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.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

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Nyrstar NV

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

13 for 7 Rights Offering of 608,165,740 new Shares

Subscription price: € 0.45 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 of the Company who may lawfully subscribe for new Shares pro rata to their shareholdings at a subscription price per new Share of € 0.45 (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 5 February 2016 (the "**Record Date**") will have one statutory preferential subscription right per existing Share held (the "**Rights**"). The Rights will entitle their holders, subject to applicable securities laws, to subscribe for new Shares at the Subscription Price at the ratio of 13 new Shares for 7 Rights (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. 8 of the Shares, will be separated from the underlying Shares on 5 February 2016 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 8 February 2016 and will continue until 22 February 2016. The Rights will be admitted to trading under the symbol NYR8 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 8 February 2016 until 22 February 2016 (by 5.30 pm CET) (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 accelerated bookbuilt private placement (i) 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 (as defined below), 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 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 24 February 2016 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 25 February 2016.

The Company entered into a commitment agreement with Urion Holdings (Malta) Ltd. ("**Urion**"), an indirect subsidiary of Trafigura Group Pte. Ltd., pursuant to which Urion agreed, subject to certain conditions, to subscribe (or procure the subscription by any person with whom it acts in concert) for (i) those Shares that it is entitled to subscribe for pursuant to the Rights arising out of the Shares that it holds as at the date of the Rights Offering, and (ii) such number of Shares that remain available for subscription after the Rights Subscription Period and the Scrips Offering for which no Rights have been exercised in the Rights Subscription Period and for which no Scrips could be placed during the Scrips Offering up to a maximum aggregate amount of €125 million (including the amounts required for the exercise of Rights as set out under (i)), and provided that its aggregate shareholding in the Company (when aggregated with the shareholdings of any person acting in concert with Urion, as the case may be) after completion of the Offering and the issue of the Shares as a result thereof is not more than 49.9%. The aggregate amount of €125 million payable by Urion may be further reduced at the election of Urion in its sole discretion by the aggregate amount subscribed for and paid by it for any Shares subscribed for by it upon exercise of additional Rights or Scrips acquired during the Rights Subscription Period or Scrips Offering. The Company will procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as it determines at the price per Scrip that will result from the Scrips Offering. Please refer to "*The Offering—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*".

The Underwriters (as defined below) of the Offering have agreed to subscribe for any new Shares not taken up in the Offering and that are not underwritten by Urion pursuant to the terms of the commitment agreement described above, subject to the terms and conditions of the Underwriting Agreement. Please refer to "*The Offering—Placing and underwriting—Underwriting—Underwriting Agreement*" below.

Investing in the new Shares and the Scrips and trading in the Rights involve certain risks, and in particular: (i) that Nyrstar's results can be and have been substantially affected by macroeconomic trends and economic downturns, that Nyrstar's results are highly sensitive to commodity prices and that the decline in commodity prices has impacted profitability, (ii) that Nyrstar's mining operations are underperforming, and that both internal and external factors could affect Nyrstar's strategy, which includes the increased production of minor metals, and its ability to achieve higher profitability, (iii) that Nyrstar's major investment projects are subject to risks of delays, cost overruns, financing risks and other complications, (iv) that Nyrstar has a significant indebtedness and a tight liquidity position, causing Nyrstar to issue a qualified working capital statement in this Prospectus and its auditor adding an emphasis of matter paragraph concerning Nyrstar's ability to continue as a going concern in its audit report for the financial year ended 31 December 2015, and (v) that Trafigura has a significant stake in Nyrstar which is likely to increase as a result of the capital increase described in this Prospectus. Prospective investors should read the entire Prospectus, and, in particular, should see elements D.1 and D.3 of the "Summary" beginning on page 1 and "Risk factors" beginning on page 23 for a discussion of certain factors that should be considered in connection with an investment in the new Shares or Scrips, or trading in the Rights. All of these factors should be carefully considered before investing in the new Shares or Scrips, or trading in the Rights. Prospective investors must be able to bear the economic risk of an investment in the new Shares or Scrips, or of trading in the Rights, and should be able to sustain a partial or total loss of their investment.

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 or exercised (i) within the United States to or by QIBs in reliance on an exemption from the requirements of the U.S. Securities Act and (ii) outside the United States to or by 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 Company is not taking any action to permit a public offering of the new Shares, Rights or Scrips 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), 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, Scrips 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 BE0970147501 and BE0003876936, respectively. It is expected that payment for and delivery of the new Shares will be made on or around 29 February 2016. On 4 February 2016 the closing price of the Shares on Euronext Brussels was € 1.335.

This document constitutes a prospectus for the purposes of Article 3 of the EU Prospectus Directive (as defined below) 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 "**Belgian 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 "**Belgian FSMA**") on 4 February 2016.

Global Coordinator

Deutsche Bank

Joint Bookrunners

Deutsche Bank | **KBC Securities**

Co-lead Managers

BMO Capital Markets | **BNP Paribas Fortis**

PROSPECTUS DATED 4 FEBRUARY 2016

APPROVAL OF THE PROSPECTUS

The Belgian FSMA approved the English version of this Prospectus on 4 February 2016 in accordance with Article 23 of the Belgian Prospectus Act. The Belgian FSMA's approval does not imply any opinion by the Belgian 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. The summary of this Prospectus has also been translated into French. The Company is responsible for the consistency between the Dutch, English and French versions of the summary of this Prospectus and between the English and Dutch version of the remainder of the Prospectus. Investors can rely on the Dutch translation of this Prospectus and the Dutch and French translations of the summary of this Prospectus in their contractual relationship with the Company. In any event, in case of inconsistencies between the different versions of this Prospectus and the summary, as applicable, 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 5 February 2016, upon request in Belgium from KBC Bank on +32 3 283 29 70, from CBC Banque on +32 800 92 020 and from BNP Paribas Fortis on +32 2 433 40 34 (English), +32 2 433 40 31 (Dutch) and +32 2 433 40 32 (French).

Subject to certain restrictions, the Prospectus may be accessed on the websites of KBC Bank (www.kbc.be/corporateactions), KBC Securities (www.kbcsecurities.be and www.bolero.be), CBC Banque (www.cbc.be/corporateactions), and BNP Paribas Fortis (www.bnpparibasfortis.be/sparenenbeleggen and www.bnpparibasfortis.be/epargneretplacer), as well as on the website of Nyrstar (www.nyrstar.com) as from 5 February 2016.

Moreover and subject to the same restrictions, copies of this Prospectus are available, without charge, at Nyrstar's registered office at Zinkstraat 1, B-2490 Balen, Belgium, telephone number: +32 14 44 95 00, as from 5 February 2016.

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. The delivery of this Prospectus at any time does not imply that there has been no change in the Company's business or affairs since the date of this Prospectus or that the information contained herein is correct as of anytime subsequent to the date thereof. In the event of material changes to the information in this Prospectus during the period between the approval of this Prospectus by the Belgian FSMA and the start of trading of the new Shares, expected to take place on or around 29 February 2016, such changes will be published as a supplement to this Prospectus when required 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.

No stabilisation will be carried out in connection with the Offering.

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 other than Belgium (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 Relevant Member State:

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

(b) to fewer than 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, Rights or Scrips 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 new Shares, Rights or Scrips, 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 Directive 2010/73/EU, as implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

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. In view of the foregoing, prospective investors should not place undue reliance on any estimates or forward-looking statements in making decisions regarding investment in the Shares, Rights or Scrips.

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 2015, 2014 and 2013 (the "**Financial Statements**"), which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union (the "**EU**").

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 "*Information Incorporated by Reference*".

The Financial Statements 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 unqualified audit reports 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. The audit report for the year ended 31 December 2013 includes an emphasis of matter paragraph regarding the recoverability of the Company's zinc streaming agreement with Talvivaara Mining Company plc. The financial statements for the financial year ended 31 December 2014 were amended on 25 March 2015 to reflect full impairment of the Talvivaara zinc streaming agreement. Consequently, the audit report for the year ended 31 December 2014 included an emphasis of matter paragraph regarding the fact that the statutory audit report dated 4 February 2015 was replaced by the statutory audit report dated 25 March 2015 as a result of amendments made to the previously issued Financial Statements for the financial year ended 31 December 2014. The audit report for the year ended 31 December 2015 includes an emphasis of matter paragraph drawing attention to note 2(b) in the financial statements concerning the Company's ability to continue as a going concern. The circumstances described in note 2(b) indicate the existence of material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. No adjustments have been recorded with respect to the valuation or the classification of certain balance sheet items, which would be required, should the Company no longer be able to meet its funding requirements and no longer have access to adequate and sufficient financial resources to continue its operations for the foreseeable future.

Deloitte Bedrijfsrevisoren BV ovve CVBA was re-appointed at the annual general shareholders' meeting of the Company held on 29 April 2015 as the Company's statutory auditor for the statutory term of three years. For further information on the Company's statutory auditor, see "*Statutory Auditor*".

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 excluded from profit or 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 EBITDA margin**" is calculated by dividing Underlying EBITDA by revenue.

Nyrstar also uses the non-IFRS measures of "direct operating costs" and "unit 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 "**direct operating costs**" as the sum of employee benefits expense, energy expenses adjusted to exclude the net loss on the Hobart smelter derivatives, stores and consumables used, contracting and consulting expenses and other expenses adjusted to exclude certain indirect operating expenses. "**Unit operating costs**" represent direct operating costs divided by the number of units of products. Nyrstar further uses the non-IFRS measure of "net debt" to provide additional useful information for the purposes of measuring the liquidity of the Company. This measure is used by Nyrstar management to monitor the Company's financial position and outstanding debt and available operating liquidity, and represents similar measures that are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position. Net debt is defined as non-current and current loans and borrowings less cash and cash equivalents. Except as noted, for the purposes of 2015 financial results within this Prospectus, Nyrstar has utilised net debt exclusive of 2015 Prepay Financing as well as net debt inclusive of 2015 Prepay Financing.

In 2015 Nyrstar changed its internal allocation of certain operating costs to its operating segments. This changed the composition of the allocation of the direct operating costs between the segments. The related 2014 information was restated to provide comparable information for the period. The change did not impact the previously reported Underlying EBITDA by the segments.

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 direct operating costs*".

Investors should not consider “Underlying EBITDA”, “underlying EBITDA margin”, “direct operating costs”, “unit operating costs” or “net debt” in isolation of or as a substitute for “Results from operating activities”, “Profit/(loss) for the period”, “operating costs” or “cash flow from operating activities” reported in the 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, liquidity or costs. Other companies in Nyrstar’s industry may calculate “Underlying EBITDA”, “underlying EBITDA margin”, “direct operating costs”, “unit operating costs”, “net debt” and related measures 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*”, “*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 and silver market was prepared by Wood Mackenzie using additional input statistics made available by the Silver Institute in the silver market and by the World Gold Council regarding gold demand. Gold and silver prices have been sourced from the London Bullion Market Association using AM Fix price data and from the Silver Institute, respectively. 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 are 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 2014 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—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 Antwerp, division Turnhout (Belgium), where they are available to the public. The Company is registered with the register of legal entities (Antwerp, division Turnhout) 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 Belgian 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 4 February 2016 the ECB Daily Reference Rates were € 1.1206 per US$ 1, € 1.5546 per AUD 1 and € 1.5366 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**
2013	1.3814	1.2768	1.3281	1.3791
2014	1.3953	1.2141	1.3285	1.2141
2015	1.2043	1.0552	1.1095	1.0887
2016 (through 4 February)	1.1206	1.0742	1.0881	1.1206

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**
August 2015	1.1529	1.0873
September 2015	1.1419	1.1138
October 2015	1.1439	1.0930
November 2015	1.1032	1.0579
December 2015	1.0990	1.0600
January 2016	1.0920	1.0742
February 2016 (through 4 February)	1.1206	1.0884

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

	Australian Dollar per Euro			
Year Ended 31 December	**High**	**Low**	**Average(1)**	**Period end**
2013	1.5520	1.2234	1.3777	1.5423
2014	1.5715	1.3826	1.4719	1.4829
2015	1.6147	1.3752	1.4777	1.4897
2016 (through 4 February)	1.5916	1.4982	1.5503	1.5546

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**
2013	1.4764	1.2871	1.3684	1.4671
2014	1.5545	1.3961	1.4661	1.4063
2015	1.5242	1.3085	1.4185	1.5116
2016 (through 4 February)	1.5965	1.4976	1.5420	1.5366

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 "**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 whether or not based on the civil liability provisions of U.S. securities laws or other laws of the United States or any state thereof.

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. A stamp duty is payable for each original copy of an enforcement judgment rendered by a Belgian court, with a maximum of € 1,450.

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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 (Antwerpen, division Turnhout) under number 0888.728.945. The Company's registered office is located at Zinkstraat 1, 2490 Balen, Belgium.
B.3	**Current operations and principal activities of the Company and the principal markets in which it competes** Nyrstar is a global multi-metals business, with a market leading position in zinc and lead and growing positions in other base and precious metals, such as copper, gold and silver. Nyrstar has six smelters, one fumer and nine mining operations, located in Australia, the Americas and Europe, and employs approximately 5,000 people.

Element	Disclosure requirement
	Nyrstar is one of the world's largest zinc smelting companies based on production volumes. Having produced approximately 1.1 million tonnes of zinc metal in 2015, Nyrstar's share of the global zinc market in 2015 was 7.9% (based on provisional 2015 smelted zinc production figures of 13.93 million tonnes) according to Wood Mackenzie, which made Nyrstar the second 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. Port Pirie is in the process of being redeveloped into an advanced metal recovery and refining facility, enabling a fundamentally different operating and business model. This redevelopment would allow Nyrstar to capture and monetise more of the free metal contained in the feed materials and permit increased integration with Nyrstar's existing zinc smelters. For the year ended 31 December 2015, the Metals Processing segment reported Underlying EBITDA of € 336 million. In 2015 Nyrstar's zinc mining operations were one of the largest in the world (based on 2015 production according to Wood Mackenzie). In addition, Nyrstar has significant positions in copper and lead mining. Nyrstar's mines are currently at various stages of operation, as some are operating at full production capacity and others are temporarily or indefinitely suspended or on care and maintenance. In November 2015, Nyrstar announced the results of its review of strategic alternatives for its mining assets, individually and as a portfolio, which may include additional mine suspensions, asset disposals and a full exit from mining. Nyrstar has retained financial advisors to assist with a process to pursue strategic alternatives. Where appropriate, offtake agreements will be put in place to maintain access to concentrates for Nyrstar's smelters. This initiative is designed both to reduce and ultimately eliminate the short-term cash burden of supporting the Mining segment assets at this time and to allow latent potential in the assets to be realised by acquirers and offer stakeholders a more sustainable future. Pending the envisaged disposals, Nyrstar will consider further suspensions of its mines if the current depressed commodity price environment continues. For the year ended 31 December 2015, the Mining segment reported Underlying EBITDA of € (41) million. 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.4	**Significant recent trends affecting the Company and the industries in which it operates** The market price of zinc is one of the primary factors 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 Metals Exchange ("**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 3.2% per year over the 2015 to 2020 period, the average incremental increase in demand for zinc metal equates to 479 kt/a. According to these forecasts, from 2016 an increasing volume of additional and replacement mine capability will be required to meet anticipated demand and offset the effect of currently anticipated mine closures and attrition. By 2025, Wood Mackenzie expects that this volume will reach 6.2 Mt/a, excluding the impact of any disruptions to production. 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 although the forecast CAGR of 3.8% per annum over the period 2014 to 2020 is just under half that of the previous decade rate, the forecast average annual incremental increase in Chinese zinc consumption of 0.27 million tonnes is not more than a 33% reduction on the average annual incremental increase in zinc consumption of 0.40 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 may slow down further than expected and is expected to become less zinc dependent. 2015 has witnessed somewhat slower consumption growth across all major markets, influenced by increasing economic concerns such as decelerating Chinese economic growth. 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 consequently 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 4.0% over the 2015-2020 period, according to Wood Mackenzie. 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. 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, Wood Mackenzie generally expects 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	**Principal Shareholders** The Company has a wide shareholder base, mainly composed of institutional investors outside of Belgium, but also comprising Belgian retail and institutional investors. Urion, an indirect subsidiary of Trafigura Group Pte. Ltd., has informed the Company that it currently holds 80,694,821 Shares, which represents 24.64% 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, BlackRock, Umicore NV and Dimensional Fund Advisors LP, respectively, notified the Company pursuant to applicable transparency disclosure rules that they held 3.29%, 3.21% and 3.12% 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). No other shareholders, alone or in concert with other shareholders, have notified the Company of a participation or an agreement to

Element	Disclosure requirement
	act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.
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 2015, 2014 and 2013 (together, the "**Financial Statements**") incorporated by reference or referred to elsewhere in this Prospectus. The selected financial information set forth below as of and for the years ended 31 December 2015, 2014 and 2013 has been extracted from the Financial Statements. The selected financial information set forth below is qualified in its entirety by reference to the Nyrstar Financial Statements.

	Year ended 31 December		
€ millions (unless otherwise indicated)	**2015**	**2014**	**2013**
Key Financial Data			
Revenue	3,139	2,799	2,824
Treatment charges	382	284	261
Payable metal/free metal contribution	613	624	581
Premiums	172	153	127
By-products	300	359	388
Other	(132)	(128)	(106)
Gross profit	**1,336**	**1,293**	**1,251**
Direct operating costs(1)	(1,063)	(1,049)	(1,113)
Non-operating and other	(16)	36	47
Underlying EBITDA(1)	**256**	**280**	**185**
Results from operating activities before exceptional items	19	24	(46)
Profit/(loss) for the period	**(432)**	**(287)**	**(195)**
Sustaining capital expenditure	126	144	128
Growth capital expenditure	243	102	31
Exploration and development capital expenditure	51	48	42
Capital expenditure	**419**	**294**	**199**
Cash flow from operating activities	(7)	311	299
Change in net working capital(2)	(147)	177	174
Certain debt ratios			
Exclusive of 2015 Prepay Financing			
Net debt, end of period(3)	761	438	670
Gearing (%), end of period(4)	54%	31%	44%
Net debt/Underlying EBITDA, end of period(5)	3.0x	1.6x	3.6x
Inclusive of 2015 Prepay Financing			
Net debt, end of period(6)	896	438	674
Gearing (%), end of period(7)	58%	31%	44%
Net debt / Underlying EBITDA, end of period(8)	3.5x	1.6x	3.6x

Notes:

(1) Underlying EBITDA and direct 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 direct 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/Underlying EBITDA is calculated as non-current and current loans and borrowings less cash and cash equivalents as of 31 December divided by Underlying EBITDA for the year then ended.

(6) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) less cash and cash equivalents.

(7) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) to net debt plus non-current other financial liabilities plus total equity at end of period.

(8) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) less cash and cash equivalents as of 31 December divided by Underlying EBITDA for the year then ended.

Element	Disclosure requirement
	Reconciliation of Underlying EBITDA and direct 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 "direct 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 excluded from profit or 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.

"Direct operating costs" is an additional non-IFRS measure, which is 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. Direct operating costs include employee benefits expense, energy expenses (adjusted to exclude the net loss on the Hobart smelter embedded derivatives), stores and consumables used, contracting and consulting expenses and other expenses (adjusted to exclude certain indirect operating expenses).

Investors should not consider "Underlying EBITDA" or "direct operating costs" in isolation or as a substitute for "Results from operating activities" and "Profit/(loss) for the period" and "operating costs" reported in the 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, liquidity or costs. Other companies in Nyrstar's industry may calculate "underlying EBITDA" or "direct operating costs" differently or may use them for different purposes.

Underlying EBITDA

	Year ended 31 December		
€ millions	**2015**	**2014**	**2013**
Profit/(loss) for the period	**(432)**	**(287)**	**(195)**
Adjustments			
Income tax expense/(benefit)	(245)	(57)	11
Gain on the disposal of equity-accounted investees	—	(1)	—
Net finance expense	115	108	99
Impairment reversal	(4)	—	(207)
Impairment loss	568	255	227
Restructuring expense(1)	16	5	19
M&A related transaction expense(2)	—	—	2
Depreciation, amortisation and depletion	251	257	220
Net loss/(gain) on Hobart Smelter embedded derivatives(3)	(13)	—	9
Underlying EBITDA	**256**	**280**	**185**

Notes:

(1) Restructuring expenses of € 16 million in 2015 (€ 5 million in 2014, € 19 million in 2013) were incurred mainly in relation to the announced cost savings program, known in 2012 and 2013 as Project Lean, which delivered its full targeted benefits by the end of 2014, and the organisational restructuring announced in June 2013. Restructuring expenses in 2014 related to the re-integration of the commercial operations teams in to the operating segments, and restructuring expenses in 2013 and 2012 related to Project Lean.

(2) M&A related transaction expenses include the direct transaction costs related to acquisitions and disposals (e.g., advisory, accounting, tax, legal or valuation fees paid to external parties). M&A related transaction expenses were nil in 2015 (nil in 2014; € 2 million in 2013). These expenses were previously classified within contracting and consulting expenses and have been reclassified to M&A related transaction costs to improve reporting transparency.

(3) The Hobart smelter is party to two long-term electricity supply contracts with CPI indexation clauses. The Hobart smelter's electricity supply contracts are hedged by fixed price commodity contracts, 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 changes in fair value on the ineffective portion and amortisation of the swap's fair value at inception (€ 13.4 million gain in 2015, which includes a one-off gain of € 15.7 million on initial recognition of the new electricity delivery agreement in Hobart representing a difference between the contractual price and the market price at the time of execution of the agreement; € 0.4 million gain

Element	Disclosure requirement

in 2014; € 9.3 million loss in 2013) 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

	Year Ended 31 December		
€ millions	**2015**	**2014**	**2013**
Employee benefits expense	395	411	391
Energy expenses(1)	277	278	321
Stores and consumables used	178	177	180
Contracting and consulting expense	151	138	166
Other expense(2)	62	45	55
Direct operating costs	**1,063**	**1,049**	**1,113**

Note:

(1) Comprised of the "Energy expenses" line item from the consolidated income statement excluding the net gain/(loss) on the Hobart smelter embedded derivatives described above.

(2) Comprised of the "Other expense" line item from the consolidated income statement excluding € 24 million (2014: € 13 million, 2013: € 8 million) of indirect operating expenses such as stock movements, royalty expenses, gains or losses on disposal of fixed assets and other sundry indirect costs.

