provides that, in principle, a mandatory bid will be triggered if a person, as a result of its own acquisition or the acquisition by its affiliates, by persons acting in concert with it or by persons acting on their account, directly or indirectly holds more than 30 per cent. of the voting securities in a company that has its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Belgian Royal Decree of 27 April 2007 on public takeover bids (the ''**Takeover Decree**''). The mere fact of exceeding the relevant threshold through the acquisition of one or more Shares will, in principle, give rise to a mandatory bid, irrespective of whether or not the price paid in the relevant transaction exceeds the current market price.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings and merger control, that may apply to Nyrstar and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that third parties may consider and thus deprive the shareholders of the opportunity to sell their Shares at a premium (which is typically offered in the framework of a takeover bid).

Shareholders in jurisdictions with currencies other than the Euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of Shares.

The Shares are quoted only in Euro and any future payments of dividends on Shares will be denominated in Euro. An investment in the new Shares by an investor whose principal currency is not the Euro exposes such investor to currency exchange rate risk which may impact the value of the investment in the ordinary new Shares or of any dividends.

Any future sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax.

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the ''**Draft Directive**'') on a common financial transaction tax (''**FTT**''). The intention is for the FTT to be implemented via an enhanced cooperation procedure in 11 Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, together, the ''**Participating Member States**'').

Pursuant to the Draft Directive, the FTT will be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT will be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT will be payable by each financial institution established or deemed established in a Participating Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Investors should therefore note, in particular, that following implementation any future sale, purchase or exchange of Shares will be subject to the FTT at a minimum rate of 0.1% provided the abovementioned prerequisites are met. The investor may be liable to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Shares.

A statement made by the Participating Member States (other than Slovenia) indicates that a progressive implementation of the FTT is being considered, and that the FTT may initially apply only to transactions involving Shares and certain derivatives, with implementation occurring by 1 January 2016. However, full details are not available.

The Draft Directive is still subject to negotiation among the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted (the ''**Directive**''), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself.

Investors should consult their own tax advisors in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Shares.

Investors' rights as shareholders of the Company will be governed by Belgian law and may differ in some respects from the rights granted to shareholders in other companies under the laws of other jurisdictions.

The Company is a limited liability company (*société anonyme* / *naamloze vennootschap*) organised under the laws of Belgium. The rights of holders of the Company's ordinary Shares are governed by Belgian law and by the Company's articles of association. These rights may differ in material respects from the rights of shareholders in companies organised outside of Belgium. In addition, the Company's directors and members of senior management may not be resident in the jurisdiction of investors and the Company's assets and the assets of its directors and senior management may be located outside the jurisdiction of investors. As a result, it may be difficult for investors to prevail in a claim against the Company or to enforce liabilities predicated upon the securities laws of jurisdictions outside of Belgium and, in general, for investors outside of Belgium to serve process on or enforce foreign judgments against the Company, its directors or its senior management. See ''Jurisdiction and Service of Process in the United States and Enforcement of Foreign Judgments in Belgium''.

The Company has no fixed dividend policy.

The Company has not declared or paid dividends on its Shares for the financial year that ended on 31 December 2013. In the future, the Company's dividend policy will be determined and may change from time to time by determination of the Company's board of directors. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the board of directors. Belgian law and the Company's articles of association do not require the Company to declare dividends. Currently, the board of directors expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future.

It may be difficult for investors outside Belgium to serve process on or enforce foreign judgments against the Company in connection with the Offering.

As the Company is incorporated in Belgium, it may be difficult for investors outside of Belgium to serve process on or enforce foreign judgments against the Company, its executive officers or directors in connection with the Offering. See the section entitled ''Jurisdiction and Service of Process in the United States and Enforcement of Foreign Judgments in Belgium''.

USE OF PROCEEDS

The Offering is part of a comprehensive strategic financing plan, which is the culmination of an extensive review by the Company of a range of financing options and which is consistent with its strategy of continuing to invest in the business while maintaining an appropriate financial position and financial flexibility. The comprehensive strategic financing plan includes the following sources of financing and uses of proceeds:

Sources of Funds

—**This Offering** in a nominal amount of € 251.6 million.

—**Concurrent New Notes Offering.** Prior to this Offering, the Company's subsidiary Nyrstar Netherlands (Holdings) B.V. conducted the Concurrent New Notes Offering of € 350 million aggregate principal amount of New Notes to institutional investors in the high yield market, which are expected to be issued at an issue price of 98.018% on 12 September 2014. The equivalent of the gross proceeds of the Concurrent New Notes Offering will be placed into escrow until the completion of the Rights Offering.

Uses of Funds

The proceeds from this Offering and the Concurrent New Notes Offering are intended to be used as follows:

—**Growth capital to improve operations** through asset improvement projects such as the Port Pirie Redevelopment and the Smelting Strategic Review, which together constitute the Transformation.

Port Pirie Redevelopment: Nyrstar is conducting the Port Pirie Redevelopment initiative aimed at converting Nyrstar's Port Pirie smelter into an advanced metal recovery and refining facility. The total estimated capital cost for the Port Pirie Redevelopment is € 338 million (approximately AUD 514 million, based on an AUD/€ exchange rate of 1.52). The proceeds of the proposed transaction will be used to fund the remaining direct contribution from Nyrstar to the Port Pirie Redevelopment of approximately € 68 million. The remaining portion of the capital expenditure investment in the project is expected to be covered by (a) approximately € 191 million expected to be raised in 2015, via a special purpose vehicle, from third party investors which will benefit from a AAA-credit rated guarantee from EFIC, which is supported by a back-to-back guarantee from the South Australian Government, and (b) approximately € 79 million expected to be raised in 2014 from the forward sale of future incremental silver production (in respect of which the Company has received commitments from a syndicate of banks). In 2014, approximately € 68 million of proceeds is intended to fund the Port Pirie Redevelopment.

Smelting Strategic Review: Nyrstar remains committed to the roll-out of its Smelting Strategic Review Project Portfolio. The Smelting Strategic Review resulted in the identification of compelling technical modifications that could significantly enhance Nyrstar's execution capabilities and strengthen its financial profile. The Smelting Strategic Review Project Portfolio consists of approximately 25 projects, which fall under three categories of investment: de-bottlenecking (or deconstraining) Nyrstar's smelters; building fuming capacity; and building minor metal extraction capability. The capital investment for the entire blueprint is estimated at € 265 million, with no single investment exceeding € 50 million. If fully implemented this would entail approximately € 250 million of capital expenditure on the Smelting Strategic Review Project Portfolio in the next two years, of which approximately € 200 million would be financed through the proceeds of this Offering and the Concurrent New Notes Offering. In 2014, approximately € 20-30 million of proceeds is intended to finance growth capital expenditure identified in the Smelting Strategic Review.

—**Existing Notes Tender Offer.** Nyrstar intends to address the refinancing of its 2015 Bonds ahead of their scheduled maturity in 2015, and proactively manage a portion of its 2016 Bonds maturing in 2016. As at the date of this Prospectus, an aggregate principal amount of € 220 million of 2015 Bonds and an aggregate principal amount of € 515 million of 2016 Bonds were outstanding. Nyrstar's liability management exercise allows the Company to proactively manage its debt position and improve the maturity profile of its outstanding debt, by addressing in full debt maturing in 2015, and addressing up to € 100 million of the outstanding 2016 Bonds ahead of schedule. The extent to which this goal can be achieved through the tender offer will depend on the number of existing bonds that will be tendered in the offer, given the voluntary nature of the offer. Nyrstar intends to maintain cash available to repay any 2015 Bonds remaining after the Existing Notes Tender Offer in full at maturity.

Nyrstar Netherlands (Holdings) B.V. intends to make the Existing Notes Tender Offer in cash to purchase for an aggregate principal amount of up to € 320 million: (i) any-and-all of the € 220 million aggregate principal amount of outstanding 2015 Bonds, and (ii) up to an aggregate principal amount of € 100 million outstanding 2016 Bonds. The intention is to launch the Existing Notes Tender Offer in the near future.

Any remaining proceeds are intended to be used to reduce net debt (towards a targeted Net Debt / underlying EBITDA ratio of 2.5x), for transaction costs and for general corporate purposes.

The Company estimates that commissions and offering expenses of the Concurrent New Notes Offering, this Offering and the Existing Notes Tender Offer will be approximately € 12 million.

As a result of this comprehensive strategic financing plan, the leverage of Nyrstar is anticipated to decrease significantly in the near-term—in line with the Company's targeted Net Debt / underlying EBITDA ratio of 2.5x.

The table below summarises Nyrstar's sources and uses of funds from the Offering and the Concurrent New Notes Offering.

Sources of Funds	Amount	Uses of Funds	Amount
	(€ millions)		*(€ millions)*
This Offering	251.6	Fund Smelting Strategic Review growth capex (over the next two years)(2)	200.0
New Notes(1)	343.1	Fund direct contribution of Port Pirie Redevelopment(2)	68.0
		Repurchase 2015 Bonds(3)	220.0
		Repurchase 2016 Bonds(3)	100.0
Cash on hand	5.3	Fees and other expenses	12.0
Total sources	**600.0**	**Total uses**	**600.0**

Notes:

(1) The offering of € 350 million aggregate principal amount of new 8½% senior unsecured notes due 2019 under the Concurrent New Notes Offering, which are expected to be issued on 12 September 2014. The New Notes are expected to be issued at an issue price of 98.018%, resulting in original issue discount of € 6.94 million.

(2) Approximately € 268 million of proceeds is intended to finance growth capital expenditure programmes over the next two years, including € 68 million of proceeds intended to fund the direct contribution in the Port Pirie Redevelopment and € 200 million of proceeds intended to finance investments in the Smelting Strategic Review Projects Portfolio (see ''Business—Metals Processing—Port Pirie multi-metals smelter—Port Pirie Redevelopment project'' and ''Business—Metals Processing—Smelting Strategic Review'').

(3) € 320 million of the net proceeds is intended to be used to repurchase (i) any-and-all of the €220 million aggregate principal amount of outstanding 2015 Bonds and (ii) up to an aggregate principal amount of € 100 million outstanding 2016 Bonds pursuant to the Existing Notes Tender Offer. Because the Existing Notes Tender Offer is a voluntary tender offer and depends on holders of the outstanding bonds voluntarily tendering their bonds for a premium, it is possible that such tender offer may not be successful, in that Nyrstar Netherlands (Holdings) B.V. may receive tenders for fewer outstanding bonds than it intends to repurchase. Nyrstar intends to maintain cash available to repay any 2015 Bonds remaining after the Existing Notes Tender Offer in full at maturity.

As of the date of this Prospectus, the Company cannot predict with certainty all of the particular uses for the balance of proceeds from the Offering or the Concurrent New Notes Offering, or the amounts that it will actually spend or allocate to specific uses. The amounts and timing of actual expenditures will depend upon numerous factors. Management will have significant flexibility in applying the balance of net proceeds from the Offering and may change the allocation of these proceeds as a result of these and other contingencies.

LEGAL RESPONSIBILITY FOR THE INFORMATION AND THE AUDITING OF THE ACCOUNTS

Person responsible for the Prospectus

In accordance with Article 61, §1 and §2 of the Prospectus Act, the Company, represented by its board of directors, accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the Company, represented by its board of directors, declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

None of Goldman Sachs International, KBC Securities NV, ABN AMRO Bank N.V., BNP Paribas Fortis SA/NV and RBC Europe Limited (the ''**Underwriters**'') make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy or completeness or verification of the information in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriters, whether as to the past or the future. Accordingly, the Underwriters disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, in respect of this Prospectus or any such statement.

This Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the new Shares. It contains selected and summarised information, does not express any commitment or acknowledgement or waiver and does not create any right, express or implied, towards anyone other than a potential investor.

No person is or has been authorised to give any information or to make any representation in relation to the Rights Offering other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company or the Underwriters.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in Nyrstar's affairs, or that all information contained herein is correct at any time, subsequent to the date hereof, or the date upon which this Prospectus has been most recently amended or supplemented, or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of Nyrstar since the date hereof, or the date upon which this Prospectus has been most recently amended or supplemented, or that the information contained in it or any other information supplied in connection with the Rights Offering is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Investors should make their own assessment

The Prospectus has been prepared to provide information on the Rights Offering and admission to trading of the new Shares on Euronext Brussels. When potential investors make a decision to invest in the new Shares, they should base this decision on their own research of Nyrstar and the rights attaching to these Rights, Scrips and Shares, including, but not limited to, the associated benefits and risks, as well as the conditions of the Rights Offering itself.

The investors must themselves assess, with their own advisors if necessary, whether the Rights, Scrips and new Shares are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in investing in the Rights, Scrips or new Shares, investors should abstain from so investing.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may under no circumstances be interpreted as a basis for credit or other evaluation, or as investment, legal or tax advice for prospective investors. Prospective investors are urged to consult their own financial advisor, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the trading or investment in Rights, Scrips or new Shares.

Statutory auditor

The Company's current statutory auditor is Deloitte Bedrijfsrevisoren BV ovve CVBA, with registered office at Berkenlaan 8B, 1831 Diegem, Belgium, member of the *Institut des Réviseurs d'Entreprises / Instituut der Bedrijfsrevisoren*, represented by Gert Vanhees, auditor.

The Company's current statutory auditor has been appointed for the statutory term of three years by the Company's annual general shareholders' meeting held on 25 April 2012. Prior to this annual meeting, PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL, with registered office at Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium and administrative office at Generaal Lemanstraat 67, 2018 Antwerpen, Belgium, member of the *Institut des Réviseurs d'Entreprises* / *Instituut der Bedrijfsrevisoren*, represented by Peter Van den Eynde, acted as statutory auditor of the Company. The three years term of PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL had expired at the annual general shareholders' meeting of the Company held on 25 April 2012. The appointment of a new statutory auditor was not the result of any dispute with the Company's management over an accounting treatment, audit procedure or any other matter.

The consolidated financial statements as of and for the financial years ended 31 December 2012 and 31 December 2013 have been audited by the Company's current statutory auditor, Deloitte Bedrijfsrevisoren BV ovve CVBA, represented by Gert Vanhees, who rendered an unqualified audit report on these financial statements (which report includes an emphasis of matter paragraph for the year ended 31 December 2013 regarding the recoverability of the Company's zinc purchase interest with Talvivaara Mining Company plc). The consolidated financial statements as of and for the financial year ended 31 December 2011 have been audited by the Company's former statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL, represented by Peter Van den Eynde, who rendered an unqualified audit report on these financial statements which should be read in conjunction with the Company's consolidated financial statements and the report of the board of directors relating to that period. PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL was replaced as the Company's statutory auditor in 2012.

Belgian law limits an auditor's liability to € 12 million for tasks reserved to auditors by Belgian law or in accordance with Belgian law, such as auditing financial statements such as those described above, other than liability due to fraud or other deliberate breach of duty.

SELECTED FINANCIAL INFORMATION

The selected financial information set forth below should be read in conjunction with the Nyrstar Financial Statements incorporated by reference or referred to elsewhere in this Prospectus. The selected financial information set forth below as of and for the six months ended 30 June 2014 and 30 June 2013 and the years ended 31 December 2013, 2012 and 2011 has been extracted from the Nyrstar Financial Statements incorporated by reference or referred to elsewhere in this Prospectus. The selected unaudited historical financial information for the six months ended 31 December 2013 have been derived from the financial records of the Company. The selected financial information set forth below is qualified in its entirety by reference to the Nyrstar Financial Statements. See also ''Presentation of Financial Information''.

€ millions (unless otherwise indicated)	Six months ended 30 June 2014	Six months ended 31 December 2013	Six months ended 30 June 2013	Year ended 31 December 2013	2012	2011
Key Financial Data						
Revenue	1,354	1,394	1,430	2,824	3,070	3,348
Treatment charges	136	136	125	261	238	316
Payable metal/free metal contribution	290	282	299	581	645	534
Premiums	76	66	61	127	115	120
By-products	192	198	190	388	447	418
Other	(57)	(53)	(53)	(106)	(89)	(102)
Gross profit	637	629	622	1,251	1,356	1,286
Underlying operating costs(1)	(527)	(532)	(535)	(1,067)	(1,137)	(1,022)
Underlying EBITDA(1)	**110**	**98**	**87**	**185**	**221**	**265**
Results from operating activities before exceptional items	(15)	(17)	(29)	(46)	(6)	122
Profit/(loss) for the period	**(66)**	**(104)**	**(92)**	**(195)**	**(97)**	**36**
Sustaining capex	52	57	71	126	148	126
Growth capex	20	15	15	31	30	53
Exploration and development capex	21	17	25	42	69	50
Capital expenditure	**93**	**89**	**111**	**199**	**248**	**229**
Cash flow from operating activities	167	205	94	299	361	121
Change in net working capital(2)	55	70	104	174	219	21
Net debt/(cash), end of period(3)	653	670	756	670	681	718
Gearing (%), end of period(4)	44%	44%	42%	44%	37%	35%
Net debt/LTM underlying EBITDA, end of period(5)	3.1x	3.6x	3.9x	3.6x	3.1x	2.7x
Earnings per share	(0.42)	(0.68)	(0.58)	(1.27)	(0.58)	0.24

Notes:

(1) Underlying EBITDA and underlying operating costs are unaudited, non-IFRS measures. See below for a reconciliation of underlying EBITDA to ''Profit/(loss) for the period'' and a reconciliation of underlying operating costs to a listing of operating cost line items from the consolidated income statement.

(2) Change in net working capital is calculated as the aggregate of change in inventories, change in trade and other receivables, change in deferred income and change in trade and other payables as disclosed in the consolidated statement of cash flow.

(3) Net debt/(cash) is calculated as non-current and current loans and borrowings less cash and cash equivalents.

(4) Gearing is calculated as net debt to net debt plus total equity at end of period.

(5) Net debt/LTM underlying EBITDA is calculated as non-current and current loans and borrowings less cash and cash equivalents divided by underlying EBITDA for the last twelve months (or for 30 June data, for the sum of the prior two fiscal halves).

Reconciliation of underlying EBITDA and underlying operating costs

The tables below set out the reconciliation between the ''Profit/(loss) for the period'' to Nyrstar's ''underlying EBITDA'' and between operating costs from the consolidated income statement and ''underlying operating costs''.

''Underlying EBITDA'' is an additional non-IFRS measure of earnings, which is reported by Nyrstar to provide useful information with respect to the underlying business performance of its operations. Underlying EBITDA represents Profit/loss for the period adjusted to exclude depreciation, amortisation and depletion, impairment losses and reversals, net finance expense, income tax expense/benefits and certain items that Nyrstar views as ''exceptional items''.

''Exceptional items'' represent earnings adjustments identified internally for management reporting purposes that are not considered to be indicative of Nyrstar's ongoing operations and/or may impact year on year comparability. These items are adjusted from loss for the year and operating costs to assist management in understanding their impact on the historical financial results of the Company and expected future performance. For the periods included in this Prospectus, exceptional items consists of gain on the disposal of equity accounted investees, restructuring costs, M&A related transaction expenses, and material income or expenses arising from embedded derivatives recognised under IAS 39.

''Underlying operating costs'' and ''direct operating costs'' are additional non-IFRS measures, which are reported by Nyrstar to provide useful information to assist its investors and Nyrstar's management to understand the key operating cost drivers and to provide a period-to-period comparison. Underlying operating costs include employee benefits expense, energy expenses, stores and consumables used, contracting and consulting expenses and other expenses (each as set out in the consolidated income statement), adjusted to exclude the net loss on the Hobart smelter embedded derivatives and deducting share of profit or loss of equity accounted investees and other income. Direct operating costs represent underlying operating costs adjusted to deduct the impact of other income and non-operating elements of other expense.

Investors should not consider ''underlying EBITDA'', ''underlying operating costs'' or ''direct operating costs'' in isolation or as a substitute for Results from operating activities and Profit/(loss) for the period reported in the Nyrstar Financial Statements and related notes, or other statement of operations or cash flow data prepared in accordance with IFRS as a measure of Nyrstar's profitability or liquidity. Other companies in Nyrstar's industry may calculate underlying EBITDA, underlying operating costs or direct operating costs differently or may use it for different purposes.

Underlying EBITDA

€ millions	**Six Months Ended 30 June 2014**	**Six Months Ended 31 December 2013**	**Six Months Ended 30 June 2013**	**Year Ended 31 December 2013**	**2012**	**2011**
Profit/(loss) for the period	**(66)**	**(103)**	**(92)**	**(195)**	**(97)**	**36**
Adjustments						
Income tax expense / (benefit)	(12)	21	(10)	11	(15)	8
Gain on the disposal of equity accounted investees(1)	(1)	—	—	—	(27)	—
Net finance expense	60	50	49	99	93	56
Impairment reversal	—	(207)	—	(207)	—	—
Impairment loss	—	216	12	228	18	—
Restructuring expense(2)	3	8	11	19	17	9
M&A related transaction expense(3)	—	1	1	2	3	15
Depreciation, amortisation and depletion	124	114	106	220	218	145
Net loss / (gain) on Hobart Smelter embedded derivatives(4)	—	—	10	9	9	(4)
Underlying EBITDA	**110**	**98**	**87**	**185**	**221**	**265**

Notes:

(1) During 2012, the joint venture between Nyrstar and SimsMM sold Australian Refined Alloys' secondary lead producing facility in Sydney, Australia to companies associated with Renewed Metal Technologies for a total sale price of € 60 million (AUD 80 million) plus working capital. Nyrstar's share of the sales proceeds was € 32.5 million, including a working capital adjustment, with a gain on the sale of € 27 million.

(2) Restructuring expenses of € 3 million in H1 2014 (€ 8 million in H2 2013, € 19 million in 2013, € 17 million in 2012, € 9 million in 2011) were incurred mainly in relation to the announced cost savings programme, known in 2012 and 2013 as Project Lean, which is expected to deliver its full targeted benefits by the end of 2014, and the organisational restructuring announced in June 2013.

(3) M&A related transaction expenses include the acquisition and disposal related direct transaction costs (e.g., advisory, accounting, tax, legal or valuation fees paid to external parties). M&A related transaction expenses were nil in H1 2014, compared to € 1 million in H2 2013 (€ 2 million in 2013; € 3 million in 2012; € 15 million in 2011). These expenses have previously been classified within contracting and consulting expenses and have been reclassified to M&A related transaction costs to improve reporting transparency.

(4) The Hobart smelter is party to a long-term electricity supply contract with a CPI indexation clause. The Hobart smelter's electricity supply contract is hedged by a fixed price commodity contract, referred to as an embedded derivative, to reduce exposure to electricity price volatility. The embedded derivative has been designated as a qualifying cash flow hedge to fix Hobart smelter's electricity prices. To the extent that the hedge is effective, changes in its fair value are recognised directly in consolidated other comprehensive income. To the extent the hedge is ineffective, changes in fair value are recognised in the consolidated income statement. As the hedge is partially ineffective, the negative change in fair value (€ 0.4 million loss in H1 2014; € 9 million loss in 2013; € 9 million loss in 2012; € 4 million gain in 2011) on the ineffective portion of the hedge was recorded as a cost in energy expenses within the consolidated income statement. The impact on the income statement has been reversed from Profit/(loss) for the period for the purpose of calculating Nyrstar's underlying EBITDA.

Underlying operating costs

€ millions	Six Months Ended 30 June 2014	Six Months Ended 31 December 2013	Six Months Ended 30 June 2013	Year Ended 31 December 2013	2012	2011
Employee benefits expense	200	189	203	391	409	339
Energy expenses	142	155	175	330	332	304
Stores and consumables used	90	86	94	180	195	152
Contracting and consulting expense	71	85	81	166	171	146
Other expense	30	21	43	63	62	92
Other income	(5)	(4)	(49)	(53)	(25)	(14)
Share of loss / (profit) of equity accounted investees	—	—	—	(1)	1	(1)
Net gain / (loss) on Hobart Smelter embedded derivatives(1)	(1)	1	(10)	(9)	(9)	4
Underlying operating costs	**527**	**532**	**535**	**1,067**	**1,137**	**1,022**

Notes:

(1) The Hobart smelter is party to a long-term electricity supply contract with a CPI indexation clause. The Hobart smelter's electricity supply contract is hedged by a fixed price commodity contract, referred to as an embedded derivative, to reduce exposure to electricity price volatility. The embedded derivative has been designated as a qualifying cash flow hedge to fix Hobart smelter's electricity prices. To the extent that the hedge is effective, changes in its fair value are recognised directly in consolidated other comprehensive income. To the extent the hedge is ineffective, changes in fair value are recognised in the consolidated income statement. As the hedge is partially ineffective, the negative change in fair value (€ 0.4 million loss in H1 2014; € 9 million loss in 2013; € 9 million loss in 2012; € 4 million gain in 2011) on the ineffective portion of the hedge was recorded as a cost in energy expenses within the consolidated income statement. The impact on the income statement has been reversed from Profit/(loss) for the period for the purpose of calculating Nyrstar's underlying EBITDA.

Direct operating costs

€ millions	Six Months Ended 30 June 2014	Six Months Ended 31 December 2013	Six Months Ended 30 June 2013	Year Ended 31 December 2013	2012	2011
Employee benefits expense	200	189	203	391	409	339
Energy expenses(1)	142	156	165	321	323	307
Other expenses / income(2)	185	198	203	401	426	344
Direct operating costs	527	542	571	1,113	1,158	990
Non-operating and other(3)	—	(10)	(36)	(46)	(21)	31
Underlying operating costs	**527**	**532**	**535**	**1,067**	**1,137**	**1,022**

Notes:

(1) The energy costs included in direct operating costs exclude the net gain/(loss) on the Hobart smelter embedded derivative described above.

(2) Other expenses / income includes Stores and consumables use, Contracting and consulting expense and the operating elements of Other expense.

(3) Non-operating and other includes Other income and non-operating elements of Other expense.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth Nyrstar's consolidated capitalisation as of 30 June 2014. This table should be read in conjunction with ''Use of Proceeds,'' ''Selected Financial Information'', ''Operating and Financial Review—Liquidity and capital resources'' and the Nyrstar Financial Statements incorporated by reference or referred to elsewhere in this Prospectus.

€ millions	As of 30 June 2014	Adjustments	As Adjusted[(1)]
Cash and cash equivalents	**309.5**	**(46.4)[(2)]**	**263.1**
Revolving Structured Commodity Trade Finance Facility[(3)]	—	—	—
5.500% Retail Bonds due 2015[(4)]	219.9	(219.9)[(5)]	
5.375% Retail Bonds due 2016[(4)]	514.5	(99.9)[(6)]	414.6
7.000% Convertible Bonds due 2014[(7)]	119.8	(119.8)[(7)]	—
4.250% Convertible Bonds due 2018	104.4	—	104.4
Finance Lease Liabilities	3.9	—	3.9
New Notes Offered in the Concurrent New Notes Offering	—	350.0[(8)]	350.0
Non-current and current loans and borrowings	**962.5**	**(89.6)**	**872.9**
Total equity	**834.6**	**251.6[(9)]**	**1,086.2**
Total capitalisation	**1,797.1**	**162.0**	**1,959.1**

Notes:

(1) This ''as adjusted'' column reflects (a) the receipt of the proceeds of the Concurrent New Notes Offering and this Offering, and (b) the application of the proceeds of the foregoing pursuant to the Existing Notes Tender Offer and for growth capital expenditure in 2014 (and with respect to the Concurrent New Notes Offering, this Offering and the Existing Notes Tender Offer, net of estimated aggregate fees and expenses). For further information, see ''Use of Proceeds''. The ''as adjusted'' column also reflects the repayment in full in July 2014 of the 7.000% convertible bonds due 2014 using cash.

(2) Adjustments reflect the cash impact of the other adjustments set forth in this table, the other uses of proceeds set forth in ''Use of Proceeds'' (namely € 200 million to fund Smelting Strategic Review growth capital expenditure (over the next two years), € 68 million to fund the direct contribution to the Port Pirie Redevelopment, € 12 million aggregate fees and other expenses, the receipt (expected in 2014) of approximately € 79 million cash proceeds from the Port Pirie Silver Prepayment as described in ''Business—Metals Processing—Port Pirie multi-metals smelter—Funding and support package'', and original issue discount amounting to € 6.94 million in the Concurrent New Notes Offering.

(3) As of the date hereof, the € 400 million Revolving Structured Commodity Trade Finance Facility is undrawn. The Facility includes an ''accordion'' feature to increase its size to € 750 million on a pre-approved but uncommitted basis. For further information, see ''Operating and Financial Review—Liquidity and capital resources''.

(4) € 320 million of the net proceeds from this Offering and the Concurrent Rights Offering is intended to be used to repurchase any-and-all of the € 220 million aggregate principal amount of outstanding 2015 Bonds and up to € 100 million aggregate principal amount of outstanding 2016 Bonds pursuant to the Existing Notes Tender Offer.

(5) This amount assumes that all of the outstanding 2015 Bonds are tendered and repurchased.

(6) This amount assumes that € 100 million aggregate principal amount of 2016 Bonds are tendered and repurchased.

(7) The Company's 7.000% Convertible Bonds due 2014 were repaid at maturity in July 2014 using cash.

(8) This amount represents the nominal amount of the New Notes and has not been adjusted for original issue discount (which amounts to € 6.94 million) or other issuance fees and costs, both of which are reflected in the adjustments to Cash and cash equivalents. The proceeds of the New Notes (net of original issue discount but not other issuance fees and costs) amount to € 343.1 million.

(9) This amount represents the expected gross proceeds of the Offering and has not been adjusted to reflect the estimated issuance fees relating to this Offering, which are reflected in the adjustments to Cash and cash equivalents.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Introduction

The following is a review of Nyrstar's financial condition and results of operations for the years ended 31 December 2013, 2012 and 2011 and for the six months ended 30 June 2014 and 31 December 2013.

Investors should read the following review together with the Nyrstar Financial Statements and related notes as well as the other sections of this Prospectus, and should not rely solely on the information contained in this section. The operational information presented in this Prospectus is taken from Nyrstar's transaction systems or derived from information taken from Nyrstar's transaction systems, which also form the basis of the financial information included in Nyrstar's audited financial statements for the periods indicated above, but has not been audited or subject to a review.

Overview of Nyrstar

Nyrstar is a leading global integrated mining and multi-metals business, with a market leading position in zinc and lead and a growing position in other products, such as copper, gold and silver. Nyrstar has nine mining and seven smelting and other operations located in Australia, the Americas and Europe, and employs approximately 6,600 people.

Nyrstar is one of the world's largest zinc smelting companies based on production volumes. Having produced approximately 1.1 million tonnes of zinc market metal in 2013, Nyrstar's share of the global zinc market in 2013 was 8% according to Wood Mackenzie (based on 2013 global consumption figures of 13.3 million tonnes), which makes Nyrstar the largest producer globally. While Nyrstar's smelters are mostly primary zinc smelters, its smelter in Port Pirie in Australia is a primary lead smelter with multi-metal recovery capabilities. With its multi-metal capabilities, Port Pirie has the flexibility to process a wide range of lead-containing feedstocks to produce refined lead, zinc in fume, silver, copper and gold, and is in the process of being redeveloped into an advanced metal recovery and refining facility, enabling a fundamentally different operating and business model for Port Pirie. In 2013, Nyrstar completed a strategic review of its smelting business, identifying an attractive portfolio of investments in multi-metals recovery and an overall transformation of its metals processing business.

Since 2009, when Nyrstar began a significant strategic transformation to expand upstream into mining, Nyrstar's mining business has continued to grow both organically and through acquisitions, including acquisitions of mines throughout North and South America and interests in mining development projects. Nyrstar's mines are currently at various stages of operation, as some are operating at full production capacity and others are optimising their productive capabilities or on care and maintenance. Through its mining business, Nyrstar secures raw material supply for its smelters and gains exposure to the more profitable part of the zinc value chain (zinc mining being historically more profitable than zinc smelting). At full production, Nyrstar's zinc mining operations would be one of the five largest in the world (based on 2013 production according to Wood Mackenzie), and Nyrstar would have a significant position in copper and lead mining. In 2013, Nyrstar initiated a strategic review of its mining operations which is focused on identifying opportunities to make a step change improvement in the Mining segment's operational and financial performance.

Nyrstar has global operations, with mines and smelters close to key customers and major transport hubs to facilitate delivery of raw materials and distribution of finished products.

Nyrstar benefits from a diversified global asset base. Nyrstar believes the geographic diversification of its asset base mitigates political and sovereign risk. Nearly 75% of its assets and production are from AAA/AA rated countries. Approximately 95% of Nyrstar's revenue by origin (representing the sales revenue originating from the country/region of production of all materials sold during the year) in 2013 was generated in OECD countries, and proportionally: Belgium 17%, Netherlands 16%, France 8%, Australia 40%, North America 12% and Latin America (including Mexico) 6%. Nyrstar's total non-current assets at 31 December 2013 were located in: Belgium 12%, Netherlands 5%, France 7%, rest of Europe 12%, Australia 13%, North America 21% and Latin America (including Mexico) 30%.

Segmental presentation

In June 2013, Nyrstar announced an internal restructuring to create three distinct business units (Mining; Metals Processing; and Marketing, Sourcing & Sales). The Group continues to report three operating segments, namely the Mining segment, the Metals Processing segment and the Other & Eliminations segment, and currently has no plans to report Marketing, Sourcing & Sales as a separate operating segment.

Operating results such as revenue and gross margin are regularly reviewed by the Nyrstar management committee (which has been identified as Nyrstar's ''chief operating decision maker'' only on the level of all smelting sites combined and all mines combined) to make decisions about resources to be allocated to these segments and assess their performance.

The Mining segment consists of Nyrstar Tennessee Mines (U.S.), the Coricancha, the Contonga and Pucarrajo mines (Peru), the Campo Morado operation (Mexico) and the zinc streaming agreement with the Talvivaara mine (Finland). From 1 January 2012 the Mining segment also includes the Myra Falls and Langlois (Canada), El Mochito (Honduras) and El Toqui (Chile) mines acquired by Nyrstar in August 2011.

The Metals Processing segment comprises the following smelters: Auby (France), Balen (Belgium), Budel (The Netherlands), Clarksville (U.S.), Hobart (Australia) and Port Pirie (Australia), as well as the Hoyanger (Norway) fumer, acquired in December 2013.

The Other & Eliminations segment contains, for the period in which they were under Nyrstar ownership, Galva 45 (France) (disposed of in October 2012), GM Metal (France), Australia Refined Alloys (Australia) (disposed of in November 2011), Föhl (China) (disposed of in April 2014) and Genesis Alloys (China) (expected to be disposed of in September 2014) and corporate activities as well as the eliminations of the intragroup transactions, including any unrealised profits therefrom. In this respect, in the six months ended 30 June 2014 and the years ended 31 December 2013 and 2012, respectively, the Mining intrasegment sales accounted for approximately 81%, 82% and 17%, respectively, of the Mining segment's revenue.

The table below sets forth Nyrstar's revenue and the non-IFRS measure ''underlying EBITDA'' for each operating segment for the periods indicated. Management believes underlying EBITDA provides a better understanding of the underlying business performance of Nyrstar's operations. Underlying EBITDA excludes exceptional items related to restructuring measures, M&A related transaction expenses, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions that management considers to be clearly distinct from the ordinary activities of Nyrstar. For a reconciliation of underlying EBITDA to Profit/(loss) for the period, see ''Selected Financial Information—Reconciliation of underlying EBITDA and underlying operating costs''.

It should be noted that H2 2013 is used as a comparison for H1 2014 in the table below and in the discussion of the half-year results given the limited seasonality of Nyrstar's business and for consistency with Nyrstar's normal reporting.

	Six months ended 30 June	Six months ended 31 December	Year ended 31 December		
(€ millions)	2014	2013	2013	2012	2011
Mining Revenue	233	282	471	481	358
Metals Processing Revenue	1,309	1,377	2,691	2,684	3,096
Other & Eliminations	(188)	(267)	(339)	(95)	(107)
Total Revenue	1,354	1,394	2,824	3,070	3,348
Underlying Mining EBITDA	26	46	78	129	72
Underlying Metals Processing EBITDA	108	75	149	136	235
Underlying Other & Eliminations EBITDA	(24)	(23)	(43)	(44)	(42)
Total Underlying EBITDA	**110**	**98**	**185**	**221**	**265**

Significant factors affecting Nyrstar's results of operations

General

The Mining segment generates earnings on the valuable minerals Nyrstar extracts and subsequently processes into concentrates. The Metals Processing segment's smelters are essentially processing businesses that generate earnings on the concentrates and other feedstocks they convert to primary metal and valuable by-products. The gross profits Nyrstar realises through the production and sale of concentrates (Mining segment) for both intracompany and external sale, and through the production and sale of refined zinc, lead and other metals (Metals Processing segment) are affected by a number of interrelated factors, most notably the commodity prices for zinc and lead and the TCs for processing of zinc and lead concentrates. These pricing dynamics are conceptually similar but differ in specifics for zinc, lead, and other base and precious metals. The focus in the discussion below is on zinc, as zinc concentrates and refined zinc metal are Nyrstar's primary products in terms of revenue and gross profit contribution. The table below sets out gross profit by metal on a consolidated and segment basis:

(€ millions)	Six months ended 30 June 2014	Six months ended 31 December 2013	Year ended 31 December 2013	2012	2011
Zinc	**463**	**444**	**884**	**895**	**882**
Mining	129	115	252	272	204
Metals Processing	335	329	632	623	677
Lead	**45**	**41**	**88**	**94**	**82**
Mining	8	5	14	22	8
Metals Processing	38	36	74	72	73
Copper	**31**	**42**	**79**	**75**	**54**
Mining	22	32	60	58	29
Metals Processing	9	10	19	17	24
Silver	**41**	**49**	**93**	**113**	**155**
Mining	27	27	54	72	60
Metals Processing	14	22	39	41	94
Gold	**28**	**47**	**74**	**94**	**53**
Mining	23	40	66	84	41
Metals Processing	5	7	8	10	11
Sulphuric Acid (Metals Processing)	**22**	**22**	**51**	**73**	**87**
Leach Products (Metals Processing)	**27**	**19**	**40**	**46**	**39**
Other Metals (Metals Processing)	**27**	**29**	**59**	**34**	**28**
Other Gross Profit (Metals processing)	**(46)**	**(59)**	**(111)**	**(64)**	**(97)**
Other Gross Profit (Other and eliminations)	**(1)**	**(5)**	**(7)**	**(5)**	**5**
Total	**637**	**629**	**1,251**	**1,356**	**1,286**

Acquisitions

Nyrstar periodically acquires companies and other assets and these acquisitions can affect the comparability of its results between periods. For example, during the period under review, Nyrstar acquired Breakwater, owner of the Myra Falls, El Mochito, El Toqui and Langlois mines, for a total consideration of approximately CAD 663 million (approximately € 443 million). The financial results of Breakwater are consolidated into Nyrstar's accounts, and, consequently, are consolidated in the data discussed below, beginning from 25 August 2011. Because Breakwater is not consolidated into Nyrstar's accounts for the full year ended 31 December 2011, the acquisition thereof affects the comparability of Nyrstar's results (and particularly those of the Mining segment) between 2011 and 2012.

Base metal prices

The market price of zinc is the primary factor affecting Nyrstar's results of operations. It directly affects the Mining segment's revenues by determining the sales price of the payable volume of zinc in concentrate, i.e. mining ''free metal'', as well as the concessions mines give for TCs (as described below under ''—Elements of gross profit realised by the Mining segment''). Its effect on the Metals Processing segment's cost of sales is through the price of the zinc concentrates and secondary feed material (also referred to as ''**secondaries**'') purchased to produce refined metal; its effect on the Metals Processing segment's gross profits is through the concessions it receives from TCs and the revenues the Metals Processing segment receives from sales of ''free metal'' (as described below under ''—Elements of gross profit realised by the Metals Processing segment'').

The relationship between the supply of zinc contained in zinc concentrates and secondary feed materials and the demand for refined zinc metal by the industries that use zinc in the production of their products (the so-called ''first use'' industries) is critical in determining the global market price of zinc. The market price for zinc is typically quoted as the daily cash seller and settlement price established by the LME. Most of Nyrstar's zinc business is conducted with reference to this price. LME zinc prices are influenced by the global supply of and demand for zinc metal. The supply of zinc metal is a function of the amount of zinc concentrates and secondary feed materials produced and the availability of smelting capacity to convert them into refined metal.

The demand for zinc metal is driven by numerous factors, including general economic activity both globally and regionally, industrial production, conditions in end-use markets such as the construction and automotive industries, and other factors. Zinc production growth has historically been closely correlated with global industrial production growth. Trends in the rate of worldwide industrial production growth overall and the rate of growth in the particular markets in which zinc end users operate (e.g., the construction, automotive and infrastructure sectors) affect demand for Nyrstar's products and significantly influence Nyrstar's performance. According to Wood Mackenzie, the long-term outlook for the zinc market is dominated by the structural issue of whether mine supply growth will be able to keep pace with consumption growth. With global zinc consumption forecast to grow at a compound annual growth rate (''**CAGR**'') of 3.5% per year over the 2014 to 2030 period, the average incremental increase in demand for zinc metal equates to 600kt/a. According to these forecasts, from 2016 an additional 400kt/a will be required to offset the effect of currently anticipated mine closures and attrition. Developing the new mine capacity to meet this requirement will be a significant challenge for the zinc industry. This is particularly the case as the current price and economic environment is not ideal for the financing and timely development of new mine capacity.

Over the past decade the primary driving force behind the growth in global zinc consumption has been the industrialisation and urbanisation of China. However, the Chinese authorities are attempting to rebalance the country's economy away from one driven by investment in fixed assets and exports to one driven by domestic consumption. Therefore, while China is expected to continue to drive the absolute increase in global zinc demand over the coming decade, its consumption growth is projected to moderate. However, according to Wood Mackenzie, one consequence of China's rapid and spectacular expansion in zinc demand over the past decade is that the relatively modest average (compared to the previous decade) annual growth of 4.8% per annum over the period 2014 to 2030 is projected to increase Chinese zinc consumption by an average of 0.44 million tonnes per annum over the forecast period, compared with the average annual incremental increase in zinc consumption of 0.34 million tonnes per annum over the last decade. Although Chinese demand is forecast to increase significantly, as China undertakes to reorient its economy in the direction noted above, China's economic growth is expected to become less zinc dependent.

LME zinc prices have been characterised by significant fluctuations over the last 20 years, predominantly as a result of the interplay between the supply of and demand for zinc, as summarised above. The zinc price can also be affected by a number of other factors. For example, the zinc price appears to have been affected to a significant extent in recent years by the participation of financial investors (as opposed to consumers of zinc) in the market. Changes in commodities exchange practices and rules, including for example, changes to the LME Warehouse Rules, may also contribute to volatility in zinc prices. See ''Risk Factors—Risks relating to Nyrstar's business and industries—The LME has recently announced plans to change the LME Warehouse Rules, which may impact zinc premiums and the LME price and will create uncertainty''. The volatility of LME zinc prices means that Nyrstar's sales, raw material costs and TCs it receives from miners (or, in the case of the Mining segment, pays to Nyrstar's Metals Processing segment or third party smelters) have varied considerably and may continue to vary considerably from period to period.

LME prices for zinc reached very high levels by historic standards in 2006 and until mid-2007, after which the global financial crisis and ensuing recession in the majority of industrialised economies led to a sharp decline in zinc and other commodity prices. Beginning in early 2009, prices began to recover (albeit not to 2007 levels), although subsequent tightening of fiscal and monetary policies and protracted low-growth environment forecasts for several industrialised economies have led to continuing uncertainty in the metal industry and to volatility in commodity prices, with prices declining in recent periods. However, according to forecasts published by Consensus Economics Inc., market analysts generally expect zinc prices to grow in the mid- to long-term as a result of anticipated imbalances in zinc supply and demand in future years.

The table below sets forth average historical zinc prices in U.S. Dollars per tonne since 2003:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	H1 2014
LME price (nominal)	828	1,048	1,381	3,272	3,248	1,870	1,658	2,158	2,190	1,948	1,910	2,098
LME price (real)(1)	1,068	1,317	1,679	3,852	3,719	2,061	1,835	2,350	2,311	2,012	1,946	2,098

Source: Wood Mackenzie

Note:

(1) Based on Q2 2014 U.S. Dollars

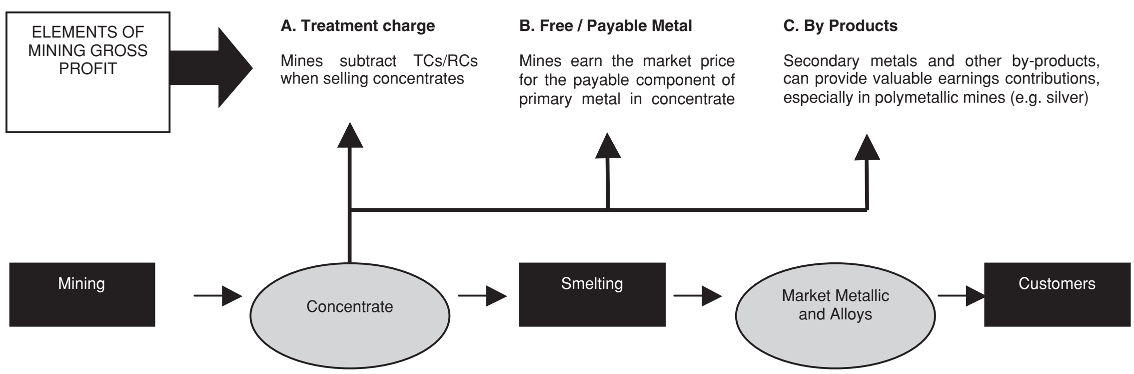
Nyrstar's purchases of zinc concentrates are based on the LME reference price in U.S. Dollars. Because Nyrstar's reporting currency is the Euro, fluctuations in the exchange rate of U.S. Dollars to Euros may affect the gross profit of the Mining and Metals Processing segments.

Elements of gross profit realised by the Mining segment

Certain terminology used below reflects the fact that Nyrstar has historically been a smelting company and as such has applied certain terminology traditionally used in the smelting industry to its Mining segment.

Nyrstar uses the same line items in its financial statements for the elements of gross profit for both its Mining and Metals Processing segments, i.e., treatment charges, payable metal contribution (for the Mining segment) / free metal contribution (for the Metals Processing segment), premiums, by-products and other.

The chart below illustrates the elements of gross profit of a mining business:



Mines generate earnings on the valuable minerals they extract and subsequently process into concentrates. This concentrate is then typically sold to a smelter that pays for differing amounts of the metals contained, i.e. the payable metal, within that concentrate. Where more than one metal in concentrate is sold to a smelter, a distinction is made between the primary metal and other metals, also known as by-products. Mines receive the revenue for the primary payable metal less a treatment charge that is paid to the smelter for processing the metal in concentrate into a refined product. In addition the mine receives revenues for the payable component of by-products, less any treatment charges for such by-products.

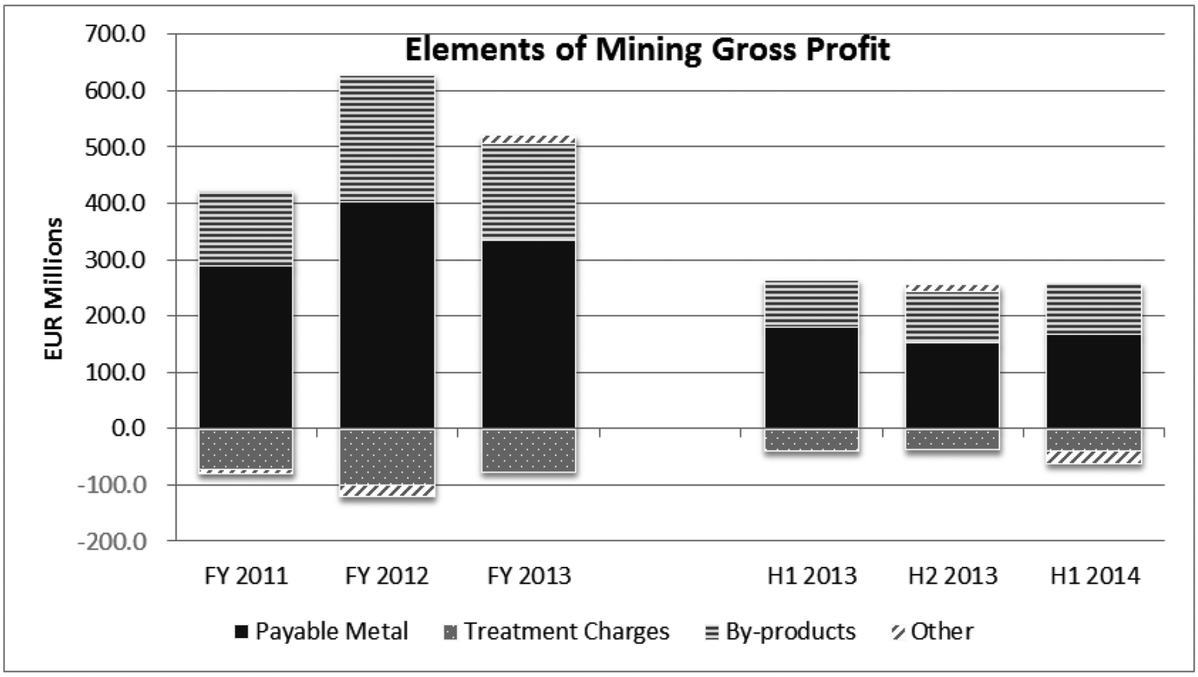
The elements of gross profit realised by mining zinc and other metals are composed of:

- Treatment charges comprised of the base TC and any price participation through escalators and de-escalators, both of which the mine pays to a smelter through concessions. TCs reduce the revenue and gross profit for the Mining segment;
- The value of payable metal, which is the payable amount of the primary metal produced by the miner at the market defined price;
- By-product sales, offset by the associated treatment charges; and
- Other, which typically reduces gross profit and includes realisation expenses, penalties paid by the miner to the smelter, location advantage concessions or allowances.

For Nyrstar's zinc mines, the primary metal is zinc. Therefore only zinc treatment charges are included in the TC category and only zinc is included in ''payable metal contribution''. All other TCs, RCs and earnings on other metals are reported within by-products.

Depending on the mine type and the ore body from which it extracts minerals, the relative contribution of each element of gross profit can vary considerably. For example, in Nyrstar Tennessee Mines, which consists of several zinc mines, the vast majority of profit earned will be from zinc payable metal. By contrast, in Contonga, given the significant volume of silver produced, by-product profit is a relatively more significant element of gross profit.

The following chart breaks down the relative contributions of TCs, payable metal, by-product sales and other items to the gross profit of Nyrstar's Mining segment:



The relative contributions of the elements of the Mining segment's gross profit of € 445 million for 2013 were, in order of magnitude, zinc payable metal (75%), by-product sales (39%) and other Mining gross profit (3%), offset by zinc treatment charges of € 76 million.

Treatment Charges

The market price of zinc is a key component in determining the value of the zinc contained in concentrate. The dynamics of how that value is shared between (i) Nyrstar's Mining segment and other mining companies, as suppliers of zinc concentrates, and (ii) Nyrstar's Metals Processing segment and other smelters are driven primarily by the relationship between the global supply of zinc concentrate from miners and the global demand for zinc concentrates by the smelters. In a market situation where the demand for zinc concentrates is greater than the supply, a relatively greater share of the zinc metal value and lead metal value will typically go to the miner.

Conversely, when concentrates are relatively abundant, the opposite occurs and a greater share of such value is typically captured by the smelter. Negotiation of the applicable TC is the key mechanism by which the value of the contained zinc in concentrate shifts between the miner and the smelter. As is customary in the industry, Nyrstar generally negotiates TCs with each supplier of zinc concentrate annually, early in the contract year, based on Nyrstar's and the miner's expectations of future market conditions. In any given year, TCs (as negotiated by Nyrstar's Metals Processing segment and other smelters and Nyrstar's Mining segment and other miners) tend to settle around norms established through negotiations between the major buyers and sellers of concentrate. These norms are commonly referred to as the ''Benchmark'' TC. Benchmark TCs are used as the basis for annual terms for transactions between Nyrstar's Mining segment and Metals Processing segment.

The TC is treated as a concession by the miner to the smelter and is deducted from the price payable for zinc concentrate by the smelter. For Nyrstar's mines it is a deduction in the revenue and gross profit earned from payable zinc, lead and other metals in concentrate that is sold. For zinc, the TC typically involves a base charge, which is agreed at a reference zinc basis price. Contracts will usually contain a formula that causes the agreed base TC to be increased or decreased by a fixed percentage of each U.S. Dollar that the zinc price used to calculate the price (i.e. the prevailing LME price at time of transaction) of the concentrate is above or below the agreed zinc basis price. These upward and downward adjustments are typically referred to as ''escalators'' and ''de-escalators'', respectively. Rising zinc prices typically trigger application of an escalator and result in higher realised TCs (assuming a constant base TC). Conversely, decreases in zinc prices adversely affect the profitability of Nyrstar through the deduction, from the base TC, of a de-escalator applied to the negative difference between the LME quotation zinc price and the agreed basis zinc price (assuming a constant base TC). The TC of other metals, such as lead, are also determined in a similar way. In recent years lead TCs have been agreed at a flat rate with no adjustment for prevailing lead price movements.

Nyrstar's actual realised TCs have in the past been and going forward will be affected by the relative increases and decreases in concentrate supply, smelter capacity utilisation as well as zinc and lead price trends.

Payable metal contribution

Payable metal is the value of the payable volume of primary metal sold by the miner at the market price. In a typical zinc concentrate contract, the smelter or another customer pays the mine for the industry standard percentage of the zinc contained in the concentrate (the industry standard is currently, and has historically been, 85%). Nyrstar does not anticipate any change to this standard. Similarly, for other metals in concentrate the Mining segment typically obtains the industry standard payable amount for the metals contained (for example the industry standard for lead is currently, and has historically been, approximately 95%).

By-products

The Mining segment produces a considerable volume of other metals in addition to zinc and lead, primarily silver. The profit generated on the payable volumes of secondary metals contained in concentrates at the market price, after any TCs or RCs are deducted, is reported within by-products.

Other

Other Mining gross profit (or loss) is the sum of other costs and revenues associated with mining operations. These include:

- Realisation expenses (i.e., freight);
- Location allowances; and
- Penalties.

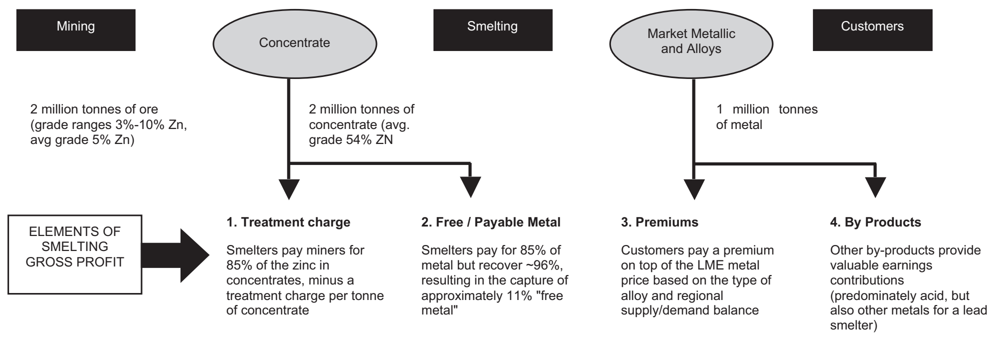
Realisation expenses include all external selling freight costs, i.e. freight incurred in delivering concentrates and other products to customers. It is customary for miners to bear the costs of transporting concentrate to the port of discharge nearest to the smelter. Only in circumstances where a smelter is disadvantageously located can the mine negotiate that the smelter should bear some of this cost, generally the portion that is incremental to the best alternative delivery point. Nyrstar's mines rely on a variety of transport methods for delivery of concentrates and other products, including ship, road and rail, choosing the most appropriate methods for each particular site.

Smelters that are located close to mines are generally well-placed to negotiate advantageous commercial terms (''location allowances'') reflecting a share of the transportation cost savings the miner will achieve by not sending the concentrate to more distant smelters. For example the Metals Processing segment receives a location allowance from Nyrstar Tennessee Mines due to its proximity to Nyrstar's Clarksville smelter.

In some cases, concentrates contain impurities, such as iron, that cause difficulties in a smelter's refining process. In these circumstances, the concentrate purchase contract will typically allow the smelter to take a deduction from the price it pays for the concentrate. Smelters and miners will negotiate the level of this deduction, known as the ''penalty''.

Elements of gross profit realised by the Metals Processing segment

The chart below illustrates the elements of gross profit of a smelting business:



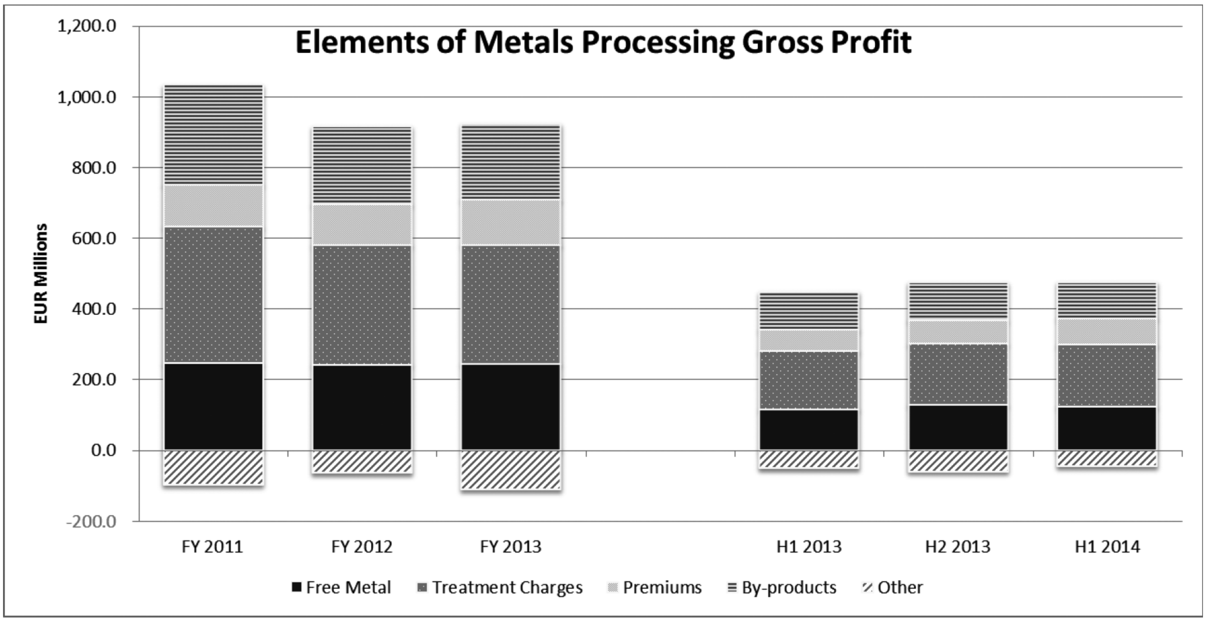
Smelters are essentially processing businesses that achieve a margin on the concentrates and other feedstocks they process; in large part the price for the underlying metal is effectively passed through from the miner supplying the concentrate, or the supplier of the secondary feed material, to the smelter's customer. The smelter earns revenue from (i) the treatment charge it receives from the mine to process the metal in concentrate into the refined product, (ii) the refined metal it can produce and sell over and above the metal content it has paid for in concentrates purchased from the miner (''free metal'') and (iii) any premium it can earn on the refined products it sells to its customers. By-products can also contribute significantly to a smelter's revenue.

The elements of gross profit realised by the smelting and refining of zinc and lead comprise:

- Zinc and lead TCs comprising the base TC and any price participation through escalators and de-escalators, paid to the smelters by miners in the form of concessions;
- The value of ''free'' zinc and lead (i.e., refined zinc and lead produced by the smelter over and above the metal content the smelter has paid for in concentrates purchased from the miner);
- Premiums (i.e., sales of refined metal made by the smelter at prices above the LME zinc and lead reference prices);
- By-product sales; and
- Other, which consists of realisation expenses, location allowances, penalties and the costs and revenues associated with producing alloys.

While the relative weight of the contributors to smelter margins will vary according to the relationship between metal prices and TCs, Nyrstar's Metals Processing segment and other smelters typically have historically obtained the majority of their margins from TCs and to a lesser extent from free metal, metal premiums and by-product sales. By-product sales can vary significantly from year to year, as a result of fluctuations in prices and production volumes. One of the objectives of the Smelting Strategic Review is to capture greater minor metals value, which is expected to result in higher by-product sales in the future. The impact of location allowances and penalties on gross profit is usually relatively small.

The following chart breaks down the relative contributions of TCs, free metal, metal premiums and by-product sales to the gross profit of Nyrstar's Metals Processing segment:



The relative contributions of the elements of the Metals Processing segment's gross profit of € 813 million for 2013 were, in order of magnitude, zinc and lead treatment charges (42%), zinc and lead free metal (30%), by-product sales (26%) and zinc and lead premia (16%). Other amounted to €(111) million in 2013.

Treatment Charges

Treatment Charges from a smelter's perspective is simply the opposite of a miner's perspective (described in detail in ''—Elements of gross profit realised by the Mining segment''). Whereas for a miner the treatment charge is a deduction in its gross profit, for a smelter it is a deduction from the price paid for zinc, lead or other concentrates and therefore a reduction in raw material cost.

Free metal contribution

Free metal in relation to zinc is the value of the difference between the amount of zinc that is paid for in the concentrates and the total zinc recovered for sale by the smelter. As discussed in ''—Elements of gross profit realised by the Mining segment'' above, in a typical zinc concentrate contract, the Metals Processing segment pays the mine (whether a Nyrstar mine or a third-party miner) for 85% of the zinc contained in the purchased concentrate, which has historically been the industry standard. Depending on concentrate quality and production efficiencies, Nyrstar's zinc smelters currently achieve an average zinc recovery of approximately 96%. The value of the free zinc (i.e., the delta, or approximately 11% on average in Nyrstar's case) is retained by the smelter.

In a standard lead concentrate contract, the Metals Processing segment typically pays a Nyrstar mine or another supplier for 95% of the value of the lead metal. Accordingly, the proportion of free lead metal the Metals Processing segment obtains (being the difference between the amount of refined lead metal recovered for sale and the amount of lead metal paid for) is less than the equivalent proportion for zinc. At Port Pirie lead recoveries are typically approximately 98% to 99%, meaning that the amount of free metal is approximately 3% to 4% of the lead in the raw materials. In a standard lead concentrate contract, the Metals Processing segment typically also pays the supplier for the value of the zinc contained in the lead concentrate. This payable value can vary depending on the source of lead concentrate; an approximate average of 10% of the amount contained in the feedstock can be assumed. At Port Pirie, recoveries of zinc from lead feedstocks are typically approximately 90% (usually in the form of a zinc fume that will be processed in Nyrstar's zinc smelters), meaning that the amount of free metal is approximately 80% of the zinc in the lead concentrate or secondary feed materials.

The profit the Metals Processing segment obtains from free metal is a factor of its total production of refined zinc tonnage and the realised zinc price (and to a lesser extent lead tonnages and lead prices).

Premiums

A premium is the difference between the base LME price and the higher price that the Metals Processing segment achieves on sales of the refined zinc and lead metal. The premium reflects a combination of factors, including the service provided by the smelter in delivering zinc or lead of a certain size, shape or quality specified by its customers and transportation costs, as well as the conditions of supply and demand prevailing in the regional or local market where the metal is sold. Premiums tend to vary from region to region as transportation costs and the value attributable to customer specifications tend to be influenced by regional or local customs rather than being a function of global dynamics.

Premiums for Nyrstar's zinc and lead products are generally negotiated annually for one-year periods, with customers having the ability to vary monthly volume deliveries within an agreed range depending on their production requirements.

Nyrstar's smelters produce a range of zinc-based products, including value-added alloys, on which the Metals Processing segment is typically able to earn a premium per tonne over the LME base price and to differentiate its products based on quality. These products include Nyrstar ''ZAMAK'' and ''EZDA'' brands used for zinc die casting applications.

For the six month period ended 30 June 2014 and the year ended 31 December 2013, the average gross premium per tonne to the LME zinc price that Nyrstar obtained on SHG zinc products sold ranged from US$ 95/tonne to US$ 200/tonne and US$ 20/tonne to US$ 130/tonne, respectively, the premium per tonne for die cast alloys sold ranged from US$ 220/tonne to US$ 365/tonne and US$ 194/tonne to US$ 335/tonne, respectively, and the premium per tonne for specialty alloys sold ranged from US$ 302/tonne to US$ 394/tonne and US$ 151/tonne to US$ 352/tonne, respectively.

Nyrstar earns premiums on all lead products; on some of its value-added lead alloys, such premiums are substantially higher than the premiums for the commodity grade ''99.97%'' lead. On average, lead premiums are substantially lower than those for zinc.

By-products

Although the Metals Processing segment's principal products are zinc and lead metal, it also sells silver, copper, gold, sulphuric acid and other by-products from the process of refining zinc and lead. A core element of the Smelting Strategic Review is to further monetise these by-products, as well as more efficiently capture value from minor metals such as germanium, gallium and indium. See ''Business—Metals Processing—Smelting Strategic Review''.

The quantity of by-products produced is dependent on a number of factors including the chemical composition of the concentrate and the recovery rates achieved. Concentrates from some mines contain higher levels of by-product metals than concentrates from other mines. In addition, the higher the rate of by-product recovery, the greater the amount of by-products that can be produced and sold. Nyrstar has recently placed a greater business emphasis on the sales of these by-products (see ''Business—Marketing, Sourcing & Sales''). The revenue the Metals Processing segment generates from sales of by-products is also dependent on the market prices for those products. The effect of sales of by-products on Nyrstar's operating results can therefore be highly variable.

By volume, sulphuric acid is the major by-product the Metals Processing segment produces and sells. It is manufactured from the sulphur dioxide gas generated from roasting zinc concentrates. While the zinc smelters use sulphuric acid in their leach plants, almost all of this requirement is generated in each zinc smelter's electrolysis plant and only small amounts of the sulphuric acid produced by Nyrstar's roasters are used in its facilities, leaving the rest available for sale. The sulphuric acid Nyrstar produces is generally sold under annual or multi-year contracts.

Leach product is a secondary by-product produced by zinc smelters that typically contains zinc that is not recovered as ''market metal''; it also contains other metals, typically lead and silver. However the composition of leach product produced by Nyrstar can vary depending on the composition of the concentrate processed by the different zinc smelters.

Nyrstar is one of the world's leading refined silver producers, having produced approximately 7.2 million troy ounces, 17.9 million troy ounces, 13.8 million troy ounces and 18.6 million troy ounces of refined silver for the six months ended 30 June 2014 and the years ended 31 December 2013, 2012 and 2011, respectively. This includes 1.2 million troy ounces and 2.8 million troy ounces, in the years ended

31 December 2012 and 2011, respectively, of silver that was recovered from under the precious metals refinery, in addition to the silver produced pursuant to the normal processes. Nyrstar produces refined silver at Port Pirie, which it sources through the lead concentrates Nyrstar purchases. There can also be material amounts of silver contained in zinc concentrates purchased by Nyrstar and a significant portion of the silver content contained in both zinc and lead concentrates is normally included in the price Nyrstar pays to the miner for such concentrate (which is not necessarily the case for other valuable metals in concentrates). The silver contained in zinc concentrate processed by a zinc smelter typically remains in the leach product (although some of Nyrstar's leach products go to Port Pirie for full silver recovery) and the percentage of such silver volume for which Nyrstar's customers pay can vary. As a result, Nyrstar does not get the full benefit of the value of the refined silver it produces, as it does with respect to some of the other by-product metals. Following the completion of the Port Pirie Redevelopment, Nyrstar expects to improve silver recoveries from leach products. See ''Business—Port Pirie multi-metals smelter—Port Pirie Redevelopment project''. Nyrstar sells most of its silver under contracts that are renewed annually.

The Port Pirie smelter also produces copper cathode and gold doré, each of whose significance to Nyrstar's sales will continue to increase following the completion of the Port Pirie Redevelopment.

Other Smelting gross profit or loss

Other Smelting gross profit (or loss) is the sum of other costs and revenues associated with smelting operations. These include:

- Realisation expenses (i.e., freight);
- Location allowances;
- Penalties; and
- Costs and revenues of alloying materials.

Realisation expenses include all external selling freight costs, i.e. freight incurred in delivering Nyrstar products, refined zinc and lead and by-products, to its customers. Nyrstar relies on a variety of transport methods for delivery of its feedstock and products, including ship, road and rail, choosing the most appropriate methods for each particular site and customer. Nyrstar endeavours to target customers close to each of its sites, in order to reduce transport costs. Accordingly, Nyrstar tends, where feasible, to serve Asian customers from its Australian operations, European customers from its European operations and North American customers from its Clarksville operation. In general, Nyrstar's transport costs are higher in Europe than in the United States, Asia or Australia.

As discussed in the ''—Elements of gross profit realised by the Mining segment'', smelters that are located close to mines are well-placed to negotiate advantageous commercial terms (''location allowances'') reflecting a share of the transportation cost savings the miner will achieve by not sending the concentrate to more distant smelters.

As discussed in the ''—Elements of gross profit realised by the Mining segment'', in some cases, concentrates contain impurities, such as iron, that cause difficulties in the refining process. In these circumstances, the concentrate purchase contract will typically allow the smelter to take a deduction from the price it pays for the concentrate. Smelters and miners will negotiate the level of this deduction, known as the ''penalty''.

Costs and revenues of alloying materials, which are required to produce the value-added alloys, include the cost of supply and the revenue earned by the sale of alloying metals (aluminium, nickel, copper, tin, etc.) for input into the process of producing finished metal products.

Transactional hedging of metal price and currency exposure

Nyrstar undertakes hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover the exposure on fixed-price forward sales of metal to customers.

The majority of Nyrstar's concentrates and metal purchases are based on the LME reference price in U.S. Dollars. The underlying metal price used to determine the amount Nyrstar pays for metal in the raw materials that it purchases is normally an average of the LME price over an agreed period of time, typically one month. Similarly, when Nyrstar sells its refined metal products, a portion of the price it charges is an average of the underlying metal price over an agreed period of time or a fixed forward metal price. If the underlying metal price were to be constant or flat, the price Nyrstar pays for the metal contained in the raw materials it purchases would be passed through to the customer as part of the price Nyrstar charges for its products. However, due to the lapse of time between the conversion of purchased raw materials into products and the sale of products, the volatility in the LME price creates differences between the price Nyrstar pays for the contained metal and the price it receives for it. Accordingly, Nyrstar is exposed to any fluctuations in price between the moment it purchases the raw material (i.e., when metal is ''priced-in'') and the moment the product is sold to the customer (i.e., when the metal is ''priced-out''). The period in which metal is ''priced-in'' and ''priced-out'' is also referred to as a ''Quotational Period''.

At any given time Nyrstar is likely to hold metal, either as work-in-progress or finished good inventory, that has been ''priced-in'' but not ''priced-out''. As this metal remains exposed to fluctuations in the underlying metal price until it is ''priced out'', it is called ''Metal at Risk''. The actual Metal at Risk at any given point in time will fluctuate with deliveries of raw materials and production levels. To the extent Nyrstar is unable to effectively manage (or hedge) the Metal at Risk, its results of Nyrstar's operations may be materially adversely affected. Nyrstar monitors Metal at Risk on a regular basis and undertakes hedging to mitigate the metal price exposure in what Nyrstar refers to as ''transactional hedging''.

The price of placing transactional hedges is dependent on whether future or ''forward'' prices are higher or lower than current or ''spot'' prices, as indicated by the shape of the forward underlying metal price curve. Future prices can be either higher or lower than current prices, depending on a range of factors and can change quite rapidly at times.

The hedges required to hedge Nyrstar's Metal at Risk position will be determined by whether the net position is positive, meaning Nyrstar has more metal ''priced-in'' than is ''priced-out'', or alternatively is negative, meaning Nyrstar has more metal ''priced-out'' than is ''priced-in''. If Nyrstar's Metal at Risk position is positive, then it needs to offset this net ''priced-in'' exposure by an equivalent ''priced-out'' hedge, by selling metal on the LME. Where future prices are higher than current prices, this hedge will realise an equivalent profit, since the sold hedge will realise a higher price on maturity. If future prices are lower than current prices then this hedge will realise a cost for the reverse reason. If the Metal at Risk position is negative, then the reverse of these hedging strategies would be used.

Fixed-price forward sales of metals to customers are systematically hedged by corresponding hedging transactions in order to mitigate the metal price fluctuation between the time Nyrstar agrees to a price with its customer for future delivery and the moment that delivery takes place.

Strategic hedging

Under its current policy in effect since 2012 following its approval by the Company's board of directors, Nyrstar may enter into hedges in relation to commodity prices that are unrelated to transactional metal price risk exposure. Such hedges are generally referred to as ''strategic hedges''. For example, in February 2013, Nyrstar entered into strategic hedges with respect to zinc prices for the remainder of 2013, and throughout 2014, Nyrstar has entered into periodic strategic hedges with respect to zinc prices. In June 2013 Nyrstar entered into strategic hedges with respect to gold and silver prices for the second half of 2013. These hedges are generally short term and are designed to secure prices seen as favourable while providing downside protection. In some cases the hedges may include a mechanism allowing Nyrstar to share in the upside while in other cases Nyrstar foregoes the upside. Specific instruments that may be used include options, cash-settled swaps and collars. Nyrstar has established a Metal Price Risk Committee that sets the general parameters for strategic hedging within the framework of the policy, and takes decisions with respect to the entering into of specific hedge transactions. The effects on Nyrstar's financial results, in addition to the possible protection of operating income from depreciation of commodity prices or forfeiture of operating income from commodity price appreciation include the cost of entering into financial instruments (e.g., option premia) and gains or losses generated by marking to market hedges that are outstanding at the end of reporting periods based on commodity price movements in the intervening period. See ''—Results of operations for the years ended 31 December 2013 and 31 December 2012—Other significant events in 2013—Strategic hedging of metal prices'' and ''—Disclosure on market risk—Market risk—Commodity price risk''.

Raw materials

Zinc and lead concentrate

As outlined above, concentrate prices are principally a factor of the LME or LBMA metal price and TCs. Although increases in the LME or LBMA price will increase the price the Metals Processing segment pays for concentrate, those increases are generally passed through to its customers or are hedged, usually through transactional hedging arrangements. See ''—Transactional hedging of metal price and currency exposure''. Changes in concentrate prices resulting in changes in TCs can, however, affect Nyrstar's gross profit.

Nyrstar acquires feedstock from its own mines or from a limited number of suppliers. In 2013, the Mining segment produced 511kt of zinc concentrate, the equivalent of approximately 26% of the 1,930kt of zinc concentrate feed required by Nyrstar's zinc smelters. In addition, as discussed below, under ''—Contractual obligations and commitments'', Nyrstar has life-of-mine concentrate purchase agreements with the Century and Rosebery mines owned by Metals and Mining Group, which supplied approximately 37% and 9%, respectively, of Nyrstar's zinc and lead concentrates in 2013. The concentration is particularly high at the Budel and Hobart smelters (72% and 57%, respectively, of concentrates consumed in 2013 sourced to Century). With respect to lead, BHP Billiton provided 10% of Nyrstar's lead concentrate needs in 2013. See ''Risk Factors—Risks related to Nyrstar's business and industries—Nyrstar is dependent on a limited number of suppliers for zinc and lead concentrate. A disruption in supply, including supply under the zinc streaming agreement with Talvivaara, could have a material adverse effect on its production levels and financial results.''

The Century mine is currently expected to reach its life-of-mine and thereby cease supplying Nyrstar's smelters in mid-2015. Management has been taking steps over several years to secure raw materials from other sources. These steps have included Nyrstar's entry into off-take agreements with new mines due to come on line, and its continuation of existing supply contracts, while rolling forward delivery terms where possible to future years, thereby building a long concentrate position that it currently has ahead of the closure of the Century mine. In addition, Nyrstar is investing in works to ''de-bottleneck'' Budel and Hobart so that they may accept different and more varied feed stock from Century concentrate. Following the closure of the Century mine, management expects an increase in Nyrstar's working capital requirements from an increase in the number of higher value concentrate suppliers that may have less favourable credit terms, although management intends to address this by seeking attractive payment terms in strategic off-take agreements.

The balance of feedstock is typically secured under a combination of ''frame'' (fixed period) and ''evergreen'' (continuous) contracts which typically have cancellation notice periods of one or two years. Historically, Nyrstar had not typically entered the spot market for acquiring concentrates, although it has begun to increase the amount of concentrate it acquires in the spot market. Nyrstar expects to continue to increase the percentage of spot concentrate in the near term, both as a means of compensating for the Century shortfall and allowing it to access concentrate with increased multi-metallic content.

Zinc and lead secondaries

Nyrstar's smelters are capable of processing significant quantities of secondaries, which are feedstocks that come from sources other than mines. Zinc sourced from suppliers of secondary feed material currently represents approximately 20% of the Metals Processing segment's total zinc feedstock. Materials such as zinc oxides are largely produced by specialist steel recyclers. Important elements of Nyrstar's strategy to use secondaries to diversify its raw materials sources and to decrease the cost of such materials include increasing the use of secondaries throughout Nyrstar's smelters, leveraging off Nyrstar's central washing facility for pre-treatment of purchased secondaries at Overpelt to supply Nyrstar's European smelters, and utilising a washing facility at Clarksville.

The principal drivers of the price of zinc secondaries, as for concentrates, are LME zinc prices and rebates. The rebate can take the form of a TC which generally follows the same trends as TCs for zinc concentrates, although it is not pegged to or precisely correlated with the TC for zinc concentrates, or it can take the form of a reduction of the percentage of zinc payable. Prices are also affected by the quality of the secondaries (both the grade and the degree of contamination) and the distance of the supplier from the smelter, as the supplier is normally responsible for the cost of transporting the secondaries to the smelter.

Nyrstar's Port Pirie smelter has multi-metal production capabilities and as such Nyrstar sources a wide range of residue or secondary feed materials for which there are few, if any, alternative outlets in Australia.

Impact of the Transformation

Nyrstar's own mines (including Talvivaara) represented approximately 30% of its zinc concentrate needs in 2013. Of the total zinc concentrate production from own mines in 2013, approximately 60% of the volume produced was physically processed by Nyrstar's zinc smelters, with the balance placed into the market, resulting in approximately 15% of the total zinc concentrate volume physically processed by Nyrstar's zinc smelters in 2013 being sourced from Nyrstar's own mines. Following the Transformation, we expect approximately 75% of the total zinc concentrate production from own mines to be physically processed by Nyrstar's zinc smelters, with the balance placed into the market, resulting in approximately 25% of the total zinc concentrate volume physically processed by Nyrstar's zinc smelters post Transformation being sourced from Nyrstar's own mines. This increase is driven by a combination of an expected moderate increase in zinc concentrate production from Nyrstar's own mines and as a result of Nyrstar's own mine production being more valuable to Nyrstar's zinc smelters post Transformation, as well as Nyrstar's value based allocation tool selecting Nyrstar's own mine zinc concentrates above other feed for physical processing by Nyrstar's zinc smelters.

Operating costs

Operating costs for Nyrstar's zinc smelters and mines primarily comprise energy costs (including costs of electricity, natural gas, coke and coal), employee expenses (including costs of employee salaries and benefits) and other expenses. Other expenses comprise contracting and consulting expenses, costs of consumables and other materials used in production (also referred to as ''stores''), and other items such as travel, insurance and training costs. In addition, operating costs also include changes in inventories of finished goods and work in progress and other expenses, such as losses from the sale of property, plant and equipment.

On average, across Nyrstar's Metals Processing segment, operating costs are comprised of approximately equal parts energy costs, employee expenses and other expenses. In the Mining segment, employee expenses make up the largest share of operating costs.

Project Lean

During 2012, Nyrstar commenced a detailed and comprehensive group wide review of its corporate offices, mining operations and smelting operations to identify opportunities to sustainably reduce operating costs. This included benchmarking the sites against one another, and against external indices, on an activity based level to assess the optimal level of resources required to perform core operating and support tasks. This cost savings programme, known internally as Project Lean, has targeted the attainment of sustainable annualised cost savings of € 75 million by the end of 2014. The first phase of this project was the optimisation of Peruvian mining operations, which reduced the employee and contractor headcount by approximately 1,000 in 2012. The second phase included headcount reductions and operational efficiency improvements across all of Nyrstar's other assets. Nyrstar had achieved annualised cost savings of € 43 million by the end of 2013 and an additional € 22 million in H1 2014.

Energy expenses

Electricity is the major source of energy for Nyrstar's zinc smelters while coke and coal is the principal energy source for its multi-metal smelter. Nyrstar's mines are powered by a combination of electricity and coke and coal. The volume of energy used and its price affect the Metals Processing segment's results of operations to a relatively greater extent than they affect the Mining segment and therefore the discussion below focuses on the Metals Processing segment.

Electricity

Energy represents a significant part of Nyrstar's underlying operating costs (approximately 30%, rising to over 40% in the Metals Processing segment during the period 2011-2014).

Total energy expenses represented approximately 36%, 41%, 38% and 39% of the Metals Processing segment's underlying operating costs for the six months ended 30 June 2014 and the years ended 31 December 2013, 2012 and 2011, respectively, of which electricity costs represented approximately 80%. Electricity costs declined at several smelters during the global financial crisis of 2008/2009, due to both decreases in market prices of electricity as well as to specific features of Nyrstar's electricity supply contracts. However, in 2010 prices began to trend upwards again, particularly within Europe and increased again in 2011, while remaining flat at this elevated level in 2012, 2013 and in H1 2014.

In 2013, approximately 60% of Metals Processing segment electricity costs were incurred at Nyrstar's European smelters. Nyrstar's electricity costs depend on regional pricing dynamics. Electricity prices are higher in Europe than in other locations where Nyrstar operates. Nyrstar attempts to limit its exposure to short term energy price fluctuations by actively managing its electricity purchasing requirements in Europe through a flexible approach which assesses current market prices, future expectations on prices and other factors.

Nyrstar has taken and continues to take other steps designed to mitigate the impact of rising electricity costs, including focusing on improvements to its production efficiencies, such as increasing its use of secondary feed materials which require less energy to process.

In 2013, Nyrstar sourced most of its zinc smelting electricity consumption in Australia and the U.S. under long term contracts valid for at least five years, although a portion of the electricity used in the Port Pirie and Hobart smelters was sourced under shorter contracts or spot purchases. In the U.S. the price is adjusted quarterly based upon the energy fuels index. In Europe long-term contracts were not available in 2013, but a portfolio of forward contracts provided or provides price protection for 90% and 70% of the volume in 2012 and 2013, respectively, and 40% and 35% for 2014 and 2015, respectively.

Nyrstar is also actively assessing means of leveraging its position as a major electricity purchaser in Europe. For example, the Auby site is a member of the ''Exeltium'' consortium which seeks to increase the long-term visibility and stability of its electricity sourcing terms. The members of the Exeltium consortium include several industrial companies with production facilities in France.

Coke and coal

Coke and coal are important inputs at Nyrstar's Port Pirie operation, where coke is used in the lead blast furnace to convert lead oxide to metallic lead bullion and coal is used in its slag fuming furnaces to extract zinc oxide for subsequent processing. Coke and coal are sourced on annual contracts from a number of suppliers. Along with other energy costs, both coke and coal prices fell during the global financial crisis of 2008/2009 and subsequently started to increase during 2010. Prices peaked in early 2011 and then fell back to levels experienced in Q3 2010, and remained relatively stable in 2012 and 2013.

Employee benefits expenses

Employee benefits expenses accounted for approximately 32%, 31%, 30% and 28% of Nyrstar's Metals Processing underlying operating costs in H1 2014 and in 2013, 2012 and 2011, respectively; and approximately 38%, 38%, 35% and 28% of the Mining segment's underlying operating costs in H1 2014 and in 2013, 2012 and 2011, respectively. The main drivers of employee benefits costs include: the number of full- and part-time employees employed at Nyrstar sites and in corporate functions; the existence of various collective bargaining agreements, which determine the terms and conditions of employment, at different sites; the competition for skilled workers near the location of Nyrstar's sites; and employee-related legislation and taxes in the different jurisdictions in which Nyrstar operates. Nyrstar also has defined benefit pension plans at a number of its operations. Nyrstar is compliant with applicable local regulations regarding its funding obligations in respect of these plans. In line with such local regulations, some of these plans are not fully funded, with the unfunded portion being provisioned. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Planned smelter shutdowns

Nyrstar's Metals Processing segment's results are affected by the planned shutdowns of smelters and equipment for periodic maintenance and/or improvements. During these shutdowns, which can vary in length, the plants and equipment are off-line and based on the extent of the site affected, production of metal can cease or be severely limited. Typically the roasters at Nyrstar's zinc smelters are shut down once every two years for a few weeks for periodic planned maintenance. In addition, more lengthy shutdowns are required with less frequency for more extensive maintenance. For example, in 2013 the Balen smelter carried out a major planned maintenance shutdown of its roaster and acid plant, for a duration of nine weeks, and of the cellhouse, for a period of two weeks. Also during 2013, the Auby smelter carried out two successful maintenance shutdowns of its zinc plant and the Clarksville smelter conducted a two week planned maintenance shutdown of its roaster and acid plant. In July 2013, Port Pirie carried out a successful shutdown of its sinter and blast furnace for approximately one week to carry out repair work, with an estimated impact on lead production of 6,000 tonnes and smaller impacts on zinc, copper, silver and gold production. In H1 2014, the Port Pirie smelter carried out a planned three week maintenance shutdown of its slag fumer, and the Balen and Hobart smelters carried out planned three week shutdowns of their roasters.