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. However, the audit report for the year ended 31 December 2013 includes an emphasis of matter paragraph regarding the recoverability of the Company's zinc streaming agreement with Talvivaara Mining Company plc. The financial statements for the financial year ended 31 December 2014 were amended on 25 March 2015 to reflect full impairment of the Talvivaara zinc streaming agreement. Consequently, the audit report for the year ended 31 December 2014 included an emphasis of matter paragraph regarding the fact that the statutory audit report dated 4 February 2015 was replaced by the statutory audit report dated 25 March 2015 as a result of amendments made to the previously issued Financial Statements for the financial year ended 31 December 2014. The audit report for the year ended 31 December 2015 includes an emphasis of matter paragraph drawing attention to note 2(b) in the financial statements concerning the Company's ability to continue as a going concern. The circumstances described in note 2(b) indicate the existence of material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. No adjustments have been recorded with respect to the valuation or the classification of certain balance sheet items, which would be required, should the Company no longer be able to meet its funding requirements and no longer have access to adequate and sufficient financial resources to continue its operations for the foreseeable future.

B.11 Working capital

On the date of this Prospectus, the Company is of the opinion that, taking into account its available cash and cash equivalents (including undrawn committed facilities) but not taking into account the net proceeds from the Offering nor the completion of the announced divestment of some or all of its Mining assets nor any additional measures that the Company might take to be able to meet its working capital requirements (as discussed below), it does not have sufficient working capital to meet its present requirements and cover its working capital needs for a period of at least 12 months from the date of this Prospectus. However, the Company is of the opinion that the proceeds of the Offering, together with its available cash and cash equivalents (including undrawn committed facilities), will, when the Offering is completed, provide the Company with sufficient working capital to meet its present requirements and cover its working capital needs for a period of at least 12 months from the date of this Prospectus.

The Company has a significant amount of outstanding debt, including the 2016 Bonds maturing in May 2016. Furthermore, the current challenging macro-economic conditions in the relevant commodities markets and negative cash flows in Nyrstar's Mining segment have led and are continuing to lead to losses and cash depletion. In addition, the Company's business requires substantial amounts of sustaining capital expenditure. This has required and will require a substantial use of Nyrstar's working capital.

Element	Disclosure requirement
	To date, the Company has been able to fund its operations, capital expenditure and acquisitions through cash generated from its internal operations, equity capital markets (including the rights offerings in 2011 and 2014), debt capital markets, and debt and other working capital financing, which includes prepay agreements. The Company has taken and intends to take specific measures to conserve liquidity. It is planning to divest some or all of its mining assets and has taken and may take further measures to limit cash outflow in the interim. Furthermore, the nature of many of the Company's proposed investments is such that the timing of project development and implementation is highly flexible. If the Company did not complete the Offering, divest some or all of its Mining assets, or raise additional debt as part of the contemplated balance sheet strengthening measures, it is possible that it would run out of working capital during Q4 2016, using December 2015 consensus exchange rates and commodities prices for 2016. However, in such a scenario, the Company would seek to implement additional measures (such as changing its current business plans and strategy or changing currently scheduled investment programs or introducing further cost cutting programs) and believes that by doing so it would be able to meet its working capital requirements during the next 12 months from 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 608,165,740 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 € 34,004,508.80 and is fully paid-up. It is represented by 327,473,863 ordinary shares, each with a fractional value of (rounded) € 0.10 and representing one 327,473,863rd of the share capital. The Company's Shares do not have a nominal value. Upon successful completion of the Offering, the Company will issue 608,165,740 new ordinary Shares, for an aggregate issue price of € 273,674,583.00 (or € 0.45 per new Share). A portion of the issue price per new Share equal to the fractional value of the Shares, i.e. (rounded) € 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. (rounded) € 0.35 will be booked as issue premium. As a result, upon successful completion of the Offering, the share capital would be increased up to € 97,192,929.19 and be represented by 935,639,603 ordinary Shares, each with a fractional value of (rounded) € 0.10 and representing one 935,639,603rd 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 2015, 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. On the date of this Prospectus, the Company has no treasury shares.
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**

Element	Disclosure requirement
	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 29 February 2016. 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. The board of directors has decided not to propose to shareholders a distribution in respect of the 2015 financial year. This reflects the commitment of the board of directors to maintain a sustainable capital structure.

Section D—Risks

Element	Disclosure requirement
D.1	**Risks related to the Company's business** The Company is subject to the following material risks: ***Nyrstar's results can be and have been substantially affected by macroeconomic trends. Economic downturns can depress commodity prices, and for this reason and other reasons economic downturns have had in the past and may in the future have a material adverse effect on the results of operations and financial condition 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. More recently, the current economic slowdown in China has contributed to a sharp decrease in demand for metals and, along with other factors, has depressed prices for commodities, including zinc. Due to this and other factors, Nyrstar recorded a € 568 million impairment charge in 2015 and substantial net losses in 2014 and 2015, substantially reducing its equity. 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 and free metal is pronounced due to the current configuration of Nyrstar's business, with the bulk of Nyrstar's revenues generated by smelting, and may increase given Nyrstar's strategy to dispose of some or all of its mining assets. Although Nyrstar's exposure to swings in zinc TCs is expected to diminish over time as and when projects identified in the Transformation (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,

Element	Disclosure requirement
	gold and other metals. Although following the implementation of the Transformation, 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. ***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 conducted a strategic review of its zinc smelting business in 2013 in order to identify opportunities to sustainably improve its profitability. A principal output of this strategic review was an increased focus on higher production of minor metals, and the review identified a number of investment projects to this end. This focus is an intensification of an existing trend. In 2015 Nyrstar produced 26 tonnes of germanium contained in leach product and 35 tonnes of gallium contained in leach product at its Clarksville smelter and 41 tonnes of indium at its Auby smelter, up from 27, 37 and 33, respectively, in 2014. The 2016 production of germanium and indium will be impacted by the following two factors: • the Middle Tennessee mine, the sole supplier of germanium rich zinc concentrate to the Clarksville smelter, was placed into care and maintenance in December 2015. Accordingly there will be no production of germanium in leach product at the Clarksville smelter until the Middle Tennessee mine restarts operation; and • in November 2015 the indium processing plant at Auby smelter was damaged by a fire. As a consequence, the production in 2016 of indium metal will be negatively impacted compared to 2014 and 2015 production levels. Whilst production in 2016 will be negatively impacted by the above factors, some of the investment projects identified in 2013 focusing on minor metals have been implemented or are still being implemented; implementation of others would be subject to funding. 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, in the three years ended 31 December 2015 the indium price ranged from approximately US$ 750/kg to US$ 240/kg, the gallium price ranged from approximately US$ 580/kg to US$ 140/kg and the germanium price ranged from approximately US$ 1,900/kg to US$ 1,450/kg, and their market price may well continue to fluctuate widely, with the real possibility that these prices may deteriorate further in 2016. 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 Nyrstar were to implement further its strategy to increase its production of minor metals and if there were to be a significant decrease in the prices for indium, germanium and gallium, Nyrstar might 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, financing risks and other complications, and may not achieve the expected returns.*** Nyrstar is implementing a number of major investment projects and may in the future implement additional investment projects that are key to its strategy to leverage its existing industrial footprint and to unlock and create further value. The principal investment project being undertaken by

Element	Disclosure requirement
	Nyrstar relates to the Port Pirie redevelopment (the "**Port Pirie Redevelopment**"). In the smelting strategic review, Nyrstar also identified additional projects to transform the blueprint of Nyrstar's Metals Processing business (the "**Metals Processing Growth Pipeline Projects**" and together with the Port Pirie Redevelopment, the "**Transformation**"). Subject to available funding and changes in market conditions, Nyrstar may implement some or all of these additional projects. See "*Business—Metals Processing*" for a description of the Port Pirie Redevelopment, the smelting strategic review and the Transformation. The current total estimated capital cost for the Port Pirie Redevelopment, which may increase, is AUD 563 million, of which AUD 496 million has been contracted and AUD 368 million and AUD 156 million were paid under the contracts in total and in 2015, respectively. 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 AUD 102 million (contributed in 2014), but with an additional AUD 49 million (contributed in 2015) bringing the total to AUD 151 million; (ii) the forward sale (completed in 2014) of a portion of the silver output from the redeveloped Nyrstar Port Pirie facility for an upfront payment of approximately AUD 120 million; and (iii) an AUD 291 million structured investment to be made by third party investors with their investment benefiting from a guarantee from EFIC from which the first draw-down was made in November 2015. Any requisite capital expenditure amounts beyond these amounts will need to be funded directly by Nyrstar. The capital investment for the entire Metals Processing Growth Pipeline Projects, implementation of which is subject to availability of funding and market conditions, was estimated in 2013 at approximately € 265 million. To date, some of these projects have been implemented and others are being implemented, for total expenditure of € 52 million through 31 December 2015. The implementation of further projects is subject to market conditions and sufficient liquidity and funding sources. There can be no assurance that Nyrstar will have sufficient liquidity and funding sources to make the capital investment necessary to implement the remaining Metals Processing Growth Pipeline Projects. There can be no assurance that the Port Pirie Redevelopment or the Metals Processing Growth Pipeline Projects (if implemented) 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 and milestone certifications, 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 may not be able to successfully implement strategic alternatives for its mining assets, and the implementation of those alternatives may have a negative impact on Nyrstar's business, results of operations or financial condition.*** Following a detailed review of the performance, near term cash needs, medium term capital requirements and exploration potential of the Mining segment conducted under the direction of its new CEO in the second half of 2015, Nyrstar's management determined that the Mining segment as a whole would continue to underperform without an injection of additional capital or an increase in commodity prices. Because Nyrstar is currently implementing a strategy of strengthening its balance sheet and tightening capital allocation discipline and has a number of potential high return pipeline projects in the Metals Processing segment competing for available capital, Nyrstar has decided to pursue strategic alternatives for its mining assets, individually and as a portfolio, to reduce or eliminate the short-term cash burden of supporting those assets. In addition to further potential mine suspensions (such as those currently in place at Campo Morado, Myra Falls and Middle Tennessee), these alternatives will potentially include a sale of some or all of the Mining segment assets. There can be no assurance that Nyrstar will be able to implement these alternatives on commercially satisfactory terms, in a timely manner or at all. For instance, market conditions and other factors may inhibit Nyrstar's ability to find a buyer in an acceptable timeframe or at all or agree an acceptable price for its assets. If a buyer for the assets is found, there may nevertheless be a loss on disposal equal to the difference between the achieved sale price and the current book value of the sold mines. The process may further crystallize the need to record an impairment. The amount of such impairment could be substantial (given that the carrying value of the assets related

Element	Disclosure requirement
	to the Mining segment stood at € 533 million as of 31 December 2015). Any sale of these assets will also require consent of certain lenders, including possibly (depending in particular on the amount of impairment crystallized thereby) with respect to financial covenants. In addition, mine suspensions may turn out to require higher ongoing maintenance expenses than anticipated and may further decrease the possibility of a sale of such mines and the potential value which could be achieved by a potential sale. Nyrstar's ability to implement these alternatives may also be impacted by other risk factors discussed herein. Failure to implement the strategic alternatives to the current mining configuration could have a material adverse effect on Nyrstar's liquidity and financial condition should the current negative cash flow of the Mining segment persist. Moreover, the pursuit and implementation of such alternatives carry risks, including the related diversion of management attention. In this respect, the sale or suspension of some or all of Nyrstar's mining assets could have a negative impact on Nyrstar's Metals Processing segment if it were unable to source sufficient levels of replacement feed material from alternative sources (e.g., via off-take agreements with acquirers or otherwise) on commercially acceptable terms or at all. The realisation of any of these risks could have a material adverse effect on Nyrstar's business, results of operations and financial condition. ***Trafigura has a significant stake in the Company and its stake may further increase as a result of the Offering. Trafigura is also a party to material commercial agreements with Nyrstar. Trafigura's stake gives it significant influence in the Company. The interests of Trafigura may conflict with those of other shareholders.*** Trafigura, the largest shareholder of Nyrstar (through its indirect subsidiary, Urion), has informed the Company that it currently holds 80,694,821 Shares, which prior to the Offering and before conversion of any outstanding convertible bonds represents 24.64% of the outstanding Shares. Urion has agreed, subject to certain conditions, to subscribe (or procure the subscription by any person with whom it acts in concert) in the Offering for (i) those Shares that it is entitled to subscribe for pursuant to the Rights arising out of the Shares that it holds as at the date of the Rights Offering, and (ii) such number of Shares that remain available for subscription after the Rights Subscription Period and the Scrips Offering for which no Rights have been exercised in the Rights Subscription Period and for which no Scrips could be placed during the Scrips Offering, but up to a maximum aggregate subscription amount of € 125 million (including the amount required for the exercise of Rights as set out under (i)), and provided that its aggregate shareholding in the Company (when aggregated with the shareholdings of any of its affiliates and other persons acting in concert with Urion, as the case may be) after completion of the Offering and the issue of additional Shares as a result thereof is not more than 49.9%. The maximum aggregate subscription amount of € 125 million may be reduced at the election of Urion in its sole discretion by the aggregate amount subscribed for and paid by it for any Shares subscribed for by it upon exercise of additional Rights or Scrips acquired during the Rights Subscription Period or Scrips Offering. The Company will also procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as it determines at the price per Scrip that will result from the Scrips Offering. In view hereof, upon completion of the Offering, Trafigura may own indirectly, through Urion, from 24.64% of Nyrstar's share capital, if every holder exercises all of its Rights in the Offering, to up to 38.31% of Nyrstar's outstanding share capital if none of the Rights are exercised during the Rights Subscription Period and none of the Scrips can be placed with investors in the Scrips Offering. Depending on shareholder attendance at shareholder meetings, Trafigura's current and new stake could provide it with significant influence on decisions that are submitted to the Company's general shareholders' meeting, such as the approval of the non-consolidated financial statements, the appointment and removal of directors, the remuneration of directors, the appointment and removal of the statutory auditor, and amendments to the Company's articles of association (including decisions to increase or reduce the Company's share capital). An increase of Trafigura's stake, such as that expected to result from this Offering, may allow it to exercise a greater voting power on such decisions. In connection with Trafigura's commitment to support the Offering, the Company entered into a Relationship Agreement with Trafigura to govern Nyrstar's relationship with Trafigura. Under this agreement, Trafigura agreed that it will not acquire any shares or voting rights in the Company that would bring its aggregate holding of Shares or voting rights (when aggregated with the holdings of any person with whom it acts in concert, including, as the case may by, the Group) to a level above 49.9% of the outstanding Shares or voting rights of the Company. However, this commitment would fall away in a number of circumstances, including in the event of a public takeover bid by a third

Element	Disclosure requirement
	party, a takeover bid by Trafigura that is recommended or otherwise supported by the Company or an acquisition by a third party that results in such third party holding 10% or more of the shares in the Company. The Relationship Agreement also provides that Trafigura may not nominate a majority of the board of directors of the Company and that the appointment of any new independent director requires the approval of a majority of the directors other than the directors nominated by Trafigura. Furthermore, the Relationship Agreement provides that all transactions between the Group and Trafigura are to be conducted at arm's length and on normal commercial terms. The Relationship Agreement would terminate in a number of circumstances, including if Trafigura and its affiliates no longer hold 20% of the Shares. Trafigura has investments in other businesses, including some which currently compete, or may in the future compete, with Nyrstar. Trafigura is also a party to material commercial agreements with Nyrstar, some of the pricing terms of which will be negotiated on an ongoing basis. The Company is of the opinion that these agreements were entered into at market conditions. Trafigura may therefore have interests and exercise its shareholders' rights in a manner inconsistent with, and that may even be adverse to, those of other shareholders. ***Nyrstar's indebtedness has increased significantly in recent years and may increase further as it implements its current strategy to transform its business model, making Nyrstar subject to risks inherent in higher leverage and which could materially and adversely affect its business.*** Nyrstar has a significant amount of outstanding debt with substantial debt service requirements. As of 31 December 2015, Nyrstar had long-term borrowings of € 460 million (52% of its total indebtedness, calculated as total loans and borrowings) and short-term borrowings of € 417 million (48% of its total indebtedness). The average amount of such debt outstanding under its Revolving Structured Commodity Trade Finance Facility in year ended 31 December 2015 was approximately € 150 million. Nyrstar's other debts consist primarily of its 5.375% senior unsecured fixed rate non-convertible bonds due 2016 of which € 415 million of the originally issued € 525 million were outstanding as of 31 December 2015 and € 110 million having been bought back as of 31 December 2015 pending cancellation (the "**2016 Bonds**"), its 4.25% senior unsecured convertible bonds due 2018 (the "**2018 Convertible Bonds**") and its 8½% senior bonds due 2019 (the "**2019 Notes**"). Nyrstar also has prepay arrangements, of which as of 31 December 2015 € 214 million was treated as current deferred income, € 80 million was treated as non-current deferred income, and € 134.5 million under the 2015 Prepay Financing was included in other non-current financial liabilities. As of 31 December 2015, 31 December 2014 and 31 December 2013, Nyrstar's gearing ratio (net debt to net debt plus equity) was 54%, 31% and 44%, respectively, or 58% as of 31 December 2015 if including the 2015 Prepay Financing. In addition, the major investment projects being undertaken and/or contemplated by Nyrstar (such as the Port Pirie Redevelopment and the Metals Processing Growth Pipeline Projects) may increase Nyrstar's indebtedness directly or indirectly or have similar effects. The Port Pirie Redevelopment is expected to be financed in substantial part by an AUD 291 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 being issued in tranches, with the first tranches issued in November and December 2015, with further tranches to be issued in 2016 through and shortly following commissioning to match actual monthly spending of the last of the AUD 291 million of expenses) are structured as an equity-like instrument, with discretionary amortisation and certain other features of debt-like instruments, including various covenants and undertakings such as a prohibition on dividends and certain other types of distributions from Port Pirie to Nyrstar 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 upstream dividends is not currently expected to materially affect the cash flows available for 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. Nyrstar's substantial indebtedness could have important consequences for its business and operations, including to: • 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;

Element	Disclosure requirement
	• curtail Nyrstar's ability to make certain types of investments; • 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. 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 or other assets 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. ***Nyrstar will require a significant amount of cash to finance or repay its debts, fund its operations and finance its planned capital investments. 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. This has required and will require substantial investment and subsequent capital expenditure. The working capital statement included in this Prospectus is qualified (i.e., it states that without proceeds of the Offering Nyrstar does not have sufficient working capital to meet its present requirements and cover its working capital needs for the next 12 months, although it expects that were the Offering not to complete it would take additional measures to do so). The Financial Statements include a "going concern" note (see note 2(b) "Going concern") which, among other things, includes a working capital statement based on certain stated assumptions, including the completion of the rights offering and in respect of zinc price levels. If Nyrstar were unsuccessful in completing the Offering or putting in place alternative cost-reduction, cash preservation or funding measures, or if zinc prices were to substantially decrease from current levels, it might not be able to meet its working capital needs, which would have a material adverse effect on its financial condition and prospects. As part of the Port Pirie Redevelopment, Nyrstar intends to invest an estimated AUD 563 million to transform the Port Pirie operation (South Australia) from a primary lead smelter into an advanced polymetallic processing and recovery centre capable of processing a wider range of high margin metal bearing feed materials. The capital investment was partially financed with proceeds of an AUD 120 million forward sale arrangement of incremental silver to be produced at Port Pirie as a consequence of the Port Pirie Redevelopment, representing a delivery obligation on Nyrstar's balance sheet, and by an AUD 291 million structured investment being made by third party investors, with their investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC), with the remainder in the amount of AUD 151 million financed by a direct investment by Nyrstar. Nyrstar has also identified a portfolio of potential investments in multi-metals recovery (the Metals Processing Growth Pipeline Projects) as part of an overall Transformation blueprint intended to improve the profitability of Nyrstar's zinc smelting business. The capital investment for the entire Metals Processing Growth Pipeline Projects, implementation of which is subject to availability of funding and market conditions, was estimated in 2013 at approximately € 265 million; through 31 December 2015, € 52 million had been spent on these projects. To date, Nyrstar has been able to fund its capital investment projects and acquisitions through cash generated from its internal operations, capital markets (including the rights offerings in 2011 and 2014) and debt financing and working capital financings (including metal prepay arrangements). If Nyrstar's cash flows were reduced, Nyrstar would need to seek to fund its cash requirements

Element	Disclosure requirement
	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 increased significantly in recent years and may increase further as it implements its current strategy to transform its business model, making Nyrstar subject to risks inherent in higher leverage and which could materially and adversely affect its business*". 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. Nyrstar's ability to make payments on and refinance its indebtedness and to fund acquisitions, working capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. This ability is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond Nyrstar's control. Nyrstar may not be able to generate sufficient cash flow from operations or obtain enough capital to service its debt obligations or other working capital expenditures. If new debt is added to Nyrstar's current debt levels, such risks could intensify. Furthermore, the Mining segment remains cash flow negative in the current depressed commodity price environment, which puts additional pressure on Nyrstar's free cash flow. Although Nyrstar's management has decided to pursue strategic alternatives for its mining assets, individually and as a portfolio, which may include additional suspensions, asset disposals and a full exit from mining, and has appointed financial advisors to assist with that process, such process might take considerable time and lead to a continued cash burden in supporting the Mining segment assets, and may not ultimately prove successful or generate sufficient cash proceeds to meet funding requirements. Nyrstar currently has material off-take agreements with Noble Group Limited, Glencore Plc, Umicore and Trafigura. Some of these agreements include a prepay arrangement, by which the buyer makes a prepayment to Nyrstar for future metal deliveries. If these agreements were to come to an end, and Nyrstar were unable to agree contracts for the same volumes of metal with the same or better prepayment terms, Nyrstar would experience a significant drop in cash receipts while it delivered the metal already purchased by the buyers pursuant to the prepay. This would also have significant negative impact on working capital levels and potentially increase debt levels of the Company while the prepay arrangements unwind. Nyrstar cannot assure you that it will generate sufficient cash flow from operations, that it will realise operating improvements on schedule or that future borrowings will be available to Nyrstar in an amount sufficient to enable it to service and repay its indebtedness or to fund its other liquidity needs. If Nyrstar is unable to satisfy its debt obligations, it may have to undertake alternative financing plans, such as refinancing or restructuring its indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Nyrstar cannot assure you that any refinancing or debt restructuring would be possible, that any assets could be sold or that, if sold, the timing of the sales and the amount of proceeds realised from those sales would be favourable to Nyrstar or that additional financing could be obtained on acceptable terms. In particular, Nyrstar's ability to restructure or refinance its debt will depend in part on its financial condition at such time. Any refinancing of Nyrstar's debt could be at higher interest rates than its current debt and may require Nyrstar to comply with more onerous covenants, which could further restrict its business operations. The terms of existing or future debt instruments may restrict Nyrstar from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on Nyrstar's outstanding indebtedness on a timely basis would likely result in a reduction of Nyrstar's credit rating, which could harm its ability to incur additional indebtedness. Disruptions in the capital and credit markets could adversely affect Nyrstar's ability to meet its liquidity needs or to refinance its indebtedness, including Nyrstar's ability to meet its obligations under its existing financing agreements or enter into new financing agreements. Banks that are party to Nyrstar's existing financing agreements may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from Nyrstar and other borrowers within a short period of time. In addition to those listed above, the Company is also subject to the following risks: • 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
	• The forecast deficit of zinc concentrate supply and resulting higher zinc prices may not materialise. • Nyrstar's business is exposed to exchange rate fluctuations. • 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. • 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. • Negative publicity, including that generated by non-governmental organisations, may harm Nyrstar's operations. • 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 its 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 and regulations could have an adverse impact on Nyrstar's business. • A change in underlying economic conditions or adverse business performance may result in impairment charges. • 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, social, community, 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. • The Company is a holding company and is therefore dependent on the results of operations generated by its subsidiaries. • Nyrstar may incur substantially more debt in the future, which may make it difficult for it to service its debt and impair its ability to operate its businesses. • Nyrstar's agreements contain restrictive covenants that may limit its ability to respond to changes in market conditions or pursue business opportunities. • If Nyrstar is unable to comply with the restrictions and covenants in its credit facilities or other current and future agreements, there could be a default under the terms of these agreements, which could result in an acceleration of repayment. • Nyrstar is exposed to interest rate risk.
D.3	**Risks related to the Shares and the Offering** ***Termination of the Underwriting Agreement or the Shareholder Commitment 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 (as defined below), the Underwriters (as defined below) have, on the terms and subject to the conditions of the Underwriting Agreement, agreed, severally and not jointly, to subscribe for new Shares in an aggregate amount up to € 149 million. The Underwriting Agreement entitles the Underwriters to terminate the Underwriting Agreement under certain circumstances, 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, and the termination of the Shareholder Commitment Agreement. Pursuant to the Shareholder Commitment Agreement, Urion agreed, subject to certain conditions, to subscribe (or procure the subscription by a person acting in concert with Urion) for (i) those Shares that it is entitled to subscribe for pursuant to the Rights related to the Shares that it holds as at the date of the Rights Offering, and (ii) such number of Shares that remain available for subscription after the Rights Subscription Period and the Scrips Offering for which no Rights have been exercised in the Rights Subscription Period and for which no Scrips could be placed during the Scrips Offering, up to a maximum aggregate amount of €125 million, and provided that its aggregate shareholding in the Company (when aggregated with the shareholdings of any of its subsidiaries and other persons acting in concert with Urion, as the case may be) after completion of the Offering and the issue of the Shares as a result thereof is not more than 49.9%. The Shareholder Commitment Agreement will terminate under certain circumstances, whereupon Urion would be released from its obligation to subscribe for the new Shares. These circumstances include the occurrence of a material adverse change to Nyrstar and the termination of the Underwriting Agreement. If the Underwriting Agreement or the Shareholder Commitment 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. The termination of the Underwriting Agreement and or the Shareholder Commitment 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. In addition to the risk above, there are the following risks in relation to the Shares and the Offering: • In the context of the Offering, Trafigura may increase its shareholding above 30% without triggering the obligation to launch a mandatory public takeover bid to all shareholders of the Company. • The market price of the Shares, Rights or Scrips may be negatively affected by actual or anticipated sales of substantial numbers of Shares, Rights or Scrips.

Element	Disclosure requirement
	• The market price of the Shares may be volatile and could decrease. • A trading market for the Rights may not develop, 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, and hence a reduction of the financial value of such shareholder's portfolio. • 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. • Certain transfer and selling restrictions may limit shareholders' ability to sell or otherwise transfer their Shares, and may subject shareholders to dilution or other financial adverse consequences. • 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. • Investors may not be able to enforce in Belgium judgments of United States courts of civil liabilities predicated solely upon US securities laws • 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. • If securities or industry analysts do not publish research reports about the Company, or if they change their recommendations regarding the Company's Shares in an adverse way, the market price of the Shares may fall and the trading volume may decline.

Section E—The Offering

Element	Disclosure requirement
E.1	**Net proceeds and expenses of the Offering** See "*Use of Proceeds*" below.
E.2	**Use of Proceeds** The Offering will allow Nyrstar to: • improve its ability to access debt markets, address near-term refinancing needs and extend its debt maturity profile; • recapitalise the business and increase financial flexibility and liquidity in a challenging near-term commodity price environment; and • support the funding of value accretive metals processing projects.

Element	Disclosure requirement
	Nyrstar intends to use the net proceeds from the Offering to repay part of the € 415 million of 2016 Bonds that mature in May 2016. The remainder of the funds necessary for such repayment will come from cash on hand, including the net proceeds of the US$ 150 million 2015 Prepay Financing (as described in "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Funding sources—2015 Prepay Financing*") as well as cash from operating activities and headroom under committed facilities. The Company estimates that commissions and offering expenses of the Offering will be approximately € 6 million. The expenses related to the Offering include, among other things, the underwriting and management fees and commissions of € 4 million due to the Underwriters (see below "*—Underwriting—Underwriting Agreement*"), the fees due to the Belgian FSMA and Euronext Brussels and legal and administrative expenses, as well as publication costs, but exclude the commitment fee of € 5 million due to Urion under the Shareholder Commitment Agreement (see below "*Business—Relationship with Trafigura—Shareholder Commitment Agreement*"). The Company shall bear these expenses.
E.3	**Terms and conditions of the Offering** ***Offering*** The Offering by the Company in the amount of € 273,674,583.00 corresponding to 608,165,740 new Shares, will be carried out with statutory preferential subscription rights (the "**Rights**") for existing shareholders in accordance with Articles 592 and 593 of the Belgian Companies Code, subject to applicable securities laws. The terms of the Offering have been determined together with Urion and the Joint Bookrunners (as defined below) pursuant to the Shareholder Commitment Agreement (as defined below) and the Equity Commitment Agreement (as defined below) respectively. Each existing Share will entitle its holder to one Right. The Rights will entitle their holders, subject to applicable securities laws, to subscribe for new Shares at the Subscription Price at the ratio of 13 new Shares for 7 Rights (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 5 February 2016 (the "**Record Date**") to receive one Right. ***Subscription Price and Ratio*** The subscription price for the new Shares (the "**Subscription Price**") is € 0.45, which represents a discount of 66.3% against the closing price of € 1.335 per Share as quoted on the regulated market of Euronext Brussels on 4 February 2016. 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 13 new Shares for 7 Rights. Based on the closing price of the Company's Shares on Euronext Brussels on 4 February 2016, the theoretical ex right price ("**TERP**") is € 0.76, the theoretical value of one Right is € 0.58, and the discount of the Subscription Price to TERP is 40.8%. ***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 5 February 2016 and persons having acquired Rights during the Rights Subscription Period (as defined below) will have a statutory preferential subscription right to subscribe for the new Shares, at the Subscription Price and in accordance with the Ratio. The Rights, represented by coupon No. 8 of the existing Shares, will be separated from the underlying Shares on 5 February 2016 after the closing of the regulated market of Euronext Brussels and will be tradable on such regulated market from 8 February 2016 to 22 February 2016. Any sale of existing Shares prior to the closing of the regulated market of Euronext Brussels on 5 February 2016 and to be settled after 5 February 2016, will be settled "cum Rights". Any existing Shares sold after the closing of the regulated market of Euronext Brussels on 5 February 2016 will be sold and settled "ex Rights".

Element	Disclosure requirement
	Holders of Shares having 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 8 February 2016 until 22 February 2016 inclusive (by 5.30 pm CET) (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 5.30 pm CET on 22 February 2016, 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 5.30 pm CET 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 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 in an accelerated bookbuilt private placement (i) 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. Pursuant to the Shareholder Commitment Agreement, the Company will procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as Urion determines at the price per Scrip that will result from the Scrips Offering. It was also agreed in the Shareholder Commitment Agreement that the Scrips Offering shall be organised by the Joint Bookrunners as an accelerated bookbuilt private placement for the benefit of the holders of unexercised Rights. In light of that, the Company and the Joint Bookrunners expect that the Joint Bookrunners will conduct the accelerated bookbuilt placement of the Scrips in a manner that is consistent with normal practices for similar placements, and will endeavour to generate active, quality demand for the Scrips from a diverse group of investors. The price for, and the actual allocation of, the Scrips, will be determined by the Company in light of the Joint Bookrunners' recommendation on the basis of customary criteria and considerations such as price, coverage, quality of demand, and the requirement of a robust aftermarket, while giving effect also to Urion's entitlement to priority allocation. The number of Shares for which Urion may decide to subscribe in the Scrips Offering shall not exceed the total number of Shares to be placed pursuant to the Scrips Offering, and Urion's aggregate shareholding in the Company (when aggregated with the shareholdings of any person acting in concert with Urion) after completion of the Offering shall not in any circumstances exceed 49.9%. 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 24 February 2016 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

Element	Disclosure requirement
	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*** 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 in an accelerated bookbuilt private placement (i) 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 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 8 February 2016 until 22 February 2016 inclusive (by 5.30 pm CET). The last date and time before which notification of exercise instructions may be validly given by Eligible Persons may be earlier than 5.30 pm CET on 22 February 2016 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 24 February 2016, 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. ***Offering for a reduced amount*** The Company has the right to proceed with the Offering in a reduced amount. This is, however, without prejudice to the underwriting commitment agreed to by the Joint Bookrunners and the underwriting commitment provided by Urion pursuant to the Shareholder Commitment Agreement. However, the Shareholder Commitment Agreement with Urion provides that Urion shall not be obliged to subscribe for any Shares unless the Global Subscription Amount of the Offering is not less than € 250 million and not greater than € 275 million. ***Revocation or suspension of the Offering*** 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.

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	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 29 February 2016. 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 29 February 2016 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 29 February 2016. 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 29 February 2016. ***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 25 February 2016 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. ***Shareholder Commitment Agreement*** On 9 November 2015, the Company entered into a commitment agreement (the "**Shareholder Commitment Agreement**") with Urion, an indirect subsidiary of Trafigura Group Pte. Ltd., whereby, subject to conditions, Urion agreed to subscribe (or procure the subscription by any person with whom it acts in concert) in the Offering for (i) those Shares it is entitled to subscribe for pursuant to the Rights arising out of the Shares that it holds as at the date of the Rights Offering, and (ii) such number of Shares that remain available for subscription after the Rights Subscription Period and the Scrips Offering. The Company will also procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as Urion determines at the price per Scrip that will result from the Scrips Offering. However, (i) the maximum number of Shares which Urion may acquire in the Offering will be limited to the number of Shares that would result in Urion's aggregate shareholding in the Company (when aggregated with the shareholdings of any person acting in concert with Urion) after completion of the Offering and the issue of additional Shares as a result thereof being not more than 49.9%, and (ii) its subscription amount in the Offering (the "**Shareholder Commitment Amount**") shall be limited to a maximum aggregate amount of € 125 million (including the amounts required for the exercise of Rights as set out under (i)), less the amount, if any, by which 50% of the gross proceeds of the Offering (including issue premium) is less than € 125 million, provided that the aggregate amount payable by Urion may be further reduced at the election of Urion in its sole discretion by the aggregate amount subscribed for and paid by it for any

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	Shares subscribed for by Urion upon exercise of additional Rights or Scrips acquired during the Rights Subscription Period or Scrips Offering. Urion is not obliged to subscribe for any Shares under the Shareholder Commitment Agreement unless the gross proceeds of the Offering (including issue premium) are equal to or greater than € 250 million and equal to or less than € 275 million. Urion's commitment to subscribe for Shares in the Offering is subject to certain conditions, such as the Underwriters' obligations under the Underwriting Agreement becoming unconditional (on or before the Closing). Furthermore, the Shareholder Commitment Agreement will terminate upon the occurrence of certain events prior to the Closing, as further provided for in the Shareholder Commitment Agreement. ***Underwriting Agreement*** On 9 November 2015, the Company entered into an equity commitment agreement (the "**Equity Commitment Agreement**") with Deutsche Bank AG, London Branch and KBC Securities NV (the "**Joint Bookrunners**"), which is superseded by the Underwriting Agreement. In the Equity Commitment Agreement, the Joint Bookrunners agreed (subject to certain conditions) to underwrite any new Shares not subscribed for in the Offering and not underwritten by Urion for an aggregate subscription amount of up to € 150 million (the "**Aggregate Equity Commitment Amount**") and, individually, a maximum subscription amount for Deutsche Bank AG, London Branch of € 90,000,000 and for KBC Securities NV of € 60,000,000. Subsequently, the Company and the Underwriters, entered into an underwriting agreement on 4 February 2016 (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 for an aggregate amount of up to € 149 million, 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, up to the Aggregate Equity Commitment Amount. The commitment of the Underwriters to subscribe for Shares in the Offering is subject to certain conditions, including notably that (a) the Shareholder Commitment Agreement has not been terminated, cancelled, amended or repealed and is in full force and effect and has become unconditional, and Urion shall have performed all of its obligations under the Shareholder Commitment Agreement, and (b) Urion does not, at any time between the date of the Underwriting Agreement and the Closing date, (i) offer, sell, contract to sell or otherwise dispose of any of the Shares in the Company it holds on the date of the Underwriting Agreement or (ii) 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, or enter into a transaction with similar economic effect, or publicly announce its intention to do any of the transactions mentioned in (i) or (ii) above. The Underwriting Agreement can also be terminated by the Underwriters before the completion of the Offering and the listing and delivery to the subscribers of the new Shares subscribed with Rights and Scrips in a number of limited circumstances, as further provided in the Underwriting Agreement.
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 and Urion.
E.5	**Lock up** The Underwriting Agreement includes a 180 day lock up undertaking given by the Company to the Underwriters. Neither Urion nor any other shareholder has entered into any lock up undertaking.
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 0.35% 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 and have been substantially affected by macroeconomic trends. Economic downturns can depress commodity prices, and for this reason and other reasons economic downturns have had in the past and may in the future have a material adverse effect on the results of operations and financial condition 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. More recently, the current economic slowdown in China has contributed to a sharp decrease in demand for metals and, along with other factors, has depressed prices for commodities, including zinc. See "*—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*". Due to this and other factors, Nyrstar recorded a € 568 million impairment charge in 2015 and substantial net losses in 2014 and 2015, substantially reducing its equity.

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 market price of zinc and lead impacts both the TC contribution and the free metal contribution to Nyrstar's revenues. The sensitivity to TCs and free metal is pronounced due to the current configuration of Nyrstar's business, with the bulk of Nyrstar's revenues generated by smelting, and may increase given Nyrstar's strategy to dispose of some or all of its mining assets. Although Nyrstar's exposure to swings in zinc TCs is expected to diminish over time as and when projects identified in the Transformation (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, cost overruns, financing risks and other complications, and may not achieve the expected returns*". 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, 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 (approximately 81% of gross profit by metal in 2015)

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 Transformation 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, cost overruns, financing risks and other complications, and may not achieve the expected returns*".

Fluctuations in zinc prices affect the TCs Nyrstar realises both through the effect on the base TC that 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 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).

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 and have sharply declined recently. Depending on the interplay between zinc mine concentrate output, zinc smelter capacity and utilisation rates and demand for refined zinc, prices may fall further 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 (approximately 7% of gross profit by metal in 2015)

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 have been influenced by changes in the levels of supply and demand for both lead concentrate and refined lead and have seen a decline 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 (approximately 2% of gross profit by metal in 2015)

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 which resulted in lower prices in recent years. See "*The Mining and Smelting Industry—Copper industry overview*".

Gold (approximately 2% of gross profit by metal in 2015)

The profitability of both the Mining and Metals Processing segments is impacted by the gold price. Between 2001 and 2011, the price of gold generally increased 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 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. The rise of commodities as a mainstream asset class in general also contributed to gold's rising price, facilitated by the development of gold exchange traded funds ("**ETFs**") across many markets, which broadened the access to gold for retail investors as well as high net worth individuals. After reaching a record high in 2011, the gold price has since dropped, 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 (approximately 4% of gross profit by metal in 2015)

The profitability of both the Mining and Metals Processing segments is impacted by the silver price. Through 2011, silver investment demand saw the same robust support from events that 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 also enabled it to be regarded by investors as a precious metal with industrial exposure, which allowed it to benefit from economic recovery and fast growth in developing countries such as China and India. However, like the gold price, the silver price has been declining over the past four 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 (approximately 4% of gross profit by metal in 2015)

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 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*".

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 and the apparent slowdown in growth within China beginning in Q2 2015, Nyrstar has been and may in the future again be adversely affected by a reduction in the imports of zinc, copper and lead into China.

Although in the past, China has varied between being a net importer and a net exporter of zinc, the Chinese government's focus on boosting domestic consumption, which led to higher demand for key end-use sectors such as construction and automobiles, resulted in China becoming a structural net zinc importer. In 2012, 2013 and 2014, Chinese zinc consumption increased by 6.6% to 5.61 million tonnes, by 8.2% to 6.06 million tonnes and by 7.0% to 6.49 million tonnes, respectively.

China is the world's largest consumer of copper and according to Wood Mackenzie's most recent estimate its share of global refined consumption reached 46% in 2015. In 2014, Chinese copper consumption increased by 7.3% to 9.84 million tonnes.

In the lead market, China has also evolved from a structural net exporter into a structural net importer, primarily due to demand for lead for battery production. Wood Mackenzie currently expects China's share of global lead demand to increase from 41% in 2010 to 50% by 2020, 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 further (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 or lead domestically (including as a result of increased domestic competition due to recent currency devaluations) 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.

The forecast deficit of zinc concentrate supply and resulting higher zinc prices may not materialise.

Wood Mackenzie's most recent forecast shows the zinc concentrate market firmly moving to deficit in 2016 due to a contraction of mine supply, leading to a drawdown of accumulated stocks and resulting in a further tightening of concentrate supply in 2017. Zinc mine production capability from existing mines and committed new producers is projected to be 14.4 Mt in 2017. In order to meet smelter demand for concentrate, new raw material supply will be required from sources that cannot yet be firmly identified. Due to the market tightness projected from 2016, Wood Mackenzie forecasts substantially higher zinc prices during this period.

However, there is a risk that the tightening of concentrate supply forecast in 2016 and into 2017 does not materialise. This could be due to a slowdown in demand for zinc products, as has been seen recently in China (see "*—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*"), or a greater increase in new raw material supply than currently anticipated. For example, China, which in 2014 was the world's largest producer of zinc concentrate (4.88 Mt/a), devalued its currency in August 2015 and January 2016, which may make the business case for the development or expansion of local zinc mines more attractive and accordingly increase total concentrate supply above current assumed levels. Such a development, coupled with any slowdown in demand, could undermine the forecast tightening of zinc concentrate supply and projected increase in zinc price, which would adversely affect Nyrstar's business, results of operations, financial condition and future prospects.

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 and the Australian Dollar, and to a lesser extent, 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, Canadian Dollars and U.S. Dollars, and to a lesser extent Peruvian Sols, Chilean Pesos, Mexican Pesos, Honduran Lempiras and Swiss Francs. As a result, movements in these currencies directly affect Nyrstar's revenues, profitability and financial position (both transaction and translation effect).

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. During the past two years, the U.S. dollar strengthened significantly against the Euro, from US$ 1.40 to US$ 1.06 to 1 Euro. This was mainly driven by U.S. Federal Reserve tapering (and entirely ceasing the monthly bond purchase program in October 2014) as well as its long anticipated interest rate raise in December 2015, divergence between the EU and the United States in terms of macro-economic conditions as well as the European Central Bank launching quantitative easing in March 2015. In terms of revenues and gross profit, Nyrstar has benefited materially from the recent appreciation in the U.S. Dollar versus the Euro (translation effect); a future reversal of this U.S. Dollar/Euro trend would have the opposite effect on recorded revenues. In terms of profitability, any depreciation of the U.S. Dollar versus the Euro could reduce Nyrstar's profitability due to the fact that the majority of Nyrstar's revenues are generated in U.S. Dollars and a high proportion of the cost base is in Euro and Australian Dollars (transaction effect). This exposure is only partially offset by the costs associated with Nyrstar's North American assets.

Since mid-2012, the Australian Dollar has significantly declined against the Euro and other major currencies. 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. In terms of revenues, Nyrstar has benefited from this overall weaker Australian Dollar versus the Euro; a future reversal of this trend would have the opposite effect on recorded revenues. A strong Australian Dollar versus the Euro could reduce Nyrstar's profitability due to the regional cost structure, and therefore could expose a downside risk on a rising Australian Dollar.

Although it may do so in the future, Nyrstar has not entered 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 the time of recording a foreign currency exposure on the balance sheet and the time of occurrence of the cash flow in that foreign currency; 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'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 conducted a strategic review of its zinc smelting business in 2013 in order to identify opportunities to sustainably improve its profitability. A principal output of this strategic review was an increased focus on higher production of minor metals, and the review identified a number of investment projects to this end. This focus is an intensification of an existing trend. In 2015 Nyrstar produced 26 tonnes of germanium contained in leach product and 35 tonnes of gallium contained in leach product at its Clarksville smelter and 41 tonnes of indium at its Auby smelter, up from 27, 37 and 33, respectively, in 2014. The 2016 production of germanium and indium will be impacted by the following two factors:

- the Middle Tennessee mine, the sole supplier of germanium rich zinc concentrate to the Clarksville smelter, was placed into care and maintenance in December 2015. Accordingly there will be no production of germanium in leach product at the Clarksville smelter until the Middle Tennessee restarts operation; and
- in November 2015 the indium processing plant at Auby smelter was damaged by a fire. As a consequence the production in 2016 of indium metal will be negatively impacted when compared to 2014/2015 production levels.

Whilst production in 2016 will be negatively impacted by the above factors, some of the investment projects identified in 2013 focusing on minor metals have been implemented or are still being implemented; implementation of others would be subject to funding.

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, in the three years ended 31 December 2015 the indium price ranged from approximately US$ 750/kg to US$ 240/kg, the gallium price ranged from approximately US$ 580/kg to US$ 140/kg and the germanium price ranged from approximately US$ 1,900/kg to US$ 1,450/kg, and their market price may well continue to fluctuate widely, with the real possibility that these prices may deteriorate further in 2016. 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 Nyrstar were to implement further its strategy to increase its production of minor metals and if there were to be a significant decrease in the prices for indium, germanium and gallium, Nyrstar might 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, financing risks and other complications, and may not achieve the expected returns.

Nyrstar is implementing a number of major investment projects and may in the future implement additional investment projects that are key to its strategy to leverage its existing industrial footprint and to unlock and create further value. The principal investment project being undertaken by Nyrstar relates to the Port Pirie redevelopment (the "**Port Pirie Redevelopment**"). In the smelting strategic review, Nyrstar also identified additional projects to transform the blueprint of Nyrstar's Metals Processing business (the "**Metals Processing Growth Pipeline Projects**" and together with the Port Pirie Redevelopment, the "**Transformation**"). Subject to available funding and changes in market conditions, Nyrstar may implement some or all of these additional projects. See "*Business—Metals Processing*" for a description of the Port Pirie Redevelopment, the smelting strategic review and the Transformation.