Equipment failures and other unplanned shutdowns

Nyrstar's results can be affected by unplanned equipment failures within different parts of the process. While procedures are in place for continuous monitoring of all equipment by site maintenance teams, failures do happen. Depending on the nature of the equipment or parts that fail, there can be minimal disruption or there can be a lengthier impact on operations and production. For example, lead metal production at Port Pirie decreased by 19% in 2012 compared to 2011 due to an unplanned shutdown of a blast furnace in the third quarter of 2012. In H1 2014, the Port Pirie blast furnace also suffered a leaking fore-hearth leading to an unplanned 12-day shutdown, which impacted H1 2014 metal production. Also in H1 2014, three significant equipment failures at the Tennessee mines resulted in a 3% decrease in zinc production compared to H2 2013.

Similarly, Nyrstar's results can be affected by unplanned stoppages caused by factors other than equipment failure. For example, production in 2012 at the Coricancha mine was materially impacted by the suspension of milling operations during Q2 2012 due to a temporary suspension imposed by the Peruvian mining authority. The order concerned the storage and planned movement of legacy tailings to a new facility which had been constructed by Nyrstar. Due to the milling suspension, no concentrate production was possible at Coricancha during Q2 2012. Production recommenced in July 2012 when authorisation was given for the Coricancha mine to re-start milling operations. Similarly, in February and March 2013, mining activity at the Campo Morado mine was suspended due to the temporary cancellation of the site's explosives permit; the permit was reinstated in April and production then resumed. Nyrstar's operations can also be impacted by severe weather issues, such as record regional temperatures in Q1 2013, which resulted in power reductions and impacted production at the Hobart smelter and severe winter weather, which impacted zinc cathode production at the Clarksville smelter in H1 2014.

Production curtailments due to economic circumstances

In adverse economic circumstances Nyrstar has in the past taken actions to reduce production levels and suspend operations at some of its smelters to ensure the sustainable future of those operations. For example, during the last trough in zinc prices in 2008/2009, Nyrstar suspended operations at the Balen smelter for nearly a year and operated the Budel and Clarksville smelters at reduced levels for around six months. Similarly, in 2013 Nyrstar temporarily halted operations at the Coricancha mine as a result of sustained lower precious metal prices. If similar economic conditions were to arise again, Nyrstar would consider taking similar decisive action in its smelting and mining operations.

Exchange rates

Nyrstar uses the Euro as its reporting currency for financial reporting purposes. As Nyrstar has revenue and costs denominated not only in Euro, but also in U.S. Dollars and Australian Dollars, and to a lesser extent Canadian Dollars, Peruvian Sols, Mexican Pesos, Swiss Francs, Honduran Lempiras and Chilean Peso, exchange rate fluctuations affect its reported results of operations.

Nyrstar's operating costs are generally denominated in Euro, Australian Dollars, Canadian Dollars, U.S. Dollars, Peruvian Sols, Mexican Pesos, Swiss Francs, Honduran Lempiras and Chilean Peso, with some other costs either expressed in U.S. Dollars, such as concentrate prices and sea freight charges, or linked to the U.S. Dollar price of metals and other commodities, such as natural gas and coking coal, regardless of where the operation is located. In particular, 40% of costs in the Metals Processing segment are denominated in Australian Dollars.

However, most of Nyrstar's revenue is denominated in U.S. Dollars, as that is the currency in which zinc, lead and most of its other products are priced. As a result, movements in the U.S. Dollar/Euro exchange rate and Australian Dollar/Euro exchange rate, among others, will affect Nyrstar's reported results of operations (see ''—Sensitivity analysis'' below). Nyrstar is able to mitigate the impact of exchange rate movements to a certain extent as both its purchases of zinc and lead concentrates and its sales of refined zinc and lead metal are generally priced in U.S. Dollars. Beyond those situations, however, Nyrstar has only limited opportunities to match the currencies of its revenues and costs. In addition, to the extent Nyrstar borrows in currencies other than the Euro, it will be exposed to any movement of the Euro against that currency.

Nyrstar may also undertake to hedge or mitigate its exposure to exchange rate fluctuations in circumstances when Nyrstar incurs significant capital expenditure commitments in currencies other than the Euro (such as capital expenditure costs associated with the Port Pirie Redevelopment). See ''—Disclosure on market risk—Market risk—Foreign currency exchange risk''.

Environmental costs

Nyrstar's smelters and mines operate under licenses issued by governmental authorities that control, amongst other things, air emissions and water discharges and are subject to stringent laws and regulations relating to waste materials and various other environmental matters. Additionally, each operation, when it ultimately ceases operations permanently, will need to be rehabilitated. As a result of the long histories of Nyrstar's smelting sites, some of which have been the site of metal smelting activities for more than 50 to 100 years, and changes in regulatory standards over time, Nyrstar has been required to incur, and will continue to incur significant expenditures in respect of remediation of soil and groundwater contamination, upgrading of pollution control equipment for air and water emissions, upgrading of facilities to reduce fugitive air emissions and prevent soil contamination and by-product and waste management at some of its facilities. At Nyrstar's mines, the more significant environmental issues currently relate to the management of areas of historical disturbance and to management of water and tailings and waste from current mining activities.

Nyrstar has made significant investments to reduce its environmental impact in the areas in which it operates and to ensure that it is able to comply with environmental standards. All of Nyrstar's sites have environmental improvement initiatives relating to reducing emissions and waste, and improving the efficiency of use of natural resources and energy. In addition, Nyrstar has introduced a common safety system, policies and processes at all of its smelters and mines. New environmental regulations are constantly under consideration in all jurisdictions in which Nyrstar operates and it is continuously evaluating its obligations relating to new and changing legislation.

Where appropriate, Nyrstar establishes environmental provisions for restoration of existing contamination and disturbance, with all material issues being reviewed annually. Since the creation of Nyrstar, the Nyrstar management committee as key decision maker, believes it has adequately provided for environmental obligations for Nyrstar's smelters given the current regulatory frameworks in which they operate. With the acquisition of each mine, the Nyrstar management committee has reviewed environmental provisions in place at the time of acquisition, and where appropriate made changes. Management has made and continues to make estimates, if determinable, of the anticipated costs that may be necessitated by environmental laws and regulations. Provisions are made for the present value of anticipated costs for future restoration and rehabilitation of smelting sites and other environmental related expenditure to the extent (i) there is a present obligation, (ii) the expenditure is probable and (iii) a reliable estimate can be made of the amount of such obligation. Provisions associated with smelter sites primarily relate to soil and groundwater contamination and provisions associated with mine sites are associated with closure and rehabilitation obligations.

Nyrstar has a Corporate Environmental Assurance programme to support group governance and risk management processes and ensure that all material environmental issues are regularly reviewed and conformance with group environmental standards and regulatory requirements are assessed. The programme includes annual reviews of environmental liabilities and provisions for all wholly owned Nyrstar sites. Environmental liability estimates are subject to third party verification by an environmental consultant (ERM) every third year.

Nyrstar's environmental provisions, established in accordance with IFRS, amounted to € 193.2 million as of 30 June 2014 (a slight increase from € 188.2 million, € 179.5 million and € 183.0 million as of 31 December 2013, 2012 and 31 December 2011, respectively). € 66.3 million of this relates to smelting assets, and € 126.9 million relates to mines. The environmental provisions relating to smelting assets excludes closure costs as it is assumed that smelters operate indefinitely and consequently the amount of the provision cannot be reliably estimated.

Asset impairments

Nyrstar's results can be affected by significant events such as site restructurings and asset impairments. The steep downturn in the global economy in 2008/2009 resulted in a sharply reduced demand for metals and had a pronounced negative effect on Nyrstar's business, results of operations and financial condition, resulting in a total impairment charge of € 575 million for the 2008 financial year. This included a full impairment of the goodwill on Nyrstar's balance sheet resulting from its formation in 2007. Assets that are subject to impairment include tangible assets (such as property plant and equipment or streaming agreements) and intangible assets such as goodwill.

Goodwill is carried at cost less any accumulated impairment losses. The goodwill balance of € 125 million at 31 December 2012, which was fully written down in 2013, was a result of the IFRS requirement to recognise as a part of the acquisition accounting a deferred tax liability calculated as the difference between the tax effects of the fair value of the assets and liabilities acquired and their tax bases. In respect of other assets, impairment losses continue to be assessed on an annual basis at each reporting date for any indications that the loss has decreased or no longer exists. In considering these impairments, Nyrstar primarily focuses on short and long term forecast zinc and lead prices, as well as a number of other factors, including ongoing operating costs that include energy prices, maintenance capital expenditure, treatment charges, production volumes and interest and exchange rates.

In 2013, Nyrstar recognised pre-tax impairment charges on mining assets of € 202.6 million, reversals of prior impairments related to its metals processing assets of € 207.4 million and impairment charges on non-core operations of the Group of € 24.9 million, resulting in a net impairment loss of € 20.1 million. Recoverable values were determined on the basis of fair value less cost to sell (''**FVLCS**'') for each operation. The FVLCS recoverable values for the Mining and Metals Processing operations were determined as the present value of the estimated future cash flows (expressed in real terms) expected to arise from the continued use of the assets (life of asset), including reasonable forecast expansion prospects and using assumptions that an independent market participant would take into account. These cash flows were discounted using a real after-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the operation. See ''—Results of operations for the years ended 31 December 2013 and 31 December 2012'' below.

The majority of the impairment losses recognised on the Group's non-core assets relate to investments in equity securities that have been valued at fair value with mark to market movements of € 12.9 million recognised in other comprehensive income based on the market prices indicating a significant decline in the market value of the investment. The impairment losses of the investments in equity accounted investees of € 10.6 million have been estimated under the FVLCS method using discounted cash flow models.

Nyrstar may also recognise significant impairment losses in the future, including in respect of its Amended Zinc Streaming Agreement with Talvivaara. As Talvivaara's liquidity position weakened further in 2013 and it commenced a corporate reorganisation process in 2013, considerable uncertainties exist as to Talvivaara continuing as a going concern and the performance of its obligations under the Amended Zinc Streaming Agreement. It is possible, though in Nyrstar's view not probable, that the outcome of the reorganisation will result in the carrying value of the Amended Zinc Streaming Agreement being impaired. The maximum amount of any impairment would be € 176.1 million (being the tax effected carrying value of the Amended Zinc Streaming Agreement of € 223.4 million). An impairment of this magnitude would have a significant impact on Nyrstar's reported results of operations and financial condition, ability to borrow additional funds for working capital (over the longer term), capital expenditure, acquisitions and other general corporate purposes, and credit rating, potentially resulting in a downgrade. See ''Business—Mining—Talvivaara Zinc Streaming Agreement''.

Taxes

The main tax jurisdictions in which Nyrstar operated in 2013 were Australia, Belgium, Canada, Chile, France, Honduras, Mexico, The Netherlands, Peru, Switzerland and the United States. Based on the proportion of its income from each of these jurisdictions, Nyrstar's effective tax rate in the first half of 2014 and for the years ended 31 December 2013, 2012 and 2011 was approximately 15%, (6%), 13% and

18%, respectively. Nyrstar's effective tax rate is affected by the relative weight of profits amongst different subsidiaries in different jurisdictions. Continued impairment losses may also affect tax rates to the extent they are not deductible.

Nyrstar has accumulated tax losses in some of the jurisdictions where it operates and deferred tax benefits have been recognised to the extent it is likely that future taxable amounts will be available. Nyrstar expects to benefit from these deferred tax benefits through a decrease in its actual cash tax payments until such deferred tax benefits are used up or expire, although Nyrstar may not be able to use such deferred tax benefits in certain circumstances, such as following a change in law.

Sensitivity analysis

Nyrstar's results are significantly affected by changes in metal prices, exchange rates and treatment charges. Sensitivities to variations in these parameters are depicted in the following table, which sets out the estimated impact of a change in each of the parameters on Nyrstar's full year underlying EBITDA based on the actual results and production profile for the six months ended 30 June 2014 and for the years ended 31 December 2013, 2012 and 2011, respectively.

		Estimated underlying EBITDA impact (€ million)			
Parameter	**Variable**	**Six months ended 30 June 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**	**Year ended 31 December 2011**
Zinc price	+/− US$100/tonne	+30 / −29	+28 / −28	+35 / −34	+31 / −31
Lead price	+/− US$100/tonne	+2 / −2	+2 / −2	+2 / −2	+1 / −1
Copper Price	+/− US$500/tonne	+6 / −6	+6 / −6	+6 / −6	NA
Silver price	+/− US$1/troy ounce	+4 / −4	+4 / −4	+4 / −4	+3 / −3
Gold price	+/− US$100/troy ounce	+5 / −5	+6 / −6	+8 / −8	+3 / −3
€/US$	+/− €0.01	+18 / −18	+18 / −18	+18 / −18	+11 / −11
€/AUD	+/− €0.01	−3 / +3	−3 / +3	−3 / +3	+3 / −3
Zinc treatment charge	+/− US$25/dmt	+29 / −29	+28 / −28	+25 / −25	+30 / −30
Lead treatment charge	+/− US$25/dmt	+5 / −5	+5 / −5	+4 / −4	−4 / +4

The above sensitivities were calculated by modelling Nyrstar's underlying operating performance for the period. Each parameter is based on an average value observed during that period and is applied in isolation to determine the underlying EBITDA impact. Sensitivities are:

- Dependent on production volumes and the economic environment observed during the reference period.
- Not reflective of simultaneously varying more than one parameter; adding them together may not lead to an accurate estimate of financial performance.
- Expressed as linear values within a relevant range. Outside the range listed for each variable, the impact of changes may be significantly different to the results outlined.

These sensitivities should not be applied to Nyrstar's results for any prior periods and may not be representative of the underlying EBITDA sensitivity of any of the variations going forward.

Key operational and financial measures

The primary production measures for the Metals Processing segment are zinc metal and lead metal. These production measures include production only from the primary smelters (Auby, Balen/Overpelt, Budel, Clarksville, Hobart and Port Pirie) and (prior to its disposal in November 2011) the ARA joint venture (50%). Internal transfers of cathode for subsequent melting and casting and production at Föhl (disposed of in April 2014), Galva 45 (disposed of in October 2012), Genesis (expected to be disposed of in September 2014) and GM Metal are excluded. In addition, selected other by-product volumes are also provided below, namely gold, silver, copper cathode (all produced at the Port Pirie multi-metal smelter) and sulphuric acid.

The primary production measure for Nyrstar's zinc mines (Tennessee Mines, Contonga and Pucarrajo, Myra Falls, Langlois, El Mochito, El Toqui and the Campo Morado operation) and the Talvivaara Zinc Streaming Agreement is zinc in concentrate. Production of secondary metals in concentrate is also tracked for the Contonga and Pucarrajo and Campo Morado poly-metallic mines. For Coricancha, the primary production measure is gold in concentrate, with secondary metals in concentrates also reported.

''Recordable injuries'' are any injury requiring medical treatment beyond first aid. ''Recordable injury rate'' and ''lost time injury rate'' are twelve-month rolling averages of the number of recordable injuries and lost time injuries (respectively) per million hours worked, and include all employees and contractors across all operations.

''Gearing'' is net debt to net debt plus equity at end of period.

Metals Processing ''operating cost per tonne of primary market metal'' (zinc and lead) is reported on an asset by asset basis and denominated in Nyrstar's reporting currency (Euro). This Metals Processing segment measure excludes the refined lead production from ARA.

''C1 cash costs'' as used in this Prospectus are as defined by Wood Mackenzie: the costs of mining, milling and concentrating, on-site administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of by-product credits. Mining C1 cash costs are reported on an asset by asset basis and denominated in U.S. Dollars. For Nyrstar's zinc mines, C1 cash costs are reported on a payable zinc basis, for Coricancha it is reported on a payable gold basis. With respect to the Talvivaara Zinc Streaming Agreement, an ''equivalent'' C1 cash cost is calculated on the basis of the benchmark treatment charge and the extraction and processing fee on a payable zinc basis. There is a high level of variation in the C1 cash costs achieved across Nyrstar's mining segment. With the exception of the Tennessee Mines, all of Nyrstar's mines contain high levels of by-products such as gold, silver, lead and copper that reduce (via by-products credits) the C1 cash costs of producing zinc from such mines. The C1 cash costs for the mines are therefore greatly impacted by by-product prices.

Key operational and financial measures described in this section have neither been audited nor reviewed by Nyrstar's statutory auditor.

Financial and operational overview

The following tables summarise key operational and financial information for Nyrstar and its operating segments for the six months ended 30 June 2014, 31 December 2013 and 30 June 2013 and for the years ended 31 December 2013, 2012 and 2011.

The following should be read in conjunction with the Nyrstar Financial Statements, as well as the information presented elsewhere in this Prospectus.

€ millions (unless otherwise indicated)	**Six months ended 30 June 2014**	**Six months ended 31 December 2013**	**Six months ended 30 June 2013**	**Year ended 31 December 2013**	**2012**	**2011**
Mining Production						
Zinc in Concentrate ('000 tonnes)	157	140	145	285	312	207
Gold in Concentrate ('000 troy ounces)	29.2	50.4	24.8	75.2	94.6	49.9
Silver in Concentrate ('000 troy ounces)	2,502	2,383	2,363	4,746	5,517	3,673
Copper in Concentrate ('000 tonnes)	6.2	6.6	6.3	12.9	13.0	7.7
Metals Processing Production(1)(2)						
Zinc Metal ('000 tonnes)	552	569	519	1,088	1,084	1,125
Lead Metal ('000 tonnes)	93	93	86	179	158	211
Market						
Average LME zinc price (US$/t)	2,051	1,883	1,937	1,909	1,946	2,191
Average exchange rate (€/US$)	1.37	1.34	1.31	1.33	1.28	1.39
Key Financial Data						
Revenue	1,354	1,394	1,430	2,824	3,070	3,348
Treatment charges	136	136	125	261	238	316
Payable metal/free metal contribution	290	282	299	581	645	534
Premiums	76	66	61	127	115	120
By-products	192	198	190	388	447	418
Other	(57)	(53)	(53)	(106)	(89)	(102)
Gross profit	637	629	622	1,251	1,356	1,286
Underlying operating costs(3)	(527)	(532)	(535)	(1,067)	(1,137)	(1,022)
Underlying EBITDA(3)	**110**	**98**	**87**	**185**	**221**	**265**
Results from operating activities before exceptional items	(15)	(17)	(29)	(46)	(6)	122
Profit/(loss) for the period	**(66)**	**(104)**	**(92)**	**(195)**	**(97)**	**36**
Sustaining capex	52	57	71	126	148	126
Growth capex	20	15	15	31	30	53
Exploration and development capex	21	17	25	42	69	50
Capital expenditure	**93**	**89**	**111**	**199**	**248**	**229**
Cash flow from operating activities	167	205	94	299	361	121
Change in net working capital(4)	55	70	104	174	219	21
Net debt/(cash), end of period(5)	653	670	756	670	681	718
Gearing (%), end of period(6)	44%	44%	42%	44%	37%	35%
Underlying EBITDA €/t(7)	155	138	131	135	138	199
Net debt/LTM underlying EBITDA, end of period(8)	3.1x	3.6x	3.9x	3.6x	3.1x	2.7x
Earnings per share	(0.42)	(0.68)	(0.58)	(1.27)	(0.58)	0.24

Notes:

(1) In June 2013, Nyrstar announced an organisational restructuring in which the existing Smelting segment was rebranded as the Metals Processing segment.

(2) Includes production from primary and secondary smelters only (Auby, Balen and Overpelt, Budel, Clarksville, Hobart, Port Pirie and ARA). Internal transfers of cathode for subsequent melting and casting are removed in the elimination line. Lead production at ARA reflects Nyrstar's ownership (50%) prior to its disposal in November 2011. Production at Föhl (disposed of in April 2014), Galva 45 (disposed of in October 2012) and Genesis (expected to be disposed of in September 2014) are not included.

(3) Underlying EBITDA and underlying operating costs are unaudited, non-IFRS measures. For further information, see ''Selected Financial Information—Reconciliation of underlying EBITDA and underlying operating costs''.

(4) Change in net working capital is calculated as the aggregate of change in inventories, change in trade and other receivables, change in deferred income and change in trade and other payables as disclosed in the consolidated statement of cash flow.

(5) Net debt/(cash) is calculated as non-current and current loans and borrowings less cash and cash equivalents.

(6) Gearing is calculated as net debt to net debt plus total equity at end of period.

(7) Calculated as underlying EBITDA divided by the sum of Mining contained zinc in concentrate production ('000 tonnes) plus Metals Processing zinc market metal production ('000 tonnes).

(8) Net debt/LTM underlying EBITDA is calculated as non-current and current loans and borrowings less cash and cash equivalents divided by underlying EBITDA for the last twelve months (or for 30 June data, for the sum of the prior two fiscal halves).

Production

The table below shows key production information for the six months ended 30 June 2014 and 31 December 2013 and for the years ended 31 December 2013, 2012 and 2011. See ''—Results of operations for the six months ended 30 June 2014 and 31 December 2013'', ''—Results of operations for the years ended 31 December 2013 and 2012'' and ''—Results of operations for the years ended 31 December 2012 and 2011'' for analysis.

	Six months ended 30 June 2014	Six months ended 31 December 2013	Year ended 31 December		
			2013	2012	2011
Mining					
Zinc in Concentrate ('000 tonnes)	157	140	285	312	207
Gold in Concentrate ('000 troy ounces)	29.2	50.4	75.2	94.6	49.9
Silver in Concentrate ('000 troy ounces)	2,502	2,383	4,746	5,517	3,671
Lead in Concentrate ('000 tonnes)	7.9	6.3	14.2	16.2	7.8
Copper in Concentrate ('000 tonnes)	6.2	6.6	12.9	13	7.7
Metals Processing(1)(2)					
Zinc Metal ('000 tonnes)	552	569	1,088	1,084	1,125
Lead Metal ('000 tonnes)	93	93	179	158	211
Copper cathode ('000 tonnes)	2	2	4	3	4
Silver (million troy ounces)	7.2	9.0	17.9	13.8	18.6
Gold ('000 troy ounces)	20	31	66	56	36
Sulphuric acid ('000 tonnes)	697	741	1,389	1,388	1,400

Notes:

(1) In June 2013, Nyrstar announced an organisational restructuring in which the existing Smelting segment was rebranded as the Metals Processing segment.

(2) Includes production from primary and secondary smelters only (Auby, Balen and Overpelt, Budel, Clarksville, Hobart, Port Pirie and ARA). Internal transfers of cathode for subsequent melting and casting are removed in the elimination line. Lead production at ARA reflects Nyrstar's ownership (50%) prior to its disposal in November 2011. Production at Föhl (disposed of in April 2014), Galva 45 (disposed of in October 2012) and Genesis (expected to be disposed of in September 2014) are not included.

Market review

The table below shows key market information for the six months ended 30 June 2014 and 31 December 2013 and for the years ended 31 December 2013, 2012 and 2011. See ''—Results of operations for the six months ended 30 June 2014 and 31 December 2013'', ''—Results of operations for the years ended 31 December 2013 and 2012'' and ''—Results of operations for the years ended 31 December 2012 and 2011'' for analysis.

	Six months ended 30 June 2014	Six months ended 31 December 2013	Year ended 31 December		
			2013	2012	2011
Exchange rate (€/US$)	1.37	1.34	1.33	1.28	1.39
Zinc price (US$/tonne, cash settlement)	2,051	1,883	1,909	1,946	2,191
Lead price (US$/tonne, cash settlement)	2,101	2,106	2,141	2,061	2,398
Copper price (US$/tonne, cash settlement)	6,916	7,113	7,322	7,950	8,810
Silver price (US$/t.oz, LBMA AM fix)	20.05	21.07	23.97	31.15	35.12
Gold price (US$/t.oz, LBMA AM fix)	1,291	1,302	1,410	1,662	1,572

Note: Zinc, lead and copper prices are averages of LME daily cash settlement prices. Silver and gold prices are averages of LBMA AM daily fixing prices.

Exchange rate

In H1 2014, the Euro strengthened by 2% against the U.S. Dollar, from an average of 1.34 in H2 2013 to 1.37 in H1 2014. The appreciation of the Euro relative to the U.S. Dollar negatively impacted Nyrstar's earnings in H1 2014 as revenues are largely denominated in U.S. Dollars.

In 2013, the Euro strengthened against the U.S. Dollar from an average of 1.28 in 2012 to an average of 1.33 in 2013, although punctuated by brief periods of weakness when concerns regarding European sovereign debt emerged. While this development has had a negative effect on Nyrstar's EBITDA, it has had the effect of rebalancing Europe from excessive reliance on exports towards consumption-led growth, which has led to a pick-up in European industrial demand.

Base metals

In 2013, the slower pace of growth in China undermined sentiment in base metal markets and accelerated the switch of investment funds from base metals and into other assets, most notably developed world equities. As a consequence, base metal prices were effectively range-bound for much of 2013. However, in 2014 as the economic recovery in the developed world gained momentum and concerns surrounding the Chinese economy and the emerging markets eased, market sentiment towards the base metals improved and prices began to increase towards the end of H1 2014.

Zinc

During 2013, Chinese smelter production was constrained by poor profitability, which, together with good domestic demand, resulted in a 21% increase in Chinese imports of refined zinc year on year, drawing down inventories of refined zinc outside China and supporting global premiums throughout the year.

Although the average annual zinc price fell by 2% in 2013 to US$ 1,909 per tonne, the improving fundamentals of zinc, including an estimated 3.9% rise in global zinc consumption (according to Wood Mackenzie), meant that the zinc price outperformed the prices of other base metals. Good demand growth from zinc's key end use sectors during H1 2014, together with only modest growth in Chinese smelter production, resulted in zinc's fundamentals continuing to strengthen and global inventories of refined zinc falling further. This, combined with market expectations that zinc's fundamentals will continue to improve, has boosted investor interest in zinc and helped the price to rise by 9% from US$ 1,883 per tonne in H2 2013 to an average of US$ 2,050 per tonne in H1 2014.

Lead

The average lead price increased modestly during 2013, appreciating by almost 4%. End-use demand continued to grow at a healthy pace on a global basis, although this softened from 6.1% growth in 2012 to an estimated 3.6% in 2013, according to Wood Mackenzie. This is expected to increase marginally in 2014, to 3.8%. Demand growth continues to be impacted by a slowdown in some end uses, particularly the Chinese electric bicycle sector, which saw a contraction in H1 2014. However, Chinese refined output also contracted year on year over the first six months of 2014 although prices failed to react, falling by 3.4% over the period. The outlook for H2 2014 and the short- to medium-term is characterised by supply-side shortages, tougher environmental regulation and refined market deficits which is supportive of higher prices.

Copper

In H1 2014, the copper market was hit by a wave of negative sentiment during the first quarter which manifested in a 13% decline in prices since January. The market came under pressure on weak manufacturing data out of China and the United States. The majority of the price slump occurred in March on the back of on-going concerns about the overall health of the Chinese economy and its credit issues; a decline in the HSBC Purchasing Managers' Index (PMI) to an eight-month low of 48.1 in March was swiftly followed by the first corporate onshore bond default in China. Tight physical supply and declining exchange stocks supported higher prices in the subsequent months but copper came under pressure once again at the beginning of June on news of alleged warehousing fraud at Qingdao port in China. The news resulted in a sharp fall in prices amid fears that bonded inventories would flood the market. Those fears proved to be unfounded and the market has since recovered strongly to trade well over US$ 7,000 per tonne in early July 2014, supported by a combination of a weaker U.S. Dollar, dwindling exchange inventories and positive macroeconomic news flows. The average cash copper price for H1 2014 was US$ 6,916 per tonne.

The average copper price in 2013 was US$ 7,322 per tonne, an 8% decline compared to US$ 7,950 per tonne in 2012. It is estimated by Wood Mackenzie that total global copper consumption, which includes direct use of scrap, will have increased by 3.7% in 2013, a significant improvement compared to almost flat consumption growth in 2012. This resulted in significant tightness in the refined copper market in 2013. While the copper concentrate market was understood to be in a surplus at the end of 2013, copper mine production continued to face setbacks and disruptions. Tighter scrap availability during 2013 constrained refined production, and this continued to support prices.

Gold and silver

Increasing confidence regarding global growth as well as a stronger U.S. Dollar index created downward pressure on precious metals in 2013 with the average gold price 15% lower in 2013 than in 2012. Average silver prices depreciated by approximately 24% in 2013 from 2012. This trend continued in H1 2014, albeit to a lesser extent. The average gold price decreased modestly during H1 2014, depreciating by almost 1% compared to H2 2013, while the average silver price experienced a sharper decline, depreciating by almost 5% compared to H2 2013.

Sulphuric acid

In 2014, prices achieved by Nyrstar on sales of sulphuric acid showed a slight increase from an average of US$ 40 per tonne in H2 2013 to an average of US$ 41 per tonne in H1 2014. The sulphuric acid market had a weak Q1 2014 with the fertiliser industry making fewer acid purchases due to sufficient raw material stock levels for production, and low order volumes. A much stronger Q2 2014 was driven by increased fertiliser demand, particularly in South America and the United States.

Wood Mackenzie Forecasts

According to Wood Mackenzie, in 2014 global zinc consumption is forecast to grow by 5.3%, global lead consumption by 4.7% and global copper consumption by 6.2%.

Results of operations for the six months ended 30 June 2014 and 31 December 2013

Gross profit for H1 2014 was up 1% on H2 2013 to € 637 million, driven principally by improved contributions from premia (up 15% to € 76 million), offset in part by an unfavourable Euro to U.S. Dollar exchange rate. The increase in premia contribution to Gross profit was supported by the Marketing, Sourcing & Sales business unit delivering on one of its core objectives to increase the net value of Nyrstar's feed book. Group Gross profit contribution from treatment charges of € 136 million was flat compared to H2 2013, with higher 2014 benchmark zinc treatment charges offset by a stronger Euro to U.S. Dollar exchange rate. Free metal income in H1 2014 was € 290 million, up 3% on H2 2013, driven by higher zinc prices and higher volumes of ore produced in the Mining segment, processed in the Metals Processing segment and sold. By-products income of € 192 million in H1 2014 was down 3% on H2 2013, driven by declines in average copper, silver and gold prices.

Group underlying EBITDA for the first six months of 2014 was € 110 million, up 12% compared to € 98 million in H2 2013 driven by improved overall production volumes, further improvement in cost control, higher realised premiums and realised treatment charges, and improved zinc prices over the period; these were offset by an overall decline in average copper, silver and gold prices, and a 2% appreciation of the Euro against the U.S. Dollar during H1 2014.

Benchmark treatment charges settled at approximately US$ 223 per dry metric tonne at a basis zinc price of US$ 2,000 per tonne, which represents a 6% improvement from the 2013 benchmark treatment charge of US$ 210.50 per dry metric tonne, at the same basis price.

The Group reported a net loss after tax for the period of € (66) million in H1 2014, compared to a net loss of € (104) million in H2 2013.

Mining segment

€ million unless otherwise indicated	Six months ended 30 June 2014	Six months ended 31 December 2013	% change	Six months ended 30 June 2013	% change
Revenue	**233**	**282**	**(17)%**	**189**	**23%**
Treatment charges	(39)	(37)	5%	(39)	—
Payable metal contribution	168	153	10%	182	(8)%
By-Products	90	90	0%	83	8%
Other	(11)	13	(185)%	—	—
Gross profit	**208**	**219**	(5)%	**226**	(8)%
Employee expenses	(69)	(68)	1%	(72)	(4)%
Energy expenses	(25)	(24)	4%	(24)	4%
Other expenses	(78)	(83)	(6)%	(87)	(10)%
Direct operating costs	**(171)**	**(175)**	(2)%	**(183)**	(7)%
Non-operating and other	(11)	2	(650)%	(10)	10%
Underlying EBITDA	26	46	(43)%	33	(21)%
Underlying EBITDA/t (€)	165	329	(50)%	**228**	(28)%

Gross profit for the Mining segment was down 5% from H2 2013 to € 208 million in H1 2014, driven primarily by increases in payable metal contribution from higher sales of zinc concentrate in H1 2014 and a higher average zinc price in the period. The H2 2013 result was also impacted by a strategic hedging gain of € 22 million of which there was none in H1 2014.

The segment treatment charge expense increased by 5% to € 39 million as a result of higher zinc concentrate sales volumes of 12% compared to H2 2013 (inclusive of volumes delivered under the Talvivaara streaming agreement) as well as an increase in the market benchmark zinc treatment charge per tonne, which was in part offset by the efforts of the Marketing, Sourcing & Sales business unit selectively placing volumes into the market at competitive spot treatment charge rates.

Payable metal contribution improved by 10% due to higher zinc production volumes (inclusive of volumes delivered under the Talvivaara streaming agreement), and the subsequent increase in sales volumes compared to H2 2013; this was offset by the appreciation of the Euro against the U.S. Dollar during the period.

By-product contributions for the period were comparable half-on-half given high volumes of lead concentrate sold during the H1 2014 and income from sales of germanium and gallium product sourced from the Tennessee mines, offset by lower sales volumes of copper and gold concentrate compared to H2 2013. Year-on-year, by-product contributions were up 8%, driven by 18% and 6% increases in the production of gold and silver, respectively, over the comparable periods.

Direct operating costs for the Mining segment were down 2% in absolute terms, despite the increase in overall zinc production volumes (inclusive of deliveries under the Talvivaara streaming agreement), reflecting Project Lean-driven savings, specifically in external services spend and stores and consumables.

The increase in non-operating and other expenses in the period represents the costs attributable to concentrate inventory carried over from the prior half and subsequently sold during the reporting period.

Direct operating costs US$/ tonne ore milled	Six months ended 30 June 2014	Six months ended 31 December 2013	% change	Six months ended 30 June 2013	% change
Campo Morado	81	81	0%	130	(38)%
Contonga	62	51	22%	91	(32)%
El Mochito	74	75	(1)%	56	32%
El Toqui	78	92	(15)%	75	4%
Langlois	115	118	(3)%	150	(23)%
Myra Falls	136	142	(4)%	132	3%
Tennessee Mines	42	39	8%	37	14%
Average DOC/tonne ore milled	**66**	**67**	(1)%	**68**	(3)%

The average direct operating cost improvement in US$/ tonne of ore milled for H1 2014 (excluding Talvivaara) of 1% on H2 2013 includes one-off operational issues relating to equipment problems at the Tennessee operations during H1 2014.

The unit direct operating costs at Contonga fell 32% year-on-year and 13% half-on-half after adjustment in H2 2013 for the reversal of a previously recorded taxation provision relating to a VAT exposure. Without adjusting for this reversal, the unit direct operating costs in Contonga increased by 22% over H2 2013. The Tennessee mines recorded an 8% half-on-half increase due to the operational issues that impacted production during the period. This was offset by an overall improvement in direct operating costs at the remaining mines attributable to initiatives from the initial ''turnaround'' phase of the Mining Strategic Review (see ''Business—Mining—Mining Strategic Review'') and the Group's Project Lean initiative. Direct operating costs at El Toqui reduced significantly half-on-half in light of a sustained increase in ore milled and improved cost management. Year-on-year direct operating costs improved by 3%.

Underlying EBITDA for the period was € 26 million, down 43% on H2 2013.

Metals Processing segment

€ million unless otherwise indicated	Six months ended 30 June 2014	Six months ended 31 December 2013	% change	Six months ended 30 June 2013	% change
Revenue	**1,309**	**1,377**	**(5)%**	**1,314**	**—**
Treatment charges	174	173	1%	164	6%
Free metal contribution	124	128	(3)%	116	7%
Premiums	75	67	12%	61	23%
By-Products	102	108	(6)%	108	(6)%
Other	(45)	(60)	(25)%	(51)	(12)%
Gross profit	**430**	**415**	**4%**	**398**	**8%**
Employee expenses	(102)	(97)	5%	(110)	(7)%
Energy expenses(1)	(117)	(131)	(11)%	(140)	(16)%
Other expenses / income(2)	(88)	(96)	(8)%	(101)	(13)%
Direct operating costs	**(307)**	**(324)**	**(5)%**	**(352)**	**(13)%**
Non-operating and other	(15)	(17)	(12)%	28	(153)%
Underlying EBITDA	**108**	**75**	44%	**74**	46%
Underlying EBITDA/t (€)	168	**113**	49%	**124**	35%
Cost/t (€)	501	**515**	(3)%	**534**	(6)%

Notes:

(1) Energy expenses do not include the net loss on the Hobart smelter embedded energy derivatives (€0.4 million loss in H1 2014; € 0.9 million gain in H2 2013; € 9.6 million loss in H1 2013).

(2) H1 2013 includes € 45 million termination fee that compensated Nyrstar for agreeing to end the European component of its commodity grade metal off-take agreement with Glencore.

Gross profit in the Metals Processing segment increased by 4% to € 430 million in H1 2014. Zinc treatment charges increased by 1% due to a higher zinc benchmark in 2014 than in 2013 (US$ 223 per dry metric tonne at a basis price of US$ 2,000 per tonne in 2014 compared to a benchmark treatment charges of US$ 210.50 per dry metric tonne at the same basis price in 2013). However, the impact of higher benchmark treatment charges was partially offset by lower market metal production and a higher proportion of concentrates purchased outside benchmark contracts compared to H2 2013. On a year-on-year comparison, gross profit was up 8% driven principally by a 23% uplift in premia contribution.

Following the termination of the European metal off-take agreement with Glencore (see ''—Contractual obligations and commitments''), Nyrstar regained direct marketing control for a significant portion of volumes, and used the Noble strategic marketing agreement to expand sales (by customer and region) of Nyrstar branded products, which positively impacted premia contribution to gross profit (see ''—Other significant events in 2013—European strategic marketing agreement for commodity grade zinc metal with Noble and Noble acquires a 1% shareholding in Nyrstar''). The total premia results increased by 12% over the prior half. Given the lower production volumes, free metal contribution of € 124 million was down 3% on H2 2013.

The contribution of by-products to gross profit in H1 2014 was € 102 million, a decrease of 6% on H2 2013. The reduced gross profit contribution was mainly driven by lower gold, silver and copper prices coupled with lower production volumes at Port Pirie as a result of an unplanned 12-day blast furnace maintenance shut down in May. This was offset in part by an improvement in sulphuric acid prices and increased indium metal and germanium leach sales from the Group's Auby and Clarksville smelters.

The contribution of other gross profit elements increased by 25%, attributable mainly to lower freight costs relative to H2 2013.

Despite lower production volumes, the operating unit costs per tonne (of zinc and lead metal) for the segment improved by 3% against H2 2013 to € 477 per tonne (down 18% against H1 2013), driven by a combination of reduced external service costs in the period and lower energy expenses compared to H2 2013. In absolute terms, direct operating costs were down by 5% on the prior half, and 13% year-on-year. Additionally, the weakening of the Australian Dollar against the Euro in the first half of 2014 positively impacted segmental cost performance in Euro terms as approximately 40% of the segment operating costs are denominated in Australian dollars.

The Metals Processing segment delivered underlying EBITDA of € 108 million in H1 2014, an increase of 44% compared to € 75 million in H2 2013.

Other & Eliminations

Underlying EBITDA in the Other & Eliminations segment was negative € 24 million in H1 2014, comprising the elimination of unrealised intersegment profits (for material consumed internally by the Metals Processing segment) and corporate costs that were not allocated to the operating segments. This result is in line with previous periods.

Taxation

Nyrstar recognised an income tax benefit for H1 2014 of approximately € 12 million resulting from losses from operational and goodwill write-downs, representing an effective tax rate of approximately 15% compared to an effective negative tax rate of approximately 26% in H2 2013. The negative effective tax rate in H2 2013 resulted from the non-deductibility of goodwill impairments in the Mining segment recorded in H2 2013.

Results of operations for the years ended 31 December 2013 and 31 December 2012

Group underlying EBITDA in 2013 was € 185 million, compared to € 221 million in 2012. This decline was primarily due to a decrease in commodity prices and adverse operational events, offset by a gain in strategic hedging and a one-off termination fee Nyrstar received from Glencore, as further discussed below.

The decline in underlying EBITDA was driven in part by downward movements in commodity prices, especially silver copper and gold, which declined on an annual average basis by 24%, 8% and 15% respectively. Year over year annual average zinc price also declined by 2% in U.S. Dollar terms and by 5% in Euro terms due to the appreciation of the Euro against the U.S. Dollar. In addition, lower production volumes in the Mining segment contributed to the underlying EBITDA decline.

Operational events, such as the two month suspension at Campo Morado during H1 2013, operational challenges at Myra Falls and Middle Tennessee mines, as well as lower zinc concentrate deliveries from Talvivaara all had an unfavourable impact on Group earnings for the year. Additionally, the 2012 result benefited from a € 24 million contribution from the recovery, processing and sale of silver bearing material at the Port Pirie smelter that was recovered from under the precious metals refinery, in addition to the silver produced pursuant to the normal processes.

Two large one-off items partially offset the challenging price environment and operational events of 2013: a gain of € 36.4 million on short term strategic hedging of zinc, gold and silver prices via cash settled put options and collars, under which Nyrstar benefited from a drop in prices in the period between the time it entered into the strategic hedges and the expiry date of the hedges (see ''—Other significant events in 2013—Strategic hedging of metal prices''); and a € 45 million termination fee Nyrstar received for ending the European component of Nyrstar's commodity grade off-take agreement with Glencore (see ''—Contractual obligations and commitments'').

Benchmark treatment charges for 2013 settled at US$ 212/dmt, basis US$ 2,000, which was US$ 21 above 2012 terms. The 2013 net treatment charge income at Group level of € 261 million represents an increase by € 23 million over 2012, largely driven by lower treatment charge expense in the Mining segment due to lower production volumes in 2013. In the Metals Processing segment treatment charge income remained flat year over year as a result of higher treatment charge income from benchmark contracts being offset by purchases of more complex materials, which delivered greater free metal and by-product value, outside frame contracts.

The loss after tax result in 2013 of € (195) million, compared to a loss of € (96) million in 2012, was impacted by the lower Group underlying EBITDA result (down € 36 million from 2012) and the income tax charge for 2013 of € 11 million (up € 26 million from the 2012 income tax benefit of € 15 million) as a result of impairments recorded in 2013 being non tax-deductible, recognition of previously unrecognised tax losses and temporary differences and unrecoverable withholding tax. The loss after tax result in 2013 was also impacted by net finance expenses of € 99 million for 2013 (up € 6 million from 2012) due to the increase in other finance charges, which include the costs of executing the short term strategic metal price hedging. Depreciation, depletion and amortisation charges increased marginally by € 2 million for the year. (The 2012 result benefited from a gain of € 27 million on disposal of equity accounted investees.)

The 2013 result includes a net non-cash impairment charge before tax of € 20 million (2012: € 18 million), comprising of a charge of € 203 million on Nyrstar's Mining assets, a charge of € 25 million on non-core equity accounted investees and securities and partial impairment reversals related to Nyrstar's Metal Processing assets for a gain of € 207 million.

The mining asset impairments resulted from declines in the recoverable values of the mining operations resulting primarily from the introduction of a Mexican mining tax at Campo Morado, which went into effect on 1 January 2014 and comprises a 7.5% net income tax, plus a 0.5% gross revenue tax on gold and silver production; suspension of the operations at Coricancha and Pucarrajo in Peru without current plans to fully restart these operations; and lower precious metal prices. The impairment tests resulted in the full impairment of Nyrstar's previously recognised goodwill. The Peruvian mines and Campo Morado represented € 74.7 million and € 89.8 million, respectively, of the Mining segment's impairment charges for 2013 (81%).

In 2013, Nyrstar prepared recoverable value estimates for all Metals Processing assets. As a result of these recoverable value estimates, Nyrstar reversed impairment charges previously recognised in the year ended 31 December 2008 in connection with the Balen smelter (€ 148.9 million) and the Port Pirie smelter (€ 58.5 million). In each case, the impairment reversal was after adjusting for accumulated amortisation which would have been recorded had the 2008 impairments not been recorded.

The reversal of impairment at the Balen smelter was driven by the continuous, sustained improvements in operating results at the Balen smelter since 2008 particularly in relation to zinc recovery rates and energy costs which combined with the favourable zinc price outlook provide objective evidence that the recoverable amounts of the assets in Balen exceed their carrying value after reversal of the 2008 impairment charge. The reversal of impairment at the Port Pirie smelter is due to the planned Port Pirie Redevelopment, a capital expansion plan which will significantly change the nature of the operating capabilities of the Port Pirie smelter from a primary lead smelter to a world class, multi-metals recovery facility increasing the cash generating ability of Port Pirie. The recoverable value estimate for

Port Pirie incorporates all capital expenditure associated with the project and the discount rate applied includes a premium for construction risks. Based on the results of the impairment testing the recoverable amounts of the assets in Port Pirie exceed their carrying value after reversal of the 2008 impairment charge.

Mining segment

€ million unless otherwise indicated	Year ended 31 December 2013	Year ended 31 December 2012	% change	Six months ended 31 December 2013	Six months ended 30 June 2013	% change
Revenue	**471**	**481**	**(2)%**	**282**	**189**	**49%**
Treatment charges	(76)	(100)	(24)%	(37)	(39)	(5)%
Payable metal contribution	335	403	(17)%	153	182	(16)%
By-products	173	226	(23)%	90	83	8%
Other	13	(20)	(165)%	13	—	—
Gross profit	**445**	**509**	**(13)%**	**219**	**226**	**(3)%**
Employee expenses	(140)	(134)	4%	(68)	(72)	(6)%
Energy expenses	(49)	(48)	2%	(24)	(24)	—
Other expenses / income	(169)	(199)	(15)%	(83)	(87)	(5)%
Direct operating costs	**(358)**	**(381)**	**(6)%**	**(175)**	**(183)**	**(4)%**
Non-operating and other	(9)	1	(1,000)%	2	(10)	(120)%
Underlying EBITDA	**78**	**129**	**(39)%**	**46**	**33**	**40%**
Underlying EBITDA/t (€)	**274**	**413**	**(34)%**	**329**	**228**	**44%**

The Mining segment underlying EBITDA in 2013 was down 39% compared to 2012, adversely affected by the deterioration in copper, silver and gold metal prices, as well as the unplanned suspension of operations at the Campo Morado mine for two months in Q1 2013, the halting of operations at the Coricancha mine in H2 2013 (predominantly due to lower precious metals prices) and a substantial reduction in deliveries under the Talvivaara zinc streaming agreement.

Gross profit for the Mining segment was € 445 million in 2013, 13% below 2012. The Mining treatment charge expense reduced by 24% to € 76 million, driven by the lower volume of zinc concentrate produced. Payable metal contribution declined 17% in line with the lower volume of zinc in concentrate produced and therefore sold. Contributions to gross profit from by-products, representing around 39% of the total, declined by 23% in 2013 due to the significant downward trend in copper, silver and gold metal prices, as well as operational events. The two month suspension at Campo Morado impacted copper, silver and gold volumes, while the halt of operations at Coricancha significantly reduced the contribution to precious metals revenue. Other Mining gross profit was € 13 million and included gains from the strategic metal price hedges entered into in 2013.

Revenue was also affected by mark to market price adjustments. These accounting adjustments require Nyrstar to revalue open sales invoices as at 31 December 2013 to the prices at that date. At 31 December 2013 open sales invoices included approximately 9,200 tonnes of payable zinc in concentrate, 160 tonnes of payable lead in concentrate, 2,100 tonnes of payable copper in concentrate, 300,000 troy ounces of payable silver and 7,000 troy ounces of payable gold. In 2013, mark to market adjustments were offset in part by transactional hedging.

The average zinc C1 cash cost for Nyrstar's zinc mines (including the Talvivaara zinc stream) was US$ 1,515 per tonne of payable zinc in 2013, a deterioration of 26% compared to 2012 (US$ 1,199). The same factors which adversely impacted mining gross profit, namely lower copper, silver and gold prices which significantly reduced by-product prices and operational events, also adversely impacted the average zinc C1 cash cost. In addition, negative impacts on payable zinc volumes were in the lower cost mines (Talvivaara and Campo Morado), therefore increasing the weighting towards the higher cost North American mines such as Langlois and Tennessee and hence increasing the zinc C1 cash cost.

Direct operating cost (DOC) US$/ tonne ore milled	Year ended 31 December 2013	Year ended 31 December 2012	% change	Six months ended 31 December 2013	Six months ended 30 June 2013	% change
Campo Morado	100	81	23%	81	130	(38)%
Contonga	71	85	(16)%	51	91	(44)%
El Mochito	65	59	10%	75	56	34%
El Toqui	83	73	14%	92	75	23%
Langlois	133	116	15%	118	150	(21)%
Myra Falls	137	115	19%	142	132	8%
Tennessee Mines	38	42	(10)%	39	37	5%
Average DOC/tonne ore milled	**67**	**68**	**(1)%**	**67**	**68**	**(1)%**

The average Mining segment direct operating cost in US$ per tonne of ore milled for 2013 (excluding Talvivaara) was 1% below 2012 despite a significant increase at Campo Morado resulting from the two month suspension of mining operations in H1 2013. The halt of operations at Coricancha impacted the cost per tonne milled, as fixed care and maintenance costs continued to be incurred in H2 2013. (Coricancha figures are excluded from the above table due to the lack of ore milled). Campo Morado, after bearing fixed costs for two months during H1 2013 without processing ore, achieved a 38% reduction in DOC / tonne milled through a focus on productivity and cost reduction.

At the Contonga mine, management reduced operating costs per tonne milled by 16% in 2013 through an aggressive cost reduction effort. The Tennessee mines DOC / tonne milled improved by 10% from 2012 to 2013 through a combination of higher productivity and targeted cost reduction.

DOC per tonne milled at El Mochito, El Toqui and Myra Falls increased in H2 2013 as a result of one-off labour payments in connection with collective bargaining agreement renewals. The Langlois mine, after low ore milled volumes in H1 2013 due to previously mentioned operational challenges, increased ore milled and reduced operating costs in H2 2013 giving an overall improvement of 21% half on half.

Metals Processing segment

€ million unless otherwise indicated	Year ended 31 December 2013	Year ended 31 December 2012	% change	Six months ended 31 December 2013	Six months ended 30 June 2013	% change
Revenue	**2,691**	**2,684**	**—**	**1,377**	**1,314**	**5%**
Treatment charges	337	338	—	173	164	5%
Free metal contribution	244	242	1%	128	116	10%
Premiums	127	115	10%	67	61	10%
By-products	215	221	(3)%	108	108	0%
Other	(111)	(64)	73%	(60)	(51)	18%
Gross profit	**813**	**852**	**(5)%**	**415**	**398**	**4%**
Employee expenses	(207)	(217)	(5)%	(97)	(110)	(12)%
Energy expenses(1)	(272)	(275)	(1)%	(131)	(140)	(6)%
Other expenses	(197)	(192)	3%	(96)	(101)	(5)%
Direct operating costs	**(676)**	**(684)**	**(1)%**	**(324)**	**(352)**	**(8)%**
Non-operating and other	**12**	**(33)**	**(136)%**	**(17)**	**28**(2)	**(161)%**
Underlying EBITDA	**149**	**136**	**10%**	**75**	**74**	**—**
Underlying EBITDA/t(3) (€)	**118**	**125**	**(6)%**	**113**	**124**	**(9)%**
Cost /t(4) (€)	**524**	**577**	**(9)%**	**515**	**534**	**(4)%**

Notes:

(1) Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives.

(2) Includes € 45 million termination fee that compensated Nyrstar for agreeing to end the European component of its commodity grade metal offtake agreement with Glencore.

(3) Calculated based on segmental underlying EBITDA result and total production of Zinc Market Metal and Lead Market Metal.

(4) Calculated based on total segmental direct operating costs, income and total production of Zinc Market Metal and Lead Market Metal.

The Metals Processing segment delivered an underlying EBITDA result of € 149 million in 2013, an increase of 9% compared to 2012 (€ 136 million). The increase was primarily due to higher realised premiums compared to 2012 and the recognition of the € 45 million termination fee (included in Other expenses and income) that compensated Nyrstar for agreeing to end the European component of its commodity grade metal off-take agreement with Glencore, partially offset by lower acid prices.

The 2012 result also benefited from a € 24 million contribution (included in Other) from the recovery, processing and sale of silver bearing material at the Port Pirie smelter that was recovered from under the precious metals refinery, in addition to the silver produced pursuant to the normal processes. Gross profit decreased 5% to € 813 million in 2013, compared to € 852 million in 2012. Gross profit was negatively impacted by the stronger Euro, which on a year average basis appreciated 3.4% against the U.S. Dollar in 2013 compared to 2012.

Treatment charge income from zinc and lead was relatively flat at € 337 million in 2013, compared to € 338 million in 2012. While the 2013 zinc benchmark TC settled at US$ 212 per dry metric tonne, basis US$ 2,000 (US$ 21 above 2012 terms), the concentrate mix consumed during 2013 included a higher proportion of more complex materials purchased outside frame contracts (i.e., on the spot market). Higher treatment charge income from benchmark contracts was therefore offset by more purchases outside frame contracts. As a result, total treatment charge income was in line with 2012.

Free metal contribution of € 244 million was in line with 2012 as similar production levels of zinc metal and higher lead production volumes were offset by slightly lower zinc prices.

Despite the depressed macro-economic conditions in 2013, realised premiums on commodity grade and specialty alloy zinc and lead products increased compared to 2012. This resulted in gross profit earned on premiums of € 127 million, an increase of 10% compared to 2012 (€ 115 million).

The contribution of by-product gross profit in 2013 was € 215 million, a decrease of 3% from € 221 million in 2012. The decline was driven by a combination of declining metal prices for copper, gold and silver as well as a decline in acid prices, which were partially offset by higher production volumes of copper, gold, silver and indium compared to 2012.

Other gross profit was € (111) million, an increase of 73% compared to 2012. The increase is mainly driven by higher freight costs and the contribution in 2012 of € 24 million of silver bearing material at the Port Pirie smelter (versus none in 2013).

The Metals Processing cost per tonne (of zinc and lead metal) of € 524 improved by 9% on 2012 (€ 577). This was largely driven by the recognition of the € 45 million termination payment (included in Other expenses and income) and a weakening of the Australian Dollar against the Euro during 2013. Approximately 40% of Metals Processing costs are denominated in Australian Dollars, therefore the weakening of the Australian Dollar against the Euro in 2013 had some positive impact on total Metals Processing cost performance in Euro terms.

Other & Eliminations

Underlying EBITDA in the Other & Eliminations segment was negative € 43 million in 2013, comprising the elimination of unrealised intersegment profits (for material consumed internally by the Metals Processing segment), a net gain of € 0.8 million from non-core operations and other Group costs. This result is in line with previous years.

Taxation

Nyrstar recognised an income tax expense for the year ended 31 December 2013 of € 11.1 million, representing an effective income tax rate of negative 6.0% (for the year ended 31 December 2012: 13.3%). The tax rate is impacted by non-deductible amounts related to the impairments incurred by the Group, recognition of previously unrecognised tax losses and temporary differences and unrecoverable withholding tax.

Other significant events in 2013

Capital distribution

On 7 February 2013, the board of directors proposed to distribute to the shareholders a (gross) amount of € 0.16 per Share, and to structure the distribution as a capital reduction with reimbursement of paid-up capital. The payment occurred on 14 August 2013.

Settlement with Glencore on off-take agreement and shareholding

On 16 April 2013, Nyrstar announced that it had reached a negotiated settlement with Glencore (now Glencore Xstrata) in relation to its Commodity Grade Off-take Agreement for the sale and marketing of commodity grade zinc metal produced by Nyrstar within the European Union, and Glencore's 7.79% shareholding in Nyrstar. See ''—Contractual obligations and commitments''.

Strategic hedging of metal prices

During Q1 2013 Nyrstar entered into short-term strategic hedging arrangements with respect to zinc prices. The hedges, which related to Q2, Q3 and Q4 2013, were for 20,000 tonnes of zinc metal per month. The hedges in Q2 2013, which took the form of options, guaranteed Nyrstar a zinc price between US$ 2,100/t and US$ 2,200/t for 60,000 tonnes of metal. The hedges for Q3 and Q4 2013, which took the form of options, guaranteed Nyrstar a zinc price between US$ 2,100/t and US$ 2,200/t for 120,000 tonnes of metal and the sharing of the price upside above US$ 2,400/t.

The total cost for entering into these hedging arrangements was approximately US$ 7 million, which is included under finance expenses.

Subsequently, in June 2013, Nyrstar entered into strategic hedges with respect to gold and silver prices for H2 2013. The hedges for Q3 2013 were for approximately 1 million troy ounces of silver and 19,000 troy ounces of gold production and guaranteed Nyrstar a silver and gold price of US$ 22.41 per troy ounce and US$ 1,383 per troy ounce respectively. The hedges for Q4 2013, for approximately 0.6 million troy ounces of silver and 17,000 troy ounces of gold production, guaranteed the same prices as the Q3 hedge and in addition sharing on the upside benefit if the silver and gold prices exceed US$ 25 per troy ounce and US$ 1,500 per troy ounce, respectively.

Issue of € 120 million of convertible bonds due 2018

On 17 September 2013, Nyrstar placed € 120 million of senior unsecured convertible bonds due 2018. The 2018 Convertible Bonds were issued at 100% of their principal amount and have a coupon of 4.25% per annum, payable semi-annually in equal instalments in arrears. The conversion price is € 4.9780 per Share and is set at a premium of 35.0% to the reference Share price of € 3.6874, being the volume weighted average price of the Company's ordinary Shares on Euronext Brussels from launch to pricing.

The bonds were placed through an accelerated bookbuild placement with institutional investors outside the United States in accordance with Regulation S under the Securities Act only and are listed on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

European strategic marketing agreement for commodity grade zinc metal with Noble and Noble acquires a 1% shareholding in Nyrstar

On 1 October 2013 Nyrstar entered an off-take and strategic marketing agreement with Noble Group Limited (''**Noble**'') to market and sell 200,000 tonnes per annum of commodity grade zinc metal (special high grade and continuous galvanising grade) produced at its European smelters. The agreement has a term of 4 years and commenced on 1 January 2014, under which Nyrstar will receive market price plus a benchmark premium per tonne of zinc metal, with a profit sharing mechanism for any upside. For Nyrstar, the agreement represents a first step in executing a European zinc metal plan aimed at actively marketing Nyrstar's product to increase optionality in terms of customers, product mix and geography which is expected to deliver improved margins.

The agreement follows a structured process undertaken by Nyrstar in Q2 and Q3 2013 to determine the most suitable channels to market and sell commodity grade zinc metal produced at its European smelters. This was triggered by the requirement to end the European component of the Commodity Grade Off-take Agreement with Glencore Xstrata. During the process Nyrstar determined the best way to market its European commodity grade zinc metal is through a multi-channel approach and therefore the newly formed Marketing, Sourcing & Sales segment is directly selling, marketing and financing the remaining 160,000 tonnes (approximately) of commodity grade zinc metal produced in Europe with a number of market participants.

Noble also agreed to acquire from Nyrstar's treasury shareholding 1,700,225 common shares in Nyrstar, representing 1% of total shares, for a price of € 3.76 per share (a premium of 5% to the 3-day volume weighted average price of Nyrstar shares on 27 September 2013), for a total cash consideration of € 6.4 million.

Distribution

The board of directors did not propose to shareholders a distribution for the financial year 2013, reflecting its commitment to support the opportunities identified by the Company's growth plans.

Results of operations for the years ended 31 December 2012 and 31 December 2011

Group underlying EBITDA in 2012 was € 221 million compared to € 265 million in 2011. This decrease was primarily driven by downward movements in commodity prices, a lower zinc benchmark treatment charge and a significantly smaller contribution from silver bearing material at the Port Pirie smelter.

Nyrstar's earnings are highly sensitive to changes in the zinc price (see ''—Significant factors affecting Nyrstar's results of operations—Sensitivity analysis''), and as the Mining segment's production of other metals has increased, the sensitivity to changes in the lead, copper and silver price has also increased. The average zinc price was 11% lower in 2012 compared to 2011, averaging US$ 1,946/t in 2012 compared to US$ 2,191/t in 2011, while the average lead, copper and silver price declined by 14%, 10% and 11% respectively. Nyrstar's earnings also remain materially sensitive to changes in the zinc treatment charge. The 2012 zinc benchmark treatment charge was significantly below 2011 terms, resulting in a realised TC of US$ 196 per dmt in 2012, a 15% decline on 2011 (US$ 230/dmt), which had a materially adverse impact on group EBITDA. In addition, in 2012 there was a smaller contribution, € 24 million in 2012 compared to € 78 million in 2011, from the recovery, processing and sale of silver bearing material at the Port Pirie smelter.

Offsetting these items, which combined had a relatively larger impact on the Metals Processing segment, was the continued upward progression of mining underlying EBITDA, which grew in line with Nyrstar's integration strategy. In 2012 the Mining segment's underlying EBITDA increased 79% to € 129 million (2011, € 72 million), despite lower commodity prices, and growth during the year led to an underlying EBITDA of € 73 million in H2 2012, up 28% on H1 2012. In H2 2012, Nyrstar's Mining segment for the first time delivered a higher underlying EBITDA result than the Metals Processing segment. The Metals Processing segment delivered underlying EBITDA of € 136 million in 2012 compared to € 235 million in 2011.

In addition to the factors above loss after tax of € (97) million in 2012, compared to profit after tax of € 36 million in 2011, was impacted by one-off impairment charges of non-core assets, restructuring expenses mainly related to Project Lean, losses on the disposal of non-core assets (namely Australian Refined Alloys in (Sydney, Australia) and Galva 45 in (France)), higher financing expenses and increased depreciation, depletion and amortisation charges. The increase in these charges in 2012 was due in part to an increase in depletion charges, non-cash, in the Mining segment, which was driven by accounting requirements in relation to the acquisitions of Farallon Mining Ltd. (''**Farallon**'') and Breakwater Resources in 2011. See Note 8 to Nyrstar's consolidated financial statements for the year ended 31 December 2012.

Mining segment

€ million unless otherwise indicated	Year ended 31 December 2012	Year ended 31 December 2011	% change	Six months ended 31 December 2012	Six months ended 30 June 2012	% change
Revenue	**481**	**358**	**34%**	**215**	**266**	**(19)%**
Treatment charges	(100)	(70)	43%	(54)	(46)	17%
Payable metal contribution	403	289	40%	205	198	4%
By-products	226	135	67%	112	114	(2)%
Other	(20)	(9)	122%	(4)	(16)	(75)%
Gross profit	**509**	**345**	**48%**	**259**	**250**	**4%**
Employee expenses	(134)	(77)	75%	(67)	(67)	—
Energy expenses	(48)	(29)	66%	(24)	(23)	4%
Other expenses	(199)	(130)	53%	(101)	(98)	3%
Direct operating costs	**(381)**	**(235)**	**62%**	**(192)**	**(188)**	**2%**
Non-operating and other	1	(38)	(102)%	6	(5)	(220)%
Underlying EBITDA	**129**	**72**	**79%**	**73**	**57**	**28%**
Underlying EBITDA/t (€)	**413**	**348**	**19%**	**456**	**371**	**23%**

The Mining segment continued its underlying EBITDA growth progression, up 79% to € 129 million from € 72 million in 2011, despite the decline in zinc, lead, copper and silver prices. The increase in underlying EBITDA was driven primarily by a strong year-on-year improvement in the production of all metals, particularly from the relatively higher margin former Breakwater mines which were acquired at the end of August 2011. Despite the 3% fall in the average zinc price half-on-half, underlying EBITDA increased 28%, from € 57 million in H1 2012 to € 73 million in H2 2012 due to significantly improved performance at the Tennessee Mines following an on-site optimisation programme, the restart of milling operations at Coricancha in July following the suspension in Q2 2012 and good financial performances by the El Mochito and El Toqui mines.

The Mining segment's gross profit was € 509 million in 2012, up 48% compared to 2011. Smelting treatment charge expense was € 100 million, a 43% increase on 2011, due to the increase in zinc concentrate sales. Despite the 11% fall in the average zinc price in 2012, payable metal contribution grew to € 403 million, up 40% on the previous year, due to higher volumes of zinc in concentrate sold. Gross profit from by-products, an important contributor to the Mining segment with the expansion of Nyrstar's multi-metal footprint, increased to € 226 million (€ 135 million in 2011), with the increased volumes of by-product metals produced in 2012 more than offsetting the decline in the prices of lead, copper and silver. Other Mining gross profit was € (20) million, up on 2011 due to the higher freight costs from transporting additional sold volumes of concentrate and other products.

The average zinc C1 cash cost for Nyrstar's zinc mines (including the Talvivaara zinc stream) was US$ 1,199 per tonne of payable zinc in 2012, an improvement of 5% compared to 2011 (US$ 1,257/t). The improvement during the year, 10% down in H2 2012 to US$ 1,135 per tonne, was mainly driven by a significant improvement in volume and cost performance at the Tennessee Mines following the optimisation programme, and a negative C1 cash cost delivered at El Toqui (resulting from mining a high gold grade area of the mine in Q4 2012). The improvement in the average C1 cash cost in 2012 compared to 2011, and in H2 2012 compared to H1 2012, were both achieved despite the decline in commodity prices, which reduced the level of by-product credits.

At the Campo Morado mine the C1 cash cost was US$ 1,022 per tonne, compared to US$ 401 per tonne in 2011. In addition to the impact of declining metal prices, the 13% year-on-year reduction in zinc in concentrate production, primarily due to a lower mill head grade, increased costs on a per tonne basis. The decrease in both gold, and to a lesser extent silver, production (again due to failing mill head grades) reduced the level of by-product credits further impacting the 2012 C1 cash cost. As discussed in ''Business—Mining—Operations review—Mining—Years ended 31 December 2012 and 31 December 2011'', an optimisation programme was deployed at the site in H2 2012 to improve the site's operating model to deliver a more productive and profitable operation. The C1 cash cost at the Contonga mine decreased 9% in 2012 to US$ 1,333 per tonne compared to 2011 (US$ 1,459 per tonne) due to the increase in production of all metals which followed the receipt, at the end of Q1 2012, of a permit to expand mill capacity from 660 tonnes to 990 tonnes per day.

The C1 cash cost improvement at the El Mochito mine, of US$ 278 per tonne in 2012 compared to US$ (34) per tonne in 2011, was due to the increased level of silver production and strong cost performance delivered in H2 2012. The El Toqui mine achieved a result of US$ (2,203) per tonne in 2012 compared to US$ 1 per tonne in 2011, due to two gold campaigns, in Q1 and Q4 2012, executed at the site. This materially increased the volume of gold produced (up 54% on 2011) thereby increasing the level of by-product credits. At Myra Falls the C1 cash cost in 2012 was US$ 633 per tonne, which although higher than the result achieved in 2011 (US$ 394/t) was in line with management expectations. The Langlois mine delivered a C1 cash cost of US$ 1,981 per tonne in 2012, reflecting its ramp-up status in H1 2012 and the variability in mill head grades achieved in H2 2012 as the site develops its mine plan.

The C1 cash cost for the Tennessee Mines declined by 17% in 2012 to US$ 1,903 per tonne compared to 2011 (US$ 2,292/t) due to the impact of the optimisation programme deployed in H1 2012. With a focus on throughput, mine development and value awareness, the site was able to deliver both increasing zinc in concentrate volumes and improvements in unit costs throughout H2 2012. Therefore the improvement in C1 cash cost from H1 2012 to H2 2012 was even more impressive, declining 20% to US$ 1,705 per tonne. The C1 cash cost for zinc delivered from the Talvivaara zinc stream was approximately US$ 819 per tonne of payable zinc in 2012, lower than the 2011 due to a lower zinc benchmark treatment charge and the strength of the U.S. Dollar relative to the Euro, thereby reducing the extraction and processing fee in dollar terms.

During a portion of 2012, the Coricancha mine's milling operations were suspended on orders of the Peruvian mining authorities in connection with the storage and planned movement of legacy tailings to a new facility which had been constructed by Nyrstar. Production restarted in July, following the lifting of the suspension order. In addition, the site reduced employee and contractor headcount by approximately 1,000 as part of the first phase of Project Lean. Furthermore, operational improvements were made at both the mine and mill, all of which contributed to the mine delivering a C1 cash cost of US$ 581 per troy ounce of payable gold in H2 2012. However due to the losses incurred in H1 2012 during the suspension, the C1 cash cost for the full year 2012 was US$ 1,735 per troy ounce representing an underlying EBITDA loss.

C1 Cash cost US$/payable tonne zinc	**Year ended 31 December 2012**	**Year ended 31 December 2011**	**% change**	**Six months ended 31 December 2012**	**Six months ended 30 June**	**% change**
Campo Morado	1,022	401	155%	1,070	946	13%
Contonga	1,333	1,459	(9)%	1,427	1,222	17%
El Mochito	278	(34)	(918)%	8	484	(98)%
El Toqui	(2,203)	1	—	(4,587)	(102)	4397%
Langlois	1,981	—	—	2,073	1,891	9%
Myra Falls	633	394	61%	905	348	160%
Tennessee Mines	1,903	2,292	(17)%	1,705	2,143	(20)%
Talvivaara Stream	819	1,018	(20)%	894	750	19%
Average zinc C1 cash cost	**1,199**	**1,257**	**(5)%**	**1,154**	**1,255**	**(8)%**
Coricancha	1,735	1,172	48%	581	—	—

In 2012 Nyrstar's Mining segment continued to improve its performance in the key metric of underlying EBITDA per tonne of zinc in concentrate produced. Despite the negative impact caused by the decline in zinc, lead, copper and silver prices in 2012 compared to 2011, underlying EBITDA per tonne in the Mining segment increased 19% to € 413 (2011, € 348). With the half-on-half increase in the production of all metals and the downward movement in the average zinc C1 cash cost, underlying EBITDA per tonne in H2 2012 improved by 23% to € 456 (H1 2011, € 371).

Metals Processing segment

€ million unless otherwise indicated	Year ended 31 December 2012	Year ended 31 December 2011	% change	Six months ended 31 December 2012	Six months ended 30 June 2012	% change
Revenue	**2,684**	**3,096**	**(13)%**	**1,282**	**1,402**	**(9)%**
Treatment charges	338	386	(12)%	162	176	(8)%
Free metal contribution	242	245	(1)%	120	122	(2)%
Premiums	115	120	(4)%	58	57	2%
By-products	221	282	(22)%	114	107	7%
Other	(64)	(97)	(35)%	(35)	(29)	21%
Gross profit	**852**	**937**	**(9)%**	**419**	**433**	**(3)%**
Employee expenses	(217)	(202)	7%	(110)	(108)	2%
Energy expenses(1)	(275)	(277)	(1)%	(134)	(141)	(5)%
Other expenses	(192)	(181)	6%	(99)	(92)	8%
Direct operating costs	**(684)**	**(660)**	**4%**	**(343)**	**(340)**	**1%**
Non-operating and other	(33)	(42)	(21)%	(19)	(14)	36%
Underlying EBITDA	**136**	**235**	**(42)%**	**57**	**79**	**(28)%**
Underlying EBITDA/t (€)	**125**	**209**	**(40)%**	**102**	**147**	**(30)%**
Cost /t (€)	**577**	**532**	**9%**	**586**	**568**	**3%**

Note:

(1) Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives (€ 9 million loss in 2012; € 4 million gain in 2011).

The Metals Processing segment delivered an underlying EBITDA result of € 136 million in 2012, a decline of 42% compared to 2011 (€ 235 million). The main drivers behind this decline were lower commodity prices, a reduced 2012 zinc benchmark treatment charge, a smaller financial contribution from the identification, recovery and sale of silver bearing material at the Port Pirie smelter and a stronger Australian Dollar. As a consequence underlying EBITDA per tonne in the Metals Processing segment was € 125, down from € 209 in 2011.

Gross profit decreased 9% to € 852 million in 2012, compared to € 937 million in 2011. Smelting treatment charge income from zinc and lead was € 338 million in 2012, 12% less than in 2011. The 2012 zinc benchmark TC settled well below the level for 2011 at US$ 191 per tonne of concentrate, at a basis zinc price of US$ 2,000 per tonne. Therefore in 2012 Nyrstar was able to achieve an average realised zinc TC of only US$ 196 per tonne of concentrate, a 15% decline on 2011 (US$ 230/t). Although the average zinc price in 2012 was lower than benchmark basis price, therefore reducing the treatment charge received on concentrates due to the de-escalator mechanism, through the consumption of secondary feeds such as zinc oxides (which carry higher TCs) Nyrstar was able to realise a higher TC compared to the benchmark. Free metal contribution of € 242 million was relatively flat compared to 2011, with improved recoveries and the timing of zinc metal sales largely offsetting lower zinc prices and volumes. Despite the depressed macro-economic conditions in 2012, realised premiums on commodity grade and speciality alloy zinc and lead products experienced only a marginal decline compared to 2011. In combination with a change in sales mix towards lower margin commodity grade products, to meet customer demand, gross profit contribution in 2012 from premiums of € 115 million was 4% down on 2011.

The contribution of by-product gross profit in 2012 was € 221 million, a decrease of 22% from € 282 million in 2011. The 2011 result included the recovery, from under the precious metals refinery, and sale of approximately 2.8 million troy ounces of historical silver losses at the Port Pirie smelter, contributing approximately € 78 million to gross profit. In 2012, by demolishing the refinery, Nyrstar was able to recover and sell an additional 1.2 million troy ounces, contributing approximately € 26 million to gross profit (underlying EBITDA contribution of € 24 million, with approximately € 2 million spent on demolishing the refinery and recovering the silver bearing material). Other unlocking untapped value initiatives, namely the production of indium metal at the Auby smelter began to generate a more meaningful gross profit in H2 2012 as volumes were ramped-up. The contribution from refined copper and silver production at Port Pirie was impacted by a combination of lower average prices in 2012 compared to 2011, as well as production issues experienced in H2 2012 at the smelter. The lower acid price also impacted the by-product contribution. Other smelting gross profit was negative € 64 million.

The smelting cost per tonne (of zinc and lead metal) of € 577 increased 9% on 2011 (€ 532). With approximately 40% of smelting costs denominated in Australian Dollars, the strength of the AUD against the Euro in 2012, up approximately 8% compared to 2011, had a detrimental impact on total smelting cost performance in Euro terms, despite costs in local currency being relatively stable. Energy costs in 2012 were similar to 2011, with European electricity prices remaining flat over the period due to the prevailing macro-economic situation. (Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives (€ 9 million loss in 2012, € 4 million gain in 2011).) Production issues experienced at the Port Pirie smelter in H2 2012, which limited lead and zinc metal production, also had a negative impact on unit cost performance.

Other & Eliminations

Underlying EBITDA in the Other & Eliminations segment was negative € 44 million in 2012, comprising the elimination of unrealised intersegment profits (for material sold internally to own smelters), a net loss of € 1 million from non-core operations, and other Group costs. The small increase in 2012 from 2011 is due to increased transfers of concentrate between Nyrstar mines and smelters, leading to increased unrealised profits, and additional head office activity to deliver on the then-current strategic plan.

Taxation

Nyrstar recognised an income tax benefit of € 15 million in 2012 compared to a tax expense of € 8 million in 2011. The effective tax rate was approximately 13% in 2012 compared to 18% in 2011. The 2012 effective tax rate was impacted by tax losses and temporary differences incurred by the Group, for which no tax benefit has been recognised. In addition, the Group benefitted in 2012 from the release of certain tax provisions which are no longer required.

Other significant events in 2012

Port Pirie Redevelopment

In December 2012, Nyrstar announced it had reached an in-principle agreement with the Australian Federal Government and South Australian Government with respect to the funding of a transformation of the Port Pirie smelter. See ''Business—Port Pirie multi-metals smelter—Port Pirie Redevelopment project''.

ARA

In February 2012, Nyrstar and Sims Metal Management completed the sale of Australian Refined Alloys' secondary lead producing facility in Sydney, Australia (ARA Sydney) to companies associated with Renewed Metal Technologies for a total sale price of approximately € 60 million. Nyrstar achieved a profit on the sale of its 50% share of ARA Sydney of € 26.8 million. Further, as a result of the sale, Nyrstar reclassified € 7.6 million from the reverse acquisition reserve, as disclosed in the consolidated financial statements ended 31 December 2012. The reserve is linked to the structure of the creation of Nyrstar in 2007. The reclassified amount represented the portion of the reserve allocated to ARA Sydney at that time.

Capital distributions

On 23 February 2012 the board of directors proposed to distribute to shareholders a (gross) amount of €0.16 per Share for 2011, and to structure the distribution as a capital reduction with reimbursement of paid-up capital, which was approved. The payment occurred as of 13 August 2012.

Galva 45

In October 2012, Nyrstar sold its entire 66% share in Galva 45 SA, a French company specialising in galvanising manufactured steel parts for cash proceeds of € 2.2 million resulting in a loss on the income statement of € 0.1 million.

Structured Commodity Trade Finance Facility refinancing

In November 2012, Nyrstar successfully completed the refinancing of its multi-currency Structured Commodity Trade Finance Facility. See ''—Liquidity and capital resources—Funding sources''.

Other significant events in 2011

Farallon (Campo Morado)

In January 2011, Nyrstar completed the acquisition of Farallon, owner of the Campo Morado operation (a zinc-rich multi-metals mining operation in Mexico), pursuant to a friendly takeover for approximately CAD 409 million (€ 296 million). See ''Business—Mining—Campo Morado''.

Breakwater Resources

In August 2011, Nyrstar completed the acquisition of Breakwater Resources Ltd. pursuant to a friendly takeover with an implied a total transaction value to Breakwater shareholders of approximately CAD663 million (€ 443 million) on a fully diluted basis (including Breakwater shares issued from the conversion of options and warrants). Breakwater's operations consist of four zinc multi-metals mines, including El Toqui in Chile, El Mochito in Honduras, Myra Falls in British Columbia Canada, and Langlois in Quebec Canada (in ramp-up at time of acquisition). See ''Business—Mining''.

Rights offering

In March 2011, Nyrstar completed a rights offering in the amount of approximately € 490 million. During the rights subscription period 95% of the total number of 70,009,282 rights were exercised to subscribe for an equal number of new Shares in Nyrstar. The remaining 5% of rights were converted into an equal number of scrips and sold by the underwriters of that offering through an accelerated book building procedure with institutional investors. For more information, see ''—Liquidity and capital resources—Funding sources—2011 rights offering''.

Retail bonds

In May 2011, Nyrstar completed the placement of 5.375% bonds due 2016 through a public offering in Belgium and Luxembourg. Due to strong demand the offering was increased from € 150 million to € 525 million. For more information, see ''—Liquidity and capital resources—Funding sources''.

Glencore Commodity Grade Off-Take Agreement

At the end of June 2011, Nyrstar extended to the end of 2018 the Commodity Grade Off-Take Agreement with the Glencore Group for the sales and marketing of commodity grade zinc and lead metal produced by Nyrstar (initially entered into in November 2008). In Q2 2013, this off-take agreement was terminated in connection Glencore's merger with Xstrata. For more information, see ''—Contractual obligations and commitments''.

Liquidity and capital resources

Funding sources

Nyrstar funds its operations primarily through net cash from operations and proceeds from debt and equity financings. These funds are used primarily to finance Nyrstar's working capital and capital expenditure requirements, acquisitions and dividend payments to shareholders. Nyrstar had committed headroom (amounting to all available committed facilities, less drawings) under facilities of approximately € 486 million as of 31 December 2012, € 479 million as of 30 June 2013, € 429 million as of 31 December 2013 and € 458 million as of 30 June 2014; committed facility headroom plus cash was approximately € 674 million as of 31 December 2012, € 592 million as of 30 June 2013, € 721 million as of 31 December 2013 and € 768 million as of 30 June 2014.

Concurrent New Notes Offering and Existing Notes Tender Offer

Prior to this Offering, Nyrstar Netherlands (Holdings) B.V. conducted an offering of € 350 million of new 8½% senior unsecured notes due 2019 to institutional investors in the high yield market, which are expected to be issued at an issue price of 98.018% on 12 September 2014. The notes are rated ''B3'' by Moody's Investors Service and ''B –'' by Standard & Poor's Ratings Service. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. The net proceeds of the Concurrent New Notes Offering will be placed in escrow until closing of this Offering. The New Notes will be guaranteed by the Company certain of its subsidiaries: Nyrstar Hobart Pty Ltd (Australia), Nyrstar Belgium NV (Belgium), Breakwater

Resources Ltd (British Columbia, Canada), Nyrstar Myra Falls Ltd (British Columbia, Canada), Nyrstar Tennessee Mines—Gordonsville LLC (Delaware, U.S.), Nyrstar Tennessee Mines—Strawberry Plains LLC (Delaware, U.S.), Nyrstar France SAS (France), Nyrstar Campo Morado S.A. de C.V. (Mexico), Nyrstar Budel B.V. (The Netherlands), Nyrstar Finance International AG (Switzerland) and Nyrstar Sales & Marketing AG (Switzerland). The Company and its subsidiaries are currently subject to restrictive covenants, including financial covenants linked to balance sheet ratios, under the terms of their existing indebtedness, and will be subject to additional incurrence-based covenants in connection with the New Notes, including a limit on their ability to incur or guarantee additional indebtedness and issue certain preferred stock; pay dividends on, redeem or repurchase capital stock; make certain restricted payments and investments, including dividends or other distributions with regard to the capital stock of the Company or its subsidiaries; create or incur certain liens; enter into agreements that restrict subsidiaries' ability to pay dividends or other distributions or make loans or advances; transfer or sell assets; merge or consolidate with other entities; and engage in certain transactions with affiliates.

Nyrstar intends to address the refinancing of its 2015 Bonds ahead of their scheduled maturity in 2015, and proactively manage a portion of its 2016 Bonds maturing in 2016. As at the date of this Prospectus, an aggregate principal amount of € 220 million of 2015 Bonds and an aggregate principal amount of € 515 million of 2016 Bonds were outstanding. Nyrstar's liability management exercise allows the Company to proactively manage its debt position and improve the maturity profile of its outstanding debt, by addressing in full debt maturing in 2015, and addressing up to € 100 million of the outstanding 2016 Bonds ahead of schedule. The extent to which this goal can be achieved through the tender offer will depend on the number of existing bonds that will be tendered in the offer, given the voluntary nature of the offer. Nyrstar intends to maintain cash available to repay any 2015 Bonds remaining after the Existing Notes Tender Offer in full at maturity.

Nyrstar Netherlands (Holdings) B.V. intends to make the Existing Notes Tender Offer in cash to purchase for an aggregate principal amount of up to € 320 million: (i) any-and-all of the € 220 million aggregate principal amount of outstanding 2015 Bonds, and (ii) up to an aggregate principal amount of € 100 million outstanding 2016 Bonds. The intention is to launch the Existing Notes Tender Offer in the near future.

Port Pirie Redevelopment funding

Nyrstar is pursuing alternative financing sources for the substantial capital expenditure involved in the Port Pirie Redevelopment. Financing sources are expected to consist of (i) a direct contribution from Nyrstar of approximately € 68 million; (ii) the forward sale (in respect of which Nyrstar has received commitments from a syndicate of banks) of a portion of the silver output from the redeveloped Port Pirie facility for an upfront payment of approximately € 79 million; and (iii) an approximately € 191 million structured investment to be made by third party investors, with their investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC). The structured investment will consist of perpetual securities issued by a Nyrstar special purpose vehicle, which will raise funds to subscribe for the perpetual securities from financial, institutional or industrial investors who will benefit from a guarantee from EFIC, while EFIC's risk will be supported by a back-to-back guarantee from the Treasurer of South Australia; accordingly, the financing of the special purpose vehicle is expected to be rated AAA, which would be reflected in the cost of financing. The terms of the perpetual securities will resemble those for equity securities (e.g., discretionary amortisation), but include various covenants and undertakings, including a prohibition on dividends from Nyrstar Port Pirie or its subsidiaries while the perpetual securities are outstanding. On the basis of these terms of the EFIC guarantee, Nyrstar expects to readily identify investors willing to invest in the special purpose vehicle to fund the subscription for the perpetual securities at the time of their issue, which is expected in 2015. Current estimates of future distributions are expected to reduce the amount of perpetual securities outstanding between 2017 and 2021, and no perpetual securities are expected to be outstanding by the end of 2021. Nyrstar's current expectation is that excess cash flow will be used to amortise the perpetual securities. Because there is no obligation to amortise the perpetual securities, the perpetual securities are expected to receive IFRS equity accounting treatment in the Company's accounts. These securities are expected to be issued in 2015. See ''Business—Metals Processing—Port Pirie multi-metal smelter—Port Pirie Redevelopment project—Funding and support package''.

2011 rights offering

In March 2011, Nyrstar NV closed a rights offering, raising a gross amount of € 490,064,974.00 through the placement of 70,009,282 new ordinary Shares of the Company, each share with a VVPR strip, at a subscription price of € 7.00 per new ordinary Share, with non-statutory preference rights for existing shareholders at a ratio of 7 new Shares for 10 rights.