The current total estimated capital cost for the Port Pirie Redevelopment, which may increase, is AUD 563 million, of which AUD 496 million has been contracted and AUD 368 million and AUD 156 million were paid under the contracts in total and in 2015, respectively. 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 AUD 102 million (contributed in 2014), but with an additional AUD 49 million (contributed in 2015) bringing the total to AUD 151 million; (ii) the forward sale (completed in 2014) of a portion of the silver output from the redeveloped Nyrstar Port Pirie facility for an upfront payment of approximately AUD 120 million; and (iii) an AUD 291 million structured investment to be made by third party investors with their investment benefiting from a guarantee from EFIC from which the first draw-down was made in November 2015. Any requisite capital expenditure amounts beyond these amounts will need to be funded directly by Nyrstar.

The capital investment for the entire Metals Processing Growth Pipeline Projects, implementation of which is subject to availability of funding and market conditions, was estimated in 2013 at approximately € 265 million. To date, some of these projects have been implemented and others are being implemented, for total expenditure of € 52 million through 31 December 2015. The implementation of further projects is subject to market conditions and sufficient liquidity and funding sources. There can be no assurance that Nyrstar will have sufficient liquidity and funding sources to make the capital investment necessary to implement the remaining Metals Processing Growth Pipeline Projects.

There can be no assurance that the Port Pirie Redevelopment or the Metals Processing Growth Pipeline Projects (if implemented) 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 and milestone certifications, 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 may not be able to successfully implement strategic alternatives for its mining assets, and the implementation of those alternatives may have a negative impact on Nyrstar's business, results of operations or financial condition.

Following a detailed review of the performance, near term cash needs, medium term capital requirements and exploration potential of the Mining segment conducted under the direction of its new CEO in the second half of 2015, Nyrstar's management determined that the Mining segment as a whole would continue to underperform without an injection of additional capital or an increase in commodity prices. Because Nyrstar is currently implementing a strategy of strengthening its balance sheet and tightening capital allocation discipline and has a number of potential high return pipeline projects in the Metals Processing segment competing for available capital, Nyrstar has decided to pursue strategic alternatives for its mining assets, individually and as a portfolio, to reduce or eliminate the short-term cash burden of supporting those assets. In addition to further potential mine suspensions (such as those currently in place at Campo Morado, Myra Falls and Middle Tennessee), these alternatives will potentially include a sale of some or all of the Mining segment assets. There can be no assurance that Nyrstar will be able to implement these alternatives on commercially satisfactory terms, in a timely manner or at all. For instance, market conditions and other factors may inhibit Nyrstar's ability to find a buyer in an acceptable timeframe or at all or agree an acceptable price for its assets. If a buyer for the assets is found, there may nevertheless be a loss on disposal equal to the difference between the achieved sale price and the current book value of the sold mines. The process may further crystallize the need to record an impairment. The amount of such impairment could be substantial (given that the carrying value of the assets related to the Mining segment stood at € 533 million as of 31 December 2015). Any sale of these assets will also require consent of certain lenders, including possibly (depending in particular on the amount of impairment crystallized thereby) with respect to financial covenants. In addition, mine suspensions may turn out to require higher ongoing maintenance expenses than anticipated and may further decrease the possibility of a sale of such mines and the potential value which could be achieved by a potential sale. See "*—A change in underlying economic conditions or adverse business performance may result in impairment charges*".

Nyrstar's ability to implement these alternatives may also be impacted by other risk factors discussed herein. See "*—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*", "*—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*", "*—Nyrstar is partially dependent on the supply of zinc and lead secondary feed materials*" and "*—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*".

Failure to implement the strategic alternatives to the current mining configuration could have a material adverse effect on Nyrstar's liquidity and financial condition should the current negative cash flow of the Mining segment persist. Moreover, the pursuit and implementation of such alternatives carry risks, including the related diversion of management attention. In this respect, the sale or suspension of some or all of Nyrstar's mining assets could have a negative impact on Nyrstar's Metals Processing segment if it were unable to source sufficient levels of replacement feed material from alternative sources (e.g., via off-take agreements with acquirers or otherwise) on commercially acceptable terms or at all. The realisation of any of these risks could have a material adverse effect on Nyrstar's business, results of operations and financial condition.

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 circumstances, 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 2014 and 2015. According to Wood Mackenzie, the concentrate market is expected to be tight in the medium term (i.e., concentrate demand exceeding available supply). This is expected to allow mines to increase their share of the zinc price by way of an increase in paid metal value and a decrease in TCs relative to the zinc price. Such a development in TCs in 2016 will negatively impact the smelter revenues, however, this may be offset by increased revenue from the free metal they recover, from market premiums and higher zinc prices.

Also, in anticipation of and following the closure of the Century mine (which reached its life-of-mine in August 2015 and ceased supplying Nyrstar's smelters in Q4 2015) and as part of its multi-metals strategy, Nyrstar increased its purchases of concentrate on the spot market. Spot market TCs may be higher or lower than those agreed in long-term agreements for supply of concentrate dependent on the prevailing market conditions, and as a consequence Nyrstar's income from TCs could be positively or negatively impacted. The entry into the Trafigura Commercial Agreements (and in particular the concentrate purchase agreements) will approximately restore Nyrstar's prior TC/spot ratio. See "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*".

Realised TCs have historically been the largest contributor to Nyrstar's gross profit, and a decrease in the TC payable may have a material negative impact on the revenues generated by the smelting business. Although the impact of TC levels is expected to decrease in the future when some or all of the Metals Processing Growth Pipeline Projects 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, LBMA or OTC. 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, LBMA or OTC forwards or OTC swaps 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 provide price certainty and 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.

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.

Trafigura has a significant stake in the Company and its stake may further increase as a result of the Offering. Trafigura is also a party to material commercial agreements with Nyrstar. Trafigura’s stake gives it significant influence in the Company. The interests of Trafigura may conflict with those of other shareholders.

Trafigura, the largest shareholder of Nyrstar (through its indirect subsidiary, Urion), has informed the Company that it currently holds 80,694,821 Shares, which prior to the Offering and before conversion of any outstanding convertible bonds represents 24.64% of the outstanding Shares. Urion has agreed, subject to certain conditions, to subscribe (or procure the subscription by any person with whom it acts in concert) in the Offering for (i) those Shares that it is entitled to subscribe for pursuant to the Rights arising out of the Shares that it holds as at the date of the Rights Offering, and (ii) such number of Shares that remain available for subscription after the Rights Subscription Period and the Scrips Offering for which no Rights have been exercised in the Rights Subscription Period and for which no Scrips could be placed during the Scrips Offering, but up to a maximum aggregate subscription amount of € 125 million (including the amount required for the exercise of Rights as set out under (i)), and provided that its aggregate shareholding in the Company (when aggregated with the shareholdings of any of its affiliates and other persons acting in concert with Urion, as the case may be) after completion of the Offering and the issue of additional Shares as a result thereof is not more than 49.9%. The maximum aggregate subscription amount of € 125 million may be reduced at the election of Urion in its sole discretion by the aggregate amount subscribed for and paid by it for any Shares subscribed for by it upon exercise of additional Rights or Scrips acquired during the Rights Subscription Period or Scrips Offering. The Company will also procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as it determines at the price per Scrip that will result from the Scrips Offering. In view hereof, upon completion of the Offering, Trafigura may own indirectly, through Urion, from 24.64% of Nyrstar's share capital, if every holder exercises all of its Rights in the Offering, to up to 38.31% of Nyrstar's outstanding share capital if none of the Rights are exercised during the Rights Subscription Period and none of the Scrips can be placed with investors in the Scrips Offering.

Depending on shareholder attendance at shareholder meetings, Trafigura's current and new stake could provide it with significant influence on decisions that are submitted to the Company's general shareholders' meeting, such as the approval of the non-consolidated financial statements, the appointment and removal of directors, the remuneration of directors, the appointment and removal of the statutory auditor, and amendments to the Company's articles of association (including decisions to increase or reduce the Company's share capital). An increase of Trafigura's stake, such as that expected to result from this Offering, may allow it to exercise a greater voting power on such decisions.

In connection with Trafigura's commitment to support the Offering, the Company entered into a Relationship Agreement with Trafigura to govern Nyrstar's relationship with Trafigura. Under this agreement, Trafigura agreed that it will not acquire any shares or voting rights in the Company that would bring its aggregate holding of Shares or voting rights (when aggregated with the holdings of any person with whom it acts in concert, including, as the case may be, the Group) to a level above 49.9% of the outstanding Shares or voting rights of the Company. However, this commitment would fall away in a number of circumstances, including in the event of a public takeover bid by a third party, a takeover bid by Trafigura that is recommended or otherwise supported by the Company or an acquisition by a third party that results in such third party holding 10% or more of the shares in the Company. The Relationship Agreement also provides that Trafigura may not nominate a majority of the board of directors of the Company and that the appointment of any new independent director requires the approval of a majority of the directors other than the directors nominated by Trafigura. Furthermore, the Relationship Agreement provides that all transactions between the Group and Trafigura are to be conducted at arm's length and on normal commercial terms. The Relationship Agreement would terminate in a number of circumstances, including if Trafigura and its affiliates no longer hold 20% of the Shares.

Trafigura has investments in other businesses, including some which currently compete, or may in the future compete, with Nyrstar. Trafigura is also a party to material commercial agreements with Nyrstar, some of the pricing terms of which will be negotiated on an ongoing basis. The Company is of the opinion that these agreements were entered into at market conditions (see "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*").

Trafigura may therefore have interests and exercise its shareholders' rights in a manner inconsistent with, and that may even be adverse to, those of other shareholders.

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. Its largest supplier, Minerals and Metals Group ("**MMG**") (the owner of the Rosebery mine and the now-closed Century mine), represented approximately 40% of its zinc concentrate needs in 2015, but which is expected to be significantly lower in the future due to the closure of the Century mine. Nyrstar's own mines delivered approximately a further 11% of its zinc concentrate needs in 2015, but a disposal of some or all of these mines is being pursued. Going forward, Nyrstar expects to source a significant portion of its concentrate needs from Trafigura (see "*—Trafigura has a significant stake in the Company and its stake may further increase as a result of the Offering. Trafigura is also a party to material commercial agreements with Nyrstar. Trafigura's stake gives it significant influence in the Company. The interests of Trafigura may conflict with those of other shareholders*" and "*Business—Relationship with Trafigura—Relationship Agreement*"). 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.

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 represented approximately 20% of the Metals Processing segment's total zinc feedstock in 2015, and these volumes may increase should Nyrstar dispose of some or all of its mines or suspend production at further mines. 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 tyres 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 and regulations 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 2015, Nyrstar sourced most of its zinc smelting electricity consumption in Australia and the U.S. under long-term contracts, 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, a portfolio of forward contracts provided or provides price protection for 76%, 66% and 48% of the volume in 2013, 2014 and 2015, respectively, and 58%, 44% and 12% for the expected electricity consumption in 2016, 2017 and 2018 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.

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:

- a fire on a new piping section inside the indium plant impacted production at the Auby smelter in Q4 2015 and will continue to impact production in 2016;
- at the beginning of 2015, production at Campo Morado was suspended due to the on-going issues associated with security in the region. This was initially caused by an illegal blockade of the mine entrance by non-affiliated union activists and over the course of the first quarter of 2015 due to contractors and unionised mine workers being subjected to systematic intimidation;
- zinc metal production at Balen and Overpelt was 4% lower in H2 2014 than in H1 2014 due to two national strikes in Q4 2014 and a number of unplanned roaster shuts during Q3 2014; and
- severe weather issues, such as record regional temperatures in Q1 2013, resulted in power reductions and impacted production at the Hobart smelter, and severe winter weather impacted zinc cathode production at the Clarksville smelter in H1 2014.

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 at the smelters and some of the mines), operational and product liability, marine stock transit, charterers' 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 presence in 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.

Negative publicity, including that generated by non-governmental organisations, 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.

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 value of Nyrstar's 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 2015. For as long as Nyrstar continues to own its mining assets, Nyrstar's future profitability and operating margins depend partly upon its 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.

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 TCs, 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, further 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.

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, decreased sale price on disposal 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 its 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 RC levels. If the smelters are unable to increase their TCs and RCs 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, licenses 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: 30 November 2010 for chemicals supplied at 1000 tonnes or more per year, 31 May 2013 for chemicals supplied at 100 tonnes or more per year and 31 May 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. 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 and regulations 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 ("**GHGs**").

In the European Union, Nyrstar's operations are subject to the Emissions Trading Directive, the European Union's central instrument for achieving the EU GHG 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 has brought 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). More than 40% of the 2013 annual allowances were auctioned, and since this share increases yearly, as the volume of allowances allocated for free decreases more than the cap decrease. Over the current trading period (2013 to 2020), 57% of the total amount of allowances will be auctioned. 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. Over the current trading period (2013 to 2020) 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.

On 15 July 2015 the European Commission presented a legislative proposal (COM(2015)337/F2) to revise the EU ETS for the period after 2020, in line with the 2030 climate and energy policy framework agreed by the EU leaders in October 2014. This is the first step in delivering on the EU's target to reduce GHGs by at least 40% domestically below 1990 levels by 2030.

To achieve this target cost-effectively, the sectors covered by the EU ETS will have to reduce their emissions by 43% compared to 2005. The legislative proposal translates the 43% greenhouse gas reduction target in 2030 in the ETS into a cap declining at an annual rate of 2.2% from 2021 onwards, corresponding to an additional reduction of around 556 million tonnes of carbon oxide in the 2021-2030 period, compared to 1.74% currently. The share of allowances to be auctioned will remain the same after 2020. As the total number of allowances is limited and declining, the European Commission also proposes to revise the system of free allocation in order to distribute the available allowances in the most effective and efficient way. The proposed changes aim to minimise the need for a correction factor (which reduces the free allocation across all sectors if the claim for free allowances is higher than the available amount) and to ensure predictability for companies. The allocation of free allowances will be focused on the sectors at highest risk of relocating their production outside the EU. The current basic architecture would remain in place after 2020, while individual elements will be improved in line with the agreement reached by EU leaders in October 2014:

- Benchmark values will be updated twice during the 2021-2030 period to reflect technological progress in the different sectors (current values are determined based on data from 2007-2008 and would not reflect the state of technology after 2020). The first update will be for the benchmark values used as of 2021 and these values will be kept stable until 2025. The second update will relate to the benchmark values applied as of 2026 and these values will in turn be kept stable until 2030. Since the allocation of free allowances is based on the benchmarks that take into account the emissions performance of the most efficient installations, the system rewards highly efficient installations and incentivises less efficient installations to reduce emissions.
- The system will be more flexible by better taking into account production increases or decreases and adjusting the amount of free allocations accordingly. A specific number of free allowances will be set aside for new and growing installations.
- As currently, beyond 2020 all major industrial sectors will be considered at risk of carbon leakage.

It is expected that around 6.3 billion allowances will be allocated for free to companies in the 2021-2030 period worth as much as € 160 billion. Allowances from the current trading period (2013-2020) will be valid beyond 2020.

Implementation of the Paris Agreement targets (as described below) is already under way in the EU as it will take place mainly through existing initiatives, namely the revision and reform of the EU ETS after 2020. The EU is also planning to introduce a new Renewable Energy Directive in 2016, aiming to achieve the binding EU-level target of at least 27% renewable energy by 2030.

In Australia, laws relating to climate change have been, and continue to be, in a state of flux. 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), and then moved to a floating price from 1 July 2015. The price for the 2013-2014 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 applied retrospectively from 1 July 2014, and liable entities were still required to meet their obligations for the 2013-2014 financial year. Entities who received free carbon units for the 2013-2014 financial year were 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) revealed that an entity has received an "under-allocation of free carbon units" for the 2013-2014 financial year, then the Regulator issued additional free carbon units. If, on the other hand, an entity received an "over-allocation of free carbon units" during that year, then a levy was imposed on the "true-up shortfall" (set at AUD 24.15 per unit in the shortfall).

Subsequently, the Australian government passed legislation establishing an Emissions Reduction Fund ("**ERF**") in order to give effect to the purchasing element of its "Direct Action" GHGs policy, which came into force on 12 December 2014. The ERF is a government fund which purchases carbon units from eligible Australian emission reduction and sequestration projects via a voluntary "reverse auction" process, under which registered projects bid to sell their credits to the government. Successful participants in the auction process, i.e. those determined by the government to have achieved carbon abatement at the lowest cost, enter into a contract with the government for delivery of carbon credits on an agreed schedule. The average price paid by the government at the first auction, which was held in April 2015, was AUD 13.95 per tonne of abatement. Successful participants in the first auction were largely projects in the landfill waste and agriculture (avoided land clearing) sectors, although as eligible project types are progressively expanded to include energy efficiency projects across a range of sectors, destruction/capture of fugitive gas emissions from mining and gas projects, efficient cattle management, efficient fertiliser use for irrigated cotton, and forestry and native regrowth projects, engagement with the ERF is expected by a wider array of companies and sectors. A second auction was held in November 2015, at which the government paid an average price of AUD 12.25 per tonne of abatement. Further auctions will be held over the life of the ERF until the fund is exhausted, including the next auction which is scheduled for April 2016.

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 CO2e per annum, and penalising facilities that exceed that baseline. The entity with 'operational control' of a facility will be responsible for meeting safeguard requirements in relation to that facility. The Safeguard Mechanism is intended to limit the growth in Australia's GHG emissions by applying an emissions baseline to Australia's largest emitting facilities and requiring companies that exceed their baseline to pay a penalty or offset their excess emissions. The government has stated that the Safeguard Mechanism is intended to ensure emissions reductions purchased by government are not offset by significant emissions increases elsewhere in the economy.

The Safeguard Mechanism is due to commence in July 2016. The Government has indicated that the Safeguard Mechanism is not intended to be punitive or raise revenue, and baselines are expected to be set conservatively. Individual facility baselines have been set at the highest level of reported emissions over the years 2009 - 2010 to 2013 - 2014. Baselines may be adjusted to accommodate particular circumstances where historical baselines will not represent future business-as-usual emissions, and in some other limited circumstances. The framework also includes an initial sector-wide baseline for grid-connected electricity generators. For this element, individual generator baselines will supplant the sector baseline if the sector baseline is exceeded. Up to 2020, baselines for new facilities will be based on an audited emissions forecast provided by the facility operator, with a reconciliation of the estimate against the actual performance of the facility at the end of the forecast period. Benchmarks will be used to determine baselines for new investments whose covered emissions first exceed 100,000 tonnes CO2e after 1 July 2020. These benchmarks will be based upon emissions intensity of production, and will use the best practice for that industry as the guide.

The party in opposition (the Labor party) has stated its intention to abolish the ERF if it comes into power at the next election, which must occur by January 2017. The Labor party's current policy favours the reintroduction of a emissions trading system.

In the United States, there are a variety of efforts to regulate greenhouse gases emitted from large stationary sources, certain mobile sources and throughout the electricity and oil and gas sectors. While the impacts of these requirements remain to be seen, it is expected that they will affect the generation mix of electricity in the U.S. and may increase electricity rates.

As confirmed by a 2014 Supreme Court decision (*Utility Air Regulatory Group v. EPA 134 S. Ct. 2427 (2014)*), the Environmental Protection Agency ("**EPA**") has the authority to require stationary sources to install "Best Available Control Technology" ("**BACT**") for greenhouse gases if emissions of conventional pollutants exceed certain thresholds. If Nyrstar's Clarksville smelter exceeds the regulatory thresholds for conventional pollutants, it may be required to undergo BACT analysis, and possibly to install additional controls, for its greenhouse gas emissions.

The Obama Administration has been analysing the control of methane and related emissions from a multitude of sectors. The EPA recently released several proposals to regulate methane from the oil and gas sector, including requiring methane and volatile organic compound reductions from hydraulically fractured oil wells, requiring emission reductions in the natural gas transmission segment of the industry, requiring owners/operators to find and repair leaks, and addressing volatile organic compounds from existing oil and gas sources in areas with smog issues. These measures, once implemented, may result in increased costs for natural gas production and transmission, which may affect the price of natural gas-fired electricity generation.

Under Section 111(b) and 111(d) of the Clean Air Act, the EPA has released in final form carbon dioxide performance standards for new, modified and reconstructed power plants and state greenhouse gas targets for existing fossil fuel-fired power plants in the U.S. The rules will require any new coal-fired power plants to be highly efficient supercritical pulverized coal units with partial carbon capture and sequestration. Under the Clean Power Plan, emission reductions for existing coal and natural gas-fired power plants will be implemented by the states, or by the EPA in any states that fail to act by specified deadlines. While each individual state may determine how it will meet its target, it is expected that the Clean Power Plan will encourage greater deployment of natural gas-fired power plants, renewable energy and energy efficiency initiatives and that coal fired power will be disincentivised. While Nyrstar will likely not be directly impacted by these rules, the Clean Power Plan is expected to increase electricity rates that would cause Nyrstar to experience an increase in energy costs.

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

In December 2015, a new international climate change treaty was agreed in Paris during the United Nations Framework Convention on Climate Change by 195 countries (the "**Paris Agreement**"). The Paris Agreement will become effective when at least 55 countries representing at least 55% of global GHGs ratify it through their respective domestic legal processes. The Paris Agreement is based on pledges made by individual countries to reduce GHGs on the national level and sets a process by which to review such actions. Many jurisdictions already have submitted their "intended nationally determined contributions" or "INDCs". Among the INDCs submitted to date, Australia committed to reduce greenhouse gases by 26-28% from 2005 levels by 2030, the U.S. committed to reduce greenhouse gases by 26-28% from 2005 levels by 2025, and the EU committed to reduce greenhouse gases by at least 40% from 1990 levels by 2030. The United States' involvement in developing the new agreement creates significant political pressure for the United States to follow through on its actions to reduce GHGs. In particular, the Clean Power Plan regulation under the Clean Air Act, described above, represents a significant portion of the United States' GHG reductions committed to under the Paris Agreement.

The Paris Agreement will result in international pressure for countries to control greenhouse gases 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 combined impact of direct and indirect greenhouse gas related 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.

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. Assets that are subject to impairment include tangible assets (such as property plant and equipment or streaming agreements) and intangible assets such as goodwill. Other tangible assets are tested for impairment when indicators of impairment exist. In respect of the other tangible assets, impairment losses continue to be assessed on at least 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, TCs, production volumes and interest and exchange rates.

Goodwill is carried at cost less any accumulated impairment losses. The goodwill balance of € 125 million at 31 December 2012 was fully written down in 2013 as 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. Also in 2013, Nyrstar recognised pre-tax non-cash 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 € 24.9 million, resulting in a net impairment loss of € 20.1 million. The majority of the impairment losses recognised in 2013 on non-core assets relate to investments in equity securities.

Nyrstar also recognised significant impairment losses in respect of its Zinc Streaming Agreement with Talvivaara and a related loan facility. As at 31 December 2014, Nyrstar fully impaired the value of the Zinc Streaming Agreement resulting in an impairment charge of € 245.9 million (net of tax € 196.8 million) and recognised an impairment charge of € 8.4 million equal to the full carrying value of the loan receivable under the facility. See "*Business—Mining—Talvivaara Zinc Streaming Agreement*" below.

In 2015, Nyrstar performed impairment testing of its assets and recognised pre-tax net impairment losses of € 564 million, of which € 548.0 million relates to Nyrstar's Mining assets. The testing was carried-out applying the most recent macroeconomic assumptions and updated life of mine plans for all of Nyrstar's mines. Commodity price and foreign exchange forecasts were developed from externally available forecasts from a large number of different market commentators. Given the wide range of forecast metal prices and considering the current uncertainty relative to economic growth in some parts of the world, a broad range of externally available forecasts were utilised in establishing the robust composite price sets whereby equal weighting was applied to each of the individual forecasts in order to exclude any bias. The main component of the total pre-tax non-cash impairment loss was the full write-down of the carrying value of the Campo Morado mine of € 376 million due to uncertainty related to the restart of the mine in light of the continued unstable security situation in the Mexican State of Guerrero combined with the application of the most recent operational and commercial assumptions to the mineral resource block model and the ensuing life of mine plan. Smaller reductions to the carrying values were recorded for all of its mines and for the equity-accounted investment in Ironbark Zink Limited, driven primarily by the application of the most recent commercial assumptions. The remaining impairment charges relate to non-core operations of the Group of € 16.0 million. Following the substantial impairments recorded in 2015, the carrying value of the assets related to the Mining segment stood at € 533 million as of 31 December 2015.

Nyrstar will continue to test assets for impairment when required (i.e., semi-annually and upon other triggering events such as an asset divestment) and it may, in the future, record additional non-cash impairment charges or reverse any impairment charges where appropriate (both of which are non-cash) that could be significant and that could have a significant impact on Nyrstar's reported results of operations, on Nyrstar's financial condition or on its ability to comply with financial covenants under the terms of existing indebtedness (see "*—Nyrstar's agreements contain restrictive covenants that may limit its ability to respond to changes in market conditions or pursue business opportunities*" and "*—If Nyrstar is unable to comply with the restrictions and covenants in its credit facilities or other current and future debt agreements, there could be a default under the terms of these agreements, which could result in an acceleration of repayment*").

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 TCs/RCs. 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, social, community, 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 assets are 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 and social 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, security, 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. In particular, Nyrstar's mining and smelting operations are substantially reliant on maintaining a social license to operate from impacted communities and other stakeholders in the jurisdictions in which it operates, particularly in Latin America, where Nyrstar has mines in Mexico, Peru, Honduras and Chile. Communities can become dissatisfied with Nyrstar's activities, and such dissatisfaction may result in civil unrest, protests, direct action or campaigns against Nyrstar. For example, the Campo Morado mine was suspended in the first quarter of 2015 as a precaution due to the deteriorating security in the state. Production at the operation had been intermittently disrupted since November 2014 due to issues associated with security in the region. This was initially because of an illegal blockade of the mine entrance by non-affiliated union activists, which then evolved into systematic intimidation of contractors and unionised mine workers. 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. In addition, all of the foregoing may negatively impact the value of the mining assets at their disposal.

A number of countries, including Australia, Canada, Brazil, Chile, China, Honduras, India, Mexico 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, Chile, Honduras and Mexico 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. The disposal or suspension of all or some of the mining assets may provoke strikes or labour disruptions. 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. Remeasurement 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.

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 Group. 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 and making certain other types of distributions 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.

Risks Related to Nyrstar's Liquidity and Indebtedness

Nyrstar's indebtedness has increased significantly in recent years and may increase further as it implements its current strategy to transform its business model, making Nyrstar subject to risks inherent in higher leverage and which could materially and adversely affect its business.

Nyrstar has a significant amount of outstanding debt with substantial debt service requirements. As of 31 December 2015, Nyrstar had long-term borrowings of € 460 million (52% of its total indebtedness, calculated as total loans and borrowings) and short-term borrowings of € 417 million (48% of its total indebtedness). The average amount of such debt outstanding under its Revolving Structured Commodity Trade Finance Facility in the year ended 31 December 2015 was approximately € 150 million. Nyrstar's other debts consist primarily of its 5.375% senior unsecured fixed rate non-convertible bonds due 2016 of which € 415 million of the originally issued € 525 million were outstanding as of 31 December 2015 and € 110 million having been bought back as of 31 December 2015 pending cancellation (the "**2016 Bonds**"), its 4.25% senior unsecured convertible bonds due 2018 (the "**2018 Convertible Bonds**") and its 8½% senior bonds due 2019 (the "**2019 Notes**"). Nyrstar also has prepay arrangements, of which as of 31 December 2015 € 214 million was treated as current deferred income, € 80 million was treated as non-current deferred income, and € 134.5 million under the 2015 Prepay Financing was included in other non-current financial liabilities. As of 31 December 2015, 31 December 2014 and 31 December 2013, Nyrstar's gearing ratio (net debt to net debt plus equity) was 54%, 31% and 44%, respectively, or 58% as of 31 December 2015 if including the 2015 Prepay Financing.

In addition, the major investment projects being undertaken and/or contemplated by Nyrstar (such as the Port Pirie Redevelopment and the Metals Processing Growth Pipeline Projects) may increase Nyrstar's indebtedness directly or indirectly or have similar effects.

The Port Pirie Redevelopment is expected to be financed in substantial part by an AUD 291 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 being issued in tranches, with the first tranches issued in November and December 2015, with further tranches to be issued in 2016 through and shortly following commissioning to match actual monthly spending of the last of the AUD 291 million of expenses) are structured as an equity-like instrument, with discretionary amortisation and certain other features of debt-like instruments, including various covenants and undertakings such as a prohibition on dividends and certain other types of distributions from Port Pirie to Nyrstar 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 upstream dividends is not currently expected to materially affect the cash flows available for 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.

Nyrstar's substantial indebtedness could have important consequences for its business and operations, including to:

- 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 make certain types of investments;
- 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.

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 or other assets 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 refinance its indebtedness, 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 may incur substantially more debt in the future, which may make it difficult for it to service its debt and impair its ability to operate its businesses.

Nyrstar may incur substantial additional debt in the future. Although agreements relating to its bonds, certain of its credit facilities and loans as well as prepay arrangements contain restrictions and covenants on the incurrence of additional indebtedness, these restrictions and covenants are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition, Nyrstar's bonds, credit facilities, loan agreements and prepay arrangements will not prevent it from incurring obligations that do not constitute indebtedness under those agreements. The incurrence of additional debt would increase the leverage related risks described in this Prospectus.

Nyrstar's agreements contain restrictive covenants that may limit its ability to respond to changes in market conditions or pursue business opportunities.

The Company and its subsidiaries are currently subject to restrictive covenants, including financial covenants linked to balance sheet ratios, under the terms of existing indebtedness and prepay arrangements, including a limit on the 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 (including the proposed sale of some or all of its Mining segment assets, which will require a waiver from certain of its lenders);
- merge or consolidate with other entities; and/or
- engage in certain transactions with affiliates.

These limitations are subject to a number of important qualifications and exceptions.

The requirement that Nyrstar complies with these provisions may materially and adversely affect its ability to react to changes in market conditions, take advantage of business opportunities it believes to be desirable, undertake particular transactions, obtain future financing, fund needed capital expenditures, or withstand a continuing or future downturn in its business.

If Nyrstar is unable to comply with the restrictions and covenants in its credit facilities or other current and future agreements, there could be a default under the terms of these agreements, which could result in an acceleration of repayment.

If Nyrstar is unable to comply with the restrictions and covenants in its bonds and credit facilities, its loans or its other current or future debt and prepay agreements, there could be a default under the terms of these agreements. Nyrstar's ability to comply with these restrictions and covenants, including meeting any applicable financial ratios and tests (that currently are linked to total consolidated tangible net worth and net debt to equity) may be affected by events beyond its control. Compliance is particularly sensitive to movements in commodity prices and exchange rates as well as tangible and intangible asset impairments due to their effect on net income/loss and hence on equity and net worth. While the Company was in compliance with the relevant financial ratios and tests as at 31 December 2015, there is limited financial flexibility in light of them without including net proceeds from the Offering. No assurance can be given that the Company will be able to comply with these restrictions and covenants or meet such financial ratios and tests in the future. In the event of a default under these agreements, lenders could terminate their commitments to lend or accelerate the loans and declare all amounts borrowed due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, the assets of the Company and its subsidiaries might not be sufficient to repay in full all of their outstanding indebtedness and they may be unable to find alternative financing. Even if Nyrstar could obtain alternative financing, it might not be on terms that are favourable or acceptable to it. See in this respect note 2(b) "Going concern" to the Financial Statements which, among other things, notes the risk of non-compliance with financial covenants and the sensitivities in relation thereto, including a quantification of certain sensitivities. See also "*—Nyrstar may not be able to successfully implement strategic alternatives for its mining assets, and the implementation of those alternatives may have a negative impact on Nyrstar's business, results of operations or financial condition*".

Nyrstar will require a significant amount of cash to finance or repay its debts, fund its operations and finance its planned capital investments. 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. This has required and will require substantial investment and subsequent capital expenditure.

The working capital statement included in this Prospectus is qualified (i.e., it states that without proceeds of the Offering Nyrstar does not have sufficient working capital to meet its present requirements and cover its working capital needs for the next 12 months, although it expects that were the Offering not to complete it would take additional measures to do so). The Financial Statements include a "going concern" note (see note 2(b) "Going concern") which, among other things, includes a working capital statement based on certain stated assumptions, including the completion of the rights offering and in respect of zinc price levels. If Nyrstar were unsuccessful in completing the Offering or putting in place alternative cost-reduction, cash preservation or funding measures, or if zinc prices were to substantially decrease from current levels it might not be able to meet its working capital needs, which would have a material adverse effect on its financial condition and prospects.

As part of the Port Pirie Redevelopment, Nyrstar intends to invest an estimated AUD 563 million 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 was partially financed with proceeds of an AUD 120 million forward sale arrangement of incremental silver to be produced at Port Pirie as a consequence of the Port Pirie Redevelopment, representing a delivery obligation on Nyrstar's balance sheet, and by an AUD 291 million structured investment being made by third party investors, with their investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC), with the remainder in the amount of AUD 151 million financed by a direct investment by Nyrstar.

Nyrstar has also identified a portfolio of potential investments in multi-metals recovery (the Metals Processing Growth Pipeline Projects) as part of an overall Transformation blueprint intended to improve the profitability of Nyrstar's zinc smelting business. The capital investment for the entire Metals Processing Growth Pipeline Projects, implementation of which is subject to availability of funding and market conditions, was estimated in 2013 at approximately € 265 million; through 31 December 2015, € 52 million had been spent on these projects.

To date, Nyrstar has been able to fund its capital investment projects and acquisitions through cash generated from its internal operations, capital markets (including the rights offerings in 2011 and 2014) and debt financing and working capital financings (including metal prepay arrangements). If Nyrstar's cash flows were reduced, 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 increased significantly in recent years and may increase further as it implements its current strategy to transform its business model, making Nyrstar subject to risks inherent in higher leverage and which could materially and adversely affect its business*". 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.

Nyrstar's ability to make payments on and refinance its indebtedness and to fund acquisitions, working capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. This ability is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond Nyrstar's control. Nyrstar may not be able to generate sufficient cash flow from operations or obtain enough capital to service its debt obligations or other working capital expenditures. If new debt is added to Nyrstar's current debt levels, such risks could intensify. Furthermore, the Mining segment remains cash flow negative in the current depressed commodity price environment, which puts additional pressure on Nyrstar's free cash flow. Although Nyrstar's management has decided to pursue strategic alternatives for its mining assets, individually and as a portfolio, which may include additional suspensions, asset disposals and a full exit from mining, and has appointed financial advisors to assist with that process, such process might take considerable time and lead to a continued cash burden in supporting the Mining segment assets, and may not ultimately prove successful or generate sufficient cash proceeds to meet funding requirements.

Nyrstar currently has material off-take agreements with Noble Group Limited, Glencore Plc, Umicore and Trafigura. Some of these agreements include a prepay arrangement, by which the buyer makes a prepayment to Nyrstar for future metal deliveries. If these agreements were to come to an end, and Nyrstar were unable to agree contracts for the same volumes of metal with the same or better prepayment terms, Nyrstar would experience a significant drop in cash receipts while it delivered the metal already purchased by the buyers pursuant to the prepay. This would also have significant negative impact on working capital levels and potentially increase debt levels of the Company while the prepay arrangements unwind.

Nyrstar cannot assure you that it will generate sufficient cash flow from operations, that it will realise operating improvements on schedule or that future borrowings will be available to Nyrstar in an amount sufficient to enable it to service and repay its indebtedness or to fund its other liquidity needs. If Nyrstar is unable to satisfy its debt obligations, it may have to undertake alternative financing plans, such as refinancing or restructuring its indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Nyrstar cannot assure you that any refinancing or debt restructuring would be possible, that any assets could be sold or that, if sold, the timing of the sales and the amount of proceeds realised from those sales would be favourable to Nyrstar or that additional financing could be obtained on acceptable terms.

In particular, Nyrstar's ability to restructure or refinance its debt will depend in part on its financial condition at such time. Any refinancing of Nyrstar's debt could be at higher interest rates than its current debt and may require Nyrstar to comply with more onerous covenants, which could further restrict its business operations. The terms of existing or future debt instruments may restrict Nyrstar from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on Nyrstar's outstanding indebtedness on a timely basis would likely result in a reduction of Nyrstar's credit rating, which could harm its ability to incur additional indebtedness.

Disruptions in the capital and credit markets could adversely affect Nyrstar's ability to meet its liquidity needs or to refinance its indebtedness, including Nyrstar's ability to meet its obligations under its existing financing agreements or enter into new financing agreements. Banks that are party to Nyrstar's existing financing agreements may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from Nyrstar and other borrowers within a short period of time.

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. At 31 December 2013, 2014 and 2015, the Revolving Structured Commodity Trade Finance Facility was undrawn, but was partially drawn at various times during the period. See "*Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Revolving Structured Commodity Trade Finance Facility*". In addition, the coupon payable on the Port Pirie Redevelopment-related perpetual notes also has a floating interest rate component. Nyrstar has not entered into 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 and Prospects—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. For risks related to foreign exchange fluctuations, see "—*Nyrstar's business is exposed to exchange rate fluctuations*".

Risks relating to the Offering

In the context of the Offering, Trafigura may increase its shareholding above 30% without triggering the obligation to launch a mandatory public takeover bid to all shareholders of the Company.

Trafigura, the largest shareholder of Nyrstar (through its subsidiary, Urion), has informed the Company that it currently holds 80,694,821 Shares, which prior to the Offering and before conversion of any outstanding convertible bonds represents 24.64% of the outstanding Shares. In view of the commitment that Urion provided to the Company to subscribe for new Shares in the Offering, upon completion of the Offering, Trafigura may own indirectly, through Urion, from 24.64% of Nyrstar's outstanding share capital, if every holder exercises all of its Rights in the Offering, to up to 38.31% of Nyrstar's outstanding share capital if none of the Rights are exercised during the Rights Subscription Period and none of the Scrips can be placed with investors in the Scrips Offering. The increase of Trafigura's stake could decrease the liquidity of the Shares and could have a material adverse effect on the value of the Shares.

Depending on the shareholder participation in the Offering, Trafigura's shareholding may therefore cross the threshold of 30% of the outstanding Shares. Pursuant to Belgian public takeover rules, shareholders that acquire shares in excess of a 30% threshold are obliged to carry out a mandatory tender offer with respect to the outstanding voting securities of the Company. This obligation to launch a mandatory tender offer, however, does not apply if the 30% threshold is crossed within the framework of a capital increase with statutory preferential subscription rights that has been approved by the general shareholders' meeting. This Offering is structured as a capital increase with statutory preferential subscription rights and has been approved by the extraordinary general shareholder's meeting of the Company on 18 January 2016. An increase of Trafigura's participation in Nyrstar to above 30% in the context of the Offering would therefore allow Trafigura to cross the 30% threshold without triggering a mandatory takeover bid. Belgian public takeover rules do not provide for a second threshold that triggers a mandatory takeover bid. Hence, no takeover bid would be required if Trafigura were to cross the 30% threshold within the framework of the Offering and if Trafigura were to acquire additional shares after the completion of the Offering. The presence of a significant shareholder may discourage public takeover bids from third parties, and the Shares may therefore appear less attractive for investors.

Pursuant to the Relationship Agreement that Trafigura entered into with the Company, Trafigura agreed to not acquire any shares or voting rights in the Company that would bring its aggregate holding of shares or voting rights (when aggregated with the holdings of any person with whom it acts in concert, including, as the case may be, the Group) to a level above 49.9% of the outstanding shares or voting rights of the Company. However, this commitment would fall away in a number of circumstances, including in the event of a public takeover bid by a third party, a takeover bid by Trafigura that is recommended or otherwise supported by the Company or an acquisition by a third party that results in that third party holding 10% or more of the shares in the Company.

The market price of the Shares, Rights or Scrips may be negatively affected by actual or anticipated sales of substantial numbers of Shares, Rights or Scrips.

A sale of a significant number of Shares, Rights or Scrips, or the perception that such sale will occur, may adversely affect the market price of Shares, Rights and Scrips. Nyrstar cannot make any predictions as to the effect of such sale or perception on the market price of the Shares, Rights or Scrips.

There is no commitment on the part of any shareholder, including Trafigura, to remain shareholder or to retain a minimum shareholding interest in Nyrstar after the Offering. The Company is not aware of any lock-up arrangement entered into by any of its shareholders regarding shares of the Company. As a result, the market price of the Shares after the offering may well be affected by a perceived potential significant sale of Shares by Trafigura even if this sale never, or only in the far future, occurs, and no investment decision should be made on the basis that Trafigura or any other shareholder will retain any interest in Nyrstar after 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 (which may be exacerbated by the fact that no shareholder has provided a lock up agreement) 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 Shares;
- lack of liquidity in the Shares;
- new government regulation;
- general, economic, financial and political conditions; and
- the risk factors mentioned elsewhere.

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. Nyrstar cannot make any predictions about the market price of the Shares.

A trading market for the Rights may not develop, 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 8 February 2016 to 22 February 2016. 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 sustain, 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, and hence a reduction of the financial value of such shareholder's portfolio.

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 will accordingly be reduced as a result of the increased share capital after the Offering. In addition, a shareholder who does not exercise its Rights may be subject to financial dilution of its portfolio. 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). Pursuant to the Shareholder Commitment Agreement between Urion and the Company, the Company will procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as Urion determines at the price per Scrip that will result from the Scrips Offering. 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 may also adversely 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 or Urion under the Shareholder Commitment Agreement may be terminated in certain circumstances (see "*—Termination of the Underwriting Agreement or the Shareholder Commitment 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. Such investors will not be compensated, including for the purchase price (and any related costs or taxes) paid in order to acquire any Rights in the secondary market.

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 or taxes) paid in order to acquire any Rights or Scrips.

Termination of the Underwriting Agreement or the Shareholder Commitment 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, severally and not jointly, to subscribe for new Shares in an aggregate amount up to € 149 million. The Underwriting Agreement entitles 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, and the termination of the Shareholder Commitment Agreement.

Pursuant to the Shareholder Commitment Agreement, Urion agreed, subject to certain conditions, to subscribe (or procure the subscription by a person acting in concert with Urion) for (i) those Shares that it is entitled to subscribe for pursuant to the Rights related to the Shares that it holds as at the date of the Rights Offering, and (ii) such number of Shares that remain available for subscription after the Rights Subscription Period and the Scrips Offering for which no Rights have been exercised in the Rights Subscription Period and for which no Scrips could be placed during the Scrips Offering, up to a maximum aggregate amount of € 125 million, and provided that its aggregate shareholding in the Company (when aggregated with the shareholdings of any of its subsidiaries and other persons acting in concert with Urion, as the case may be) after completion of the Offering and the issue of the Shares as a result thereof is not more than 49.9%. The Shareholder Commitment Agreement will terminate under certain circumstances (see also "*The Offering—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*"), whereupon Urion would be released from its obligation to subscribe for the new Shares. These circumstances include the occurrence of a material adverse change to Nyrstar and the termination of the Underwriting Agreement.

If the Underwriting Agreement or the Shareholder Commitment 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 and or the Shareholder Commitment 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, and may subject shareholders to dilution or other financial adverse consequences.

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. Investors may therefore not be entitled to purchase, sell or otherwise transfer or subscribe for Shares and as a consequence may be subject to dilution or other financial adverse consequences in the Offering.

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 Belgian FSMA. Public takeover bids must be made for all of the Company's voting securities, as well as for all other securities that entitle their holders 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 Belgian 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% 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. As noted above, however, in the context of the Offering, Trafigura may increase its shareholding above 30% without triggering these obligations (see "*—In the context of the Offering, Trafigura may increase its shareholding above 30% without triggering the obligation to launch a mandatory public takeover bid to all shareholders of the Company*").

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 that other shareholders may consider to be in their best interest, and could adversely affect the market price of the Shares. These provisions may also 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 FTT Directive**") on a common financial transaction tax ("**FTT**"). The intention is for the FTT to be implemented *via* an enhanced cooperation procedure in 11 EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, together, the "**Participating Member States**").

Pursuant to the Draft FTT 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 shall 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 shall 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.

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.

Investors may not be able to enforce in Belgium judgments of United States courts of civil liabilities predicated solely upon US securities laws

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. In addition, there is uncertainty as to the enforceability in Belgium of original actions or of actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States. 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 years that ended on 31 December 2015, 2014, or 2013. The Company's dividend policy is determined by the Company's board of directors and may change from time to time in the future. 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*".

If securities or industry analysts do not publish research reports about the Company, or if they change their recommendations regarding the Company's Shares in an adverse way, the market price of the Shares may fall and the trading volume may decline.

The trading market for the Company's Shares may be influenced by the research reports that industry or securities analysts publish about the Company or its industry. If one or more of the analysts who cover the Company or its industry, downgrades its recommendation, the market price of the Company's Shares may fall. If one or more of the analysts ceases to cover the Company or fails to publish research reports about the Company on a regular basis, the Company may lose visibility in the financial markets, which in turn could cause the market price of the Company's Shares or trading volume to decline.

USE OF PROCEEDS

The Offering will allow Nyrstar to:

- improve its ability to access debt markets, address near-term refinancing needs and extend its debt maturity profile;
- recapitalise the business and increase financial flexibility and liquidity in a challenging near-term commodity price environment; and
- support the funding of value accretive metals processing projects.