Convertible bonds

In July 2009, Nyrstar issued € 120 million of senior unsecured convertible bonds due 10 July 2014 (the ''**2014 Convertible Bonds**''). The 2014 Convertible Bonds paid a fixed interest rate of 7% payable semi-annually in arrears. The conversion price at time of issue was € 7.6203 per Share. As of 5 May 2010 this was adjusted to € 7.54 due to the payment of the 2009 dividend. As a result of the rights offering that closed in March 2011, the conversion price of the 2014 Convertible Bonds was adjusted downwards to € 6.29 per Share. The conversion price was further adjusted downwards to € 6.17, and later to € 5.91 and € 5.63 as a result of the gross distribution of € 0.15 per share on 12 August 2011 and € 0.16 per Share on 13 August 2012 and on 14 August 2013 (see ''Dividend Policy''). As a result, the conversion price at maturity was € 5.63 per Share.

In September 2013, Nyrstar NV issued € 120 million of senior unsecured convertible bonds due 25 September 2018. The 2018 Convertible Bonds pay a fixed interest rate of 4.25% payable semi-annually in arrears. The conversion price at time of issue was € 4.9780 per Share. The 2018 Convertible Bonds include a negative pledge and, amongst other events of default, a cross default provision. The 2018 Convertible Bonds have been admitted to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange.

Belgian Retail Bonds

In April 2010, Nyrstar issued € 225 million of fixed rate bonds due 9 April 2015 through a public offering in Belgium and Luxembourg. The 2015 Bonds pay a fixed interest rate of 5.5% payable annually in arrears. In May 2011, Nyrstar issued € 525 million of fixed rate bonds due 11 May 2016 through a public offering in Belgium and Luxembourg. The 2016 Bonds pay a fixed interest rate of 5.375% payable annually in arrears. The 2015 Bonds and 2016 Bonds have the benefit of a negative pledge and, among other events of default, a cross default provision. To date, € 220 million of the 2015 Bonds and € 515 million of the 2016 Bonds remain outstanding. These bonds are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the regulated market of the Luxembourg Stock Exchange.

The Company intends to undertake the Existing Notes Tender Offer with respect to the 2015 Bonds and the 2016 Bonds. See ''Use of Proceeds''.

Revolving Structured Commodity Trade Finance Facility

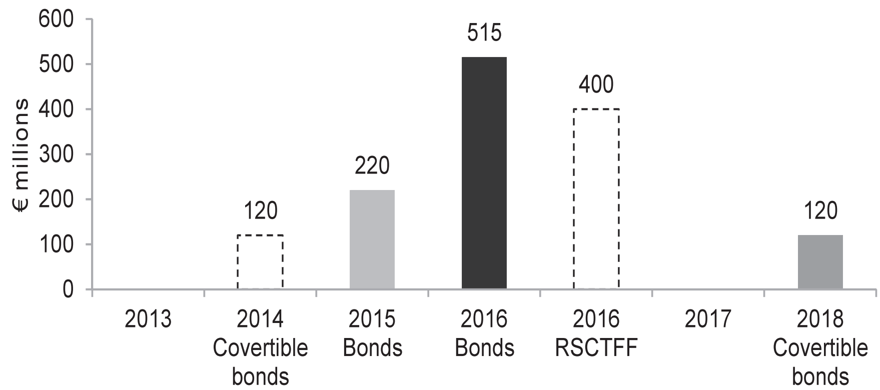
In January 2010, Nyrstar entered into a secured four-year multi-currency Revolving Structured Commodity Trade Finance Facility for an initial amount of € 250 million, subsequently upsized during syndication to € 400 million. Prior to entering into this facility, Nyrstar cancelled its pre-existing syndicated facility, which commenced with a limit of € 350 million in December 2007 and had been reduced to € 150 million in December 2009. The facility incorporated an ''accordion'' feature that facilitated an increase in the facility limit. In November 2010, Nyrstar exercised the ''accordion'' and the syndicate banks increased their commitments to € 500 million. In January 2011, Nyrstar agreed with the facility lenders an additional ''accordion'' feature that facilitated a further increase in the facility limit to € 750 million, of which € 250 million was uncommitted.

In November 2012, Nyrstar successfully completed the refinancing of its multi-currency Revolving Structured Commodity Trade Finance Facility by way of amendment. The € 400 million facility includes an ''accordion'' feature to increase its size to € 750 million on a pre-approved but uncommitted basis. The facility matures in November 2016 (with a run-off period during the final year). As with the previous facility, the amount that Nyrstar may draw-down under the RSCTFF is determined by reference to the value of Nyrstar's inventories and receivables (the borrowing base) and accordingly adjusts as commodity prices change. The RSCTFF has a margin of 1.85% above the applicable base rate, leveraging on the strength of the secured borrowing base and the underlying exchange traded commodity. The RSCTFF was undrawn at 31 December 2011, 2012 and 2013 and at 30 June 2014, but was partially drawn at various times during the period.

In addition to standard representations, warranties and undertakings, including restrictions on mergers and disposals of assets, the facility provides for financial covenants which are linked to certain balance sheet ratios. The borrower under the facility is Nyrstar Sales & Marketing AG. The obligations of the borrower under the facility are guaranteed by the Company. The participating banks in the facility are Deutsche Bank AG as Coordinating Mandated Lead Arranger and Sole Bookrunner, ABN AMRO Bank N.V., BNP Paribas Fortis, Goldman Sachs Bank USA, KBC Bank NV, RBC Europe Limited, Societe Generale Corporate and Investment Banking and UBS AG as Mandated Lead Arrangers, Bank of America Merrill Lynch, Scotiabank, Barclays Bank PLC, Credit Suisse AG, HSBC Trinkaus & Burkhardt AG, J.P. Morgan Limited, Natixis, The Royal Bank of Scotland plc Belgium Branch, Westpac Banking Corporation and Zürcher Kantonalbank as Lead Arrangers.

The RSCTFF benefits Nyrstar's Metals Processing business as it adjusts to changing working capital requirements. Specifically, the amount available for drawing is referenced to the value of Nyrstar's inventories and receivables, and accordingly adjusts as commodity prices change, thereby offering greater financial flexibility than traditional revolving credit facilities. Borrowings under this facility are primarily secured by Nyrstar's Metals Processing-related inventories and receivables.

The following chart illustrates the maturity profile of Nyrstar's outstanding bonds and the expiration of the RSCTFF, as of 30 June 2014 (without adjustment for the potential effects of this Offering, the Concurrent New Notes Offering or the Existing Notes Tender Offer):



Other facilities

The Company, Nyrstar Finance International AG and Nyrstar Sales & Marketing AG have entered into a committed € 100 million bilateral credit facility agreement with KBC Bank NV. The facility matures on 31 July 2015 (having been extended annually), replacing a prior facility that matured on 31 July 2014. Of this € 100 million, € 50 million is available for cash advances, short-term loans, documentary credit import, exporters discount facility or commitment credits such as guarantees. The remaining € 50 million is available for guarantees or documentary credit import. As of 30 June 2014, € 37 million was outstanding under this facility.

In addition, the Company and various Nyrstar group members (including Nyrstar Finance International AG, Nyrstar Sales & Marketing AG, Nyrstar Belgium NV and Nyrstar France SAS) have arranged for additional uncommitted bilateral trade finance facilities (primarily for the purpose of the issuance of letters of credit, bank guarantees or standby letters of credit with BBVA, BNP Paribas Fortis, ING Belgium, The Royal Bank of Scotland, Credit Suisse AG and HSBC Trinkaus & Burkhardt AG, and overdraft facilities with The Royal Bank of Scotland, Deutsche Bank, The Bank of Nova Scotia and Westpac. As of 30 June 2014, letters of credit, guarantees and standby letters of credit in an amount of € 220 million were outstanding under these facilities.

See also ''Business—Material Contracts''.

Working capital statement

In Nyrstar's opinion, its working capital is sufficient for its present requirements and for the twelve month period following the date of this Prospectus.

Cash flow data

Summary cash flow for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011

(€ million)	Six months ended 30 June		Year ended 31 December		
	2014	2013	2013	2012	2011
Cash flows from operating activities					
Profit/(loss) for the period	(65.6)	(91.5)	(195.4)	(96.5)	36.1
Non-cash adjustments	176.5	103.9	319.8	296.3	201.2
Cash flow from operating activities before working capital charges	110.9	12.4	124.4	199.8	237.3
Change in inventories	4.8	171.6	198.5	(199.0)	31.6
Change in trade and other receivables	(27.9)	(2.6)	38.5	80.6	(69.9)
Change in trade and other payables	47.4	(163.9)	(151.6)	238.2	38.9
Other operating cash flows from operating activities	31.6	76.9	89.1	41.8	(116.7)
Cash flow from operating activities	**166.8**	**94.4**	**298.9**	**361.4**	**121.2**
Acquisition of property, plant and equipment	(90.4)	(109.4)	(192.2)	(246.1)	(220.2)
Acquisition of subsidiary, net of cash acquired	—	—	(2.8)	—	(670.0)
Proceeds from sale of equity accounted investees	3.3	—	—	32.4	—
Other cash flows from investing activities	2.9	1.0	3.9	(0.3)	(0.5)
Cash flow used in investing activities	**(84.2)**	**(108.4)**	**(191.1)**	**(214.0)**	**(890.7)**
Net borrowings	(3.1)	(0.7)	105.0	(34.2)	408.9
Distribution to shareholders	—	—	(24.0)	(26.1)	(24.7)
Other cash flows from financing activities	(65.0)	(62.0)	(72.3)	(73.1)	391.0
Cash flow from / (used in) financing activities	**(68.1)**	**(62.7)**	**8.7**	**(133.4)**	**775.2**
Net increase / (decrease) in cash held	**14.5**	**(76.7)**	**116.5**	**14.0**	**5.7**
Cash at the beginning of the reporting period	292.3	188.1	188.1	177.4	160.6
Exchange fluctuations	2.7	1.6	(12.2)	(3.3)	11.1
Cash at the end of the reporting period	309.5	113.0	292.3	188.1	177.4

Six months ended 30 June 2014

As of 30 June 2014, cash and cash equivalents were € 310 million, an increase of 6% from 31 December 2013.

In H1 2014, Nyrstar generated € 111 million of cash inflows from operating activities before working capital movements due to improved underlying EBITDA during H1 2014. Net working capital decreased by € 55 million in H1 2014 to € (132) million as of 30 June 2014 from € (90) million as of 31 December 2013, primarily as a result of an increase in trade payables, which more than offset higher trade receivables.

Cash outflows from investing activities for H1 2014 of € 84 million were driven primarily by capital expenditures on sustaining, as well as exploration, development and growth projects, net of disposals and proceeds from divestment of equity accounted investees. Cash outflows from financing activities in H1 2014 amounted to € 68 million and primarily related to interest paid on Nyrstar's borrowings. As of 30 June 2014, the full amount of Nyrstar's € 400 million RSCTFF remained undrawn (also fully undrawn as of 31 December 2013). Committed undrawn liquidity headroom and cash on hand was € 768 million at the end of H1 2014.

Net debt at 30 June 2014 was € 653 million (a decrease of € 17 million from 31 December 2013), with a gearing level of 44%.

Year ended 31 December 2013

As of 31 December 2013, cash and cash equivalents were € 292 million, an increase of € 104 million from 31 December 2012.

In 2013, cash flows from operating activities generated an inflow of € 299 million, which comprised a € 124 million cash inflow from operating activities before working capital changes. Cash flow from operating activities decreased by € 63 million compared with 2012 mainly due to the lower cash flow generated from the operating activities before working capital changes, primarily as a result of a higher loss incurred in 2013. Working capital changes in 2013 generated positive cash flows of € 175 million, primarily by cash inflow from changes in inventories of € 198 million due to the decrease in metal prices in 2013 and lower volumes of inventories held at 31 December 2013 compared with 31 December 2012, largely offset by cash outflow from changes in trade and other payables of € 152 million driven by the same reasons. Inventory value typically increases as metal prices rise, while a weaker metal price environment provides Nyrstar with additional liquidity through the release of cash needed to finance inventories; this countercyclical working capital dynamic mitigates the negative impact of a market downturn on cash flow.

Cash outflows from investing activities in 2013 of € 191 million mainly relates to capital expenditure. Following a successful placement of € 120 million senior, unsecured convertible bonds due 2018, cash inflows from financing activities in 2013 amounted to € 9 million, compared to an outflow of € 133 million in 2012. As of 31 December 2013, the full amount of Nyrstar's Revolving Structured Commodity Trade Finance Facility remained undrawn (also fully undrawn as of 31 December 2012).

Net debt at 31 December 2013 was € 670 million, with a gearing level of 43.5%.

Year ended 31 December 2012

As of 31 December 2012, cash and cash equivalents were € 188 million, an increase of € 11 million from 31 December 2011.

In 2012 cash flows from operating activities generated an inflow of € 361 million, which comprised a € 200 million cash inflow from operating activities before working capital changes. The remaining inflow reflected Nyrstar's management of its working capital by building inventory as metal prices rose in H2 2012, as well as the cash received in H1 2012 from the sale of 2.8 million troy ounces of silver bearing material that was recovered in Port Pirie in 2011 (€ 78 million).

Cash outflows from investing activities in 2012 of € 214 million mainly relate to capital expenditure and the cash inflow from the sale in February 2012 of Nyrstar's 50% share in the ARA Sydney joint venture for € 32 million. This compares to an outflow of € 891 million in 2011, which included the acquisition of Farallon for approximately € 280 million (net of cash) and Breakwater Resources for approximately € 390 million (net of cash).

Cash outflows from financing activities in 2012 amounted to € 133 million, compared to an inflow of € 775 million in 2011. The cash outflow in 2012 was primarily driven by interest payments, the repayment of short-term borrowings and a € 0.16 per Share distribution to shareholders. The significant inflow in 2011 included the € 490 million gross proceeds of the rights offering that closed in March 2011 (the net proceeds of which amounted to € 474 million), and the € 525 million (excluding transaction costs) raised in May 2011 with the placement of 5.375% bonds due 2016. As of 31 December 2012, the full amount of Nyrstar's successfully refinanced € 400 million Revolving Structured Commodity Trade Finance Facility remained undrawn (fully undrawn as of 31 December 2011).

Net debt at 31 December 2012 was € 681 million, with a gearing level of 37.0%.

Year ended 31 December 2011

As of 31 December 2011, cash and cash equivalents were € 177 million, an increase of € 17 million from 31 December 2010.

Cash flows from operating activities in 2011 generated an inflow of € 121 million, due to strong sales in the Mining and Metals Processing segments in H2 2011. Although there was a sharp decline in zinc, lead and silver prices in Q4 2011, leading to a reduction in the value of metal inventories, there was only a relatively small working capital cash inflow (comprised of changes in inventories, trade and other receivables, trade and other payables and deferred income) of € 21 million in 2011 due to the strong sales performance at the end of the year.

Cash flows from investing activities in 2011 (€ 891 million) mainly relate to the acquisition of Farallon for approximately € 280 million (net of cash) and Breakwater Resources for approximately € 390 million (net of cash). These outflows in 2011 compare to € 272 million in 2010 invested in the acquisition of mines and the Talvivaara streaming agreement. In addition the acquisition of property, plant and equipment and intangible assets was € 229 million in 2011, compared to € 147 million in 2010.

Cash inflows from financing activities in 2011 amounted to € 775 million. Included in this amount are the € 490 million gross proceeds of the rights offering that closed in March 2011 (the net proceeds of which amounted to € 474 million), and the € 525 million (excluding transaction costs) raised in May 2011 with the placement of 5.375% bonds due 2016. As of 31 December 2011, the full amount of Nyrstar's € 500 million Revolving Structured Commodity Trade Finance Facility was undrawn (€ 107 million as of 31 December 2010). During 2011, Nyrstar acquired 6,265,000 shares to hold in treasury, for approximately € 52 million, in accordance with the Board of Director's authorisation to acquire Nyrstar's own shares, renewed at the Extraordinary General Meeting on 26 May 2009.

Net debt at 31 December 2011 was € 718 million, with a gearing level of 35.0%.

Capital expenditure

Nyrstar makes capital expenditures on an ongoing basis to maintain its operations and to undertake business improvements and expansions. Nyrstar classifies its capital expenditure as sustaining and compliance expenditure, growth expenditure and (in the case of the Mining segment) exploration and development expenditure.

The following table sets forth Nyrstar's capital expenditure, by segment, for each of the periods indicated:

	Six months ended	Year ended 31 December		
(€ millions)	**30 June 2014**	**2013**	**2012**	**2011**
Mining				
Sustaining and compliance capex	20	52	56	39
Growth capex	5	3	5	15
Exploration and development capex	21	42	69	50
Total Mining capital expenditure	**46**	**97**	**130**	**104**
Metals Processing				
Sustaining and compliance capex	32	75	92	87
Growth capex	13	21	21	25
Total Metals Processing capital expenditure	**45**	**96**	**113**	**112**

Six months ended 30 June 2014

Capital expenditure was € 93 million in H1 2014, an increase of 4% from H2 2013 (€ 89 million).

Total capital expenditure for the Mining segment of € 46 million in H1 2014 represented a 2% decrease from € 47 million in H2 2013. In H1 2014, sustaining capital expenditure in the Mining segment was € 20 million, down € 7 million from H2 2013 as a result of the initial ''turnaround'' phase of the Mining Strategic Review and continued emphasis on optimal capital management across the Mining segment. Of the € 26 million spent on exploration, development and growth, € 21 million was spent on exploration and mine development capital expenditure, up 24% over H2 2013, an increase aligned with Nyrstar's current mine plans and as a function of the increase in ore extraction rates. The remaining € 5 million was spent on growth projects in the Mining segment during H1 2014, up € 2 million on H2 2013 and predominately spent at Campo Morado as test work continued outside the G9 ore-body (adapting the mill circuit to treat new zones).

Capital expenditure in the Metals Processing segment in H1 2014 of € 45 million represented an increase of 15% from € 39 million in H2 2013. This comprised approximately € 32 million on sustaining expenditures and € 13 million of growth capital expenditure relating to both Smelting Strategic Review project expenditure (€ 2 million) and Port Pirie Redevelopment project expenditure (€ 11 million). In the next few years, Nyrstar expects to invest significant additional capital expenditures in the Port Pirie Redevelopment as well as in various Transformation projects included in the Smelting Strategic Review Project Portfolio.

Year ended 31 December 2013

Capital expenditure was € 199 million in 2013, a decrease of 19% from 2012 (€ 248 million).

Expenditure in the Mining segment of € 97 million in 2013 represented a substantial reduction of 25% from 2012. Sustaining and compliance spend in 2013 was reduced to approximately € 52 million, 7% reduction on 2012, due to improved capital management across the Mining segment. € 42 million was spent on exploration and development, 39% down on the previous half and € 3 million on growth spend.

Capital expenditure in the Metals Processing segment in 2013 of € 96 million was down 15% from 2012 (€ 113 million). This comprised approximately € 75 million of expenditure on sustaining, compliance and shutdowns, which included spend on a number of successful planned maintenance shuts across the smelters. € 17 million was spent on organic growth projects which include the final investment case for the Port Pirie Redevelopment, increasing indium metal capacity at Auby and the successful completion of the electrolysis de-bottlenecking project at Auby.

In addition, approximately € 7 million was invested at other operations and corporate offices.

Year ended 31 December 2012

Capital expenditure was € 248 million in 2012, an increase of 8% from 2011 (€ 229 million), despite a full year's of investment at the former Breakwater mines (acquired at the end of August 2011) that included the successful ramp-up of the Langlois mine. This was achieved by taking measures to reduce sustaining capital expenditure in H2 2012, thereby limiting spend in H2 2012 to € 130 million.

Expenditure at the mines of € 130 million represented a 25% increase from 2011 primarily due to a full year's capital investment at the former Breakwater mines (acquired in August 2012) and additional exploration and development spend across the Mining segment. Sustaining and compliance spend in 2012 was approximately € 56 million, a reduction of approximately 18% on 2011 due to improved capital management at the mines and lower ramp-up related spend (a higher portion of ramp-up spend at the Langlois mine, in addition to de-watering and rehabilitation of the Middle Tennessee Mines, occurred in 2011). € 69 million was spent on exploration and development in 2012. This included an element of catch-up spend on developing long term mine plans, as previous owners of some of the mines had significantly underinvested in mine planning activities during the global financial crisis. In addition capital was also allocated to the exploration of new deposits such as a successful diamond drilling programme at El Toqui mine.

Capital expenditure in the Metals Processing segment in 2012 of € 113 million was in line with 2011 (€ 112 million). This comprised approximately € 92 million of expenditure on sustaining, compliance and shutdowns, with the latter impacted by the unplanned shutdowns at the Port Pirie smelter in H2 2012. € 21 million spent on organic growth projects including the commissioning of the indium metal plant at Auby, a system to recover heat from the acid plant at Balen to reduce electricity and gas costs and the de-bottlenecking of the silver refinery at Port Pirie to improve the silver gross profit margin.

In addition, approximately € 5 million was invested at other operations and corporate offices.

Year ended 31 December 2011

Capital expenditure was € 229 million in 2011, an increase of 56% from 2010 (€ 147 million).

Expenditure at the mines was € 104 million, a 73% increase compared to 2010, primarily due to the increase in sustaining and compliance requirements with the acquisitions of the Campo Morado and Breakwater mines, and increased production at the other mining operations. Ramp-up expenditure to prepare the Langlois mine for commercial production amounted to € 15 million between the acquisition of Breakwater Resources and the end of 2011. Exploration spend in 2011 totalled approximately € 14 million.

Capital expenditure for smelters was € 112 million in 2011, up 38% on 2010 (€ 81 million). This comprised € 87 million of expenditure on sustaining and compliance and € 25 million was spent on organic growth projects. This included the building of the indium metal plant at Auby, the successful commissioning of a third automated SHG casting line at the Balen/Overpelt facility, which is expected to reduce operating costs and working capital requirements by reducing cathode inventory holding time, and the capacity expansion of the cellhouse at Hobart.

In addition, approximately € 13 million was invested at other operations and corporate offices, including major IT hardware and software upgrades across the group.

Contractual obligations and commitments

The following table sets forth, by major category of commitment and obligation, Nyrstar's material contractual obligations and their maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as of 31 December 2013:

			Payment due by period			
31 December 2013 ***(€ million)***	**Carrying Amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**
Finance Lease Liabilities	(1.9)	(1.9)	(0.4)	(0.5)	(0.8)	(0.2)
Loans and Borrowings	(959.9)	(1,122.4)	(49.8)	(126.6)	(267.5)	(678.5)
Trade and Other Payables	(486.0)	(485.9)	(480.4)	(3.4)	(1.1)	(1.0)
Commodity contracts—fair value hedges	(14.4)	(14.4)	(14.4)	—	—	—
Foreign exchange contracts—held for trading	(6.0)	(6.0)	(6.0)	—	—	—
Embedded derivatives	(4.3)	(4.3)	(0.2)	(0.2)	(1.7)	(2.2)
Total	**(1,472.5)**	**(1,634.9)**	**(551.2)**	**(130.7)**	**(271.1)**	**(681.9)**

With respect to debt obligations, please see ''—Liquidity and Capital Resources—Funding sources'' above.

In December 2008, Nyrstar entered into an off-take agreement with members of the Glencore Group (also a shareholder of Nyrstar) in relation to Nyrstar's commodity grade zinc and lead metal. This agreement came into effect in January 2009 with a term of five years (subsequently extended to 10 years). It provided for the supply by Nyrstar of quantities to be set by Nyrstar of its commodity grade zinc and lead metal on an exclusive basis (with certain exceptions) to Glencore for sale and marketing via Glencore's extensive global marketing and distribution network. The off-take agreement provided for prices based on the LME prices plus market-based, annually agreed premiums. On 16 April 2013 Nyrstar announced that it had reached a negotiated settlement with Glencore (now Glencore Xstrata) in relation to the off-take agreement with respect to commodity grade zinc metal produced by Nyrstar within the European Union. This followed the requirement for Glencore to end these aspects of its relationship with Nyrstar as part of the remedy package agreed by the European Commission in relation to Glencore's merger with Xstrata. Under the settlement, by 31 December 2013 Nyrstar would cease to sell to Glencore commodity grade zinc metal produced at Nyrstar's smelters located within the European Union (Auby, Balen/Overpelt and Budel), and Glencore agreed to pay Nyrstar a termination fee of € 44.9 million. The sale of commodity grade zinc and lead produced from Nyrstar's smelters outside of the European Union (Clarksville, Hobart and Port Pirie) continues as before under the off-take agreement. Glencore also agreed to sell to Nyrstar Glencore's entire shareholding of 7.79% of Nyrstar common shares for € 3.39 per share (a discount of approximately 10% to the 5-day volume weighted average price, and 5% to the closing share price, of Nyrstar shares on 15 April 2013), for a total cash consideration of € 44.9 million. Nyrstar held the acquired shares as treasury stock with a view to placing the shares with suitable investors over time.

In January 2010, Nyrstar agreed to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara for a purchase price of US$ 335 million. In addition to the purchase price, Nyrstar would pay Talvivaara certain extraction and processing fees. During November 2013, Talvivaara applied for the commencement of corporate reorganisation proceedings. Considerable uncertainties exist as to the outcome of the Reorganisation, Talvivaara continuing as a going concern and the performance of its obligations under its agreement with Nyrstar. See ''Business—Mining—Talvivaara Zinc Streaming Agreement''.

Nyrstar is dependent on a limited number of suppliers for a significant proportion of its zinc and lead concentrate supply, and a disruption in supply could have a material adverse effect on its production levels and results of operations. The business of Nyrstar is dependent on its ability to source adequate supplies of zinc and lead concentrate. The availability and price of zinc and lead concentrate may be negatively affected by a number of factors largely beyond Nyrstar's control, including interruptions in production by suppliers, decisions by suppliers to allocate supplies of concentrate to other purchasers, price fluctuations and increasing transport costs. Nyrstar has life-of-mine contracts with Mining and Metals Group for zinc and lead concentrates from the Century and Rosebery mines in Australia and has other multi-year tonnage contracts with a number of other suppliers in place. These agreements provide that the key commercial terms (including TCs) are renegotiated annually.

Other commercial and regulatory commitments

Nyrstar has certain other commercial commitments, which are not recognised as liabilities on the balance sheet. These consist of capital commitments for the acquisition of plant and equipment contracted and operating leases. At 30 June 2014, the capital commitments amounted to € 54 million. The operating lease commitments at 31 December 2013 amounted to € 19 million with no significant changes subsequent to 31 December 2013. At 30 June 2014, Nyrstar also had € 87.7 million of bank guarantees that are not on its balance sheet, made in relation to workers' compensation, environmental obligations, suppliers and other parties. All of these arrangements have been entered into by Nyrstar in the ordinary course of business.

Related party transactions

During 2012, Nyrstar and Lee Kee Group each provided an interest free loan of US$ 3.5 million to Genesis Alloys (Ningbo) Ltd, a 50/50 joint venture between Nyrstar and the Lee Kee Group. Genesis Alloys (Ningbo) Ltd. was an equity accounted investee of the Group. The initial term of the loan of three years is automatically extended for consecutive periods of three years unless a written repayment notice is served to the borrower. During 2013 Nyrstar fully impaired the loan. Nyrstar expects to dispose of its stake in Genesis Alloys (Ningbo) Ltd in September 2014.

In June 2014, Nyrstar Sales & Marketing AG, a subsidiary of the Company, provided a loan of € 97,510 to Bob Katsiouleris, a member of the Company's management committee, to be repaid over a three year period. The loan was used by Mr. Katsiouleris to purchase (by way of personal contribution) 50,000 Shares under the 2014 LESOP (see ''Management and Corporate Governance—Description of Share plans—Leveraged Employee Stock Ownership Plans (LESOPs)'').

Other than these loans, Nyrstar has not undertaken any related party transactions except the compensation paid to its board of directors and management, as set out in note 39 to its audited consolidated financial statements as of and for the years ended 31 December 2013, 2012 and 2011 and in note 14 to its interim consolidated condensed financial statements for the six months ended 30 June 2014, both of which are incorporated by reference herein.

Disclosure on market risk

Overview

In the normal course of business, Nyrstar is exposed to credit risk, liquidity risk and market risk, i.e. fluctuations in commodity prices, exchange rates as well as interest rates, arising from its financial instruments. Listed below is information relating to Nyrstar's exposure to each of these risks and Nyrstar's objectives, policies and processes for measuring and managing risk and measuring capital.

The board of directors has overall responsibility for the establishment and oversight of Nyrstar's risk management framework. Nyrstar's risk management policies are established to identify and analyse the risks faced by Nyrstar, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The audit committee is responsible for overseeing how management monitors compliance with Nyrstar's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by Nyrstar. The audit committee is assisted in its oversight role by an internal audit function.

Credit risk

Credit risk is the risk of non-payment from any counterparty in relation to sales of goods. In order to manage the credit exposure, Nyrstar has determined a credit policy with credit limit requests, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays.

Trade and other receivables. Nyrstar's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Nyrstar has a credit policy under which each new customer is analysed for creditworthiness before the standard terms and conditions are offered. Customers that fail to meet Nyrstar's benchmark creditworthiness may transact with Nyrstar only on a prepayment basis.

Nyrstar provides an allowance for trade and other receivables that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Guarantees. There were no outstanding guarantees to external parties at 30 June 2014. There were no outstanding guarantees to external parties at 31 December 2013, 31 December 2012 or 31 December 2011 other than as follows: in 2012 the Group provided a guarantee of CNY 20 million (€ 2.4 million) in favour of KBC Bank NV in China, which provided a credit facility to Nyrstar's associate, Genesis Alloys (Ningbo) Ltd.; this guarantee ceased in March 2013 and is no longer outstanding.

Liquidity risk

Liquidity risk arises from the possibility that Nyrstar will not be able to meet its financial obligations as they fall due. Liquidity risk is addressed by maintaining, what management considers to be, a sufficient degree of diversification of funding sources and liquidity headroom. These include committed and uncommitted short and medium term bank facilities, as well as bonds (e.g. convertible bonds and fixed rate bonds).

Market risk

Market risk is the risk that changes in market prices will affect Nyrstar's income or the value of its investments in financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters while optimising the return.

Commodity price risk

In the normal course of its business, Nyrstar is exposed to risk resulting from fluctuations in the market prices of commodities and raw materials. Nyrstar currently engages only in transactional hedging and some short term strategic hedging.

With regard to transactional hedging Nyrstar undertakes short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers. Transactional hedging arrangements are accounted for in the ''Other Financial Assets'' and the ''Other Financial Liabilities'' line items of the statement of financial position.

Under its current policy in effect since 2012 following its approval by the Company's board of directors, Nyrstar may enter into hedges in relation to commodity prices that are unrelated to transactional metal price risk exposure. Such hedges are generally referred to as ''strategic hedges''. For example, in February 2013, Nyrstar entered into strategic hedges with respect to zinc prices for the remainder of 2013, and in 2014, Nyrstar has entered into periodic strategic hedges with respect to zinc prices. In June 2013, Nyrstar entered into strategic hedges with respect to gold and silver prices for the second half of 2013. These hedges are generally short term and are designed to secure prices seen as favourable while providing downside protection. In some cases the hedges may include a mechanism allowing Nyrstar to share in the upside while in other cases Nyrstar foregoes the upside. Specific instruments that may be used include options, cash-settled swaps and collars. Nyrstar has established a Metal Price Risk Committee that sets the general parameters for strategic hedging within the framework of the policy, and takes decisions with respect to the entering into of specific hedge transactions. The effects on Nyrstar's financial results, in addition to the possible protection of operating income from depreciation of commodity prices or forfeiture of operating income from commodity price appreciation include the cost of entering into financial instruments (e.g., option premia) and gains or losses generated by marking to market hedges that are outstanding at the end of reporting periods based on commodity price movements in the intervening period.

Any gains or losses realised from hedging arrangements are recorded within operating profit. Nyrstar does not intend to enter into medium to long term structural hedges of the zinc price to reduce its exposure to the medium to long term changes in the zinc price. From time to time Nyrstar may decide to enter into short term strategic hedging arrangements with respect to zinc or other metals to which it is exposed. The purpose of these hedges is to improve profitability by, for example, taking advantage of price conditions. Nyrstar has implemented a governance structure to ensure compliance with its robust risk-reward framework.

Nyrstar has implemented a comprehensive governance structure to ensure hedging arrangements, with respect to zinc and other metal prices, are compliant with a robust risk management framework, and all decisions to enter or exit from a hedge are taken by a Metal Price Risk Committee. Nyrstar may review its hedging policy from time to time. For further information, see ''—Significant factors affecting Nyrstar's results of operations—Sensitivity analysis''.

Foreign currency exchange risk

Nyrstar's assets, earnings and cash flows are influenced by movements in exchange rates of several currencies, particularly the U.S. Dollar, the Euro, the Australian Dollar, the Canadian Dollar, the Peruvian Sol, the Chilean Peso, the Mexican Peso, the Honduran Lempira and the Swiss Franc. Nyrstar's reporting currency is the Euro. Zinc, lead and other metals are sold throughout the world principally in U.S. Dollars, while the costs of Nyrstar are primarily in Euros, Australian Dollars, the Canadian Dollar, U.S. Dollars, Peruvian Sols, Chilean Pesos, Mexican Pesos, Honduran Lempiras and Swiss Francs. As a result, movement of the U.S. Dollar, the Australian Dollar, the Canadian Dollar, the Peruvian Sol, the Chilean Peso, the Mexican Peso, the Honduran Lempira, the Swiss Franc or other currencies in which Nyrstar's costs are denominated against the Euro could adversely affect Nyrstar's profitability and financial position.

Nyrstar has not entered and does not currently intend to enter into transactions that seek to hedge or mitigate its exposure to exchange rate fluctuations, other than:

- short-term hedging transactions to cover the timing risk between concentrate purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers (as mentioned above under ''Risk Factors—Risks relating to Nyrstar's business and industries—Nyrstar is exposed to the shape of the forward price curve for underlying metal prices''); and
- hedging transactions undertaken in circumstances when Nyrstar incurs significant capital expenditure commitments in currencies other than the Euro (such as capital expenditure costs associated with the Port Pirie Redevelopment) where there may be components or equipment priced in such other currencies, which may be hedged at the point at which the cost is committed.

For further information, see ''—Significant factors affecting Nyrstar's results of operations—Sensitivity analysis''.

Interest rate risk

Nyrstar incurs interest rate risk primarily on loans and borrowings. This risk is limited as a result of the interest rate on borrowings such as convertible bonds and fixed rate bonds being fixed. Nyrstar's current borrowings are split between fixed rate (its outstanding bonds) and floating rate basis (the RSCTFF). All variable interest rate loans and borrowings have EURIBOR or LIBOR based interest rates. The interest rate and terms of repayment of Nyrstar's loans are disclosed in note 35(f) to the Annual Financial Statements. Changes in interest rates may impact primary loans and borrowings by changing the levels of required interest payments.

Nyrstar's interest rate risk management policy is to limit the impact of adverse interest rate movements through the use of interest rate management tools. Interest rate risk is measured by maintaining a schedule of all financial assets, financial liabilities and interest rate hedging instruments. The goal of this policy is to limit the effect in profit and loss of a parallel shift of 1% of the entire interest curve, calculated on the projected net financial debt amount, to below a certain predefined limit per year. In addition, Nyrstar's policy states that interest rates cannot be fixed for periods more than ten years through the purchase or sale of interest rate derivatives.

Capital management

The board of director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and so as to sustain future development of the business. The board of directors monitors the return on capital, which Nyrstar defines as net operating income divided by total shareholders' equity, excluding non-controlling interests.

The board of directors also monitors the level of dividends to ordinary shareholders. Nyrstar's dividend policy is to ensure that while maintaining adequate cash flows for growth and the successful execution of its strategy, Nyrstar aims to maximise total shareholder return through a combination of

Share price appreciation and dividends. Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be determined on the basis of the Company's non-consolidated Belgian GAAP financial statements. In accordance with Belgian company law, the Company's articles of association also require that it allocate each year at least 5% of its annual net profits to its legal reserve, until the legal reserve equals at least 10% of the Company's share capital. As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future or, if they are paid, their amount.

Nyrstar has established a Leveraged Employee Stock Ownership Plan (''**LESOP**'') and an LTIP (together referred to as the ''**Plans**'') with a view to attracting, retaining and motivating the employees and senior management of Nyrstar and its wholly owned subsidiaries. The key terms of each Plan are set out in note 33 to the Annual Financial Statements.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Critical accounting estimates and judgments

Estimates and judgments used in developing and applying the accounting policies are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Nyrstar makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

For information on Nyrstar's significant accounting policies, see note 3 to the Annual Financial Statements.

Critical accounting estimates and assumptions

Determination of fair value

The Group has applied estimates and judgments in accounting for business combinations, revenue recognition, inventories, Share-based payments and for its financial assets and liabilities. Fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However such information is by nature subject to uncertainty, particularly where comparable market based transactions rarely exist.

Determination of ore reserves and resources estimates

Estimated recoverable reserves and resources are used to determine the depreciation of mine production assets, in accounting for deferred costs and in performing impairment testing. Estimates are prepared by appropriately qualified persons, but will be impacted by forecast commodity prices, exchange rates, production costs and recoveries amongst other factors. Changes in assumptions will impact the carrying value of assets and depreciation and impairment charges recorded in the income statement.

Restoration obligations

Provision is recognised for estimated closure, restoration and environmental rehabilitation costs. These costs include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas in the financial year when the related environmental disturbance occurs. They are based on the estimated future costs using information available at each balance sheet date. The provision is discounted using a current market-based pre-tax discount rate and the unwinding of the discount is recognised as interest expense. The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. A change in any of the assumptions used may have a material impact on the carrying value of restoration provisions.

Retirement benefit obligations

The expected costs of providing pensions and post employment benefits under defined benefit arrangements relating to employee service during the period are determined based on financial and actuarial assumptions. Nyrstar makes these assumptions in respect to the expected costs in consultation with qualified actuaries. When actual experience differs to these estimates, actuarial gains and losses are recognised in other comprehensive income. IAS 19R, revised in 2011, changed the accounting for defined benefit plans and termination benefits and has been applied retrospectively from 1 January 2012 (as the earliest comparative period). As a result, the expected returns on plan assets of defined benefit plans are not recognised in the profit or loss. Instead interest on net defined benefit obligation is recognised in profit or loss, calculated based on the net pension obligation. Nyrstar's consolidated financial statements for the year ended 31 December 2013 were the first financial statements in which the Group had adopted IAS 19R. Consequently, the Group adjusted opening equity as of 1 January 2012 and the amounts for 2012 have been restated as if IAS 19R had always been applied. For further information refer to note 30 to the Annual Financial Statements.

Impairment of assets

The recoverable amount of each cash-generating unit is determined as the higher of the asset's fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. For cash-generating units that comprise mining related assets, the estimates and assumptions also relate to the ore reserves and resources estimates (see above). For further information refer to note 17 to the Annual Financial Statements.

Critical judgments in applying Nyrstar's accounting policies

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recovery.

Recovery of zinc purchase interest

Due to recent developments regarding the financial situation of Talvivaara Mining Company plc, Nyrstar's counterparty in respect of its zinc purchase interest, critical judgments are required in assessing the recoverability of the zinc purchase interest. In the event of its reorganisation process being unsuccessful, Talvivaara may have to file for bankruptcy. In bankruptcy, the bankruptcy administrator has the option to void the Zinc Streaming Agreement with Nyrstar. Should this agreement be voided, Nyrstar would become a creditor to Talvivaara for the amounts outstanding under the agreement. Collectability of any such amounts would be uncertain. It is possible, though in Nyrstar's view not probable, that the outcome of the Talvivaara Reorganisation will result in the carrying value of the Zinc Streaming Agreement being impaired. If such an impairment was recognised in the 31 December 2013 financial results, the reported loss for the year of € 195.4 million would increase by a range of € nil to € 176.1 million (being the tax effected carrying value of the zinc purchase interest of € 223.4 million). The reported loss for the year would then be in a range of € 195.4 million to € 372.3 million and total equity would be in a range of € 869.6 million to € 692.7 million. For further information refer to note 20 to the Annual Nyrstar Financial Statements.

No significant change in Nyrstar's financial or trading position

There has been no significant or material change in the financial or trading position of Nyrstar or any other company of Nyrstar since 30 June 2014, except for those circumstances or events elsewhere stated or referred to in this Prospectus.

THE MINING AND SMELTING INDUSTRY

The following information relating to the zinc, lead, sulphuric acid, copper, silver and gold market and industry overview has been provided for background purposes only. The information relating to the zinc, lead, sulphuric acid and copper markets has been prepared by Wood Mackenzie, the information relating to the gold market (other than gold prices) is from the GFMS Gold Survey 2014, and the information relating to the silver market (other than silver prices) is from The Silver Institute's World Silver Survey 2014. Gold and silver prices have been sourced from the London Bullion Market Association using AM Fix price data. In particular, all projections set forth below have been prepared by Wood Mackenzie, and not the Company. All information has been extracted from a variety of sources released by public and private organisations. The industry information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Zinc industry overview

Introduction

Zinc metal has physical, electrochemical and chemical properties that enable it to be used in a wide variety of industrial applications. Zinc is chemically active and alloys well with other metals such as copper, aluminium and magnesium. It is durable and reacts readily with iron, imparting good corrosion resistance to steel substrate when used as a galvanised or applied coating. Zinc is relatively hard with a low melting point making it and its alloys very suitable for die casting but yet still soft enough to be formed, rolled or extruded.

Zinc is usually found in ore bodies in association with other metals, commonly lead, copper, silver or gold. Zinc occurs naturally in minerals, most commonly as zinc sulphide (ZnS) but also in oxidised forms (ZnO). Zinc minerals are extracted using underground or open pit mining methods and then processed to a concentrated form typically containing more than 50% zinc. Concentrate is treated by smelting and refining processes to produce zinc metal. Mines sell zinc concentrate to zinc smelters under annual or multi-year delivery contracts (frame tonnage contracts) or for prompt delivery on the spot market.

The most common smelting and refining process, accounting for over 90% of all concentrate treated is hydrometallurgical, commonly called the roast leach electrolysis (''**RLE**'') process. The other process route is pyrometallurgical, encompassing blast furnace (ISF), electrothermic and vertical retort smelting and refining. Nyrstar owns and operates five zinc smelters all of which use the RLE process. It also operates the Port Pirie multi-metals smelter which produces metals using pyrometallurgical and hydrometallurgical processes.

Zinc metal is produced in a variety of shapes, weights and qualities according to customer requirements or to the standards of the terminal exchanges, the LME and the Shanghai Futures Exchange (''**SHFE**''). Nyrstar smelters produce special high grade zinc (SHG 99.995% Zn), continuous galvanising alloys (CGG), die casting alloys and special alloys.

The SHG zinc price is determined by daily trading on the LME. It provides the basis for most commercial transactions involving the buying and selling of zinc concentrate or zinc metal. In China, commercial transactions use published producer prices or the quoted SHFE zinc price.

Zinc metal demand and end-uses

Galvanising is the predominant first use for zinc. This process involves coating steel with molten zinc to prevent corrosion. There is a linear relationship between the thickness of the resultant coating and the life of the protective layer. Galvanised steel is used in a variety of products including car bodies, white goods, street fittings and utility poles and towers.

The next largest first use of zinc is in brass, an alloy of copper which contains 5% to 50% of zinc depending on its required properties. Brass can be cast, forged, and formed into sheet, wire and rod. Due to its high tensile and yield strength, brass is machinable. The material is widely used in electrical and hydraulic components as well as plumbing, door and window fittings. Brass has a high scrap value, usually at least 80% of its intrinsic metal value, which encourages a high level of recycling.

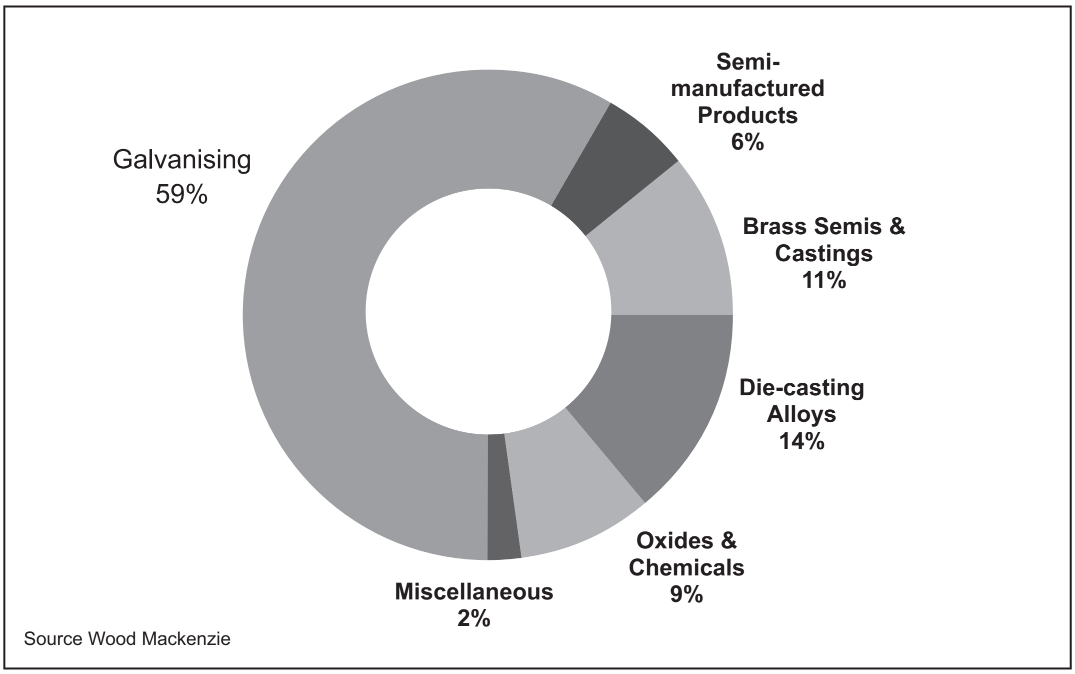
Zinc is also used to produce die casting alloys (in which it is typically alloyed with 3.5-4.3% aluminium and smaller amounts of magnesium and copper). Die cast zinc alloys are used to mass produce a wide variety of manufactured goods as well as in plumbing, door and window fittings. Zinc is also converted into rolled and extruded semi-manufactured products which are in turn used in the production of disposable batteries and architectural cladding products. The metal is also used to make zinc oxides and chemicals, the most important use of which is in the vulcanisation and hardening of rubber which in turn is primarily used in the production of automotive tires.

The largest end-use sector for zinc is construction, which together with publically funded infrastructure activity accounted for 66% of global end-use zinc consumption in 2013. The second most important end use sector is transport (primarily the automotive sector) which accounted for 21% of zinc consumption. Consumer products accounted for 6% of consumption and the remainder was used in the manufacture of industrial goods and equipment.

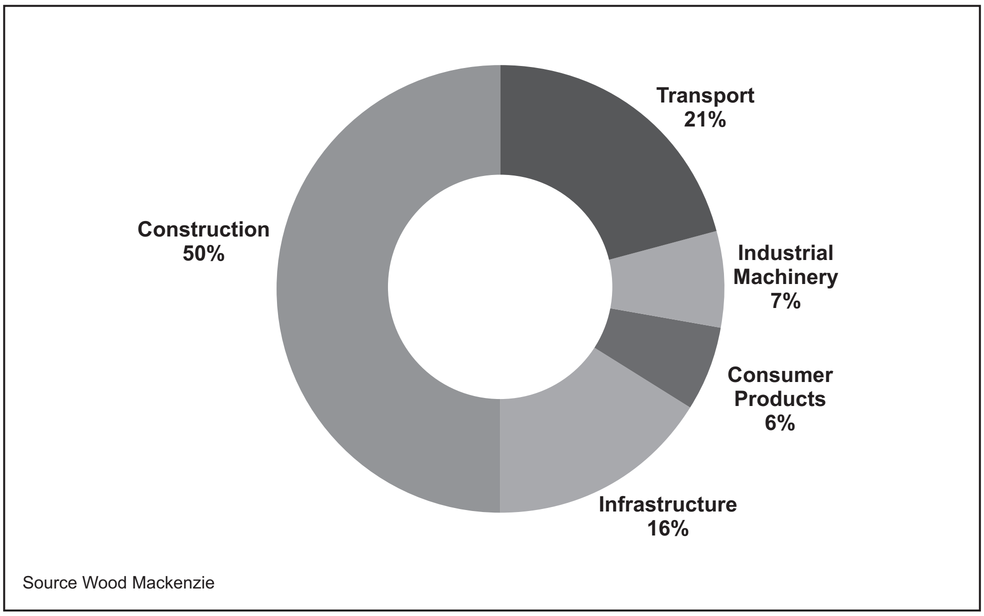
Like many materials, zinc faces the threat of substitution and thrifting. However, historically the substitution of zinc has not been driven by price but rather by the need to reduce weight in the automotive sector, which resulted in the replacement of zinc by aluminium in the production of some die cast parts and galvanised steel body panels. More recently, high zinc prices have encouraged the development of new aluminium and magnesium zinc alloys that allow thinner coatings to be used in the galvanising of steel, without compromising the degree of corrosion protection.

As a consequence of zinc end use being dominated by the construction and infrastructure sectors, the ongoing urbanisation and industrialisation of the developing world will be the primary driver of global zinc consumption. Also, the elevated intensity of use (zinc consumption per unit of gross domestic product (''**GDP''**)) has been boosted by the effective transfer of manufacturing capacity from the developed world to the lower cost economies of the developing world. The combination of these trends has resulted in Chinese per capita zinc consumption growing from just 0.4kg in 1990 to 1.1 kg/capita in 2000. By 2010, China's per capita zinc consumption had grown to 3.5kg to exceed that of the United States and France. In the longer term, as the Chinese economy evolves, per capita zinc consumption is forecast to reach 6kg in 2020. This is some 4kg below the levels seen currently in South Korea's export dominated economy.

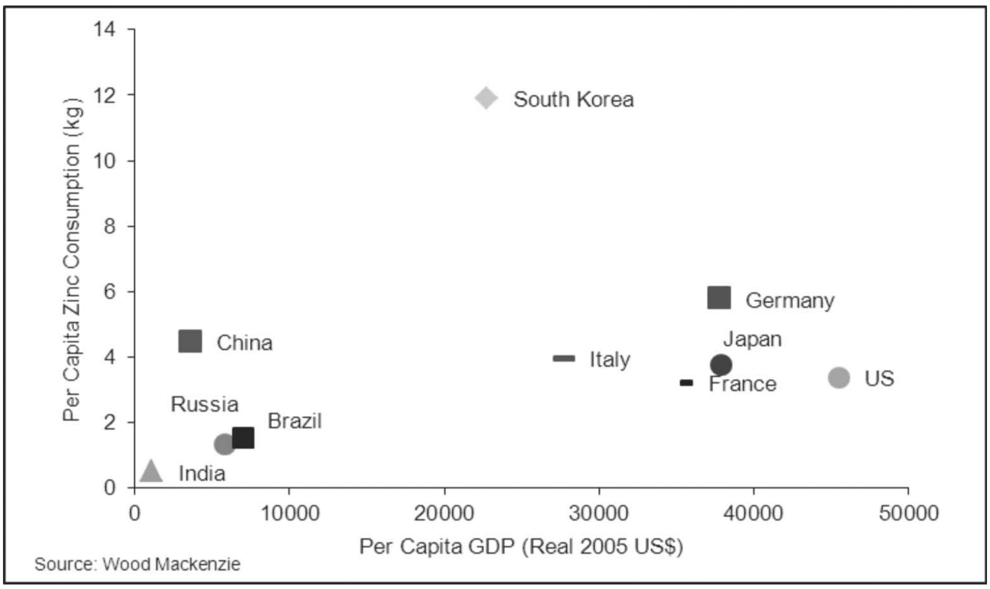
Zinc consumption by first use in 2013



Zinc consumption by end use in 2013



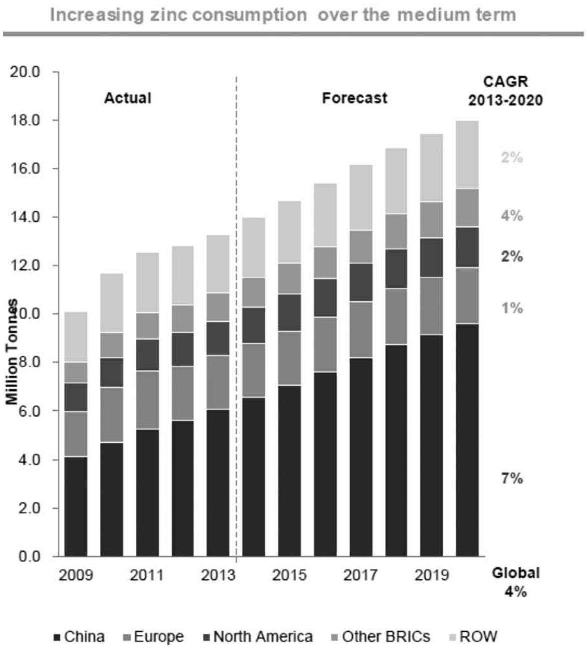
Per capita zinc consumption versus per capita GDP

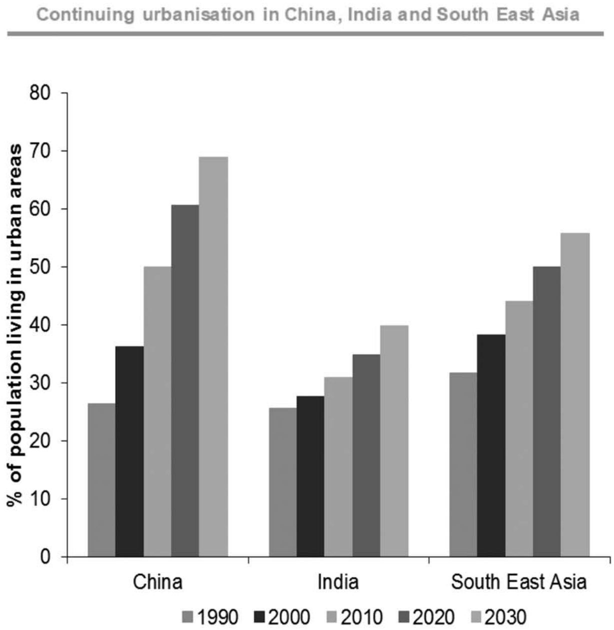


In the wake of the 2009 global economic downturn many governments deployed a range of measures to stimulate economic growth, which resulted in a 15.7% increase in global zinc consumption in 2010. However, as the effects of these stimulus measures decreased, Chinese zinc consumption growth slowed while the Eurozone crisis resulted in European consumption contracting. As a consequence, global zinc consumption growth slowed to 7.3% in 2011 and 2.2% in 2012. In 2013, the stabilisation of the Eurozone together with stronger growth from China resulted in global zinc consumption growing by 3.9%. In the beginning of 2014, simultaneous growth of the U.S., European and Japanese economies has made a strong contribution to global zinc consumption growth and is expected to contribute to an increase in global consumption to 14Mt, i.e., by a forecast 4.9% in 2014. Consequently, there is also a year-to-date (as of 15 August 2014) decline in overall zinc inventories of 18% on the LME and 19% on the SHFE.

In the longer term, the urbanisation and industrialisation of China, India and many other developing world nations, together with the improvement of living standards and consequentially higher disposable incomes, is expected to boost zinc consumption. As a result of these trends, developing world zinc consumption is forecast to grow at a CAGR of 4.4% over the period 2014-2020.

Zinc consumption over the medium term and urbanisation trends in China, India and South East Asia



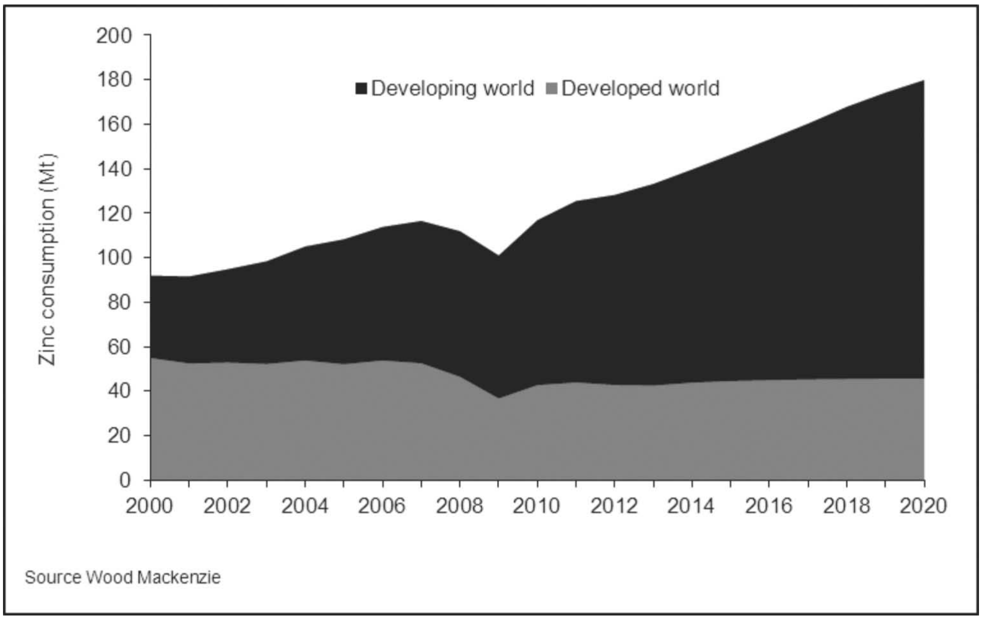


Source Wood Mackenzie Global Zinc Long-term Outlook Q1 2014 (March 2014); Wood Mackenzie, UN.

By contrast, zinc's intensity of use in the world's mature economies is weakening. In the medium to longer term, the prospects for an increase in the demand for zinc from the world's developed economies are expected to be constrained by a number of factors. Lower levels of public sector spending are predicted to have a particularly negative impact on zinc-intensive sectors such as infrastructure and other public sector construction. Lower levels of public sector spending, together with the ongoing transfer of manufacturing capacity from the world's developed economies to developing economies, is forecast to result in a compound average annual growth rate of 1.1% in the world's developed economies over the period 2014-2020.

As a consequence of the robust growth in the world's developing economies and a more modest increase in zinc consumption from the world's mature economies, global zinc consumption is forecast to expand from 13.3Mt in 2013 to 18.0Mt in 2020, equivalent to an average annual incremental increase of 0.67Mt/a over the period 2014-2020.

Global zinc consumption (Mt)



Note: Developed economies include Europe, North America, Japan and Oceania. Developing economies include Africa, China, Latin America and Asia (excluding Japan).

Supply: zinc mining

Zinc mineral deposits are formed in various tectonic environments at different temperatures and pressures and from fluids with diverse sources which can be simply classified into eight main types of ore bodies: Volcanogenic Massive Sulphide (''**VMS**''), Skarns, Sedimentary Exhalative (''**SEDEX''**), Oxide, Mississippi Valley Type (''**MVT''**), Epithermal and Mesothermal, Carbonate Replacement and miscellaneous Hydrothermal Other.

The largest individual deposits, measured on the basis of contained zinc, are generally SEDEX (typically from 0.5Mt to >17Mt Zn), followed by VMS (0.2Mt to >8Mt Zn), Oxide (1Mt to >5Mt), Skarn (0.2 to >5Mt Zn), Other (0.1Mt to >5Mt), Carbonate Replacement (0.1 to >2.5Mt Zn), MVT (0.1Mt to >2Mt), Epithermal and Mesothermal (0.1Mt>0.6Mt).

Nyrstar's owned and operated mines cover a wide range of these deposit types: Nyrstar Tennessee Mines are MVT, Contonga, Pucarrajo, El Toqui and El Mochito are Carbonate Replacement; Campo Morado and Langlois are VMS, and Coricancha is Epithermal.

Economic ore bodies have a finite life. To ensure the continued availability of zinc in concentrate as a raw material for producing zinc metal, mining companies must continually carry out exploration to discover and ultimately develop new ore bodies. Exploration is a technical enterprise consisting of regional target selection before investigation of specific anomalous areas using a range of geological, geochemical and geophysical techniques. Finally, detailed work is required to define the shape of the mineralised body of rock and separately to determine if the extraction and processing of the mined material is economically viable and to establish a verified mineral resource and ore reserve.

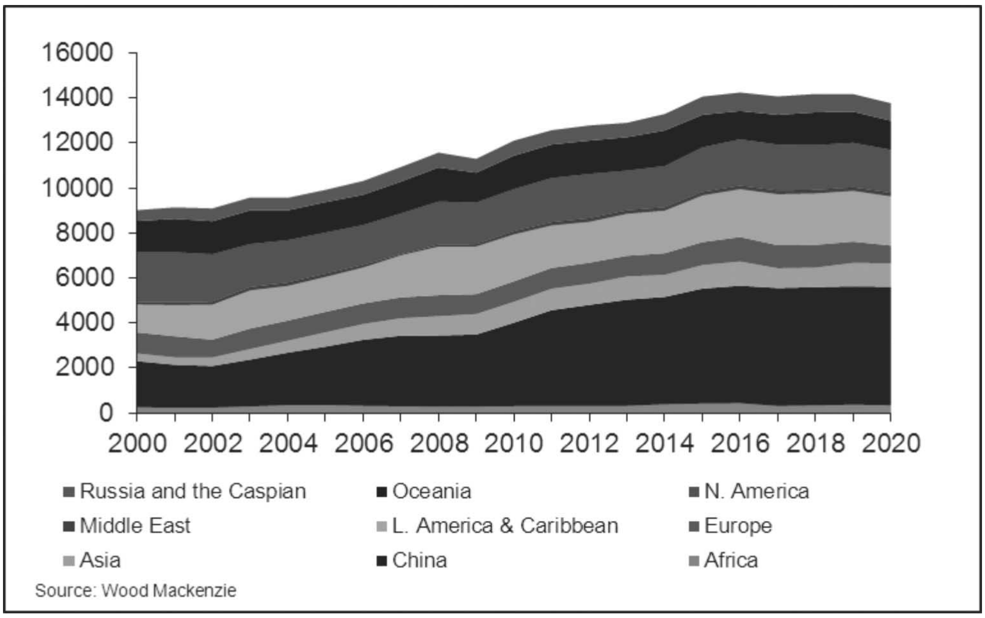
The process of advancing a project through the stages of ore body identification and verification, preliminary economic evaluation, economic ore reserve definition, bankable feasibility study, financing, licensing and permitting, engineering and technical design, procurement and construction, and finally commissioning can take many years, typically ten years or more. Once a company has approved a positive feasibility study, the subsequent development stages will usually be completed within three to seven years subject to a positive outlook for metal prices.

Wood Mackenzie makes its projections of future zinc mine production capability based on mine operating plans and company guidance when available but otherwise considers known or anticipated technical developments relating to ore grade trends, stripping ratios, mining configuration and metallurgical performance. Individual mine lives are estimated based on currently identified ore reserves and mineral resources. Global mine production capability is projected to trend down in response to anticipated ore body depletion. To meet projected increases in demand for zinc concentrate and zinc metal, new production will need to be established from mine life extensions, projects currently classified as only probable, new producers and/or the development of new ore bodies by existing or new producers. Probable projects are projects that are at an advanced development stage with an identified ore reserve and are being progressed through feasibility, permitting and financing. Possible projects are projects that are at an earlier development stage and generally only have an identified mineral resource.

World zinc mine production was 11.6 Mt/a Zn in 2008. It contracted by 2.4% to 11.3Mt/a in 2009 when the developed world was faced with economic recession and a financial crisis that reduced the demand for zinc concentrate and metal. With stabilisation of the financial system and a return to positive economic growth, mine output recovered strongly, increasing by 7.2% to 12.1Mt/a in 2010. Over the following three years growth was more moderate with global output reaching 12.9Mt in 2013.

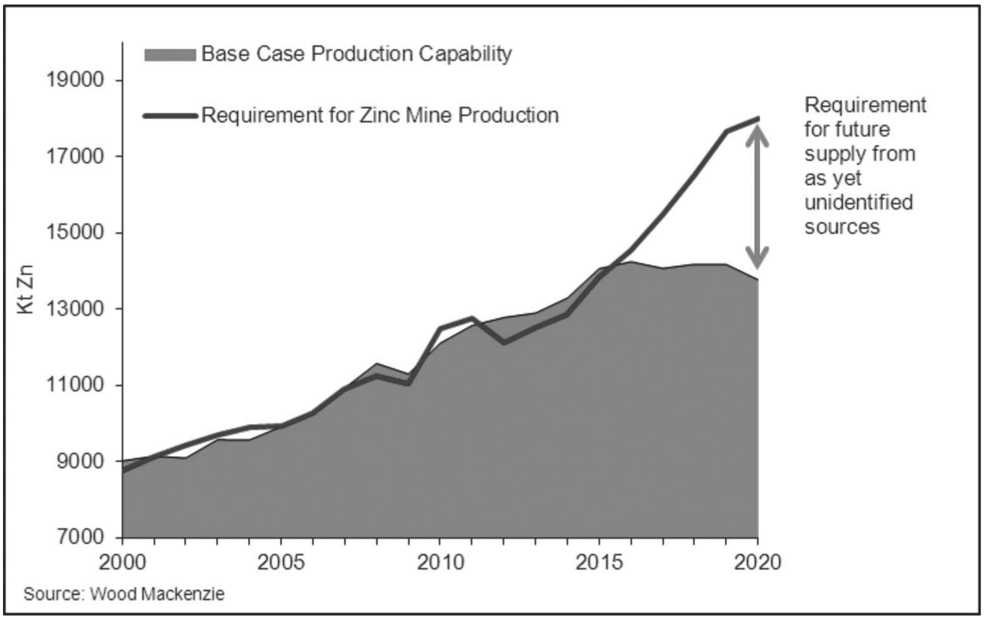
The world's largest producing country in 2013 was China (4.72Mt/a) followed by Australia (1.48Mt/a), Peru (1.25Mt/a), and then India (0.83Mt/a) and the United States (0.76Mt/a).

Forecast world mine production capability by region (kt Zn)



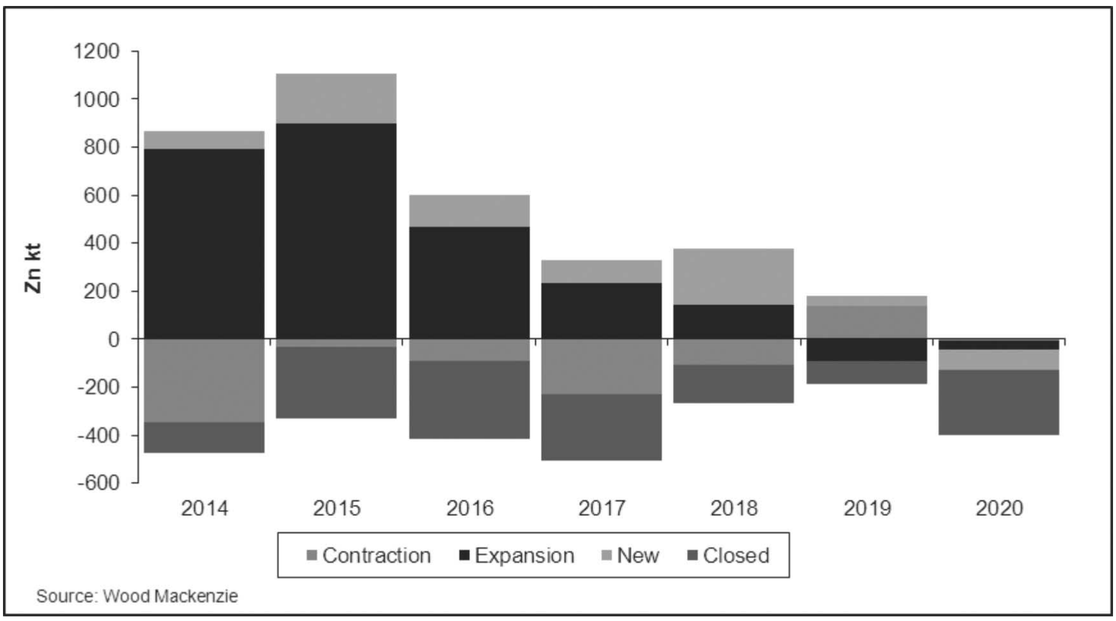
World zinc mine production capability from existing mines and committed projects is projected to increase to 14.3Mt/a in 2016. Thereafter, incremental output from committed new mines and expansion projects is not enough to offset production losses from the anticipated closure of mines due to reserve depletion.

Forecast world zinc production shortfall (kt Zn)

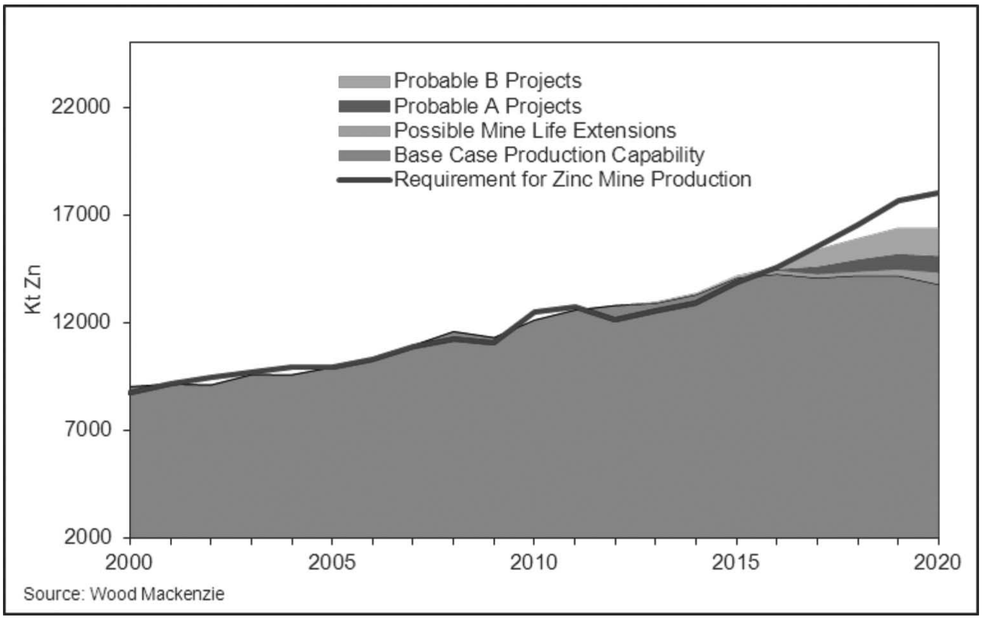


Projected capability is thus expected to decline to 13.8Mt in 2020. By 2020, Wood Mackenzie expects that 4.85Mt/a of additional and replacement mine capability will be required to meet anticipated demand.

Forecast world mine production capability (kt Zn)

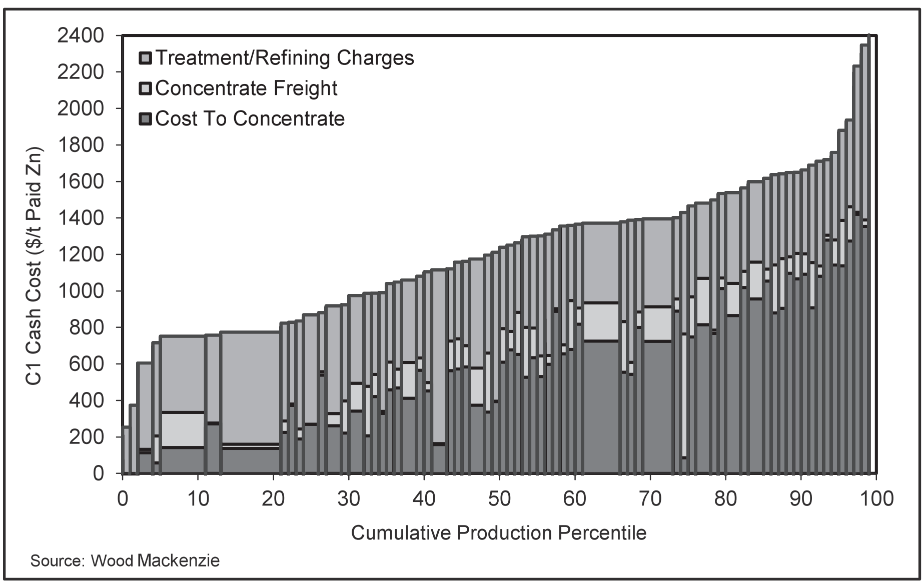


Requirement and sources of future world mine production (kt Zn)

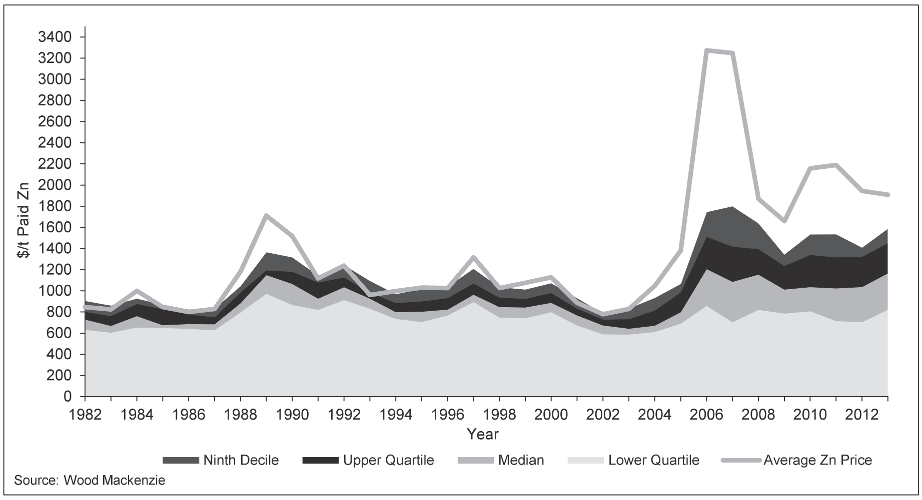


There is a great deal of variation in operating costs across primary zinc mines. To compare the operating costs of mining operations, Wood Mackenzie uses a metric called the C1 cash cost. The C1 cash cost is the costs of mining, milling and concentrating, on-site administration and general expenses, property and production royalties not related to revenues or profits, zinc concentrate treatment charges, and freight and marketing costs less the net value of by-product credits. The zinc price less the C1 cash cost defines the M1 profit margin (equivalent to EBITDA but calculated on a production basis rather than on a sales basis). The position of a mine or project on a C1 competitive cost ranking is measured by the cumulative production percentile (the percentage of global production that has a lower C1 cash cost than the mine in question). The lower the percentile value, the better placed is an individual mine to survive or profit from the zinc price and treatment charge cycle.

2013 direct cash cost (C1) competitive cost curve



C1 cash cost profile and zinc price range



2013 actual zinc mine and mining company ranking—top ten

	By Mine	kt Zn	%	By Company	kt Zn	%
1	Rampura-Agucha (Hindustan Zinc)	718	5.5	Glencore	998	7.7
2	Red Dog (Teck)	551	4.3	Hindustan Zinc	827	6.4
3	Century (MMG)	488	3.8	Teck	625	4.8
4	Mount Isa Pb/Zn (Glencore)	405	3.1	MMG Limited	600	4.6
5	Antamina (BHP Billiton (33.75%), Xstrata (33.75%), Teck (22.5%), Mitsubishi (10%))	260	2.0	Xstrata AG	296	2.3
6	McArthur River (Glencore)	203	1.6	Votorantim	291	2.3
7	San Cristobal (Sumitomo Corp)	193	1.5	Boliden	272	2.1
8	Lanping (Jinding Zinc)	180	1.4	Nyrstar	271	2.1
9	Tara (Boliden)	167	1.3	Minera Volcan	251	1.9
10	Cerro Lindo (Milpo)	149	1.2	Sumitomo	197	1.5

Source: Word Mackenzie.

2014 forecast zinc mine and mining company ranking—top ten

	By Mine	kt Zn	%	By Company	kt Zn	%
1	Rampura-Agucha (Hindustan Zinc)	680	5.1	Glencore	1363	10.3
2	Red Dog (Teck)	555	4.2	Hindustan Zinc	792	6.0
3	Century (MMG)	480	3.6	MMG Limited	618	4.6
4	Mount Isa Pb/Zn (Glencore)	470	3.5	Teck	617	4.6
5	McArthur River (Glencore)	240	1.8	Boliden	300	2.3
6	San Cristobal (Sumitomo Corp)	195	1.5	Nyrstar	297	2.2
7	Antamina (BHP Billiton (33.75%), Xstrata (33.75%), Teck (22.5%), Mitsubishi (10%))	190	1.4	Votorantim	294	2.2
8	Lanping (Jinding Zinc)	180	1.4	Minera Volcan	258	1.9
9	Tara (Boliden)	168	1.3	Industrias Penoles	213	1.6
10	Cerro Lindo (Milpo)	162	1.2	Sumitomo	199	1.5

Source: Word Mackenzie.

Supply: zinc smelting

The most common zinc smelting and refining process accounting for over 90% of all concentrate treated is hydrometallurgical, commonly called the electrolytic process or RLE. The other process route is pyrometallurgical, encompassing blast furnace (ISF), electrothermic and vertical retort smelting and refining. Nyrstar's zinc smelters and refineries employ the electrolytic method which comprises several process stages—receipt of raw materials, roasting of sulphide concentrate and secondary raw materials to calcined zinc oxide; the leaching of calcined zinc oxide using sulphuric acid; staged purification of the leachate to remove deleterious elements; the electro-winning to zinc cathode from the leachate; and the melting and casting of zinc cathode to various shapes and weights of slab zinc according to client requirements and market demand.

Smelters purchase most concentrate under annual or multi-year tonnage contracts but also from the spot market. In addition to concentrate, smelters may also treat secondary feed materials (such as zinc oxides), which provide around 8% of total raw material to the world's zinc smelters (compared with approximately 20% on average across Nyrstar's zinc smelters).

Concentrate and secondary feed material is purchased using a standard commercial contract:

- The smelter generally pays the seller for 85% of the zinc contained in concentrate. The paid zinc metal is valued at the LME official cash price of zinc averaged over an agreed quotation period. The LME official cash price for zinc is derived directly from open outcry trading on the floor of the London Metals Exchange. Each LME metal is traded in five minute ring sessions which are representative of global supply and demand, the last bid and offer price quoted during the second ring trading session for zinc metal is defined as the LME official cash price for zinc for that trading day. (References in this Offering Memorandum to the ''LME price'' are to the LME official cash price.)

A zinc smelter obtains revenue from four main sources—treatment charges, premiums, free metal and by-products:

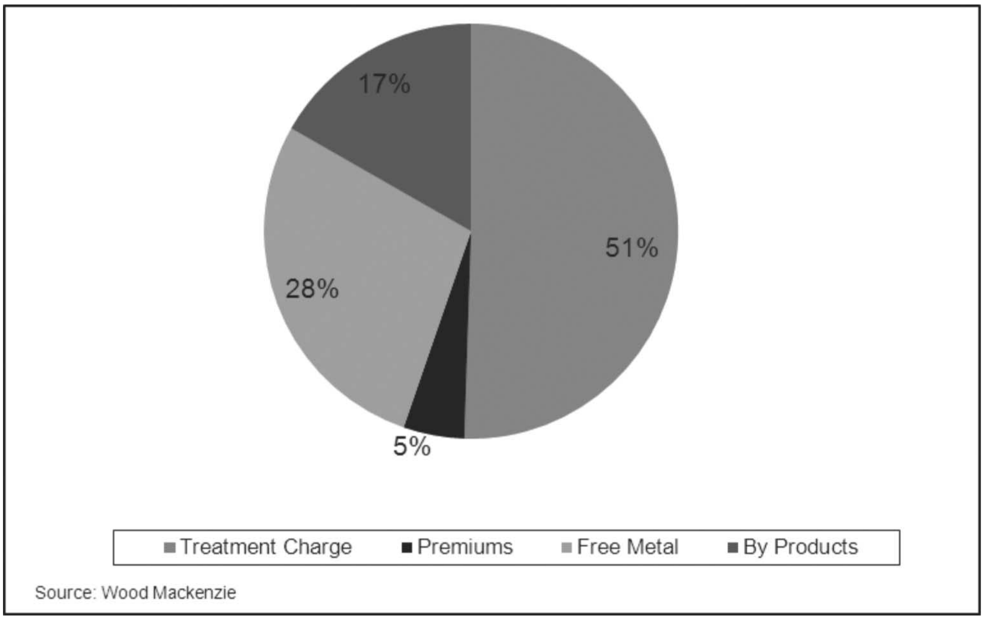
- Treatment Charges—The smelter will receive from the seller a TC expressed in US$ per tonne of concentrate. The contract typically provides for a base TC at a basis zinc price with escalation and de-escalation clauses that produce a higher or lower realised TC as the actual zinc price varies from the basis zinc price over the quotation period. Treatment charge contract terms are agreed by negotiation between the smelter and seller. In any given year, TCs tend to settle around norms established through negotiations between major buyers and sellers of concentrate.

- Free Metal—The metallurgical recovery of zinc contained in concentrate for a typical electrolytic smelter will be higher than the proportion paid to the seller. The average metallurgical recovery for Nyrstar's five smelters is above 96% of zinc contained in concentrate. The difference between this recovery rate and the 85% of contained zinc paid to the seller when valued at the LME price is called free metal.

- Premiums—A smelter will sell all its recovered zinc at the LME price plus a premium. Premiums are agreed by negotiation between smelters and customers.

- By-Products—Depending on the technology employed at a smelter and the quality of the concentrate feed, smelters may recover copper, cadmium, silver, gold, indium, gallium and germanium, for which the smelter earns by-product credits. Payment terms vary but usually comprise a deduction from the concentrate grade and payment for a proportion of the metal content valued at an agreed metal market price. For example, typical payment terms for silver comprise a deduction of three ounces per dmt of zinc concentrate from the final silver content and a payment for 70% of the remaining silver content. Typical payment terms for gold comprise a deduction of 1 gramme/dmt of zinc concentrate and payment for 80% of the remaining gold content. Payment for cadmium and copper is uncommon. Standard terms for indium, gallium and germanium are not yet established. Smelters may also make sulphuric acid and use a portion as part of the smelting process. The excess is sold at an agreed market price to customers.

2013 smelter sources of revenue average %

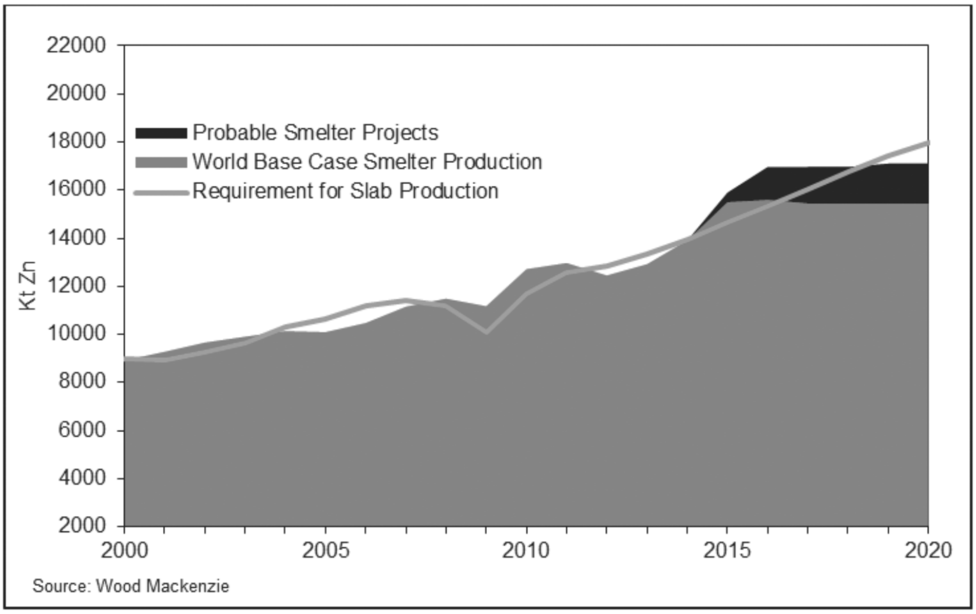


World zinc smelter production was 11.5Mt/a Zn in 2008. It contracted by 2.7% to 11.2Mt/a in 2009 when the world was faced with economic recession and a financial crisis that reduced the demand for zinc concentrate and metal. With stabilisation of the financial system and a return to positive economic growth, smelter output grew strongly in 2010, increasing by an estimated 13.8%. In 2012, deteriorating sector profitability and weak demand for metal outside China resulted in smelters reducing output by 4%. Following a modest recovery smelter production in 2013 was 12.9Mt.