Nyrstar intends to use the net proceeds from the Offering to repay part of the € 415 million of 2016 Bonds that mature in May 2016. The remainder of the funds necessary for such repayment will come from cash on hand, including the net proceeds of the US$ 150 million 2015 Prepay Financing (as described in "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Funding sources—2015 Prepay Financing*") as well as cash from operating activities and headroom under committed facilities.

The Company estimates that commissions and offering expenses of the Offering will be approximately € 6 million. The expenses related to the Offering include, among other things, the underwriting and management fees and commissions of € 4 million due to the Underwriters (see below "*—Underwriting—Underwriting Agreement*"), the fees due to the Belgian FSMA and Euronext Brussels and legal and administrative expenses, as well as publication costs, but exclude the commitment fee of € 5 million due to Urion under the Shareholder Commitment Agreement (see below "*Business—Relationship with Trafigura—Shareholder Commitment Agreement*"). The Company shall bear these expenses.

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 Belgian 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 Deutsche Bank AG, London Branch, KBC Securities NV, BMO Capital Markets Limited and BNP Paribas Fortis SA/NV (the "**Underwriters**") makes any representation or warranty, express or implied, as to, or assumes 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.

In making an investment decision, investors must rely on their own assessment, examination, analysis and enquiry of the Company, the terms of the Offering and the contents of this Prospectus, including the merits and risks involved. Any purchase of Shares, Rights or Scrips should be based on the assessments that an investor may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Shares, Rights or Scrips. In addition to their own assessment of the Company and the terms of the Offering, investors should rely only on the information contained in this Prospectus, including the risk factors described herein, and any notices that the Company publishes under applicable law or the relevant rules of Euronext Brussels.

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 statutory auditor has been appointed for the statutory term of three years by the Company's annual general shareholders' meeting held on 29 April 2015.

The consolidated financial statements as of and for the financial years ended 31 December 2015, 2014 and 2013 have been audited by Deloitte Bedrijfsrevisoren BV ovve CVBA, represented by Gert Vanhees, who rendered an unqualified audit report on these financial statements (whereby the report for the year ended 31 December 2014 included an emphasis of matter paragraph regarding the fact that their statutory audit report dated 4 February 2015 has been replaced by their audit report dated 25 March 2015 as a result of amendments made to the previously issued consolidated financial statements made by the Company and whereby the report for the year ended 31 December 2013 included an emphasis of matter paragraph regarding the recoverability of the Company's zinc purchase interest with Talvivaara Mining Company plc). The audit report for the year ended 31 December 2015 includes an emphasis of matter paragraph drawing attention to note 2(b) in the financial statements concerning the Company's ability to continue as a going concern. The circumstances described in note 2(b) indicate the existence of material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. No adjustments have been recorded with respect to the valuation or the classification of certain balance sheet items, which would be required, should the Company no longer be able to meet its funding requirements and no longer have access to adequate and sufficient financial resources to continue its operations for the foreseeable future.

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 years ended 31 December 2015, 2014 and 2013 has been extracted from the Nyrstar Financial Statements incorporated by reference or referred to elsewhere in this Prospectus. 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*".

	Year ended 31 December		
€ millions (unless otherwise indicated)	**2015**	**2014**	**2013**
Key Financial Data			
Revenue	3,139	2,799	2,824
Treatment charges	382	284	261
Payable metal / free metal contribution	613	624	581
Premiums	172	153	127
By-products	300	359	388
Other	(132)	(128)	(106)
Gross profit	**1,336**	**1,293**	**1,251**
Direct operating costs(1)	(1,063)	(1,049)	(1,113)
Non-operating and other	(16)	36	47
Underlying EBITDA(1)	**256**	**280**	**185**
Results from operating activities before exceptional items	19	24	(46)
Profit / (loss) for the period	**(432)**	**(287)**	**(195)**
Sustaining capital expenditure	126	144	128
Growth capital expenditure	243	102	31
Exploration and development capital expenditure	51	48	42
Capital expenditure	**419**	**294**	**199**
Cash flow from operating activities	(7)	311	299
Change in net working capital(2)	(147)	177	174
Certain debt ratios			
Exclusive of 2015 Prepay Financing			
Net debt, end of period(3)	761	438	670
Gearing (%), end of period(4)	54%	31%	44%
Net debt / Underlying EBITDA, end of period(5)	3.0x	1.6x	3.6x
Inclusive of 2015 Prepay Financing			
Net debt, end of period(6)	896	438	674
Gearing (%), end of period(7)	58%	31%	44%
Net debt / Underlying EBITDA, end of period(8)	3.5x	1.6x	3.6x

Notes:

(1) Underlying EBITDA and direct 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 direct 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/Underlying EBITDA is calculated as non-current and current loans and borrowings less cash and cash equivalents as of 31 December divided by Underlying EBITDA for the year then ended.

(6) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) less cash and cash equivalents.

(7) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) to net debt plus non-current other financial liabilities plus total equity at end of period.

(8) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) less cash and cash equivalents as of 31 December divided by Underlying EBITDA for the year then ended.

Reconciliation of Underlying EBITDA and direct 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 "direct 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 excluded from profit or 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.

"Direct operating costs" is an additional non-IFRS measures, which is 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. Direct operating costs include employee benefits expense, energy expenses (adjusted to exclude the net loss on the Hobart smelter embedded derivatives), stores and consumables used, contracting and consulting expenses and other expenses (adjusted to exclude certain indirect operating expenses).

Investors should not consider "Underlying EBITDA" or "direct operating costs" in isolation or as a substitute for "Results from operating activities", "Profit/(loss) for the period" and "operating costs" 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, liquidity or costs. Other companies in Nyrstar's industry may calculate "underlying EBITDA" or "direct operating costs" differently or may use it for different purposes.

Underlying EBITDA

	Year ended 31 December		
€ millions	**2015**	**2014**	**2013**
Profit/(loss) for the period	**(432)**	**(287)**	**(195)**
Adjustments			
Income tax expense / (benefit)	(245)	(57)	11
Gain on the disposal of equity-accounted investees	—	(1)	—
Net finance expense	115	108	99
Impairment reversal	(4)	—	(207)
Impairment loss	568	255	227
Restructuring expense(1)	16	5	19
M&A related transaction expense(2)	—	—	2
Depreciation, amortisation and depletion	251	257	220
Net loss / (gain) on Hobart Smelter embedded derivatives(3)	(13)	—	9
Underlying EBITDA	**256**	**280**	**185**

Notes:

(1) Restructuring expenses of € 16 million in 2015 (€ 5 million in 2014, € 19 million in 2013) were incurred mainly in relation to the announced cost savings program, known in 2013 as Project Lean, which delivered its full targeted benefits by the end of 2014, and the organisational restructuring announced in June 2013. Restructuring expenses in 2014 related to the re-integration of the commercial operations teams in to the operating segments, and restructuring expenses in 2013 related to Project Lean.

(2) M&A related transaction expenses include the direct transaction costs related to acquisitions and disposals (e.g., advisory, accounting, tax, legal or valuation fees paid to external parties). M&A related transaction expenses were nil in 2015 (nil in 2014; € 2 million in 2013). These expenses were previously classified within contracting and consulting expenses and have been reclassified to M&A related transaction costs to improve reporting transparency.

(3) The Hobart smelter is party to two long-term electricity supply contracts with CPI indexation clauses. The Hobart smelter's electricity supply contracts are hedged by fixed price commodity contracts, 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 changes in fair value on the ineffective portion and amortisation of the swap's fair value at inception (€ 13.4 million gain in 2015, which includes a one-off gain of € 15.7 million on initial recognition of the new electricity delivery agreement in Hobart representing a difference between the contractual price and the market price at the time of execution of the agreement; € 0.4 million gain in 2014; € 9.3 million loss in 2013) 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

	Year Ended 31 December		
€ millions	**2015**	**2014**	**2013**
Employee benefits expense	395	411	391
Energy expenses[(1)]	277	278	321
Stores and consumables used	178	177	180
Contracting and consulting expense	151	138	166
Other expense[(2)]	62	45	55
Direct operating costs	**1,063**	**1,049**	**1,113**

Note:

(1) Comprised of the "Energy expenses" line item from the consolidated income statement excluding the net gain/(loss) on the Hobart smelter embedded derivatives described above.

(2) Comprised of the "Other expense" line item from the consolidated income statement excluding € 24 million (2014: € 13 million, 2013: € 8 million) of indirect operating expenses such as stock movements, royalty expenses, gains or losses on disposal of fixed assets and other sundry indirect costs.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth Nyrstar's consolidated capitalisation as of 31 December 2015 and therefore excludes the net proceeds of the Offering. This table should be read in conjunction with "*Use of Proceeds*", "*Selected Financial Information*", "*Operating and Financial Review—Liquidity and capital resources*" and the Financial Statements incorporated by reference or referred to elsewhere in this Prospectus.

€ millions	**As of 31 December 2015**
Cash(1)	79.5
Cash equivalents(2)	36.7
Total cash and cash equivalents	**116.2**
Current loans and borrowings	417.0
Non-current loans and borrowings	460.3
Total loans and borrowings(3)	**877.3**
Of which,	
Revolving Structured Commodity Trade Finance Facility(4)	—
€350 million 8½% Senior Notes due 2019	338.4
€415 million 5.375% Retail Bonds due 2016	414.9
4.250% Convertible Bonds due 2018	109.4
Unsecured bank loans	13.2
Finance lease liabilities	1.4
Other financial liabilities - current(5)	17.4
Other financial liabilities - non-current(6)	134.5
Other financial liabilities(7)	**151.9**
Share capital and share premium	1,892.0
Reserves	(9.2)
Of which, Perpetual Securities(8)	21.8
Accumulated losses.	**(1,239.2)**
Total equity	**643.6**
Total capitalisation	**1,672.8**
Net indebtedness exclusive of 2015 Prepay Financing(9)	**761.1**
Net indebtedness inclusive of 2015 Prepay Financing(10)	**895.6**

Notes:

(1) Consisting of cash at bank and on-hand.

(2) Consisting of short-term bank deposits.

(3) Nyrstar also has prepay arrangements, of which as of 31 December 2015 € 214 million was treated as current deferred income, € 80 million was treated as non-current deferred income, and € 134.5 million under the 2015 Prepay Financing referenced in footnote 6 below which is included in other non-current financial liabilities. The accounting treatment of a prepay arrangement depends on its substance. To date, no prepay arrangements are accounted for as "loans and borrowings", and therefore prepay arrangements are not considered for the purposes of financial covenant calculations. Except where noted, net debt and similar ratios presented in this Prospectus are linked solely to Total loans and borrowings. For further information, see "*Selected Financial Information*".

(4) As of 31 December 2015, the € 400 million Revolving Structured Commodity Trade Finance Facility was undrawn. The amount that Nyrstar may draw-down under the Revolving Structured Commodity Trade Finance Facility is determined by reference to the value of Nyrstar's inventories and receivables (the borrowing base) and accordingly adjusts as commodity prices change. 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*".

(5) Consisting of commodity contracts, foreign exchange contracts and embedded derivatives. See note 20 to the Financial Statements.

(6) Consisting of the 2015 Prepay Financing. See footnote 3 above and note 20 to the Financial Statements.

(7) In addition, the Company has deferred income of € 293.8 million (of which € 214 million is current and €79.8 million is non-current) consisting of payments received by the Company from customers for future physical deliveries of metal production that are expected to be settled in the normal course of business.

(8) In 2015 Nyrstar issued the first tranches of the perpetual securities related to the Nyrstar Port Pirie Redevelopment. Financing sources for the ongoing Port Pirie Redevelopment consists in part of an AUD 291 million structured investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC). The structured investment consists of perpetual securities issued by an orphan special purpose vehicle, which raises funds to subscribe for the perpetual securities under a credit facility with EFIC (for 50%) and Westpac (for 50%, benefiting from a guarantee from EFIC), while EFIC's risk is supported by a back-to-back indemnity from the State of South Australia. Accordingly, the special purpose vehicle is rated AAA, which is reflected in the cost of financing. The terms of the perpetual securities 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. 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 have received IFRS equity-accounting treatment in the Company's accounts. The coupon on these notes is variable and linked to the six-month bank bill swap rate. Further tranches were and will be issued in 2016 through and shortly following commissioning to match actual monthly spending of the last of the AUD 291 million of expenses.

(9) Consisting of total loans and borrowings less cash and cash equivalents.

(10) Consisting of total loans and borrowings plus other financial liabilities - non current (i.e., the 2015 Prepay Financing) less cash and cash equivalents.

The working capital statement included in this Prospectus is qualified (i.e., it states that without the proceeds of the Offering Nyrstar does not have sufficient working capital to meet its present requirements and cover is working capital needs for the next 12 months, although it expects that were the Offering not to complete it would take additional measures to do so). See "*Operating and Financial Review and Prospects—Liquidity and capital resources—Working capital statement*" and note 2(b) "Going concern" to the Financial Statements.

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 2015, 2014 and 2013.

Investors should read the following review together with the 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.

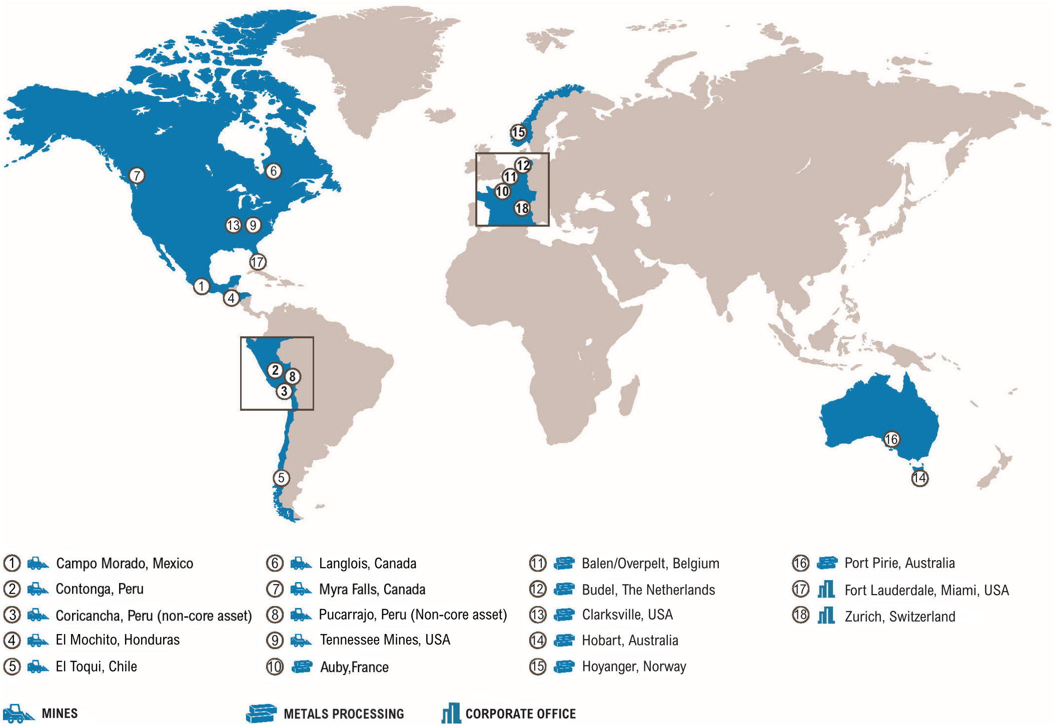
Overview of Nyrstar

Nyrstar is a global multi-metals business, with a market leading position in zinc and lead and growing positions in other base and precious metals, such as copper, gold and silver. Nyrstar has six smelters, one fumer and nine mining operations, located in Australia, the Americas and Europe, and employs approximately 5,000 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 metal in 2015, Nyrstar's share of the global zinc market in 2015 was 7.9% (based on provisional 2015 smelted zinc production figures of 13.93 million tonnes) according to Wood Mackenzie, which made Nyrstar the second 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. Port Pirie is in the process of being redeveloped into an advanced metal recovery and refining facility, enabling a fundamentally different operating and business model. This redevelopment would allow Nyrstar to capture and monetise more of the free metal contained in the feed materials and permit increased integration with Nyrstar's existing zinc smelters. For the year ended 31 December 2015, the Metals Processing segment reported Underlying EBITDA of € 336 million.

In 2015 Nyrstar's zinc mining operations were one of the largest in the world (based on 2015 production according to Wood Mackenzie). In addition, Nyrstar has significant positions in copper and lead mining. Nyrstar's mines are currently at various stages of operation, as some are operating at full production capacity and others are temporarily or indefinitely suspended or on care and maintenance. In November 2015, Nyrstar announced the results of its review of strategic alternatives for its mining assets, individually and as a portfolio, which may include additional mine suspensions, asset disposals and a full exit from mining. Nyrstar has retained financial advisors to assist with a process to pursue strategic alternatives. Where appropriate, offtake agreements will be put in place to maintain access to concentrates for Nyrstar's smelters. This initiative is designed both to reduce and ultimately eliminate the short-term cash burden of supporting the Mining segment assets at this time and to allow latent potential in the assets to be realised by acquirers and offer stakeholders a more sustainable future. Pending the envisaged disposals, Nyrstar will consider further suspensions of its mines if the current depressed commodity environment continues. For the year ended 31 December 2015, the Mining segment reported Underlying EBITDA of € (41) million.

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.



For the year ended 31 December 2015, Nyrstar's revenue was € 3,139 million, gross profit was € 1,336 million, and Underlying EBITDA was € 256 million. For the year ended 31 December 2015, Nyrstar's gross profit margin and Underlying EBITDA margin were 43% and 8%, respectively.

Segmental presentation

The Group reports two operating segments, namely the Metals Processing segment and the Mining 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 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 Mining segment consists of Nyrstar Tennessee Mines (U.S.), the Coricancha, the Contonga and Pucarrajo mines (Peru), Campo Morado (Mexico), El Toqui (Chile), El Mochito (Honduras) and the Langlois and Myra Fall mines (Canada).

Other & Eliminations contains, for the period in which they were under Nyrstar ownership, GM Metal (France), Föhl (China) (disposed of in April 2014) and Genesis Alloys (China) (disposed of in October 2014) and corporate activities as well as the eliminations of the intragroup transactions, including any unrealised profits therefrom. In this respect, in the years ended 31 December 2015, 2014 and 2013, the Mining intrasegment sales accounted for approximately 86%, 85% and 82%, 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 is defined 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". For a reconciliation of Underlying EBITDA to Profit / (loss) for the period, see "*Summary Historical Consolidated Financial and Operating Data—Reconciliation of Underlying EBITDA and direct operating costs*".

	Year ended 31 December		
(€ millions)	**2015**	**2014**	**2013**
Metals Processing Revenue	3,091	2,719	2,691
Mining Revenue	346	546	471
Other & Eliminations	(298)	(465)	(339)
Total Revenue	3,139	2,799	2,824
Underlying Metals Processing EBITDA	336	239	149
Underlying Mining EBITDA	(41)	87	78
Underlying Other & Eliminations EBITDA	(38)	(46)	(43)
Total Underlying EBITDA	**256**	**280**	**185**

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:

	Year ended 31 December		
(€ millions)	**2015**	**2014**	**2013**
Zinc	**1,080**	**982**	**884**
Metals Processing	811	704	632
Mining	269	278	252
Lead	**91**	**90**	**88**
Metals Processing	81	71	74
Mining	10	19	14
Copper	**31**	**57**	**79**
Metals Processing	18	18	19
Mining	13	39	60
Silver	**48**	**73**	**93**
Metals Processing	24	25	39
Mining	24	48	54
Gold	**21**	**46**	**74**
Metals Processing	16	11	8
Mining	5	35	66
Sulphuric Acid (Metals Processing)	**56**	**47**	**51**
Leach Products (Metals Processing)	**59**	**44**	**40**
Other Metals (Metals Processing and Mining)	**53**	**58**	**59**
Other Gross Profit (Metals Processing)	**(105)**	**(99)**	**(111)**
Other Gross Profit (Other and eliminations)	**2**	**(4)**	**(8)**
Total	**1,336**	**1,293**	**1,251**

Base metal prices

The market price of zinc is one of the primary factors 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 CAGR of 3.2% per year over the 2015 to 2020 period, the average incremental increase in demand for zinc metal equates to 479 kt/a. According to these forecasts, from 2016 an increasing volume of additional and replacement mine capability will be required to meet anticipated demand and offset the effect of currently anticipated mine closures and attrition. By 2025, Wood Mackenzie expects that this volume will reach 6.2 Mt/a, excluding the impact of any disruptions to production. 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 although the forecast CAGR of 3.8% per annum over the period 2014 to 2020 is just under half that of the previous decade rate, the forecast average annual incremental increase in Chinese zinc consumption of 0.27 million tonnes is only a 33% reduction on the average annual incremental increase in zinc consumption of 0.40 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 may slow down further than expected and is expected to become less zinc dependent. 2015 has witnessed somewhat slower consumption growth across all major markets, influenced by increasing economic concerns such as decelerating Chinese economic growth.

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 consequently 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 4.0% over the 2015-2020 period, according to Wood Mackenzie.

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. 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, Wood Mackenzie generally expects 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 2004:

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
LME price (nominal) . . .	1,048	1,381	3,272	3,248	1,870	1,658	2,158	2,190	1,946	1,910	2,162	1,932
LME price (real)(1)	1,315	1,677	3,849	3,715	2,059	1,833	2,348	2,309	2,010	1,944	2,166	1,932

Source: Wood Mackenzie

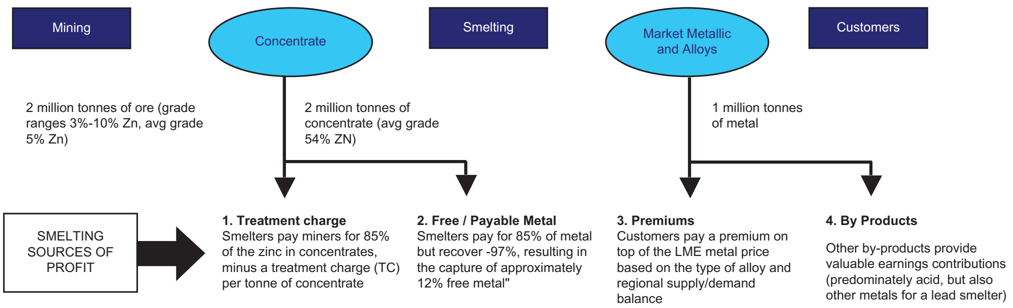
Note:

(1) Based on 2015 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. Dollar to Euro may affect the gross profit of the Mining and Metals Processing segments.

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.