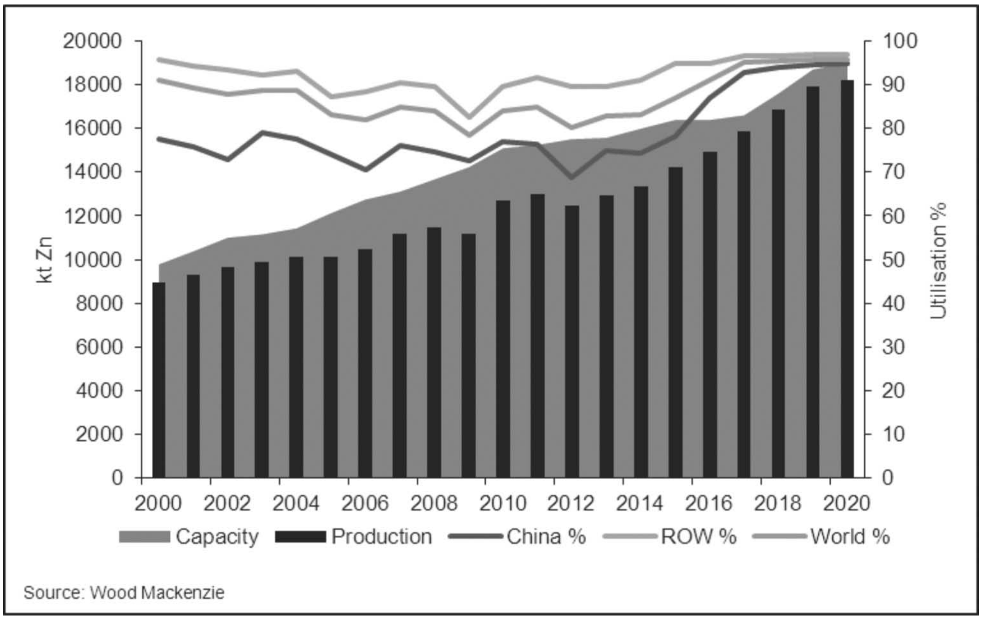
There are thirty-one countries in the world that produce refined zinc. In 2013, the world's largest producing country was China (5.2Mt/a) followed by India (0.8Mt/a), South Korea (0.9Mt/a), Canada (0.7Mt/a), Japan (0.6Mt/a) then Spain and Australia each at around 0.5Mt/a. The rapid expansion of capacity in China has outstripped both the availability of concentrate and market demand for metal. Consequently, average capacity utilisation rates have averaged 75% over the last fifteen years compared to 90% in the late 1990s. Outside China, utilisation rates have also been lower than usual as output was reduced in response to weak demand for zinc. Plant utilisation rates are now increasing and a high price environment is projected for the second-half of this decade. Wood Mackenzie anticipates a return to more historical world average levels. World smelter production capability is projected to increase to 15.5Mt/a in 2017. By 2017, world consumption of zinc is projected to be 16.0Mt, which would require the commissioning of 0.4Mt of new capacity. The requirement for new capacity is projected to increase to 2.8Mt/a by 2020.

This new capacity is expected to arise from as-yet unidentified expansions at existing producers and from new smelters. Once the investment decision has been made and planning permissions obtained, construction times for a new greenfield smelter will typically vary from eighteen months to three years.

Sources of future smelter capacity



Zinc smelter capacity, production and utilisation



2013 actual zinc smelter and smelting company ranking—top ten

By Smelter	kt Zn	%	By Company	kt Zn	%
Onsan (Korea Zinc)	550	4.3	Nyrstar	1087	8.4
San Juan de Nieva (Glencore)	485	3.7	Korea Zinc Group	1083	8.4
Chanderiya EL (Hindustan Zinc)	387	3.0	Glencore	747	5.8
Zhuzhou (Hunan Zhuye Smelter Torch Metal Company)	379	2.9	Hindustan Zinc	761	5.1
Mian Xian (Hanzhong-Bayi)	340	2.6	Votorantim	572	4.4
Sukpo (Young Poong)	336	2.6	Boliden	455	3.5
Cajamarquilla (Votorantim)	327	2.5	Shaanxi Nonferrous Metals	404	3.1
Kokkola (Boliden)	312	2.4	Teck	290	2.2
Trail (Teck)	290	2.2	Noranda Income Fund	265	2.0
Budel (Nyrstar)	275	2.1	Huludao Zinc	252	1.9

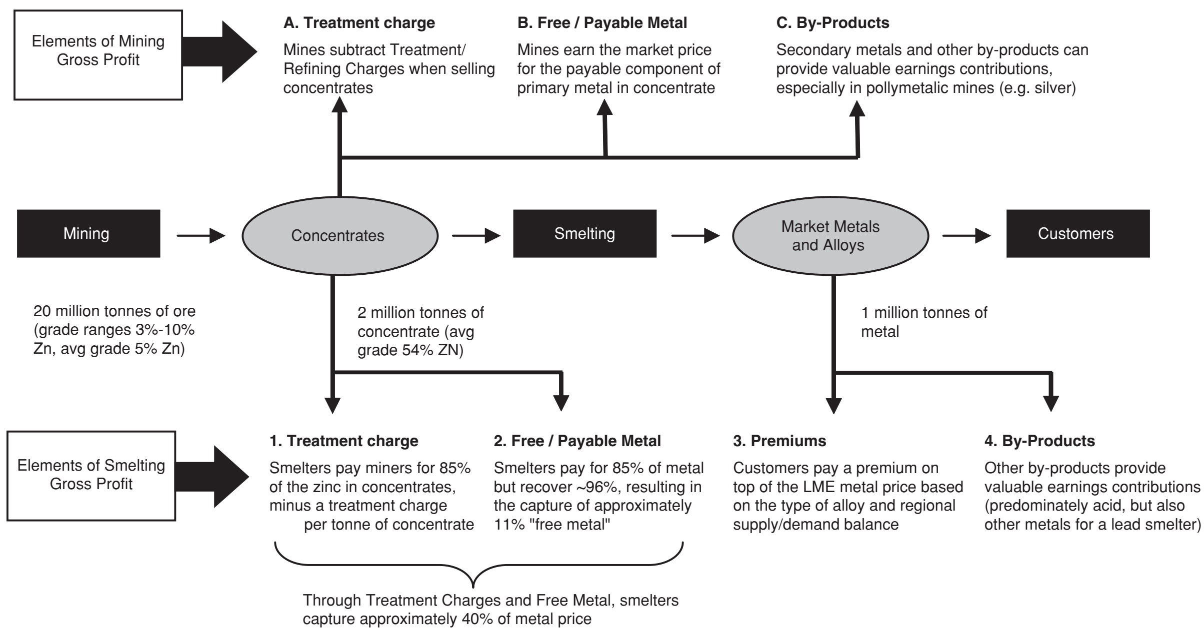
2014 forecast zinc smelter and smelting company ranking—top ten

By Smelter	kt Zn	%	By Company	kt Zn	%
Onsan (Korea Zinc)	570	4.1	Nyrstar	1086	7.8
San Juan de Nieva (Glencore)	490	3.5	Korea Zinc Group	1085	7.8
Zhuzhou (Hunan Zhuye Smelter Torch Metal Company)	400	2.9	Glencore	1011	7.3
Chanderiya EL (Hindustan Zinc)	400	2.9	Hindustan Zinc	778	5.6
Mian Xian (Hanzhong-Bayi)	340	2.4	Votorantim	585	4.2
Cajamarquilla (Votorantim)	325	2.3	Boliden	470	3.4
Sukpo (Young Poong)	315	2.3	Shaanxi Nonferrous Metals	422	3.0
Kokkola (Boliden)	310	2.2	Yuguang Gold and Lead Co	290	2.1
Jiyuan (Yuguang Gold)	290	2.1	China Minmetals Corp	286	2.1
Trail (Teck)	266	1.9	Teck	266	1.9

Economic drivers for zinc miners and smelters

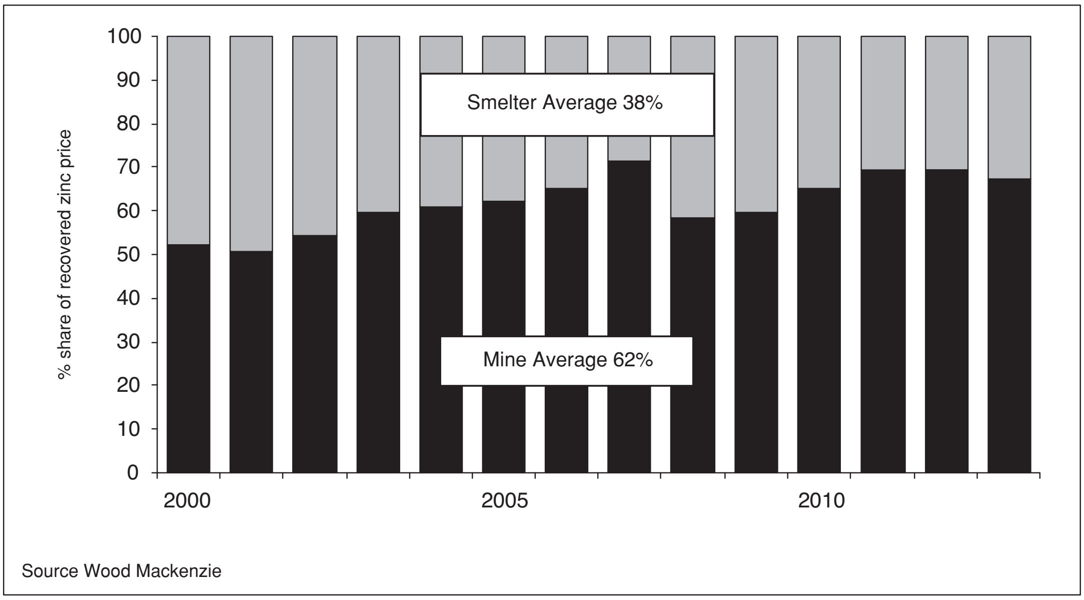
The zinc market consists of two sequential markets, the market for zinc concentrate between mines and smelters and the market for refined zinc between smelters and consumers. The price of metal in the refined market is set by trading on the LME with smelter-specific premium adjustments according to conditions in markets. The amount of recoverable zinc in concentrate priced at the LME price plus smelter premiums determines concentrate zinc value. As illustrated in the graph below, this value is apportioned between mines and smelters by way of the commercial concentrate sales contract such that miners receive a net income consisting of the paid contained zinc value less treatment charges and smelters receive a net income consisting of the concentrate treatment charges, free metal, premiums and by-products.

Integrated mining and smelting business model: sources of profit



As illustrated in the graph below, over the period 2000 to 2013, mines received 62% and smelters 38% of the recovered zinc value based on average annual zinc prices, premiums and realised treatment charges.

Mine and smelter share of the recovered zinc value in concentrate



While mine site operating costs are on average similar to smelter cash conversion costs, mines benefit from a higher share of the contained zinc value and typically have higher by-product credits than smelters. As a consequence, the average cash operating margin expressed as a percentage of the zinc price was 30% for mines and 16% for smelters over the period 2000 to 2013. Over the last five years, 2006 to 2013, the average cash operating margin for mines has been approximately 2/3 times higher than that of smelters.

An integrated smelting operation is one where a company treats concentrate produced by its own mines. The smelter obtains security of raw material supply, integrated revenue is fully derived from the zinc price and profitability is dependent on this and the combined costs of mining and smelting. Wood Mackenzie estimates that 33% of global zinc concentrate production was treated on an integrated basis in 2013.

A custom mining or smelting operation is one where the concentrate is traded on an arm’s length commercial basis. Security of offtake and supply is derived from frame tonnage contracts and revenues are derived from both the zinc price and the treatment charge. Two-thirds of the world’s zinc concentrate production is judged to be treated on a custom, non-integrated basis.

Nyrstar currently operates primarily in the custom market but will become more vertically integrated as it increases production from its own mines and projects. The concentrate from its U.S. zinc mines is optimal for processing at its Clarksville smelter. The more varied qualities of concentrate from its polymetallic operations could be treated at its technically flexible smelters or sold to the custom markets. Ownership of polymetallic mines brings exposure to other sources of income and different metal price cycles. In 2013, for instance, the total net revenue of zinc producing mines globally was estimated to be 29.6% from zinc, 12.8% from lead, 27.9% from copper, 20.2% from silver, 7.8% from gold and 1.7% other.

Given the difficulty of discovering new deposits and the many years then required to commission a new mine it rarely occurs that world mine production precisely matches smelter capacity and that refined production precisely matches demand for refined zinc. It is therefore common for the concentrate and refined markets to be either in surplus or in deficit, usually congruently, with stocks increasing or being drawn down. The fundamental economic relationship is that treatment charges rise when the concentrate market is in surplus and fall when the concentrate market is in deficit, and the zinc price rises when the refined market is in deficit and fall when the refined market is in surplus. Historically, a typical cycle has consisted of rising prices driving an increase in mine production, taking the concentrate market to surplus, and resulting in a consequential increase in treatment charges. Smelters have then ramped-up to process all available concentrate to refined metal, resulting in the refined zinc market moving to surplus, and driving a decline in metal prices. This reduces the incentive for mine production, returning the concentrate market to deficit, and to a new cycle.

Since the middle of the last decade commodities, including non-ferrous metals such as lead and zinc, have become increasingly viewed as a distinct asset class. Investors have used a range of investment vehicles to gain exposure to commodity markets.

The very large influx of investor funds was responsible for a number of significant developments in the base metal markets. These included increased levels of price volatility and a greater degree of co-movement in the prices of the different metals traded on the LME. Thus a tight refined market in late-2006 together with the multiplier effect of fund investment generated high prices of over US$ 4,400/t until short selling precipitated a persistent downtrend to average US$ 1,735/t in September 2008. As the U.S. and European banking crisis developed, the zinc price, in common with all base metals, retreated further to end 2008 at US$ 1,154/t. As the global recession began to impact in the last quarter of 2008, demand collapsed and the concentrate and metal markets moved to surplus. From this point and well into 2009, producers exercised discipline and there were a large number of mine and smelter production cuts and closures that temporarily eliminated over one million tonnes of potentially surplus production from the market.

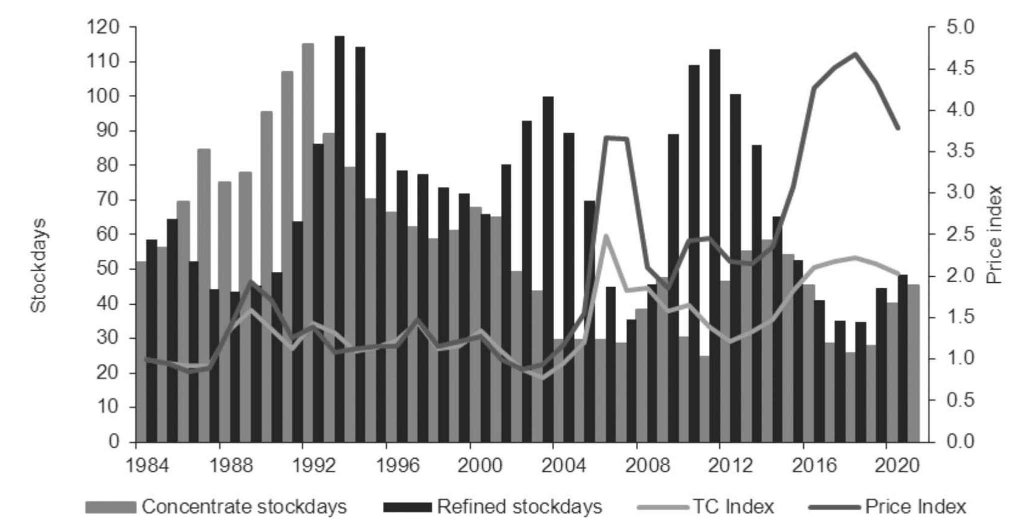
Even so, 2009 recorded a modest concentrate stock increase of 0.25Mt Zn but a very large refined surplus of 1.07Mt. The latter took overall implied refined stocks (exchange stocks, reported consumer and producer stocks and estimated, unreported inventory) to 2.47Mt, equivalent to 89 days of consumption. In a reversal of the traditional stock-price relationship, 2009, 2010 and 2011 saw both higher refined stocks and higher zinc prices as a result of the ongoing influence of fund investors in the market. During 2011, this influence waned with cash LME price starting the year at US$ 2,470/t and closing the year at US$ 1,827/t.

At the end of 2011, LME stocks were 820kt and SHFE stocks were 364kt which together were equivalent to about thirty-four days of zinc demand. Total implied stocks were estimated to be 3.9Mt, or equivalent to 114 days of demand.

The following two years saw refined zinc demand outstrip supply with the world in deficit. In China this was substantial with stocks on the SHFE falling. In the rest of the world the refined zinc demand deficits were more modest. LME stocks increased in 2011 but declined in 2012 and 2013. However, the LME price did not respond to the improving fundamentals averaging US$ 1,946/t in 2012 and US$ 1,910/t in 2013.

At the end of 2013, LME stocks were 933kt and Shanghai stocks were 239kt which together were equivalent to about thirty-two days of zinc demand. Total implied stocks were estimated to be 3.1Mt, equivalent to 86 days of demand.

Cumulative stock days and price/TC indexes

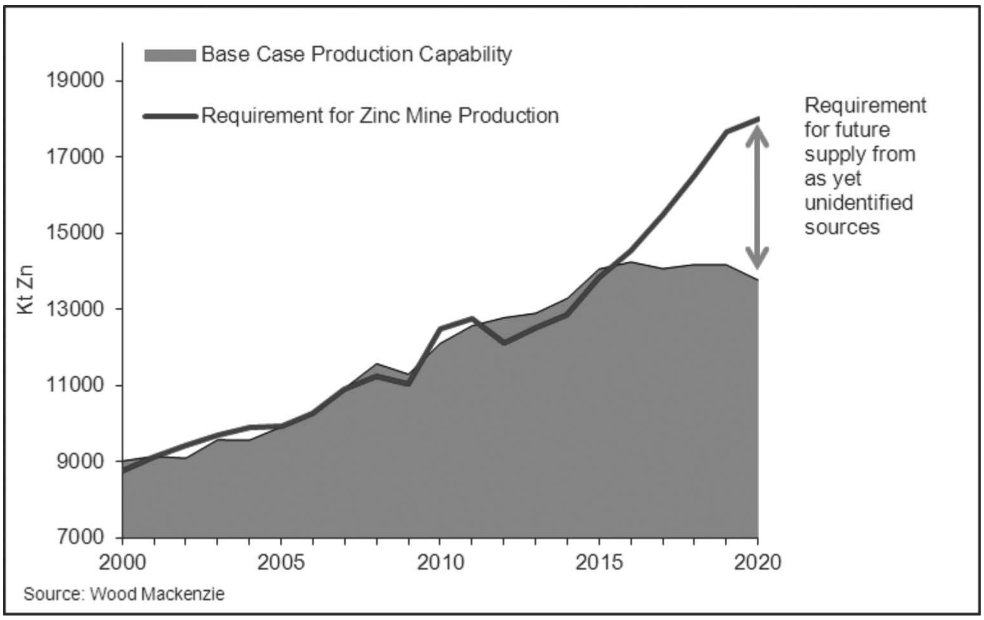


Source Wood Mackenzie

The zinc concentrate market moved to surplus in 2012 and 2013 against a background of soft prices and soft demand from smelters. Smelters obtained some benefit from this with the annual contract treatment charge increasing by 10% in 2013 and by 6% this year, 2014, when another year of surplus is anticipated. Wood Mackenzie has forecast a balance between concentrate supply and demand in 2015, followed by the market moving firmly to deficit in 2016 and the drawdown of accumulated stocks resulting in a tightening of the concentrate supply in 2017. Concentrate availability will then become the factor that determines smelter output and the metal market balances. Zinc mine production capability from existing mines and committed new producers is projected to be 14.2Mt in 2016. In order to meet smelter demand for concentrate new raw material supply will be required from sources that cannot yet be firmly identified but that will in all likelihood be from mine life extensions and expansions at existing producers and from projects currently classified as 'probable'. Probable projects are those in the process of completing feasibility studies, permitting and financing but with one or more stages yet to be concluded.

A period of market tightness is projected from 2016 that is forecast to result in substantially higher zinc prices. It is expected that tight supply in concentrate would allow mines to increase their share of the zinc price by way of an increase in paid metal value and a decrease in treatment charge. Smelter revenues are expected to benefit from increased revenue from the free metal they recover, from market premiums and higher zinc prices. Improved zinc revenues and improved profit margins are expected to stimulate the development of new mine and smelter production required to meet market demand for both concentrate and metal, although there is expected to be a lag as new production is developed and ramps up to meet increased market demand.

Mine production capability versus requirement



Zinc market supply and demand fundamentals

Wood Mackenzie forecast cumulative stock days and price

Market Balances	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Concentrate Surplus (+) Deficit (−)	−393	−181	675	358	165	−14	−232	−596	−55	192	627
Cumulative concentrate stock days	30	25	46	55	58	54	45	29	26	28	40
Refined Implied Surplus (+) Deficit (−)	1021	417	−373	−402	−640	−386	−382	−185	62	522	261
Cumulative refined stock days	109	114	101	86	65	53	41	35	35	44	48
Price											
Zinc price $/t Zinc Nominal	2158	2190	1946	1910	2098	2750	3800	4025	4159	3857	3372
Zinc price $/t Zinc Real (2014$)	2350	2311	2012	1946	2098	2701	3660	3800	3850	3500	3000

Source: Wood Mackenzie.

Sulphuric acid

The majority of primary zinc smelters treat sulphide zinc concentrates. The main process technologies for zinc smelting cannot turn the zinc sulphide directly into zinc metal and as such the sulphur component is removed by roasting or sintering the concentrate. The gas stream from these processes contains the sulphur component. Due to its harmful environmental properties, the sulphur component is converted into revenue-earning sulphur compounds, the main one being sulphuric acid.

Today the main market for sulphuric acid from zinc smelters is for the manufacture of fertiliser but it is also widely used in the petroleum, chemical and metals industries.

There are significant regional differences in price, with key pricing areas including North West Europe, the Mediterranean, Chile and Tampa, U.S. Acid prices are expected to vary with time according to the state of the markets, surplus or deficit, and depending on whether the acid is sold on a spot or long term contract basis. Over the thirteen years to 2013, the ex-works acid price received by zinc smelters globally averaged US$ 50/t with a high of US$ 102/t in 2008 and low of US$ 25/t in 2002. The global freight and marketing costs borne by smelters for all modes of distribution averaged US$ 16/t, with a high of US$ 17/t in 2008 and low of US$ 12/t in 2002. Sulphuric acid has generated an average net revenue for zinc smelters over the decade of US$ 34/t acid, with a high of US$ 84/t in 2008 and low of US$ 13/t in 2002. With the acid market characterised by volatility many smelters sell on contract rather than to the spot market.

The amount of acid produced varies according to the size of the smelter but over the last decade has averaged an approximate yield of 1.5t of acid for 1t of slab zinc production. On average, Nyrstar produces 1.4Mt of acid per year.

Lead industry overview

Introduction

Lead is a soft, malleable, ductile, bluish-white element principally extracted from galena and found in association with zinc, silver and copper. Its physical properties, including its density, malleability, and resistance to corrosion, encouraged early usage in the form of pipes and tank linings, as well as sheet designed to keep water out from churches and dwellings. Furthermore, its chemical properties have allowed lead to find uses ranging from cosmetics to glazes in paints for the ceramics sector.

The metal—both pure and alloyed, and typically cast into ingots or rolled into sheet—has found modern-day uses in the power and protection sectors, from batteries for vehicles and energy back-up storage, to radiation protection and undersea power and communications cables protection.

Importantly, lead recycling rates generally exceed 90% in mature economies, making lead one of the most recycled materials on earth.

Lead is predominately mined as a by-product of zinc and there are very few lead-only mines in existence today. Over the past decade, zinc mines averaged 16% of their revenue from lead. Extraction of lead is largely done via two methods: mining of ore to produce concentrates at the mine site which are then smelted (sometimes with secondary material, most commonly from batteries and residues and drosses) and refined to produce refined lead, and the processing of lead scrap, predominantly lead from used batteries, at smelters which process only secondary materials.

Lead miners sell lead concentrate under annual or multi-year tonnage contracts (frame contracts) or on the spot market to lead smelters. Lead metal is then produced in a variety of grades and alloys according to customer requirements. The two main grades of lead are 99.94% minimum (known as pure, corroding or common lead), and 99.90% minimum (chemical lead). High grade lead of 99.99% is also available commercially. LME lead is required to be a minimum grade of 99.97%, in ingots weighing no more than 55kg.

Lead is most commonly alloyed with antimony, calcium, tin and arsenic. Traditional lead-antimony alloys have now been replaced by lead-calcium alloys in a number of applications, in particular, storage battery grids and casting applications. These alloys contain 0.03-0.15% Ca.

The 99.97% lead price is determined by daily trading on the LME. It provides the basis for most commercial transactions involving the buying and selling of lead concentrate and lead metal. In China a producer price published on the SHFE is often used.

Lead demand

Lead's physical properties, including its malleability, and resistance to corrosion, make it suitable for a range of applications, but it is lead's chemical properties which have allowed it to remain at the forefront of power applications for well over 100 years. Today, batteries are the predominant first use for lead, accounting for over 80% of global lead demand in 2013, with transportation the major end use. Lead is present in a metallic form in battery plates, which are grids of lead alloyed most commonly with antimony or calcium and as an oxide it forms the paste used in the grid.

There are two main types of lead-acid batteries. SLI (Starting-Lighting-Ignition) batteries currently account for over 60% of all lead demand. These are mainly used in motorbikes, cars and other vehicles, but are also found in other applications such as golf carts and boats. Industrial batteries currently consume around 20% of all lead produced and are principally used in back-up power supply systems, telecommunications networks and industrial equipment such as forklift trucks.

Approximately 8% of lead consumption comes from the chemical industry where it is used in lead-based pigments and other compounds. Principal markets are PVC stabilisers and oxides for glass and ceramics. Lead is also used in rolled and extruded products, including lead sheet and strip, which is used extensively in roofing applications in some European countries, and has a declining use in shot, fishing weights and wheel weights. Its density makes it suitable for use in radiation shielding, in both medical and food applications. The use of lead in alloys is small, although lead has historically been widely used in solder alloys.

Lead has been subject to substitution over the past few years in the non-battery sector, mainly on environmental grounds. This includes paints, gasoline, solder, wheel and fishing weights, cable sheathing and sheet, where the use of lead has either been eliminated or greatly reduced. Non-battery substitution is likely to continue, particularly in developing economies as environmental legislation improves, but at a much slower rate than previously with no suitable alternatives yet available to some of the applications such as radiation protection.

Growth in lead demand is therefore being driven by the battery industry. This in turn is being mainly driven by the developing economies, especially China, as vehicle production and ownership increases. The massive electric bicycle (e-bike) market, the most affordable method of transport for the majority of the population especially in rural areas, accounted for over 35% of Chinese lead demand in 2013. Industrial battery demand is being boosted in countries such as China and India by ongoing infrastructure development via spending on transportation, schools, hospitals, warehousing and power generation.

In both developing and mature economies it is the replacement market which largely drives demand. Vehicle batteries need replacing on average every 5 years in the developed world and every 3-4 years in developing economies such as China. E-bike batteries need replacing every 1.5-2 years. Industrial batteries have a longer life, but still require replacement within a decade, depending on how well they have been maintained.

The cheap and efficient nature of lead-acid batteries (LABs) means that there is no effective substitute at this stage, which in turn secures lead's status as the leading battery technology. Although an increasing number of new battery technologies are being developed, mainly for the automotive market, these are designed to replace some or all of the role of the internal combustion engine, rather than the current role of LABs. Vehicles using these newer technologies still require conventional LABs to power ancillary services such as climate control, sat nav systems etc. The impact of start-stop batteries on lead demand has yet to be fully determined but it is likely that lead-acid technology will predominate, especially in the emerging markets given their significant existing penetration. There is a danger that substitution will increase, especially given the higher lead prices that have prevailed in recent years and ever-increasing environmental regulations, but lead still remains the most cost-effective battery technology, especially in light of the relative ease with which it can be recycled, and barriers to the disposal of waste lead for environmental reasons.

Lead demand growth over the next few years will be most evident in the developing economies of Asia and Latin America, with China expected to retain its spot as the world's number one consumer. Its share of global lead demand is forecast to increase from 42% in 2010 to 48% by 2017. Lead demand growth in the developing economies is forecast at 5.1% p.a., and at 3.9% p.a. excluding China, over the period 2013-2017. Lead demand growth in the mature economies is forecast to increase by 1.2% p.a. over the same period as demand continues to recover following the global recession. The rate of lead demand growth forecast in the developing economies highlights the ongoing shift in the global demographics of lead demand, including the migration of manufacturing to cheaper locations such as Eastern Europe and Asia. However, the cost of shipping such a weighty product does mean that there will always remain localised markets for battery production, particularly for the replacement market. Total global lead demand growth over the period 2013-2017 is forecast at 3.8% p.a., from 11.2Mt to 13.0Mt.

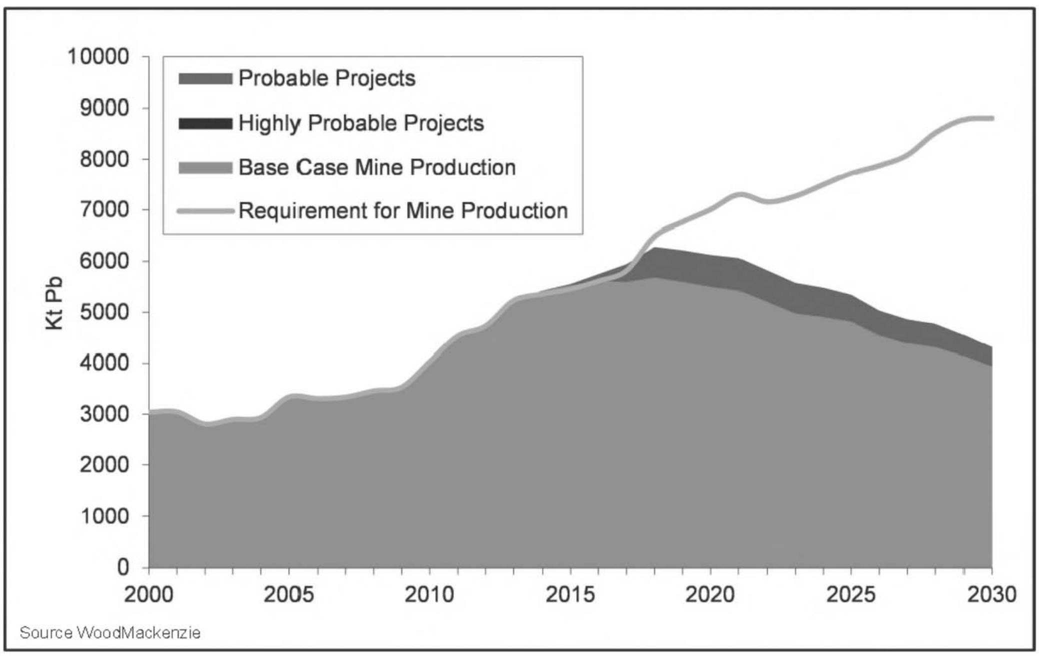
Lead mining

Wood Mackenzie makes its projections of future lead mine production capability based on mine operating plans and company guidance when available but otherwise considers known or anticipated technical developments relating to ore grade trends, stripping ratios, mining configuration and metallurgical performance. Individual mine lives are estimated based on currently identified ore reserves and mineral resources. Projected global mine production capability will therefore trend down on anticipated ore body depletion. To meet projected increases in demand for lead concentrate and lead metal, new production will need to be established from mine life extensions and projects currently classified as probable or possible future producers.

Global lead mine production was 5.2Mt/a Pb in 2013. Much of the growth in the recent periods stems from China, although there has also been reasonable growth in the rest of world mine capability. The largest producer is China (2.8Mt) followed by Australia (0.7Mt) and the U.S. (0.3Mt).

Global lead mine capability is forecast to increase by 3.5% p.a. to 2017, but then to contract in the longer-term to 2030. Additional mine production is expected to be required to replace production from mines that are forecast to close and to meet predicted increased demand for concentrate as the market for refined metal grows. These two factors are projected to create an implied shortfall in identified mine output of 1.5Mt/a in 2020, 2.9Mt/a by 2025 and 4.9Mt/a by 2030. New production is expected to come from re-activated operations, new ore discoveries that extend mine life at currently producing mines and the development of greenfield projects. Including an allowance for this additional output, Wood Mackenzie forecasts that global mine production will increase by 3.5% p.a. to 2030.

Requirement and sources of future global mine production (kt Pb)



Lead smelting

The production of primary lead is usually a pyrometallurgical process through a two stage operation of smelting followed by refining. Traditionally, lead concentrates (usually sulphide in nature) and lead containing residues are fed to a lead blast furnace, having first been sintered to convert the lead compounds to oxides. Over the past decade secondary feed to primary smelters has averaged 27% of total feed, with the remainder from concentrates. Over one third of primary lead is produced via blast furnaces, and this is the method used at Nyrstar's Port Pirie multi-metals smelter. The remainder is produced from newer direct smelting processes which remove the need for sintering and can handle sulphide materials directly using flash smelting technology.

The crude lead is sent to a lead refinery which may or may not be on the same site as the smelter. The lead is refined to give a >99% Pb product and this is typically done via a pyrometallurgical process with operations to remove copper, arsenic, antimony, silver and bismuth. An alternative electrolytic refining operation, known as the Betts Process, is also used to refine crude lead. Refined lead can then be alloyed according to customer specifications.

Secondary lead is produced predominately from used lead-acid batteries, but also pipe, sheet, cable coverings and other lead scrap. A battery breaking plant removes the lead containing components (plates and paste) from batteries and these are then treated in a blast or rotary reverberatory furnace. The resulting lead can then be refined and alloyed as required.

Primary smelters purchase most concentrate under annual or multi-year tonnage contracts but also from the spot market using a standard commercial contract.

The smelter will generally pay the seller for 95% of the contained lead in concentrate. The paid lead is valued at the LME price averaged over an agreed quotation period.

Similar to a zinc smelter, a primary lead smelter obtains revenue from four main sources—treatment charges, premiums, free metal and by-products.

Global lead refined production was 11.2Mt in 2013, 3.6% higher than the year before. Refined growth has slowed since 2011, with the primary industry facing tighter concentrate availability and high prices in the secondary industry and stiff competition for scrap. Both sectors have also been impacted by stricter environmental legislation, especially in China and the US.

Refined lead is produced in over 60 countries, with primary lead produced in over 20 countries. The largest producer is China (4.9Mt in 2013) followed by India (0.7Mt) and the United States (1.3Mt).

Primary refined production is projected to increase to 6.4Mt by 2017 (+4.2% p.a.), driven by growth in China, as a result primary refined production is estimated to account for 49% of global refined production at that time. Secondary production is forecast to grow at 3.1% p.a. to 6.5Mt by 2017 as a result of environmental and raw material restrictions, by which time it will represent 51% of global refined production (13.0Mt).

2013 actual lead smelter and smelting company ranking—top ten

Rank	Smelter	Production (kt Pb)	World Share (%)	Company	Production (kt Pb)	World Share (%)
1	Yuguang	315	5.3	Glencore Xstrata	427	7.2
2	Onsan	280	4.7	Yuguang Gold and Lead Co	315	5.3
3	Port Pirie	200	3.4	Korea Zinc Group	280	4.7
4	Jiyuan Wangyang	200	3.4	Jiyuan Wangyang Nonferrous	200	3.3
5	Jiyuan Jinli	200	3.4	Jiyuan Jinli Lead	200	3.4
6	Mount isa BF	160	2.7	Nyrstar	200	3.4
7	Torreon	144	2.4	Hindustan Zinc	165	2.8
8	Nordenham	128	2.1	Hunan Yuteng Nonferrous	160	2.7
9	Stolberg	110	1.8	Industries Penoles	144	2.4
10	Ust Kamenogorsk	100	1.7	Quexco	110	1.8

2014 forecast lead smelter and smelting company ranking—top ten

Rank	Smelter	Production (kt Pb)	World Share (%)	Company	Production (kt Pb)	World Share (%)
1	Yuguang	332	5.6	Glencore	401	6.7
2	Onsan	280	4.7	Yuguang Gold and Lead Co	332	5.6
3	Port Pirie	200	3.4	Korea Zinc Group	280	4.7
4	Jiyuan Jinli	200	3.4	Jiyuan Jinli Lead	200	3.4
5	Jiyuan Wanyang	200	3.4	Jiyuan Wanyang Nonferrous	200	3.4
6	Mount isa BF	158	2.7	Nyrstar	200	3.4
7	Torreon	147	2.5	Hindustan Zinc	165	2.8
8	Nordenham	128	2.2	Hunan Yuteng Nonferrous	160	2.7
9	Stolberg	110	1.9	Industries Penoles	147	2.5
10	Dariba	100	1.7	Quexco	110	1.9

Economic drivers for lead miners and smelters

The lead market consists of two sequential markets, the market for lead concentrate between mines and smelters and the market for refined lead between smelters and consumers. The price of metal in the refined market is set by trading on LME with appropriate premium adjustments according to conditions in regional markets. The price of concentrate is the value of recoverable contained lead apportioned between mines and smelters by the commercial concentrate sales contract. Mines receive a net income of the paid contained lead value less treatment charges; smelters receive the premiums and free metal and the concentrate treatment charges. Over the period 2000 to 2013 mines received 70% and smelters 30% of the recovered lead value based on average annual lead prices and realised treatment charges.

Since the middle of the last decade, commodities, including non-ferrous metals such as lead and zinc, have become increasingly viewed as a distinct asset class. Investors have used a range of investment vehicles to gain exposure to commodity markets.

The very large influx of investor funds was responsible for a number of significant developments in the base metal markets. These included increased levels of price volatility and a greater degree of co-movement in the prices of the different metals traded on the LME.

The refined lead market started to tighten in 2006, supported by a number of fundamental issues together with the effect of fund investment. Prices increased significantly in 2007 on the back of investor interest, rising as high as US$ 4,000/t towards the end of the year. In 2008, the emergence of the financial crisis and ensuing global recession resulted in prices retreating across the base metals complex. The cash lead price fell to US$ 949/t by the year end and averaged US$ 2,084/t for the year. Fundamental support came mainly in the shape of substantial mine production cutbacks as lead miners exercised discipline, with a corresponding impact on lead concentrate production. The refined market returned to deficit as a result.

As the fall-out from the recession continued into 2009, demand for lead contracted and the refined market returned to a substantial surplus. Stock days recovered strongly and prices fell to an average of US$ 1725/t. A further, more modest, refined surplus followed in 2010, but in 2011 smelter closures increased concentrate availability, leading to another substantial market surplus. LME stocks peaked at 352kt at year end but despite this the lead price rebounded to average US$ 2397/t for the year, reflecting renewed investor confidence.

Subsequently, the concentrate market started to tighten, returning very modest surpluses in 2012 and 2013. Competition for raw material feed in both the primary and secondary sectors limited refined growth at a time when demand was recovering post recession. Refined stocks eroded quickly over 2012/2013 as a result, with surpluses falling accordingly.

At the end of 2013, the refined market was in a small surplus, with LME stocks at 214kt and total stocks (LME, SHFE and implied) at 1.5Mt, equivalent to 50 days of consumption. The lead price averaged US$ 2142/t for the year, an improvement over 2012 despite no significant reduction in stock days during 2013.

Copper industry overview

Copper is one of the most efficient thermal and electrical conductors amongst the metals and is also highly recyclable. Due to its electrical conductivity, copper is commonly used in wires, cables electromagnets, connectors and printed circuit boards as an electrical conductor. It is also used in heat exchangers as a thermal conductor. Globally, the major end markets forecast by volume in 2014 for total copper (refined and direct use scrap) are electrical and electronic products (34%), construction (30%), industrial equipment (13%), transportation (13%) and consumer and general products (10%). Copper is also used as a constituent of various metal alloys, commonly in association with zinc, tin and nickel.

Copper is often found in ore bodies in association with other metals, most notably gold and silver but also zinc, lead, nickel, cobalt and molybdenum. The world's major deposits are located in the Americas, particularly in Chile and Peru. Chile is the world's largest producer of mined copper with an estimated market share of 34% in 2010, slipping to 33% in 2011, 2012 and 2013 and is estimated to account for just 31% by 2014. China is the second largest producer of mined copper and its share has increased slightly from 8% in both 2010 and 2011 to around 9% over the 2012-2014 period. Peru accounts for a steady 7% of total mine output followed by the USA. However, Peru fell to fourth place in 2014, as the USA moved up to third place as several new mines started production. Mined copper ores are processed to a concentrated form or treated directly to produce metallic copper (SX/EW process). Miners sell the concentrate under annual or multi-year tonnage contracts (frame contracts) or on the spot market to copper smelters, either directly or via traders. The smelting and refining process produces high purity (99.99%) copper cathodes that are dispatched to customers in bundles. The price of copper cathodes is typically set by reference to the current price on the LME, the North American COMEX exchange or the SHFE, all of which are transparent, terminal markets for the buying and selling of refined metal.

China accounted for 38% of global refined consumption in 2010 and its share of global refined consumption is expected to reach almost 46% by 2014. Following the collapse of refined demand in 2009 in the aftermath of the global financial crisis, demand for copper globally posted a strong recovery, with refined consumption up by 10.5% to 19.2Mt in 2010, supported by the combination of heavy re-stocking of end use copper products by most leading consumer regions of the world and strong underlying demand, especially from China. As supply growth struggled to keep pace with demand, the market moved from a surplus in 2009 into a deficit in 2010, pushing prices to a peak of US$ 9,739/t, with an annual average in 2010 of US$ 7,539/t. This was a 46% increase on levels in 2009. The market subsequently moved back into a small surplus in 2011 as supply growth outpaced that of demand, resulting in an annual average price in 2011 of US$ 8,810/t. Weaker than anticipated demand growth in 2012 resulted in a much larger surplus in supply in the market (despite disruptions at the mines), leading to a 10% decline in annual average prices down to US$ 7,949/t in 2012. After several years of anaemic growth, mine output came through strongly in 2013, supported mainly by the recovery in production at existing mines. However, not all of the supply was further processed into cathode as there was a build-up of concentrate through the supply chain. Refined production was further limited by the lack of scrap availability which also led to stronger demand for refined metal as manufacturers were forced to use refined metal where they would have otherwise used scrap metal. Despite this scrap constraint, the market still registered a third consecutive year of surplus in 2013 and prices consequently fell 8% to an annual average of US$ 7,322/t. The tightness in the availability of scrap remains an issue in 2014, but as new projects ramp up and production growth outstrips that of demand, Nyrstar expect the market to register another year of surplus and prices are expected to come under further pressure as visible inventories build up.

Silver and gold industry overview

Silver

Nyrstar is currently one of the world's leading refined silver producers by volume, having produced approximately 17.9 million troy ounces of refined silver from its Metals Processing segment in addition to 4.7 million troy ounces of silver from its Mining segment in 2013.

Silver is a precious metal and, as such, is widely used in the manufacture of jewellery and decorative objects. It is also seen by investors as a store of value and an inflation hedge and is, therefore, frequently acquired as an investment. The majority of the world's silver supply is, however, used for a variety of industrial purposes. In 2013, world silver demand is estimated to have been comprised of demand from industrial usages (49%), jewellery (18.2%), physical bar investment (11.6%), coins/medals (10.8%), silverware (4.6%), photography (4.6%) and ETF & exchange inventory build (1%).

The primary sources of silver supply are mine production and silver scrap. Mine supply constituted approximately 83.7% of supply in 2013, an increase of approximately 3.4% from 2012 levels, lifted by strong output from the primary silver mining sector, which experienced strong growth in operations that entered production in recent years. The following countries and regions dominate the world's supply of mined silver: Mexico, Peru, China, Australia, Russia, Bolivia, Chile, Poland, the United States, Argentina, and Canada. Silver is mainly mined as a by-product to zinc, lead, copper and gold mining. In 2013, approximately 29% of mined silver production is estimated to have come from mines that are primarily silver mines. Thus, the majority of the world's silver production is not currently directly geared to demand for, or the price of, silver. Scrap silver constituted approximately 19.6% of silver supply in 2013. The main source of silver-containing scrap has historically been the photographic industry—scrap flow arises when films are processed as the majority of the silver contained in colour and black and white film paper is transferred to the fixing solution from which it can be recovered. A further source of silver supply is official sector sales (e.g. government and central banks) of silver stocks. Net government sales of silver are estimated to have accounted for approximately 0.8% of 2013 global silver supply.

In recent years, silver investment demand had seen the same robust support from events driving gold investment, namely U.S. Dollar devaluation, the sovereign debt crisis in Europe, inflation fears, low interest rates and the continued growth in commodities as an investment asset class. Silver's industrial applications have also enabled it to be regarded by investors as a precious metal with industrial exposure, which allows it to benefit from economic recovery and fast growth in developing countries such as China and India. For some, silver is a more affordable alternative to gold as a store of value given its lower absolute U.S. Dollar unit price per ounce. The relatively small market size of silver as compared with the global market for gold—the value of total silver supply is forecast at less than US$ 24 billion in 2013 compared to US$ 193 billion for gold—means that the silver price is highly sensitive to growth in investor inflows.

In line with a surge in interest from investment funds in commodities in general, investment demand contributed to the rally in the silver price that reached its peak in 2011. The silver price reached a thirty-year high in April 2011 of US$ 47.53 per ounce. Since 2011, precious metals prices decreased from elevated price levels due to factors such as the outlook on U.S. monetary policy, world macroeconomic improvement, and a slowdown of economic activity in China. The silver price ranged from US$ 19.55 to US$ 32.33 per ounce in 2013, with an average market price of US$ 23.79 per ounce. In 2012, the silver price ranged from US$ 26.91 to US$ 37.10 per ounce, with an average market price of US$ 31.15 per ounce. In 2011, the silver price ranged from US$ 26.88 to US$ 48.53 per ounce, with an average market price of US$ 35.12 per ounce. In the first half of 2014, the silver price ranged from US$ 18.76 to US$ 22.07.

The silver price has been declining over the past two years, largely due to the recovery of advanced economies, which has caused gold and silver to lose their appeal as safe haven investments and prompted investors to allocate funds towards assets with a higher yield. In the first half of 2014, silver prices have appeared to be settling into a less volatile trading range. Factors that are expected to have an effect on the price of silver over the short to medium term include U.S. monetary policy decisions and the resulting effect on U.S. economic and emerging market growth, the value of the U.S. dollar, ECB monetary policy and Eurozone inflation, economic growth in China, government sales of silver and recovery of industrial demand for silver.

Gold

Nyrstar is also a significant gold producer, having produced approximately 66 thousand troy ounces of refined gold from its Metals Processing segment and approximately 75 thousand troy ounces of gold from its Mining segment in 2013.

Gold is relatively liquid compared to other commodity markets, and significant depth exists in futures and forward gold sales on the various exchanges. Bullion investment and product fabrication are the two principal sources of physical gold demand. Gold is fabricated for various markets such as jewellery, electronics, dentistry, medals, coins and industrial and other applications. Jewellery is the most significant of these fabrication markets, representing an estimated 74% of fabrication demand in 2013. World investment demand in 2013 is estimated to have totalled just under 900 tonnes, its volume down by 45% on 2012's level, and the approximate value of this demand fell by 53.4% to US$ 41 billion from US$ 88 billion in 2012. The decline in demand was primarily driven by an estimated 880 tonne negative outflow from ETFs due to bearish investor sentiment. Notwithstanding the estimated year-on-year fall in identifiable investment, 2013 marked the highest level of physical bar investment in gold, which rose by 33% from the previous year. Official coin minting posted a 43% increase from 2012 in light of the dramatic price decline. Demand for medals & imitation coins on the other hand was down by 8%.

The increase in world investment in gold in recent years has been facilitated by more readily accessible and liquid gold investment vehicles (such as ETFs). In 2013, total physical demand rose by 15% from 2012, due to the higher estimated demand for jewellery and retail investment. Jewellery demand grew by 18% in 2013 to approximately 2,361 tonnes, reaching a six year high, fuelled by the relatively low gold price environment. Industrial fabrication demand, on the other hand, fell by 2%. Fabrication continues to be the largest component of gold demand overall and represented an estimated 64% of total demand in 2013.

The primary sources of gold supply are mine production and gold scrap. Global gold mine production rose 6% year-on-year in 2013 to a new record high of 3,022 tonnes. Production benefited from a combination of new mine supply from significant, recently commissioned projects, and efficiency improvements in several established operations. World scrap supply is estimated to have fallen by 22% in 2013, to a six year low of 1,280 tonnes, mainly as a result of declining gold prices. Over the past decade, the official sector (e.g. governments and central banks), have traditionally been active sellers of their gold reserves. However, as gold has progressively been viewed as an important strategic asset, many central banks have over recent years ceased their sales of gold and have undertaken gold purchases. Net official sector purchases fell slightly to an estimated 409 tonnes in 2013, down by 25% from 2012, which was the highest level of official sector purchases since 1964. Despite the decrease in official sector purchases in 2013, official purchases remain at historical highs. From 2011 to 2013, net central bank purchases equalled approximately 1,500 tonnes, a figure equivalent to nearly six months of global annual mine production.

Since 2001, the price of gold has generally been increasing due to investment demand, stimulated by, amongst other factors, the weakening of the U.S. Dollar and low (in some cases negative) real interest rates, elevated industrial manufacturing, demand created by producers decreasing their outstanding hedge books, constrained supply from mines and, more recently, net official sector purchases. On the back of the financial crisis in 2008/2009, a new investment-driven phase emerged, the key features of which have been concern about volatility in the financial markets, increased risk aversion, inflation concerns, the weakening of the U.S. Dollar and a fear of extended global recession. In more recent years fears of high inflation following expansionary monetary policies and concerns over slowing growth continue to provide support to the gold price. The rise of commodities as a mainstream asset class in general have also contributed to gold's rising price over the past decade, facilitated by the development of gold ETFs across many markets that have broadened the access to gold for retail investors as well as high net worth individuals.

The gold price reached a record high in 2011 of US$ 1,900.2 per ounce. The gold price ranged from US$ 1,188.68 to US$ 1,692.75 per ounce in 2013, with an average market price of US$ 1,410.86 per ounce. In 2012, the gold price ranged from US$ 1539.75 to US$ 1,790.15 per ounce, with an average market price of US$ 1668.74 per ounce. In 2011, the gold price ranged from US$ 1,313.53 to US$ 1,900.2 per ounce, with an average market price of US$ 1,572.86 per ounce.

The gold price has lost support over the past two years after reaching its 2011 high, largely due to the recovery of advanced economies that is causing gold and silver to lose their appeal as safe haven investments. Factors that are expected to have an effect on the price of gold over the short to medium term will include, inflation expectations, U.S. monetary policy decisions and the resulting effect on U.S. economic and emerging market growth, the value of the U.S. dollar, ECB monetary policy, government and central bank sales and purchases of gold reserves and the sustainability of physical demand growth for gold.

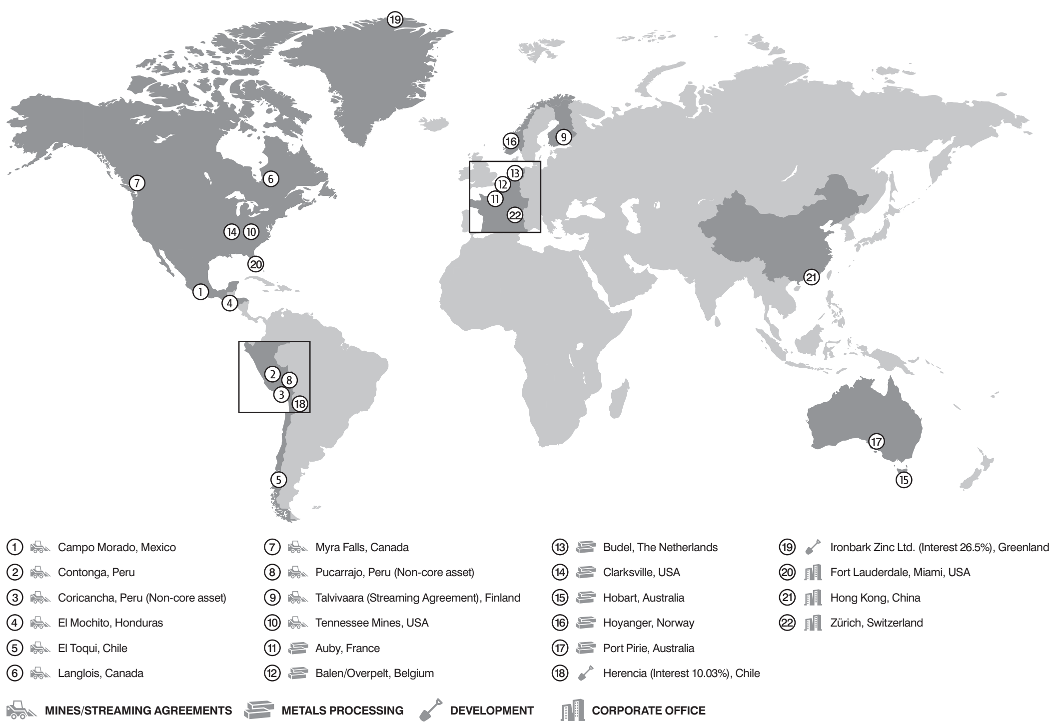
BUSINESS

Nyrstar is a leading global integrated mining and multi-metals business, with a market leading position in zinc and lead and a growing position in other products, such as copper, gold and silver. Nyrstar has nine mining and seven smelting and other operations located in Australia, the Americas and Europe, and employs approximately 6,600 people.

Nyrstar is one of the world's largest zinc smelting companies based on production volumes. Having produced approximately 1.1 million tonnes of zinc market metal in 2013, Nyrstar's share of the global zinc market in 2013 was 8% according to Wood Mackenzie (based on 2013 global consumption figures of 13.3 million tonnes), which makes Nyrstar the largest producer globally. While Nyrstar's smelters are mostly primary zinc smelters, its smelter in Port Pirie in Australia is a primary lead smelter with multi-metal recovery capabilities. With its multi-metal capabilities, Port Pirie has the flexibility to process a wide range of lead-containing feedstocks to produce refined lead, zinc in fume, silver, copper and gold, and is in the process of being redeveloped into an advanced metal recovery and refining facility, enabling a fundamentally different operating and business model for Port Pirie. In 2013, Nyrstar completed a strategic review of its smelting business, identifying an attractive portfolio of investments in multi-metals recovery and an overall transformation of its metals processing business.

Since 2009, when Nyrstar began a significant strategic transformation to expand upstream into mining, Nyrstar's mining business has continued to grow both organically and through acquisitions, including acquisitions of mines throughout North and South America and interests in mining development projects. Nyrstar's mines are currently at various stages of operation, with some operating at full production capacity and others optimising their productive capabilities or on care and maintenance. Through its mining business, Nyrstar secures raw material supply for its smelters and gains exposure to the more profitable part of the zinc value chain (zinc mining being historically more profitable than zinc smelting). At full production, Nyrstar's zinc mining operations would be one of the five largest in the world (based on 2013 production according to Wood Mackenzie), and Nyrstar would have a significant position in copper and lead mining. In 2013, Nyrstar initiated a strategic review of its mining operations which is focused on identifying opportunities to make a step change improvement in the Mining segment's operational and financial performance.

Nyrstar has global operations, with mines and smelters close to key customers and major transport hubs to facilitate delivery of raw materials and distribution of finished products. The map below illustrates Nyrstar's current operations.



Nyrstar benefits from a diversified global asset base. Nyrstar believes the geographic diversification of its asset base mitigates political and sovereign risk. Nearly 75% of its assets and production are from

AAA/AA rated countries. Approximately 95% of Nyrstar's revenue by origin (representing the sales revenue originating from the country/region of production of all materials sold during the year) in 2013 was generated in OECD countries, and proportionally: Belgium 17%, Netherlands 16%, France 8%, Australia 40%, North America 12% and Latin America (including Mexico) 6%. Nyrstar's total non-current assets at 31 December 2013 were located in: Belgium 12%, Netherlands 5%, France 7%, rest of Europe 12%, Australia 13%, North America 21% and Latin America (including Mexico) 30%.

Nyrstar NV is incorporated in Belgium and has corporate offices in Zurich, Switzerland. The ordinary Shares of Nyrstar NV have been admitted to trading on Euronext Brussels since 29 October 2007.

Strengths

Management believes that Nyrstar benefits from the following principal competitive strengths:

Strong underlying market fundamentals. Nyrstar operates in an industry benefitting currently from strong underlying market fundamentals. Economic growth, urbanisation and industrialisation of developing countries continue to underpin demand for zinc, in particular in China. According to Wood Mackenzie, zinc consumption in China, which represented approximately 45% of the global zinc consumption in 2013, is anticipated to increase at an annual rate of 7% over the 2013-2020 period (compared to 4% for the expected annual increase of global production of zinc over the period). Such expected increase in demand comes in conjunction with a significant tightening in zinc concentrate supply anticipated in the medium term, thereby creating the conditions for a favourable mid-term zinc price evolution. Specifically, based on Wood Mackenzie data, Nyrstar estimates that over the 2013-2016 period zinc mine depletions, attritions and changes to mine plan will reach 1.3 million tonnes (representing 10% of the 2013 global production) while new mine projects, expansions and changes to mine plan will generate 2.7 million tonnes of additional annual production by the end of 2016.

Leading global market position in zinc and zinc processing. Nyrstar has an integrated business and operating model in its mining and metals business which enjoys market leading positions in zinc and lead and growing positions in other base and precious metals. According to Wood Mackenzie, Nyrstar is currently the second largest zinc smelter globally and its zinc mining operations are among the five largest in the world. Nyrstar believes that there are high capital, environmental and operating barriers to new entrants in metal processing. Nyrstar believes that its scale, overall and on both the mining and metals processing sides of the industry, is a key competitive advantage that positions the Company well to take a leading role in shaping the zinc industry's future.

Diverse global asset base and scale to deliver targeted growth and targeted product mix. Nyrstar's presence across the zinc metal value chain, from raw materials through metal processing and sales and marketing, positions the Company well to seek to maintain its operating profitability as margins shift across different segments of the value chain over the business cycle. An increasingly sophisticated marketing, sourcing and sales strategy provides critical support for risk management, market penetration and operating flexibility of the integrated business model. In addition, Nyrstar has an expanding multi-metals footprint in copper, gold, silver and other metals (indium, tellurium, germanium, gallium, cobalt and cadmium) further diversifying its portfolio and product mix. The share of gross profit for these categories of metals in the aggregate has increased from 5% in 2010 to 12% in 2013 for smelting activities and from 11% to 39% for mining activities.

A clear, transformational strategy to maximise value from an integrated business model. Nyrstar has a clear strategy to capture the maximum value in mineral resources through an integrated industrial and commercial approach. In particular, Nyrstar has a clear strategy to pursue a coordinated approach to operating its asset portfolio such that it optimises the concentrate feed into its smelters, maximises unpaid and minor metal extraction and enhances the margins of the end-product mix. Investments in the Metals Processing segment continue to enhance Nyrstar's vertical integration and build-out of a highly efficient mining and metals processing system, which optimises the value of metal flows across Nyrstar's industrial footprint.

Technical capabilities and commercial knowhow drive value optimisation. Nyrstar is able to strengthen its margins by optimising the feed book of internal and external raw materials. Looking first at internal sources, the Company's well-established industrial footprint provides proprietary feed sources from its mines, in the form of complex, high quality concentrates, and from the smelter residues. In terms of external sources, Nyrstar uses both long-term contracts and spot market purchases. It is increasing the proportion of the latter as this enables it opportunistically to secure mispriced or higher value concentrates. Nyrstar assesses raw material market opportunities carefully, using advanced optimisation models, such models being essentially driven by treatment charges, free metal content, recoveries and other commercial terms. As a result of such processes and technical capabilities, Nyrstar is ideally positioned to extract maximum value from these metal flows.

Robust cash flow initiatives and working capital dynamics. Investment initiatives in the Metals Processing segment such as the Port Pirie Redevelopment and Smelting Strategic Review Project Portfolio offer a compelling opportunity for Nyrstar to further strengthen its business model by exploiting internal concentrates and residues that are not currently fully valorised. In addition, recent operational improvements to the Metals Processing segment have substantially improved aggregate working capital requirements through major structural changes and optimising physical inventory levels. This provides further support for the existing counter-cyclical working capital dynamics, which help Nyrstar preserve cash flow in a downturn. While increases in raw materials prices drive Nyrstar's inventory value upwards, weak price environments lower the replacement cost of inventory (hence, favourably impacting its liquidity).

High environmental and safety standards and robust management systems. The sustainability of Nyrstar's operations is a result of its ability to provide economic benefits to its stakeholders, while minimising negative effects on its people, its neighbours or the environment. Nyrstar has what it considers to be best-in-class environmental standards.

Highly experienced and committed management team. Nyrstar's management team has significant global metals and mining industry experience. Nyrstar's management team has demonstrated its ability to identify and deliver growth opportunities and to improve the performance of Nyrstar's existing assets. This is achieved by a continuous management focus on operational cost control and a disciplined, value based approach to capital allocation.

Strategy

In 2011, Nyrstar launched Nyrstar2020, a strategic initiative aimed at positioning Nyrstar for a long term sustainable future as the leading integrated mining and metals business with a mission of capturing the maximum value inherent in mineral resources through deep market insight and unique processing capabilities and generating superior returns for its shareholders.

Nyrstar has consequently developed a coordinated approach to operating its asset portfolio which optimises the concentrate feed into its smelters, maximises minor metal extraction and enhances the margins of its end-product mix, via five strategic priorities:

Maximising the performance of Nyrstar's current assets, to underpin Nyrstar's transformation

Maximising the financial performance from the existing asset base is a critical enabler underpinning Nyrstar's transformation. Nyrstar has strategically acquired mines, which provide complex, high value concentrates to the Metal Processing segment. Viewing raw material flows through a ''different lens'' allows Nyrstar to leverage its industrial footprint to unlock significant value from existing feed material, for example from, indium, gallium and germanium. Nyrstar's commercial strategy uses optimisation modelling to assess the maximum potential value capture from treatment charges, unpaid zinc and other unpaid metal to gain incremental margins from the processed raw materials. Managing safety and environmental stewardship act as pre-conditions for Nyrstar's operations.

Redevelopment of Port Pirie metal recovery and refining facility to maximise the high margin and internal concentrates and residues not currently valorised

In 2014, Nyrstar committed to the redevelopment of its Port Pirie smelter into an advanced metals recovery and refining facility, with funding support from the South Australian Government and EFIC, Australia's export credit agency.

As part of the Port Pirie Redevelopment, Nyrstar intends to replace an aging sinter plant with a new oxidation furnace on a revamped, upgraded site, which is expected to provide increased flexibility to treat significantly increased volumes of zinc residues and complex lead concentrates and permit increased integration with Nyrstar's existing zinc smelters. Concentrates from Nyrstar's own mines and residues from Nyrstar's zinc smelting network are expected to initially account for approximately 50% of feed material requirements. A substantial increase in gross profit is targeted via an increase in the contribution from free metal and by-products and lower dependence on treatment charges. Port Pirie's longstanding industrial footprint, infrastructure and workforce, coupled with the rigorous feasibility work undertaken to plan the Port Pirie Redevelopment, is expected to minimise the risks associated with implementing the Port Pirie Redevelopment.

Upgrading Nyrstar's zinc smelter network to allow the processing of more high value feeds

Nyrstar believes that the zinc and lead smelting industry has traditionally been driven by volume and treatment charges, which is a model that faces a number of strategic challenges, particularly in an environment of tightening raw material supply. At the same time, Nyrstar has identified the potential to capture significant additional value from raw material flows (sourced both internally from its mines and smelters, as well as externally) that Nyrstar does not currently capture given its historical footprint. Accordingly, Nyrstar undertook the Smelting Strategic Review and developed and externally validated a Transformation blueprint of approximately 25 distinct projects aimed at increasing unrealised value in feed materials and increasing the value captured across the network. Following the completion of its Smelting Strategic Review in late 2013, Nyrstar has identified the various projects in the Smelting Strategic Review Project Portfolio which can be categorised under three core headings: de-bottlenecking (or deconstraining) Nyrstar's smelting network, enhancing fuming capacity and increasing minor metals production capabilities (as discussed in more detail in ''—Metals Processing—Smelting Strategic Review'' below), with the full Smelting Strategic Review Project Portfolio potentially completed by 2017. The ultimate aim will be a full-scale transformation of Nyrstar's metals processing business, through which Nyrstar seeks to unlock increased value through the foregoing investments. Nyrstar believes that as a result of the Transformation, it will improve the operational efficiency and financial performance of the Metals Processing segment.

Continually improving the performance of the Mining business unit

Nyrstar is currently conducting a Mining Strategic Review aimed at identifying opportunities to make a step-change improvement in the Mining segment's operational and financial performance. This review is focused on brownfield growth opportunities at existing sites. This will include optimising the Mining footprint (including identifying non-core assets), and progressing towards a fully integrated business model in which the Mining assets are optimised for Metals Processing internally, or to capture maximum market value as appropriate.

Marketing, Sourcing & Sales enhances the Group's integrated business model by optimising the feed book of internal/external raw materials and enhancing Nyrstar's market position

Nyrstar intends to leverage and further integrate its business, with its Marketing, Sourcing & Sales team giving Nyrstar a first-mover advantage in securing long-term feed needs from third-party mines providing concentrates and oxides and a wide range of metal-bearing feed, in tandem with the off-take from Nyrstar's own Mining segment. Together, these will feed the Metals Processing segment, which will consist of an upgraded zinc smelter network and redeveloped metals recovery and refining business. This will allow Marketing, Sourcing & Sales to actively market concentrates, a wide range of refined metals and other material to new and attractive end customers and markets, enhancing volume certainty and providing attractive payment terms.

Nyrstar aims to produce a series of products that will be marketed and sold at above industry returns through a better understanding of the markets. These insights are intended to be developed through a multi-channel approach for European commodity grade metal, including via Nyrstar's European strategic marketing agreement with Noble, as well as direct sales, marketing and financing opportunities with other market participants.

Nyrstar's business operations

Nyrstar currently has three business units, Metals Processing (formerly known as Smelting), Mining and Marketing, Sourcing & Sales.

The Metals Processing business unit comprises the following smelters: Auby (France), Balen (Belgium), Budel (The Netherlands), Clarksville (U.S.), Hobart (Australia) and Port Pirie (Australia), and the recently-acquired fumer at Hoyanger (Norway).

The Mining business unit consists of Nyrstar Tennessee Mines (U.S.), the Coricancha, the Contonga and Pucarrajo mines (Peru), the Campo Morado operation (Mexico) and the Talvivaara Zinc Streaming

Agreement (Finland). From 1 January 2012, the Mining segment also includes the Myra Falls and Langlois (Canada), El Mochito (Honduras) and El Toqui (Chile) mines acquired by Nyrstar in August 2011. In 2013, following a strategic review of its mining assets, Nyrstar identified Coricancha and Pucarrajo as non-core mining assets and placed Coricancha on care and maintenance. Nyrstar has not mined Pucarrajo since its acquisition in 2010. See ''—Mining Strategic Review'' below.

The Marketing, Sourcing & Sales business unit operates Nyrstar's centralised commercial operations with responsibility for the purchase and marketing of all raw material consumed by Nyrstar's smelter; the marketing and sale and/or swap of by-products and metal products produced or raw materials owned by Nyrstar; the purchase of all related logistical services; and commodity price hedging. Nyrstar does not classify the Marketing, Sourcing & Sales business unit as an operating segment for financial reporting purposes.

In the six months ended 30 June 2014 and the years ended 31 December 2013 and 2012, respectively, the Mining segment sales to the Metals Processing segment accounted for approximately 81%, 82% and 17%, respectively, of the Mining segment's revenue. Intersegment transactions are eliminated as intracompany transactions for purposes of Nyrstar's IFRS consolidated financial statements.

The table below sets forth Nyrstar's revenue and underlying EBITDA for each reporting operating segment for the periods indicated. Underlying EBITDA excludes exceptional items related to restructuring measures, M&A related transaction expenses, impairment of assets, material income or expenses arising from embedded derivatives recognised under IAS 39 and other items arising from events or transactions that management considers to be clearly distinct from the ordinary activities of Nyrstar. For a reconciliation of underlying EBITDA to Profit/(loss) for the period see ''Selected Financial Information—Reconciliation of underlying EBITDA and underlying operating costs''.

	Six months ended 30 June	Six months ended 31 December	Year ended 31 December		
(€ millions)	2014	2013	2013	2012	2011
Mining Revenue	233	282	471	481	358
Metals Processing Revenue	1,309	1,377	2,691	2,684	3,096
Other & Eliminations	(188)	(267)	(339)	(95)	(107)
Total Consolidated Revenue	1,354	1,394	2,824	3,070	3,348
Underlying Mining EBITDA	26	46	78	129	72
Underlying Metals Processing EBITDA	108	75	149	136	235
Underlying Other & Eliminations EBITDA	(24)	(23)	(43)	(44)	(42)
Total Underlying EBITDA	**110**	**98**	**185**	**221**	**265**

Metals Processing

Overview

The table below provides an overview of Nyrstar's principal smelting facilities, as of 31 December 2013.

Smelter	Location	Process	Employees (as of 31 December 2013)	Main products	2013 Zinc production ('000 tonnes)(1)
Auby	France	Roast leach electrolysis ("**RLE**") smelting	280	Zinc cathode and indium metal	152
Balen and Overpelt	Belgium	RLE smelting Oxide washing	569	SHG zinc, zinc alloys and washed oxides	252
Budel	The Netherlands	RLE smelting	463	SHG zinc and zinc alloys	275
Clarksville	United States	RLE smelting	257	SHG zinc, zinc alloys and washed oxides	106
Hobart	Australia	RLE smelting	489	SHG zinc and zinc alloys	272
Hoyanger	Norway	Fuming	30	N/A	N/A
Port Pirie	Australia	Lead: sinter plant and blast furnace. Zinc: slag fumer, leach, electrolysis. Copper: solvent extraction, electrolysis	747	Lead and alloys, SHG zinc and alloys, copper, gold and silver	30
Total:					**1,088**

Notes:

(1) Includes production from primary smelters only. Internal transfers of cathode for subsequent melting and casting and production at Föhl (disposed of in April 2014), Galva 45 (disposed of in October 2012) and Genesis (expected to be disposed of in September 2014) are excluded.

Smelting Strategic Review

Following the work undertaken as part of the Port Pirie Redevelopment, Nyrstar completed the Smelting Strategic Review of its zinc smelting business in order to identify opportunities to sustainably improve its profitability.

The Smelting Strategic Review commenced in Q4 2012 and was completed in October 2013 and systematically challenged how Nyrstar views and operates its zinc smelters and the broader Metals Processing network (particularly following the Port Pirie Redevelopment). Led by a dedicated project team of internal and external multi-disciplinary professionals, thousands of scenarios were modelled using different technologies, feed mixes, macroeconomic parameters and capacities to arrive at a final Metals Processing blueprint following the Port Pirie Redevelopment and the various projects in the Smelting Strategic Review Project Portfolio. The Transformation is comprised of both the Port Pirie Redevelopment and the Smelting Strategic Review Projects.

The Port Pirie Redevelopment and the Smelting Strategic Review identified a significant amount of non-realised value in feed material that Nyrstar controls via the concentrates its mines produce, the residues its zinc smelters produce and historical ponds at the smelters. In addition to the feed materials controlled by Nyrstar, the Marketing, Sourcing & Sales business unit sources external feed materials for consumption by the Metals Processing business unit. The Transformation will allow Marketing, Sourcing & Sales greater flexibility when identifying favourable feed stock and optimise the net value of the external feed being consumed by the Metals Processing business unit.

Nyrstar's unique asset footprint of zinc mines, poly-metallic mines, zinc smelters and a lead smelter provides Nyrstar with an opportunity to capture this non-realised value, through an investment in technical modifications at Port Pirie (through the Port Pirie Redevelopment) and across the smelting network as identified in the Smelting Strategic Review. The Transformation blueprint has been assessed by two external specialists with a focus on technology risk, capital and operating cost estimates and risk management. For further information about the Port Pirie Redevelopment, see ''—Port Pirie multi-metals smelter—Port Pirie Redevelopment project''.

The approximately 25 integrated projects that make up the Smelting Strategic Review Project Portfolio are at different stages in the project life cycle and, subject to final internal approvals, it is currently expected that implementation will be staggered throughout 2014, 2015 and 2016.

The Smelting Strategic Review Project Portfolio consists of approximately 25 integrated projects which can be categorised under three core headings:

De-bottlenecking (or deconstraining) Nyrstar's smelting network to allow the treatment of more complex and higher value material: Zinc network de-bottlenecking investments have been identified to allow consumption of a more complex, varied and valuable feed mix. Key investments include de-bottlenecking to increase the capacity to treat higher volumes of certain elements in feed (such as iron, cadmium, silica and manganese) and then manage higher residue volumes, particularly at the Hobart and Budel smelters. These projects are expected to drive value by providing the smelters with operational flexibility to operate reliably with a more diverse feed mix and provide capacity to pursue higher value raw materials. Commissioning is expected mid-2015.

Lead de-bottlenecking investments have also been identified to further enhance the operating capacity and flexibility of Port Pirie following the Port Pirie Redevelopment to capture more value in feed. Key investments include de-bottlenecking to further increase the capacity to treat higher volumes of certain elements in feed (such as copper and silver). Commissioning is expected in 2016, aligned with the commissioning of the Port Pirie Redevelopment.

Fuming capacity enhancement to enable more efficient processing of some smelter residues and capturing of minor metals value: Nyrstar plans to invest in incremental fuming capacity in Europe. Fuming capacity enables the more efficient processing of some smelter residues (including current arising and some historical residues) and improved minor metals capture. Smelter residues treated by Nyrstar's fumers will create additional capacity for Port Pirie following the Port Pirie Redevelopment to treat even higher value raw materials. Standalone investments include the construction of a standalone fumer (in addition to Nyrstar Hoyanger acquired in December 2013; see ''—Hoyanger fumer'' below). Commissioning of the improvements resulting from this investment is expected during H2 2016.

Minor metals capabilities allowing an increased capacity to produce a wider portfolio of valuable minor metals products: The implementation of Nyrstar's first indium recovery circuit in 2012 was a significant step in realising Nyrstar's commercial strategy of maximising value from minor metals. Management believes that subsequent investments in minor metals extraction will enable Nyrstar to capture greater value in all of the minor metal by-products produced in its transformed network. Investments in Hobart and Auby are expected to allow Nyrstar to extract and refine a wider range of minor metals from its feed materials.

Key investments at the Hobart and Auby smelters will enable Nyrstar to extract and refine a wider range of minor metals from its feed materials. These projects will increase Nyrstar's exposure to germanium, gallium and indium. Minor metals will first be captured through fumes (oxides) from Nyrstar's fumers, which will then be further concentrated in side streams and subsequently transformed into market products at dedicated minor metals plants.

Commissioning of the Hobart side leach is expected by H2 2016, while the closure of the Port Pirie zinc plant and construction of the zinc oxide infrastructure to condition and transport the fumes from Port Pirie are already underway. Commissioning of the improvements at Auby resulting from these investments is expected during 2016.

These investments are designed to enable Nyrstar to manage the transition from Century mine concentrates once that mine reaches its end of life which, based on information from MMG, is currently anticipated to be in mid-2015, however, less than € 20 million of the overall capital estimate for the Smelting Strategic Review Project Portfolio relates to such projects.

Currently, Nyrstar estimates it captures approximately 78% of the available value in the Metals Processing segment through to gross profit (with the total of such gross profit value split 39% base metals, 32% other unpaid metals and 29% TCs). Following completion of the Smelting Strategic Review Project Portfolio, Nyrstar expects to significantly increase the amount of available value in feed it captures through to gross profit from approximately 78% to approximately 90% (with the total of such gross profit value split 40% base metals, 35% other unpaid metals and 25% TCs). The estimated increase in value capture is based on a comparison of current value capture and projected estimated value capture using a detailed, internally-developed Nyrstar model. Under Nyrstar's model, Nyrstar evaluates the expected optimised feed mix for 2014 in terms of total value of unpaid metal units in the feed for each metal element and how much of that unpaid metal is expected to be recovered through the existing Metals Processing network configuration. Nyrstar then repeats the calculations for 2017 assuming completion of the Smelting Strategic Review Project Portfolio and taking into account the results of its internal modelling based on the expected optimised feed mix for 2017 (including the total value of unpaid metal units in the feed for each metal element and how much of such unpaid metal value is expected to be recovered under the new (post-completion of the Smelting Strategic Review Project Portfolio) Metals Processing network configuration. The results indicate how much potential value there is in the expected 2017 feed mix and what percentage of this is expected to be recovered following the completion of the Smelting Strategic Review Project Portfolio. The comparative analysis uses flat internal metal price assumptions in order to ensure that the magnitude of uplift can only be attributable to a combination of the benefits derived from the Smelting Strategic Review Project Portfolio and the optimised feed mix.

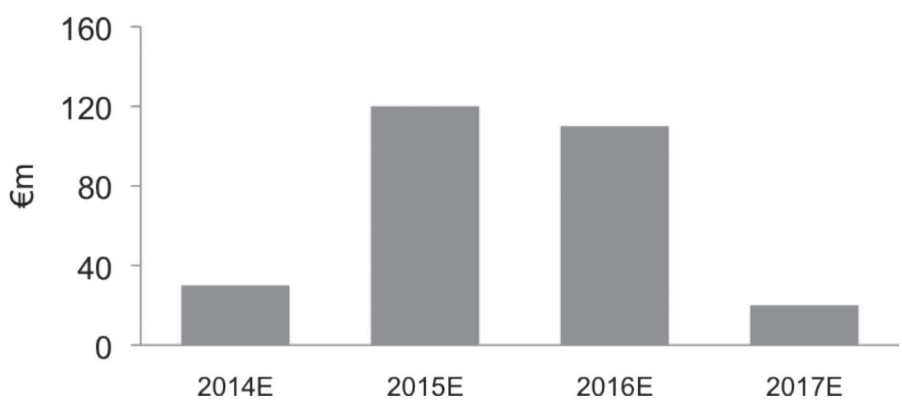
For guidance on the illustrative post-tax, levered internal rate of return for the combined Transformation, see ''—Port Pirie Redevelopment—Targeted internal rate of return'' below.

In 2013, the Metals Processing business recorded € 813 million of gross profit, € 664 million of underlying operating costs and € 76 million of sustaining capital expenditure. Management views the Smelting Strategic Review Project Portfolio as providing an opportunity for a significant increase in earnings and gross profit, partially offset by a relatively modest increase in operating costs and sustaining capital spend and higher working capital requirements resulting in an overall increase in free cash flow. The capital investment for the entire Smelting Strategic Review Project Portfolio has been estimated at approximately € 265 million, with no single investment exceeding € 50 million. A sequencing of investments starting in late 2013 could result in incremental earnings starting to be generated in late 2014.

Smelting Strategic Review capital expenditure guidance

The 25 projects in the Smelting Strategic Review Project Portfolio are at different stages in the project lifecycle and, subject to final internal approvals, it is currently expected that implementation phases will be staggered throughout 2014, 2015 and 2016, with the completion of the full Smelting Strategic Review Project Portfolio by 2017. Nyrstar may pursue these investments over a longer period in a manner whereby returns generated by earlier investments could fund subsequent investments.

The following capital expenditure guidance provided is indicative and is subject to change as the projects progress. Nyrstar provides annual guidance on its Metals Processing business unit, whereby Metals Processing Growth capital expenditure for the year is outlined, and refers to Smelting Strategic Review project spend. The following diagram represents Nyrstar's current guidance on capital expenditure for the Smelting Strategic Review Portfolio Projects in € millions.



Zinc smelting process

Overview

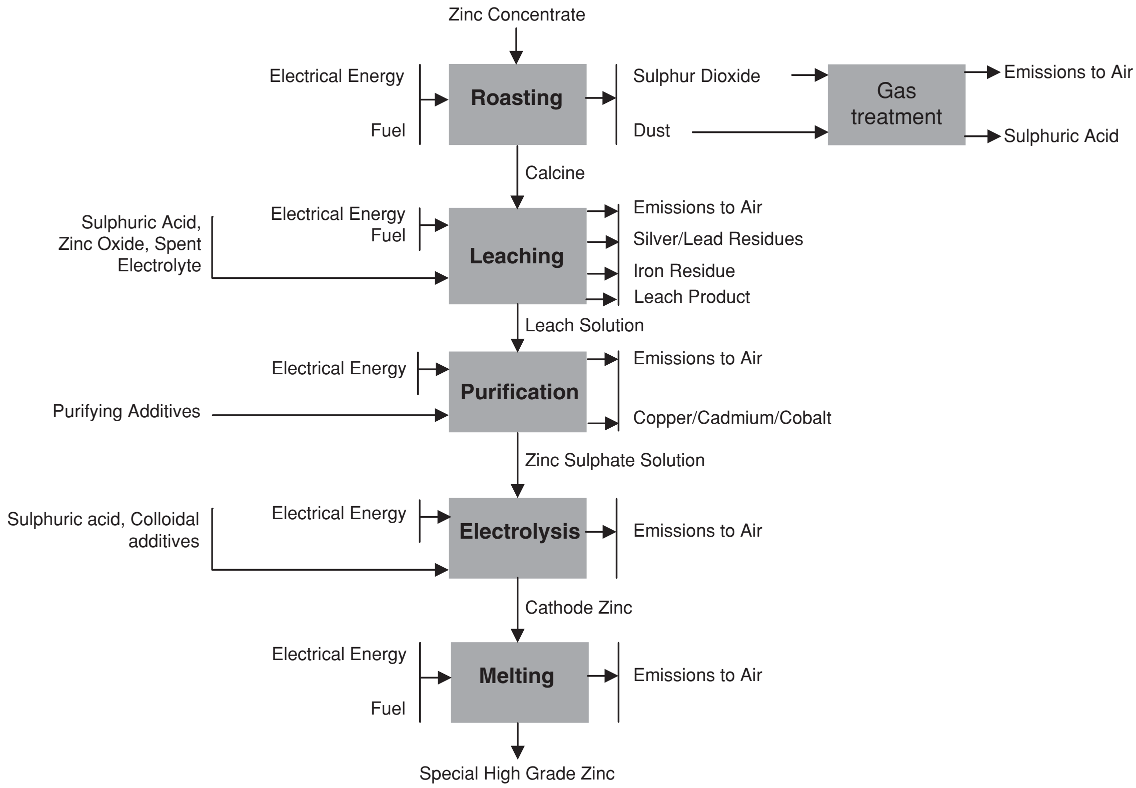
Zinc smelting is the process of recovering and refining zinc metal out of zinc-containing feed material such as zinc-containing concentrates or secondary feed materials such as zinc oxides. In addition to zinc, the concentrate contains approximately 25% to 40% or more sulphur, as well as different amounts of iron, lead and silver and other minerals. Before metallic zinc can be recovered, by using either hydrometallurgical or pyrometallurgical techniques, sulphur in the concentrate must be removed. This is done by roasting or sintering. The concentrate is brought to a temperature of more than 900 Celsius, where zinc sulphide converts into the more active zinc oxide (ZnO). At the same time, sulphur reacts with oxygen, giving out sulphur dioxide which subsequently is converted to sulphuric acid—an important commercial by-product.

In summary, the process sequence for zinc smelting is:

- Step 1: Receipt of raw materials (concentrates and secondary feed materials such as zinc oxides) and storage;
- Step 2: Roasting: an oxidation stage removing sulphur from the sulphide feed materials, resulting in so-called calcine;
- Step 3: Leaching transforms the zinc contained in the calcine into a solution such as zinc sulphate, using diluted sulphuric acid;
- Step 4: Purification: removing impurities that could affect the quality of the electrolysis process (such as cadmium, copper, cobalt or nickel) from the leach solution;
- Step 5: Electrolysis or electro-winning: zinc metal extraction from the purified solution by means of electrolysis leaving a zinc metal deposit (zinc cathodes); and
- Step 6: Melting and casting: melting the zinc cathodes typically using electrical induction furnaces and casting the molten zinc into ingots.

Additional steps can be added to the process transforming the pure zinc (typically 99.995% pure zinc known as Special High Grade or SHG) into various types of alloys or other marketable products.

The schematic below shows the basic steps in the production of SHG zinc using the electrometallurgical zinc smelting process, also called the Roast-Leach-Electrowin or RLE process, which is used by all of Nyrstar's primary zinc smelters (that is, Auby (France), Balen and Overpelt (Belgium), Budel (The Netherlands), Clarksville (U.S.) and Hobart (Australia)).



Energy consumption

Due to the energy-intensive nature of the smelting process, Nyrstar's smelting operations consume a much higher relative proportion of electricity than its mining operations. See ''Operating and Financial Review—Significant factors affecting Nyrstar's results of operations—Energy expenses''.

Auby smelter

Location

The Auby smelter is located in the town of Auby in the north of France, approximately 35 kilometres south of the city of Lille. It is adjacent to the canal de la Deûle, which connects to the seaports of Calais and Antwerp, and is well connected to several motorways.

Overview

The Auby smelter is a mid-scale electrolytic zinc smelter. Unlike other zinc smelting sites, the Auby smelter produces cathodes as finished products for sale to its customers, rather than casting into ingots. Feedstock of both zinc concentrates and zinc secondaries is consumed at the plant using the RLE process to produce zinc cathode. During 2009, the Auby smelter's annual production capacity was increased from 130,000 tonnes to 160,000 tonnes. Nyrstar successfully commissioned an indium plant at the Auby smelter during 2012 with an annual production capacity of approximately 35 tonnes.

Raw materials

The Auby smelter produces zinc primarily from zinc concentrates and, to a lesser extent, recycled zinc secondary feeds. Auby's zinc concentrates are sourced from suppliers world-wide. The Auby smelter can process a high percentage of secondary feed material input without adversely affecting overall plant productivity, efficiency or residue output. Concentrates are transported by barge from the port of Antwerp, a main thoroughfare harbour for zinc concentrates. Secondary zinc feed materials are delivered to the plant by truck.

Production

The Auby smelter produces SHG cathode and some special quality cathodes, the latter sold as battery-grade zinc. The site also produces by-products of sulphuric acid, Auby Leach Product (a product containing both lead and silver), copper and indium cement.

Balen smelter and Overpelt operations

Location

The Balen smelter and Overpelt operations are located in the northeast of Belgium, approximately 80 kilometres east of Antwerp. The Balen smelter is complemented by the integrated die casting, alloying and oxide washing operations at the nearby Overpelt operations.

Overview

The Balen smelter is a large-scale zinc smelter with production capacity of approximately 270,000 tonnes of zinc metal per year, making Balen one of the world's largest zinc smelters in terms of production volume.

The Balen and Overpelt sites are only 18 kilometres apart. The sites' operations are complementary and highly integrated. Historically, the Balen smelter has also melted and cast part of the zinc cathode production on site; however, since the beginning of 2011, all the cathodes produced at Balen are transported to the centralised melting and casting facilities in Overpelt. In addition, the Overpelt site includes one of Europe's largest oxide washing facilities that serves as a central washing facility for the pre-treatment of purchased secondaries prior to their consumption by some of the Nyrstar smelters. As part of the casting facilities upgrade project a new melting furnace and a completely automated casting line were installed and commissioned in Overpelt in June 2010. SHG casting capacity at Overpelt is now approximately 350,000 tonnes per annum.

Raw materials

The Balen smelter produces zinc from feedstock of both zinc concentrates and recycled zinc secondary feed materials. Balen's zinc concentrates are sourced from suppliers world-wide. The Balen smelter can process a high percentage of secondary feed material input without adversely affecting overall plant productivity, efficiency or residue output. Concentrates are transported by train from the port of Antwerp, a main thoroughfare harbour for zinc concentrates. Secondary zinc feed materials are delivered to the plant by truck.

Production

The Balen and Overpelt operations produce SHG zinc and a range of high value alloy products such as ZAMAK die casting alloy. Balen also produces sulphuric acid, copper cement and Balen Leach Product that contains lead and precious metals and is sold as a raw material to secondary smelters.

Budel smelter

Location

The Budel zinc smelter is situated at Budel-Dorplein in the southeast of The Netherlands near the Belgian border and close to the majority of its customers in the major industrial centres of The Netherlands, Belgium, Germany, Luxembourg and northern France.

Overview

Budel's annual production capacity is approximately 260,000 tonnes of zinc metal, making Budel one of the world's largest zinc smelters in terms of production volume.

Raw materials

The Budel smelter produces zinc alloys predominately from low iron concentrate from the Century zinc mine and other low residue forming secondary feed materials, including secondary zinc oxides that are recycled from residues produced primarily by the steel industry in Europe. The primary competitive advantage of the Budel smelter is its very high zinc recovery rate as a result of circuit design and feedstocks. Budel's feedstock primarily consists of Century concentrates, along with other high grade sulphidic concentrates, zinc oxides and other secondary feeds. As was demonstrated in 2009, when supplies from the Century zinc mine were temporarily disrupted due to a failed pipeline at the mine, the Budel smelter is able to effectively run on concentrates with higher iron content than previously thought possible for the Budel smelter (3-4% iron content).

The Century mine is currently expected to reach its life-of-mine and thereby cease supplying the Budel smelter in mid-2015. Management is accordingly taking steps to secure raw materials from other sources, including, for example, investing in ''de-bottlenecking'' the Budel smelter as part of the Transformation. By de-bottlenecking the Budel smelter, Nyrstar is expanding the types and grades of concentrates that it is capable of processing, thereby further increasing its range of potential feedstock suppliers. For further information, see ''—Raw materials''.

Production

Budel's two key products are SHG and zinc galvanising alloys. In addition, the site produces cadmium, copper and cobalt cake, sulphuric acid and a saleable product known as Budel Leach Product that contains lead and precious metals and is used as a raw material by secondary smelters.

Clarksville smelter

Location

The Clarksville zinc refinery is located four kilometres southwest of Clarksville, Tennessee, beside the Cumberland River. Clarksville is located within 900 kilometres of the United States' industrial heartland, including Chicago and Detroit. A large portion of the U.S. zinc market lies within one-day delivery distance from the Clarksville smelter by road. Low transport costs provide Clarksville with a geographic competitive advantage that contributes to the realisation of a premium over the LME price for its zinc products.

Overview

The Clarksville smelter is a medium scale and relatively modern smelter that was commissioned in 1978. Zinc production capacity of the cell-house at the smelter exceeds that of the roaster to treat concentrates by a considerable margin. To partially overcome this bottleneck, concentrate at the Clarksville smelter has traditionally been supplemented with roast oxides as a combined feed material, providing a relatively cheap and convenient means of introducing additional zinc capacity to the smelter. These oxides have traditionally been sourced exclusively from Europe and have incurred substantial freight costs. In 2010, an oxide washing facility was installed at the smelter and commissioned in early 2011, obviating the need to import washed oxides from Europe with high transport costs.

Raw materials

The Clarksville smelter was specifically designed to recover zinc from the high zinc content, low impurity Tennessee Valley zinc concentrates produced by the Tennessee mines. Following the acquisition by Nyrstar of the Tennessee mines in 2009, Clarksville recommenced the treatment of high zinc content, low impurity concentrates from these mines. The Clarksville refinery has a long history of treating these types of concentrates and is logistically very well located for supply by Nyrstar Tennessee Mines. The Nyrstar Tennessee Mines have been fully operational as of the end of 2011 and increased their production during 2012. The Tennessee Mines are capable of providing all of the zinc concentrate supplies for the Clarksville smelter. The processing of local concentrates from Nyrstar Tennessee Mines is expected to improve the zinc recovery rate at the Clarksville smelter (owing to low iron content) and result in significant freight savings compared to other facilities.

Production

The Clarksville smelter is currently the only primary zinc producer in the United States and has an established reputation as a supplier of quality SHG zinc and CGG alloys. By-products include cadmium metal, sulphuric acid, copper sulphate, an intermediate copper cementate and synthetic gypsum.

During 2012, the Clarksville smelter began to produce germanium leach (an intermediate product), by processing germanium contained in Middle Tennessee Mine zinc concentrate. Germanium is used in fibre-optics and semi-conductors, and the production of the leach product generates high margins. Due to current constraints, the production of germanium leach currently limits the throughput rate of the Clarksville roaster thereby reducing zinc metal production.

Hobart smelter

Location

The Hobart smelter is a large-scale zinc smelter located on the western bank of the Derwent River Estuary in Hobart, Tasmania. The facility uses the RLE process for zinc production. Hobart is closely integrated with the Port Pirie multi-metals smelter, which processes Hobart's paragoethite by-product as well as a relatively small volume of other leach by-products.

Overview

The Hobart smelter is one of the world's largest zinc smelters in terms of production volume. It is focused on high value added products for export to growing markets in Asia. The site has been significantly upgraded and modernised over the last 25 years, with improvements such as modernisation of gas purification and acid plants in the roasting facility, the modernisation of the leaching and purification processes, the introduction of mechanised zinc stripping in electrolysis and the automation of the casting plant. These major capital works and operational improvements have increased the plant's annual operating capacity from approximately 170,000 tonnes of zinc in 1977 to approximately 290,000 tonnes in 2013. As part of the Transformation, Nyrstar is investing in ''de-bottlenecking'' the Hobart smelter to allow a larger variety of zinc concentrates to be processed.

Raw materials

Hobart sources the majority of its concentrate requirements from the Rosebery and Century zinc mines, the balance being sourced predominantly from other Australian mines. Accordingly, it currently operates with the advantage of being close to its raw material suppliers.

The close proximity of some of Hobart's feedstock sources, such as from the Rosebery zinc mine, results in lower concentrate transport costs from the mine to the Hobart smelter than could be achieved were they to sell their concentrate to a more distant smelter. This saving is shared with the Hobart smelter and thereby reduces its cash cost per tonne of zinc. Miners often bear the costs of transporting concentrate and therefore prefer to ship to nearby customers, which means that such customers may obtain better prices as the customer and miner are essentially sharing the transport savings.

The Century mine is currently expected to reach its life-of-mine and thereby cease supplying the Hobart smelter in mid-2015. Management is accordingly taking steps to secure raw materials from other sources, including implementing ''de-bottlenecking'' upgrades at the Hobart smelter as part of the Transformation. For further information, see ''—Raw materials''.

Production

Hobart's key products are SHG zinc, die cast alloys (branded ''EZDA'') and CGG (continuous galvanising grade) alloys. In addition, the site produces by-products of cadmium, copper sulphate, paragoethite, lead sulphate leach concentrate and sulphuric acid.

Hobart's power costs are relatively low, as its electricity is sourced from hydro generation. The scale of the Hobart smelter's production volume, the higher revenues generated from its high value added products and its power savings are partially offset by higher freight costs for sales of finished products because its location is remote from its markets.

Port Pirie multi-metals smelter

Location

The Port Pirie smelter is located on the eastern side of the Spencer Gulf in South Australia, approximately 200 kilometres north of Adelaide, South Australia.

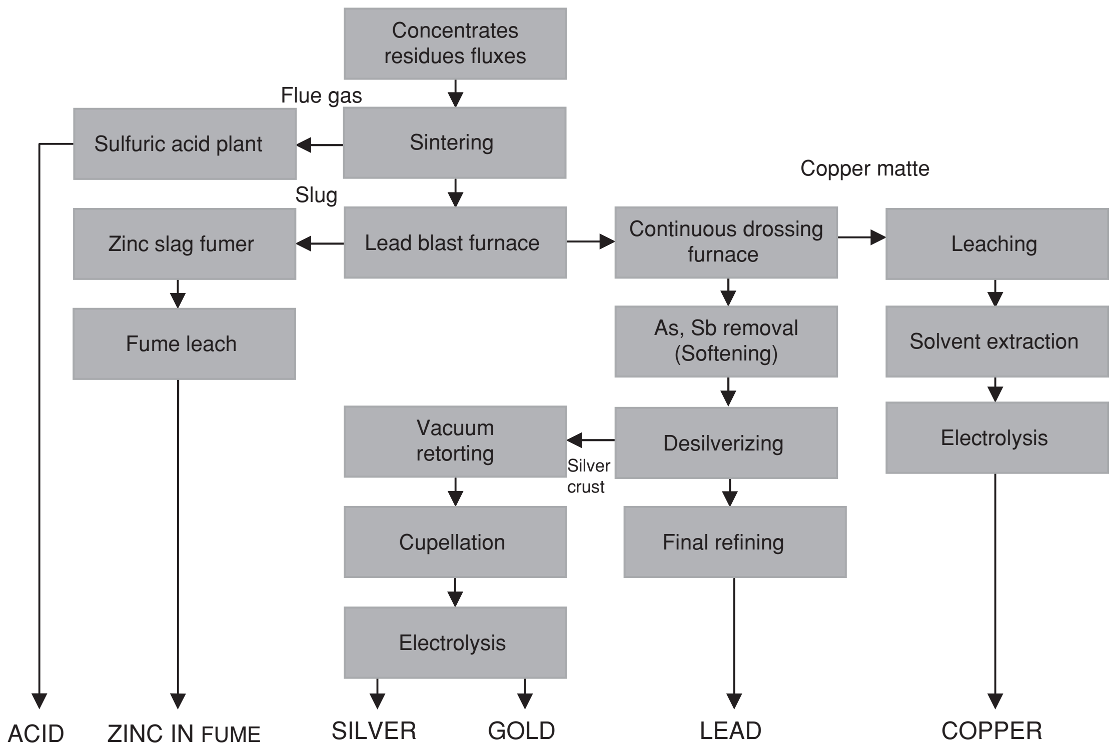
Overview

Port Pirie is currently an integrated multi-metals recovery plant with the flexibility to process a wide range of lead rich concentrates and smelting industry by-products. Port Pirie is one of the world's largest primary lead smelting facilities and the third largest silver producer, which allows it to generate significant economies of scale. Port Pirie's competitive position is enhanced by its ability to produce a range of metals and treat a variety of by-products, together with its focus on supplying the growing markets of Asia, especially China. Port Pirie is strategically linked to the Hobart smelter through flows of by-products such as paragoethite and leach products.

Port Pirie is in the process of being redeveloped. For further information, see ''—Port Pirie Redevelopment project'' below.

Production process

The chart below summarises the current production process at Port Pirie:



Raw materials

Port Pirie secures its primary lead concentrate feed from a variety of local third party mines, including the Rosebery and Century mines. It also processes a large amount of secondary feed, which is partly sourced from the Hobart smelter with the balance coming from existing stockpiled materials at Port Pirie and other third party suppliers. Port Pirie leases and operates a committed port facility, through which it receives a large part of its feed supplies.

The Century mine is currently expected to reach its life-of-mine and thereby cease supplying the Port Pirie smelter in mid-2015. Management is accordingly taking steps to secure raw materials from other sources. For further information, see ''—Raw materials'' and ''—Smelting Strategic Review''.

Production

The Port Pirie smelter's lead production capacity is approximately 230,000 tonnes of lead per year. The Port Pirie operation incorporates a lead smelter and refinery, a precious metals refinery, a copper plant and a zinc plant.

Port Pirie Redevelopment project

Overview

The Port Pirie Redevelopment involves the conversion of the Port Pirie smelter into an advanced metal recovery and refining facility enabling the facility to process a wider range of high margin feed materials, including internal zinc smelter residues and concentrates which the Company expects to account for approximately 50% of feed material requirements. The increased operating flexibility of the smelter following the Port Pirie Redevelopment is expected to create a fundamentally different operating and business model.

The key aspects of the Port Pirie Redevelopment include the replacement of the existing sinter plant with an oxygen enriched bath smelting furnace and replacement of the existing sulphuric acid plant with a new plant with greater capacity and upgraded technology.

In 2013, Nyrstar undertook detailed feasibility studies for the Port Pirie Redevelopment, in which specialist consultants were commissioned with a dedicated Nyrstar team to perform engineering, estimating, scheduling and various other reviews, including a number of independent peer reviews. The final feasibility study was completed in Q1 2014 with an estimated total capital cost of approximately € 338 million (approximately AUD 514 million, based on an average exchange rate of AUD/€ 1.52 from January-April 2014, the relevant period prior to the signing of the Implementation Deed, described below), comprised of € 256 million construction costs, € 13 million for feasibility costs, € 43 million for contingencies, € 13 million for inflation allowances and € 13 million for miscellaneous Port Pirie Redevelopment costs (principally consisting of Nyrstar project management team salaries and overhead). Nyrstar currently expects to begin ramp up of Port Pirie in its revised configuration during H1 2016 and operate at full capacity by the end of that year.

In 2013, Nyrstar received major development approval from the South Australian Government, allowing it to proceed with the Port Pirie Redevelopment. In addition, the South Australian parliament in 2013 passed legislation that took effect on 1 May 2014, giving Nyrstar regulatory certainty in relation to the Port Pirie Redevelopment. The legislation limits the circumstances in which the Environment Protection Authority may reduce the maximum limit specified in the ''maximum lead-in-air condition'' in Nyrstar's operating licence.

On 16 May 2014, Nyrstar signed a binding agreement (the ''**Implementation Deed**'') for the final funding and support package for the Port Pirie Redevelopment with the EFIC, Australia's export credit agency, and the Treasurer of South Australia (for and on behalf of the State of South Australia). See ''—Funding and support package'' below.

Since the announcement of the final funding and support package, the work programme of the Port Pirie Redevelopment has significantly accelerated. A number of key contract packages have been awarded (including the oxygen enriched bath smelting furnace design and supply contract, the acid plant supply contract and the oxygen plant contract). Work on the Port Pirie Redevelopment has also commenced on site (in parallel with the ongoing operation of the smelter) and Nyrstar remains on track with its work on site for the remainder of 2014. This includes construction of the temporary construction camp (that will be designed to accommodate a peak workforce of approximately 400 people), foundation piling and other civil engineering works for the furnace, acid plant and oxygen plant, as well as mobilising the project's construction management team to site. Further, a number of important ''tie-in'' related activities on the blast furnace are scheduled to occur during the scheduled shut-down of the blast furnace during H2 2014.

Investment case

Once the Port Pirie smelter is fully operational following the Port Pirie Redevelopment, Nyrstar estimates an approximately 50% increase in throughput that will allow for the rest of the Port Pirie site to be used at full capacity. Increased furnace flexibility is then expected to allow the smelter to significantly improve the added value from production at the site by processing a wider range of potentially higher value feed, thereby increasing the margin earned on every unit of metal produced (including by every type of metal). Management believes that gross profit should increase, driven by an increase from free metal and by-products.

Concentrates from Nyrstar's own mines and residues from Nyrstar's zinc smelting network are expected to initially account for approximately 50% of feed material requirements (see ''—Smelting Strategic Review'').

A modest increase in operating costs, combined with the increased production levels is expected to reduce operating costs per tonne of lead and zinc by approximately 20% in local currency terms once the Port Pirie smelter is fully operational following the Port Pirie Redevelopment.

Management believes that an increase in gross profit combined with a modest increase in operating costs and increased production on a per tonne basis should in turn drive improved underlying EBITDA and cash flow (based on unit cost calculation for the 2013 financial year using combined lead and zinc volumes, and lead and zinc in fume for the 2017 financial year; the average unit cost decline includes the closure of the zinc plant, which contributed around 6% to average unit cost in 2013). See ''—Targeted internal rate of return'' below.

Following the Port Pirie Redevelopment, Port Pirie is expected to have the capacity to produce a range of metals yearly including approximately 250,000 tonnes of refined lead, approximately 40,000 tonnes of zinc in fume, approximately 7,000 tonnes of copper in matte, and approximately 25.0 million troy ounces of silver doré, containing approximately 100,000 troy ounces of gold.

Nyrstar also expects the Port Pirie Redevelopment to reduce the environmental footprint of the existing smelter, providing a step change reduction in airborne metal and dust emissions.

Funding and support package

On 16 May 2014, Nyrstar signed the Implementation Deed for the final funding and support package for the Port Pirie Redevelopment with the EFIC, Australia's export credit agency, and the Treasurer of South Australia (for and on behalf of the State of South Australia). The funding package agreed pursuant to the Implementation Deed comprises three parts:

(i) a direct contribution from Nyrstar of approximately € 68 million (approximately AUD 103 million under the terms of the Implementation Deed). By the end of April 2014, approximately € 19 million (approximately AUD 29 million) had been spent on feasibility studies, with the remainder of Nyrstar's € 68 million direct contribution expected to be spent by the end of 2014;

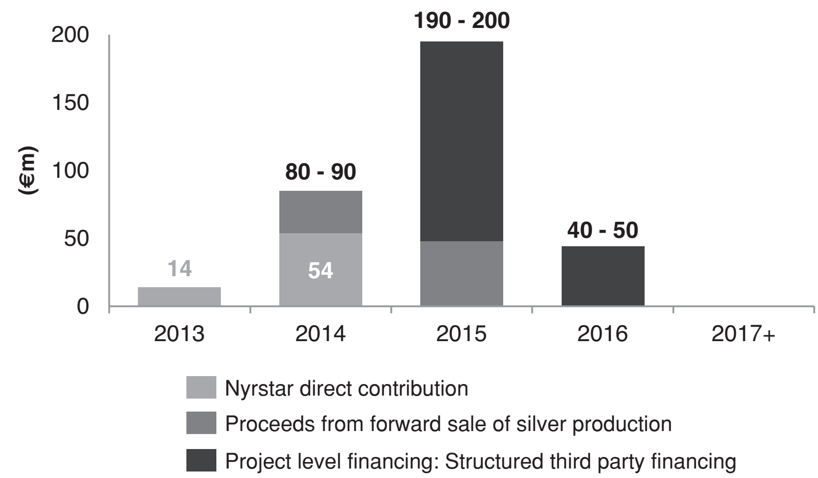
(ii) the forward sale of a portion of the incremental silver output from the redeveloped Nyrstar Port Pirie facility for an upfront payment of approximately € 79 million (approximately AUD 120 million) (the ''**Port Pirie Silver Prepayment**''). Nyrstar has received commitments from a syndicate of banks to complete the Port Pirie Silver Prepayment and expects it to be completed in 2014. Silver related to the amortization of the principal amount will be delivered over three years under a defined delivery schedule post commissioning from 2016 until the end of 2019. Silver price risk will be hedged using a US$/oz. commodity swap; and

(iii) a structured investment by third party investors, which benefits from a AAA credit rated guarantee from EFIC, supported by a back-to-back guarantee from the Treasurer of South Australia amounting to approximately € 191 million (approximately AUD 291 million under the terms of the Implementation Deed). Nyrstar Port Pirie Pty Ltd. intends to issue subordinated perpetual securities to a special purpose vehicle (the ''**SPV**''), created solely for the financing of the Port Pirie Redevelopment. The perpetual securities will be unsecured, although EFIC will have security over the SPV. The SPV will raise funds from third party financial, institutional or industrial investors who will benefit from a guarantee from EFIC, while EFIC's risk will be supported by a back-to-back guarantee from the Treasurer of South Australia; accordingly, the financing is expected to be rated AAA, which would be reflected in the cost of financing. While the terms of this structured investment were agreed in the Implementation Deed, this prong of the financing is currently targeted to be completed in early 2015. The Implementation Deed requires the EFIC guarantee of the financing to be issued by 31 December 2015, unless the parties otherwise agree. Current estimates of future distributions are expected to reduce the amount of perpetual securities outstanding between 2017 and 2021, although such distributions are discretionary under the terms of the perpetual securities. Unpaid distributions accrue while the securities remain outstanding; all distributions so accrued become due and payable upon redemption of such securities. Because there is no obligation to amortise the perpetual securities, the perpetual securities are expected to receive IFRS equity accounting treatment in the Company's accounts; however, Nyrstar does not expect any perpetual securities to be outstanding by the end of 2021. Nyrstar's current expectation is that excess cash flow will be used to amortise the perpetual securities.

Nyrstar Port Pirie and its subsidiaries (and other entities in the Nyrstar group) have been subject to certain restrictions from the time the Implementation Deed was signed. For example, Nyrstar Port Pirie and each of its subsidiaries are currently prohibited from paying dividends. From the time the EFIC guarantee is issued until the perpetual securities are finally and fully redeemed, Nyrstar Port Pirie and its subsidiaries will be subject to a number of further restrictions in addition to the restriction on dividends. For example, other distributions will be prohibited, although there will be certain exceptions, including (x) distributions for costs incurred by Nyrstar Port Pirie but subsequently reimbursed by Nyrstar Sales & Marketing pursuant to their pre-existing tolling agreement, subject to certain specified restrictions and (y) payments under derivative transactions that are permitted under the agreed hedging policy. Under the terms of the Implementation Deed and for so long as the perpetual securities are outstanding, Nyrstar Port Pirie and its subsidiaries are also prohibited from creating or allowing a security to exist over its property and assets; disposing of all or a substantial part of its assets (but only from the time the EFIC guarantee is issued); acquiring any assets (but only from the time the EFIC guarantee is issued); giving any guarantee; or incurring financial debt, in each case with limited exceptions.

Capital expense guidance

The following diagram represents Nyrstar's guidance on capital expenditure for the Port Pirie Redevelopment in € millions.



Targeted internal rate of return

Based on internal modelling, Nyrstar currently expects that both (a) the Port Pirie Redevelopment and (b) the combined Smelting Strategic Review Portfolio Projects (the latter taken in the aggregate) will each generate illustrative post-tax, levered internal rates of return (''**IRR**'') of 25-30% over time. As with any forward guidance, these illustrative IRRs are subject to a number of assumptions and qualifications. The proprietary model used to generate the IRR calculation is based on a linear optimisation algorithm. The model comprises three key elements, being feed book assumptions, operational assumptions for each plant and finished product assumptions. The algorithm is designed to allocate feed materials from a given feed book and network configuration to maximise free cash flow. Feed book assumptions include expected feed availability over the planning horizon combined with feed quality and commercial assumptions including metal prices, treatment and refining charges and payable terms. Operational assumptions include plant operating costs, sustaining capital expenditure assumptions, individual metal recovery assumptions for each plant, operational and processing constraints for penalty and other elements together with processing throughput capacities. Finished product assumptions include sales mix, payable terms, sales premia, realisation expenses, metal prices and alloying costs. Each of these assumptions is subject to significant sensitivities, including, amongst others, changes in exchange rates, metal prices and cost of capital. The model uses a financial base line derived from the current existing Metals Processing network configuration and then compares such baseline to the expected Nyrstar asset base following the Transformation (i.e., based on a successful Port Pirie Redevelopment and implementation of all of the Smelting Strategic Review Portfolio Projects on the currently expected timeline and capital expenditures). The comparative analysis in all cases uses flat internal metal price and exchange rate assumptions. For the IRR calculations the model reflects for the Port Pirie Redevelopment financing costs (as described above under ''—Funding and support package'') and an estimated capital charge for the Smelting Strategic Review Portfolio Projects.

Zinc production at Port Pirie

In parallel with the final feasibility study as part of the Port Pirie Redevelopment, Nyrstar critically reviewed opportunities to immediately strengthen the financial viability of the Port Pirie site. The review identified that since 2009, the zinc plant at the site has experienced deteriorating production volumes and rising costs, ultimately making the plant unsustainable. The plant is the highest cost zinc plant in Nyrstar's smelter portfolio.

Consequently, Nyrstar ceased zinc metal production at Port Pirie in July 2014, and zinc in fume is being processed at Nyrstar's other smelter assets. The zinc plant is expected to close by the end of 2014, and Nyrstar will engage and consult with employees and their representatives with a focus on available retraining and redeployment opportunities to other parts of the Port Pirie operation. This decision is expected to have no impact on the overall Redevelopment. The Company will look to reuse certain zinc plant assets in other production areas onsite as well as across Nyrstar's smelting business.

Hoyanger fumer

Hoyanger is a fuming plant in Hoyanger, located in the south-west of Norway. The plant currently produces zinc oxides from processing electric arc furnace dust, a feed from the steel industry, and is a pioneer for the use of high temperature plasma furnace technology.

Nyrstar acquired ERAS Metal (now Nyrstar Hoyanger), the operator of the Hoyanger fuming plant, in December 2013, for approximately € 3 million. The acquisition of ERAS is the first investment and project within Nyrstar's Transformation blueprint. Nyrstar Hoyanger currently employs around 30 people, and makes use of some of the cleanest and most efficient technology available for recycling by-products of the primary zinc industry and zinc-containing alkaline batteries. Over the course of 2014, Nyrstar expects to invest an additional amount of approximately € 2 million to upgrade the plant to process residues from Nyrstar smelters which are currently sold to third parties.

Operations review—Metals Processing

The following should be read in conjunction with the Nyrstar Financial Statements, as well as the information presented elsewhere in this Prospectus.

Six months ended 30 June 2014 and 31 December 2013

	Six months ended 30 June 2014	Six months ended 31 December 2013	% change	Six months ended 30 June 2013	% change
Zinc metal ('000 tonnes)					
Auby	85	83	2%	69	23%
Balen/Overpelt	134	132	2%	120	12%
Budel	144	141	2%	134	7%
Clarksville	57	57	0%	49	16%
Hobart	120	141	(15)%	132	(9)%
Port Pirie	13	15	(13)%	15	(13)%
Total	**552**	**569**	**(3)%**	**519**	**6%**
Lead metal ('000 tonnes)					
Port Pirie	93	93	—	86	8%
Other products					
Copper cathode	2	2	—	2	—
Silver (million troy ounces)	7.2	9.0	(20)%	8.9	(19)%
Gold ('000 troy ounces)	20	31	(35)%	35	(43)%
Indium metal (tonnes)	24	16	50%	16	50%
Sulphuric acid	697	741	(6)%	648	8%

The Metals Processing segment produced approximately 552,000 tonnes of zinc market metal in H1 2014, a decrease of 3% from H2 2013 attributable to planned maintenance shutdowns across the segment in addition to having three fewer operating days in H1 2014 compared to H2 2013.

The Auby smelter produced approximately 85,000 tonnes of zinc market metal in H1 2014, an increase of 2% from H2 2013 following a strong operational performance that offset unplanned maintenance work on the roaster. This production record for the Auby smelter was largely attributable to higher current efficiency, which led to higher zinc recovery compared to H2 2013. Auby's indium production for H1 2014 reached 24 tonnes, up 50% on H2 2013 production of 16 tonnes.

Balen/Overpelt completed a planned maintenance shutdown of the F4 roaster and sulphuric acid plant on time and within budget. Despite this significant shutdown, the plant produced approximately 134,000 tonnes of zinc market metal in H1 2014, an increase of 2% from H2 2013.

At Budel, strong performance continued with zinc market metal production of approximately 144,000 tonnes in the period, a 2% increase from 141,000 tonnes in H2 2013.

The Clarksville smelter contributed approximately 57,000 tonnes of market metal zinc production in H1 2014, in-line with H2 2013 production. Unplanned roaster and leach maintenance, along with the impact of severe winter weather, impacted zinc cathode production, which was offset by the drawdown of zinc cathode inventory on hand at the end of 2013.

Zinc market metal production at the Hobart smelter for H1 2014 was approximately 120,000 tonnes, 15% below H2 2013. The reduction was mainly caused by the planned maintenance shutdown of the No.5 roaster and sulphuric acid plant in H1 2014 in line with management expectations. An unexpected delay of Century concentrate shipments in early 2014 led to a shortage of calcine prior to the planned shutdown, which further impacted on production volumes in H1 2014 compared to H2 2013.

H1 2014 lead market metal production at the Port Pirie smelter was approximately 93,000 tonnes, in-line with H2 2013 production. The Port Pirie blast furnace suffered a leaking fore-hearth in late April leading to an unplanned 12-day shutdown impacting H1 2014 metal production. Zinc market metal production of approximately 13,000 tonnes in H1 2014 was 13% below H2 2013 in line with management expectations, primarily influenced by a planned slag-fumer maintenance shutdown and the April blast furnace shutdown. Nyrstar ceased zinc metal production at Port Pirie in mid-July 2014 and zinc oxides produced at Port Pirie are currently processed at Nyrstar's other smelters. H1 2014 production of silver, gold and copper was also adversely impacted by the blast furnace shutdown, leading to an increased stock of silver and gold in the sinter.

Years ended 31 December 2013 and 31 December 2012

	Year ended 31 December 2013	Year ended 31 December 2012	% change	Six months ended 31 December 2013	Six months ended 30 June 2013	% change
Zinc metal ('000 tonnes)						
Auby	152	161	(6)%	83	69	20%
Balen/Overpelt	252	250	1%	132	120	10%
Budel	275	257	7%	141	134	5%
Clarksville	106	114	(7)%	57	49	16%
Hobart	272	272	—	141	132	7%
Port Pirie	30	31	(3)%	15	15	0%
Total	**1,088**	**1,084**	**0%**	**569**	**519**	**10%**
Lead metal ('000 tonnes)						
Port Pirie	179	158	13%	93	86	8%
Other products						
Copper cathode ('000 tonnes)	4	3	33%	2	2	—
Silver (million troy ounces)	17.9	13.8	29%	9.0	8.9	—
Gold ('000 troy ounces)	66	56	18%	31	35	(11)%
Indium metal (tonnes)	33	13	154%	16	16	—
Sulphuric acid ('000 tonnes)	1,389	1,388	0%	741	648	14%

The Metals Processing segment produced approximately 1,088,000 tonnes of zinc metal in 2013, at the top end of full year guidance. While production in H1 2013 was impacted by a number of planned maintenance shuts, production in H2 2013 was the highest recorded by Nyrstar in a six-month reporting period, reaching approximately 569,000 tonnes, a 10% increase on H1 2013 (519,000 tonnes).

The Auby smelter carried out two shut-downs of its zinc plants to conduct maintenance activities in H1 2013, restricting zinc metal production to approximately 69,000 tonnes compared to 83,000 tonnes in H2 2013. In total, the Auby plant produced approximately 152,000 tonnes of zinc cathode in 2013, compared to 161,000 tonnes in 2012. Indium metal production increased substantially to approximately 33 tonnes in 2013 (13 tonnes in 2012).

The Balen/Overpelt smelter delivered a major planned maintenance shut of its roaster and acid plant and cell-house on time and to budget during H1 2013. As a result, zinc metal production in H2 2013 of approximately 132,000 was 10% higher than in H1 2013 (120,000 tonnes). In 2013, the Balen and Overpelt plants produced 252,000 tonnes of zinc and zinc alloys, as compared to 250,000 tonnes in 2012.

The Budel smelter produced 275,000 tonnes of zinc metal in 2013, up 7% on 2012. The higher production in H2 2013 was mainly driven by improvements in the electrolysis process.

The Clarksville smelter produced approximately 106,000 of zinc metal in 2013, compared to 114,000 tonnes in 2012. The site produced approximately 49,000 tonnes of zinc metal in H1 2013, compared to 57,000 tonnes in H2 2013. Zinc metal production in H2 2013 was 16% higher compared to H1 2013, primarily due to the planned maintenance shut of the smelter's roaster and acid plant during H1 2013. The site continued to produce a germanium leach product (germanium is used in fibre-optics and semi-conductors) by processing germanium contained in Middle Tennessee Mine zinc concentrate, following first production in 2012.

Zinc metal production of 141,000 tonnes at the Hobart smelter in H2 2013 was 7% higher compared to H1 2013 (132,000 tonnes). The first half of 2013 was impacted by record regional temperatures in Q1 2013, which constrained electrolysis throughput due to power reductions and a planned maintenance shutdown of one of the roasters. Hobart delivered 272,000 tonnes and zinc metal in each of 2013 and 2012.

Lead metal production at the Port Pirie smelter in 2013 increased to 179,000 tonnes, compared to 158,000 tonnes in 2012, with production in the second half of 2012 impacted by an unplanned shutdown of the blast furnace. The shutdown led to a 19% decrease in 2013 (195,000 tonnes) compared to 2012. Similarly the production of other metals was also higher in 2013 with copper, silver and gold production up 33%, 29% and 18% respectively on 2012. In July 2013, the sinter and blast furnace were shut for approximately one week to carry out repair work. The shut was successfully executed, with an estimated impact on lead production of 6,000 tonnes and smaller impacts on zinc, copper, silver and gold production. The Port Pirie smelter's planned maintenance shut of its slag fumer, which was originally scheduled for Q4 2013, was deferred to Q1 2014.

Years ended 31 December 2012 and 31 December 2011

	Year ended 31 December 2012	Year ended 31 December 2011	% change	Six months ended 31 December 2012	Six months ended 30 June 2012	% change
Zinc metal ('000 tonnes)						
Auby	161	164	(2)%	81	80	2%
Balen/Overpelt	250	282	(11)%	130	120	8%
Budel	257	261	(2)%	129	128	1%
Clarksville	114	110	4%	57	59	(3)%
Hobart	272	279	(3)%	135	137	(1)%
Port Pirie	31	30	3%	15	16	(8)%
Total	**1,084**	**1,125**	**(4)%**	**547**	**538**	**2%**
Lead metal ('000 tonnes)						
Port Pirie	158	195	(19)%	73	85	118%
Other products						
Copper cathode	3	4	(25)%	1	2	237%
Silver ('000 troy ounces)	13,806	18,563	(26)%	7,349	6,400	88%
Gold ('000 troy ounces)	56	36	56%	26	30	120%
Indium metal (tonnes)	13	—	—	11	1	14%
Sulphuric acid	1,388	1,400	(1)%	723	665	92%

The Metals Processing segment produced approximately 1,084,000 tonnes of zinc metal in 2012. Although 4% down on the record performance achieved in 2011 (1,125,000 tonnes), 2012 production was in line with historical levels. The zinc smelters delivered a strong operational performance in H2 2012, producing approximately 547,000 tonnes of zinc metal, a 2% increase on H1 2012, a half in which the segment experienced some operational issues (particularly at the start of the year).

The Auby smelter performed strongly in 2012, with zinc metal output again at full operating capacity and the indium metal production of approximately 13 tonnes, following the successful commissioning of the indium metal plant during Q2 2012. The Balen/Overpelt smelter recovered well in H2 2012, following a first half impacted by national industrial action and an unplanned shutdown in Q1 2012. H2 2012 zinc metal production increased 8% from H1 2011, although compared to a very strong 2011 production for the full year 2012 was down 11%. In spite of a planned three week roaster and acid plant shutdown in Q2 2012, the Budel smelter delivered zinc metal production in line with 2011.

At Clarksville, zinc metal production was 4% up in 2012 compared to 2011, with the previous year's production impacted by a planned roaster dome refractory replacement (a one in thirty year event). During Q3 2012, the Clarksville smelter began to produce germanium leach (an intermediate product), by processing germanium contained in Middle Tennessee Mine zinc concentrate. Germanium is used in fibre-optics and semi-conductors, and the production of the leach product generates high margins. Due to current constraints, the production of germanium leach currently limits the throughput rate of the Clarksville roaster, thereby reducing zinc metal production. The Hobart smelter delivered a solid operating performance in 2012, with zinc metal production marginally (3%) down on a strong 2011.

Lead metal production at the Port Pirie smelter in 2012 was impacted by an unplanned shutdown of the blast furnace in Q3 2012, which led to a 19% decrease compared to 2011. The production of other metals was additionally impacted by an unplanned shutdown of the copper drossing furnace, also in Q3 2012, with copper and silver production down 25% and 26% respectively (silver production was also impacted by the lower volume of silver bearing material extracted from the floor of the precious metal refinery in 2012 compared to 2011). Gold production was also impacted by the two aforementioned shutdowns. However, due to the strategy to treat more complex lead concentrates with a higher precious metal content in order to increase underlying EBITDA margins, gold production increased 56% in 2012 compared to 2011.

Recently disposed of or terminated operations

ARA Sydney and Simstar

Nyrstar had previously operated lead acid battery recycling facilities in Sydney, Australia (Australia Refined Alloys (''**ARA**'') Sydney) and in Melbourne, Australia (''**Simstar**'', previously known as ARA Melbourne), as 50/50 joint ventures with Sims Metal Management Limited (''**SimsMM**''), an Australian metals recycling company.

In November 2011, Nyrstar and SimsMM announced that they had reached a conditional agreement to sell ARA's secondary lead producing facility in Sydney, Australia (''**ARA Sydney**'') to companies associated with Renewed Metal Technologies for a total sale price of approximately € 60 million. Approval of the Australian Competition and Consumer Commission was received and the sale was completed in February 2012. Nyrstar recorded a profit on the sale of its 50% share of ARA Sydney of € 26.8 million. Further, as a result of the sale, Nyrstar reclassified € 7.6 million from the reverse acquisition reserve, as disclosed in the consolidated financial statements ended 31 December 2012. The reserve is linked to the structure of the creation of Nyrstar in 2007. The reclassified amount represented the portion of the reserve allocated to ARA Sydney at that time.

The lead acid battery recycling facility in Melbourne, Australia operated by Simstar was permanently closed with effect from 31 May 2013 due to challenging macroeconomic conditions and following an operational and strategic review of the business.

Genesis

Genesis Alloys Ningbo Ltd is a zinc die cast alloy producer with operations in China, and is a 50/50 joint venture between Nyrstar and the Lee Kee Group, a Hong Kong-based metals distribution company. Nyrstar expects to dispose of its stake in Genesis Alloys (Ningbo) Ltd in September 2014.

Föhl

Föhl is a die casting facility located 30 kilometres from Shanghai, and was a 50/50 joint venture with Föhl Verwaltungs-und-Beteiligungs GmbH, which produces zinc die casting parts for the automotive, hardware and consumer goods industries. It was disposed of in April 2014 for € 2.8 million.

Mining

Overview

The table below provides key data on Nyrstar's mining operations, including the Talvivaara Zinc Streaming Agreement.

Estimated annual production at full capacity

Operation	Location	Type	Employees (at 31 December 2013)	Other metals (by type)	Status of operations	2012 production ('000 tonnes of zinc)	2013 production ('000 tonnes of zinc)	% change
Campo Morado	Mexico	Underground Polymetallic mine	380	Copper, gold, lead and silver	In operation	40	25	(38)%
Contonga	Peru	Underground polymetallic mine	447 (combined Peruvian Operations)	Copper, silver and lead	In operation	15	13	(13)%
Pucarrajo	Peru	Underground polymetallic mine		Silver and lead	In care & maintenance	—	—	—
Coricancha	Peru	Underground Polymetallic mine	597	Gold, silver and lead	In care & maintenance	2	1	(50)%
El Mochito	Honduras	Underground zinc mines	839	Lead and silver	In operation	26	25	(4)%
El Toqui	Chile	Underground zinc mines	417	Lead, gold and silver	In operation	20	23	15%
Langlois	Canada	Underground zinc mines	265	Copper and silver	In operation	39	36	(8)%
Myra Falls	Canada	Underground zinc mines	345	Copper, gold and silver	In operation	32	27	(16)%
Nyrstar Tennessee Mines	United States	Underground zinc mines	902	N/A	In operation	109	121	11%
Own Mines Total						**283**	**271**	**(4)%**
Talvivaara (third party owner/ operator)	Finland	Open pit mine Zinc streaming	N/A	N/A	Undergoing corporate re-organisation	30	14	(53)%
Total						**313**	**285**	**(9)%**

Mining Strategic Review

In the second half of 2013, Nyrstar initiated a strategic review of its global mining assets (the ''**Mining Strategic Review**''), aimed at identifying opportunities to make a step-change improvement in the Mining segment's operational and financial performance. The Mining Strategic Review is an optimisation programme with the core aims of improving underlying EBITDA and maximising free cash flow from the Mining segment through optimising the production from all Nyrstar's mines, all while improving overall direct operating costs per tonne. The programme is operational in nature and is not envisaged to be capital consumptive.

The review is being undertaken in two phases: firstly, a preliminary turnaround phase to ensure that all assets are delivering to their full potential by improving the profitability of the mines and introducing sustainable operational optimisations. Management aims to optimise mill head grades, improve throughput levels, better utilise existing infrastructure and improve operational practices on site across all its mining assets. The second, more comprehensive phase links specifically to the Metals Processing segment and the outcome of the now completed Smelting Strategic Review programme to be implemented in coordination with the Marketing Sales & Sourcing business unit, will seek to ensure that maximum value inherent in the mineral resources produced by Nyrstar's mines is captured through the Group's integrated business model. The first phase is expected to continue throughout 2014 to ensure that the optimisations are sustainable and embedded, while the second phase is expected to commence in 2015 to prepare the Mining segment for the implementation of the Transformation.

In the first quarter of 2014, as part of the Mining Strategic Review, the Coricancha and Pucarrajo mines were identified as assets with limited scale and marginal economics and were thus classified as non-core mining assets; strategic alternatives are being explored for these assets. Management took the decision to put the Coricancha mine on care and maintenance in the third quarter of 2013 and Pucarrajo has not been mined by Nyrstar since its acquisition in 2010. In connection with the Mining Strategic Review, Nyrstar has also begun rolling out new mine plans and introducing other optimisations designed to improve operational efficiency across the Mining segment. The Mining Strategic Review remains ongoing.

Mining process

Zinc is mined from deposits of ore in the earth's crust. Ore deposits may be close to the surface, in which case they will be mined from an open pit (approximately 8% of the world's zinc mines). Alternatively, the ore may be some distance underground and cannot be mined directly from the surface (approximately 80% of the world's zinc mines). In some instances, a surface deposit is mined and, once exploited, underground mining follows, or surface and underground mining may be carried out in a combined way (approximately 12% of the world's zinc mines). The ore that is mined comprises valuable minerals together with waste materials. Common waste materials are silica, aluminium oxide, calcite, dolomite and various iron compounds.

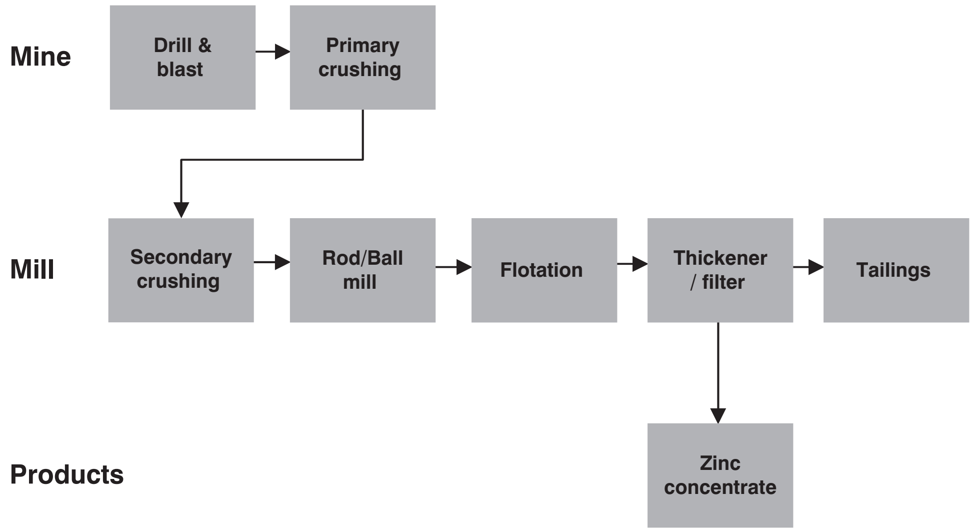
The largest zinc mining regions in the world in terms of both production and mineral resources and mineral reserves are Latin America, China, Australia and North America (mainly Canada). As zinc concentrates are a bulk commodity that ship relatively easily, there is a major world trade in zinc concentrates, mainly out of Australia, Latin America and Canada and into Asia and Western Europe.

The principal mineral from which zinc is produced is zinc sulphide (ZnS). More than 95% of the world's zinc concentrate is produced from zinc sulphide. This mineral rarely occurs alone and, in practice, zinc is often found in polymetallic ore bodies that contain varying quantities of lead, copper, silver, gold and cadmium, as well as traces of many other metals. The separation of zinc from the other minerals and waste product contained in the ore is a process that is initially carried out at the mine site, since zinc ore generally only contains between 3% and 10% zinc.

In underground zinc mines such as Nyrstar Tennessee Mines, ore is drilled and blasted in large volumes, transferred to underground rock crushers by large loaders and trucks before being hoisted to the surface in skips or driven directly to the surface by truck via a spiral access tunnel called a decline. Open pit mines, such as the Talvivaara mine, extract ore by similar methods as underground mining; however, hoisting is not required. At the surface, the ore is subjected to additional crushing and fine grinding to enable its optimal separation from the other minerals. The flotation process is then used to separate the zinc and other valuable sulphide minerals from the waste rock particles or tailings to form a concentrate.

In the flotation process, ground ore, water and special chemicals are mixed and constantly agitated in banks of flotation cells. Air is blown through the mixture in each cell, and the fine zinc sulphide particles stick to the bubbles which rise to form a froth on the surface of the flotation cell. The waste product of flotation, gangue minerals known as tailings, flow from the bottom of the flotation cell to a tailings thickener for dewatering. The froth is skimmed off and the resulting zinc sulphide concentrate is dried. This process upgrades the ore, which generally ranges from 3% to 10% zinc, to a concentrate containing on average 54% zinc and, depending on the type of deposit, some copper, lead and iron.

The chart below provides a schematic illustration of the typical zinc mining process:



Mineral Resources and Mineral Reserves

Nyrstar reports its mineral resources, mineral reserves and exploration results in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (''**CIM**'') definitions as set forth in the CIM Definition Standards for Mineral Resources and Mineral Reserves, as amended (the ''**CIM Definition Standards**''), which have been incorporated by reference into the National Instrument 43-101— Standards of Disclosure for Mineral Projects (''**NI 43-101**'') with respect to the Campo Morado, El Mochito, El Toqui, Langlois and Myra Falls mines; and the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, as amended and prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the ''**JORC Code**'') with respect to the Contonga, East Tennessee and Middle Tennessee mines.

A ''mineral resource'' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided in order of increasing geological confidence into inferred, indicated and measured categories.

A ''mineral reserve'' (referred to as an 'ore reserve' under the JORC Code) is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves. For more information on these categories, see ''Annex 1—Glossary of Key Industry Terms''.

Mineral resources are reported inclusive of mineral reserves.

The mineral resources and mineral reserves in the following tables use a cut-off date of 31 December 2013, unless otherwise stated. The data was prepared by or under the supervision of a ''Qualified Person'' as defined in NI 43-101 or a ''Competent Person'' as defined in the JORC Code, as applicable.

Commodity prices and exchange rates used to estimate the economic viability of mineral reserves are based on long term forecasts applied at the time the estimate was calculated. Nyrstar's metal price assumptions for estimation of year-end 2013 resources and reserves are as follows: Zinc US$ 2,500 per tonne, Lead US$ 2,300 per tonne, Copper US$ 7,200 per tonne, Silver US$ 23.00 per ounce, and Gold US$ 1,350 per tonne.

Nyrstar's approach to the exploration and development of its mining assets, once in a stable operating capacity, is to ensure that management has sufficient information regarding mineral deposits to extract material in an efficient method and to maximise mining asset value over the short to medium term. Where appropriate, management aims to replace the reserve base, and measured and indicated resources that have been extracted and to ensure it adopts optimal mine plans for mining assets over the medium term.

Nyrstar initiated the Mining Strategic Review in the second half of 2013. As an outcome of the review, Coricancha and Pucarrajo were identified as non-core mining assets. During the third quarter of 2013, Coricancha was placed on care and maintenance, and Nyrstar has not mined Pucarrajo since its acquisition in 2010. For further information, see ''—Mining Strategic Review'' below.

In addition to the resources and reserves of mines under Nyrstar's sole ownership, in January 2010, Nyrstar entered into a zinc streaming agreement pursuant to which it acquired 1.25 million tonnes of zinc in concentrate from Talvivaara for a purchase price of US$ 335 million (approximately € 243 million). As at 30 June 2014, an aggregate of approximately 113,000 tonnes of zinc in concentrate had been delivered to Nyrstar under this agreement. For further information, see ''—Talvivaara Zinc Streaming Agreement'' below.

Important Notice

Although Nyrstar's disclosures of its mineral resources and mineral reserves are in accordance with the requirements of the applicable disclosure standards, this disclosure is based on estimates, which while prepared by Qualified Persons and Competent Persons in accordance with relevant mining standards, are subject to numerous uncertainties inherent in estimating quantities and classification of resources and reserves (including subjective judgments and determinations based on available geological, technical, contracted and economic information). Therefore, these statements should not be interpreted as assurances of mine life or of the profitability of current or future operations.

Statements of resources and reserves prepared by different Qualified Persons and Competent Persons are estimates based on different technical assumptions (all of which comply with the applicable mining standards) and may vary as a result. There is no assurance that had such statements been prepared by engineers applying a uniform methodology they would not differ substantially.

Resource and reserve information contained herein is based on engineering, economic and geological data assembled and analysed by Nyrstar and third parties in some cases. Estimates as to both quantity and quality are periodically updated to reflect extraction of commodities and new drilling or other data received. There are numerous uncertainties inherent in estimating quantities and qualities of reserves and costs to mine, including many factors beyond Nyrstar's control. Estimates of reserves necessarily depend upon a number of variable factors and assumptions, all of which may vary considerably from the actual results, such as:

- geological and mining conditions which may not be fully identified by available exploration data, or which may differ from experience in current operations;
- historical production from the area compared with production from other similar producing areas; and
- the assumed effects of regulation and taxes by governmental agencies and assumptions concerning commodity prices, operating costs, mining technology improvements, severance and excise tax, development costs and reclamation costs.

Further, mineral resource estimates, prepared in accordance with applicable mining standards are based on concentrations or occurrences of minerals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, mineral resources are of a higher risk and are less likely to be accurately estimated or recovered than mineral reserves.

Assumptions that are valid at the time of estimation may change significantly when new information becomes available, requiring a reassessment of reserves. Such changes in reserves could also impact depreciation and amortisation rates, asset carrying values, deferred stripping calculations and provisions for close down, restoration and environmental remediation costs.

If the prices of the commodities produced by Nyrstar decrease, or if there are adverse changes in treatment charges or foreign exchange rates, certain of Nyrstar's reserves, which are currently classified as proven or probable may cease to be classified as recoverable as they become uneconomic to mine. In addition, changes in operating, capital or other costs may have the same effect by rendering certain mineral reserves uneconomic to mine in the future. Should such reductions occur, material write-downs of its investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow. Moreover, short-term operating factors relating to mineral reserves, such as the need for orderly development of the mineral deposit or the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. The volume and grade of reserves or resources actually recovered and rates of production may be less than geological measurements of the reserves or resources, which may result in Nyrstar realising less value from such reserves or resources than has been predicted. In the future, short-term operating factors relating to mineral reserves or resources, such as the need for development of ore bodies and other mineral resources, or the processing of different ore grades, may cause mineral reserves or resources to be modified or Nyrstar's operations to be unprofitable in a particular period.

No assurance can be given that the indicated amount of reserves or resources of ore or other minerals will be recovered, or will be recovered at the prices assumed. Reserve or resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative of the entire ore body and mineral resource. As a better understanding of the ore body or resource is obtained, the reserve or resource estimates may change significantly, either positively or negatively.

For these reasons, estimates and classifications prepared by different engineers or by the same engineers at different times may vary substantially. Actual commodity tonnage recovered and revenue and expenditures may vary materially from estimates. Accordingly, these estimates may not accurately reflect Nyrstar's actual reserves or resources. Any inaccuracy in the estimates related to Nyrstar's reserves or resources could result in lower than expected revenue, higher than expected costs and decreased profitability.

All mineral resources and mineral reserves contained in this document should be read subject to the above risks.

Campo Morado

Overview

In January 2011, Nyrstar successfully completed its acquisition of Farallon, the owner of the Campo Morado operation, a zinc-rich polymetallic mining operation in Mexico, by way of a friendly takeover for approximately CAD 409 million (approximately € 296 million). Since 15 March 2011, Nyrstar holds all of the common shares of the companies comprising the Campo Morado operations.

The Campo Morado operation comprises approximately 12,000 hectares in six mining concessions, located 160 kilometres south-southwest of Mexico City. The mineral deposit currently being mined is the G-9 deposit, which achieved commercial production in April 2009 and comprises high grade zinc, copper, lead, gold and silver. In addition to the G-9 Mine, there are four additional ore bodies that have been delineated as JORC compliant resources (Reforma, El Largo, El Rey and Naranjo).

In May 2008, Farallon entered into a silver streaming agreement with Silver Wheaton Corp. (''**Silver Wheaton**'') to sell to it 75% of the silver produced from the Campo Morado operation. Pursuant to the agreement, Silver Wheaton paid an up-front deposit of US$ 80 million in cash to Farallon. Upon delivery of the silver, Silver Wheaton pays Farallon a fixed amount per ounce of silver produced equal to the lesser of (a) a fixed price (which was originally US$ 3.90 but which was subject to a 1% annual step-up beginning in the third year of silver production, and therefore was or will be US$ 3.90, US$ 3.94, US$ 3.98 and US$ 4.02 for 12 months ended 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, respectively (the ''**Fixed Price**'')) and (b) the spot price at the time of sale; the difference between the spot price and the Fixed Price (if less than the spot price) is deducted from the up-front deposit until the deposit is reduced to nil. Certain assets of Campo Morado are encumbered in favour of

Silver Wheaton under a pledge agreement and a mortgage agreement. In H1 2014, Campo Morado produced approximately 478,000 troy ounces of silver.

In August 2010, Farallon extended its ''off-take'' agreement with Trafigura Beheer B.V., through December 2014 (since extended through March 2015), for the sale of its full production of zinc and copper concentrate produced at the G-9 Mine. For zinc concentrates, starting 1 October 2012, a discount over the benchmark TCs apply to 100% of Farallon production. In the case of copper concentrates benchmark TCs and RCs apply from August 2011. As of early 2015, Nyrstar plans to either treat the zinc concentrates in its own smelters or swap them for other concentrates that would fit its smelting process with the supplier that proposes the best solution. The copper concentrates will be sold to the customer who offers the best price.

Mineral Resources and Mineral Reserves

				Measured mineral resources		Indicated mineral resources		Measured and indicated mineral resources		Inferred mineral resources	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Campo Morado	100%	UG	(Mt)	10.26	7.60	6.70	3.43	17.00	11.02	2.14	2.28
			Zn (%)	4.31	4.56	3.14	3.24	3.85	4.15	2.44	2.99
			Cu (%)	0.73	0.92	0.71	0.79	0.72	0.88	0.71	0.75
			Pb (%)	0.90	0.97	0.84	0.98	0.88	0.97	0.81	1.00
			Ag (g/t)	114.00	135.57	110.00	124.94	113.00	132.13	105.00	128.91
			Au (g/t)	1.34	1.87	1.72	2.17	1.49	1.97	1.88	2.34

Mineral resources are based on 3D geological models of all deposits and were substantially updated in July 2013. The block models were prepared on a fully depleted basis (i.e., with all areas mined to December 2013 removed). Mineral resources are reported at an US$ 80 per tonne cut-off. The cut-off is calculated based on metal prices as disclosed above, and on the following assumed metal recoveries: Zinc 78%, Lead 0%, Copper 68%, Gold 45%, and Silver 38%; and resulted in the increase in tonnage and contained metal at lower average metal grades in the 2013 Campo Morado resource estimate relative to 2012.

During 2013, total ore milled at Campo Morado was approximately 566 thousand tonnes.

As a result of Nyrstar's annual review of its Mineral Resource and Mineral Reserve Statement process, it was identified that under the CIM Definition Standards for 'mineral reserve', there are currently no compliant mineral reserves defined at Campo Morado. Each of the mineral deposits at Campo Morado have distinct mineralogical characteristics. The Campo Morado metallurgical facility is optimised for the processing of mineralisation from the G9 deposit, which contained all historic mineral reserves defined at Campo Morado. Major metallurgical test programmes in relation to Campo Morado continued in Canada, Australia and Mexico with full plant trials being undertaken during the second quarter of 2014. The initial results confirmed complex mineralogy that can be processed economically (albeit with some modifications to the flow sheet) for a minimal capital investment. As at the date of this Prospectus, Nyrstar was continuing to assess these findings.

Further as part of the wider Mining Strategic Review, test work to define the optimum metallurgical process for each mine zone remains ongoing. As results become available, the details of metallurgical capital and operating costs and recoveries will be key inputs into the life-of-mine planning process, which will allow Nyrstar to determine what portion of the currently defined mineral resources outside the G9 deposit can be converted to mineral reserves. Options being considered also include producing a bulk concentrate at the site for further processing within Nyrstar's Metals Processing segment. See also ''—Mining Strategic Review'' above. As a result, since the third quarter of 2013 the focus of mining at Campo Morado has been shifting to the El Largo and Naranjo southwest zones.

For 2014, Nyrstar's drilling budget for Campo Morado consists of definition drilling, expansion of known mineralisation, and Greenfields drilling of coincident geophysical and geochemical anomalies in the wider Campo Morado concession.

The mineral resource statement for the Campo Morado operation has been prepared in accordance with the CIM Definition Standards. The Qualified Person for reporting Campo Morado mineral resources is Gilles Arseneau P.Geo., of SRK Consulting.

Contonga, Pucarrajo and Coricancha

Overview

In July 2010, Nyrstar acquired the Contonga and Pucarrajo polymetallic mines in Peru for approximately US$ 33 million (approximately € 26 million). The Contonga and Pucarrajo mines comprise approximately 4,600 hectares of mining concessions, located 470 kilometres north of Lima in the Ancash region, which is well known for its significant zinc, lead, silver, gold and copper deposits. Nyrstar acquired an 85% interest in the Coricancha polymetallic mine in Peru in November 2009, for US$ 15 million (approximately € 10.2 million), and subsequently purchased the remaining 15% interest in July 2010 for US$ 4.8 million (approximately € 3.8 million). The Coricancha mine is primarily a gold mine.

The Contonga mine is an underground polymetallic mine with more than 100 years of operating history. At the Contonga mine, vertically zoned mineralisation in the form of skarn replacements controlled by bedding orientation and faulting occurs in strongly folded limestone surrounding the well-defined Contonga stock.

The Pucarrajo mine is an underground polymetallic mine which has been in operation for more than 30 years, and has an expected capacity of approximately 1,100 tonnes per day of ore. The Pucarrajo mine was put on care and maintenance by its previous owner in 2008 due to weak metal prices. Since its acquisition by Nyrstar in July 2010, no exploration and development work has been carried out by Nyrstar and in April 2014, the Group identified the mine as a non-core asset. The mine has not produced and remains on care and maintenance.

The Coricancha mine is an underground polymetallic mine with more than 60 years of operating history, which comprises a 600-tonne per day ore processing facility, underground mine and reserves and resources containing gold, silver, zinc, lead and copper. The mine is located approximately 90 kilometres east of Lima, Peru in close proximity to a number of other significant mining operations and exploration properties. During H2 2013, management at Coricancha reassessed the site's operating model which had been adapted in H1 2013 to treat historic tailings. As a result of the sustained lower precious metal price environment, the mine's operations were halted in H2 2013. The Coricancha mine remains on care and maintenance and in April 2014, the Group identified the mine as a non-core asset.

The Contonga, Pucarrajo and Coricancha mines are managed by a single management team, utilising the shared services of Nyrstar's Lima office.

Mineral Resources and Mineral Reserves—Contonga

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves 2013	Proven mineral reserves 2012	Probable mineral reserves 2013	Probable mineral reserves 2012	Total mineral reserves 2013	Total mineral reserves 2012
Contonga	100%	UG	(Mt)	1.21	1.18	0.51	0.38	1.72	1.56
			Zn (%)	4.56	4.80	4.36	4.81	4.50	4.80
			Pb (%)	1.88	1.98	1.43	1.96	1.74	1.98
			Cu (%)	0.56	0.55	0.80	0.63	0.63	0.57
			Ag (g/t)	94.28	101.31	91.92	112.27	91.92	103.98

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2013	Measured mineral resources 2012	Indicated mineral resources 2013	Indicated mineral resources 2012	Measured and indicated mineral resources 2013	Measured and indicated mineral resources 2012	Inferred mineral resources 2013	Inferred mineral resources 2012
Contonga	100%	UG	(Mt)	1.33	1.82	0.97	1.12	2.29	2.93	0.81	0.81
			Zn (%)	4.65	5.41	3.76	4.92	4.28	4.92	3.07	3.16
			Pb (%)	1.83	2.26	0.69	1.24	1.35	1.87	0.63	0.54
			Cu (%)	0.80	0.62	0.98	0.93	0.88	0.75	0.81	0.91
			Ag (g/t)	94.72	112.16	61.66	91.99	80.78	104.45	45.96	47.07

The Contonga mineral resources are estimated using software that incorporates vein width, length and height to estimate tonnes and assay data to estimate grade. The reserves are determined according to the amount of information directly measured within a block and subsequent economic viability. Dilution is applied to a mineral resource when the vein width is less than the projected minimum mining width, while mining dilution is applied to an ore reserve according to estimate over break during extraction.

During 2013, total ore milled at Contonga was approximately 346 thousand tonnes. During the year, a successful definition drilling programme and mine planning converted 506 thousand tonnes of measured and indicated mineral resources to proven and probable reserves. Mining and indicated mineral resources were not replaced due to a reduction in near-mine exploration drilling. Silver and lead grades continue to decline in the resource while the copper grades increase with depth at Contonga.

The mineral resource and ore reserve statement for Contonga has been prepared in accordance with the JORC Code. Competent Persons for the Contonga 2012 mineral resource and ore reserve statement were Todd McCracken P.Geo., of WSP (APGO & PEGNL), who was responsible for the geological databases, interpretation and geological modelling and mineral resource estimation; and Brian Saul, P. Eng., of WSP (PEO), who was responsible for ore reserve estimates, capital and operating cost estimates and economic evaluation.

El Mochito

Overview

In August 2011, Nyrstar completed its acquisition of Breakwater, the owner of the El Mochito mine in Honduras. Since 31 August 2011, Nyrstar holds all of the common shares of Breakwater.

The El Mochito mine, located in north-western Honduras, approximately 88 kilometres south-west of San Pedro Sula and 220 kilometres north-west of the capital city, Tegucigalpa, has been in operation since 1948 (66 years). Mineralisation occurs as high-temperature replacement of lead-zinc deposits in carbonates. Acid hydrothermal solutions deposits in minerals such as garnet, pyroxene and epidote together with sulphides of zinc, lead and iron. The replacement deposits typically take two forms: some follow the essentially flat bedding of their host rock ('mantos'); while others cut across the rocks ('chimneys' or 'pipes').

Mineral Resources and Mineral Reserves

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves 2013	Proven mineral reserves 2012	Probable mineral reserves 2013	Probable mineral reserves 2012	Total mineral reserves 2013	Total mineral reserves 2012
El Mochito	100%	UG	(Mt)	0.63	1.84	1.12	2.30	1.75	4.14
			Zn (%)	5.87	5.19	5.24	4.35	5.46	4.72
			Pb (%)	4.15	3.12	2.33	1.70	2.98	2.33
			Ag (g/t)	138.1	90.9	73.3	43.7	96.5	64.6

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2013	Measured mineral resources 2012	Indicated mineral resources 2013	Indicated mineral resources 2012	Measured and indicated mineral resources 2013	Measured and indicated mineral resources 2012	Inferred mineral resources 2013	Inferred mineral resources 2012
El Mochito	100%	UG	(Mt)	1.06	2.08	2.86	3.72	3.92	5.79	2.50	2.92
			Zn (%)	6.46	5.64	5.23	4.39	5.56	4.84	5.57	5.12
			Pb (%)	3.45	3.09	1.85	1.51	2.29	2.07	2.26	2.27
			Ag (g/t)	116.2	90.5	54.8	40.8	71.4	58.6	49.1	43.3

The mineral resource and mineral reserve estimates for the Mochito mine are developed using Gemcom modelling software utilising a zinc equivalent cut-off grade. Block models have been created for the various zones using an ordinary kriging interpolation. The mineral reserves have been estimated by applying dilution and recovery factors to the mineral resources.

During 2013, total ore milled at El Mochito was approximately 775 thousand tonnes. The increased operating costs including higher mining cost and increased sustaining capital expenditure has increased the zinc equivalent cut-off grade and reduced the mineable reserves. As a result, proven and probable reserves reduced by 58% while the overall grade of the reserves rose by 23%. Similarly, measured and inferred mineral resources decreased by 32% while the grade increased by 14%. Inferred resources decreased by 15%, and the grade increased by 7%.

The El Mochito mine has a long history of reserve replacement and promising exploration potential. In 2013, focus was on the definition of already known ore bodies, upgrading inferred resources to reserves, where possible.

The mineral resource and reserve statement for El Mochito is reported in accordance with the NI 43-101 Guideline for disclosure and based on information from a mineral resource and reserve statement prepared under the supervision of Qualified Person William Vanderwall, AIPG-CPG 11426 in accordance with the CIM Definition Standards.

The mineral resource and reserve statement for El Mochito has been prepared in accordance with the CIM Definition Standards. The Qualified Person for reporting El Mochito mineral resources and mineral reserves is William Vanderwall, AIPG-CPG 11426.

El Toqui

Overview

In August 2011, Nyrstar completed its acquisition of Breakwater, the owner of the El Toqui mine in Chile. Since 31 August 2011, Nyrstar holds all of the common shares of Breakwater.

The El Toqui mine, in operation since 1983, is located in Chile's Region XI, 1,350 kilometres south of Santiago in an area with a long history of base and precious metal mining. The zinc-gold and lead-silver mineralisation being exploited at the El Toqui mine is primarily in the principle manto of the El Toqui formation.

Mineral Resources and Mineral Reserves

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves		Probable mineral reserves		Total mineral reserves	
				2013	2012	2013	2012	2013	2012
El Toqui	100%	UG	(Mt)	1.14	1.13	2.81	3.08	3.95	4.21
			Zn (%)	6.21	5.96	6.12	6.10	6.15	6.06
			Pb (%)	0.28	0.31	0.33	0.29	0.32	0.30
			Ag (g/t)	11.9	13.39	10.33	8.60	10.78	9.90
			Au (g/t)	3.30	3.49	1.20	1.28	1.81	1.87

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources		Indicated mineral resources		Measured and indicated mineral resources		Inferred mineral resources	
				2013	2012	2013	2012	2013	2012	2013	2012
El Toqui	100%	UG	(Mt)	1.99	1.58	5.52	4.19	7.50	5.77	3.69	1.78
			Zn (%)	6.64	7.01	5.51	6.48	5.81	6.63	4.26	5.54
			Pb (%)	0.28	0.33	0.38	0.36	0.35	0.36	0.41	0.65
			Ag (g/t)	12.32	13.59	13.38	11.62	14.57	12.16	17.38	19.27
			Au (g/t)	2.45	2.99	0.98	1.29	1.37	1.76	0.74	1.17

During 2013, total ore milled at El Toqui was approximately 553 thousand tonnes. The El Toqui mine has a long history of reserve replacement and promising exploration potential. In total, 1.73 million tonnes were added to the measured and indicated base. This was achieved by reducing operating costs, successful infill, delineation and extension drilling programmes. In addition, 1.91 million tonnes were added to inferred resources.

Reserve and resource grades have been reduced slightly due to the mining of higher grade ore, however, total metal contained in the measured and indicated mineral resource base has increased substantially.

The mineral resource and reserve statement for El Toqui has been prepared in accordance with the CIM Definition Standards under the supervision of Eduardo Marquina, Geology Superintendent, Jose Ulloa, Production Geologist. The Qualified Person for reporting El Toqui mineral resources and mineral reserves is William Vanderwall, AIPG-CPG 11426.

Langlois

Overview

In August 2011, Nyrstar completed its acquisition of Breakwater, the owner of the El Langlois mine in Canada. Since 31 August 2011, Nyrstar holds all of the common shares of Breakwater.

The Langlois mine is located in north western Quebec approximately 48 kilometres northeast of the town of Lebel-Sur-Quévillon and 213 kilometres north of Val-d'Or. The mine produces zinc and copper concentrates with lesser values of silver and gold by-products.

Commercial production first commenced at Langlois in July 2007, however the mine was placed on care and maintenance in November 2008 due to declining metal prices and a lack of development. During the H1 2012, Nyrstar resumed operations after successfully ramping-up the mine through the rehabilitation of the underground mine and surface infrastructure.

Mineral Resources and Mineral Reserves

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves 2013	Proven mineral reserves 2012	Probable mineral reserves 2013	Probable mineral reserves 2012	Total mineral reserves 2013	Total mineral reserves 2012
Langlois	100%	UG	(Mt)	1.64	2.27	1.54	2.25	3.18	4.51
			Zn (%)	9.54	8.85	10.58	8.59	10.05	8.72
			Pb (%)	0.60	0.19	0.75	0.23	0.67	0.21
			Cu (%)	0.20	0.53	0.25	0.66	0.23	0.59
			Ag (g/t)	45.41	41.34	51.52	41.98	48.37	41.66
			Au (g/t)	0.04	0.05	0.10	0.08	0.07	0.06

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2013	Measured mineral resources 2012	Indicated mineral resources 2013	Indicated mineral resources 2012	Measured and indicated mineral resources 2013	Measured and indicated mineral resources 2012	Inferred mineral resources 2013	Inferred mineral resources 2012
Langlois	100%	UG	(Mt)	2.54	2.84	2.31	2.53	4.85	5.37	0.86	1.28
			Zn (%)	10.71	10.55	9.93	9.22	10.33	9.92	7.19	8.36
			Pb (%)	0.24	0.23	0.26	0.20	0.25	0.22	0.19	0.16
			Cu (%)	0.66	0.66	0.66	0.75	0.66	0.70	0.38	0.57
			Ag (g/t)	51.65	50.91	51.74	48.21	51.70	49.41	43.12	47.57
			Au (g/t)	0.04	0.05	0.10	0.10	0.07	0.07	0.07	0.10

Langlois sulphide zones consist of lenses that are near vertical. The primary ore mineral, sphalerite, can be of a grade up to 60% of zinc. The mineral resource and mineral reserve estimates for the Langlois mine are calculated using Gemcom modelling software. A block model has been created for the three main sulphide zones. The mineral reserves have been estimated by applying dilution factors and mining recoveries by zone.

In H1 2012, the Langlois mine successfully completed its ramp-up and resumed operations. The focus was to deliver consistent production results while continuing to streamline operating costs.

During 2013, total ore milled at Langlois was approximately 478 thousand tonnes. Proven and probable reserves decreased as a result of not replacing mined tonnes and due to the reclassification of approximately 850 thousand tonnes of reserves to resources due to a review of the mine plans, revision of the methodology for determining the NSR cut off, and revision of geology models. Measured and indicated resources also decreased as a result of the change to NSR cut off methodology. Management believes the mine is situated in a highly prospective region with promising exploration potential. A total of 8,193 metres of diamond drilling was completed in 2013, with the main objective of resource and reserve confirmation and definition drilling.

The mineral resource and reserve statement for Langlois has been prepared in accordance with the CIM Definition Standards. The Qualified Person for reporting Langlois mineral resources and mineral reserves is Zied Tebaibi, P.Geo. (Permit No.1950).

Myra Falls

Overview

In August 2011, Nyrstar completed its acquisition of Breakwater, the owner of the Myra Falls mine in Canada. Since 31 August 2011, Nyrstar holds all of the common shares of Breakwater.

The Myra Falls mine, in operation since 1966, is located in a provincial park in central Vancouver Island, British Columbia, and is linked by a 90 kilometre asphalt road to the port of Campbell River. The Myra Falls zinc-copper-gold (lead-silver) mineral deposits are comprised of complex metal-zoned Volcanogenic Massive Sulphide deposits. The principal sulphide minerals are sphalerite, pyrite and chalcopyrite with minor galena, bornite, tennantite with locally significant secondary copper. Myra Falls produces copper, lead, and zinc concentrates with gold and silver in concentrate.

Mineral Resources and Mineral Reserves

				Proven mineral reserves		Probable mineral reserves		Total mineral reserves	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Myra Falls	100%	UG	(Mt)	4.50	4.81	0.98	0.62	5.49	5.43
			Zn (%)	5.38	5.41	7.12	7.31	5.69	5.62
			Pb (%)	0.54	0.54	0.81	0.73	0.59	0.56
			Cu (%)	0.90	0.94	0.79	0.96	0.88	0.94
			Ag (g/t)	54.23	55.93	77.07	74.03	58.32	58.00
			Au (g/t)	1.45	1.56	1.78	1.96	1.51	1.60

				Measured mineral resources		Indicated mineral resources		Measured and indicated mineral resources		Inferred mineral resources	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Myra Falls	100%	UG	(Mt)	5.53	6.04	1.28	0.98	6.81	7.02	2.34	2.58
			Zn (%)	6.02	5.83	7.75	7.03	6.34	6.00	5.86	5.75
			Pb (%)	0.63	0.58	0.86	0.69	0.67	0.59	0.66	0.64
			Cu (%)	0.90	1.05	1.27	1.18	0.97	1.07	0.55	0.58
			Ag (g/t)	61.79	59.94	87.04	71.96	66.53	61.61	101.09	97.92
			Au (g/t)	1.63	1.69	2.21	2.02	1.74	1.74	2.04	1.88

The mineral resource and mineral reserve estimates for the Myra Falls mine are developed using Gemcom modelling software. Separate block models are maintained for the various mining zones at Myra Falls. The drill hole databases, from which these models were built, are constantly updated, and intermediate resource models are calculated periodically. An active quality assurance / quality control programme is in place at Myra Falls which is in line with industry standards. A separate extraction factor and dilution rate is applied to each mining area to estimate mineral reserve tonnages and grades.

During 2013, total ore milled at Myra Falls was approximately 523 thousand tonnes. There was a net increase in reserves through exploration efforts and remnant mine projects. There has also been a net increase of approximately 320,000 tonnes in the measured and indicated resources due to the conversion of inferred resources into the measured and indicated category, and new discoveries in 2013 that has added to the resource base. Yearly production continues to be replaced on an ongoing basis, as has been the history of Myra Falls.

The mineral resource and reserve statement for Langlois has been prepared in accordance with the CIM Definition Standards. The Qualified Person for reporting Langlois mineral resources and mineral reserves is Rick Sawyer, P.Geo. (BC).

Nyrstar Tennessee Mines

Overview

Nyrstar Tennessee Mines comprise the East Tennessee underground zinc mine complex and the Middle Tennessee underground zinc mine complex.

First operations at East Tennessee mines date back to 1856, and the current mines have a history of more than 60 years. In December 2009, Nyrstar acquired the East Tennessee zinc mine complex for US$ 127.4 million (€ 87.2 million) from the Glencore Group. The East Tennessee zinc mine complex had been on care and maintenance since February 2009. The complex comprises three separate mines (Young, Immel and Coy). All three mines are located within approximately 20 miles of each other, approximately 30 kilometres north-east of Knoxville, Tennessee, and approximately 250 miles of Nyrstar's Clarksville smelter and the Middle Tennessee zinc mine complex. Ore from the three mines is processed into zinc concentrate at the Young mine site. The East Tennessee zinc mine complex has a close association with Nyrstar's Clarksville smelter.

Mining at Middle Tennessee mines has a history of around 40 years. In May 2009, Nyrstar acquired the Middle Tennessee zinc mine complex for approximately US$ 12 million (approximately € 9 million) from Mid-Tennessee Zinc Corporation (a wholly owned subsidiary of Strategic Resource Acquisition Corporation), which was at the time undergoing Chapter 11 bankruptcy proceedings. The Middle Tennessee zinc mine complex has been on care and maintenance since October 2008. The complex comprises three mines: (Gordonsville, Cumberland and Elmwood). All three mines are located within approximately ten miles of each other within an approximately 20 square mile area of Smith County, Tennessee, approximately 50 miles east of Nashville. In addition to the three mines, there are four additional ore bodies that have been delineated as NI 43-101 compliant resources (Horseshoe Bend, Stonewall, Carthage and OMZ). Similar to the East Tennessee zinc mine complex, the Middle Tennessee zinc mine complex has a history of close association with Nyrstar's Clarksville smelter, which was originally constructed to treat zinc concentrate from the mines. Ore mined at the three mines is processed into zinc concentrate at the Gordonsville zinc mine complex, which is located approximately 100 miles from Nyrstar's Clarksville smelter.

Zinc mineralisation in both mine complexes occurs in Mississippi Valley Type ('MVT') deposits as open-space fillings of breccias and fractures within limestones and dolomites.

Nyrstar Tennessee Mines is managed by a single experienced management team. At full production, Nyrstar Tennessee Mines are expected to have production capacity of approximately 130,000 tonnes of zinc in concentrate, providing more than 100% of the concentrate requirements for Nyrstar's Clarksville smelter. Concentrate that is produced at Nyrstar Tennessee Mines in excess of the concentrate consumption requirements of the Clarksville smelter can, depending on the economics, either be sold to third parties or used at other Nyrstar smelters.

Mineral Resources and Mineral Reserves

East Tennessee Mines

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves 2013	Proven mineral reserves 2012	Probable mineral reserves 2013	Probable mineral reserves 2012	Total mineral reserves 2013	Total mineral reserves 2012
East Tennessee Mines . . .	100%	UG	(Mt)	0.49	0.43	4.44	3.53	4.93	3.96
			Zn (%)	2.70	2.90	3.73	3.60	3.63	3.50

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2013	Measured mineral resources 2012	Indicated mineral resources 2013	Indicated mineral resources 2012	Measured and indicated mineral resources 2013	Measured and indicated mineral resources 2012	Inferred mineral resources 2013	Inferred mineral resources 2012
East Tennessee Mines . .	100%	UG	(Mt)	0.57	0.62	5.30	5.36	5.87	5.98	24.75	16.30
			Zn (%)	2.71	2.80	3.86	3.40	3.75	3.30	3.86	3.90

Mineral resource classification is based on the assessment of geologic continuity, geologic and structural interpretation and adequacy of data coverage. The estimated mineral resource is based on a mix of methods with the measured and indicated resources estimated within wireframes, and the inferred resources based on simple polygons. Mineral resources are diluted to a minimum mining height, where applicable. The mineral reserves are determined using modifying factors and dilution is applied according to the estimated over break during extraction. Subsequent economic viability from NSR values have been calculated based on recoverable metal, annual metal prices, documentable production costs, and mineral reserves are tested prior to being included in the current mine plan. The measured and indicated mineral resources stated above are inclusive of the mineral reserves. Nyrstar has utilised third party expertise to assist with the verification, interpretation and compilation of historical data. Historical geological data has been reconciled across all mines, and with on-going data gathering via drilling and sampling, has been consolidated into an electronic database.

During 2013, total ore milled at East Tennessee mines was approximately 2 million tonnes. During 2013, approximately 1.30 million tonnes were depleted from the measured and indicated resources. Exploration activity in 2013 at the mines added 1.19 million tonnes to the measured and indicated resources, which resulted in an overall decrease of 0.10 million tonnes. Inferred resources increased 8.45 million tonnes, most of which was the result of surface and subsurface exploration. Effective exploration, using the metal price assumptions stated above, replaced all of the mined tonnage, and reclassification of resources to reserves increased the ore reserves by 0.97 million tonnes. East Tennessee mines has a long history of resource replacement.

The mineral resource and ore reserve statement for East Tennessee mines has been prepared in accordance with the JORC Code. The Competent Persons that reviewed the East Tennessee Mines Mineral Resource and Mineral Reserves are J.Morton Shannon, PGeo, (ON and BC)., for the mineral resources, and Colm Keogh, P.Eng. (BC), for the mineral reserves, both of AMC Mining Consultants Canada Limited.

Middle Tennessee Mines

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves 2013	Proven mineral reserves 2012	Probable mineral reserves 2013	Probable mineral reserves 2012	Total mineral reserves 2013	Total mineral reserves 2012
Middle Tennessee Mines .	100%	UG	(Mt)	0.00	0.06	3.92	3.16	3.92	3.23
			Zn (%)	0.00	3.90	3.70	4.70	3.70	4.70

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2013	Measured mineral resources 2012	Indicated mineral resources 2013	Indicated mineral resources 2012	Measured and indicated mineral resources 2013	Measured and indicated mineral resources 2012	Inferred mineral resources 2013	Inferred mineral resources 2012
Middle Tennessee Mines	100%	UG	(Mt)	0.00	0.08	4.89	4.84	4.89	4.92	15.21	14.79
			Zn (%)	0.00	4.00	3.78	4.60	3.80	4.60	3.67	3.60

Mineral resource classification is based on the assessment of geologic continuity, geologic and structural interpretation and adequacy of data coverage. The estimated mineral resource is based on a mix of methods with the measured and indicated resources estimated using block models and within wireframes, with the inferred resources based on simple polygons. Mineral resources are diluted to a minimum mining height, where applicable. The mineral reserves are determined using modifying factors and dilution is applied according to the estimated internal dilution and over break during extraction. Subsequent economic viability from NSR values have been calculated based on recoverable metal, annual metal prices, documentable production costs and mineral reserves are tested prior to being included in the current mining plan. Nyrstar has utilised third party expertise to assist the verification, interpretation and compilation of historical data. Historical geological data has been reconciled across all mines, and with on-going data gathering via drilling and sampling, been consolidated into an electronic database.

During 2013, total ore milled at Middle Tennessee mines was approximately 1.65 million tonnes. Effective definition drilling programmes upgraded resources to replace all of the mined tonnage and increase ore reserves by 0.69 million tonnes. Measured and indicated resources decreased by 0.03 million tonnes while inferred resources increased by 0.42 million tonnes. Middle Tennessee mines has a long history of resource replacement and of conversion of resources to reserves.

The mineral resource and ore reserve statement for Middle Tennessee mines has been prepared in accordance with the JORC Code. The Competent Persons that reviewed the Middle Tennessee Mines Mineral Resource and Mineral Reserves are J.Morton Shannon, PGeo, (ON and BC)., for the mineral resources, and Colm Keogh, P.Eng. (BC), for the mineral reserves, both of AMC Mining Consultants Canada Limited.

Talvivaara Zinc Streaming Agreement

In January 2010, Nyrstar agreed in the Zinc Streaming Agreement to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara for a purchase price of US$ 335 million (approximately € 243 million). The Zinc Streaming Agreement was structured with the intention of providing Nyrstar with an opportunity to participate in the economic benefits of, while having no ownership of or operational responsibility for, a low cost nickel zinc mine with a defined life of 1.25 million tonnes of zinc in concentrate produced as a by-product to Talvivaara's nickel production. In addition to the US$ 335 million purchase price, Nyrstar also agreed to pay Talvivaara an extraction and processing fee of € 350 per tonne of zinc in concentrate delivered (with escalators in relation to the price of elemental sulphur and propane) (the ''**EP Fee**''), as well as the following price participation per tonne delivered:

- until the later of the seventh anniversary of the Zinc Streaming Agreement or delivery of 600,000 tonnes of zinc in concentrate, Nyrstar will pay to Talvivaara 10% of the LME zinc price exceeding US$ 2,500 per tonne (up to US$ 3,000 per tonne), and 30% of the LME zinc price exceeding US$ 3,000 per tonne (the ''**Price Top Up Fee**''); and
- thereafter, Nyrstar will pay to Talvivaara 30% of the difference between the LME zinc price and the extraction and processing fee (the ''**Price Participation Payment**'').