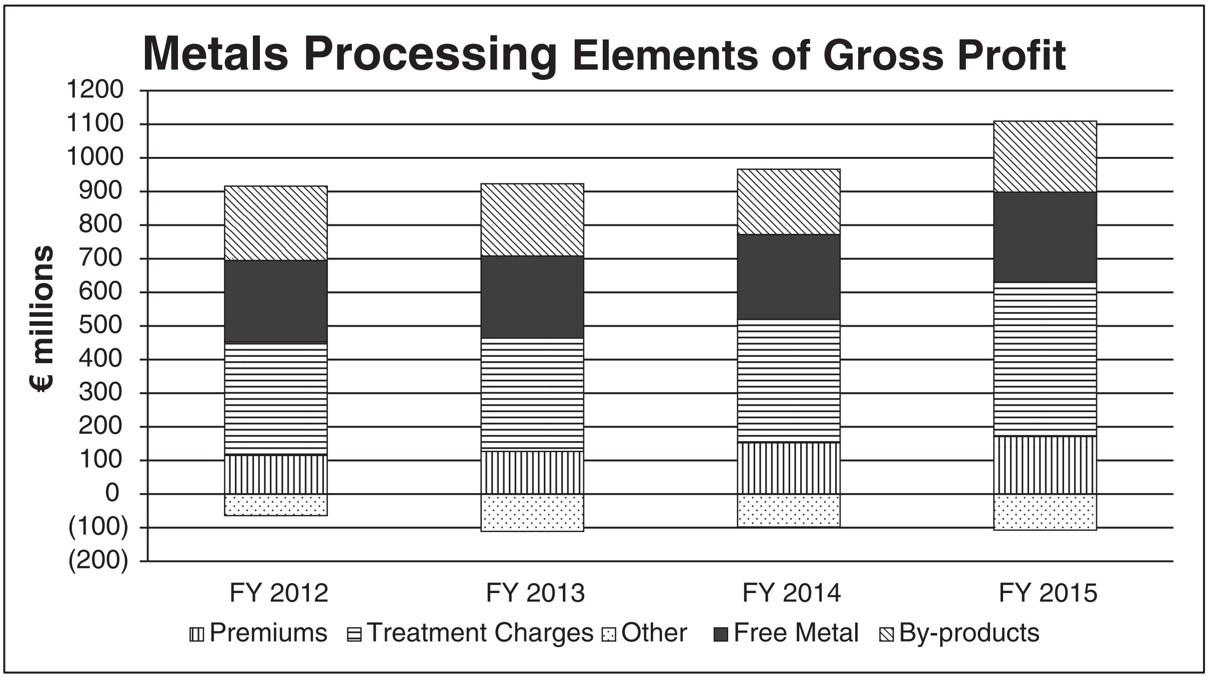
The elements of gross profit realised by the smelting and refining of zinc and lead comprise:

- 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 Metal Processing Growth Pipeline Projects 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 € 1,003 million for 2015 were, in order of magnitude, zinc and lead treatment charges: € 460 million, zinc and lead free metal: € 266 million, by-product sales: € 211 million and zinc and lead premia: € 172 million. Other amounted to € (105) million in 2015.

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*" below, 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 (on average in Nyrstar's case approximately 11%, i.e., the delta between 85% and 96%) 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 three years ended 31 December 2015, the annual average gross premium per tonne to the LME zinc price that Nyrstar obtained on SHG zinc products sold ranged from US$ 137/tonne to US$ 181/tonne, respectively; the premium per tonne for die cast alloys sold ranged from US$ 384/tonne to US$ 470/tonne; and the premium per tonne for specialty alloys sold ranged from US$ 214/tonne to US$ 247/tonne.

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 Metals Processing Growth Pipeline Projects 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 and Metals Processing Growth Pipeline Projects*".

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—Commercial operations*"). 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 14.6 million troy ounces, 13.4 million troy ounces and 17.9 million troy ounces of refined silver for the years ended 31 December 2015, 2014 and 2013, respectively. 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 directly associated with revenue generation. These include:

- realisation expenses (i.e., freight);
- location allowances;
- penalties; and
- costs 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".

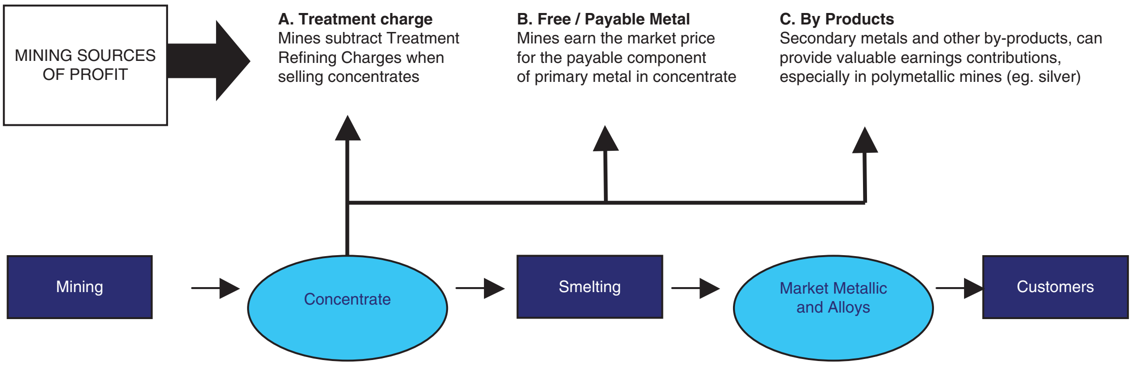
Costs and revenues of alloying materials, which are required to produce the value-added alloys, include the cost of supply of alloying metals (aluminium, nickel, copper, tin, etc.) for input into the process of producing finished metal products.

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.

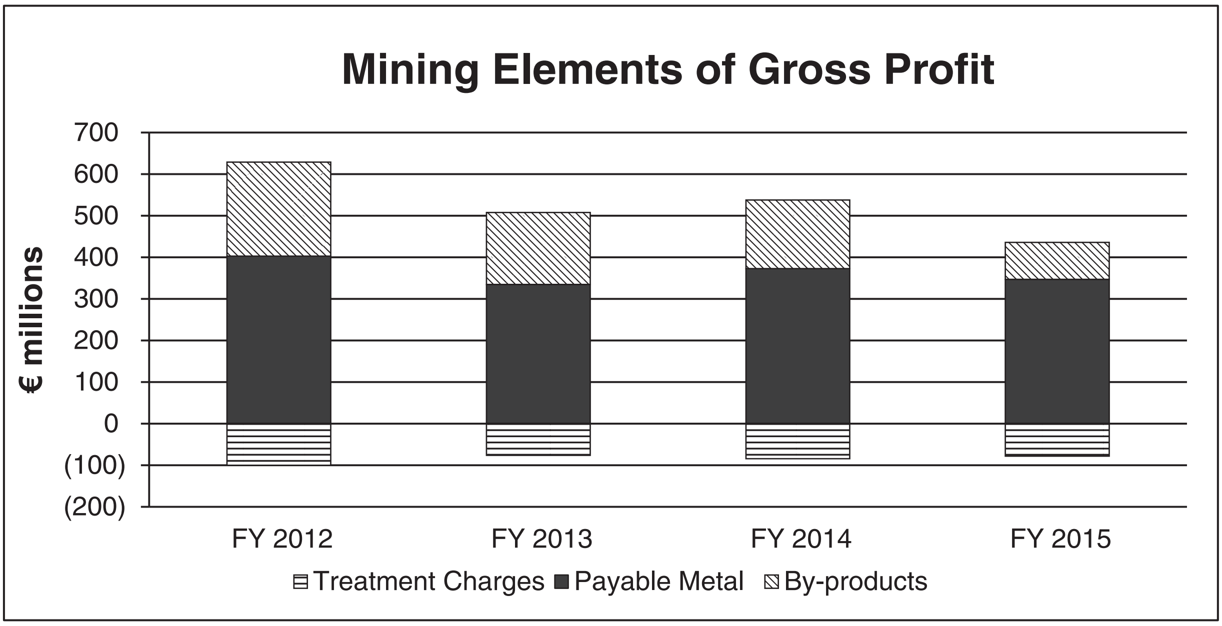
The elements of gross profit realised by mining zinc and other metals are composed of:

- 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 € 330 million for 2015 were, in order of magnitude, zinc payable metal: € 347 million, by-product sales: € 90 million, offset by other elements of gross profit of € 29 million and zinc treatment charges of € 78 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".

Transactional hedging of metal price

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 hedge the Metal at Risk, its results of Nyrstar's operations may be materially adversely affected. Nyrstar monitors Metal at Risk on an ongoing 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, LBMA or OTC. 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, which was reviewed by the Metal Price Risk Committee and re-approved by the Company's Board of Directors in July 2015, 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 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. In July and September 2014 the Company entered into strategic hedges with regards to the zinc price for the period of October to December 2014. In April 2015 the Company entered into strategic hedges with respect to the zinc price for the period of May to July 2015. 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 2014 and 31 December 2013—Other significant events in 2014 and 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 currently acquires feedstock from its own mines and from a limited number of suppliers. In 2015, the Mining segment produced 234 kt of zinc concentrate, the equivalent of approximately 25% of the 1,700 kt of zinc concentrate feed required by Nyrstar's zinc smelters, while actual concentrates from own mines represented approximately 11% of Nyrstar's 2015 concentrate demand with the remaining production sold to third parties. In addition, as discussed below, under "*—Contractual obligations and commitments*", Nyrstar has a life-of-mine concentrate purchase agreement with the Rosebery mine owned by MMG, which supplied approximately 9% of Nyrstar's zinc concentrates in 2015. With respect to lead, BHP Billiton provided 35% of Nyrstar's lead concentrate needs in 2015. 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 could have a material adverse effect on its production levels and financial results*".

Nyrstar also had a life-of-mine concentrate purchase agreement with the Century mine owned by MMG, under which it sourced 31% of its concentrate demand in 2015. In particular, the Budel and Hobart smelters sourced the majority of their zinc concentrate feedstock from Century. The Century mine reached its life-of-mine in August 2015 and ceased supplying Nyrstar's smelters in Q4 2015. Management had taken steps over several years to secure raw materials from other sources and as a result had built a long concentrate position ahead of the closure of the Century mine. These steps included increased purchases on the spot market and its continuation of existing supply contracts, while rolling forward delivery terms where possible to future years and, most recently, Nyrstar's entry into concentrate supply agreements with Trafigura (see "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*"). In addition, Nyrstar has invested in works to "de-bottleneck" Budel and Hobart so that they may accept different and more varied feed stock than the Century concentrate they had traditionally used. In this process Nyrstar has increased the number of higher value concentrate suppliers with which it works, some of which offer less favourable credit terms than Nyrstar's traditional suppliers. As a result there was a temporary increase in Nyrstar's net working capital requirements in 2015. This effect is not expected to continue in 2016 following the entry into the concentrate supply agreements with Trafigura.

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. Nyrstar also enters the spot market for acquiring concentrates, and although Nyrstar expects to continue to purchase spot concentrate from time to time, as a means of allowing it to access concentrate with increased multi-metallic content, entering into the Trafigura Commercial Agreements has significantly reduced the need for spot supplies. In addition, in the ordinary course of business Nyrstar enters into concentrate swap agreements relating to swap of time, location and quality of concentrates in order to ensure appropriate concentrates for its smelters and manage working capital.

For further information on the Trafigura Commercial Agreements, see "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*".

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.

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.

Ongoing Cost Cutting Measures

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 program targeted the attainment of sustainable annualised cost savings of € 75 million by the end of 2014. This included headcount reductions and operational efficiency improvements across all of Nyrstar's assets. Nyrstar had achieved cost savings of € 43 million by the end of 2013 and a further € 36 million in 2014, hence achieving and even exceeding its target.

In October 2015, Nyrstar announced that it was targeting annual cost and capital expenditure reductions in the Mining segment of € 40 million compared to the annualised Q3 2015 cash outflow of approximately € 170 million. This plan was further refined in November 2015 to target a € 60 million cash flow saving. This target was exceeded, and a cash flow saving of € 65 million was achieved by the end of 2015. These targeted annualised cash flow savings have to date been achieved by reduced cash consumption of € 24 million and € 6 million at Myra Falls and Campo Morado, respectively, € 30 million from the Middle Tennessee mines, a further € 5 million of cash flow savings across the other mining assets. In addition, the Mining segment growth capital expenditure in 2016 is projected to be reduced to nil. Nyrstar has also achieved an annualised saving of € 10 million in Q4 2015 against the previously announced € 30 million targeted cash flow savings in Metals Processing and

Corporate. Nyrstar is currently exploring further operating cost and capital sustaining savings. In the event that the divestment of the Mining segment is not successful, the cash consumption of the Mining segment would be reduced to approximately € 60 million by placing all of Nyrstar's mining operations on care and maintenance.

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 direct operating costs (approximately 26% for the Group in 2015).

Total energy expenses represented approximately 36%, 38% and 40% of the Metals Processing segment's direct operating costs for the years ended 31 December 2015, 2014 and 2013, respectively, of which electricity costs represented approximately 82%.

In 2015, approximately 63% 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.

In 2015, Nyrstar sourced most of its zinc smelting electricity consumption in Australia and the U.S. under long-term contracts, 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, a portfolio of forward contracts provided or provides price protection for 76%, 66% and 48% of the volume in 2013, 2014 and 2015, respectively, and 58%, 44% and 12% for the expected electricity consumption in 2016, 2017 and 2018 respectively.

Nyrstar has taken and continues to take other steps designed to manage 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.

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 into metallic lead bullion while coal is used in the slag fuming process to convert zinc containing slag and other materials into zinc oxide bearing fume for subsequent processing in Nyrstar's zinc smelters (Auby and Hobart). 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 2011 and remained at that elevated level to mid-2013, then fell through late 2013 and 2014, where they have stabilized. The coke and coal markets are experiencing weakness amid a structural and market decline. China's metallurgical coal imports have trended down from a late 2013 peak driving prices lower. For thermal coal similarly there is excess capacity in markets. The reduction in Chinese imports is a key driver of softening conditions which are in part driven by China's policy with regard to pollution but also Japanese demand falling due to re-starting of their nuclear power generation sector.

Employee benefits expenses

Employee benefits expenses accounted for approximately 33%, 35% and 31% of Nyrstar's Metals Processing direct operating costs in 2015, 2014 and 2013, respectively; and approximately 40%, 39% and 39% of the Mining segment's direct operating costs in 2015, 2014 and 2013, 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 maintenance shutdowns

Nyrstar's Metals Processing segment's results are impacted 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. During 2014 the blast furnace at Port Pirie was offline for 48 days during which a number of important maintenance activities and important tie-in works, including work on the blast furnace feed system enabling the site to run feed from either the sinter plant or the top submerged lance furnace during commissioning and ramp-up, were completed. Also during 2014, the Auby roaster and indium plant, the Balen and Overpelt roaster and acid plant, the Clarksville roaster and the Hobart roaster and acid plant were shut for short-term maintenance. In July 2015, one of two roasters in Budel was shut for three weeks with nil production impact and the other roaster in Budel was shut in December 2015 for two weeks with nil production impact, and in Port Pirie, the slag fumer was shut in Q4 2015 for approximately four weeks with an impact of 1,700 tonnes of zinc contained in zinc fume.

In 2016 the planned shutdowns, which are more numerous than in 2015, are: shutdown of roaster F4 and roaster F5 in Balen for seven and two weeks, respectively, in H1 2016 with no production impact; shutdown of the roaster, leaching facilities and cellhouse in Auby for three weeks in H1 2016 with an estimated impact on indium production of 7,600 tonnes; shutdown of the cellhouse and leaching facilities in Balen for one week in Q2 2016 with an estimated impact on zinc production of 4,000 tonnes; shutdown of the roaster in Clarksville for two weeks in Q3 2016 with an estimated impact on zinc production of 3,400 tonnes; shutdown of the roaster in Hobart for two weeks in Q2 2016 with no production impact and shutdown of the lead plant in Port Pirie for four weeks in H2 2016 with an estimated impact on lead production of 16,600 tonnes.

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:

- production at Myra Falls in H1 2015 was affected by hydro-electric power supply problems due to a turbine failure and the decision in Q2 2015 to suspend operations from May 2015 to allow for a concentrated focus on infrastructure and operational reliability to allow for a future restart with substantially improved mine and plant operating conditions;

- 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; and
- at the Budel smelter there was an unplanned roaster outage in November 2015 for five days.

Similarly, Nyrstar's results can be affected by unplanned stoppages caused by factors other than equipment failure. For example:

- production at the Auby smelter was impacted in November 2015 by a fire on a new piping section inside the indium plant;
- at the beginning of 2015, production at Campo Morado was suspended due to the on-going issues associated with security in the region. This was initially caused by an illegal blockade of the mine entrance by non-affiliated union activists and over the course of the first quarter due to contractors and unionised mine workers being subjected to systematic intimidation;
- production at the Port Pirie smelter was impacted in April 2015 by a blast furnace outage caused by a disruption of natural gas supply to the region of Port Pirie that lasted for almost the entire month of April, and consequently lead market metal production at Port Pirie was 9% lower compared to H1 2014 production levels;
- zinc metal production at Balen and Overpelt was 4% lower in H2 2014 than in H1 2014 due to two national strikes in Q4 2014 and a number of unplanned roaster shuts during Q3 2014;
- severe weather issues, such as record regional temperatures in Q1 2013, resulted in power reductions and impacted production at the Hobart smelter, and severe winter weather impacted zinc cathode production at the Clarksville smelter in H1 2014;
- 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; and
- 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. Production recommenced in July 2012 when authorisation was given for the Coricancha mine to re-start milling operations. Operations at the Coricancha mine subsequently halted in H2 2013, predominantly due to lower precious metals prices.

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. Nyrstar has not mined Pucarrajo since its acquisition in 2010 due to weak metal prices. In 2013 Nyrstar placed the Coricancha mine on care and maintenance as a result of sustained lower precious metal prices. Production at the Campo Morado mine has been suspended since 5 January 2015 due to deteriorating security in the state. At the beginning of Q2 2015, following a comprehensive review of the operations at Myra Falls, management concluded that the most appropriate course of action is to temporarily suspend mining and milling operations. In December 2015, operations at the Middle Tennessee Mines were suspended and the operation placed on care and maintenance with zinc metal production at the nearby Nyrstar Clarksville smelter reduced by approximately 7%.

Nyrstar is also currently pursuing strategic alternatives for its mining assets, individually and as a portfolio, which may include a sale of some or all of the Mining segment assets, or mine suspensions in addition to those already announced. See "*—Mining Operating Review*" below.

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, approximately 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 on a translational basis.

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 program 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 program 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 every third year, the last of which was completed in October 2015.

Nyrstar's environmental provisions, established in accordance with IFRS, amounted to € 189.3 million as of 31 December 2015 (increase from € 186.3 million and € 188.2 million as of 31 December 2014 and 2013, respectively, with the increase primarily the result of exchange rate movements). € 57.3 million of this relates to Metals processing assets, and € 132.0 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. In 2013, Nyrstar recognised pre-tax non-cash impairment charges on mining assets of € 202.6 million, reversals of prior impairments taken in 2008 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 2014 and 31 December 2013*" below.

The majority of the impairment losses recognised in 2013 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.

In 2014, Nyrstar recognised impairment losses of € 0.7 million on Group's non-core assets. These impairment losses relate to investments in equity securities that have been valued at fair value with mark to market movements recognised in other comprehensive income for which market prices indicated a significant decline in the market value of the investment.

Nyrstar has also recognised significant impairment losses in respect of its Zinc Streaming Agreement with Talvivaara. In November 2014 Talvivaara announced that it would enter into bankruptcy proceedings. Following an announcement in March 2015 by the Finnish State and Audley Capital Advisors that they would acquire the assets of the operating company from the bankruptcy estate of Talvivaara Sotkamo Limited, Nyrstar reviewed the prospects of recovering its Zinc Streaming Agreement and fully impaired the value of the Zinc Streaming Agreement as at 31 December 2014, resulting in an impairment charge of € 245.9 million (net of tax € 196.8 million). In August 2015 the Finnish State-owned Terrafame Mining acquired Talvivaara's mining business and assets. See "*Business—Mining—Talvivaara Zinc Streaming Agreement*" below.

During 2014 Nyrstar made available to Talvivaara a loan facility up to a maximum amount of € 20 million. Nyrstar made the facility available in several tranches with the amount of each advance calculated with reference to a corresponding delivery by Talvivaara of zinc in concentrate under the Agreement. In November 2014 Talvivaara announced that it would enter into bankruptcy proceedings and therefore recovering the cash flows drawn under the facility was unlikely. As at 31 December 2014, Nyrstar recognised pre-tax non-cash impairment losses of € 8.4 million equal to the full carrying value of the loan receivable under the facility.

In 2015, Nyrstar performed impairment testing of its assets and recognised pre-tax net impairment losses of € 564 million, of which € 548.0 million relates to Nyrstar's Mining assets. The testing was carried-out applying the most recent macroeconomic assumptions and updated life of mine plans for all of Nyrstar's mines. Commodity price and foreign exchange forecasts were developed from externally available forecasts from a large number of different market commentators. Given the wide range of forecast metal prices and considering the current uncertainty relative to economic growth in some parts of the world, a broad range of externally available forecasts were utilised in establishing the robust composite price sets whereby equal weighting was applied to each of the individual forecasts in order to exclude any bias. The main component of the total pre-tax non-cash impairment loss was the full write-down of the carrying value of the Campo Morado mine of € 376 million due to uncertainty related to the restart of the mine in light of the continued unstable security situation in the Mexican State of Guerrero combined with the application of the most recent operational and commercial assumptions to the mineral resource block model and the ensuing life of mine plan. Smaller reductions to the carrying values were recorded for all of its mines and for the equity-accounted investment in Ironbark Zink Limited, driven primarily by the application of the most recent commercial assumptions. The remaining impairment charges relate to non-core operations of the Group of € 16.0 million.

The results of the impairment testing are affected by changes in commodity prices, foreign exchange rates, discount rates and rate of utilisation of inferred resources. For further information on these sensitivities, which differ from the sensitivities impacting Underlying EBITDA, see note 16 in the financial statements as of and for the year ended 31 December 2015.

Taxes

The main tax jurisdictions in which Nyrstar operated in 2015 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 for the years ended 31 December 2015, 2014 and 2013 was approximately 36%, 17% and (6)%, 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 tables, which set out the estimated impact of a + / -10% change in each of the parameters on Nyrstar's full year Underlying EBITDA, including by segment, based on the actual results and production profile for the years ended 31 December 2015, 2014 and 2013, respectively.