Under the Zinc Streaming Agreement, Talvivaara agreed to deliver 100% of its zinc concentrate production to Nyrstar until the 1.25 million tonnes of zinc in concentrate had been delivered. As a result of unforeseen ongoing operational challenges at the Talvivaara's Sotkamo mine—primarily due to (based on Talvivaara public announcements) water balance issues (including suspension of ore production from September 2012 to May 2013 due to excess water in the open pit), temporary suspension of the metal recovery plant in November 2012 for three weeks due to leakage from the gypsum ponds and low metal grades in leach solution due to prolonged effects of excess water in the older heaps, reduced evaporation and inefficient aeration—production of ore metal in concentrate from Talvivaara, and hence deliveries, were lower than expected in 2012 (30,000 tonnes), and decreased further in 2013 (14,000 tonnes). In H1 2014, Talvivaara delivered approximately 17,000 tonnes of zinc in concentrate to Nyrstar. At the time of entry into the Talvivaara Zinc Streaming Agreement in 2010, Nyrstar expected the mine to ramp up to full production of approximately 90,000 tonnes of zinc in concentrate by 2012, with approximately 30% of the acquired 1.25 million tonnes to be delivered by 30 June 2014. As of 30 June 2014, Talvivaara has delivered 113,000 tonnes of zinc in concentrate in aggregate pursuant to the Zinc Streaming Agreement. The shortfall in expected deliveries has not impacted and is not expected to impact operations, as during the period Nyrstar has maintained a long position in its zinc concentrates book, enabling the shortfall in deliveries from Talvivaara to be filled by other zinc concentrates resulting in no impact to production levels.

On 14 February 2013, Nyrstar and Talvivaara agreed to amend and restate the Zinc Streaming Agreement (the ''**Amended Zinc Streaming Agreement**'') whereby Nyrstar made an up-front EP Fee payment of € 12 million to Talvivaara on the condition that Talvivaara would not charge Nyrstar the EP Fee on the next 38,000 tonnes of zinc in concentrate delivered to Nyrstar. The € 12 million up-front payment of the EP Fee provided immediate cash to Talvivaara and represented a discount of € 1.3 million from the € 13.3 million EP Fee that would have otherwise been payable (at the € 350 per tonne price agreed in the Zinc Streaming Agreement) on the delivery of 38,000 tonnes of zinc in concentrate. As at 30 June 2014, 30,671 tonnes of zinc in concentrate had been delivered towards this commitment.

Talvivaara's liquidity position continued to weaken throughout 2013, and in November 2013 Talvivaara applied for the commencement of corporate reorganisation proceedings under Finland's Restructuring of Enterprises Act. During November and December 2013, the Finnish court approved commencement of the Reorganisation and appointed a reorganisation administrator (the ''**Administrator**'') to submit a reorganisation plan for approval by the creditors and such court. The objective of the process is to reorganise Talvivaara's financial position to facilitate its long term viability. The Administrator filed reports on the financial status of Talvivaara with the court in April 2014 and is currently due to submit proposals for the reorganisation programme to the court by 30 September 2014.

In April 2014, Nyrstar entered into the Loan and Streaming Holiday Agreement with Talvivaara, with the intention of supporting Talvivaara's corporate reorganisation process without increasing Nyrstar's net balance sheet exposure to Talvivaara.

Under the Loan and Streaming Holiday Agreement, Nyrstar agreed to make available to Talvivaara a loan facility up to a maximum amount of € 20 million subject to a number of conditions. The loan facility is made available in multiple tranches, with the amount of each advance calculated with reference to a corresponding delivery of zinc in concentrate under the Amended Zinc Streaming Agreement. Following execution of the Loan and Streaming Holiday Agreement, Nyrstar received 10,000 tonnes of zinc in concentrate for approximately € 5 million. As of 30 June 2014, a total of € 7.7 million had been drawn under these provisions. The value of each advance is approximately equal to the amortised value of the Amended Zinc Streaming Agreement. Since the commencement of the loan facility, loan advances have represented less than half of the market value of the zinc in concentrate delivered. As the loan payments are approximately equal to the amortised value of the Amended Zinc Streaming Agreement, Nyrstar continues to receive deliveries of its zinc in concentrate from Talvivaara while not increasing the net balance sheet exposure of Nyrstar to Talvivaara. However, Nyrstar may agree to amend the terms of the loan advances under the facility, subject to the agreed maximum aggregate amount of € 20 million.

Additionally, Nyrstar is actively participating with a number of interested parties in Talvivaara's corporate reorganisation process. Nyrstar is not a creditor of Talvivaara in the Reorganisation and its contractual rights under the Amended Zinc Streaming Agreement are not directly the subject of the Reorganisation. However, Nyrstar is engaged in discussions with the Administrator as the ongoing viability of Talvivaara's operations will impact on Talvivaara's ability to perform its obligations under the Amended Zinc Streaming Agreement. In particular, Nyrstar continues to work actively with Talvivaara along with other key stakeholders to explore the option of potential third party investor(s) as part of an overall financial solution for Talvivaara; one that provides sufficient liquidity and will allow Talvivaara to perform its obligations under the Amended Zinc Streaming Agreement.

Subject to Talvivaara securing a mutually beneficial financial solution, Nyrstar has agreed thereafter to provide Talvivaara with an option to enter into a streaming holiday based on volumes of zinc in concentrate up to an amount of 80,000 tonnes. In the event that Talvivaara elects to utilise the streaming holiday, the Price Top Up Fee will no longer be payable by Nyrstar and the Price Participation Payment will be reduced on a pro rata basis down to zero if the streaming holiday option is fully utilised. During the streaming holiday, Nyrstar will purchase the zinc in concentrate at commercial terms from Talvivaara, outside the framework of the Amended Zinc Streaming Agreement, thus extending the life of the agreement.

Nyrstar's obligation to extend financing under the Loan and Streaming Holiday Agreement will cease at the earlier of the aggregate amount outstanding including accrued interest exceeding € 20 million or the commencement of a streaming holiday.

Considerable uncertainties exist as to the outcome of the Talvivaara Reorganisation, Talvivaara continuing as a going concern and the performance of its obligations under the Amended Zinc Streaming Agreement. It is currently not possible for Nyrstar to estimate the most likely outcome of the Reorganisation and its impact on the Amended Zinc Streaming Agreement. In the event of the Reorganisation process being unsuccessful, Talvivaara may have to file for bankruptcy. In bankruptcy, the bankruptcy administrator has the option to either commit to or cancel the Amended Zinc Streaming Agreement. Should the Amended Zinc Streaming Agreement be cancelled by the bankruptcy administrator, Nyrstar would become a creditor to Talvivaara for the amounts outstanding under the Amended Zinc Streaming Agreement. The collectability of any such amounts would be uncertain.

A bankruptcy in accordance with the above circumstances would likely result in the carrying value of the Amended Zinc Streaming Agreement being impaired. The maximum amount of any impairment would be € 176.1 million (being the tax effected carrying value of the Amended Zinc Streaming Agreement of € 223.4 million). Such an impairment would not impact Nyrstar's compliance with the financial covenants in its existing loan agreements as at 30 June 2014. However it would have a significant impact on Nyrstar's reported results of operations and financial condition, ability to borrow additional funds for working capital (over the longer term), capital expenditure, acquisitions and other general corporate purposes; and credit rating, potentially resulting in a downgrade. In 2013, the Talvivaara Zinc Streaming Agreement contributed approximately € 7 million to Nyrstar's underlying EBITDA.

For further information on the accounting treatment of the Amended Zinc Streaming Agreement, see note 20 to Nyrstar's Financial Statements for the year ended 31 December 2013.

Development projects

Paguanta project, Chile: Herencia Resources plc

In April 2010, Nyrstar purchased through a private placement 10.4% of the ordinary shares in Herencia Resources plc, a base metal exploration company listed on the Alternative Investment Market in London, for € 0.9 million. The objective of the capital raising was to fund the drilling of a newly discovered vein in Herencia's most advanced zinc-lead-silver-gold Paguanta project in Northern Chile. Nyrstar currently holds 10.03% of the issued share capital of Herencia Resources plc.

Citronen project, Northern Greenland: Ironbark Zinc Limited

In September/October 2009, Nyrstar acquired a 19.9% interest in Ironbark Zinc Limited, an Australian publicly listed company, for € 4.1 million in cash. Ironbark is the owner of the world-class Citronen zinc-lead deposit in Northern Greenland. As detailed in Ironbark's regulatory announcements, the Citronen deposit has total ore resources (measured, indicated and inferred) of approximately 70.8 million tonnes at approximately 5.1% zinc and 0.5% lead.

In March 2010, Nyrstar agreed to acquire an additional 11% interest in Ironbark for € 10.3 million, taking its interest to approximately 31%. Ironbark conducted an equity private placement in November 2010 to raise a further AUD 11.5 million; however, Nyrstar chose not to participate in this placement and currently has a diluted shareholding of approximately 26.5%. A feasibility study with respect to the project is currently underway.

Operations review—Mining

The following should be read in conjunction with the Nyrstar Financial Statements, as well as the information presented elsewhere in this Prospectus.

Six months ended 30 June 2014 and 31 December 2013

'000 tonnes unless otherwise indicated	**Six months ended 30 June 2014**	**Six months ended 31 December 2013**	**% change**	**Six months ended 30 June 2013**	**% change**
Total ore milled	**3,554**	**3,486**	**2%**	**3,474**	**2%**
Total zinc concentrate	**285**	**254**	**12%**	**258**	**10%**
Total lead concentrate	**13.8**	**10.8**	**28%**	**13.5**	**2%**
Total copper concentrate	**32.9**	**37.1**	**(11)%**	**31.2**	**5%**
Zinc in Concentrate					
Campo Morado	12	14	(14)%	11	9%
Contonga	7	6	17%	6	17%
Coricancha	—	0	—	1	—
El Mochito	13	12	8%	13	(0)%
El Toqui	18	9	100%	14	29%
Langlois	20	18	11%	18	11%
Myra Falls	15	14	7%	13	15%
East Tennessee	33	35	(6)%	36	(8)%
Middle Tennessee	23	23	—	27	(15)%
Tennessee Mines (Total)	56	58	(3)%	63	(11)%
Own Mine Total	**140**	**134**	**4%**	**138**	**1%**
Talvivaara Stream	17	7	143%	7	143%
Total	**157**	**140**	**12%**	**145**	**8%**
Lead in concentrate					
Contonga	0.1	0.1	—	0.2	(50)%
Coricancha	—	0.0	—	0.1	—
El Mochito	6.0	5.6	7%	6.0	(0)%
El Toqui	1.0	0.0	100%	1.2	(17)%
Myra Falls	0.7	0.6	17%	0.4	75%
Total	**7.9**	**6.3**	**25%**	**7.9**	**(0)%**
Copper in concentrate					
Campo Morado	2.3	2.6	(12)%	2.3	(0)%
Contonga	1.5	1.5	—	1.1	36%
Coricancha	—	—	—	0.1	—
Langlois	1.0	0.9	11%	1.1	(9)%
Myra Falls	1.4	1.6	(13)%	1.6	(13)%
Total	**6.2**	**6.6**	**(6)%**	**6.3**	**(2)%**
Gold ('000 troy oz)					
Campo Morado	3.4	6.5	(48)%	5.2	(35)%
Coricancha	—	0.1	—	2.5	—
El Toqui	12.1	33.2	(64)%	8.2	48%
Langlois	1.0	0.9	11%	0.9	11%
Myra Falls	12.2	8.0	24%	8.0	53%
Total	**29.2**	**50.4**	**(42)%**	**24.8**	**18%**
Silver ('000 troy oz)					
Campo Morado[(1)]	478	657	(27)%	499	(4)%
Contonga	166	156	6%	150	11%
Coricancha	—	15	—	149	—
El Mochito	759	783	(3)%	854	(11)%
El Toqui	161	47	243%	95	69%
Langlois	270	246	10%	278	(3)%
Myra Falls	664	479	39%	339	96%
Total	**2,502**	**2,383**	**5%**	**2,363**	**6%**

Note: The production figures above are those attained under Nyrstar ownership.

(1) 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton whereby only US$ 3.98/oz was payable for the period from 1 April 2013 to 31 March 2014 and US$ 4.02/oz for the period from 1 April 2014 to 31 March 2015.

The performance of the Mining segment in H1 2014 reflected the implementation of a number of initiatives from the turnaround phase of the Mining Strategic Review, offset by three significant mechanical failures at the Tennessee mines. During H1 2014, modified mine/plant operational techniques coupled with improved operational efficiencies at the majority of the mines resulted in a 2% increase in ore processed from H2 2013.

Nyrstar's mines produced approximately 140,000 tonnes of zinc in concentrate during H1 2014, the second highest half year result since Nyrstar acquired the mines.

Total zinc production at the Tennessee mines was approximately 56,000 tonnes, down 3% from H2 2013 as a result of equipment failures that resulted in reduced processing capacity onsite. Nevertheless, the Mining segment continued throughout H1 2014 to increase stockpiled inventories, which it expects to draw down during H2 2014. Nyrstar also plans to implement a focused reliability centred maintenance programme at the Tennessee mines, which is expected to be subsequently rolled out across the Mining segment.

Several operational modifications were identified and implemented at the El Toqui mine during H1 2014 which significantly improved ore processing rates. Coupled with a focused zinc campaign and increase in volume of ore milled, El Toqui delivered approximately 18,000 tonnes of zinc metal in concentrate from 299,000 tonnes of total ore milled in H1 2014. Gold production was 12,100 oz for H1 2014, with a campaign switch planned towards the higher grade gold orebodies for the remainder of 2014.

Modified mine extraction techniques coupled with improved operational efficiencies at the El Mochito mine saw ore processing rates climb steadily throughout H1 2014, with the mine delivering approximately 13,000 tonnes of contained zinc during the period. The modified mine extraction programme established H1 2014 is expected to enable the mine to access high grade stopes in the second half of 2014.

The Myra Falls mine delivered approximately 15,000 tonnes of contained zinc in H1 2014 as a result of mine plan modifications enabling higher zinc and silver grades to be mined throughout the period. Work continued in developing towards the western orebodies.

The downward trend of deteriorating ore grades at Campo Morado continued throughout H1 2014 as the G9 orebody neared completion. Major metallurgical test programmes in relation to Campo Morado continued at three different facilities with full plant trials being undertaken during the second quarter of 2014. The initial results confirmed complex mineralogy that can be processed economically (albeit with some modifications to the flow sheet) for a minimal capital investment. As at the date of this Prospectus, Nyrstar was continuing to assess these initial findings.

In H1 2014, the Contonga mine continued to perform well operationally, with minor plant modifications implemented to maximise mill throughput within its permitted level.

In April 2014, the Coricancha and Pucarrajo mines were identified as non-core assets given the limited scale and marginal economics of the two mines. The Coricancha mine was put on care and maintenance in the second half of 2013, and Pucarrajo has not been mined since its acquisition in 2010.

Years ended 31 December 2013 and 31 December 2012

'000 tonnes unless otherwise indicated	Year ended 31 December 2013	Year ended 31 December 2012	% change	Six months ended 31 December 2013	Six months ended 30 June 2013	% change
Total ore milled	**6,960**	**6,924**	**1%**	**3,468**	**3,474**	**—**
Total zinc concentrate	**511**	**564**	**(9)%**	**254**	**258**	**(2)%**
Total lead concentrate	**24.3**	**28.6**	**(15)%**	**10.8**	**13.5**	**(20)%**
Total copper concentrate	**68.3**	**72.5**	**(6)%**	**37.1**	**31.2**	**19%**
Zinc in Concentrate						
Campo Morado	25	40	(38)%	14	11	27%
Contonga	13	15	(13)%	6	6	—
Coricancha	1	2	(50)%	0	1	(100)%
El Mochito	25	26	(4)%	12	13	(8)%
El Toqui	23	20	15%	9	14	(36)%
Langlois	36	39	(8)%	18	18	—
Myra Falls	27	32	(16)%	14	13	8%
East Tennessee	71	61	16%	35	36	(3)%
Middle Tennessee	50	48	4%	23	27	(15)%
Tennessee Mines (Total)	121	109	11%	58	63	(8)%
Own Mine Total	**271**	**282**	**(4)%**	**134**	**138**	**(3)%**
Talvivaara Stream	14	30	(53)%	7	7	—
Total	**285**	**312**	**(9)%**	**140**	**145**	**(3)%**
Lead in concentrate						
Contonga	0.3	1.5	(80)%	0.1	0.2	(50)%
Coricancha	0.2	0.8	(75)%	0.0	0.1	(100)%
El Mochito	11.6	12.4	(6)%	5.6	6.0	(7)%
El Toqui	1.2	0.4	200%	0.0	1.2	(100)%
Myra Falls	0.9	1.1	(18)%	0.6	0.4	50%
Total	**14.2**	**16.2**	**(12)%**	**6.3**	**7.9**	**(20)%**
Copper in concentrate						
Campo Morado	4.9	5.6	(13)%	2.6	2.3	13%
Contonga	2.6	1.5	73%	1.5	1.1	36%
Coricancha	0.1	0.2	(50)%	—	0.1	(100)%
Langlois	2.0	2.0	0%	0.9	1.1	18%
Myra Falls	3.3	3.8	(13)%	1.6	1.6	—
Total	**12.9**	**13.0**	**(1)%**	**6.6**	**6.3**	**5%**
Gold ('000 troy oz)						
Campo Morado	11.7	15.9	(26)%	6.5	5.2	25%
Coricancha	2.6	11.5	(77)%	0.1	2.5	(96)%
El Toqui	41.3	51.6	(20)%	33.2	8.2	305%
Langlois	1.8	2.0	(10)%	0.9	0.9	—
Myra Falls	17.8	13.6	31%	8.0	8.0	23%
Total	**75.2**	**94.6**	**(21)%**	**50.4**	**24.8**	**103%**
Silver ('000 troy oz)						
Campo Morado(1)	1,156	1,728	(33)%	657	499	32%
Contonga	306	450	(32)%	156	150	4%
Coricancha	164	491	(67)%	15	149	(90)%
El Mochito	1,637	1,627	1%	783	854	(8)%
El Toqui	141	113	25%	47	95	(51)%
Langlois	524	528	(1)%	246	278	(12)%
Myra Falls	818	580	41%	479	339	41%
Total	**4,746**	**5,517**	**(14)%**	**2,383**	**2,363**	**1%**

Note: The production figures above are those attained under Nyrstar ownership.

(1) 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton whereby only US$ 3.94/oz was payable for the period from 1 April 2012 to 31 March 2013 and US$ 3.98/oz for the period from 1 April 2013 to 31 March 2014.

In 2013, the volume of zinc in concentrate produced at Nyrstar's own mines (excluding deliveries under the Talvivaara zinc stream) was approximately 271,000 tonnes, achieving the full-year guidance of 265,000 to 280,000 tonnes, although down 4% on 2012. The decline in production was primarily due to a two month suspension of mining operations at the Campo Morado mine due to the cancellation of the site's explosives permit (due to an administrative issue) by the Mexican Department of the Army, the body responsible for issuing and managing explosives permits at mines in Mexico. Total zinc in concentrate was down 9% on 2012 as a result of fewer deliveries of zinc concentrate from Talvivaara. Lead in concentrate production was below guidance and lower than 2012 production largely owing to a deliberate production trade-off at the Contonga mine with lower lead being compensated by higher copper. Copper in concentrate production was in line with 2013 guidance and only marginally lower than 2012 production, despite being affected by the suspension at Campo Morado. Silver production was in line with 2013 guidance of 4.7 to 4.9 million troy ounces; however, it was lower than 2012 production by 14%, with the shortfall coming from the suspension at Campo Morado and from Coricancha where operations were halted in H2 2013. Gold production of 75,200 troy ounces marginally exceeded the guidance of 65,000 to 75,000 troy ounces. El Toqui contributed strongly to Nyrstar's doubling of gold production in H2 2013 compared to H1 2013; however, the suspension at Campo Morado and halted operations at Coricancha reduced 2013 production by 21% compared with 2012.

At the Campo Morado mine, 2013 production of all metals was impacted by the temporary suspension of mining activities in the first quarter of the year as a result of the cancellation of the site's explosives permit due to an administrative issue. The situation was resolved and extensive mill and mobile fleet maintenance work during the shutdown allowed for uninterrupted operations in H2 2013 resulting in higher volumes of all metals in concentrate compared to H1 2013, despite a decline in the head grades for all metals.

The Contonga mine was temporarily affected by a two week period of industrial action during H1 2013, which resulted in lower volumes of ore milled. During 2013, the site mined in the lower levels of the deposit which contain higher copper grades but lower lead and silver. H2 2013 metal production was in line with H1 2013 except for lead which declined and copper which increased, consistent with management's redirection of the mine plan to the lower areas of the deposit.

During H2 2013, management at Coricancha reassessed the site's operating model which had been adapted in H1 2013 to treat historic tailings. As a result of the sustained lower precious metal price environment, the mine's operations were halted and management is continuing to assess the options for the site while maintaining a reduced workforce performing maintenance and compliance activities.

The El Mochito mine delivered a consistent performance in 2013 resulting in a full year 2013 result largely in line with 2012 for all metals. Head grades have declined while the next higher grade resources are developed for future extraction. This was compensated, however, by a 4% increase in the volume of ore milled during 2013.

El Toqui mine focused on zinc and lead during H1 2013 and recovery of high gold grade pillars during H2 2013, resulting in substantially higher gold production than in H1 2013. Zinc, lead and silver metal volumes for 2013 exceeded the 2012 production. Overall 2013 gold metal produced, however, was 21% below 2012 due to a lower head grade.

At Langlois mine, zinc in concentrate production for 2013 was 8% below 2012, due to issues in H1 2013 with transitioning development areas to production areas and resourcing and training challenges which delayed the ability to mine consistently from four mining zones. Site management achieved a 13% increase in ore milled volumes in H2 2013 compared to H1 2013. Copper, silver and gold metal production for 2013 was largely in line with 2012.

In 2013, the Myra Falls mine produced 41% more silver and 31% more gold than in 2012 as a result of increased average mill head grades. Zinc, lead and copper contained in concentrate were below 2012 as grades have declined while the site develops, as per the mine plan, into future higher grade ore deposits. Volumes in H2 2013 were higher for all metals (due to higher grades) compared to H1 2013. In August 2013, after 15 years and a total investment of just under US$ 30 million, Myra Falls completed the seismic upgrade of its old Tailings Disposal Facility and began preparing it for closure and reclamation.

The Tennessee mines delivered 11% more zinc in concentrate in 2013 compared to 2012 through 8% higher ore volumes processed at both East and Middle Tennessee sites as well as an increase in the average zinc mill head grade and recovery. At East Tennessee, the 16% increase in production volume was also due to an 8% rise in the zinc mill head grade and in turn a higher average mill recovery. At Middle Tennessee, there was a 5% deterioration in the average zinc mill head grade from 2012 to 2013. The higher ore milled volume made up for this, however, to give an overall 4% increase in zinc in concentrate production.

Deliveries of zinc in concentrate from Talvivaara under the zinc streaming agreement were down by more than 50% in 2013 compared to 2012 due to operational and liquidity issues at the Talvivaara mine. Talvivaara's production in 2013 continued to be impacted by the prolonged effect of excess water on older ore heaps. See also ''—Mining—Talvivaara Zinc Streaming Agreement'' above.

Years ended 31 December 2012 and 31 December 2011

'000 tonnes unless otherwise indicated	**Year ended 31 December 2012**	**Year ended 31 December 2011**	**% change**	**Six months ended 31 December 2012**	**Six months ended 30 June 2012**	**% change**
Total ore milled	**6,924**	**4,516**	**53%**	**3,727**	**3,198**	**17%**
Total zinc concentrate	**564**	**369**	**53%**	**289**	**272**	**6%**
Total lead concentrate	**28.6**	**13.2**	**108%**	**15.1**	**13.7**	**6%**
Total copper concentrate	**72.5**	**49.1**	**48%**	**36.0**	**36.5**	**(1)%**
Zinc in Concentrate						
Campo Morado	40	46	(13)%	17	23	(26)%
Contonga	15	10	50%	8	7	14%
Coricancha	2	2	—	1	1	—
El Mochito	26	10	160%	13	13	—
El Toqui	20	9	122%	10	10	—
Langlois	39	1	3800%	22	17	29%
Myra Falls	32	15	113%	14	18	(22)%
East Tennessee	61	49	24%	34	26	31%
Middle Tennessee	48	32	50%	26	22	18%
Tennessee Mines (Total)	109	80	36%	60	49	22%
Own Mine Total	**282**	**172**	**64%**	**86**	**135**	**(36)%**
Talvivaara Stream	30	35	(14)%	14	16	(13)%
Total	**312**	**207**	**51%**	**160**	**151**	**6%**
Lead in concentrate						
Contonga	1.5	1.0	50%	0.8	0.7	14%
Coricancha	0.8	1.3	(38)%	0.5	0.3	67%
El Mochito	12.4	4.9	153%	6.3	6.1	3%
El Toqui	0.4	0.2	100%	0.1	0.3	(67)%
Myra Falls	1.1	0.4	175%	0.7	0.5	40%
Total	**16.2**	**7.8**	**108%**	**8.4**	**7.9**	**6%**
Copper in concentrate						
Campo Morado	5.6	5.2	8%	2.9	2.7	7%
Contonga	1.5	0.8	88%	0.9	0.6	50%
Coricancha	0.2	0.2	—	0.1	0.1	—
Langlois	2.0	0.1	1,900%	1.1	0.9	22%
Myra Falls	3.8	1.6	138%	1.5	2.2	(32)%
Total	**13.0**	**7.7**	**69%**	**6.5**	**6.5**	**—**
Gold ('000 troy oz)						
Campo Morado	15.9	17.0	(6)%	7.7	8.2	(6)%
Coricancha	11.5	14.8	(22)%	7.1	4.4	61%
El Toqui	51.6	13.0	297%	29.3	22.1	33%
Langlois	2.0	—	—	1.1	0.9	22%
Myra Falls	13.6	5.1	167%	6.7	6.9	(3)%
Total	**94.6**	**49.9**	**90%**	**51.9**	**42.5**	**22%**
Silver ('000 troy oz)						
Campo Morado(1)	1,728	1,836	(6)%	816	912	(11)%
Contonga	450	393	15%	236	213	11%
Coricancha	491	583	(16)%	339	152	123%
El Mochito	1,627	598	172%	858	770	11%
El Toqui	113	43	163%	56	57	(2)%
Langlois	528	—	—	300	228	32%
Myra Falls	580	220	164%	254	326	(22)%
Total	**5,517**	**3,673**	**50%**	**2,858**	**2,658**	**8%**

Note: The production figures above are those attained under Nyrstar ownership.

(1) 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton whereby only US$ 3.90/oz was payable for the period from 1 April 2011 to 31 March 2012 and US $3.94/oz for the period from 1 April 2012 to 31 March 2013.

In 2012, Nyrstar produced approximately 312,000 tonnes of zinc in concentrate, a substantial increase (51%) compared to 2011 (207,000 tonnes). Own mine production, excluding deliveries under the Talvivaara zinc stream, increased 64% to approximately 282,000 tonnes in 2012 compared to 172,000 tonnes in 2011. There were also significant increases in the production of copper, lead, silver and gold. Copper in concentrate production increased 69%, lead in concentrate production increased 108%, production of gold was up 90% and silver production increased 50%. Nyrstar achieved its full year production guidance for zinc, copper, lead and silver, while it achieved slightly below guidance volumes for gold.

Production of zinc in concentrate at Campo Morado declined by 13% in 2012 compared to 2011. This was due to a 12% decline in the average zinc mill head grade and a 5% reduction in zinc recovery (the latter caused by a higher iron content in ore), which more than offset a 5% increase in the volume of ore milled. Gold and silver production also declined year-on-year, again due to lower mill head grades and recoveries. Copper in concentrate production increased 8%, primarily due to an 8% increase in the average mill head grade. During Q3 2012 an optimisation programme commenced at the Campo Morado mine to review all aspects of operations. Areas identified for improvement were ore face mapping procedures, dilution control, ore sorting and the operating performance of the grinding circuit and gold circuit at the mill. Operational benefits started to be delivered in Q4 2012, with better dilution controls at the mill leading to increases in the average mill head grade in H2 2012 for copper (14%), silver (5%) and gold (2%) compared to H1 2012. In addition, recovery rates improved in November and December for all metals due to the installation of new machinery and changes to management at the site, which led to higher production levels for all metals.

The Contonga mine delivered a 50% increase in its zinc in concentrate production in 2012 compared to 2011. This was primarily due to successfully receiving the required permit to expand mill capacity from 660 tonnes to 990 tonnes per day at the end of Q1 2012 and consequent successful efforts of the site to increase mill throughput the year. Consequently, lead in concentrate, copper in concentrate and silver production also increased in 2012, by 50%, 88% and 15% respectively. Zinc and copper mill head grades both improved in 2012, 3% and 32% respectively, with a decline in the lead (2%) and silver (18%) grades. Production of all metals in H2 2012 was higher than in H1 2012 due to the higher throughput rate at which the mill operated.

Production in 2012 at the Coricancha mine was materially impacted by the suspension of milling operations during Q2 2012 due to a temporary suspension imposed by the Peruvian mining authority. The order concerned the storage and planned movement of legacy tailings to a new facility which has been constructed by Nyrstar. Due to the milling suspension, no concentrate production was possible at Coricancha during Q2 2012. Production recommenced in July 2012 when authorisation was given for the Coricancha mine to re-start milling operations. During the suspension period the site was able to take a number of proactive steps including bringing forward a preventative maintenance schedule at the mill and stockpiling ore in underground workings. Subsequently, the site was able to deliver a strong performance in H2 2012, with gold production up 61% compared to H1 2012 and silver (123%) and lead (67%) also up. In conjunction with the implementation of the first phase of Project Lean at the Peruvian operations, which reduced employee and contractor headcount by approximately 1,000 at Coricancha, at the end of 2012 Nyrstar implemented a new, interim operating model at the mine, focussed on extracting the maximum gold and silver value from legacy tailings before moving the waste material to the tailings pond and preserving cash by not mining ore from its underground deposits.

During 2012, the El Mochito mine delivered zinc in concentrate production of approximately 26,000 tonnes, in line with total production (irrespective of ownership) in 2011; lead and silver production was also comparable year-on-year. Ore milled volumes were 5% higher in 2012 compared to 2011, although electrical failures during the rainy season (Q3 2012) restricted mill throughput during H2 2012. The site delivered increased mill head grades for all metals during H2 2012, thereby maintaining or increasing metal in concentrate production. The average silver mill head grade achieved (83.86g/t in H2 2012 and 71.94g/t for the full 2012) continued to exceed the proven reserve grade, while zinc and lead achieved grades were in line.

The El Toqui mine produced approximately 51,600 troy ounces of gold in 2012, a 54% increase on total production in 2011. This was due to the successful execution of gold campaigns in Q2 2012 and Q4 2012 in which underground mining activity targeted higher grade gold ore bodies (average mill head grade in 2012 of 3.76g/t, compared to 2.30g/t in 2011) rather than zinc ore bodies. The campaign demonstrates Nyrstar's strategy to focus on maximising value rather than production, with the El Toqui mine able to change the production mix of metals, from zinc to gold, based on prevailing commodity market conditions. As a consequence, zinc in concentrate production was reduced to approximately 20,000 tonnes in 2012 from 29,000 tonnes in 2011. The operational performance at the El Toqui mine during 2012 was impacted by the mill being forced to operate at a reduced level for approximately four weeks during Q1 2012 due to demonstrations in relation to social conditions by communities across the Aysén region of Chile in which the mine is situated. Although these events were completely unconnected to the mine, they prevented the free movement of fuel, equipment, contractors and employees to and from the site. During 2012, the mine delivered a successful diamond drilling programme, which added to the proven and probable reserves and measured and indicated mineral resources.

Following the successful completion of its ramp-up in H1 2012, the Langlois mine in H2 2012 increased its zinc in concentrate, copper in concentrate, gold and silver production half-on-half by 29%, 22%, 22% and 32% respectively. Full year zinc in concentrate production of approximately 39,000 tonnes was in line with management expectations. The site continued to update its block models in H2 2012 to improve the understanding of the underlying geology and improve mine planning capabilities. During this time the consistency of mill head grades could vary and this is what transpired with zinc grades failing 2% in H2 2012 to 8% compared to H1 2012, and grades of other metals also declining. However, these decreases in grade in H2 2012 were largely offset by the continued increases in ore milled (up 39% in H2 2012).

The Myra Falls mine performed in line with its long term mine plan in 2012, with ore milled volumes increasing 6% compared to 2011. Zinc in concentrate production of approximately 32,000 tonnes in 2012, was 11% lower than total production in 2011, primarily driven by a lower average zinc mill head grade. Whereas in H2 2011, as per the long term mine plan, mining activities focused on higher zinc grade ore bodies (average zinc mill head grade of 9%), during 2012, mining concentrated on different areas within the ore bodies with an average zinc mill head grade of approximately 7%. Copper in concentrate production also declined year-on-year, again due to a lower mill head grade as the mine plan concentrated on the Western ore bodies at the site where by-products grades are slightly lower. Both silver (1%) and gold production (10%) increased in 2012 compared to total production in 2011, with the higher ore milled volume offsetting marginal decline in mill head grades.

The Tennessee Mines delivered a significant improvement in operational performance in 2012. This followed a six week optimisation programme which commenced at the end of Q1 2012, combining internal and external resources working with Tennessee mine management, to analyse processes at the mines and build an optimised operating programme, known as Mining for Value. The focus areas identified were mine planning, operations and asset management with projects emphasising throughput, mine development and value awareness. The programme already delivered some benefits in H1 2012, however the real step change in performance occurred in H2 2012. Zinc in concentrate production in H2 2012 increased by 31% and 18% at East and Middle Tennessee Mines, respectively, compared to H1 2012. For the full year 2012 combined zinc in concentrate production was approximately 109,000 tonnes, 36% higher than in 2011. Middle Tennessee's zinc in concentrate production increased 50%, ore milled increased 27% and average zinc mill head grade increased 19% compared to 2011.

Deliveries of zinc in concentrate from Talvivaara under the zinc streaming agreement declined by approximately 14% in 2012 to 30,000 tonnes, from 35,000 tonnes in 2011. Talvivaara's performance was impacted by dilution of leach solutions due to excessive rain, scheduled maintenance and a fatality-related stoppage during H1 2012, and then in H2 2012 due to the suspension of operations during November due to a gypsum pond leakage. These production issues all had a knock-on impact on deliveries to Nyrstar, with the suspension in operations from the pond leakage leading to a fall in deliveries in H2 2012 of 13% compared to H1 2012. During H1 2012 an important logistical process step was made with Talvivaara delivering concentrate by bulk rather than container shipping as a result of the successful reduction in the moisture content of concentrate. This has simplified the flow of deliveries of concentrate between the Talvivaara mine site and Nyrstar's port facilities in Antwerp.

Marketing, Sourcing & Sales

Since mid-2009, all trading activities (zinc, lead, related alloys and by-products) were carried out by a single group entity, Nyrstar Sales & Marketing AG (a Swiss company). On 24 June 2013, Nyrstar announced an internal restructuring to create three distinct business units (Mining, Metals Processing and Marketing, Sourcing & Sales). The Marketing, Sourcing & Sales business unit seeks to work with the

Mining and Metals Processing business units to create, secure and maintain first mover advantage in obtaining feedstock to produce products that are then marketed and sold using Nyrstar's deep market insight.

Marketing, Sourcing & Sales operates Nyrstar's centralised commercial operations function out of Zurich, with responsibility for:

- *Raw materials*—the purchase and marketing of all raw material consumed by Nyrstar's smelters, including concentrates, secondary feed material, metal for re-melt, alloying metals, and by-products. Marketing, Sourcing & Sales uses various methodologies and models to evaluate the relationship between benchmark and spot TCs, escalator clauses, payable and free metal and optimise the net value of Nyrstar's complex feed book across its geographic footprint;
- *Product Sales*—the marketing and sale and/or swap of by-products and metal products produced or raw materials owned by Nyrstar (e.g., market semi-finished metal and concentrates). Market, Sourcing & Sales unit has placed Nyrstar's products in new geographies (e.g., South Africa, Middle East, Eastern Africa and Southeast Asia), expanded its product portfolio to respond to changes in end uses (e.g., in the automotive sector) and analysed trends in product and customer mix. For example, Marketing, Sourcing & Sales has used its end use market knowledge to capture greater value from the sale of Nyrstar's minor metals (mainly indium and germanium);
- *Supply chain*—the purchase of all logistical services required to carry out the purchasing of raw materials and the sale and/or swap of Nyrstar's products and raw materials; and
- *Hedging*—commodity price hedging (including but not limited to, zinc, lead, gold and silver prices and related foreign exchange hedging).

In addition, the Marketing, Sourcing & Sales team is responsible for formulating short and long term strategies related to managing energy costs (including gas and electricity) and will assist local sites with the purchase of energy and energy price hedging (although contracts are entered into between the supplier(s) and the relevant Nyrstar site).

Raw materials

A centralised purchasing team within Marketing, Sourcing & Sales is responsible for sourcing and securing Nyrstar's raw material requirements globally. The key goal is to secure the supply of raw materials on the most favourable commercial terms possible.

Raw material supply contracts

Historically, Nyrstar's supplies have been secured under a combination of ''frame'' (fixed period) and ''evergreen'' (continuous) contracts which typically have one or two year cancellation notice periods. While Nyrstar intends to continue to secure its feed requirements under such contractual arrangements, it is also targeting complex concentrates sold at spot terms because they typically provide incremental amounts of free metals that are monetised in the smelting process. In 2013, spot purchases were approximately 7% of all volumes of concentrate. Nyrstar expects that amount to approximately double in 2014 and double again in 2015, approaching close to half of all volume by 2017.

Nyrstar currently has contracts with both mining companies and traders for raw materials. ''Life-of-mine'' supply agreements with the Century and Rosebery mines owned by the Minerals and Metals Group secured approximately 37% and 9%, respectively, of Nyrstar's total zinc concentrate feed requirements in 2013. Nyrstar expects that in 2014, Minerals and Metals Group will supply approximately 39% (Century and Rosebery together) of its zinc concentrate needs, with Nyrstar's own mines (including Talvivaara) supplying approximately a further 30%. The remaining 31% is split amongst a number of other suppliers, with no other supplier representing more than 6% of the total supply.

More than 80% of Nyrstar's current zinc concentrate portfolio of concentrates produced outside of the Nyrstar group is supplied under annual ''benchmark'' TC terms. These terms are intended to be consistent with the treatment charge agreed in contract settlements between major mines and smelters for the sale of zinc concentrate to smelters in Japan, Korea and Western Europe, which are regarded within the zinc industry as the ''benchmark'' for that calendar year. The remainder of Nyrstar's supply contracts are either under long-term agreements directly with miners with multi-year fixed treatment charge terms.

The majority of Nyrstar's supply contracts are under commercial terms stipulating that the supplier is responsible for the arrangement and payment of transport and insurance. Where Nyrstar's smelters are favourably located relative to alternative purchasers, Nyrstar negotiates a location allowance with the supplier that is equivalent to a negotiated percentage of the difference between the total cost of delivery to Nyrstar's smelter and the supplier's average delivery cost to alternative purchasers. Where Nyrstar's supply contracts are under commercial terms that stipulate that Nyrstar is responsible for the arrangement and payment of transport and insurance, Nyrstar endeavours to negotiate a freight allowance. This is a discount that Nyrstar receives that is equivalent to the estimated total cost of delivery from the port of loading to the port of unloading in the relevant contract year.

Zinc sourced from suppliers of secondary feed material currently represents approximately 20% of Nyrstar's total feedstock. Both from a geographic and from a feed quality perspective, Nyrstar has a diverse portfolio of concentrates and secondary feed. This enables Nyrstar to optimise the distribution of raw materials amongst its plants.

Closure of Century mine

The Century mine is currently expected to reach the end of its mine life and thereby cease supplying Nyrstar's smelters in mid-2015. Supply from Century represented approximately 37% of total supply to Nyrstar's smelters and 72% and 57% of supply to Budel and Hobart, respectively, in 2013. Management is accordingly taking steps to secure raw materials from other sources, which include:

- the de-bottlenecking projects identified as part of the Smelting Strategic Review,
- increasing Nyrstar's presence in countries where mine production is strong and growing while allowing the sourcing of more complex concentrates typically sold at (spot) lower TCs, and
- strengthening the relationship with existing suppliers while rolling forward delivery terms where possible to future years.

As a result, Nyrstar expects to build a long concentrate position ahead of the closure of the Century mine, and these sources are projected to enable Nyrstar to cover 100% of the gap created by such closure. The mines that have been acquired to date by Nyrstar are expected to produce 280,000 to 310,000 tonnes of zinc in concentrate. This currently represents the equivalent of approximately 36% of Nyrstar's zinc concentrate feed requirements (based on smelting requirements at full capacity).

Product Sales

Sales of metal and by-products are carried out centrally through Marketing, Sourcing & Sales with sales support from Nyrstar's regional support offices and local independent sales agents in certain regions. The key goal is to sell Nyrstar's products on the most favourable commercial terms possible. Nyrstar continuously seeks to align its products and services fully to its customers' needs and markets, and works to leverage its positions globally and improve its margins.

Nyrstar aims to sell all of its products and by-products under contracts so as to limit its exposure to spot market volatility on its sales.

Commodity metals

Nyrstar sells almost all of its commodity grade zinc and lead metal to the Glencore Group and Noble, representing approximately 42% of Nyrstar's global zinc metal sales and 86% of global lead metal sales.

In December 2008, Nyrstar entered into an off-take agreement with members of the Glencore Group (then a shareholder of Nyrstar) in relation to Nyrstar's commodity grade zinc and lead metal. This agreement came into effect in January 2009 and originally had a term of five years that was extended in June 2011 to the end of 2018. It provides for the supply by Nyrstar of quantities to be set by Nyrstar of its commodity grade zinc and lead metal on an exclusive basis (with certain exceptions) to Glencore for sale and marketing via Glencore's extensive global marketing and distribution network. The off-take agreement provides for prices based on the LME prices plus market-based, annually agreed premiums.

On 16 April 2013 Nyrstar announced that it had reached a negotiated settlement with Glencore (now Glencore Xstrata) in relation to the off-take agreement for the sale and marketing of commodity grade zinc metal produced by Nyrstar within the European Union. Under the terms of the remedy package agreed with the European Commission in relation to Glencore's merger with Xstrata, Glencore was required to end these aspects of its relationship with Nyrstar. The sale of commodity grade zinc and lead produced from Nyrstar's smelters outside of the European Union (Clarksville, Hobart and Port Pirie) continues as before under the off-take agreement. See ''Operating and Financial Review and Prospects—Contractual obligations and commitments''.

On 1 October 2013, Nyrstar entered into a strategic off-take and marketing agreement with Noble to market and sell an annual quantity of 200,000 tonnes of commodity grade zinc metal produced at its European smelters. The agreement has a term of four years, commencing 1 January 2014. Under the terms of the agreement, Nyrstar receives market price plus a benchmark premium per tonne of zinc metal, with a profit sharing mechanism for any upside, with financing of the metal on comparable terms to that received under the Glencore off-take agreement. In connection with the agreement, Noble Group Limited acquired from Nyrstar's treasury shareholdings 1% of Nyrstar's Shares for a total cash consideration of € 6.4 million. The remaining volume of European zinc metals (approximately 150,000 tonnes per year) not marketed via the off-take and marketing agreement with Noble is actively marketed and sold by Nyrstar in both traditional and non-traditional markets. One result of this additional flexibility can be seen in the significant change in product mix in Nyrstar's Western European markets.

TOP FIVE ZINC PRODUCTS—EUROPE

	H1 2013			H1 2014		
	Product	Volume	Percentage	Product	Volume	Percentage
1.	SHG—25kg Slabs	71,023	22%	SHG—25kg Slabs	107,812	30%
2.	SHG—cathodes	65,089	20%	SHG—cathodes	78,389	22%
3.	ZAMAK #5—8.3 kg slabs	42,603	13%	ZAMAK #5—8.3 kg slabs	44,024	12%
4.	SHG—1450 kg jumbos	40,004	12%	SHG—1450 kg jumbos	19,589	5%
5.	Zn/Al 0.5%—1950 kg jumbos	9,727	3%	SHG—1000 kg jumbos	18,382	5%
	TOTAL:	**228,446**	**70%**	**TOTAL:**	**268,196**	**74%**

Zinc alloys

Nyrstar sells the majority of its zinc alloys under contracts that are evergreen, with commercial terms negotiated annually. The terms of such contracts follow the market for commodity grade products but provide additional premia.

Sulphuric acid

The sulphuric acid that Nyrstar produces at its Hobart and Port Pirie smelters is sold under long-term off-take agreements with annual formula-based pricing adjustment mechanisms. In the United States and Europe more than 90% of Nyrstar's sulphuric acid production is sold pursuant to annual or multi-year contracts and evergreen contracts, most of which have been in place for many years.

Other by-products

Nyrstar sells the vast majority of its lead sulphates, a by-product of the zinc leaching process at Balen, Budel and Hobart, under contracts that are evergreen, with commercial terms negotiated annually with reference to the primary concentrate market. The rest of Nyrstar's by-products are predominantly sold under annual contracts.

Zinc concentrates

The zinc concentrate produced at Nyrstar's mines is not necessarily consumed by Nyrstar's smelters. Based on economic optimisation, Nyrstar decides whether concentrate produced by Nyrstar's mines is most profitably consumed within Nyrstar's smelters, sold to third parties or swapped for concentrate produced by a third party mine. The main variables that dictate where concentrate produced by Nyrstar's mines are consumed are whether or not the mine is subject to an off-take agreement; the assay specifications of the concentrate and how efficiently the Nyrstar smelters can extract value from such concentrate and the location of the concentrate. Vertically integrating into mining provides Nyrstar not only with physical concentrate production that can potentially be used at Nyrstar's smelters (subject to the considerations described above), but also an attractive financial exposure to the operating margins that are available in zinc mining. In 2013, approximately 63% of Nyrstar's concentrates from its own mines was internally consumed.

Gold and silver doré

Nyrstar has a contract with the Metalor Group for the gold and silver doré produced at the Coricancha mine. Under the contract, Nyrstar has the option to receive payment for the gold and doré produced or receive the processed gold and silver metal in exchange for a processing fee.

Chartering and Logistics

Chartering and Logistics is responsible for negotiating the contractual framework for the Group's logistical and supply chain requirements and exposures. These contracts are executed by the commercial teams of Marketing, Sourcing & Sales or by Business Execution (see below). This department is also responsible for negotiating and managing third party logistics contracts and chartering contracts.

Inventory Planning & Scheduling

Inventory Planning is responsible for continuously balancing and optimising supply and demand for in-bound feed material stocks, out-bound finished metals stocks and by-product stocks. Inventory Planners report to the heads of their respective product groups and are responsible for forecasting Nyrstar's position and working capital requirements in the short and medium term. Inventory Planning also work with key customers for execution and planning of their portfolios.

Business Execution

Business Execution provides services encompassing the delivery of feed material to Nyrstar's operating assets and the delivery of finished products and by-products to Nyrstar's customers. The objective is to co-ordinate the delivery of product in-full, on-time and in-specification to Nyrstar's customers at the lowest possible cost. The intent is to manage a supply chain operating to a lean and efficient cost model that operates seamlessly across the functional areas of the business and provide customer service, order management functions for Marketing, Sourcing & Sales within the framework of its contractual obligations. Activities are complemented by specialised teams that provide support on such functions as contract administration, invoicing, pricing and assay exchange administration.

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Employees

Nyrstar's long-term sustainability depends on recruiting, training, developing and retaining a talented, dedicated and motivated workforce. The workforce at Nyrstar is comprised of approximately 6,600 employees with 22% of Nyrstar's total personnel employed in Europe, 59% in the Americas and 19% in Australia as of 30 June 2014. In H1 2014, Nyrstar also opened a sales office in Hong Kong.

The table below illustrates the breakdown of employees across Nyrstar's business segments and geographic regions.

	As of 30 June	As of 31 December		
	2014	2013	2012	2011
Corporate	193	196	191	192
Smelting	2,773	2,805	2,788	2,757
Mining	3,595	3,598	3,991	4,093
Total(1)	**6,561**	**6,599**	**6,970**	**7,042**
Australia	1,244	1,236	1,233	1,235
Europe	1,449	1,487	1,453	1,439
Americas	3,868	3,876	4,284	4,368
Total(1)	**6,561**	**6,599**	**6,970**	**7,042**

Note:

(1) Excluding ARA (disposed of in November 2011), Galva 45 (disposed of in October 2012), Genesis (expected to be disposed of in September 2014), and Föhl (disposed of in April 2014).

Management believes that Nyrstar has good relations with its employees. Terms and conditions of employment, including working hours, health and safety, disputes, termination of employment, vacations and benefits, are governed, in accordance with a variety of legislation, by collective bargaining agreements, individual agreements and common law contracts. As of 30 June 2014, Nyrstar had 6,561 employees spread globally across its corporate offices, smelting and mining sites. With the exception of the Clarksville smelter, each of the Nyrstar smelters is unionised. All mining operations are unionised and subject to collective agreements with the exception of the Tennessee mines. The corporate offices are not unionised. Historically, the operations of certain Nyrstar smelting and mine sites have from time to time experienced limited work stoppages and other forms of industrial action.

Nyrstar's Australian smelters have a mix of unionised employees and non-unionised employees. As of 30 June 2014, the Hobart smelter had a workforce of approximately 475 employees and approximately 120 full-time equivalent contractors. As at 30 June 2014, the Hobart smelter has approximately 300 employees working under enterprise agreements. The enterprise agreement for operators at the Hobart smelter is due to be re-negotiated at the end of 2014 with negotiations commencing in mid 2014. The enterprise agreement for maintenance employees was renegotiated in early 2014 and expires in 2018.

As of 30 June 2014, the Port Pirie smelter had approximately 769 employees. It is estimated that approximately 60% of the employees at the Port Pirie smelter are members of a trade union. The negotiated agreement expired in April 2013. Negotiations with the combined union council for a new enterprise agreement were finalised with the new Enterprise agreement being ratified by Fair Work Australia on 3 April 2014. There was no industrial action taken, with both parties bargaining in good faith.

All of Nyrstar's European smelters have relatively high levels of unionised employees. However, this is an estimate only as the unions are not obliged to provide membership details. As of 30 June 2014, approximately 60% of the 290 employees at the Auby smelter were members of trade unions. This is an estimate only as union membership in France is not mandatory and is a private relation between the union and the employee. The employer does not have details of actual union membership across the site. These details are not known for the Balen and Overpelt or Budel smelters. The total number of employees at the Balen/Overpelt smelter at 30 June 2014 was 560. The total number of employees at the Budel smelter at 30 June 2014 was 439.

The Auby smelter has three main agreements in place with its unionised employees. These agreements are a salary agreement which is reviewed yearly, a bonus plan which is reviewed every three years (due for renewal in 2015) and an agreement over all terms and conditions of employment that does not have an end date. The agreement over all terms and conditions requires a 15 month notice period to commence a renegotiation. Two workers unions represent the unionised employees at the Auby smelter, the General Confederation of Labour (CGT) and the French Democratic Confederation of Labour (CFDT). There is also a union representing middle management at the Auby smelter, the French Confederation of Management (CGC). The Auby smelter also has a Works Council with five employee representatives who were elected from 2013 to 2017.

Some of the terms and conditions of employment at the Budel smelter are settled through a collective labour agreement concluded between the FME-CWM Association (the association of enterprises in the technological industrial sector) and the employee unions. Currently there is a new labour agreement (CAO Metalektro) from 1 July 2013 until 1 May 2015.

Unionised employees at the Balen/Overpelt smelter are currently represented by the ACV, ABVV, LBC and BBTK unions. Some of the terms and conditions of employment at the Balen/Overpelt smelter are regulated by collective labour agreements concluded at industry and site level. The majority of the site level collective labour agreements have an indefinite period. At industry level, framework collective labour agreements have typically a duration of two years and were last renewed during 2014.

Nyrstar has a European Works Council. In addition, all of Nyrstar's smelting operations in Europe have local Works Councils, which deal with matters affecting employees at local level. In accordance with Dutch legislation, the Budel smelter has a Works Council that is made up of employees that are elected to the council on a three-year basis. Members of the Works Council do not have to have an official affiliation to a labour union. Unionised employees at the Budel smelter may be represented by De Unie, FNV Unions and CNV union. The Balen/Overpelt smelter has a Works Council whose employees' representatives are elected typically for a period of four years, with the next such elections expected to take place in 2016.

There are labour agreements in place at all mining operations except the Tennessee Mines. These are due to expire as follows: Peru operations (April 2015) Myra Falls (September 2016), Langlois (January 2016) and El Toqui (September 2016), El Mochito (September 2016). Negotiations will begin in Peru and Campo Morado early 2015 regarding the next agreement.

Although management believes that Nyrstar has good relations with its employees, Nyrstar is from time to time subject to industrial action. For instance, there was a strike in 2011 at Auby, a strike in 2012 in Balen/Overpelt and a two-week strike in Contonga in 2013.

Health and safety

Safety is a core value of Nyrstar. Nyrstar's health and safety policies and standards provide a clear statement of its commitment and goals for health and safety management. Nyrstar publicly reports its health and safety performance annually in its Nyrstar Sustainability Report. In addition, Nyrstar has developed its own Health and Safety Policies which provide a clear statement of its commitment and establish its goals for health and safety management.

Nyrstar has core policies and procedures to support a consistent approach to safety and a culture of looking after each other and keeping each other safe. Nyrstar's Health and Safety Policy is underpinned by a set of Management Standards that cover all aspects of health and safety. For each Management Standard, a set of expectations and requirements has been specified. The requirements under each expectation define the level of safety management Nyrstar would anticipate to deliver above average industry performance. Ongoing implementation of the requirements specified in the standards is planned to deliver Nyrstar's goal of world class safety performance by 2016 as compared to Nyrstar's peers.

The most significant safety risks at Nyrstar's smelter sites relate to exposure to the hazards inherent in Nyrstar's operations such as: molten materials; dusts and fumes containing metals such as lead, cadmium, mercury, and arsenic; acidic liquids; working at height; electricity; materials handling; moving machinery and vehicles; and the manual nature of many of Nyrstar's tasks. At Nyrstar's recently acquired mining assets, the most significant risks are related to exposure to dust and diesel particulates; underground evacuation; fire; inundations; ground instability or rock falls; use of explosives and hoisting activities.

Nyrstar's key strategies for reducing the potential for workplace injury, and therefore the key areas where Nyrstar has opportunities to further improve are:

- Risk Management: systematic identification of hazards, risks and appropriate controls;
- Continuous Improvement: standard best practice management systems, practices and procedures;
- Behavioural Safety: a safe work culture where all individuals take responsibility for their own actions and also ensure that their colleagues are working safely; and
- Safety Leadership: strong and consistent safety leadership at frontline supervisor level.

A global mining underground safety audit was completed in January 2012, which utilised external mining safety specialists in collaboration with internal health and safety managers. The team conducted an on-the-ground review of practices, policies and procedures at each mining operation with the objective of creating a safety framework and improvement programme which is expected to enable Nyrstar to achieve world class underground mining safety standards. The outcomes of the audit were presented to Nyrstar's Board during H1 2012 and subsequently site level safety improvement plans were developed and implemented during H2 2012 and H1 2013.

In the Metals Processing segment, Group Safety Audits, involving assessment of key safety and health risks, were completed at all smelters in 2013. The audits focused on conformance with Group requirements for Lock-out/Tag-out, mobile equipment, working at heights, confined space entry, lifting equipment, contractor management, medical surveillance, hearing conservation and occupational exposure. Similar audits will be conducted at all mining operations in 2014. Also in 2013, International SOS completed an audit of the occupational health facilities and services at Campo Morado.

A recordkeeping corporate audit was completed across the Metals Processing segment during H1 2014, which identified failures with Port Pirie's classification of musculoskeletal injuries in the past. Figures have been adjusted and expectations clarified across the sites. The recordable injury rate, defined as the twelve-month rolling average of the number of injuries requiring medical treatment beyond first aid per million hours worked, including all employees and contractors across all operations was 10.1 in 2013, compared to 9.6 in 2012 and 14.9 in 2011. The 2013 lost time injury frequency rate, defined as the twelve-month rolling average of the number occurrences that resulted in a fatality, permanent disability or time lost from work of one day/shift or more per million hours worked, was 3.9 in 2013, compared to 3.1 in 2012, and 4.7 in 2011.

The significant overall reductions in recordable injury and lost time injury frequency rates in 2012 were due to a number of factors within the Nyrstar employees safety culture and programmes, including continued management focus on safety; Group wide initiatives such as Nyrstar's behavioural safety programmes; the adoption of international industry best practices and programmes; the internal corporate audit programme; and ongoing safety improvement efforts at the operational level. Lost time injury rate and recordable injury rate figures are 12 month rolling averages of the number of lost time injuries and recordable injuries (respectively) per million hours worked, and include all employees and contractors at all operations. Prior period data can change to account for the reclassification of incidents following the period end date.

In 2013, Nyrstar also introduced the measurement and reporting of the number of cases involving restricted work or lost time injuries (''**DART**'') although reliable statistics were only produced for the smelters. At the end of the year, DART for the Metals Processing segment was 7.3 (per million hours worked).

Another important measure of Nyrstar's safety culture and performance is the number of ''near misses'' reported, defined as any incident that had the potential to cause injury to personnel, damage to property or process loss, but for which there was no actual injury or damage arising. By setting clear expectations and encouraging employees and contractors to report this type of incidents, Nyrstar aims to identify and correct those contributing actions and conditions before the occurrence of an injury, equipment damage or production loss. Nyrstar employees reported 1.3, 1.9 and 1.5 near misses per injury in 2012, 2013 and H1 2014, respectively. Both the reporting and prevention of all incidents will remain one of Nyrstar's main priorities going forward.

In addition to continuing to track recordable injuries, critical incidents and near misses, Nyrstar has also defined a set of proactive safety performance indicators over the coming year, in line with Nyrstar's goal of preventing harm.

Despite Nyrstar's strong focus on safety, two Nyrstar employees were fatally injured in March and September 2013 while working at the Campo Morado and Contonga mines, respectively. Risk scenarios were conducted across all mines to prevent the recurrence of similar situations.

In the Metals Processing segment, the Auby smelter achieved a 50% reduction in its recordable injury frequency rate in 2013 compared to 2012, and operated for 24 months without a single lost time injury. Nyrstar Health and Safety Technical Standards are currently being reviewed in order to introduce industry best practices and new country regulations. In the Mining segment, Myra Falls won the Ryan Award for the second consecutive year, which recognises their safety performance in 2012 and 2013 across British Columbia (Canada). All the mines have received new mine rescue equipment and a back to basics plan has been designed to consolidate the safety practices across the Latin American mines. El Toqui achieved world class for recordable injury rates for the second consecutive year. Clarksville and Balen/Overpelt obtained certification to the OHSAS 18001 health and safety management system standard.

Environment

Nyrstar is committed to preventing harm and to minimising the environmental impacts of its current and historic operations. Nyrstar's Environmental Policy also commits all sites to conduct operations in compliance with relevant environmental laws, regulations and licenses.

The Nyrstar Safety, Health, Environment and Community (''**SHEC**'') Management Framework prescribes a common approach to the management of environmental risks across all operations. The Framework is supported by a number of Group Environmental Standards and Procedures which set the direction for the environmental work occurring at the sites. This includes a set of environmental performance standards defining Nyrstar expectations in relation to key environmental risks facing the operations.

All Nyrstar operations are required to develop environmental management systems complying with the Nyrstar SHEC Management Framework. This ensures that all sites have identified their significant environmental aspects and impacts and have established processes to continually improve their environmental performance. The environmental management systems implemented at Nyrstar's smelters are certified to the ISO 14001 standard and in the Mining Segment Tennessee Mines achieved ISO 14001 certification in H1 2014.

Nyrstar has a Group level environmental assurance programme which covers all wholly owned sites. Audits conducted under this programme assess compliance with environmental regulations, performance in relation to key environmental risks, and adherence to Group environmental standards and reporting processes. The programme also includes annual reviews of the environmental provisions maintained by each site to address environmental liabilities and asset retirement obligations. All Group assurance activities are overseen by the Group Manager of Environment and are conducted by internal and external environmental experts.

Key environmental issues facing Nyrstar's smelting and mining operations reflect site-specific considerations such as site history, local environmental conditions and regulatory obligations. At the smelters, such issues primarily relate to the remediation of historical soil and groundwater contamination, water management, by-product and waste management, and management of air and water emissions including the installation and maintenance of pollution control equipment. At the mines, issues of material importance typically relate to management of tailings, wastewater discharges and mine closure. The issues are managed under the Group standards and processes described above and all sites have environmental improvement initiatives relating to the most important environmental aspects facing each operation.

Zinc smelting is an energy intensive industry and energy costs represent significant operational expenditure at the smelting sites. To address this, energy efficiency programmes are in place at all smelters and ways to reduce the carbon footprint of the operations are continuously investigated, analysed and pursued. In terms of regulatory impacts, Nyrstar's smelters in the European Union are subject to carbon-related legislation including the EU Emissions Trading Scheme and national carbon taxes implemented in those jurisdictions. However, Nyrstar's smelters in the European Union fall within a sector which is ''deemed to be exposed to a significant risk of carbon leakage'', and therefore qualify for transitional assistance until a more level playing field is established with respect to global carbon pricing.

Management believes that the Port Pirie Redevelopment will significantly reduce the environmental footprint of the facility and of the Group as a whole. Critically, the installation of new production and environmental abatement equipment should provide step change reductions in the emission of lead to air. Together with the hygiene projects and campaigns implemented by Nyrstar in the community of Port Pirie, the reduced emissions are expected to contribute to improved blood lead levels for children and other community residents.

Established systems are in place for reporting of environmental incidents to the Nyrstar management committee and for investigation and follow up. Up until the end of 2013, this reporting included an incident measure referred to as a ''Recordable Environmental Incident'' defined as a non-compliance event that requires notification to the environmental authorities. Statistics for this measure were also disclosed publicly. However, because of the changing nature of Nyrstar's business and, in particular, the acquisition of mining assets located in jurisdictions with varying levels of regulatory rigour and oversight, the application of this incident measure led to the reporting of incidents that in some cases were not significant to the business while in other cases was failing to recognise incidents with important environmental impacts. To better align the incident reporting to the needs of the business and to establish appropriate thresholds for reporting of environmental incidents to the Nyrstar management committee, the use of ''Recordable Environmental Incidents'' was discontinued at the end of 2013 and replaced by a new set of incident definitions focusing on the actual and potential consequences (regulatory and environmental) of the event. These new incident definitions are referred to as: Critical Environmental Incident, High Potential Environmental Incident, and Recordable Non-Compliance.

Based on the application of current and prior year environmental incident reporting processes, environmental incidents occurring in H1 2014 and in the three years prior are not expected to significantly affect the financial position or profitability of the Group as a whole. Site-specific consequences of a potentially significant nature may be possible at Contonga pursuant to sanctioning processes initiated by the Peruvian Water Authority (ANA). The sanctioning processes relate to instances of non-compliance with wastewater discharge limits established in the site's effluent permit. Engineering solutions to return the site to compliance are being developed in parallel with efforts to modify the permitted effluent discharge limits. Penalties allowed for under Peruvian legislation include fines or withdrawal of the permit; however on the basis of the actions currently being taken, Nyrstar's assessment is that material regulatory penalties are unlikely to be incurred. Similarly, at Coricancha, the environmental regulator (OEFA) has initiated a sanction process related to alleged instances of non-compliances identified during an inspection in April 2013. Nyrstar has filed a legal defence contesting OEFA's findings, and Nyrstar's assessment is that material regulatory penalties are unlikely to be incurred.

Corporate social responsibility

In 2011, Nyrstar launched the Nyrstar Foundation, a charitable organisation that is intended to provide opportunities for Nyrstar to contribute in a meaningful way to significant broader sustainability issues facing humanity. Each year, the Nyrstar Foundation grants € 25,000 to an individual, company or organisation which has creative, innovative and breakthrough initiatives aimed at improving conditions relating to health, the environment, education or social welfare in developing countries. Grants are targeted to initiatives that may otherwise be experiencing difficulty in obtaining support through other, perhaps more traditional, means, or who may be lacking the resources to see their ideas developed. The Foundation also provides other forms of support—for example, Nyrstar volunteers or coaching—in addition to the grant award.

The Nyrstar Foundation is part of Nyrstar's overall Corporate Social Responsibility (''**CSR**'') programme that to date has focused on strengthening community relations at site level. Management believes that Nyrstar's business depends on a culture of growth, innovation and sustainability. The Nyrstar Foundation is intended to support charitable initiatives that improve the quality of life in a changing world.

The Nyrstar Foundation operates under the leadership of a governing body comprising a Chairperson and senior executives of Nyrstar and is administered by Nyrstar corporate employees.

To date, the current focus of the Nyrstar CSR programme has been focused on strengthening community relations at the site level. This is demonstrated through programmes that Nyrstar has already established such as the ''ten for them'' campaign in Port Pirie in South Australia, the aim of which is to lower blood lead levels of local children; the ''Right to Play'' campaign in Peru, which is aimed at improving the educational opportunities of the country's children; the ''Zinc Saves Kids'' initiative to improve the survival, growth and development of undernourished children by funding UNICEF-supported zinc supplementation programmes around the world; the Polytechnic Institute of Central America, of which the El Mochito mine is a founding partner, which is a leading technical training institution based in San Pedro Sula, Honduras, helping to transform the lives of many young Hondurans and creating many job opportunities for its graduates.

The establishment of the Nyrstar Foundation enhances Nyrstar's focus on CSR at a corporate level.

Depending upon its success, consideration may also be given to extending the scope of the Nyrstar Foundation more broadly across Nyrstar.

Insurance

Applicable laws in certain of the jurisdictions in which Nyrstar operates require it to insure against certain limited risks. Through a number of international insurers, Nyrstar maintains insurance policies to cover its liability for death or injury to workers (some sites self insure against this risk in accordance with local statutory requirements), general liability insurance as well as directors' and officers' insurance. Nyrstar also maintains policies covering certain contamination risks and medical care for certain employees. It maintains property insurance, which protects against losses relating to its assets and certain aspects of business interruption for its mines, smelters, and freight insurance, which protects against losses relating to the transport of its equipment, product inventory and concentrates. Nyrstar's insurance is in full force and effect with all due premiums paid. Nyrstar believes that its insurance coverage is broadly in line with that of similar companies in the same industry. However, Nyrstar's insurance does not cover every potential risk associated with its operations. In particular, meaningful coverage at reasonable rates is not obtainable by Nyrstar or other companies within the industry for certain types of environmental hazards, such as pollution, asbestos contamination or other hazards as a result of the disposal of waste products. Although Nyrstar maintains insurance to protect against certain risks in such amounts as it considers appropriate, these insurance arrangements will not cover all the potential risks associated with Nyrstar's operations. See also ''Risk Factors—Risks relating to Nyrstar's business and industries—Nyrstar is subject to a number of operational risks, and its insurance cover could be inadequate.''

Property

All of the material real property used by Nyrstar is either owned freehold or pursuant to long-term leases.

Intellectual property/research & development, patents & licences

As far as Nyrstar relies on third party technology to conduct its operations, this is based on licence agreements.

In June 2014, Nyrstar Port Pirie entered into a design and supply agreement with Outotec Pty Ltd in relation to the design and supply of a ''Top Submerged Lance'' furnace for the Port Pirie smelter (to be built in connection with the Port Pirie Redevelopment). The design and supply agreement annexes a licence agreement granting to Nyrstar Port Pirie an irrevocable (subject to certain termination rights), non-exclusive and non-transferable right to use the underlying furnace technology in exchange for a licence fee.

Information technology

Nyrstar does not rely on any material information technology to conduct its operations.

Legal proceedings

Although Nyrstar is the subject of a number of claims and legal, governmental and arbitration proceedings incidental to the normal conduct of its business, neither the Company nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Company and its subsidiaries, taken as a whole.

Material contracts

In December 2008, Nyrstar entered into an off-take agreement with members of the Glencore Group with respect to Nyrstar's commodity grade zinc and lead metal. This agreement came into effect in January 2009 and had an initial term of five years, which was extended to the end of 2018 in June 2011. It provided for the supply by Nyrstar of quantities to be set by Nyrstar of its commodity grade zinc and lead metal on an exclusive basis (with certain exceptions) to Glencore for sale and marketing via Glencore's extensive global marketing and distribution network. The off-take agreement provided for prices based on the LME prices plus market-based, annually agreed premiums. On 16 April 2013, Nyrstar announced that it had reached a negotiated settlement with Glencore (now Glencore Xstrata) in relation to the off-take agreement for the sale and marketing of commodity grade zinc metal produced by Nyrstar within the European Union. This followed the requirement for Glencore to end these aspects of its relationship with Nyrstar as part of the remedy package agreed by the European Commission in relation to Glencore's merger with Xstrata. Glencore agreed to pay Nyrstar a termination fee of € 44.9 million. The sale of commodity grade zinc and lead produced from Nyrstar's smelters outside of the European Union (Clarksville, Hobart and Port Pirie) continues as before under the off-take agreement. See ''Operating and Financial Review and Prospects—Contractual obligations and commitments''.

In May 2008, Farallon (prior to its acquisition by Nyrstar) entered into a silver streaming agreement with Silver Wheaton to sell to it 75% of the silver produced from the Campo Morado operation. Pursuant to the agreement, Silver Wheaton paid an up-front deposit of US$ 80 million in cash to Farallon. Upon delivery of the silver, Silver Wheaton pays Nyrstar a fixed amount per ounce of silver produced equal to the lesser of (a) a Fixed Price and (b) the spot price at the time of sale; the difference between the spot price and the Fixed Price (if less than the spot price) is deducted from the up-front deposit until the deposit is reduced to nil. Certain assets of Campo Morado are encumbered in favour of Silver Wheaton under a pledge agreement and a mortgage agreement. See ''—Mining—Campo Morado'' for a further description of the Silver Wheaton agreement.

For information on the streaming agreement with Talvivaara, see ''—Talvivaara Zinc Streaming Agreement'' above.

For further information on the four-year strategic off-take and marketing agreement with Noble, see ''—Marketing, Sources & Sales—Commodity Metals''. In connection with the agreement, Noble Group Limited acquired from Nyrstar's treasury shareholdings 1% of Nyrstar's Shares for a total cash consideration of € 6.4 million.

For information on the funding and support agreement with the Australian Federal Government and the South Australian Government in respect of the Redevelopment of the Port Pirie operations, see ''—Metals Processing—Port Pirie multi-metal smelter—Port Pirie Redevelopment project'' above.

In June 2014, Nyrstar entered into a silver prepay agreement, under which Nyrstar received a US$ 75 million (€ 54.9 million) prepayment and agreed to physically deliver 4.93 million ounces of silver in equal instalments over a six month period ending December 2014. Further to the prepayment received in June, Nyrstar will receive an additional cash payment of US$ 3.2 million on each delivery date. In connection with the silver prepay agreement Nyrstar entered into forward purchase contracts with equivalent delivery dates to hedge the silver price exposure related to the delivery commitment.

In June 2014, Nyrstar entered into a silver prepay agreement, under which Nyrstar received a US$ 50 million (€ 36.3 million) prepayment and agreed to physically deliver 2.47 million ounces of silver in equal instalments over a six month period ending December 2014. In connection with the silver prepay agreement Nyrstar entered into forward purchase contracts with equivalent delivery dates to hedge the silver price exposure related to the delivery commitment.

Nyrstar has certain other commercial commitments, which are not recognised as liabilities on the balance sheet. These consist of capital commitments for the acquisition of plant and equipment contracted and operating leases. At 30 June 2014, the capital commitments amounted to € 54 million. The operating lease commitments at 31 December 2013 amounted to € 19 million with no significant changes subsequent to 31 December 2013. At 30 June 2014, Nyrstar also had € 87.7 million of bank guarantees that are not on its balance sheet, made in relation to workers' compensation, environmental obligations, suppliers and other parties. All of these arrangements have been entered into by Nyrstar in the ordinary course of business.

The foregoing agreements have been entered into on arm's length terms.

For information on Nyrstar's material financing agreements, see ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources''.

Corporate

The following table shows the principal operating direct or indirect wholly owned subsidiaries of the Company, Nyrstar NV. The Company is the direct or indirect parent company of these subsidiaries.

Company name	Percentage of ownership	Principal activity	Country of incorporation
American Pacific Honduras SA de CV.	100%	El Mochito mine	Honduras
Breakwater Resources Ltd.	100%	Langlois mine/Holding entity	Canada
Nyrstar Ancash S.A.	100%	Contonga and Pucarrajo mines	Peru
Nyrstar Australia Pty Ltd	100%	Holding entity	Australia
Nyrstar Belgium NV	100%	Balen smelter and Overpelt site	Belgium
Nyrstar Budel B.V.	100%	Budel smelter	The Netherlands
Nyrstar Campo Morado S.A. de CV	100%	Campo Morado mine	Mexico
Nyrstar Canada (Holdings) Ltd	100%	Holding company	Canada
Nyrstar Clarksville Inc	100%	Clarksville smelter	United States
Nyrstar Coricancha S.A.	100%	Coricancha mine	Peru
Nyrstar Finance International AG	100%	Group finance company	Switzerland
Nyrstar France SAS	100%	Auby smelter	France
Nyrstar France Trading SAS	100%	Commercial operations	France
Nyrstar Germany GmbH	100%	Commercial operations	Germany
Nyrstar Hobart Pty Ltd	100%	Hobart smelter	Australia
Nyrstar Holdings Inc	100%	Holding entity	United States
Nyrstar Hoyanger AS	100%	Hoyanger fumer	Norway
Nyrstar IDB LLC	100%	Holding entity	United States
Nyrstar International BV	100%	Holding entity	The Netherlands
Nyrstar Mining Ltd	100%	Holding entity	Canada
Nyrstar Myra Falls Ltd.	100%	Myra Falls mine	Canada
Nyrstar Netherlands (Holdings) BV	100%	Holding entity	The Netherlands
Nyrstar NV	100%	Holding entity	Belgium
Nyrstar Port Pirie Pty Ltd	100%	Port Pirie smelter	Australia
Nyrstar Resources (Barbados) Ltd	100%	Commercial operations	Barbados
Nyrstar Sales & Marketing AG	100%	Commercial operations	Switzerland
Nyrstar Tennessee Mines—Gordonsville LLC	100%	Mid-Tennessee Zinc mines (Gordonsville, Elmwood and Cumberland)	United States
Nyrstar Tennessee Mines—Strawberry Plains LLC	100%	East-Tennessee Zinc mines (Young, Immel and Coy)	United States
Nyrstar Trading GmbH.	100%	Commercial operations	Austria
Nyrstar US Inc.	100%	Holding entity	United States
Nyrstar US Trading Inc.	100%	Commercial operations	United States
Servicios de Logistica de Centroamerica SA de CV.	100%	Commercial operations	Honduras
Sociedad Contractual Minera El Toqui.	100%	El Toqui mine	Chile

DIVIDEND POLICY

The Company's board of directors reviewed the Company's dividend policy in 2009 and concluded that in light of the revised Company strategy a dividend policy defining a fixed pay-out ratio was no longer appropriate. The Company's revised dividend policy aims to maximise total shareholder return through a combination of share price appreciation and dividends, while maintaining adequate cash flows for growth and the successful execution of the Company's strategy.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's statutory unconsolidated financial statements rather than its consolidated financial statements.

In August 2013, a dividend in the (gross) amount of €0.16 per Share was distributed to shareholders as a capital reduction with reimbursement of paid-up capital. See ''Operating and Financial Review and Prospects—Results of operations for the years ended 31 December 2013 and 31 December 2012—Other significant events in 2013—Capital distribution''.

The board of directors has decided not to propose to shareholders a distribution in respect of the 2013 financial year. This reflects the board of directors' commitment to maintain a sustainable capital structure.

MANAGEMENT AND CORPORATE GOVERNANCE

Board of directors and management committee

Board of directors

The table below gives an overview of the current members of the Company's board of directors and their terms of office:

Name	Principal function within the Company	Nature of directorship	Start of Term	End of Term
Julien De Wilde[(1)]	Chairman	Non-Executive, Independent	2007	2018
Roland Junck	Chief executive officer, Director	Executive	2007 (2009 CEO)	2015
Karel Vinck	Director	Non-Executive, Independent	2007	2015
Ray Stewart	Director	Non-Executive, Independent	2007	2018
Oyvind Hushovd	Director	Non-Executive, Independent	2009	2016
Carole Cable	Director	Non-Executive, Independent	2013	2017

Note:

(1) Until 30 June 2014, acting through De Wilde J. Management BVBA.

Julien De Wilde, chairman, was appointed chairman in August 2007. He is also chairman of Agfa-Gevaert NV and was a director of several other Belgian listed companies. He is also former chief executive officer of Bekaert NV, a Belgian metals company. Prior to Bekaert, he held senior positions at Alcatel, where he was a member of the executive committee, and at Texaco, where he was a member of the European management board. He is chairman of the nomination and remuneration committee and a member of the safety, health and environment committee. He obtained an engineering degree from the Catholic University of Leuven, Belgium.

Roland Junck, chief executive officer, was appointed chief executive officer in February 2009 after 16 months as a non-executive director on the Company's board of directors. He is also director of Samhwa Steel SA. He is the former chief executive officer of ArcelorMittal. Prior to this role, he was a member of the group management board of Arcelor, Aceralia and Arbed. He graduated from the Federal Polytechnic in Zurich and has a Master of Business Administration from Sacred Heart University of Luxembourg.

Karel Vinck, non-executive director, is coordinator at the European Commission and a director of Tessenderlo Group NV and the Koninklijke Muntschouwburg. Formerly the chief executive officer of Umicore NV and later chairman, he was also chief executive officer of Eternit NV, Bekaert NV and the Belgian Railways. He is a member of the audit and the nomination and remuneration committees. He holds a Master's degree in Electrical and Mechanical Engineering from the Catholic University of Leuven, Belgium and a Master of Business Administration from Cornell University, United States.

Ray Stewart, non-executive director, is executive vice president finance and chief financial officer of Belgacom Group NV. Prior to Belgacom, he was chief financial officer of Matav. He has also held senior positions with Ameritech, including chief financial officer for Ameritech International. He is chairman of the audit committee and a member of the nomination and remuneration committee. He has a Business Undergraduate degree in Accounting from Indiana University, and a Master of Business Administration in Finance from Indiana University.

Oyvind Hushovd, non-executive director, currently serves on the boards of several companies, including, amongst others, Ivanhoe Mines. Formerly chief executive officer of Gabriel Resources Ltd from 2003 to 2005 and, from 1996 to 2002, president and chief executive officer of Falconbridge Limited (and prior to that held a number of senior positions within that company). He is chairman of the safety, health and environment committee and is a member of the audit committee. He received a Master of

Economics and Business Administration degree from the Norwegian School of Business and a Master of Laws degree from the University of Oslo.

Carole Cable, non-executive director, is currently a partner of the Brunswick Group, an international communications firm, where she is the joint head of the energy and resources practice specialising in the metals and mining sector. Prior to her current position, she worked at Credit Suisse and JPMorgan where she was a mining analyst and then moved into institutional equity sales covering the global mining sector as well as Asia ex Japan. Previous to that, she worked for an Australian listed mining company. She is a member of the safety, health and environment committee. Ms. Cable holds a Bachelor of Science degree from the University of New South Wales, Australia and is currently on the Board of Women in Mining UK.

The business address of each of the directors is for the purpose of their directors' mandate, Zinkstraat 1, 2490 Balen, Belgium.

Management committee

As of the date of this Prospectus, the Company's management committee consists of five members (including the CEO), as further set forth hereinafter:

Name	Title
Roland Junck	Chief Executive Officer
Heinz Eigner	Chief Financial Officer
Russell Murphy	Chief HR & SHE Officer
Michael Morley	Senior Vice President, Metals Processing and Chief Development Officer
Bob Katsiouleris	Senior Vice President, Marketing, Sourcing & Sales and acting Senior Vice President, Mining

Roland Junck is the chief executive officer of the Company. See his biography above under ''—Board of directors''.

Heinz Eigner, chief financial officer, was appointed in August 2007. Prior to Nyrstar he was at Umicore where he joined in 2002 as vice-president business group controller, automotive catalysts, and became vice-president business group controller, zinc specialties, in 2006. From 1987 until 2002, he worked for Honeywell, where he occupied several positions in Germany, Switzerland and the United States of America. He holds a degree in Betriebswirtschaftslehre-University degree as Diplom-Kaufmann, Justus von Liebig Universität, Giessen, Germany.

Russell Murphy, chief HR & SHE officer, was appointed in August 2007. Before the creation of Nyrstar he was at Zinifex since 1979, where he moved from mining operations to training and on to HR management. He was the group human resources manager, Australian operations, from 2002 and acting general manager human resources since 2006. He holds a Graduate Diploma in Business Management from Charles Sturt University, Australia.

Michael Morley, senior vice president, metals processing and chief development officer, was appointed in August 2007. Prior to joining Nyrstar, he was general counsel of Smorgon Steel Group Ltd, and before that a senior associate in the corporate/mergers and acquisitions team of Clayton Utz. He has also held a number of positions with Coopers & Lybrand (now PricewaterhouseCoopers) and Fosters Brewing Group Limited. He holds a Bachelor of Economics degree and a Bachelor of Laws degree from Monash University (Melbourne, Australia) and a Master of Taxation Law degree from Melbourne University (Melbourne, Australia).

Bob Katsiouleris, senior vice president, marketing, sourcing & sales and acting senior vice president, mining, is responsible for Nyrstar's raw materials strategy, marketing and sales of finished products and trading. Prior to joining Nyrstar in January 2013, Mr. Katsiouleris was the chief commercial officer for Rio Tinto Minerals with more than 20 years of experience in industrial minerals and metals sales, marketing, operations, processing, finance and purchasing. Mr. Katsiouleris holds a Bachelor of Mining and Metallurgical Engineering from McGill University in Montreal, Canada, and a Master in Business Administration from Pepperdine University in Los Angeles. He is a member of the Order of Engineers of Quebec.

On 24 July 2014, Nyrstar announced that Graham Buttenshaw had decided to pursue other opportunities outside of Nyrstar. Bob Katsiouleris, Senior Vice President Marketing, Sourcing and Sales has assumed the position of Acting-Senior Vice President of Mining. Nyrstar has employed an executive search agency to identify potential candidates for the permanent position of Senior Vice President of Mining.

The business address of the members of the management committee is Tessinerplatz 7, 8002 Zurich, Switzerland.

Corporate governance

Corporate governance charter

The Company has adopted a corporate governance charter in line with the Belgian Code on Corporate Governance of 12 March 2009. The Company applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance. The Company complies with the corporate governance provisions set forth in the Belgian Code on Corporate Governance.

The corporate governance charter describes the main aspects of the corporate governance of the Company including its governance structure, the terms of reference of the board of directors and its committees and other important topics.

The corporate governance charter is available, together with the articles of association, on the Company's website, within the section about Nyrstar (http://www.nyrstar.com/about/Pages/corporategovernance.aspx). The board of directors approved the initial charter on 5 October 2007. There were updated versions approved on several occasions. The current version was approved by the board of directors on 5 February 2014.

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally and must be tailored to meet those changing circumstances. The board of directors intends to update the corporate governance charter as often as required to reflect changes to the Company's corporate governance.

Board of directors

The Company has opted for a ''one-tier'' governance structure whereby the board of directors is the ultimate decision-making body, with the overall responsibility for the management and control of the Company, and is authorised to carry out all actions that are considered necessary or useful to achieve the Company's purpose. The board of directors has all powers except for those reserved to the shareholders' meeting by law or the Company's articles of association.

Pursuant to Section 1.1 of the Company's corporate governance charter, the role of the board of directors is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The board of directors decides on the Company's values and strategy, its risk appetite and key policies.

The board of directors is assisted by a number of committees to analyse specific issues. The committees advise the board of directors on these issues, but the decision-making remains with the board of directors as a whole (see also ''—Committees of the board of directors'' below).

The board of directors appoints and removes the chief executive officer. The role of the chief executive officer is to implement the mission, strategy and targets set by the board of directors and to assume responsibility for the day-to-day management of the Company. The chief executive officer reports directly to the board of directors.

In order to provide a group-wide support structure, the Company has corporate offices in Balen, Belgium, Zurich, Switzerland and Fort Lauderdale, USA. These offices provide a number of corporate and support functions including finance, treasury, human resources, safety and environment, legal and secretarial, tax, information technology, corporate development, investor relations and communications.

Pursuant to the Company's articles of association, the board of directors must consist of at least three directors. The Company's corporate governance charter provides that the composition of the board of directors should ensure that decisions are made in the corporate interest. It should be determined on the basis of diversity, as well as complementary skills, experience and knowledge. Pursuant to the Belgian Code on Corporate Governance, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the Belgian Companies Code and in the Belgian Code on Corporate Governance.

The necessary efforts are made by the Company to ensure that by 1 January 2017, at least one third of the members of the board of directors will be of the opposite gender. At the special shareholders' meeting on 23 December 2013, Ms. Carole Cable was appointed to the board of directors.

The directors are appointed for a term of no more than four years by the general shareholders' meeting. They may be re-elected for a new term. Proposals by the board of directors for the appointment or re-election of any director must be based on a recommendation by the nomination and remuneration committee. In the event the office of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next general shareholders' meeting. The shareholders' meeting can dismiss the directors at any time.

The board of directors elects a chairman from among its non-executive members on the basis of his knowledge, skills, experience and mediation strength. If the board of directors envisages appointing a former chief executive officer as chairman, it should carefully consider the positive and negative aspects in favour of such a decision and disclose why such appointment is in the best interest of the Company. The chairman is responsible for the leadership and the proper and efficient functioning of the board of directors.

The board of directors meets whenever the interests of the Company so require or at the request of one or more directors. In principle, the board of directors will meet sufficiently regularly and at least six times per year. The decisions of the board of directors are made by a simple majority of the votes cast. The chairman of the board of directors has a casting vote.

During 2013, eleven meetings of the board of directors were held. During the first six months of 2014, five meetings of the board of directors were held.

Committees of the board of directors

The board of directors has set up an audit committee, a nomination and remuneration committee and a safety, health and environment committee.

Audit committee

The audit committee consists of at least three directors. All members of the audit committee are non-executive directors. According to the Belgian Companies Code, at least one member of the audit committee must be independent and must have the necessary competence in accounting and auditing. The current members of the audit committee are Ray Stewart (chairman), Karel Vinck and Oyvind Hushovd. In line with the Belgian Code on Corporate Governance which requires that a majority of the members of the audit committee are independent, the current members are all independent directors.

The members of the audit committee must have sufficient expertise in financial matters to discharge their functions. The chairman of the audit committee is competent in accounting and auditing as evidenced by his current role as chief financial officer of the Belgacom Group and his previous roles as chief financial officer in Matav and Ameritech International. According to the board of directors, the other members of the audit committee also satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold (see also ''—Other mandates'' below).

The role of the audit committee is to supervise and review the financial reporting process, the internal control and risk management systems and the internal audit process of the Company. The audit committee monitors the audit of the statutory and consolidated financial statements, including the follow-up questions and recommendations by the statutory auditor. The audit committee also makes recommendations to the board of directors on the selection, appointment and remuneration of the external auditor and monitors the independence of the external auditor.

In principle, the audit committee meets as frequently as necessary for the efficiency of the operation of the audit committee, but at least four times a year. The members of the audit committee must have full access to the chief financial officer and to any other employee to whom they may require access in order to carry out their responsibilities.

During 2013, four audit committee meetings were held. During the first six months of 2014, two audit committee meetings were held.

Nomination and remuneration committee

The nomination and remuneration committee consists of at least three directors. All members of the nomination and remuneration committee are non-executive directors. In line with the Belgian Companies Code, the nomination and remuneration committee consists of a majority of independent directors. The nomination and remuneration committee is chaired by the chairman of the board of directors or another non-executive director appointed by the committee. The following directors are currently members of the nomination and remuneration committee: Julien De Wilde (chairman), Ray Stewart and Karel Vinck. Pursuant to the Belgian Companies Code, the nomination and remuneration committee must have the necessary expertise on remuneration policy, which is evidenced by the experience and previous roles of its current members. The chief executive officer participates to the meetings of the nomination and remuneration committee in an advisory capacity each time the remuneration of another member of the management committee is being discussed.

The role of the nomination and remuneration committee is to make recommendations to the board of directors with regard to the appointment of directors, make proposals to the board of directors on the remuneration policy and individual remuneration for directors and members of the management committee and to submit a remuneration report to the board of directors. In addition, starting as from the annual general shareholders' meeting held in 2012, the nomination and remuneration committee each year submits the remuneration report to the annual general shareholders' meeting. See ''—Remuneration and benefits'' below.

In principle, the nomination and remuneration committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2013, three nomination and remuneration committee meetings were held. During the first six months of 2014, two nomination and remuneration committee meetings were held.

Safety, health and environment committee

The safety, health and environment committee consists of at least three directors. All members of the safety, health and environment committee are non-executive directors, with at least one independent director. The safety, health and environment committee is chaired by the chairman of the board of directors or another non-executive director appointed by the committee. The current members of the safety, health and environment committee are Oyvind Hushovd (chairman), Julien De Wilde and Carole Cable.

The role of the safety, health and environment committee is to assist the board of directors in respect of safety, health and environmental matters. In particular, its role is to ensure that the Company adopts and maintains appropriate safety, health and environment policies and procedures, as well as effective safety, health and environment internal control and risk management systems, and to make appropriate recommendations to the board of directors.

In principle, the safety, health and environment committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2013, three safety, health and environment committee meetings were held. During the first six months of 2014, one safety, health and environment committee meeting was held.

Independent directors

A director will only qualify as an independent director if he meets at least the criteria set out in Article 526*ter* of the Belgian Companies Code, which can be summarised as follows:

- Not being an executive member of the board of directors, exercising a function as a member of the executive committee or as a person entrusted with daily management of the Company or a company or person affiliated with the Company, and not having been in such a position during the previous five years before his nomination.
- Not having served for more than three terms as a non-executive director of the board of directors, without exceeding a total term of more than twelve years.
- Not being an employee of the senior management (as defined in Article 19,2° of the Belgian Act of 20 September 1948 regarding the organisation of the business industry) of the Company or a

company or person affiliated with the Company and not having been in such a position for the previous three years before his nomination.

- Not receiving, or having received, any significant remuneration or other significant advantage of a financial nature from the Company or a company or person affiliated with the Company, other than any bonus or fee (*tantièmes*) he receives or has received as a non-executive member of the board of directors.
- Not holding (directly or via one or more companies under his control) any shareholder rights representing 10% or more of the Company's Shares or of a class of the Company's Shares (as the case may be), and not representing a shareholder meeting this condition.
- If the shareholder rights held by the director (directly or via one or more companies under his control) represent less than 10%, the disposal of such Shares or the exercise of the rights attached thereto may not be subject to contracts or unilateral undertakings entered into by the director. The director may also not represent a shareholder meeting this condition.
- Not having, or having had within the previous financial year, a significant business relationship with the Company or a company or person affiliated with the Company, either directly or as partner, shareholder, member of the board of directors, member of the senior management (as defined in Article 19,2° of the aforementioned Belgian Act of 20 September 1948) of a company or person who maintains such a relationship.
- Not being or having been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a company or person affiliated with the current or former statutory auditor of the Company.
- Not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies.
- Not being a spouse, legal partner or close family member (by marriage or birth) to the second degree of a member of the board of directors, a member of the executive committee, a person charged with the daily management, or a member of the senior management (as defined in Article 19,2° of the aforementioned Belgian Act of 20 September 1948) of the Company or a company or person affiliated with the Company, or of a person who finds him or herself in one or more of the circumstances described in the previous bullets.

The resolution appointing the director must mention the reasons on the basis of which the capacity of independent director is granted.

In the absence of guidance in the law or case law, the board of directors has not further quantified or specified the aforementioned criteria set out in Article 526*ter* of the Belgian Companies Code. Furthermore, in considering a director's independence, the criteria set out in the Belgian Code on Corporate Governance will also be taken into consideration. The board of directors is of the view that the current independent directors comply with each of the relevant criteria of the Belgian Companies Code and Belgian Code on Corporate Governance. The board of directors also discloses in its annual report which directors it considers to be independent directors. An independent director who ceases to satisfy the requirements of independence must immediately inform the board of directors.

According to the Company' board of directors, Julien De Wilde, Karel Vinck, Ray Stewart, Oyvind Hushovd and Carole Cable are independent directors.

Performance review of the board of directors

The board of directors evaluates its own size, composition, performance and interaction with executive management and that of its committees on a continuous basis.

The evaluation assesses how the board of directors and its committees operate, checks that important issues are effectively prepared and discussed, evaluates each director's contribution and constructive involvement, and assesses the present composition of the board of directors and its committees against the desired composition. This evaluation takes into account the members' general role as director, and specific roles as chairman, chairman or member of a committee of the board of directors, as well as their relevant responsibilities and time commitment.

Non-executive directors assess their interaction with the executive management on a continuous basis.

Executive management

The Company's executive management is composed of the chief executive officer and the other members of the management committee, as detailed above in ''—Board of directors and management committee—Management committee''.

Chief executive officer

The chief executive officer leads and chairs the management committee and is accountable to the board of directors for the management committee's performance.

The role of the chief executive officer is to implement the mission, strategy and targets set by the board of directors and to assume responsibility for the day-to-day management of the Company. The chief executive officer reports directly to the board of directors.

Management committee

The board of directors has delegated the day-to-day management of the Company as well as certain management and operational powers to the chief executive officer. The chief executive officer is assisted by the management committee.

The management committee is composed of at least four members and includes the chief executive officer. Its members are appointed by the board of directors on the basis of a recommendation by the nomination and remuneration committee. The Company's management committee does not qualify as a *directiecomité / comité de direction* within the meaning of Article 524*bis* of the Belgian Companies Code. The management committee is responsible and accountable to the board of directors for the discharge of its responsibilities.

The management committee is responsible for assisting the chief executive officer in relation to:

- operating Nyrstar;
- implementing the decisions taken by the board of directors;
- putting in place internal controls and risk management systems (without prejudice to the board of directors', the audit committee's and the safety, health and environment committee's monitoring roles) based on the framework approved by the board of directors;
- presenting the board of directors the complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with applicable accounting standards and policies;
- preparing the Company's required disclosure of the financial statements and other material, financial and non-financial information;
- presenting the board of directors with a balanced and understandable assessment of Nyrstar's financial situation; and
- providing the board of directors in due time with all information necessary for the board of directors to carry out its duties.

Remuneration and benefits

Remuneration report

The Company prepares a remuneration report relating to the remuneration of directors and the members of the management committee. This remuneration report forms part of the corporate governance statement, which is a part of the annual report. The 2013 remuneration report was approved by the annual general shareholders' meeting on 30 April 2014.

Remuneration policy

Nyrstar's remuneration policy is designed to:

- enable Nyrstar to attract and retain talented employees,
- promote continuous improvement in the business, and
- link remuneration and performance, motivating employees to deliver increased shareholder value through superior business results.

Nyrstar obtains independent advice from external professionals to ensure the remuneration structure represents industry best practice, and achieves the twin goals of retaining talented employees and meeting shareholder expectations.

The remuneration policy that has been determined in relation to the directors and members of the management committee is further described below in ''—Directors'' and ''—Executive management'' respectively.

Directors

General

Upon recommendation and proposal of the nomination and remuneration committee, the board of directors determines the remuneration of the directors to be proposed to the general shareholders' meeting.

The proposed remuneration that the board of directors submits to the general shareholders' meeting is in principle benchmarked against the remuneration of similar positions in companies included in the Bel20® Index. The Bel20® Index is an index composed of the 20 companies with the highest free float market capitalisation having shares trading on the continuous trading segment of the regulated market of Euronext Brussels. The remuneration is set to attract, retain and motivate directors who have the profile determined by the nomination and remuneration committee.

Pursuant to Belgian law, the general shareholders' meeting approves the remuneration of the directors, including inter alia, each time as relevant, (i) in relation to the remuneration of executive and non-executive directors, the exemption from the rule that Share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, the exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, (iii) in relation to the remuneration of non-executive directors, any variable part of the remuneration and (iv) any provisions of service agreements to be entered into with executive directors providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the nomination and remuneration committee, eighteen months' remuneration).

The directors of the Company (excluding the chief executive officer) receive a fixed remuneration in consideration for their membership of the board of directors. In addition, the directors (excluding the chairman of the board of directors and the chief executive officer) receive fixed fees for their membership and/or chairmanship of any committees of the board of directors. No attendance fees are paid. The chief executive officer is also a member of the board of directors but does not receive any additional remuneration in his capacity of member of the board of directors.

Non-executive directors do not receive any performance-related remuneration, stock options or other Share based remuneration, or pension benefits. The remuneration of non-executive directors takes into account their general role as director, and specific roles as chairman, chairman or member of a committee of the board of directors, as well as their relevant responsibilities and time commitment.

The current remuneration and compensation of non-executive directors has not been increased since 2007. There are currently no plans to change the remuneration policy or remuneration of non-executive directors. However, the Company will review the remuneration of non-executive directors over the next two financial years against market practice.

Remuneration and compensation in 2013

During 2013, the following remuneration and compensation was paid to the directors (excluding the chief executive officer):

Chairman:

- Annual fixed remuneration of € 200,000 per year
- No additional attendance fees

Other directors (excluding the chief executive officer):

- Annual fixed remuneration of € 50,000 per year for membership of the board of directors
- Fixed fee of € 10,000 per year per committee of the board of directors of which they are a member
- Fixed fee of € 20,000 per year per committee of the board of directors of which they are the chairman
- No additional attendance fees

Based on the foregoing, the following remuneration was paid to the directors (excluding the chief executive officer) in 2013:

	Remuneration (€)
Julien De Wilde[(1)]	€200,000
Peter Mansell[(2)]	€ 26,666
Karel Vinck	€ 80,000
Ray Stewart	€ 80,000
Oyvind Hushovd	€ 75,000

Note:

(1) Until 30 June 2014, acting through De Wilde J. Management BVBA.

(2) Peter Mansell's membership on the Company's board of directors expired on 24 April 2013.

Executive management

General

The remuneration of the chief executive officer and the other members of the management committee is based on recommendations made by the nomination and remuneration committee. The chief executive officer participates to the meetings of the nomination and remuneration committee in an advisory capacity each time the remuneration of another member of the management committee is being discussed.

The remuneration is determined by the board of directors. As an exception to the foregoing rule, pursuant to Belgian law the general shareholders' meeting must approve, as relevant, (i) in relation to the remuneration of members of the management committee and other executives, an exemption from the rule that Share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of members of the management committee and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, and (iii) any provisions of service agreements to be entered into with members of the management committee and other executives (as the case may be) providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the nomination and remuneration committee, eighteen months' remuneration).

An appropriate portion of the remuneration is linked to corporate and individual performance. The remuneration is set to attract, retain and motivate executive management who have the profile determined by the nomination and remuneration committee. In the past, approval by the general shareholders' meeting has been obtained in relation to the Share plans (see ''—Description of Share plans'') and the possibility of payments of deferred Shares under the Annual Incentive Plan (AIP) (see below).

The remuneration of the executive management consists of the following main remuneration components:

- Annual base salary (fixed)
- Participation in the Annual Incentive Plan (AIP) (bonus) (variable)
- Participation in the Executive Long Term Incentive Plan (LTIP) (variable)
- Participation in the Leveraged Employee Share Ownership Plans (LESOPs)
- Pension benefits

For performance year 2013, the target entitlement under the AIP amounted to 75% of the annual base salary for the chief executive officer (150% of the annual base salary at maximum entitlement). For performance year 2013 the target entitlement under the AIP amounted to 60% for the other members of the management committee (120% of the annual base salary at maximum entitlement). One third of the maximum AIP entitlement for the Company's management committee will be delivered in Shares that are deferred for 12 months.

The pension benefits of each management committee member continue to amount to 20% of his fixed remuneration.

In addition to the foregoing, the board of directors has the discretion to grant spot bonuses to staff members, including members of the management committee, in exceptional circumstances. In 2013, no spot bonuses were granted.

The remuneration package for the members of the management committee is not subject to a specific right of recovery or claw back in favour of the Company in case variable remuneration has been granted based on incorrect financial data.

In line with the Company's approach to remuneration setting, the base salary and overall remuneration packages for the management committee members are reviewed approximately every two years.

While there are currently no plans to change the remuneration policy for executives for the two financial years to come, executive remuneration was independently reviewed by two independent external advisors in December 2013. In 2014, two new members were appointed to the management committee, one of which left in 2014.

The respective elements of the remuneration package are further described below.

Annual base salary

The annual base salary constitutes a fixed remuneration. The base salary is determined on the basis of a survey by an external expert of market trends and base salaries for various job descriptions paid by a group of peer companies of Nyrstar in several countries. On the basis of this survey, a number of grades are determined. The midpoint for each grade is the 75% percentile: 75% of the companies within the peer group pay less than the mid point, and 25% of the companies within the peer group pay more.

Nyrstar's policy is to pay senior staff members at 100% of the midpoint for their grade, subject to continued above average performance. However, there is discretion to set the fixed remuneration between 80% and 120% of the midpoint, based on experience, job, location, industry demand, unique technical skills, performance, etc.

Annual Incentive Plan

The annual incentive is a variable part of the remuneration in function of individual performance below, at or above average standard during a given year. The terms and conditions are reflected in the Annual Incentive Plan (''**AIP**''), which is subject to revision on an annual basis.

The aims of the AIP are to attract and retain talented employees, to make a connection between performance and reward, to reward achievement in line with Nyrstar's financial success, to reward employees for adhering to Nyrstar's values, and to reward employees in a similar manner to Nyrstar's shareholders.

The AIP is designed around delivering and exceeding the Nyrstar annual plan and budget. The relevant performance year for eligibility under the AIP is 1 January to 31 December, and payments, if any, are usually made in March of the following year. In order to be eligible under the AIP, the beneficiary must be employed on 31 December of the relevant performance year. The respective criteria and their relative weight to determine eligibility under the AIP are:

- the achievement by the beneficiary of personal ''stretch targets'', which aim at achieving a performance by the beneficiary over and above the normal requirement of his or her function (25%); and
- the achievement by Nyrstar of annual financial targets, which are determined by the board of directors (75%).

The maximum incentive under the AIP only becomes available if Nyrstar has an outstanding financial and operational result. In any event, the payment of the annual incentive is subject to overall acceptable personal behaviour, demonstrated commitment to Nyrstar's principles and values and personal job performance, as well as Nyrstar's ability to pay.

The eligibility under the AIP is assessed and determined by the nomination and remuneration committee, and any payment of the annual incentive is subject to final approval by the board of directors.

For further information on the AIP and other Share plans, please see ''—Description of Share Plans''.

Pensions

The members of the management committee participate in a defined benefits pension scheme. The contributions by Nyrstar to the pension scheme amount to 20% of the annual base salary.

Other

The management committee members participate in a medical benefit plan that includes amongst other things private hospital and dental medical care. They also receive a representation allowance, housing assistance, a car allowance, and benefit from statutory accident and disease insurance.

Remuneration and compensation in 2013

The following remuneration and compensation was paid to the chief executive officer and other members of the management committee in 2013:

	Chief executive officer (€)	**Members of the management committee other than the chief executive officer (on an aggregate basis) (€)(4)**
Base salary	853,410	2,090,959
AIP(1)	597,387	996,064
Pension benefits(2)	164,634	485,418
Other components of the remuneration(3)	327,150	1,631,177
Total	**1,987,581**	**5,203,618**

Notes:

(1) This amount relates to performance period from 1 January 2013 to 31 December 2013.

(2) The pension includes 20% of annual base salary as savings contributions and also risks contributions.

(3) Includes representation allowance, housing, car allowance, health insurance, and a one off severance payment made in 2013.

(4) Includes two additional management committee members who joined on 1 July 2013, namely the senior vice president mining and the senior vice president marketing, sourcing & sales, one of which left in 2014.

Payments upon termination

In 2013, each member of the management committee (including the chief executive officer) was entitled to a severance payment equivalent to twelve months of annual base salary in case of termination of his agreement by Nyrstar. In addition, the agreement with the chief executive officer provides that upon a change of control, his agreement with Nyrstar will be terminated. In that event, the chief executive officer is entitled to a severance payment equivalent to twelve months of annual base salary (inclusive of any contractual notice period).

Indemnification and insurance of directors and executive management

As permitted by the Company's articles of association, the Company has entered into indemnification arrangements with the directors and relevant members of the management committee and has implemented directors' and officers' insurance coverage.

General information on directors and executive management

No director or member of the management committee has:

(a) any convictions in relation to fraudulent offences or any offences involving dishonesty;

(b) except in the case of compulsory liquidations, at any time in the previous five years, been associated with any bankruptcy, receivership or liquidation of any entity in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager;

(c) been declared bankrupt or has entered into an individual voluntary arrangement to surrender his or her estate;

(d) been a director with an executive function of any company at the time of, or within twelve months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;

(e) been a partner in a partnership at a time of, or within twelve months preceding, any compulsory liquidation, administration or voluntary arrangement of such partnership;

(f) been a partner in a partnership at the time of, or within twelve months preceding, a receivership of any assets of such partnership;

(g) had any of his or her assets subject to receivership; or

(h) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Other mandates

Other than set out in the table below, no director or member of the management committee has, at any time in the previous five years, been a member of the administrative, management or supervisory bodies or partner of any companies or partnerships. Over the five years preceding the date of this Prospectus, the directors and members of the management committee hold or have held in addition to their function within Nyrstar, the following main directorships or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Past
Julien De Wilde[(1)]	Agfa-Gevaert NV	Bekaert NV Metris NV Van Breda International NV CTO KBC Bank NV Telenet Group Holding NV Arseus NV
Karel Vinck	Tessenderlo Group NV Koninklijke Muntschouwburg NV Coordinator at the European Commission	Eurostar Suez-Tractebel Umicore Vlaamse Raad voor Wetenschapsbeleid Beheersmaatschappij Antwerpen Mobiel NV
Ray Stewart	The United Fund for Belgium Belgacom NV	
Oyvind Hushovd	Ivanhoe Mines Sørlaminering Røo-Invest Lydia AS Jiffy International AS	LionOre Western Oil Sands Nickel Mountain AB Cameco Corporation Inmet Mining Corporation Libra Group
Carole Cable	Brunswick Group Women in Mining UK	N/A
Roland Junck	Samhwa Steel SA	Talvivaara Mining Company plc Interseroh SE Agfa-Gevaert NV
Heinz Eigner	N/A	N/A
Russel Murphy	N/A	N/A
Michael Morley	N/A	N/A
Bob Katsiouleris	N/A	Rio Tinto Minerals Asia Pte Ltd Rio Tinto Malaysia Sdn. Bhd. U.S. Borax Inc. Talc de Luzenac

Note:

(1) Until 30 June 2014, acting through De Wilde J. Management BVBA.

Description of Share plans

The Company has a Long Term Incentive Plan (LTIP) and Leveraged Employee Stock Ownership Plans (LESOPs) with a view to attracting, retaining and motivating the employees and executive management of the Company and its wholly owned subsidiaries. In previous years Nyrstar also had a general employee Share acquisition plan (ESAP) and a Co-Investment Plan (together with the LTIP, LESOPs and ESAP, the ''**Plans**''). However, all Shares granted under the ESAP vested and were settled in cash by 31 December 2011. No further ESAP Grants have been made. The Co-Investment Plan vested in July 2013 without meeting any of the performance conditions. As such, no awards were made to participants. It is currently not anticipated that another Co-Investment Plan will be implemented.

The key terms of the LTIP and the LESOPs are described below. For further information on the manner in which awards under the Plans are treated in Nyrstar's consolidated financial statements, refer to note 33 to the audited consolidated financial statements for the financial year ended on 31 December 2013.

LTIP

General

Under the LTIP, senior executives of Nyrstar (the ''**Executives**'') selected by the board of directors may be granted conditional awards to receive ordinary Shares in the Company at a future date (''**Executive Share Awards**'') or their equivalent in cash (''**Executive Phantom Awards**'') (Executive Share Awards and Executive Phantom Awards together referred to as ''**Executive Awards**'').

The terms of the LTIP may vary from country to country to take into account local tax and other regulations and requirements in the jurisdictions where eligible Executives are employed or resident.

The nomination and remuneration committee makes recommendations to the board of directors in relation to the operation and administration of the LTIP.

Eligibility

The board of directors determines which Executives are eligible to participate in the LTIP (the ''**Participating Executives**'').

The value of the conditional Executive Awards under the LTIP varies, depending on the role, responsibility and seniority of the relevant Participating Executive. The maximum value of the conditional Executive Awards granted to any Participating Executive in any financial year of the Company will not exceed 150% of his or her base salary at the time of the grant.

Vesting

Executive Awards will vest over a three-year rolling performance period.

In the event of cessation of employment before the normal vesting due to certain ''good leaver reasons'', the board of directors may determine that a number of Executive Awards will vest, taking into account such factors as the board of directors determines, including the proportion of the performance period which has elapsed and the extent that performance conditions have been satisfied up to the date of leaving.

The board of directors determines the LTIP performance conditions. The board of directors has set two performance conditions, which are weighted equally at 50%. For an award to vest, Nyrstar's annual Share price performance is measured relative to the implied change in a notional Share price that is based upon the historical performance of the price of zinc (first performance condition) and the MSCI World Metals and Mining Index (second performance condition). An equal number of awards is granted under each condition. Executive Awards are made to the extent that predetermined scaling thresholds for each of the performance conditions are met.

For the awards to vest under the grants made in 2013, the Company's average Share price for the 3 year performance period must outperform:

- the zinc price by 5% based on a linear regression analysis; and
- the MSCI world mining and metals index by 2% based on a linear regression analysis.

A volume weighted average out-performance is calculated for each year. These are averaged over the performance period and compared to the vesting schedule.

The LTIP rules provide for various circumstances in which unvested Executive Awards lapse, including failure to satisfy performance conditions.

Awards

Since April 2008, grants have been made annually in accordance with the rules and provisions of the LTIP. Grants in place during 2013 are shown below:

	Grant 3	Grant 4	Grant 5	Grant 6
	Grant 3 Share awards were delivered in the course of 2013	**Grant 4 Share awards were settled in cash in the course of 2014**		
Effective Grant Date	30 June 2010	30 June 2011	30 June 2012	30 June 2013
Performance Period	1 January 2010 to 31 December 2012	1 January 2011 to 31 December 2013	1 January 2012 to 31 December 2014	1 January 2013 to 31 December 2015
Performance Criteria	—zinc price 50% —MSCI 50% Executive remains in service to 31 December 2012	—zinc price 50% —MSCI 50% Executive remains in service to 31 December 2013	—zinc price 50% —MSCI 50% Executive remains in service to 31 December 2014	—zinc price 50% —MSCI 50% Executive remains in service to 31 December 2015
Vesting Date	31 December 2012	31 December 2013	31 December 2014	31 December 2015

During the period between the satisfaction of the performance condition and when the Participating Executive receives the relevant payment, the employee will be entitled to a payment equal to the cash equivalent of any dividends paid.

The 2010 and 2011 Share awards under Grant 3 and Grant 4, respectively, were all delivered to eligible participants by 30 June 2014. Grant 4 was settled in cash in the course of 2014.

Movement of LTIP Shares awarded

The following table sets out the movement in the number of equity instruments granted during the specified periods in relation to the LTIP:

	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Total
Opening balance at 1 January 2013	88,871	770,960	1,053,901	2,104,239		**4,017,971**
Initial allocation at 30 June 2013					2,270,961	**2,270,961**
(Forfeitures)/Additions		(383,572)	(33,971)	(200,966)	(159,615)	**(778,124)**
Settlements	88,871	(387,388)				**(476,259)**
Closing balance at 31 December 2013			**1,019,930**	**1,903,273**	**2,111,346**	**5,034,549**

Note: All remaining Shares under Grant 3 and Grant 4 of the LTIP have been settled as at the date of this Prospectus.

Adjustments to the LTIP

The annual general shareholders' meeting of the Company held on 27 April 2011 approved and ratified, as far as needed and applicable, in accordance with Article 556 of the Belgian Companies Code, any clauses or features included in the LTIP that (automatically or not) result in, or permit the board of directors (or a committee or certain members of the board of directors) to approve or allow an accelerated or immediate vesting or acquisition of awards made under the LTIP in the event of a public takeover bid or change of control over the Company, and any other clause or feature which in accordance with Article 556 of the Belgian Companies Code entails rights to third parties that have an impact on the Company's equity or 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.

Co-Investment Plan

The annual general shareholders' meeting of the Company held on 28 April 2010 approved the Co-Investment Plan. Under the Co-Investment Plan, for each ordinary Share in the Company that a member of the management committee (including the chief executive officer) and the group general managers purchased between 30 April 2010 and 28 June 2010 (a ''**Co-Investment Share**''), the Company would grant (for no consideration) the respective participant on the vesting date, a number of additional ordinary Shares in the Company provided that (a) the participant was still employed by Nyrstar, unless the board of directors qualified his departure prior to such date as a ''good leaver situation'' (ill health resulting in the incapacity to perform professional activities for a period of more than twelve months, voluntary resignation, retirement or any similar event which the nomination and remuneration committee may qualify as being a ''good leaver situation'' on the vesting date) and (b) the participant still held the Co-investment Shares on the vesting date. The persons eligible to participate in the Co-Investment Plan were the members of the management committee (including the chief executive officer) and the group general managers. The members of the management committee purchased a total number of 190,000 Shares as participations in the Co-Investment Plan.

The Co-Investment Plan had three measurement dates, 1 July 2011, 1 July 2012 and 1 July 2013, and one vesting date, 15 July 2013.

The number of additional ordinary Shares in the Company that would be granted by the Company (for no consideration) (the ''**Matching Shares**'') was the product of (a) the highest of Multiple A, Multiple B and Multiple C and (b) the total number of the Co-Investment Shares which the respective Participant has continuously held as of 28 June 2010 up to and including the vesting date.

The initial thresholds were adjusted to take into account the economic impact of the Company's rights offering that closed in March 2011. See note 33 to the audited consolidated financial statements for the financial year ended on 31 December 2012.

''Multiple A'' was equal to:

- zero, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2010 and 1 July 2011 has been less than € 16.70;
- four, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2010 and 1 July 2011 has been equal to or higher than € 25.06; or
- a number between two and four, to be determined on a straight line basis, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2010 and 1 July 2011 has been between € 16.70 and € 25.06, whereby factor two coincides with the € 16.70 threshold and factor four coincides with the € 25.06 threshold.

''Multiple B'' was equal to:

- zero, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2011 and 1 July 2012 has been less than € 16.70;
- four, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2011 and 1 July 2012 has been equal to or higher than € 25.06; or
- a number between two and four, to be determined on a straight line basis, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2011 and 1 July 2012 has been between € 16.70 and € 25.06, whereby factor two coincides with the € 16.70 threshold and factor four coincides with the € 25.06 threshold.

''Multiple C'' was equal to:

- zero, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2012 and 1 July 2013 has been less than € 16.70,
- four, if the highest average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2012 and 1 July 2013 has been equal to or higher than € 25.06, or
- a number between two and four, to be determined on a straight line basis, if the average closing price of an ordinary share of the Company during any given period of five consecutive trading days between 1 July 2012 and 1 July 2013 has been between € 16.70 and € 25.06, whereby factor two coincides with the € 16.70 threshold and factor four coincides with the € 25.06 threshold.

As a result of the price levels of the Shares on Euronext Brussels on the respective measurement dates, the multiples were zero and no Matching Shares were granted under the Co-Investment Plan to any of the participants.

Leveraged Employee Stock Ownership Plans (LESOPs)

In 2013, the board of directors submitted to the general shareholders' meeting a proposal to provide a new remuneration component to certain senior managers, including the management committee, called a leveraged employee stock ownership plan (the "**2013 LESOP**"). The 2013 LESOP enabled participants to purchase Shares of the Company at a discount of 20%, following which the Shares were subject to a holding period of three years. For each Share purchased by a participant with his or her personal contribution, a financial institution would provide the participant with additional financing enabling him or her to purchase nine additional Shares at such discount. The number of Shares that a participant could purchase with his or her personal contribution under the 2013 LESOP was capped. With respect to the members of Nyrstar's management committee, the cap was set at 50,000 Shares for each member. At the end of the holding period, the participant will be required to transfer all Shares purchased under the 2013 LESOP to the financial institution and will receive in return a cash amount or a number of Shares of the Company, the value of which equals his or her personal contribution in the 2013 LESOP and a certain percentage of any increase in value of the Shares over the lifetime of the 2013 LESOP. The 2013 LESOP was approved by the general shareholder's meeting in April 2013. The first stage of the 2013 LESOP was implemented in December 2013.

On 30 April 2014, the Company's general shareholders' meeting approved and granted the board of directors the powers to establish an annual leveraged employee stock ownership plan for the years 2014, 2015 and 2016 (respectively the "**2014 LESOP**", the "**2015 LESOP**" and the "**2016 LESOP**"), whereby each LESOP (if established) must have the following features: (i) eligible participants can purchase Shares of the Company at a discount of 20%, whereby the Shares are subject to a holding period of three years, (ii) eligible participants can purchase such Shares with their own personal contributions, or alternatively, with a combination of personal contributions and an additional financing provided to them by a financial institution, whereby such leverage will however not exceed a one to nine ratio, (iii) the eligible participants include the members of the Nyrstar management committee, as well as other participants determined by the board of directors, and (iv) the number of Shares that an eligible participant can purchase with his or her personal contribution is capped, whereby such number is determined by the board of directors (however not exceeding 50,000, as the case may be, adjusted in case of a (reverse) stock split). The total number of Shares that can be purchased under each LESOP amounts to 6,000,000. The first stage of the 2014 LESOP was implemented in June 2014.

Deferred Share payments under the Annual Incentive Plan (AIP)

On 24 April 2013, the Company's general shareholders' meeting granted the board of directors the power to pay out entitlements to beneficiaries (including members of the management committee and directors, where applicable) under the AIP in relation to the performance by such beneficiaries during the years 2012, 2013 and 2014 in the form of Shares of the Company instead of cash, subject to the following terms: (a) up to one third of the maximum AIP entitlement in relation to a performance year can be paid in the form of Shares instead of cash; (b) the Shares to be delivered as payment of an AIP entitlement are granted for no additional consideration payable by the beneficiary concerned; (c) the Shares to be delivered as payment of an AIP entitlement in relation to a relevant performance year will be delivered in the second calendar year following the relevant performance year (i.e. early 2014 with respect to the AIP for performance year 2012, early 2015 with respect to the AIP for performance year 2013, and early 2016 with respect to the AIP for performance year 2014), rather than in the beginning of the first year following the respective performance year (which is the case if the entitlements are paid out in cash), and subject to the condition that the beneficiary is still employed by Nyrstar or its subsidiaries at that time. The shareholders also approved that the Shares that are delivered as pay out of an entitlement under the AIP are definitively acquired by the beneficiary concerned at the moment of delivery (and not at the expiry of a three year period following the grant).

Directors' and other interests

Shares and Share awards under the LTIP

As of 30 June 2014, the following Share awards had been granted or delivered under the LTIP to the members of the management committee:

		LTIP (as of 30 June 2014)	
Name	**Title**	**Share Awards delivered in 2013 under the LTIP which the performance conditions have been met**	**Share Awards granted in 2013 or in prior years under LTIP of which the performance conditions have not been met(1)**
Roland Junck	Chief Executive Officer	36,108	564,099
Greg McMillan(2)	Chief Operating Officer	23,144	114,876
Heinz Eigner	Chief Financial Officer	18,936	235,737
Russell Murphy	Chief HR & SHE Officer	17,523	213,495
Michael Morley	SVP Metals Processing and Chief Development Officer	16,751	213,495
Bob Katsiouleris(3)	SVP Marketing, Sourcing & Sales		154,289
Graham Buttenshaw(4)	SVP Mining	6,779	168,131
Erling Sorensen(5)		3,048	—

Notes:

(1) Vesting is subject to performance conditions.

(2) The employment of Greg McMillan ended on 31 December 2013.

(3) Bob Katsiouleris was employed by Nyrstar in January 2013 and joined the Nyrstar management committee in June 2013.

(4) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014.

(5) Erling Sorensen was in 2010 part of the management committee, and left as a ''good leaver'' under the rules of the LTIP. Share awards have been pro-rated based on a departure date of 30 June 2010. Effective 31 December 2013, there were no further awards due.

Shares and Share awards under the AIP

As of 30 June 2014, the following Share awards had been granted under the AIP to the members of the management committee:

		AIP (as of 30 June 2014)		
Name	**Title**	**Share awards delivered in 2013 under the AIP in which the vesting conditions have been met**	**Share awards delivered in 2014 under the AIP in which the vesting conditions have been met(1)**	**Share awards awarded in 2014 under the AIP in which the vesting conditions have not yet been met(2)**
Roland Junck	Chief Executive Officer	—	48,812	49,790
Greg McMillan(3)	Chief Operating Officer	—	23,841	—
Heinz Eigner	Chief Financial Officer	—	20,553	20,964
Russell Murphy	Chief HR & SHE Officer	—	18,497	18,868
Michael Morley	SVP Metals Processing and Chief Development Officer	—	18,497	18,868
Bob Katsiouleris(4)	SVP Marketing, Sourcing & Sales	—	—	13,989
Graham Buttenshaw(5)	SVP Mining	—	7,955	—

Notes:

(1) Relates to the 2012 AIP deferred Share component. Vesting is subject to the employee remaining employed until 31 December 2013. All management committee members have met the vesting condition. Shares were delivered in March 2014.

(2) Relates to the 2013 AIP deferred Share awards that were awarded in 2014. Vesting is subject to the employee remaining employed until 31 December 2014.

(3) The employment of Greg McMillan ended on 31 December 2013.

(4) Bob Katsiouleris was employed by Nyrstar in January 2013 and joined the Nyrstar management committee in June 2013 and as such did not participate in the 2012 AIP.

(5) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014.

Shares and Share awards under the LESOPs

During 2013, the following Shares were purchased by participants under the 2013 LESOP by members of the management committee:

		LESOP	
		2013	
Name	Title	Executive personal contribution	Additional Shares provided by external financing arrangement
Roland Junck	Chief Executive Officer	50,000	450,000
Heinz Eigner	Chief Financial Officer	50,000	450,000
Russell Murphy	Chief HR & SHE Officer	50,000	450,000
Michael Morley	SVP Metals Processing and Chief Development Officer	50,000	450,000
Graham Buttenshaw[(1)]	SVP Mining	—	—
Bob Katsiouleris	SVP Marketing, Sourcing & Sales	50,000	450,000

Note:

(1) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014.

During H1 2014, the following Shares were purchased by participants under the 2014 LESOP by members of the management committee:

		LESOP	
		H1 2014	
Name	Title	Executive personal contribution	Additional Shares provided by external financing arrangement
Roland Junck	Chief Executive Officer	50,000	450,000
Heinz Eigner	Chief Financial Officer	50,000	450,000
Russell Murphy	Chief HR & SHE Officer	50,000	450,000
Michael Morley	SVP Metals Processing and Chief Development Officer	50,000	450,000
Graham Buttenshaw[(1)]	SVP Mining	—	—
Bob Katsiouleris[(2)]	SVP Marketing, Sourcing & Sales	50,000	450,000

Notes:

(1) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014.

(2) Bob Katsiouleris received a loan from Nyrstar Sales & Marketing AG, a subsidiary of the Company, in an amount of € 97,510, to be repaid over a three year period, to purchase (by way of personal contribution) 50,000 Shares under the 2014 LESOP.

Total Shareholding

The following number of Shares were held by members of Nyrstar's management committee as of 30 June 2014:

Name	Title	Shares[1]
Roland Junck	Chief Executive Officer	1,132,710
Heinz Eigner	Chief Financial Officer	1,343,085
Russell Murphy	Chief HR & SHE Officer	1,186,766
Michael Morley	SVP Metals Processing and Chief Development Officer	1,255,346
Bob Katsiouleris	SVP Marketing, Sourcing & Sales	1,000,000
Graham Buttenshaw	SVP Mining	5,759[2]

Notes:

(1) Includes the 450,000 Shares obtained as part of and held under the 2013 LESOP and the 450,000 Shares obtained as part of and held under the 2014 LESOP by all members of the Nyrstar management committee (excluding Graham Buttenshaw).

(2) Graham Buttenshaw was employed by Nyrstar in March 2012 and was a member of the Nyrstar management committee from June 2013 to July 2014.

As per the date of this Prospectus, none of the directors of the Company other than Roland Junck hold Shares.

The respective members of the management committee that hold Shares (other than the Shares acquired pursuant to the LESOPs) have indicated to the Company that within the context of the Rights Offering they will sell as many Rights in relation to such Shares as necessary in order to be able to use the proceeds thereof to subscribe for new Shares in a cash neutral manner. Certain members also indicated that they may elect to subscribe for additional new Shares in the Rights Offering.

Conflicts of interest

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting financial interest (as contemplated by Article 523 of the Belgian Companies Code) on any matter before the board of directors must bring it to the attention of both the statutory auditor and fellow directors, and take no part in any deliberations or voting related thereto. Section 1.4 of the corporate governance charter sets out the procedure for transactions between Nyrstar and the directors which are not covered by the legal provisions on conflicts of interest. Section 3.2.4 of the corporate governance charter contains a similar procedure for transactions between Nyrstar and members of the management committee (other than the chief executive officer). The provisions of the Belgian Companies Code have been complied with in relation to the changes to the performance criteria of the Long Term Incentive Plan (LTIP) effective 6 February 2013 to the extent applicable to the chief executive officer.

To the knowledge of the Company, there are, on the date of this Prospectus, no potential conflicts of interests between any duties to the Company of the persons mentioned in ''—Board of directors and management committee—Board of directors'' and in ''—Board of directors and management committee—Management committee'' and their private interests and/or other duties.

There are no outstanding loans granted by the Company to any of the persons mentioned in ''—Board of directors and management committee—Board of directors'' and in ''—Board of directors and management committee—Management committee'', nor are there any guarantees provided by the Company for the benefit of any of the persons mentioned in ''—Board of directors and management committee—Board of directors'' and in ''—Board of directors and management committee—Management committee''.

None of the persons mentioned in ''—Board of directors and management committee—Board of directors'' and in ''—Board of directors and management committee—Management committee'' has a family relationship with any other of the persons mentioned in ''—Board of directors and management committee—Board of directors'' and in ''—Board of directors and management committee—Management committee''.

Dealing code

With a view to preventing market abuse (insider dealing and market manipulation), the board of directors has established a dealing code. The dealing code describes the declaration and conduct obligations of directors, members of the management committee, certain other employees and certain other persons with respect to transactions in Shares or other financial instruments of the Company. The dealing code sets limits on carrying out transactions in Shares of the Company and allows dealing by the above-mentioned persons only during certain windows. The dealing code is attached to the Company's corporate governance charter.

Disclosure policy

As a Belgian listed company and with a view to ensuring investors in Shares of the Company have available all information necessary to ensure the transparency, integrity and good functioning of the market, the board of directors has established an information disclosure policy. The information disclosure policy is aimed at ensuring that inside information of which the Company is aware is immediately disclosed to the public. In addition, the information disclosure policy is aimed at ensuring information that is disclosed is fair, precise and sincere, and will enable the holders of Shares in the Company and the public to assess the influence of the information on the Company's position, business and results.

Internal control and risk management

General

The board of directors is responsible for the assessment of the effectiveness of Nyrstar's risk management framework and internal controls. The Company takes a proactive approach to risk management. The board of directors is responsible for ensuring that nature and extent of risks are identified on a timely basis with alignment to the Company's strategic objectives and activities.

The audit committee plays a key role in monitoring the effectiveness of the risk management framework and is an important medium for bringing risks to the attention of the board of directors. If a critical risk or issue is identified by the board of directors or management, it may be appropriate for all directors to be a part of the relevant risk management process, and as such the board of directors will convene a sub-committee comprised of a mix of members of the board of directors and senior management. Each respective sub-committee further examines issues identified and reports back to the board of directors.

The Company's risk management framework requires regular evaluation of the effectiveness of internal controls to ensure the Company's risks are being adequately managed. The risk management framework is designed to achieving the Company's objectives. The Company acknowledges that risk is not just about losses and harm. Risk can have positive consequences too. Effective risk management enables the Company to achieve an appropriate balance between realising opportunities while minimising adverse impacts.

This section gives an overview of the main features of the Company's internal control and risk management systems, in accordance with the Belgian Corporate Governance Code and the Belgian Companies Code.

Components of the risk management framework

The risk management framework is integrated in the management process and focuses on the following key principles. The key elements of risk management framework are:

- Understanding the external and internal environment—Understanding the internal and external business environment and the effect this has on Nyrstar's business strategy and plans. This informs the Company's overall tolerance to risk.
- Consistent methods for risk identification and analysis of risks, existing controls and control effectiveness—Implementing systems and processes for the consistent identification and analysis of risks, existing controls and control effectiveness. Evaluating whether the level of risk being accepted is consistent with levels of risk acceptable to the audit committee.

- Risk treatment—Using innovative and creative thinking in responding to risks and taking action where it is determined that the Company is being exposed to unacceptable levels of risk.
- Stakeholder engagement and communication—Involving all Nyrstar employees and relevant stakeholders in managing risks and communicating identified key risks and controls.
- Monitoring and review—Regularly monitoring and reviewing Nyrstar's risk management framework, Nyrstar's risks and control effectiveness.

The guideline for the risk management framework has been written to comply with ISO 31000; 2009. Compliance with the guideline is mandatory within the Company.

Critical internal controls

The following is a summary of Nyrstar's critical internal controls:

Organisational design

There is a sound organisational structure with clear procedures, delegation and accountabilities for both the business side and the support and control functions, such as human resources, legal, finance, internal audit, etc.

The organisational structure is monitored on an ongoing basis, e.g. through benchmarking the organisational structure with industry standards and competitors. Responsibilities are delegated to business units, by business plans and accompanying budgets approved by management and the board of directors within set authorisation levels.

Policies and procedures

The Company has established internal policies and procedures to manage various risks across the Nyrstar group. These policies and procedures are available on the Company's intranet-site, and distributed for application across the whole Nyrstar group. Every policy has an owner, who periodically reviews and updates if necessary.

Ethics

The board of directors has approved a corporate governance charter and a code of business conduct, including a framework for ethical decision making. All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles. The code of business conduct is available on Nyrstar's website (www.nyrstar.com) and sets out principles how to conduct business and behave in respect of:

- Our People
- Our Communities and Environment
- Our Customers and Suppliers
- Our Competitors
- Our Shareholders
- Our Assets

The board of directors regularly monitors compliance with applicable policies and procedures of the Nyrstar group.

Whistleblowing

Nyrstar also has a whistleblower procedure in place, allowing staff to confidentially raise concerns about any irregularities in financial reporting, possible fraudulent actions, bribery and other areas.

Quality control

Nyrstar is ISO 9001 certified for the smelting and refining of zinc and zinc alloys, lead and lead alloys, silver, gold and other by-products. All of its major processes and the controls that they encompass are formalised and published on Nyrstar's intranet.

Financial reporting and budget control

Nyrstar applies a comprehensive group standard for financial reporting. The standard is in accordance with applicable International Accounting Standards. These include International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) as adopted by the European Union. The effectiveness and compliance with the Group standard for financial reporting is consistently reviewed and monitored by the audit committee.

In order to ensure adequate financial planning and follow up, a financial budgeting procedure describing the planning, quantification, the implementation and the review of the budget in alignment with forecasts, is closely followed. Nyrstar conducts group wide budgeting process, which is centrally coordinated and consists of the following steps:

- The group business strategy is updated and communicated within Nyrstar, which amongst other things outlines the strategic guidelines and objectives for the upcoming financial year.
- Key inputs and assumptions for the budgeting process for the upcoming financial year are provided by relevant internal stakeholders (including expected production, capital expenditures, metal prices, foreign exchange and commercial terms) and uploaded into the centralised budgeting, planning and consolidation system.
- Key inputs and assumptions for the budgeting process for the upcoming financial year are provided by relevant internal stakeholders (including expected production, capex, metal prices, foreign exchange and commercial terms) and uploaded into the centralised budgeting, planning and consolidation system (BPC).
- The key inputs and assumptions for the budget then go through a rigorous process of validation by relevant internal stakeholders and senior management. The management committee and the board of directors sign off on the final agreed budget.
- The final budget is communicated to the different Nyrstar business units and departments.
- Nyrstar will then bi-annually communicate to shareholders the Company's revenue and cost actual results.

Management committees

Various management committees are established as a control to manage various risks Nyrstar is exposed to:

Treasury committee

The treasury committee comprises the chief financial officer, the Group treasurer and the Group controller. The role of the treasury committee is to recommend to the chief executive officer and to the board of directors amendments to the treasury policy. This considers all treasury transactions being reviewed before they are recommended to the chief executive officer for review and approval by the board of directors.

Explicitly this includes preparations for the following chief executive officer and board of directors approvals:

- to approve treasury strategies and activities, as recommended by the Group treasurer, within the constraints of the policy;
- to periodically review treasury operations and activities, approve the use of new financial instrument types and techniques for managing financial exposures;
- to approve the list of authorised counterparties for foreign exchange and money market transactions;
- to approve the use of payment term extensions and cash discounts on commercial contracts that would go beyond standard business conditions; and
- to approve the list of bank relationships.

The treasury committee meets at least quarterly.

Commodity risk management committee

Nyrstar's commodity risk management committee establishes policies and procedures how Nyrstar manages its exposure to the commodity prices and foreign exchange rates. Nyrstar actively and systematically endeavours to minimise any impact on its income statement from metal price changes and foreign exchange movements.

Information, communication and financial reporting systems

Nyrstar's performance against plan is monitored internally and relevant action is taken throughout the year. This includes weekly and monthly reporting of key performance indicators for the current period together with information on critical risk areas.

Comprehensive monthly board reports that include detailed consolidated management accounts for the period together with an executive summary from the chief financial officer are prepared and circulated to the board of directors by the company secretary on a monthly basis.

Monitoring and review

Management is responsible for evaluating existing controls and the control effectiveness and determines whether the level of risk being accepted is consistent with the level of risk approved by the board of directors. Management takes action where it is determined that the Company is being exposed to unacceptable levels of risk and actively encourages all Nyrstar employees to communicate freely risks and opportunities identified.

Internal audit is an important element in the overall process of evaluating the effectiveness of the risk management framework and internal controls. The internal audits are based on risk based plans, approved by the audit committee. The internal audit findings are presented to the audit committee and management, identifying areas of improvement. Progress of implementation of the actions is monitored by the audit committee on a regular basis. The Group internal audit function is managed internally. The audit committee supervises the internal audit function.

The board of directors pays specific attention to the oversight of risk and internal controls. On a yearly basis, the board of directors reviews the effectiveness of the Company's risk management and internal controls. The audit committee assists the board of directors in this assessment. The audit committee also reviews the declarations relating to internal supervision and risk management included in the annual report of the Company. The audit committee reviews the specific arrangements to enable staff to express concerns in confidence about any irregularities in financial reporting and other areas e.g., whistleblower arrangements.

To support the protocols described above, both internal resources and external contractors are engaged to perform compliance checks, and reports are provided to the audit committee.

Other

The Company is committed to the ongoing review and improvement of its policies, systems and processes.

SHARE CAPITAL AND ARTICLES OF ASSOCIATION

General

This section summarises the Company's corporate purpose, share capital and the material rights of its shareholders under Belgian law and the Company's articles of association. It is based on the Company's restated articles of association dated 20 August 2014.

The Company was incorporated on 13 April 2007, under the name ''Neptune Zinc'', for an unlimited duration by Zinifex Limited and Umicore NV/SA. The name of the Company was changed to ''Nyrstar'' pursuant to a decision of the extraordinary general shareholders' meeting of 20 April 2007.

The Company is registered with the legal entities register of Turnhout under number 0888.728.945. The Company's registered office is located at Zinkstraat 1, 2490 Balen, Belgium.

The Company has the legal form of a corporation with limited liability (*naamloze vennnootschap / société anonyme*), organised under the laws of Belgium. Pursuant to the Belgian Companies Code, the liability of the shareholders is limited to the amount of their respective committed contribution to the capital of the Company.

The description provided hereafter is only a summary and does not purport to give a complete overview of the articles of association, nor of all relevant provisions of Belgian law. Neither should it be considered as legal advice regarding these matters.

The Company's articles of association were amended by the extraordinary general shareholders' meeting held on 20 August 2014. The amendments related to an amendment and restatement of the Company's corporate purpose (see also ''Corporate purpose'' below), a reduction of the Company's share capital (see also ''Share capital and shares'' below) and an update of the Company's articles of association so as to delete certain temporary provisions that had become redundant and to reflect recent changes in legislation. Further information regarding the decisions by the extraordinary general shareholders' meeting is available on the Company's website (www.nyrstar.com), including an explanatory note in relation to the proposals that were submitted to the meeting and the reports of the board of directors and the statutory auditor that were prepared in accordance with Article 559 of the Belgian Companies Code in connection with the amendment and restatement of the corporate purpose.

Corporate purpose

The corporate purpose of the Company is set forth in Article 3 of its articles of association. It was amended and restated by resolution of the Company's extraordinary general shareholders' meeting held on 20 August 2014. The corporate purpose, as amended and restated, reads (in translation from the Dutch original text) 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 (*fonds de commerce*/*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.

Share capital and Shares

On the date of this Prospectus, the share capital of the Company amounts to € 17,002,254.40 and is fully paid-up. It is represented by 170,022,544 ordinary Shares, each with a fractional value of € 0.10 and representing one 170,022,544th of the share capital. The Company's Shares do not have a nominal value.

The changes in the Company's share capital since 1 January 2011 can be summarised as follows:

Date	Transaction	Increase/ (Decrease) of share capital (€)	Number of new Shares issued	Issue price per new Share (€)	Resulting share capital (€)	Outstanding Shares
25 January 2011	Conversion of Convertible Bonds(1)	100,000.00	13,262	7.54	1,490,860,008.09	100,013,262
18 March 2011	Capital increase(2)	490,064,974.00	70,009,282	7.00	1,980,924,982.09	170,022,544
24 May 2011	Capital reduction without distribution to the shareholders(3)	(1,530,365,240.49)	—	—	450,559,741.60	170,022,544
	Capital reduction(3)	(25,503,381.60)	—	—	425,056,360.00	170,022,544
22 May 2012	Capital reduction(4)	(27,203,607.04)	—	—	397,852,752.96	170,022,544
23 May 2013	Capital reduction(5)	(27,203,607.04)	—	—	370,649,145.92	170,022,544
20 August 2014	Capital reduction without distribution to the shareholders(6)	(353,646,891.52)			17,002,254.40	170,022,544

Notes:

(1) 2014 Convertible Bonds in an aggregate principal amount of € 100,000 were converted into 13,262 new Shares of the Company, at a conversion price of € 7.54 per Share.

(2) On 18 March 2011, 70,009,282 new Shares were issued in connection with the completion of the Company's 2011 rights offering.

(3) By resolution of the Company's extraordinary general shareholders' meeting held on 24 May 2011, first, the fractional value of the Shares was reduced to € 2.65 per Share, through a reduction of the Company's share capital with an amount of € 1,530,365,240.49 and booking of such amount as issue premium. Second, the Company's share capital was reduced to € 425,056,360.00 without cancellation of Shares by means of a capital reduction with reimbursement of paid-up capital to carry out a gross distribution in the amount of € 0.15 per Share. The distribution was paid on 12 August 2011. See also ''—Rights attached to the Shares—Dividends'' and ''Dividend Policy''.

(4) By resolution of the Company's extraordinary general shareholders' meeting held on 22 May 2012, the Company's share capital was reduced to € 397,852,752.96 without cancellation of Shares by means of a capital reduction with reimbursement of paid-up capital to carry out a gross distribution in the amount of € 0.16 per Share. The distribution was paid on 13 August 2012. See also ''—Rights attached to the Shares—Dividends'' and ''Dividend Policy''.

(5) By resolution of the Company's extraordinary general shareholders' meeting held on 23 May 2013, the Company's share capital was reduced to € 370,649,145.92 without cancellation of Shares by means of a capital reduction with reimbursement of paid-up capital to carry out a gross distribution in the amount of € 0.16 per Share. The distribution was paid on 14 August 2013. See also ''—Rights attached to the Shares—Dividends'' and ''Dividend Policy''.

(6) By resolution of the Company's extraordinary general shareholders' meeting held on 20 August 2014, the fractional value of the Shares was reduced to € 0.10 per Share, through a reduction of the Company's share capital with an amount of € 353,646,891.52 and booking of such amount as issue premium.

Upon successful completion of the Offering, the Company will issue, on or about 30 September 2014, 170,022,544 new ordinary Shares, for an aggregate issue price of € 251,633,365.12 (or € 1.48 per new Share). A portion of the issue price per Share equal to the fractional value of the Shares, i.e. € 0.10 (in aggregate € 17,002,254.40), will be allocated to the Company's share capital and the portion of the issue price in excess of the fractional value of the Shares, i.e. € 234,631,110.72, will be booked as issue premium. As a result, upon successful completion of the Offering, the share capital would be increased up to € 34,004,508.80 and be represented by 340,045,088 ordinary Shares. The Offering takes place within the framework of a resolution by the Company's board of directors in the framework of the authorised capital held on 1 September 2014. For further information on this resolution, see ''The Offering—The new Shares—Authorisations relating to the Offering''.

The Company's Shares currently have a fractional value of € 0.10. The fractional value of a Share is calculated as a fraction of which the numerator is the amount of the Company's subscribed share capital and of which the denominator is the total number of issued and outstanding Shares. The current fractional value reflects a capital reduction that was approved by the extraordinary general shareholders' meeting of the Company held on 20 August 2014. Pursuant to Belgian company law, 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. Likewise, the board of directors is not authorised to use the authorised capital to issue 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. Prior to 20 August 2014, the Company's share capital amounted to € 370,649,145.92 and the fractional value of the Shares amounted to € 2.18, based on 170,022,544 outstanding Shares. On 27 June 2014, the closing price of the Shares on Euronext Brussels was € 2.26, which was close to the fractional value of the Company's Shares at that time. It is not uncommon that in the event of a capital increase, the new shares are issued at a discount to the prevailing trading price of the Shares at that time. Therefore, in order to permit the board of directors to make effective use of its powers under the authorised capital and to issue new Shares at a price below the then current fractional value of € 2.18, the board of directors submitted to the general shareholders' meeting a proposal to reduce the fractional value of the Shares through a reduction of the share capital with allocation of the amount of the share capital reduction to the issue premium account and without cancellation of Shares. This proposal was approved by the extraordinary general shareholders' meeting held on 20 August 2014.

On 10 July 2009, the Company issued 7% senior unsecured convertible bonds due July 2014 for an aggregate principal amount of € 120,000,000 (the ''**2014 Convertible Bonds**''). The 2014 Convertible Bonds could be converted into new or existing Shares of the Company, and 2014 Convertible Bonds in an aggregate principal amount of € 100,000 were converted in 2011. All remaining 2014 Convertible Bonds were repaid at their maturity on 10 July 2014.

On 25 September 2013, Nyrstar issued 4.25% senior unsecured convertible bonds due 2018 for an aggregate principal amount of € 120,000,000 (the ''**2018 Convertible Bonds**''). The possibility to convert the 2018 Convertible Bonds into new Shares of the Company was approved by the extraordinary general shareholders' meeting of the Company held on 23 December 2013. The 2018 Bonds can be converted into new or existing Shares of the Company at any time. To date, none of the 2018 Convertible Bonds have been converted, and all remain outstanding. The conversion price of the 2018 Convertible Bonds can be adjusted downward in a number of circumstances, including in the event of an issue of new Shares, whereby the new Shares are issued at a price that is lower than the applicable market price of the Company's Shares at the time of the issue. The current conversion price of the 2018 Convertible Bonds is € 4.9780 per Share. Based on a conversion price of € 4.9780, if all 2018 Convertible Bonds were converted into new Shares in their entirety, 24,106,067 new Shares would be issued. As a result of the Offering, the conversion price of the 2018 Convertible Bonds will be adjusted downward from € 4.9780 per Share. If the conversion price is adjusted downward, this would lead to the issue of more than 24,106,067 new Shares if all of the 2018 Convertible Bonds were to be converted.

As of the date of this Prospectus, the Company owns 12,697,734 of its own Shares. These Shares are held as treasury stock, with suspended voting rights. The Company shall not exercise the Rights attached to which it is entitled as holder of such Shares, but intends to sell these Rights in the context of the Offering.

Form and transferability of the Shares

The Shares of the Company can take the form of registered shares or dematerialised shares.

All of the Company's Shares are fully paid-up and freely transferable.

Currency

The Company's Shares do not have a nominal value, but reflect the same fraction of the Company's share capital, which is denominated in Euro.

Rights attached to the Shares

Voting rights attached to the Shares

Each shareholder of the Company is entitled to one vote per Share. Shareholders may vote by proxy, subject to the rules described below in ''—Right to attend and vote at general shareholders' meetings—Voting by proxy or remote voting''.

Voting rights can be mainly suspended in relation to Shares:

- which are not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, 7.5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 days prior to the date of the shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Companies Code, the voting rights attached to Shares owned by the Company are suspended.

Generally, the shareholders' meeting has sole authority with respect to:

- the approval of the annual financial statements of the Company;
- the distribution of profits (except interim dividends (see ''—Rights attached to the Shares—Dividends'');
- the appointment and dismissal of directors and the statutory auditor of the Company;
- the granting of release from liability to the directors and the statutory auditor of the Company;
- the determination of the remuneration of the directors and of the statutory auditor for the exercise of their mandate;
- the approval of the remuneration report included in the annual report of the board of directors and the determination of the following features of the remuneration or compensation of directors, members of the management committee and certain other executives (as the case may be): (i) in relation to the remuneration of executive and non-executive directors, members of the management committee and other executives, an exemption from the rule that Share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, members of the management committee and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, (iii) in relation to the remuneration of independent directors, any variable part of the remuneration, and (iv) any provisions of service agreements to be entered into with executive directors, members of the

management committee and other executives providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the nomination and remuneration committee, 18 months' remuneration);

- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganisations of the Company; and
- the approval of amendments to the articles of association.

Right to attend and vote at general shareholders' meetings

Annual meetings of shareholders

The annual general shareholders' meeting is held at the registered office of the Company or at the place determined in the notice convening the shareholders' meeting. The meeting is held every year on the last Wednesday of April at 10:30 a.m. (Central European Time, GMT+1). If this date is a legal holiday (even if only in one of the cultural communities of Belgium), the meeting is held the next business day at the same time. At the annual general shareholders' meeting, the board of directors submits the audited non-consolidated and consolidated annual financial statements and the reports of the board of directors and of the statutory auditor with respect thereto to the shareholders.

The shareholders' meeting then decides on the approval of the non-consolidated annual financial statements, the proposed allocation of the Company's profit or loss, the release from liability of the directors and the statutory auditor, the approval of the remuneration report included in the annual report of the board of directors and, when applicable, the (re-) appointment or dismissal of the statutory auditor and/or of all or certain directors. In addition, as relevant, the shareholders' meeting must also decide on the approval of the remuneration of the directors and statutory auditor for the exercise of their mandate, and on the approval of provisions of service agreements to be entered into with executive directors, members of the management committee and other executives providing (as the case may be) for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the nomination and remuneration committee, 18 months' remuneration) (see also ''—Rights attached to the Shares—Voting rights attached to the Shares'').

Special and extraordinary general shareholders' meetings

The board of directors or the statutory auditor (or the liquidators, if appropriate) may, whenever the interest of the Company so requires, convene a special or extraordinary general shareholders' meeting. Such shareholders' meeting must also be convened every time one or more shareholders holding, alone or together, at least 20% of the Company's share capital so request. Shareholders that do not hold at least 20% of the Company's share capital do not have the right to have the general shareholders' meeting convened.

Right to put items on the agenda of the shareholders' meeting and to table draft resolutions

Shareholders who hold alone or together with other shareholders at least 3% of the Company's share capital have the right to put additional items on the agenda of a general shareholders' meeting that has been convened and to table draft resolutions in relation to items that have been or are to be included in the agenda. This right does not apply to general shareholders' meetings that are being convened on the grounds that the quorum was not met at the first duly convened meeting (see ''—Quorum and majorities''). Shareholders wishing to exercise this right must prove on the date of their request that they own at least 3% of the outstanding shares. The ownership must be based, for dematerialised Shares, on a certificate issued by the applicable settlement institution for the Shares concerned, or by a certified account holder, confirming the number of Shares that have been registered in the name of the relevant shareholders and, for registered Shares, on a certificate of registration of the relevant Shares in the share register book of the Company. In addition, the shareholder concerned must register for the meeting concerned with at least 3% of the outstanding Shares (see also ''—Formalities to attend the general shareholders' meeting''). A request to put additional items on the agenda and/or to table draft resolutions must be submitted in writing, and must contain, in the event of an additional agenda item, the text of the agenda item concerned and, in the event of a new draft resolution, the text of the draft resolution. The request must reach the Company 22 days prior to the general shareholders' meeting concerned. If the Company receives a request, it will have to publish at the latest 15 days prior to the shareholders' meeting an update of the agenda of the meeting with the additional agenda items and draft resolutions.

Notices convening the general shareholders' meeting

The notice convening the general shareholders' meeting must state the place, date and hour of the meeting and must include an agenda indicating the items to be discussed. The notice needs to contain a description of the formalities that shareholders must fulfil in order to be admitted to the general shareholders' meeting and exercise their voting right, information on the manner in which shareholders can put additional items on the agenda and table draft resolutions, information on the manner in which shareholders can ask questions during the general shareholders' meeting, information on the procedure to participate to the shareholders' meeting by means of a proxy or to vote by means of a remote vote, and, as applicable, the registration date for the shareholders' meeting. The notice must also mention where shareholders can obtain a copy of the documentation that will be submitted to the general shareholders' meeting, the agenda with the proposed resolutions or, if no resolutions are proposed, a commentary by the board of directors, updates of the agenda if shareholders have put additional items or draft resolutions on the agenda, the forms to vote by proxy or by means of a remote vote, and the address of the webpage on which the documentation and information relating to the general shareholders' meeting will be made available. This documentation and information, together with the notice and the total number of outstanding voting rights, must also be made available on the Company's website at the same time as the publication of the notice convening the meeting.

The notice convening the general shareholders' meeting has to be published at least 30 days prior to the shareholders' meeting in the Belgian Official Gazette (*Moniteur Belge / Belgisch Staatsblad*) and in a newspaper that is published nation-wide in Belgium and in media that can be reasonably relied upon for the dissemination of information within the EEA in a manner ensuring fast access to such information on a non-discriminatory basis. A publication in a nation-wide newspaper is not needed for annual general shareholders' meetings taking place on the date, hour and place indicated in the articles of association of the Company if the agenda is limited to the treatment of the financial statements, the annual report of the board of directors, the remuneration report and the report of the statutory auditor, the discharge from liability of the directors and statutory auditor, and the remuneration of directors. See also ''—Rights attached to the Shares—Voting Rights attached to the Shares''. In addition to this publication, the notice has to be distributed at least 30 days prior to the meeting via the normal publication means that the Company uses for the publication of press releases and regulated information. The term of 30 days prior to the shareholders' meeting for the publication and distribution of the convening notice can be reduced to 17 days for a second meeting if, as the case may be, the applicable quorum for the meeting is not reached at the first meeting, the date of the second meeting was mentioned in the notice for the first meeting and no new item is put on the agenda of the second meeting. See also further below under ''—Quorum and majorities''.

At the same time as its publication, the convening notice must also be sent to the holders of registered Shares, holders of registered bonds, holders of registered warrants, holders of registered certificates issued with the co-operation of the Company (if any), and, as the case may be, to the directors and statutory auditor of the Company. This communication needs to be made by letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication.

Formalities to attend the general shareholders' meeting

All holders of Shares, warrants and bonds issued by the Company and all holders of certificates issued with the co-operation of the Company (if any) can attend the shareholders' meetings. Only shareholders, however, may vote at general shareholders' meetings.

In order to be able to attend a general shareholders' meeting, a holder of securities issued by the Company must satisfy two criteria: being registered as holder of securities on the registration date for the meeting, and notify the Company:

- Firstly, the right to attend shareholders' meetings applies only to persons who are registered as owning securities on the 14th day prior to the general shareholders' meeting at midnight (Central European Time) via registration, in the applicable register book for the securities concerned (for registered securities) or in the accounts of a certified account holder or relevant settlement institution for the securities concerned (for dematerialised securities or securities in book-entry form).

- Secondly, in order to be admitted to the general shareholders' meeting, securities holders must notify the Company at the latest on the sixth day prior to the general shareholders' meeting whether they intend to attend the meeting and indicate the number of Shares in respect of which they intend to do so. For the holders of dematerialised securities or securities in book-entry form, the notice should include a certificate confirming the number of securities that have been registered in their name on the record date. The certificate can be obtained by the holder of the dematerialised securities or securities in book-entry form with the certified account holder or the applicable settlement institution for the securities concerned.

The formalities for the registration of securities holders, and the notification of the Company must be further described in the notice convening the general shareholders' meeting.

Voting by proxy or remote voting

Each shareholder has, subject to compliance with the requirements set forth above under ''—Formalities to attend the general shareholders' meeting'', the right to attend a shareholders' meeting and to vote at the shareholders' meeting in person or through a proxy holder. The board of directors can request the participants to the meeting to use a model of proxy (with voting instructions), which must be deposited at the Company's registered office or at a place specified in the notice convening the shareholders' meeting at the latest six days prior to the meeting. The appointment of a proxy holder must be made in accordance with the applicable rules of Belgian law, including in relation to conflicts of interest and the keeping of a register.

The Company's articles of association also allow shareholders to vote by mail by means of a form that is made available by the Company. Shareholders may also be allowed to vote by electronic means, if so provided by the invitation to the shareholders' meeting.

Holders of securities who wish to be represented by proxy or vote remotely must, in any case comply with the formalities to attend the meeting, as explained under ''—Formalities to attend the general shareholders' meeting''.

Quorum and majorities

In general, there is no attendance quorum requirement for a shareholders' meeting and decisions are generally passed with a simple majority of the votes of the Shares present or represented. However, capital increases (other than those decided by the board of directors pursuant to the authorised capital), decisions with respect to the Company's dissolution, mergers, de-mergers and certain other reorganisations of the Company, amendments to the articles of association (other than an amendment of the corporate purpose), and certain other matters referred to in the Belgian Companies Code do not only require the presence or representation of at least 50% of the share capital of the Company but also a majority of at least 75% of the votes cast. An amendment of the Company's corporate purpose requires the approval of at least 80% of the votes cast at a shareholders' meeting, which can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting may validly deliberate and decide regardless of the number of Shares present or represented.

Right to ask questions

Within the limits of Article 540 of the Belgian Companies Code, shareholders have a right to ask questions to the directors in connection with the report of the board of directors or the items on the agenda of such shareholders' meeting. Shareholders can also ask questions to the statutory auditor in connection with its report. Such questions can be submitted in writing prior to the meeting or can be asked at the meeting. Written questions must be received by the Company no later than the sixth day prior to the meeting. Written and oral questions will be answered during the meeting concerned in accordance with applicable law. In addition, in order for written questions to be considered, the shareholders who submitted the written questions concerned must comply with the formalities to attend the meeting, as explained under ''—Formalities to attend the general shareholders' meeting''.

Dividends

All Shares entitle the holder thereof to an equal right to participate in the Company's profits (if any). Pursuant to the Belgian Companies Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual shareholders' meeting, based on the most recent statutory audited financial statements, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Company's board of directors. The Company's articles of association also authorise the board of directors to declare interim dividends without shareholder approval subject to the terms and conditions of the Belgian Companies Code.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's statutory unconsolidated financial statements rather than its consolidated financial statements. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory non-consolidated financial statements (i.e., summarised, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), decreased with the non-amortised costs of incorporation and extension and the non-amortised costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Company's share capital. For further information in relation to the Company's dividend policy, see ''Dividend Policy''.

In relation to financial years 2012, 2011 and 2010, the distribution on the Shares was structured as a capital reduction with reimbursement of paid-up capital. Such distribution via a capital reduction can take place without triggering Belgian withholding tax. The board of directors has decided not to propose to shareholders a distribution in respect of the 2013 financial year. This reflects the board of directors' commitment to maintain a sustainable capital structure.

Rights regarding liquidation

The Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary shareholders' meeting where at least 50% of the share capital is present or represented.

If, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian legal and accounting rules for non-consolidated financial statements) to share capital is less than 50%, the board of directors must convene an extraordinary shareholders' meeting within two months as of the date upon which the board of directors discovered or should have discovered these losses. At this shareholders' meeting the board of directors needs to propose either the dissolution of the Company or the continuation of the Company, in which case the board of directors must propose measures to redress the Company's financial situation. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the Company, provided that at least 50% of the Company's share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event shareholders representing 25% of the votes validly cast at the meeting can decide to dissolve the Company. If the amount of the Company's net assets has dropped below € 61,500 (the minimum amount of share capital of a corporation with limited liability organised under the laws of Belgium (*naamloze vennootschap / société anonyme*)), any interested party is entitled to request the competent court to dissolve the Company. The court can order the dissolution of the Company or grant a grace period within which the Company is to remedy the situation.

Changes to the share capital

Changes to the share capital decided by the shareholders

In principle, changes to the share capital are decided by the shareholders. The shareholders' meeting may at any time decide to increase or decrease the share capital of the Company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described above under ''—Right to attend and vote at general shareholders' meetings—Quorum and majorities''.

Capital increases decided by the board of directors

Subject to the same quorum and majority requirements, the shareholders' meeting may authorise the board of directors, within certain limits, to increase the Company's share capital without any further approval of the shareholders. This is the so-called authorised capital. This authorisation needs to be limited in time (i.e., it can only be granted for a renewable period of maximum five years) and in scope (i.e., the authorised capital may not exceed the amount of the registered capital at the time of the authorisation). On 19 May 2014, the Company's shareholders' meeting authorised the board of directors to increase the share capital of the Company within the framework of the authorised capital with a maximum of € 370,649,145.92. This amount was reduced to € 17,002,254.40 within the framework of the reduction of the fractional value of the Company's Shares to € 0.10 as decided by the Company's general shareholders' meeting on 20 August 2014. The reduction of the fractional value of the Company's Shares had been proposed by the board of directors in order to permit the board of directors to make effective use of its powers under the authorised capital and to issue shares at a price below the then current fractional value of € 2.18 (see also ''Share capital and Shares''). The Company's general shareholders' meeting decided that the board of directors, when exercising its powers under the authorised capital, is not authorised to restrict or cancel the statutory preferential subscription rights of the shareholders (within the meaning of article 592 and following of the Belgian Companies Code) unless (i) a non-statutory preferential subscription right is made available to the existing shareholders subject to applicable company, financial and securities law rules, or (ii) in relation to (public or non-public) offerings of securities outside of the European Economic Area, the offering or availability of a statutory preferential subscription right (within the meaning of article 592 and following of the Belgian Companies Code) or a non-statutory preferential subscription right would subject the Company to registration and/or prospectus requirements in jurisdictions outside of the European Economic Area. See also ''—Preferential subscription right'' below. The powers under the authorised capital cannot be used to issue new Shares for an issue price that is lower than the fractional value of the Shares (and which currently amounts to € 0.10 per Share). The Offering has been approved by the board of directors within the framework of the authorised capital. Therefore, after completion of the Offering, the board of directors will no longer be able to increase the share capital of the Company within the framework of the authorised capital.

Preferential subscription right

In the event of a capital increase for cash with the issue of new Shares, or in the event of an issue of convertible bonds or warrants, the existing shareholders have a preferential right to subscribe, pro rata, to the new Shares, convertible bonds or warrants. These preferential subscription rights are transferable during the subscription period. The shareholders' meeting may decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision by the shareholders' meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders may also decide to authorise the board of directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Companies Code. On 19 May 2014, the Company's shareholders' meeting decided that, when exercising its powers under the authorised capital, the board of directors is not authorised to restrict or cancel the statutory preferential subscription rights of the shareholders (within the meaning of Article 592 and following of the Belgian Companies Code) except in certain circumstances (see also ''—Capital increases decided by the board of directors'' above).

Generally, unless expressly authorised in advance by the shareholders' meeting, the authorisation of the board of directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid on the financial instruments of the Company. The Company's shareholders' meeting did not grant such express authorisation to the board of directors.

Purchase and sale of own Shares

In accordance with the Company's articles of association and the Belgian Companies Code, the Company can only purchase and sell its own Shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the shareholders is not required if the Company purchases the Shares to offer them to Nyrstar's personnel.

In accordance with the Belgian Companies Code, an offer to purchase Shares must be made by way of an offer to all shareholders under the same conditions. Shares can also be acquired by the Company without offer to all shareholders under the same conditions, provided that the acquisition of the Shares is effected in the central order book of Euronext Brussels or, if the transaction is not effected via the central order book, provided that the price offered for the Shares is lower than or equal to the highest independent bid price in the central order book of Euronext Brussels at that time. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders. The total amount of Shares held by the Company can at no time be more than 20% of its share capital.

On 26 May 2009, the shareholders of the Company resolved to grant the board of directors the authority to acquire on or outside the stock exchange, a number of the Company's Shares representing a maximum of 20% of the subscribed capital, for a price not lower than 10% below the average closing price during the preceding 20 trading days and not higher than 10% above the average closing price during the preceding 20 trading days. This authorisation also covered the acquisition on or outside the stock exchange by a direct subsidiary of the Company within the meaning and the limits set out by Article 627 of the Belgian Companies Code. This authorisation was valid for a five-year period as from 26 May 2009 and replaced the authority that was granted on 5 October 2007. It was replaced by a new authority that the shareholders granted to the board of directors on 22 May 2012 to acquire, on or outside the stock exchange, a number of the Company's own Shares representing a maximum of 20% of the subscribed capital, for a price not lower than 25% below the closing price of the last trading day and not higher than 10% above the average closing price during the last 20 trading days. This authorisation also covers the acquisition on or outside the stock exchange by a direct subsidiary of the Company and is valid for a term of five years as of the date of the approval of the proposed resolution.

The board of directors has not been granted any authorisation to purchase own Shares ''to avoid imminent and serious danger to the Company'' (i.e., to defend against public takeover bids).

The board of directors may, without prior authorisation by the shareholders' meeting and for an unlimited duration in time, in accordance with Article 622, §2 of the Belgian Companies Code, dispose of the Company's own Shares on or outside the stock market. This authorisation also covers the disposal of the Company's Shares on or outside the stock market by a direct subsidiary of the Company within the meaning of Article 627 of the Belgian Companies Code.

At the date of this Prospectus, the Company owns 12,697,734 of its own Shares. See also ''—Share capital and Shares''. These Shares will be held as treasury shares with suspended voting rights. They can for instance be placed with suitable investors over time or be used for potential delivery to eligible employees to satisfy Nyrstar's obligations under the LTIP or other Share based plans, as the case may be. See also ''Management and Corporate Governance—Description of Share plans—LTIP'' and ''Management and Corporate Governance—Description of Share plans ''above.

Legislation and jurisdiction

Notification of significant shareholdings

The Company has a wide shareholder base, mainly composed of institutional investors outside of Belgium, but also comprising Belgian retail and institutional investors.

Belgian law imposes disclosure requirements on any individual or entity acquiring or transferring voting securities or securities which give a right to voting securities, as soon as, following such acquisition or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, goes above or falls below a threshold of 5%, or any multiple of 5%, of the total number of voting rights attached to the Company's securities. The Belgian Act of 2 May 2007 on the disclosure of important participations in issuers having shares admitted to trading on a regulated market and regarding several provisions allows companies to reduce the first disclosure threshold to as low as 1% and to add an intermediate threshold of 7.5%. The Company has exercised this right, as provided for in Article 8 of its articles of association. A shareholder whose shareholding goes above or falls below the thresholds of 3%, 5%, 7.5% and multiples of 5% must, each time, disclose this fact to the FSMA and to the Company. Such notification is also required if an individual or an entity acquires or transfers control (either direct or indirect, either *de jure* or *de facto*) of a company that holds such amounts of voting rights of the Company.

The forms on which such notifications must be made, as well as further explanations, can be found on the website of the FSMA (www.fsma.be). Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA may also impose administrative sanctions.

The Company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Company's securities, and must mention these notifications in the notes to its financial statements. A list as well as a copy of such notifications can be viewed on the Company's website, within the section addressed to investors (http://www.nyrstar.com/investors/en/shareholderinformation/Pages/shareh olderstructure.aspx).

It should be noted that the Belgian Act of 2 May 2007 also imposes a notification obligation where, as a result of events changing the allocation of voting rights, the percentage of voting rights attached to securities with voting rights reaches, exceeds or falls below the thresholds provided for in the above paragraph, even where no acquisition or disposal of securities occurred (e.g., share capital increase or cancellation of treasury shares). Furthermore, the Belgian Act of 2 May 2007 also requires a notification when natural or legal persons enter into, change or terminate an agreement to act in concert, where as a result of such event, the percentage of voting rights subject to the action in concert or the percentage of voting rights of one of the parties acting in concert, reaches, exceeds or falls below the thresholds mentioned in the first paragraph.

Public takeover bids

Public takeover bids for the Company's Shares and other securities giving access to voting rights (such as warrants or convertible bonds, if any) are subject to supervision by the FSMA. Any public takeover bid must be extended to all of the Company's voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus, approved by the FSMA prior to publication.

Belgium implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by the Takeover Act and the Takeover Decree. The Takeover Act provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Decree. The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in case of an acquisition if it can be shown that a third party exercises control over the company or that such party holds a larger stake than the person holding 30% of the voting securities.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose significant shareholdings (see ''—Notification of significant shareholdings'' above) and merger control, that may apply towards the Company and which may create hurdles to an unsolicited tender offer, merger, change in management or other change in control. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Company's Shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their Shares at a premium.

In addition, pursuant to Belgian company law, the board of directors of Belgian companies may in certain circumstances, and subject to prior authorisation by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (pursuant to the ''authorised capital'') or through share buy-backs (i.e., purchase of own shares). In principle, the authorisation of the board of directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid on the securities of the Company. The shareholders' meeting can, however, expressly authorise the board of directors to increase the capital of the Company by issuing Shares in an amount of not more than 10% of the existing Shares of the Company at the time of such a public takeover bid. Such authorisation has not been granted to the board of directors of the Company (see also ''—Changes to the share capital—Preferential subscription right). Furthermore, the board of directors was not granted the authorisation to purchase its own Shares ''to avoid imminent and serious danger to the Company'' (i.e., to defend against public takeover bids) (see also ''—Changes to the share capital—Purchase and sale of own Shares'').

The Company's articles of association do not provide for any other specific protective mechanisms against public takeover bids.

The Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can either be terminated by the other parties thereto, or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

- Nyrstar's Revolving Structured Commodity Trade Finance Facility, as described in more detail in ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Revolving Structured Commodity Trade Finance Facility'';
- Nyrstar's 5.5% senior unsecured fixed rate non-convertible bonds due 2015, as described in more detail in ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Retail bonds'';
- Nyrstar's 5.375% senior unsecured fixed rate non-convertible bonds due 2016, as described in more detail in ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Retail bonds'';
- Nyrstar's 4.25% senior unsecured convertible bonds due 2018, as described in more detail in ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Convertible bonds'';
- Nyrstar's uncommitted credit facility with HSBC Trinkaus & Burkhardt AG (see ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Other facilities'');
- the US$ 200 million uncommitted facility agreement dated 25 May 2012 between Nyrstar Sales & Marketing AG and The Royal Bank of Scotland plc, Belgium Branch as amended from time to time (see ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Other facilities'');
- the US$ 40 million framework agreement for credit products between Nyrstar Finance International AG and Credit Suisse AG (see ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Other facilities'');
- Nyrstar's committed € 50 million bilateral credit facility with ING Bank (see ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Other facilities'');
- Nyrstar's committed € 100 million bilateral credit facility with KBC Bank (see ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Other facilities'');
- Nyrstar's silver prepay with Merrill Lynch International as described in more detail in ''Business—Material contracts'';
- Nyrstar's silver prepay with JP Morgan Chase Bank as described in more detail in ''Business—Material contracts'';
- Nyrstar's off-take agreement with the Glencore Group as described in more detail in ''Business—Material contracts'';

- Nyrstar's streaming agreement with Talvivaara as described in more detail in ''Business—Mining—Talvivaara Zinc Streaming Agreement''; and
- The New Notes to be issued pursuant to the Concurrent New Notes Offering as described in more detail in ''Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Concurrent New Notes Offering''.

In addition, Nyrstar's Share based plans also contain take over protection provisions. The Plans are described in more detail in the section ''Management and Corporate Governance—Description of Share plans.''

No takeover bid has been instigated by third parties in respect of the Company's equity during the previous financial year and the current financial year.

Squeeze-outs

Pursuant to Article 513 of the Belgian Companies Code or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own together with the relevant company 95% of the securities with voting rights in such public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring shareholders. When the squeeze-out offer is made with a view to a merger through absorption by a corporation with limited liability (*naamloze vennootschap* / *société anonyme*) that holds at least 90% of the shares and other securities with voting rights, the threshold to carry out a squeeze-out offer is reduced from 95% to 90% of the securities conferring voting rights.

A squeeze-out offer is also possible upon completion of a public takeover, provided that the bidder holds 95% of the voting capital and 95% of the voting securities of the public company. In such a case, the bidder may require that all remaining shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure. The bidder needs to reopen his/her public takeover offer within three months following the expiration of the offer period.

Sell-out right

Holders of securities conferring (potential) voting rights may require an offeror who, acting alone or in concert, following a takeover bid, owns 95% of the voting capital or 95% of the securities conferring voting rights in a public company to buy their securities at the price of the bid, upon the condition that the offeror has acquired, through the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

PRINCIPAL SHAREHOLDERS

The Company has a wide shareholder base, mainly composed of institutional investors in the United Kingdom, the United States, Belgium and other European countries, but also comprising Belgian retail investors.

The table below provides an overview of the shareholders that filed a notification with the Company pursuant to applicable transparency disclosure rules (see also ''Share Capital and Articles of Association—Legislation and jurisdiction—Notification of significant shareholdings''), up to the date of this Prospectus. Although the applicable transparency disclosure rules require that a disclosure must be made by each person passing or falling under one of a relevant thresholds, it is possible that the above information in relation to a shareholder is no longer up-to-date. In addition, the Company holds a number of Shares as treasury stock (see also ''Share Capital and Articles of Association—Share capital and Shares'').

		Before dilution		On a fully diluted basis	
	Date of Notification	Number of Shares	% of the voting rights attached to Shares(1)	Number of Shares	% of the voting rights attached to Shares(2)
Nyrstar NV		12,697,734(3)	—(4)	12,697,734(3)	—(4)
Umicore NV	23 March 2011	5,251,856	3.34%	5,251,856	2.78%

Notes:

(1) The percentage of voting rights is calculated on the basis of the 170,022,544 outstanding Shares. The calculation is adjusted to take into account that the voting rights attached to the own Shares held by the Company are suspended by operation of law. The calculation does not take into account the number of Shares issuable within the context of the Offering, nor the number of Shares issuable upon conversion of the 2018 Convertible Bonds. For further information on the number of Shares issuable upon conversion of the 2018 Convertible Bonds, see ''Share Capital and Articles of Association—Share capital and Shares''.

(2) The percentage of voting rights is calculated on the basis of 194,128,611 outstanding Shares, assuming that all 2018 Convertible Bonds have been converted into 24,106,067 new Shares at a conversion price of € 4.9780 per Share. The calculation is adjusted to take into account that the voting rights attached to the own Shares held by the Company are suspended by operation of law. The calculation does not take into account the number of Shares issuable within the context of the Offering. The calculation also does not take into account that according to the terms of the 2018 Convertible Bonds, the conversion price of the 2018 Convertible Bonds will be adjusted downward as a result of the Offering depending on the Share price on or before the start of the Rights Subscription Period. For further information on the number of Shares issuable upon conversion of the 2018 Convertible Bonds, see ''Share Capital and Articles of Association—Share capital and Shares''.

(3) Most of the own shares held by the Company as treasury stock were acquired by the Company pursuant to the acquisition of Glencore's entire shareholding of 7.79% of Nyrstar common shares in 2013, within the context of the negotiated settlement that Nyrstar had reached with Glencore (now Glencore Xstrata) in relation to the off-take agreement with respect to commodity grade zinc metal produced by Nyrstar within the European Union (see also ''Operating and Financial Review and Prospects—Contractual obligations and commitments'').

(4) Pursuant to the Belgian Companies Code, the voting rights attached to the own Shares held by the Company are suspended.

No other shareholders, alone or in concert with other shareholders, notified the Company of a participation or an agreement to act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

As to the Rights attached to the Shares that are held by the Company as treasury shares, the Company shall not exercise such Rights, but intends to sell these Rights in the context of the Offering.

THE OFFERING

Terms and conditions of the Offering

Shares offered with a non-statutory preference right

The decision to increase the Company's share capital and to offer the new Shares through the Offering described herein has been approved by the board of directors within the framework of its powers under the authorised capital (see also under ''—The new Shares offered—Authorisations relating to the Offering''). The offering by the Company of new Shares in the amount of € 251,633,365.12, will be carried out with non-statutory preference rights for existing shareholders. The statutory preference right of the existing shareholders of the Company as set forth in Article 592 and following of the Belgian Companies Code has been disapplied with respect to the Offering. However, in accordance with Article 9 of the Company's articles of association, the existing shareholders are being granted Rights, each conferring a non-statutory preference, as described below.

From a practical perspective, the Rights do not differ from statutory preference rights, and the Offering procedure does not differ substantively from the procedure that would otherwise have applied if the Offering had taken place with the statutory preference rights as provided for by the Belgian Companies Code. In particular, the Rights will be separated from the underlying Shares and, as in accordance with Article 593 of the Belgian Companies Code, will be freely and separately tradable on the regulated market of Euronext Brussels during the Rights Subscription Period. As an exception to the procedure that would have applied if the Offering had taken place with statutory preference rights, the Rights Subscription Period will have a term of 12 days instead of 15 days, in order to be able to complete the this Offering and the Concurrent Rights Offering within a term of one month. Furthermore, the Company has not published a notice in the Belgian Official Gazette (*Moniteur Belge* / *Belgisch Staatsblad*) and the Financial Press announcing the term of the Rights Subscription Period eight days prior to the start of Rights Subscription Period as Article 593 of the Belgian Companies Code would, had it applied, have required. The Company did not publish such notice as the final terms of the Offering have only been determined on 10 September 2014 and as announcing the start of the Offering before determination of, and independently from, such final terms could have been confusing to the market.

Allocation of Rights

Each Share will entitle its holder on the Record Date to receive one Right.

Subscription Price and Ratio

The Subscription Price is € 1.48, which is below the closing price of € 2.90 per Share as quoted on the regulated market of Euronext Brussels on 10 September 2014. A portion of the Subscription Price per new Share equal to the fractional value of the Shares, i.e. €0.10, will be allocated to the Company's share capital. The portion of the Subscription price in excess of the fractional value of the Shares, i.e. € 234,631,110.72, will be booked as issue premium.

The Ratio on the basis of which a person who is eligible to subscribe for the new Shares through the exercise of Rights or Scrips, pursuant to the terms of this Prospectus (such person, an ''**Eligible Person**'') will have the right to subscribe for new Shares against payment of the Subscription Price is 1 new Share for 1 Right. Based on the closing price of the Company's Shares on Euronext Brussels on 10 September 2014, the theoretical ex-right price (''**TERP**'') is € 2.19, the theoretical value of one Right is € 0.71, and the discount of the Subscription Price to TERP is 32.4%.

Offering procedure

Rights Offering

Subject to restrictions under applicable securities laws (see ''—Plan of distribution and allocation of the securities'' and as described below), existing shareholders of the Company as at the closing of the regulated market of Euronext Brussels on 11 September 2014 and persons having acquired Rights during the Rights Subscription Period will have a non-statutory preference right to subscribe for the new Shares, at the Subscription Price and in accordance with the Ratio.

The Rights, represented by coupon No. 7 of the existing Shares, will be separated from the underlying Shares on 11 September 2014 after the closing of the regulated market of Euronext Brussels and will be tradable on such regulated market from 12 September 2014 to 23 September 2014.

Any sale of existing Shares prior to the closing of the regulated market of Euronext Brussels on 11 September 2014 and to be settled after 11 September 2014, will be settled ''cum Rights''. Any existing Shares sold after the closing of the regulated market of Euronext Brussels on 11 September 2014 will be sold and settled ''ex Rights''.

The Rights Subscription Period will be open from 12 September 2014 to 4.00 pm CEST on 23 September 2014 inclusive, as indicated below.

Subject to restrictions under applicable securities laws (see ''—Plan of distribution and allocation of the securities'' and as described below), existing shareholders whose holding of Shares is registered in the share register of the Company will receive communications informing them of the aggregate number of Rights to which they are entitled and of the procedures that they must follow to exercise or trade their Rights.

Existing shareholders whose holdings of Shares are held in a securities account are expected to be informed by their financial institution of the procedure that they must follow to exercise or trade their Rights.

Subject to restrictions under applicable securities laws (see ''—Plan of distribution and allocation of the securities'' and as described below), shareholders of the Company or transferees of Rights who do not hold the exact number of Rights to subscribe for a round number of new Shares may elect, during the Rights Subscription Period, either to purchase additional Rights in order to acquire additional new Shares or to transfer or sell all or part of their Rights.

Rights can no longer be exercised after 4.00 pm CEST on 23 September 2014, which is the last day of the Rights Subscription Period. (See ''—Subscription periods—Rights subscription period''.)

The results of the Rights Offering are expected to be announced via a press release (before market opening) on or around 25 September 2014.

Scrips Offering

The Rights that are not exercised at the time of the closing of the Rights Subscription Period, which will be 4.00 pm CEST on the last day of the Rights Subscription Period, will be converted into an equal number of Scrips.

After the Rights Subscription Period has ended, the Underwriters will, subject to the terms and conditions of the Underwriting Agreement (as defined below) and this Prospectus and for the account of holders of Rights that have not been exercised, commence the sale, pursuant to this Prospectus (i) in an accelerated bookbuilt private placement to investors in Belgium, and by way of an exempt private placement in such other jurisdictions as shall be determined by the Company in consultation with the Joint Bookrunners, outside the United States pursuant to Regulation S of the United States Securities Act of 1933, as amended; and (ii) within the United States solely to qualified institutional buyers (''**QIBs**'') as defined in Rule 144A under the Securities Act in transactions exempt from registration under the Securities Act. Through such a procedure, the Underwriters will build a book of demand to determine a single market clearing price for the Scrips.

The number of Scrips offered in the Scrips Offering will be equal to the number of Rights that have not been exercised at the closing of the Rights Subscription Period. Investors that acquire such Scrips irrevocably commit to subscribe at the Subscription Price to a number of new Shares corresponding to the Scrips acquired by them and in accordance with the Ratio. The Scrips Offering is expected to start on 25 September 2014 and is expected to end on the same day, though it may be extended. (See ''—Subscription periods—Scrips Subscription Period''.)

If the aggregate proceeds for the Scrips offered and sold in the Scrips Offering, and for the new Shares issued pursuant to the Scrips Offering, after deduction of any expenses relating to procuring such subscribers (including any value added tax), exceed the aggregate Subscription Price for the new Shares issued pursuant to the Scrips Offering (such an amount, the ''**Excess Amount**''), each holder of a Right that was not exercised by the last day of the Rights Subscription Period will be entitled to receive, except as noted below, a part of the Excess Amount in cash proportional to the number of unexercised Rights held by such holder on the last day of the Rights Subscription Period (rounded down to a whole Euro cent per unexercised Right) (the ''**Unexercised Rights Payment**''). There is no assurance that there will be any Excess Amount. Furthermore, there is no assurance that any or all Scrips will be sold during the Scrips Offering.

If the Excess Amount divided by the total number of unexercised Rights is less than €0.01, the holders of any unexercised Rights will not be entitled to receive an Unexercised Rights Payment and, instead, any Excess Amount will be transferred to the Company. The results of the Scrips Offering are expected to be announced via a press release on or around 25 September 2014.

The Scrips Offering will only take place if fewer than all of the Rights have been exercised during the Rights Subscription Period. Neither the Company, the Collecting Agents (as defined below), the Underwriters, nor any other person procuring a sale of the Scrips will be responsible for any lack of Excess Amount arising from any sale of the Scrips in the Scrips Offering.

Trading in Rights

Trading in the Rights on the regulated market of Euronext Brussels is expected to commence on 12 September 2014 and will continue until 23 September 2014 under the ISIN code BE0970134376 and the symbol NYR7. The transfer of Rights will take place as applicable through the book-entry system of Euroclear Bank SA/NV as operator of the Euroclear system.

Persons interested in trading or purchasing Rights should be aware that the exercise of Rights by holders who are located in countries other than Belgium may be subject to restrictions, including as described in ''—Plan of distribution and allocation of the securities''.

Subscription

Eligible Persons who wish to exercise their Rights should instruct their financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from such Eligible Persons and for informing the Collecting Agents of such exercise instructions.

Subject to applicable securities laws, Eligible Persons may instruct their financial intermediary to sell some or all of their Rights, or to purchase additional Rights, on their behalf.

All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by such financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies the Eligible Person.

The Company is not liable for any action or failure to act by a financial intermediary or by the Collecting Agents in connection with any subscriptions or purported subscriptions.

The Company's registered shareholders will have to follow the instructions mentioned in the communications that they will receive from the Company (subject to applicable securities laws) informing them of the aggregate number of Rights to which they are entitled and of the procedure they have to follow to exercise and trade their Rights.

Subscription periods

Rights Subscription Period

Eligible Persons may subscribe for new Shares by exercising their Rights from 12 September 2014 until 23 September 2014 inclusive (by 4.00 pm CEST).

The last date and time before which notification of exercise instructions may be validly given by Eligible Persons may be earlier than 4:00 pm CEST on 23 September 2014 depending on the financial institution through which the Rights of such Eligible Persons are held and depending on the communications that will be sent by the Company to the Company's registered shareholders. Eligible Persons who have not exercised their Rights by the last day of the Rights Subscription Period will no longer be able to exercise their Rights thereafter. However, all new Shares timely subscribed by Eligible Persons will be fully allocated to them. All subscriptions are binding, and may not be revoked except as described below in ''—Revocation of the acceptance—Supplement to the Prospectus''.

Scrips Subscription Period

The Scrips will be offered and sold through an accelerated bookbuilding process (i) in an accelerated bookbuilt private placement to investors in Belgium, and by way of an exempt private placement in such other jurisdictions as shall be determined by the Company in consultation with the Joint Bookrunners, outside the United States pursuant to Regulation S of the United States Securities Act of 1933, as amended; and (ii) within the United States solely to QIBs in transactions exempt from registration under the Securities Act. The Scrips Offering is expected to take place on or around 25 September 2014, but may be extended.

Minimum or maximum amount that may be subscribed

Subject to the Ratio, there is no minimum or maximum amount that may be subscribed by a single holder of Rights or Scrips pursuant to the Offering.

Shares held by Nyrstar

The Company and, as applicable, its subsidiaries will be granted Rights in respect of the Shares that they hold. In accordance with applicable legal provisions, the Company and its subsidiaries may not exercise any such Rights, but may, and expect to, sell them on the regulated market of Euronext Brussels or otherwise. See ''Share Capital and Articles of Association—Share Capital and Shares'' for the number of Shares held by the Company and its subsidiaries.

Revocation or suspension of the Offering

The Company has a right to proceed with the Offering in a reduced amount. This is, however, without prejudice to the underwriting commitment agreed to by the Underwriters (as described in ''—Placing and underwriting—Underwriting—Equity Commitment Agreement''). The actual number of the Shares subscribed for will be confirmed in the Financial Press.

The Company reserves the right to revoke or suspend the Offering, if the Company's board of directors determines that market circumstances do not allow for the occurrence or completion of the capital increase in circumstances satisfactory to it or upon the occurrence after the beginning of the Rights Subscription Period of an event allowing the Underwriters to terminate the Underwriting Agreement (see ''—Placing and underwriting—Underwriting—Underwriting Agreement'').

If the Company decides to revoke or suspend the Offering, a press release will be published and, to the extent such event would legally require the Company to publish a supplement to the Prospectus, such supplement will be published.

Revocation of the acceptance—Supplement to the Prospectus

The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Offering occurs prior to the start of trading of the new Shares, expected to take place on or around 30 September 2014. Any prospectus supplement will be subject to approval by the FSMA.

Subscriptions to the new Shares are binding and may not be revoked. However, if a supplement to the Prospectus is published, subscribers in the Rights Offering and subscribers in the Scrips Offering will have the right, within two business days, to withdraw subscriptions made by them prior to the publication of the supplement, provided that the event that triggered the requirement to publish a supplement took place prior to delivery of the new Shares. Such withdrawal must be done within the time limits set forth in the supplement (which shall not be shorter than two business days after publication of the supplement).

Any Right or Scrip in respect of which the subscription has been withdrawn as permitted by law following a publication of a supplement to the Prospectus shall be deemed to have been unexercised for the purposes of the Offering. Accordingly, holders of such unexercised Rights shall be able to share in the Excess Amount, as the case may be. However, subscribers withdrawing their subscription after the close of the Scrips Subscription Period when permitted by law following a publication of a supplement to the Prospectus will not be able to share in the Excess Amount, as the case may be, and will not be compensated in any other way, including for the purchase price (and any related cost) paid in order to acquire any Rights or Scrips.

Any supplement to the Prospectus will be published in the Financial Press or made available by any other permitted method of distribution. If the Company does not provide an update with respect to such event, the FSMA may suspend the Offering until such event has been made public. The above applies to subscriptions in both the Rights Offering and the Scrips Offering.

Payment of funds and terms of delivery of the new Shares

The payment of the subscriptions with Rights is expected to take place on or around 30 September 2014 and will be done by debit of the subscriber's account with the same value date (subject to the relevant financial intermediary procedures).

The payment of the subscriptions in the Scrips Offering is expected to take place on or around 30 September 2014. The payment of the subscriptions in the Scrips Offering will be made by delivery against payment.

Delivery of the new Shares will take place on or around 30 September 2014.

Publication of the results of the Offering

The results of the Offering and the amount of the Unexercised Rights Payment due to holders of Rights that were not exercised will be published on or around 26 September in the financial press, which will be in Belgium, *L'Echo* and *De Tijd*, as well as any other additional newspapers in such countries that the Company may determine (the ''**Financial Press**'').

Expected timetable of the Offering

Determination of the Subscription Price and Ratio	T−1	10 September 2014
Separation from the Shares of coupon No. 7 (representing the Right) after closing of Euronext Brussels	T	11 September 2014
Availability to the public of the Prospectus	T	11 September 2014
Start of the trading of Shares ''ex Right''	T+1	12 September 2014
Listing of the Rights on the regulated market of Euronext Brussels	T+1	12 September 2014
Opening date of the Rights Subscription Period	T+1	12 September 2014
End of the Rights Subscription Period	T+12	23 September 2014
End of the listing of the Rights on the regulated market of Euronext Brussels	T+12	23 September 2014
Announcement via press release of the results of the Rights Offering (before market opening)	T+14	25 September 2014
Scrips Offering	T+14	25 September 2014
Announcement via press release of the results of the Scrips Offering	T+14	25 September 2014
Publication in the Financial Press of the results of the Offering and the amount due to holders of unexercised Rights	T+15	26 September 2014
Payment by investors	T+19	30 September 2014
Completion of the Offering and realisation of the capital increase	T+19	30 September 2014
Listing and delivery of the new Shares subscribed with Rights and with Scrips	T+19	30 September 2014
Payment of the Excess Amount to holders of unexercised Rights (as the case may be)	T+19	30 September 2014

Note: ''T +'' a given number refers to the day that falls that number of days following the day that corresponds to ''T'' (that is, 11 September 2014).

Nyrstar may amend the dates and times of the Offering and periods indicated in the above timetable and throughout this Prospectus. Should Nyrstar decide to amend such dates, times or periods, it will notify Euronext Brussels and inform investors through a publication in the Financial Press. Any material alterations to this Prospectus will be published in a press release, an advertisement in the Financial Press and a supplement to this Prospectus.

The new Shares offered

Type, class and dividend entitlement

The new Shares to be issued within the framework of the Offering shall have the same rights and benefits as, and shall rank *pari passu* in all respects, including as to entitlement to dividends, with, the existing and outstanding Shares of the Company at the moment of their issue and will be entitled to distributions in respect of which the relevant record date or due date falls on or after their issue date.

Consequently, they will be, from the date of their admission to trading, immediately fungible with the existing Shares already traded on the regulated market of Euronext Brussels.

The new Shares will be traded under the same ISIN code as the code for the existing Shares, namely BE0003876936.

Legislation and jurisdiction

The new Shares will be issued in accordance with Belgian law.

In the event of litigation initiated in Belgium, the Belgian courts that will have jurisdiction will, in principle, be those where the registered office of the Company is located if the Company is defendant and will be designated according to the nature of the litigation, unless otherwise provided by Belgian rules, applicable treaties or jurisdiction or arbitration clauses.

Form

The subscribers have the choice of receiving the new Shares in the form of dematerialised securities, booked in their securities account, or as registered shares recorded in the Company's share register book.

Shareholders may at any time ask the Company for their Shares in dematerialised form to be converted into registered shares, or vice versa, at such shareholders' expense, in accordance with the articles of association.

Currency

The Offering is in Euro.

Rights attached to the new Shares

From their issue date, the new Shares will be subject to all provisions of the articles of association of the Company. The new Shares shall be of the same class as existing Shares and will be profit sharing as from any distribution in respect of which the relevant record date or due date falls on or after the date of the issue of such Shares (including any distribution in relation to the financial year that started on 1 January 2014, as the case may be). The rights attached to the Shares are described in ''Share Capital and Articles of Association—Rights attached to the Shares''.

Authorisations relating to the Offering

The Offering takes place pursuant to a decision by the board of directors taken on 1 September 2014 within the framework of the authorised capital. The powers of the board of directors within the framework of the authorised capital were provided by decision of the Company's general shareholders' meeting held on 19 May 2014 and have been amended by decision of the Company's general shareholders' meeting held on 20 August 2014. The powers are set forth under Articles 9 and 10 of the Company's articles of association. See also ''—Changes to the share capital—Capital increases decided by the board of directors'' above.

Within the framework of the authorised capital, the board of directors of 1 September 2014 approved the Offering. It decided to increase the share capital up to a maximum amount of € 300 million (including issue premium) and to offer the new Shares by preference to the existing Company shareholders. The Company's board of directors decided to carry out the capital increase through an offering with non-statutory preference rights for the shareholders of the Company, in the form of the Rights, subject to the specific terms set forth in this Prospectus and decided to disapply the statutory preference rights of the shareholders. Each of the board of directors and the statutory auditor of the Company prepared a special report in accordance with Article 596 of the Belgian Companies Code in relation to the disapplication of the statutory preference right of the shareholders. The Rights are structured in a way that allows the shareholders of the Company to exercise or sell their Rights on terms that are similar to those that would have applied, but during a period of time that is shorter than the 15 day period that would have applied, if the Offering had been made observing the statutory preference right as provided for in Article 592 and following of the Belgian Companies Code. The decision of the board of directors to opt for a non-statutory preference right rather than a statutory preference right, allows the Company to carry out the Offering without having to publish the notice required by Article 593 of the Belgian Companies Code. See also under ''—Terms and conditions of the Offering—Shares offered with a non-statutory preference right''.

Issue date

The expected date for the issue of the new Shares is 30 September 2014.

Restrictions on free trading in the new Shares

There are no provisions limiting the free transferability of the new Shares included in the articles of association of the Company. See however ''—Plan of distribution and allocation of the securities'' regarding restrictions applicable to the Offering.

Pre-allotment disclosure

There are no pre-allotment arrangements in connection with the Offering, other than the underwriting commitment of the Underwriters described in ''—Placing and underwriting—Underwriting—Equity Commitment Agreement''.

Over-allotment and green shoe

No over-allotment facility or over-allotment option have been granted in connection with the Offering.

Notifications to applicants

Holders of Rights who will validly exercise them and pay for the corresponding number of new Shares are guaranteed, subject to the occurrence of the Closing and applicable securities law restrictions, to receive such number of new Shares. The results of the Offering will be publicly disclosed as set forth in ''—Terms and conditions of the Offering—Publication of the results of the Offering''.

Plan of distribution and allocation of the securities

Categories of potential investors—Countries in which the Offering will be open—Restrictions applicable to the Offering

Categories of potential investors

The Offering is carried out with non-statutory preference rights for existing shareholders. The Rights are allocated to all the shareholders of the Company as of the Record Date, and each Share will entitle its holder to one Right. Both the initial holders of Rights and any subsequent purchasers of Rights, as well as any purchasers of Scrips in the Scrips Offering, may subscribe for the new Shares, subject to the applicable securities laws referred to above and the restrictions set forth below.

The Scrips Offering will only take place (i) in an accelerated bookbuilt private placement to investors in Belgium, and by way of an exempt private placement in such other jurisdictions as shall be determined by the Company in consultation with the Joint Bookrunners, outside the United States pursuant to Regulation S of the United States Securities Act of 1933, as amended; and (ii) within the United States solely to QIBs in transactions exempt from registration under the Securities Act.

Countries in which the Offering will be open

The Rights are granted to all shareholders of the Company and may only be exercised by shareholders of the Company (or subsequent purchasers of the Rights) who can lawfully do so under any law applicable to them. The new Shares to be issued upon exercise of the Rights are being offered only to holders of Rights to whom such offer can be lawfully made under any law applicable to those holders. Nyrstar has taken all necessary actions to ensure that Rights may lawfully be exercised by, and new Shares to be issued upon the exercise of Rights may lawfully be offered to, the public (including shareholders of the Company and holders of Rights) in Belgium. Nyrstar has not taken any action to permit any offering of Rights or new Shares to be issued upon the exercise of Rights in any other jurisdiction outside of Belgium.

The Scrips, and the new Shares to be issued upon exercise of Scrips as a result of the Scrips Offering, are being offered only (i) in an accelerated bookbuilt private placement to investors in Belgium, and by way of an exempt private placement in such other jurisdictions as shall be determined by the Company in consultation with the Joint Bookrunners, outside the United States pursuant to Regulation S of the United States Securities Act of 1933, as amended; and (ii) within the United States solely to QIBs in transactions exempt from registration under the Securities Act. The Scrips, and new Shares to be issued upon exercise of Scrips as a result of the Scrips Offering, are not being offered to any other persons or in any other jurisdiction.

The distribution of this Prospectus, the acceptance, sale, purchase or exercise of Rights, the purchase and the exercise of Scrips and the subscription for and acquisition of new Shares may, under the laws of certain countries other than Belgium, be governed by specific regulations. Individuals in possession of this Prospectus, or considering the acceptance, sale, purchase or exercise of Rights, the purchase or exercise of Scrips or the subscription for, or acquisition of, new Shares, must inquire about those regulations and about possible restrictions resulting from them, and comply with those restrictions. Intermediaries cannot permit the acceptance, sale or exercise of Rights, the purchase or exercise of Scrips or the subscription for, or acquisition of, new Shares, for clients whose addresses are in a country where such restrictions apply. No person receiving this Prospectus (including trustees and nominees) may distribute it in, or send it to, such countries, except in conformity with applicable law. The Company expressly disclaims any liability for non-compliance with the aforementioned restrictions.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Rights, the Scrips and new Shares to which they relate or an offer to sell or the solicitation of an offer to buy Rights, Scrips or new Shares in any circumstances in which such offer or solicitation is unlawful.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

Certain Member States of the EEA

Nyrstar has not authorised any offer to the public of new Shares, Rights or Scrips in any Member State of the European Economic Area (each, a ''**Member State**''), other than Belgium. With respect to each Member State that has implemented the EU Prospectus Directive (each, a ''**Relevant Member State**''), no action has been undertaken or will be undertaken to make an offer to the public of new Shares, Rights or Scrips requiring a publication of a prospectus in that Relevant Member State. As a result, the new Shares, Rights or Scrips may only be offered in a Relevant Member State under the following exemptions of the EU Prospectus Directive, if they have been implemented in that Member State:

(a) to any legal entity that is a qualified investor as defined in Article 2(1)(e) of the EU Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive) as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of new Shares shall result in a requirement for the publication by Nyrstar or any Underwriter of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this paragraph, the expression an ''offer to the public'' of new Shares, Rights or Scrips in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the new Shares, Rights or Scrips to be offered so as to enable an investor to decide to purchase or subscribe to any such securities, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State; the expression ''**EU Prospectus Directive**'' means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression ''**2010 PD Amending Directive**'' means Directive 2010/73/EU.

Canada, Australia and Japan

This Prospectus may not be distributed or otherwise made available in Canada, Australia or Japan, and the Scrips and the new Shares may not be, directly or indirectly, offered or sold, and the Rights may not be directly or indirectly distributed to, exercised or otherwise offered or sold, or exercised by any person, in Canada, Australia or Japan unless such distribution, offering, sale, or exercise is permitted under applicable laws of the relevant jurisdiction.

United States

No actions have been taken to register or qualify the Rights, Scrips, or Shares, offered hereby or otherwise permit a public offering of the Rights, Scrips, or Shares offered hereby in the United States. The Rights, Scrips and Shares are being offered in the United States on a private placement basis solely to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act and outside the United States pursuant to Regulation S under the U.S. Securities Act. The Rights, Scrips and Shares offered hereby have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or resold in, or to persons in, the United States except in accordance with an available exemption from registration under the U.S. Securities Act. Sales in the United States may be made through affiliates of the Underwriters or through U.S. registered broker dealers.

Investors may not exercise Rights or receive or exercise Scrips, and they may not purchase Rights, Scrips or Shares in the United States, unless they are qualified institutional buyers. Investors that are qualified institutional buyers exercising Rights or Scrips will be deemed to have made the following representations and agreements:

(a) It is and at the time of any exercise by it of Rights or Scrips will be, a ''qualified institutional buyer'' within the meaning of Rule 144A under the Securities Act of 1933, as amended (the ''**U.S. Securities Act**'').

(b) It understands and acknowledges that neither the Rights nor Scrips nor any Shares issuable upon exercise of the Rights or Scrips have been or will be registered under the U.S. Securities Act, and may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 4 below.

(c) As a purchaser in a private placement of securities that have not been registered under the U.S. Securities Act, it is acquiring Rights or Scrips and Shares upon the exercise of such Rights or Scrips for its own account, or for the account of one or more other qualified institutional buyers for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account, in each case for investment and not with a view to any resale or distribution of any Rights or Scrips or of any Shares issuable upon exercise of the Rights or Scrips.

(d) It understands and agrees that, although offers and sales of the Rights or Scrips are being made only to qualified institutional buyers, and that Rights or Scrips may be exercised only by qualified institutional buyers, such exercises are not being made under Rule 144A, and that if in the future it or any such other qualified institutional buyer for which it is acting, as described in paragraph 3 above, or any other fiduciary or agent representing such investor decides to offer, sell, deliver, hypothecate or otherwise transfer any Rights or Scrips or Shares issuable on the exercise of Rights or Scrips, it will do so only (i) pursuant to an effective registration statement under the U.S. Securities Act, (ii) to a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) outside the United States pursuant to Rule 904 under Regulation S under the U.S. Securities Act in an ''offshore transaction'' (and not in a pre-arranged transaction resulting in the resale of such Rights or Scrips or Shares into the United States) or (iv) in the case of Shares issued upon the exercise of Rights or Scrips, in accordance with Rule 144 under the U.S. Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. It understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for the resale of Shares.

(e) It understands that for so long as such Shares issued upon the exercise of Rights or Scrips are ''restricted securities'' within the meaning of U.S. federal securities laws, no such Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that the Shares will not settle or trade through the facilities of The Depository Trust Company or any other U.S. exchange or clearing system.

(f) It has received a copy of this Prospectus and has had access to such financial and other information concerning the Company as it has deemed necessary in connection with making its own investment decision to purchase or exercise Rights or Scrips. It acknowledges that neither the Company nor the Underwriters nor any person representing the Company or the Underwriters has made any representation with respect to the Company or the offering or sale of any Rights or Scrips (or Shares issuable upon the exercise of Rights or Scrips) other than as set forth in the Prospectus, and upon which it is relying solely in making its investment decision with respect to the Rights or Scrips and such Shares. It has held and will hold any offering materials, including the Prospectus, it receives directly or indirectly from the Company or the Underwriters in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated. It acknowledges that it has read and agreed to the matters stated in ''—Plan of distribution and allocation of the securities—Categories of potential investors—Countries in which the Offering will be open—Restrictions applicable to the Offering'' of this Prospectus.

(g) It, and each other qualified institutional buyer, if any, for whose account it is acquiring Rights or Scrips or Shares, in the normal course of business, invest in or purchase securities similar to the Rights or Scrips and the Shares issuable upon the exercise of Rights or Scrips, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing any of the Rights or Scrips and such Shares and it is aware that it must bear the economic risk of an investment in each Right or Scrip and any Share into which it may be exercised for an indefinite period of time and is able to bear such risk for an indefinite period. It confirms that it is acquiring Rights or Scrips or Shares for itself and any other qualified institutional buyer, if any, for whom it is acting with an aggregate price or exercise price of US$ 250,000 per account.

(h) It understands that these representations and undertakings are required in connection with United States securities laws.

(i) It undertakes promptly to notify the Company and the Underwriters if, at any time prior to the closing of the Offering, any of the foregoing ceases to be true.

Terms used in this section but not otherwise defined above have the meanings given to them by Regulation S under the U.S. Securities Act.

Placing and underwriting

Collecting Agents

KBC Securities NV, KBC Bank NV and CBC Banque SA will act as collecting agents (the ''**Collecting Agents**'') to accept, free of charge, subscriptions for new Shares through the exercise of the Rights. The financial intermediaries through whom shareholders or other investors hold their Rights will be responsible for collecting exercise instructions from them and for informing the Collecting Agents of their exercise instructions. Shareholders should request details of the costs that these financial intermediaries may charge.

The Company's registered shareholders will have to follow the instructions mentioned in the communications as indicated in ''—Terms and conditions of the Offering—Offering procedure—Subscription''.

Financial service—paying agent

The paying agent for the new Shares is KBC Bank NV providing its financial service in Belgium free of charge for the Company's shareholders.

Underwriting

Pursuant to the arrangements summarised below, Goldman Sachs International acts as sole global coordinator for the Offering, Goldman Sachs International and KBC Securities NV are joint bookrunners (the ''**Joint Bookrunners**'') of the Offering, and ABN AMRO Bank N.V., BNP Paribas Fortis NV/SA and RBC Europe Limited are joint lead managers (the ''**Joint Lead Managers**'', and together with the Joint Bookrunners, the ''**Underwriters**'') of the Offering. Their respective addresses are indicated on the inside back cover of this Prospectus.

Equity Commitment Agreement

On 31 August 2014, the Company entered into an equity commitment agreement with the Joint Bookrunners (the ''**Equity Commitment Agreement**''). In the Equity Commitment Agreement, the Joint Bookrunners agreed to underwrite the new Shares for an aggregate subscription amount of up to € 250 million (the ''**Aggregate Equity Commitment Amount**'') and, each of them, for a maximum subscription amount of € 125 million. By letters dated 9 September 2014, each of the Joint Lead Managers acceded to the Equity Commitment Agreement and have so committed to assume in equal share up to, in aggregate, 20%, and each of them 6.67%, of the Joint Bookrunners' respective underwriting commitments. In the Equity Commitment Agreement, Nyrstar has agreed to pay to the Underwriters a commission equal to 0.1% of the Aggregate Equity Commitment Amount, such commission to be apportioned between them *pro rata* on the basis of their respective underwriting commitments.

Underwriting Agreement

Subsequently, the Company and the Underwriters entered into an underwriting agreement on 10 September 2014 (the ''**Underwriting Agreement**''). Pursuant to the terms and subject to the satisfaction or waiver of the conditions of the Underwriting Agreement, the Underwriters have severally agreed to underwrite the Offering, and to procure purchasers and payment for, and failing which to subscribe and pay for, the new Shares in the following proportions:

Underwriter	Percentage of offer Shares underwritten
Goldman Sachs International	40.00%
KBC Securities NV	40.00%
ABN AMRO Bank N.V.	6.67%
BNP Paribas Fortis NV/SA	6.67%
RBC Europe Limited	6.67%
Total	100.00%

If an Underwriter defaults, the Underwriting Agreement provides that in certain circumstances, each Underwriter's underwriting commitment may be increased or the Underwriting Agreement may be terminated.

The Underwriting Agreement can also be terminated by the Underwriters before the completion the Offering and the listing and delivery to the subscribers of the new Shares subscribed with Rights and Scrips (the ''**Closing**'') in the following limited circumstances, as further provided in the Underwriting Agreement:

(a) any breach of, or any event rendering untrue or incorrect, any of the representations and warranties of the Company contained in the Underwriting Agreement or any failure to perform any undertakings or agreements set out in the Underwriting Agreement, comes to the notice of the Underwriters;

(b) any of the conditions precedent to the Underwriting Agreement is not satisfied at the required time(s) or ceases to be satisfied before the Closing date;

(c) either the Company or any of its subsidiaries has sustained any loss of or interference with their business;

(d) there has been a change in the share capital, increase in long-term debt or any decrease in consolidated net revenue, operating income or net current assets of the Company or any of its subsidiaries or any actual change or any actual development involving a material prospective change, in or affecting the general affairs, management, trading and/or financial position, business, earnings, shareholders' equity or results of operations of the Company and its subsidiaries taken as a whole;

(e) there has occurred any of the following:

(i) any suspension or material limitation in trading in securities generally on the New York Stock Exchange, Euronext Brussels and/or the London Stock Exchange;

(ii) any suspension or material limitation in trading in Nyrstar's securities on any securities exchange;

(iii) a general moratorium on commercial banking activities (in all or material part) in Brussels, New York, and/or London declared by the relevant authorities, or a material disruption in commercial banking or securities settlement, payment or clearance services in Europe or the United States;

(iv) any material adverse change (actual or reasonably expected) in the national or international economic, political, industrial, legal or financial conditions or conditions of the capital markets or exchange rates;

(v) any Member State, Japan, the United States, Australia or Canada having defaulted or announced or threatened to default on its obligations under financing instruments or agreements;

(vi) any official decision or announcement that the Euro will cease to be the official currency in one or more jurisdictions which are members of the Euro zone on the date of the Underwriting Agreement;

(vii) a change or development involving a prospective change in Belgian taxation materially adversely affecting Nyrstar, the Shares, the issuance, subscription, delivery or transfer thereof; or

(viii) any outbreak or escalation of hostilities, civil war or war or the occurrence of any acts of terrorism or any change in financial markets or any calamity or crisis or any change in national or international, political, financial, economic or environmental conditions, or the declaration by the United Kingdom or any other Member State, the United States, Australia or Canada of a national emergency.

provided that, in connection with the events referred to in any of (a), (b), (c), (d) and (e)(iv), (v), (vi), (vii) and (viii), the Underwriters may and will only terminate the Underwriting Agreement if they believe in good faith such event to make it impracticable or inadvisable to proceed with the Offering or the Closing in the conditions set forth in the Underwriting Agreement.

The Underwriting Agreement will also terminate before the Completion of the Offering if Nyrstar Netherlands (Holdings) B.V. issues (in accordance with Section 3.07 of the indenture expected to be entered into by the Company and Nyrstar Netherlands (Holdings) B.V. on or about 12 September 2014) a redemption notice relating to the New Notes to be issued in the Concurrent New Notes Offering.

If the Underwriting Agreement is terminated in accordance with its terms, the Underwriters shall be released from their obligations under the Underwriting Agreement, including the Underwriting Commitment and, as the case may be, the Placing Commitment. However, except as described in section ''Risk Factors—Risks relating to the Offering—Termination of the Underwriting Agreement could have a material adverse effect on the trading price and underlying value of the Rights and the Shares.'', termination of the Underwriting Agreement does not affect the legal rights of purchasers of Scrips or new Shares. If the Underwriting Agreement is terminated, the Company shall publish a prospectus supplement that will be subject to approval by the FSMA.

Pursuant to the Underwriting Agreement, the Company has agreed to pay on to the Underwriters on the Closing date, an aggregate sum of up to 2.4% of the actual amount of the Offering (the ''**Global Subscription Amount**'').

The Company has also agreed to pay certain costs and expenses incurred by the Underwriters in connection with the Offering. The Company has made certain representations, warranties and undertakings to the Underwriters. In addition, the Company has agreed to indemnify the Underwriters against certain liabilities in connection with the Offering. The amounts identified in this section as payable to the Underwriters pursuant to the Underwriting Agreement are in addition to any amounts due to the Underwriters in consideration of their equity commitment under the Equity Commitment Agreement and described in ''—Underwriting—Equity Commitment Agreement'' above.

In addition, BlackRock has entered into an agreement with the Joint Bookrunners to sub-underwrite the Joint Bookrunners' underwriting commitments and obligations in relation to the Rights Offering for an amount of up to € 35 million, further demonstrating its support for the proposed Rights Offering. In consideration of its commitment, the Joint Bookrunners will pay to BlackRock a portion of the fees and Underwriters' commissions which they are entitled to as provided for in the Equity Commitment Agreement and the Underwriting Agreement.

Lock-up agreements

The Underwriting Agreement includes a lock-up undertaking given by the Company to the Underwriters pursuant to which the Company has agreed, save in certain circumstances (the main ones being described below), that during a period beginning from the date of the Underwriting Agreement and continuing to and including the date that is 180 days after the Closing date, it will not (and will procure that none of its subsidiaries will), without the prior written consent of the Joint Bookrunners on behalf of the Underwriters:

(a) offer, sell, contract to sell or otherwise dispose of any securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive or acquire, any Shares or capital stock of the Company or any such substantially similar securities (other than upon the conversion or exchange of convertible or exchangeable securities outstanding as of the date of the Underwriting Agreement and fairly described herein); or

(b) make any short sale, engage in any hedging or other transaction that is designed to or that reasonably could be expected to lead to or result in a sale or disposition (even if such disposition would be by someone other than the Company); or

(c) enter into a transaction with similar economic effect, or publicly announce its intention to do any of the transactions mentioned in (a) or (b) above.

However, such lock-up undertaking shall not restrict the issue or the transfer by the Company of the Company's Shares upon conversion of the Company's outstanding convertible bonds, or any Shares or securities convertible into the Company's Shares, in connection with: (i) issues of Shares as consideration for mergers and acquisitions, up to a maximum of 10,000,000 ordinary Shares (such number to be adjusted as the case may be for stock splits or stock consolidations) of the Company, and (ii) stock option plans or other incentive plans as disclosed herein; and (iii) any transfer of Shares currently held in treasury by the Company (the ''**Treasury Shares**'') to one or more persons provided that (x) the Company has, prior to such transfer, duly and timely informed the Joint Bookrunners of its intention to proceed with a transfer of Treasury Shares and discussed with them in good faith any opportunity for the Joint Bookrunners to assist it in this respect, (y) the transfer of Treasury Shares is conducted off-market and (z) each transferee of such Treasury Shares agrees to be bound vis-à-vis the Underwriters and the Company by the lock-up undertaking set forth above in relation to such Treasury Shares for the remainder of the 180-day period after the date of Closing.

Stabilisation

In connection with the Offering, the Underwriting Agreement provides that Goldman Sachs International (directly or through its affiliates) may (but is not obliged to), in agreement with the Company and to the extent permitted by applicable laws and regulations, engage in transactions on Euronext Brussels, in over-the-counter market or otherwise, that stabilise or maintain the market price of the Rights and/or Shares at levels that might not otherwise exist.

Admission to trading and dealing arrangements

The Rights, represented by coupon No. 7 of the existing Shares, will be separated from the underlying Shares on 11 September 2014 after the closing of the regulated market of Euronext Brussels. The Company has applied for admission to trading of the Rights on the regulated market of Euronext

Brussels. The Rights will be listed and traded on Euronext Brussels under ISIN BE0970134376 from 12 September 2014 to 23 September 2014 (inclusive).

No application for admission to trading of the Scrips will be made.

The Company has applied for admission to trading of the new Shares on the regulated market of Euronext Brussels. Listing and admission to trading of the new Shares are expected to take place on or around 30 September 2014. The new Shares will be listed on the regulated market of Euronext Brussels under the ISIN code BE0003876936.

Expenses of the Offering

The Company estimates that commissions and offering expenses of the Concurrent New Notes Offering (excluding financing costs relating to original issue discount), the Offering and the Existing Notes Tender Offer will be approximately € 12 million. The expenses related to the Offering include, among other things, the underwriting and management fees and commissions of € 7.0 million due to the Underwriters (see above ''—Underwriting—Underwriting Agreement''), the fees due to the FSMA and Euronext Brussels and legal and administrative expenses, as well as publication costs. The Company shall bear these expenses.

Dilution

Consequences in terms of participation in the share capital

Assuming that an existing Company shareholder holding 1% of the Company's share capital prior to the Offering does not subscribe for the newly issued Shares, such shareholder's participation in the Company's share capital would decrease to 0.5% as a result of the Offering. If a shareholder exercises all Rights allocated to it, there will be no dilution in terms of its participation in the Company's share capital or in terms of its dividend rights.

Financial consequences

Holders of existing Shares who exercise all of their allocated Rights with respect to such Shares and, accordingly, subscribe for the number of Shares offered to them in the Offering with respect to such Shares, will not suffer dilution as a result of the Offering upon its completion. Shareholders who decide not to exercise all of their allocated Rights should take into account the risk of a financial dilution of their portfolio. The table below sets out the extent of such a dilution. Theoretically, the value of the Rights offered to the existing shareholders should compensate for the reduction in the financial value of their portfolio resulting from such a dilution.

The following table shows that there is no financial dilution in case the Rights trade at or above this theoretical value, as well as the extent of financial dilution if the Rights trade at 50% of their theoretical value or if they have no value.

	Price before Offering(1)	Theoretical ex-Right price	Theoretical Right value + 50%	Theoretical Right value − 50%	Theoretical Right value − 100%
After the issue of 170,022,544 new Shares	2.90	2.19	1.07	0.36	—
% of financial dilution			—	12.2%	24.5%

Note:

(1) Price of the Shares as at 10 September 2014.

As further explained above under ''—Terms and conditions of the Offering—Offering procedure—Scrips Offering'' above, after the Rights Subscription Period has expired, any Rights that are not exercised during the Rights Subscription Period will be converted into an equal number of Scrips which will be offered by the Underwriters in the Scrips Offering. The Excess Amount, consisting of the net proceeds of the Scrips Offering (if any), will be divided proportionally between all holders of Rights that did not exercise such Rights by the last day of the Rights Subscription Period, unless the Excess Amount divided by the number of unexercised Rights is less than € 0.01. There is no assurance that there will be any Excess Amount. Furthermore, there is also no assurance that any or all Scrips will be sold during the Scrips Offering.

Interest of natural and legal persons involved in the Offering

There is no natural or legal person involved in the Offering and having an interest that is material to the Offering, other than the Underwriters.

From time to time, the Underwriters and their affiliates have provided, and may in the future provide, investment banking services to the Company and its affiliates, and the Underwriters and their affiliates have provided, and may in the future provide, investment advisory and commercial banking services to the Company and its affiliates, for which they have received or may receive customary fees and commissions. For example, Goldman Sachs International is one of the banks that have provided a commitment to complete the Port Pirie Silver Prepayment. See ''Business—Metals Processing—Port Pirie multi-metals smelter—Port Pirie Redevelopment project—Funding and support package''. In addition, certain of the Underwriters have entered and may from time to time enter into hedging arrangements with the Company and its affiliates. Goldman Sachs International is acting as Sole Global Coordinator and Joint Bookrunner of the Concurrent New Notes Offering and Global Coordinator and Joint Dealer Manager in the Existing Notes Tender Offer, KBC Bank is acting as Joint Bookrunner of the Concurrent New Notes Offering and Joint Dealer Manager in the Existing Notes Tender Offer, and an affiliate of BNP Paribas Fortis is acting as Co-Manager of the Concurrent New Notes Offering.

TAXATION OF SHARES

Belgian taxation

The paragraphs below present a summary of certain material Belgian federal income tax consequences of the exercise and disposal of Rights, and of the ownership and disposal of Shares and Scrips by an investor that acquires such securities in connection with this Offering. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of an investment in Rights, new Shares and Scrips, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, Shares as a position in a straddle, share repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (i.e., an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (i.e., a corporate entity that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium), an organisation for financing pensions (''**OFPs**''), i.e., Belgian pension funds incorporated under the form of an OFP (*organismes de financement de pensions* / *organismen voor de financiering van pensioenen*) within the meaning of Article 8 of the Belgian Act of 27 October 2006, or a legal entity subject to Belgian income tax on legal entities (i.e., a legal entity other than a company subject to Belgian corporate income tax, that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium). A non-resident is any person that is not a Belgian resident.

Investors should consult their own advisors regarding the tax consequences of an investment in Rights, new Shares and Scrips in the light of their particular circumstances, including the effect of any state, local or other national laws.

Taxation of dividends on Shares

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Companies Code is not treated as dividend distribution to the extent that such repayment is imputed to the fiscal capital. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up issue premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates.

Belgian withholding tax of 25% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

If the Company redeems its own Shares, the redemption distribution (after deduction of the portion of fiscal capital represented by the redeemed Shares) will be treated as a dividend subject to a Belgian withholding tax of 25%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if such redemption is carried out on Euronext or a similar stock exchange and meets certain conditions.

In case of liquidation of the Company, any amounts distributed in excess of the fiscal capital will in principle be subject to withholding tax at a rate of 10%, subject to such relief as may be available under applicable domestic or tax treaty provisions. However, this withholding tax will increase from 10% to 25% with effect from 1 October 2014.

Belgian resident individuals

For Belgian resident individuals who acquire and hold Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where such individual opts to report them, dividends will normally be taxable at the lower of the generally applicable 25% withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall declared income. In addition, if the dividends are reported, the dividend withholding tax withheld at source may be credited against the income tax due and is reimbursable to the extent that it exceeds the income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. This condition is not applicable if the individual can demonstrate that he has held the Shares in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends.

For Belgian resident individuals who acquire and hold the Shares for professional purposes, the Belgian withholding tax does not fully discharge their income tax liability. Dividends received must be reported by the investor and will, in such case, be taxable at the investor's personal income tax rate increased with local surcharges. Withholding tax withheld at source may be credited against the income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed; and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the investor can demonstrate that he has held the full legal ownership of the Shares for an uninterrupted period of twelve months prior to the attribution of the dividends.

Belgian resident companies

Corporate income tax

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. For such companies, the gross dividend income (including withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of 33.99%, unless the reduced corporate income tax rates apply.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed; and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable (a) if the company can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends; or (b) if, during said period, the Shares never belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a Belgian permanent establishment (a ''**PE**'') in Belgium.

Belgian resident companies can (subject to certain limitations) deduct 95% of gross dividends received from their taxable income (''dividend received deduction''), provided that at the time of a dividend payment or attribution: (1) the Belgian resident company holds Shares representing at least 10% of the share capital of the Company or a participation in the Company with an acquisition value of at least € 2,500,000; (2) the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (3) the conditions relating to the taxation of the underlying distributed income, as described in Article 203 of the Income Tax Code (the ''**Article 203 ITC Taxation Condition**'') are met (together, the ''**Conditions for the application of the dividend received deduction regime**'').

The Conditions for the application of the dividend received deduction regime depend on a factual analysis upon each distribution, and for this reason the availability of this regime should be verified upon each distribution.

Withholding tax

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian resident company must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the two required conditions. If the Belgian resident company holds the required minimum participation for less than one year at the time the dividends are paid on or attributed to Shares, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the Belgian resident company certifies its qualifying status, the date from which it has held such minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year. The Belgian resident company must also inform the Company or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the Belgian resident company.

Belgian resident organisations for financing pensions

For OFPs, the dividend income is generally tax-exempt. Subject to certain limitations, any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

Other Belgian resident legal entities subject to Belgian legal entities tax

For taxpayers subject to the Belgian income tax on legal entities, the Belgian dividend withholding tax in principle fully discharges their income tax liability.

Non-resident individuals or companies

For non-resident individuals and companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds the Shares in connection with a business conducted in Belgium through a fixed base in Belgium or a Belgian PE.

If the Shares are acquired by a non-resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable non-resident personal or corporate income tax rate, as appropriate. Belgian withholding tax levied at source may be credited against non-resident personal or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed; and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if (a) the non-resident individual or the non-resident company can demonstrate that the Shares were held in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends; or (b) with regard to non-resident companies only, if, during said period, the Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a Belgian PE.

Non-resident companies whose Shares are invested in a Belgian PE may deduct 95% of the gross dividends received from their taxable income if, at the date the dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met. See ''—Belgian resident companies''. Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

Belgian dividend withholding tax relief for non-residents

Under Belgian tax law, withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) to be a legal entity with fiscal residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim; (iv) which is exempt from income tax in its country of residence; and (v) provided that it is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the Shares, nor obligated to pay a manufactured dividend with respect to the Shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the Shares and that the above conditions are satisfied. The organisation must then forward that certificate to the Company or its paying agent.

Dividends distributed to non-resident qualifying parent companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause will, under certain conditions, be exempt from Belgian withholding tax provided that Shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year. A non-resident company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the EU Parent-Subsidiary Directive of 23 July 1990 (90/435/EC), as amended by Directive 2003/123/EC of 22 December 2003, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty, it has a legal form similar to the ones listed in such annex; (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime.

In order to benefit from this exemption, the non-resident company must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions.

If the non-resident company holds a minimum participation for less than one year at the time the dividends are attributed to Shares, the Company must deduct the withholding tax but does not need to transfer it to the Belgian Treasury provided that the non-resident company provides the Company or its paying agent with a certificate confirming, in addition to its qualifying status, the date as of which it has held the Shares, and its commitment to hold the Shares for an uninterrupted period of at least one year. The non-resident company must also inform the Company or its paying agent when the one-year period has expired or if its shareholding drops below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the deducted dividend withholding tax which was temporarily withheld, will be refunded to the non-resident company.

Belgian dividend withholding tax is subject to such relief as may be available under applicable tax treaty provisions. Belgium has concluded tax treaties with more than 95 countries, reducing the dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities.

Prospective holders should consult their own tax advisors to determine whether they qualify for a reduction in withholding tax upon payment or attribution of dividends, and, if so, to understand the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

Taxation of capital gains and losses on Shares

Belgian resident individuals

In principle, Belgian resident individuals acquiring Shares as a private investment should not be subject to Belgian capital gains tax on a later disposal of Shares and capital losses will not be tax deductible.

However, capital gains realised by a private individual are taxable at 33% (plus local surcharges) if the capital gain on the Shares is deemed to be realised outside the scope of the normal management of their private estate. Capital losses are, however, not tax deductible. Moreover, capital gains realised by Belgian resident individuals on the disposal of the Shares to a non-resident company (or body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity, each time established outside the European Economic Area, are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned, directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Company (i.e., a shareholding of more than 25% in the Company).

Capital gains realised by Belgian resident individuals in case of redemption of Shares or in case of liquidation of the Company will generally be taxable as a dividend. See ''Taxation of dividends on Shares—Belgian resident individuals''.

Belgian resident individuals who hold Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) or on any capital gains realised upon the disposal of Shares, except for Shares held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on Shares incurred by Belgian resident individuals who hold Shares for professional purposes are in principle tax deductible.

Belgian resident companies

Belgian companies (other than small companies within the meaning of Article 15 of the Belgian Companies Code (''**SMEs**'')) are subject to Belgian capital gains taxation at a separate rate of 0.412% on gains realised upon the disposal of Shares provided that: (i) the income distributed in respect of the Shares meets the Article 203 ITC Taxation Condition and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year. The 0.412% separate capital gains tax cannot be offset by any tax assets (such as e.g. tax losses) and can moreover not be offset by any tax credits.

Belgian resident companies qualifying as SMEs are normally not subject to Belgian capital gains taxation on gains realised upon the disposal of the Shares provided that (i) the Article 203 ITC Taxation Condition is met and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year.

If the one-year minimum holding period condition is not met (but the Article 203 ITC Taxation Condition is met) then the capital gains realised upon the disposal of Shares by Belgian resident companies (both non-SMEs and SMEs) are taxable at a separate corporate income tax rate of 25.75%.

If the Article 203 ITC Taxation Condition would not be met, any capital gain realised would be taxable at the standard corporate income tax rate of 33.99%, unless the reduced corporate income tax rates apply.

Capital losses on Shares incurred by resident companies (both non-SMEs and SMEs) are as a general rule not tax deductible.

Shares held in the trading portfolios of qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different regime. The capital gains on such Shares are taxable at the ordinary corporate income tax rate of 33.99% and the capital losses on such Shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realisation.

Capital gains realised by Belgian resident companies in case of redemption of Shares or in case of liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

Belgian resident organisations for financing pensions

Capital gains on Shares realised by OFPs are exempt from corporate income tax and capital losses are not tax deductible.

Other Belgian resident legal entities subject to Belgian legal entities tax

Capital gains realised upon disposal of the Shares by Belgian legal entities are in principle not subject to Belgian income tax and capital losses are not tax deductible.

Capital gains realised upon disposal of (part of) a substantial participation in a Belgian company (i.e., a participation representing more than 25% of the share capital of the Company at any time during the last five years prior to the disposal) may, however, under certain circumstances be subject to income tax in Belgium at a rate of 16.5%.

Capital gains realised by Belgian legal entities in case of redemption of Shares or in case of liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

Non-resident individuals or companies

Non-resident individuals or companies are, in principle, not subject to Belgian income tax on capital gains realised upon disposal of the Shares, unless the Shares are held as part of a business conducted in Belgium through a fixed base or a Belgian PE. In such a case, the same principles apply as described with regard to Belgian individuals (holding the Shares for professional purposes) or Belgian companies.

Non-resident individuals who do not use the Shares for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Shares to Belgium, might be subject to tax in Belgium if the capital gains arise from transactions which are to be considered speculative or beyond the normal management of one's private estate or in case of disposal of a substantial participation in a Belgian company as mentioned in the tax treatment of the disposal of the Shares by Belgian individuals. See ''—Belgian resident individuals'' above. Such non-resident individuals might therefore be obliged to file a tax return and should consult their own tax advisor.

Uncertain effect of Article 228, §3 ITC for non-residents

Under a strict reading of Article 228, §3 ITC, and in addition to the situations described above, capital gains realised on the Shares by non-residents could be subject to Belgian taxation, levied in the form of a professional withholding tax, if the following three conditions are cumulatively met: (i) the capital gain would have been taxable if the non-resident were a Belgian tax resident; (ii) the income is ''borne by'' a Belgian resident or by a Belgian establishment of a foreign entity (which would, in such a context, mean that the capital gain is realised upon a transfer of the Shares to a Belgian resident or to a Belgian establishment of a foreign entity (together, a ''**Belgian Purchaser**'')); and (iii) Belgium has the right to tax such capital gain pursuant to the applicable double tax treaty, or, if no such tax treaty applies, the non-resident does not demonstrate that the capital gain is effectively taxed in its state of residence.

However, it is unclear whether a capital gain included in the purchase price of an asset can be considered to be ''borne by'' the purchaser of the asset within the meaning of the second condition mentioned above.

Furthermore, applying this withholding tax would require that the Belgian Purchaser is aware of (i) the identity of the non-resident (to assess the third condition mentioned above); and (ii) the amount of the capital gain realised by the non-resident (since such amount determines the amount of professional withholding tax to be levied by the Belgian Purchaser). Consequently, the application of this professional withholding tax on transactions with respect to the Shares occurring on the central stock exchange of Euronext would give rise to practical difficulties as the seller and purchaser typically do not know each other.

In addition to the uncertainties referred to above, the parliamentary documents of the law that introduced Article 228, §3 ITC support the view that the legislator did not intend for Article 228, §3 ITC to apply to a capital gain included in the purchase price of an asset, but only to payments for services.

On July 23, 2014, formal guidance on the interpretation of article 228, §3 ITC has been issued by the Belgian tax authorities (published in the Belgian Official Gazette of July 23, 2014). The Belgian tax authorities state therein that article 228, §3 ITC only covers payments for services, as a result of which no professional withholding tax should apply to capital gains realised by non-residents in the situations described above. It should, however, be noted that formal guidance issued by the tax authorities does not supersede and cannot amend the law if the latter is found to be sufficiently clear in itself. Accordingly, in case of dispute, it cannot be ruled out that the interpretation of article 228, §3 ITC made by the tax authorities in their formal guidance is not upheld by the competent courts.

Taxation of Rights and Scrips

Belgian withholding tax

The Unexercised Rights Payment should, in principle, not be subject to Belgian withholding tax.

Belgian resident individuals

Capital gains realised by Belgian resident individuals on the disposal of the Rights and/or the Scrips will, in principle, not be subject to income tax, except when such investors hold the Rights and/or Scrips for professional purposes, in which case the gains realised upon disposal of the Rights and/or Scrips will be taxable at the progressive income tax rates, increased by local surcharges. For Belgian resident individuals holding the Rights and/or Scrips for professional purposes, losses incurred on the Rights and/or Scrips are, in principle, tax deductible.

Belgian resident companies or entities

For Belgian resident companies, capital gains realised upon disposal of the Rights and/or the Scrips will be taxable at the ordinary corporate income tax rate.

Belgian resident legal entities subject to Belgian legal entities tax are, in principle, not subject to Belgian income tax on the capital gains realised upon disposal of the Rights and/or the Scrips.

Non-resident individuals

Non-resident individuals holding the Rights and/or the Scrips as a private investment are generally not subject to Belgian income tax on the disposal of these Rights and/or Scrips. Capital losses are generally not tax deductible.

Non-resident companies or entities

Any capital gains realised on the Rights and/or the Scrips by non-resident companies that have not acquired them in connection with a business conducted in Belgium through a Belgian PE are in principle not subject to taxation and losses are not tax deductible (subject to the reservation set out under ''—Taxation of capital gains and losses on Shares—Non-resident individual or companies—Uncertain effect of Article 228, §3 ITC for non-residents'').

Capital gains realised on the Rights and/or the Scrips by non-resident companies or other non-resident entities that hold them in connection with a business conducted in Belgium through a Belgian PE are generally subject to the same regime as Belgian resident companies and entities.

Tax on stock exchange transactions

The purchase and the sale and any other acquisition or transfer for consideration of Shares, Rights and Scripts (secondary market) in Belgium through a professional intermediary is subject to the tax on stock exchange transactions (*taxe sur les opérations de bourse / taks op de beursverrichtingen*) of 0.25% of the purchase price, capped at € 740 per transaction and per party. This rate and this cap will be reduced to 0.22% and € 650, respectively, for transactions occurring as from 1 January 2015. A separate tax is due from each party to the transaction, both collected by the professional intermediary. Upon the issue of the new Shares (primary market), no tax on stock exchange transactions is due.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2,9° and 10° of the Belgian Act of 2 August 2002; (ii) insurance companies described in Article 2, §1 of the Belgian Act of 9 July 1975; (iii) professional retirement institutions referred to in Article 2,1° of the Belgian Act of 27 October 2006 concerning the supervision on institutions for occupational pensions; (iv) collective investment institutions; and (v) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

The EU Commission adopted on 14 February 2013 the Draft Directive on an FTT. The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

Certain United States federal income tax considerations

Prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

This section describes certain U.S. federal income tax consequences of the receipt of Rights pursuant to the Rights Offering and the subsequent disposition or exercise of those Rights, the purchase of new Shares pursuant to a Scrip acquired in the Scrips Offering, and the ownership and disposition of new Shares acquired upon exercise of Rights or purchased pursuant to a Scrip acquired in the Scrips Offering. It applies only to U.S. Holders that acquire Rights pursuant to the Rights Offering, or acquire new Shares through exercise of Rights or pursuant to a Scrip acquired in the Scrips Offering, and hold those Rights or Shares as capital assets for U.S. federal income tax purposes. This section does not purport to address all material tax consequences of the ownership of Rights or Shares and does not address particular aspects of U.S. federal income taxation that may be applicable to investors that are subject to special tax rules, including without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities, commodities or currencies;
- tax-exempt entities, including ''Section 401'' pension plans;
- individual retirement accounts and other tax deferred accounts;
- a person that receives Rights or Shares as compensation for the performance of services;
- ''dual resident'' corporations;
- certain U.S. expatriates;
- a person that holds Rights or Shares as part of a straddle or a hedging or conversion transaction;
- a person deemed to sell Rights or Shares under the constructive sale provisions of the Internal Revenue Code of 1986, as amended (the ''**Code**'');
- a person that owns (directly, indirectly or constructively) 10% or more, by voting power or value, of the equity interests of the Company; or
- a person whose functional currency is not the U.S. Dollar.

Further, this description does not address U.S. federal estate, gift or alternative minimum taxes, the U.S. federal unearned income Medicare contribution tax, or any foreign, state or local tax consequences of the acquisition, holding or disposition of Rights or Shares.

This description is based on the Code, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, as well as on the 2006 Convention Between the Government of the United States of America and Government of the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the ''**Treaty**''), in each case as currently in effect, all of which are subject to change (or to changes in interpretation), possibly with retroactive effect. The Company has not requested, and does not intend to request, a ruling from the U.S. Internal Revenue Service (''**IRS**'') with respect to matters addressed herein.

U.S. Holders

For the purposes of this summary, a ''U.S. Holder'' is a beneficial owner of a Right or Share that is:

- a citizen or individual resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organised in or under the laws of the United States or any political subdivision thereof, including the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or (ii) such trust has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Rights or Shares, the tax treatment of the partnership and a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the U.S. federal income tax consequences of acquiring, holding, or disposing of Rights or Shares.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX

ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF RECEIVING, OWNING AND DISPOSING OF RIGHTS OR SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Taxation of Rights

Distribution of Rights

The distribution of Rights to a U.S. Holder should not constitute a taxable event to the U.S. Holder for U.S. federal income tax purposes, and the remainder of this U.S. federal income tax discussion assumes the distribution of Rights will be so treated for U.S. federal income tax purposes.

Basis and holding period

The tax basis of the Rights received by a U.S. Holder will be zero, unless either (i) the fair market value of the Rights on the date the Rights are distributed is 15% or more of the value of the underlying Shares with respect to which the Rights are distributed, or (ii) the U.S. Holder elects to allocate to the Rights a portion of its basis in the underlying Shares with respect to which the Rights were distributed. If either of these cases applies, basis will be allocated in proportion to the relative fair market values of the Shares and the Rights on the date the Rights are distributed. A U.S. Holder who wishes to make the election to allocate a portion of its basis to the Rights must attach a statement to this effect to its U.S. federal income tax return for the tax year in which the Rights are received. The election will apply to all of the Rights received by the U.S. Holder pursuant to the Rights Offering and, once made, will be irrevocable.

In the event that the value of the Rights is less than 15% of the value of the underlying Shares, U.S. Holders should consult their own tax advisors regarding the advisability of making such an election and the specific procedures for doing so.

The holding period of Rights in the hands of a U.S. Holder will include the U.S. Holder's holding period in the underlying Shares with respect to which the Rights were distributed (whether or not basis is allocated to the Rights).

Sale, exchange, or expiration

A U.S. Holder will recognise capital gain or loss on the sale or other disposition of Rights in an amount equal to the U.S. Dollar value of the difference between (i) the amount realised on the disposition and (ii) the U.S. Holder's tax basis, if any, in the Rights. If a U.S. Holder does not sell or exercise a Right and, as a result, receives an Unexercised Rights Payment, the U.S. Holder should recognise capital gain or loss in an amount equal to the U.S. Dollar value of the difference between (i) the amount the holder receives and (ii) the holder's tax basis (if any) in the Right. Capital gain of a non-corporate U.S. Holder will be taxed at a preferential rate if the holder has a holding period greater than one year, or at the same rates as ordinary income if the holder has a holding period of one year or less. A U.S. Holder's ability to deduct any capital losses may be subject to significant limitations.

If a U.S. Holder does not sell or exercise a Right but the amount of the Unexercised Rights Payment is zero, the U.S. Holder should not recognise a loss for U.S. federal income tax purposes (even if the holder has a tax basis in the Right). Instead, if the U.S. Holder had previously allocated to that Right a portion of the tax basis of the U.S. Holder's Shares, that basis will be re-allocated to the existing Shares.

Taxation of Scrips and Shares

Basis in the Shares

A U.S. Holder's basis in the new Shares acquired upon exercise of a Right or purchase pursuant to a Scrip acquired in the Scrips Offering should equal the sum of (i) the U.S. Dollar value of the amount paid by the U.S. Holder for the Shares and (ii) in the case of new Shares acquired upon exercise of a Right, the U.S. Holder's tax basis, if any, in the Right exercised, or, in the case of new Shares acquired through purchase pursuant to a Scrip acquired in the Scrips Offering, the price paid by the U.S. Holder for the Scrip.

Holding period in the Shares

The holding period of any new Share acquired will not include that of the corresponding Right or Scrip. The holding period of any new Share acquired will begin on the day of purchase.

Dividends

Subject to the rules described below in ''—Passive Foreign Investment Company'', any distributions paid by the Company to U.S. Holders would be taxable as dividend income to the extent such distributions are from the Company's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. The Company does not intend to compute (or to provide U.S. Holders with information necessary to compute) earnings and profits under U.S. federal income tax principles. Accordingly, U.S. Holders generally will be required to treat all distributions as taxable dividends.

Dividends will not be eligible for the dividends received deduction allowed to U.S. corporate shareholders in respect of dividends received from U.S. corporations. Subject to applicable holding period and other limitations, the U.S. Dollar amount of dividends received on the Shares by certain non-corporate U.S. Holders will be subject to taxation at preferential rates if the dividends are ''qualified dividends''. Dividends paid on the Shares would be treated as qualified dividends if (i) the Company is eligible for the benefits of a comprehensive income tax treaty with the United States that the IRS has approved for the purposes of the qualified dividend rules, (ii) the U.S. Holder satisfied certain minimum holding period requirements, and (iii) the Company was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC (as defined below). The IRS has approved the Belgian Treaty as satisfying the requirements of the qualified dividend rules. Accordingly, the Company believes it should be a ''qualified foreign corporation''. However, the determination of whether a dividend qualifies for the preferential qualified dividend rate must be made at the time the dividend is paid. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

If the Company pays a dividend in a currency other than the U.S. Dollar, any such dividend will be included in the gross income of the U.S. Holder in an amount equal to the U.S. Dollar value of the currency on the date of receipt, determined at the spot foreign currency/U.S. Dollar exchange rate on the date such dividend distribution is includible in the income of the U.S. Holder, regardless of whether the payment is in fact converted into U.S. Dollars at that time. U.S. Holders will have a tax basis in the currency received equal to its U.S. Dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible to the date such payment is converted into U.S. Dollars will be treated as ordinary income or loss from U.S. sources. If dividends received in Euros are converted into U.S. Dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

To the extent Belgian tax is withheld from any distributions, a U.S. Holder may, subject to certain limitations and restrictions, elect to either credit the Belgian tax withheld against the holder's U.S. federal income tax liability or deduct such tax in computing the holder's taxable income. For U.S. foreign tax credit purposes, distributions that are dividends for U.S. federal tax purposes will be income from sources outside the United States, will generally be ''passive category'' income, and for certain classes of investors, may be ''general category'' income. The rules governing the foreign tax credit are complex. U.S. Holders should consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

If a U.S. Holder is eligible under the Treaty for a lower rate of Belgian withholding tax on a distribution with respect to the Shares, and the U.S. Holder does not claim such lower rate and, as a result, is subject to a greater Belgian withholding tax on the distribution than such U.S. Holder could have obtained by claiming benefits under the Treaty, such additional Belgian withholding tax would likely be viewed under the U.S. foreign tax credit rules as a non-compulsory tax and therefore ineligible for the U.S. foreign tax credit.

Sale or exchange

Subject to the PFIC rules described below in ''—Passive Foreign Investment Company'', gain or loss realised by a U.S. Holder on the sale or other disposition of Shares is subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between (i) the U.S. Dollar value of the amount realised on the disposition and (ii) the U.S. Holder's adjusted tax basis, determined in U.S. Dollars, in the Shares.

Generally, such gain or loss as described in the preceding paragraphs will be capital gain or loss, will be long-term capital gain or loss if the U.S. Holder's holding period for such Shares exceeds one year, and will be income or loss from sources within the United States for foreign tax credit limitation purposes. For non-corporate U.S. Holders, net long-term capital gain may be eligible for taxation at preferential rates. The deductibility of capital losses is subject to significant limitations.

Passive Foreign Investment Company

The Company believes that it is not a ''passive foreign investment company'' (''**PFIC**''), and it does not expect to become a PFIC, for the reasons explained below. A Non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is ''passive income''; or
- at least 50% of the quarterly average value of its gross assets is attributable to assets that produce ''passive income'' or are held for the production of passive income.

Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. In determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account. Although gains from the sale of commodities are generally treated as passive income, the Company believes that it will be entitled to treat its income from the sale of primary metals as active income, under a special exception that is available to qualifying active producers of commodities. However, the Company's possible status as a PFIC must be determined annually and therefore may be subject to change. This determination will depend in part on the Company's continuing status as an active producer of commodities. Moreover, the market value of the Company's assets may be determined in large part by the market price of the Shares, which is likely to fluctuate. If the Company were a PFIC in any year during a U.S. investor's holding period for the Shares the Company would ordinarily continue to be treated as a PFIC for each subsequent year during which the U.S. investor owned the Shares. If the Company is classified as a PFIC for any taxable year during which a U.S. Holder held the Shares, such holder may be subject to materially adverse U.S. federal income tax consequences on any dividends it receives from the Company or any gain it realises upon a sale or disposition of Shares, including being subject to greater amounts of U.S. tax and being subject to additional U.S. tax form filing requirements.

U.S. Holders should consult their tax advisors concerning the U.S. federal income tax consequences of holding the Shares if the Company were considered to be a PFIC.

United States information reporting and backup withholding

Payments of dividends and other proceeds with respect to Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Backup withholding tax is not an additional tax. A holder generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability and may be entitled to a refund, provided the required information is furnished to the IRS in a timely manner.

The above description is not intended to constitute a complete analysis of all U.S. tax consequences relating to the acquisition, ownership or disposition of Rights or Shares. U.S. Holders should consult their own tax advisors concerning the tax consequences of their particular situations.

INFORMATION INCORPORATED BY REFERENCE

The consolidated financial statements of Nyrstar as of and for the six months years ended 30 June 2014 and the financial years ended 31 December 2013, 2012 and 2011 (including the statutory auditor's reports thereupon) have been incorporated by reference in this Prospectus. The information so incorporated by reference herein shall form an integral part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein, shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The table below sets out the relevant pages of the Company's interim report for the six months ended 30 June 2014, which are incorporated by reference in this Prospectus:

Interim condensed consolidated income statement	Page 2
Interim condensed consolidated statement of comprehensive income	Page 3
Interim condensed consolidated statement of financial position	Page 4
Interim condensed consolidated statement of changes in equity	Page 5
Interim condensed consolidated statement of cash flows	Page 6
Notes to the interim condensed consolidated financial statements	Pages 7 - 17

The table below sets out the relevant pages of the Company's annual report for the financial year ended 31 December 2013, which are incorporated by reference in this Prospectus:

Corporate governance statement	Pages 76 - 92
Consolidated income statement	Page 124
Consolidated statement of comprehensive loss	Page 125
Consolidated statement of financial position	Pages 126 - 127
Consolidated statement of changes in equity	Pages 128 - 129
Consolidated statement of cash flows	Page 130
Notes to the consolidated financial statements	Pages 132 - 201
Statutory auditors' report on the consolidated financial statements	Pages 202 - 204

The table below sets out the relevant pages of the Company's annual report for the financial year ended 31 December 2012, which are incorporated by reference in this Prospectus:

Corporate governance statement	Pages 89 - 118
Consolidated income statement	Page 134
Consolidated statement of comprehensive income	Page 135
Consolidated statement of financial position	Pages 136 - 137
Consolidated statement of changes in equity	Page 138
Consolidated statement of cash flows	Page 139
Notes to the consolidated financial statements	Pages 140 - 198
Statutory auditors' report on the consolidated financial statements	Pages 200 - 202

The table below sets out the relevant pages of the Company's annual report for the financial year ended 31 December 2011, which are incorporated by reference in this Prospectus:

Corporate governance statement	Pages 49 - 80
Consolidated income statement	Page 96
Consolidated statement of comprehensive income	Page 97
Consolidated statement of financial position	Pages 98 - 99
Consolidated statement of changes in equity	Page 100
Consolidated statement of cash flows	Page 101
Notes to the consolidated financial statements	Pages 102 - 167
Statutory auditors' report on the consolidated financial statements	Pages 168 - 170

Any information not listed in the tables above but included in the document incorporated by reference is given for information purpose only. The documents incorporated by reference are available on the website of the Company (www.nyrstar.com).

ANNEX 1—GLOSSARY OF KEY INDUSTRY TERMS

Acid plant	A facility that recovers sulphur dioxide from discharged gases and manufactures sulphuric acid from it.
Ag	Chemical symbol for silver.
Alloy	Metal containing several components.
Alloying	A technique of combining or mixing two or more metals to make an entirely new metallic compound; for example, mixing copper and tin creates bronze.
Antimony	A metallic element, often a pathfinder element for gold.
Au	Chemical symbol for gold.
As	Chemical symbol for arsenic.
Base metal	Non precious metal, usually refers to copper, lead, and zinc.
Blast furnace	A tall shaft furnace used to smelt sinter and produce crude lead bullion and a slag.
Bullion	Crude metal that contains impurities; needs to be refined to make market quality metal.
Cadmium	A soft bluish-white ductile malleable toxic bivalent metallic element; occurs in association with zinc ores.
C1 cash costs	The costs of mining, milling and concentrating, on-site administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.
Cake	The solid mass remaining after the liquid that contained it has been removed.
Calcine	Product of roasting zinc sulphide concentrates; mainly zinc oxide, also with silica and iron compounds, lead compounds, minor elements and residual combined sulphur.
Capping	Rock overlying the mineral body of a mine.
Cathode	Negatively charged electrode in electrolysis; in zinc and cadmium electrolysis, the cathode is a flat sheet of aluminium.
Cell house	The location in the production process where zinc metal is electrolytically plated onto aluminium cathodes.
Cement, cementation	The process of obtaining a metal from a solution of one of its compounds by precipitation with another metal (e.g., obtaining copper from a solution of copper sulphate by adding metallic zinc).
CGG	Continuous Galvanising Grade zinc; contains alloying agents such as aluminium. lead and selenium in specific qualities desired by customers; used in continuous strip galvanising plants.
CIM	Canadian Institute of Mining, Metallurgy and Petroleum.
Cobalt	A hard, lustrous, silver-grey metal.
Coke	Product made by de-volatilisation of coal in the absence of air at high temperature.

Concentrate	Material produced from metalliferous ore by mineral processing or beneficiation; commonly based on sulphides of zinc, lead and copper; in a concentrate, the abundance of a specific mineral is higher than in the ore.
Continuous galvanising	A system for providing a continuous supply of material to be galvanised.
Conversion Price	Operating cost for a smelter to produce market quality metal, not including the cost of raw materials.
Copper cementate	Metallic copper obtained by cementation.
Copper sulphate	A copper salt made by the action of sulphuric acid on copper oxide.
Cu	Chemical symbol for copper.
Cupellation	A refining process for precious metals performed at high temperatures with oxygen to oxidise and separate the residual base metals into a slag which can be physically separated from the precious metal doré.
Desilverising	A method for removing silver from lead.
Dewatering	A process usually used to remove water from wet solids or slurries by draining, pressing, pumping.
Die casting	A process for producing parts in large quantities, by injecting molten metal under pressure into a steel die.
dmt	Dry metric tonne.
doré	Unrefined gold and silver bullion bars, usually consisting of approximately 90% precious metals, which are to be further refined to almost pure metal.
Dross	Solid scum that forms on top of molten metals as a result of oxidation; must be removed for recycle.
Electrolysis	The process by which metals (here zinc, cadmium, and copper) are 'won' or deposited from solution onto a cathode by the passage of an electric current through the solution between anode and cathode.
Electrolyte	Solution containing metals (here zinc, cadmium, copper and silver) circulating in an electrolysis cell.
Electrolytic smelting	Smelting that roasts and then leaches concentrates to produce a zinc bearing solution. Zinc is subsequently recovered from the solution using electro-winning and then melted and cast into slabs.
Electrowinning	The process of removing metal from a metal bearing solution by passing an electric current through the solution.
EPA	Environment Protection Authority of a state, provincial or federal government.
EZDA	Proprietary zinc die casting alloy made at the Hobart smelter; the alloy contains aluminium and magnesium.
Flotation	A method of mineral concentration, usually of sulphide ores, by which valuable mineral particles adhere to froth bubbles for collection as a concentrate; waste particles remain in the slurry for eventual disposal as a tailing.
Fluxes	Additives to a feed mix made to produce a fluid slag in the furnace; typical fluxes are lime, silica and iron oxide.

Fuming, fume	A process for recovering of zinc and lead from molten lead blast furnace slag by injecting coal; the metals are removed as vapours in the gas stream, and are deoxidised to form a fume that is collected.
Galvanising	Process of coating steel sheet or fabricated products with a thin layer of zinc for corrosion protection.
Gangue	The non-valuable minerals in an ore or concentrate.
Germanium	A brittle grey crystalline element that is a semiconducting metalloid (resembling silicon).
Grade	Quantity of metal per unit weight of host rock.
Greenhouse gases	Gaseous components of the atmosphere that contribute to the greenhouse effect.
Grinding	Size reduction to relatively fine particles.
g/t	Grammes per tonne.
Gypsum	Calcium sulphate, hydrated.
Hydrometallurgical	The treatment of ores and concentrates using a wet process that usually involves the dissolution of some component and its subsequent recovery from solution.
Indicated Mineral Resource	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Indium	A rare, soft silvery metallic element.
Induction furnace	Furnace that heats metals without fuel combustion; the metal is heated by an electromagnetic field created by electrical windings or inductors.
Inferred Mineral Resource	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Intermediate copper cementate	See: Cementation.
ISF—Imperial Smelter Furnace	A blast furnace smelting technology in which a zinc and lead-bearing sinter and coke are heated in a furnace. The zinc is volatilised and subsequently recovered prior to further refining and casting into slabs.
JORC Code	The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

kt	Thousand tonnes.
Leachate	The liquid produced when water percolates through any permeable material.
Leaching	A process using a chemical solution to dissolve solid matters.
Lead sulphate	A white crystal or powder compound of lead, sulphur and oxygen. It often forms at and is most readily seen at the terminals of lead acid car batteries. In this Prospectus it describes a residue produced in the leach stage of zinc smelters.
Life-of-mine	Number of years that an operation is planning to mine and treat ore, taken from the current mine plan.
LME	London Metal Exchange.
Lost time injury rate	Twelve-month rolling averages of the number of lost time injuries per million hours worked, and include all employees and contractors across all operations.
Matte	Mixed sulphide compound produced in a furnace; at the Port Pirie smelter matte is a lead-copper-sulphur material.
Measured Mineral Resource	That part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
Mineral Reserve	The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.
Mineral Resource	A concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.
Mt	Million (metric) tonnes.
Net smelter return (''NSR'')	''Net smelter return'' (or ''NSR'') is the gross revenue (total revenue minus production costs) that the owner of a mining property receives from the sale of the mine's metal/non metal products less transportation and refining costs.

NI 43-101	The Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Projects.
Ore	Mineral bearing rock.
Oxidation	The process by which minerals are altered by the addition of oxygen in the crystal structures.
Oxide washing	Process to remove halides from zinc secondaries.
Paragoethite	Form of goethite made as a by-product of zinc production, so named since the process differs from the normal ''goethite process''.
Pb	Lead.
Probable Mineral Reserve	The economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proven Mineral Reserve	The economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Pyrometallurgy	Extractive metallurgy—the production of metals from ores and concentrates—based on use of high temperature furnaces.
Recordable injuries	Any injury requiring medical treatment beyond first aid.
Recordable injury rate	Twelve-month rolling averages of the number of recordable injuries per million hours worked, and include all employees and contractors across all operations.
Reductant	The element in a reduction-oxidation (redox) reaction that reduces the other element involved in the reaction to a lower oxidation state. For example converting the lead in lead oxide to lead metal in a blast furnace uses the carbon contained in coke as a reductant.
Refining Charge or RC	An annually negotiated fee that may be linked to metal prices, paid by the miner or seller of precious metals to a smelter as a concession on the cost of the metal concentrate or secondary feed materials that the smelter purchases.
RLE process	Roast-Leach-Electrowin; technology used for the production of zinc and which combines the roasting, leaching and electrowinning processes. See also definition of each individual process.
Roaster	In zinc production, a fluid-bed furnace used to oxidise zinc sulphide concentrates; operates typically at 930-970''C; air injected through the furnace bottom 'fluidises' the bed of fine combusting solids.
Roasting	The process of burning concentrates in a furnace to convert the contained metals into a more readily recovered form.
Secondaries	See: Secondary feed materials.

Secondary feed materials	By-products of industrial processes such as smelting and refining that are then available for further treatment/recycling. It also includes scrap from metal machining processes and from end-of-life materials.
SHG	Special High Grade Zinc; minimum 99.995% zinc; premium quality, used by die casters; traded on the LME; attracts a price margin over lower grades.
Silica	The chemical compound silicon dioxide, also known as silica, is the oxide of silicon.
Sinter	A hard, porous, agglomerated intermediate material made by oxidation at moderately high temperature of sulphide concentrates, fluxes and returns on a grate conveyor termed a sinter machine.
Slag	Mixture of oxides produced in molten form in a furnace at high temperature.
Smelting	Chemical reduction of a metal from its ore by fusion.
Softening	Oxidation process that removed arsenic and antimony from lead bullion; so named as arsenic and antimony make lead into a hard alloy.
Solvent extraction	Method used in hydrometallurgy for metal recovery and/or purification; metal(s) are transferred to and from a selective organic liquid that is dissolved in a type of kerosene.
Spent electrolyte	Electrolyte discharged from the electrolysis cells; compared with the feed electrolyte, the solution has a lower level of the metal being electrowon (i.e., zinc, copper) and correspondingly elevated acid level.
Stripping	Removal of metal from material on which it has precipitated or been adsorbed, e.g., gold from carbon or copper from cathodes.
Sulphate	A salt or ester of sulphuric acid.
Sulphide concentrate	The product, usually of the flotation process, in which sulphide particles are removed from the crushed rock, containing predominantly sulphide minerals.
Sulphides	Minerals consisting of a chemical combination of sulphur with metals.
t	Metric tonne.
Tailings	Material rejected from a treatment plant after the recoverable valuable minerals have been extracted.
Treatment Charge or TC	An annually negotiated fee that may be linked to metal prices, paid by the miner or seller to a smelter as a concession on the cost of the metal concentrate or secondary materials that the smelter purchases.
UG	Underground.
Zn	Chemical symbol for zinc.

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