Parameter	**Estimated annualised Underlying EBITDA impact (€ million)**		
	Year ended 31 December 2015	**Year ended 31 December 2014**	**Year ended 31 December 2013**
€/US$ (+/ -10%)	-101 / +123	-107 / +130	-103 / +125
Zinc price (+/ -10%)	+82 / -70	+76 / -72	+57 / -53
Zinc treatment charge (+/ -10%)	+30 / -30	+26 / -26	+23 / -23
€/AUD (+/ -10%)	+23 / -28	+23 / -28	+25 / -31
Lead treatment charge (+/ -10%)	+5 / -5	+4 / -4	+4 / -4
Silver price (+/ -10%)	+4 / -4	+8 / -8	+8 / -8
Copper Price (+/ -10%)	+4 / -4	+8 / -8	+9 / -9
Lead price (+/ -10%)	+3 / -3	+4 / -4	+4 / -4
Gold price (+/ -10%)	+2 / -2	+6 / -6	+9 / -9

Parameter	Estimated annualised 2015 Underlying EBITDA impact (€ million)		
	Metals Processing segment	Mining segment	Total
€/US$ (+/ -10%)	-91 / +111	-10 / +12	-101 / +123
Zinc price (+/ -10%)	+48 / -36	+35 / -35	+82 / -70
Zinc treatment charge (+/ -10%)	+37 / -37	-8 / +8	+30 / -30
€/AUD (+/ -10%)	+23 / -28	—	+23 / -28
Lead treatment charge (+/ -10%)	+5 / -5	—	+5 / -5
Silver price (+/ -10%)	+2 / -2	+2 / -2	+4 / -4
Copper Price (+/ -10%)	+2 / -2	+2 / -2	+4 / -4
Lead price (+/ -10%)	+1 / -1	+2 / -2	+3 / -3
Gold price (+/ -10%)	+1 / -1	+1 / -1	+2 / -2
€/CHF (+/ -10%)	—	—	(5) / 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). Internal transfers of cathode for subsequent melting and casting and production at Föhl (disposed of in April 2014), Genesis (disposed of in October 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, Myra Falls, Langlois, El Mochito, El Toqui and Campo Morado) is zinc in concentrate. Production of secondary metals in concentrate is also tracked for the Contonga, El Mochito, El Toqui, Myra Falls 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).

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 years ended 31 December 2015, 2014 and 2013. The following should be read in conjunction with the Financial Statements, as well as the information presented elsewhere in this Prospectus.

€ millions (unless otherwise indicated)	Year ended 31 December 2015	2014	2013
Metals Processing Production[(1)(2)]			
Zinc Metal ('000 tonnes)	1,115	1,097	1,088
Lead Metal ('000 tonnes)	185	178	179
Mining Production			
Zinc in Concentrate ('000 tonnes)[(3)]	234	278	271
Gold in Concentrate ('000 troy ounces)	16.1	52.1	75.2
Silver in Concentrate ('000 troy ounces)	2,724	5,106	4,746
Copper in Concentrate ('000 tonnes)	6.5	11.3	12.9
Market			
Average LME zinc price (US$/t)	1,928	2,164	1,909
Average exchange rate (€/US$)	1.11	1.33	1.33
Key Financial Data			
Revenue	3,139	2,799	2,824
Treatment charges	382	284	261
Payable metal / free metal contribution	613	624	581
Premiums	172	153	127
By-products	300	359	388
Other	(132)	(128)	(106)
Gross profit	1,336	1,293	1,251
Direct operating costs[(4)]	(1,063)	(1,049)	(1,113)
Non-operating and other	(16)	36	47
Underlying EBITDA[(4)]	**256**	**280**	**185**
Results from operating activities before exceptional items	19	24	(46)
Profit / (loss) for the period	**(432)**	**(287)**	**(195)**
Sustaining capital expenditure	126	144	128
Growth capital expenditure	243	102	31
Exploration and development capital expenditure	51	48	42
Capital expenditure	**419**	**294**	**199**
Cash flow from operating activities	(7)	311	299
Change in net working capital[(5)]	(147)	177	174
Certain debt ratios			
Exclusive of 2015 Prepay Financing			
Net debt, end of period[(6)]	761	438	670
Gearing (%), end of period[(7)]	54%	31%	44%
Net debt / Underlying EBITDA, end of period[(8)]	3.0x	1.6x	3.6x
Inclusive of 2015 Prepay Financing			
Net debt, end of period[(9)]	896	438	674
Gearing (%), end of period[(10)]	58%	31%	44%
Net debt / Underlying EBITDA, end of period[(11)]	3.5x	1.6x	3.6x

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 and Port Pirie). Internal transfers of cathode for subsequent melting and casting are removed in the elimination line. Production at Föhl (disposed of in April 2014) and Genesis (disposed of in October 2014) are not included.

(3) Includes deliveries under the Zinc Streaming Agreement.

(4) Underlying EBITDA and direct operating costs are unaudited, non-IFRS measures. For further information, see "*Selected Financial Information—Reconciliation of Underlying EBITDA and direct operating costs*".

(5) 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.

	Year ended 31 December		
	2015	2014	2013
Change in inventories	181	(43)	199
Change in trade and other receivables	4	(8)	39
Change in deferred income	(275)	165	89
Change in trade and other payables	(56)	63	(152)
Change in net working capital	**(147)**	**177**	**174**

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

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

(8) Net debt/Underlying EBITDA is calculated as non-current and current loans and borrowings less cash and cash equivalents as of 31 December divided by Underlying EBITDA for the year then ended.

(9) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) less cash and cash equivalents.

(10) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) to net debt plus non-current other financial liabilities plus total equity at end of period.

(11) Calculated as non-current and current loans and borrowings plus non-current other financial liabilities (in 2015, € 134.5 million, being the 2015 Prepay Financing; see note 20 to the Financial Statements) less cash and cash equivalents as of 31 December divided by Underlying EBITDA for the year then ended.

Production

The table below shows key production information for the years ended 31 December 2015, 2014 and 2013. See "*—Results of operations for the years ended 31 December 2015 and 2014*" and "*—Results of operations for the years ended 31 December 2014 and 2013*" for analysis.

	Year ended 31 December		
	2015	2014	2013
Metals Processing[1][2]			
Zinc Metal ('000 tonnes)	1,115	1,097	1,088
Lead Metal ('000 tonnes)	185	178	179
Copper cathode ('000 tonnes)	4	4	4
Silver (million troy ounces)	14.6	13.4	17.9
Gold ('000 troy ounces)	77	34	66
Sulphuric acid ('000 tonnes)	1,451	1,438	1,389
Mining			
Zinc in Concentrate ('000 tonnes)[3]	234	278	271
Gold in Concentrate ('000 troy ounces)	16.1	52.1	75.2
Silver in Concentrate ('000 troy ounces)	2,724	5,106	4,746
Lead in Concentrate ('000 tonnes)	13.0	19.2	14.2
Copper in Concentrate ('000 tonnes)	6.5	11.3	12.9

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 and Port Pirie). Internal transfers of cathode for subsequent melting and casting are removed in the elimination line. Production at Föhl (disposed of in April 2014) and Genesis (disposed of in October 2014) are not included.

(3) Includes deliveries under the Zinc Streaming Agreement.

Market review

The table below shows key market information for the years ended 31 December 2015, 2014 and 2013. See "*—Results of operations for the years ended 31 December 2015 and 2014*" and "*—Results of operations for the years ended 31 December 2014 and 2013*" for analysis.

	Year ended 31 December		
	2015	**2014**	**2013**
Exchange rate (€/US$)	1.11	1.33	1.33
Zinc price (US$/tonne, cash settlement)	1,928	2,164	1,909
Lead price (US$/tonne, cash settlement)	1,748	2,096	2,141
Copper price (US$/tonne, cash settlement)	5,494	6,862	7,322
Silver price (US$/t.oz, LBMA AM fix)	15.68	19.08	23.97
Gold price (US$/t.oz, LBMA AM fix)	1,159	1,266	1,410

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

Exchange rates

Nyrstar's results are sensitive to exchange rates movements.

In particular, the depreciation of the Euro against the U.S. Dollar positively impacts Nyrstar's earnings as revenues are largely denominated in U.S. Dollars while its costs are largely denominated in Euro and its accounts are drawn up in Euro. This key sensitivity generated an approximately € 170 million uplift to its Underlying EBITDA in 2015 as compared with 2014 (see "*—Significant factors affecting Nyrstar's results of operations—Sensitivity analysis*").

In 2015, the Euro weakened by 17% against the U.S. Dollar, from an average of US$ 1.33 to € 1.00 in 2014 to US$ 1.11 to € 1.00 in 2015 due to implementation of quantitative easing by the European Central Bank and expectations that the U.S. Federal Reserve would increase interest rates in H2 2015 or Q1 2016.

In 2014, the Euro remained relatively stable compared to the U.S. Dollar, averaging US$ 1.33 to € 1.00. Strength in the US economy towards the end of 2014 and signs of weakening in Europe led to expectations that the U.S. Federal Reserve would increase interest rates in 2015 whilst the European Central Bank would implement quantitative easing.

In 2013, the Euro strengthened by nearly 4% against the U.S. Dollar, from an average of US$ 1.28 to € 1.00 in 2012 to an average of US$ 1.33 to € 1.00 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 2014. 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 base metals improved and prices began to increase towards the end of 2014. As a result of the increasing importance of China as a source of demand for zinc, copper and lead and the apparent slowdown in growth within China beginning in Q2 2015, base metal prices were at record lows in H2 2015 and into Q1 2016.

Zinc

The average zinc price was US$ 2,134 and US$ 1,731 in H1 and H2 2015, respectively. Over the course of 2015, the zinc price averaged US$ 1,928 per tonne, a 11% decrease compared to 2014, but traded within a very wide range of US$ 1,461 - US$ 2,405. The zinc price started 2015 at US$ 2,184 per tonne and moved down in the first quarter with a soft economic start to the year. On a relative basis, the zinc price performance was better than the rest of the base metals complex where prices declined throughout 2015. During Q1 2015, zinc prices declined over the course of January and February and reached a low of US$ 1,985 per tonne on 17 March. At the end of April and into the start of May, the zinc price rallied and reached a high of US$ 2,405 per tonne on 6 May 2015. A broad based sell off across the base metals complex was initiated later in May and was sustained through June with the zinc price closing H1 2015 at US$ 1,994 per tonne. During H2 2015 and into 31 January 2016, zinc prices continued to decline and reached a new low of US$ 1,446 per tonne on 12 January 2016. This deterioration in the zinc price contributed to approximately € 75 million to the Underlying EBITDA decline year-on-year.

Despite the uncertainty for global markets driven in part by volatility in Chinese equity markets, analyst expectations, including Wood Mackenzie, are for zinc prices to improve in the medium term, driven by supportive underlying supply/demand fundamentals. Over the medium term, the fundamental outlook for the zinc market remains strong with a continuing drawdown on refined metal stocks and expectations of tightening raw material supply.

The average zinc price increased by 13% in 2014 to US$ 2,164 per tonne compared to US$ 1,909 per tonne in 2013 and traded within a wide range of US$ 1,942 and US$ 2,420. Zinc demand growth in 2014 was led by both China and the developed world with the United States economy growing faster than many commentators had anticipated. Global zinc consumption growth in the developing world and the developed world is estimated by Wood Mackenzie to have grown by 5.1% and 2.8% respectively in 2014. Chinese smelters have seen a notable increase in capacity utilization to 74% following the low of 68% in 2012, aided by factors such as higher treatment charges and higher zinc prices. According to Wood Mackenzie, average smelter utilisation rates in the rest of the world have been little changed over the same period, registering 85% in 2015.

Lead

Over the course of 2015, the lead price averaged US$ 1,748 per tonne, a 17% decline compared to 2014. Lead prices remained relatively stable during 2014, averaging US$ 2,096 per tonne, a 2% decline over 2013. Demand at the global level remained robust, growing at an estimated 1.9%, year-on-year, according to analysis from Wood Mackenzie. Continued growth in demand for lead-acid batteries results in demand outlook remaining healthy, though there are potential supply pressures, as primary smelter cutbacks are expected over the next couple of years. This should be partially offset by rising secondary supply, which would be encouraged by rising prices.

Copper

Over the course of 2015, the copper price averaged US$ 5,494 per tonne, a 20% decline compared to 2014. The average copper price in 2014 was US$ 6,862 per tonne, a 6% decline compared to US$ 7,322 per tonne in 2013. According to the International Copper Study Group world mine production grew by around 3% in 2014 to 18.6 million tonnes, pointing to a mine supply surplus that will feed through to a modest refined surplus of about 307,000 tonnes in 2015. This is likely to keep pressure on copper prices and drive volatility in price. Demand fundamentals are believed to be intact with additional growth coming from developed economies such as Europe and the US. However, growth in China, which accounts for approximately 40% of the global copper demand, is expected to slow down given a cooling real estate market.

Gold and silver

Over the course of 2015, the silver price averaged US$ 15.68 per troy ounce and the gold price averaged US$ 1,159 per troy ounce. Decreasing confidence regarding global economic growth created downward pressure on precious metals prices in 2015 with the average gold price and silver price down 8% and 18% respectively compared to the previous year's average prices.

Sulphuric acid

The price of sulphuric acid in 2015 was globally under pressure due to reduced demand from fertiliser markets. In H1 2015, Nyrstar realised an average price of US$ 45 per tonne. During H2 2015, acid prices were weaker and the average price Nyrstar achieved was US$ 39 per tonne. Nyrstar realised an average price in H1 2014 of US$ 42 per tonne and in H2 2014 an average of US$ 48 per tonne.

Results of operations for the years ended 31 December 2015 and 31 December 2014

Nyrstar's Underlying EBITDA in 2015 was € 256 million, up 8% compared to € 237 million in 2014 (excluding the non-cash gain of € 43 million achieved on the settlement of the silver stream at Campo Morado with Silver Wheaton in 2014). This increase was due primarily to strong Metals Processing performance that generated an approximately € 96 million uplift to Nyrstar's Underlying EBITDA supported by a favourable EUR to USD exchange rate. The improvement in exchange rates generated an approximately € 170 million uplift to Nyrstar's Underlying EBITDA, offset by downward movements in prices of zinc, lead, silver and gold, which declined on an annual average basis by 11%, 15%, 18% and 8%, respectively, with these downward metal prices negatively impacting Nyrstar's Underlying EBITDA by approximately € 151 million in 2015 compared to 2014.

In the Mining Segment operational events, such as the suspension of operations at Campo Morado at the beginning of 2015, Myra Falls from May 2015 and Middle Tennessee from December 2015, had an unfavourable impact on earnings in 2015 with the decrease in production volumes resulting in an unfavourable € 97 million volume driven decrease of its Underlying EBITDA, whilst a decrease in Mining costs generated an approximately € 70 million uplift to its Underlying EBITDA.

Gross profit for 2015 was € 1,336 million, up 3% compared to 2014, driven principally by the Metals Processing segment, which benefited primarily from the strength of the U.S. Dollar against Euro and increased benchmark zinc treatment charges. Nyrstar gross profit contribution from treatment charges in 2015 was € 382 million, up 35% on 2014, driven by improved benchmark zinc treatment charge and the depreciation of the Euro against the U.S. Dollar. Payable metal/free metal contribution income in 2015 was € 613 million, down 2% on 2014, driven by lower metal prices and lower mining production volumes as a result of placing Campo Morado, Myra Falls and Middle Tennessee Mines on care and maintenance being largely offset by the benefit from the strength of the U.S. Dollar against the Euro. By-products income of € 300 million in 2015 was down 16% on 2014, driven by declines in average zinc, lead, silver and gold prices of 11%, 15%, 18% and 8%, respectively.

In the Metals Processing segment, increase in zinc and other metal production volumes year-on-year resulted in favourable € 26 million uplift to its Underlying EBITDA, whilst an increase in Metals Processing costs resulted in an unfavourable € 37 million decrease to its Underlying EBITDA.

Corporate costs in 2015 decreased € 14 million year-on-year with the removal of the marketing, sourcing and sales segment.

The annual benchmark treatment charge for zinc concentrates in 2015 was settled at US$ 245 per tonne of concentrate basis a zinc price of $2,000/t with a 9% escalator to $2,500/t, 8% to $3,000/t, 5% to $3,750/t and zero above that, and de-escalator of 3.3% to $1,500/t and zero below that. This represented an improvement from the previous year in favor of smelters of approximately 10%. The 2015 net treatment charge income of € 382 million represents an increase of € 98 million over 2014, of which approximately € 23 million was attributable to the increase in treatment charge rates.

The loss after tax in 2015 of € (432) million, compared to a loss of € (287) million in 2014, was negatively affected by higher net impairment charges of € 564 million, of which € 418 million were recognised as of 30 June 2015 (up € 309 million from 2014) primarily as a result of a € 548 million impairment charge related to the Mining segment assets. The impairment included the pre-tax non-cash impairment loss of the full write-down of the carrying value of the Campo Morado mine of € 376 million due to uncertainty related to the restart of the continued unstable security situation in the Mexican State of Guerrero, smaller write-downs of the carrying values of El Toqui, Langlois, Middle Tennessee, El Mochito and Myra Falls mines and other impairment charges related to non-core operations of Nyrstar.

Metals Processing segment

€ million unless otherwise indicated	Year ended 31 December 2015	Year ended 31 December 2014	% change
Revenue	**3,091**	**2,719**	**14%**
Treatment charges	460	367	25%
Free metal contribution	266	252	6%
Premiums	171	153	12%
By-products	211	194	9%
Other	(105)	(98)	7%
Gross profit	**1,003**	**868**	**16%**
Employee expenses	(217)	(223)	(3)%
Energy expenses(1)	(233)(2)	(227)(3)	3%
Other expenses	(198)	(166)	19%
Direct operating costs	**(648)**	**(615)**	**5%**
Non-operating and other	(20)	(14)	43%
Underlying EBITDA	**336**	**239**	**41%**
Cost/t(4)(€)	**498**	**482**	**3%**

Notes:

(1) Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives (€ 13.4 million gain in 2015, which includes a one-off gain of € 15.7 million on initial recognition of the new electricity delivery agreement in Hobart representing a difference between the contractual price and the market price at the time of execution of the agreement; € 0.4 million gain in 2014).

(2) Net of € 4.7 million recharge of energy costs to external parties.

(3) Net of € 12.9 million refund of a portion of charges related to the Dutch power transmission tariff for the period 2000 and 2011.

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

The Metals Processing segment delivered an Underlying EBITDA result of € 336 million in 2015, an increase of 41% compared to 2014 (€ 239 million), primarily due to a continued strong operational performance, higher zinc market metal production and higher zinc benchmark treatment charges as well as a favourable EUR to US Dollar exchange rate.

Higher gross profit was mainly driven by the beneficial effect on income of a weaker EUR to USD exchange rate, a 10% increase in the zinc benchmark treatment charges compared to 2014 and a higher production rate that resulted in a higher volume of concentrates consumed compared to 2014. Free metal contribution increased 6% due to higher zinc metal production and a favourable EUR to USD exchange rate. By-product income increased by 9% compared to 2014, mainly driven by foreign exchange impacts and higher volumes, offsetting lower average realised premiums. The delay of indium bearing concentrate shipments for Auby at the beginning of 2015, a planned Auby stop in Q3 2015 and lower production in Q4 2015 due to the indium cement plant fire, coupled with lower recoveries and indium prices further negatively impacted by-product gross profit. Other gross profit elements worsened by 7%, attributable mainly to the negative effect on costs of a weaker EUR to USD exchange rate.

Treatment charges increased by 25% due to a higher zinc benchmark in 2015 than in 2014 (2015 benchmark treatment charge of US$ 245 per dry metric tonne at a basis price of US$ 2,000 per tonne with a 9% escalator to $2,500/t, 8% to $3,000/t, 5% to $3,750/t and zero above that, and de-escalator of 3.3% to $1,500/t and zero below that compared to a benchmark treatment charges of US$ 245 per dry metric tonne at the same basis price in 2014). Nyrstar expects the zinc concentrate market to tighten in 2016 resulting in a lower zinc benchmark and spot treatment charges of approximately US$ 220 per dry metric tonne due to continued uncertainty over demand, supply side inventory and actions of financial speculators. Given the higher production volumes, free metal contribution of € 266 million was up 6% compared with 2014. The total premium gross profit contributions increasing by 12% compared to 2014, were largely driven by favourable foreign exchange impacts and higher volumes, offsetting lower average realised premium rates. The contribution of by-products to gross profit in 2015 was € 211 million, an increase of 9% on 2014, mainly due to the positive impact of foreign exchange changes, partially offset by lower precious metals prices.

Direct operating costs increased by 5% in 2015 compared with 2014 due to the stronger US dollar against the Euro and a number of energy credits recognised in H1 2014 relating to 2013.

Mining segment

€ million unless otherwise indicated	Year ended 31 December 2015	Year ended 31 December 2014	% change
Revenue	**346**	**546**	**(37)%**
Treatment charges	(78)	(84)	(7)%
Payable metal contribution	347	373	(7)%
By-products	90	165	(45)%
Other	**(29)**	**(26)**	**11%**
Gross profit	**330**	**429**	**(23)%**
Employee expenses	(141)	(149)	(5)%
Energy expenses	(44)	(51)	(14)%
Other expenses	(170)	(170)	0%
Direct operating costs	**(355)**	**(370)**	**(4)%**
Non-operating and other	(16)	28[(1)]	(157)%
Underlying EBITDA	**(41)**	**87**	**(147)%**

Note:

(1) Including a gain of € 42.9 million from the settlement of the Campo Morado silver stream.

The Mining segment Underlying EBITDA in 2015 was down 147% compared to 2014, adversely affected by the suspension of operations at Campo Morado at the beginning of 2015, Myra Falls from May 2015 and Middle Tennessee Mines since December 2015 as well as the deterioration in zinc, lead, silver and gold metal prices, partially offset by the depreciation of the Euro against the U.S. Dollar.

Gross profit for the Mining segment in 2015 decreased by 23% compared to 2014 and totaled € 330 million, driven by lower metal prices and lower volumes resulting from the suspension of operations at Campo Morado, Myra Falls and Middle Tennessee Mines, partially offset by the beneficial effect on income from the depreciation of the Euro against the U.S. Dollar. The treatment charge expense decreased by 7% to € 78 million in line with lower production volumes. Payable metal contribution decreased by 7% due to lower average zinc metal prices and lower volumes of zinc in concentrate produced, partially offset by the depreciation of the Euro against the U.S. dollar. Period-on-period, by-product contributions were down 45%, driven by 16%, 32%, 47% and 69% decreases in the production of zinc, lead, silver and gold, respectively, and 11%, 15%, 18% and 8% decreases in prices of zinc, lead, silver and gold, respectively, over the comparable periods.

Direct operating costs for the Mining segment were down 4% in absolute terms due to targeted cost control measures and variable cost savings at Campo Morado, Myra Falls and Middle Tennessee Mines with the suspension of operations, partially offset by the depreciation of the Euro against the U.S. Dollar which resulted in higher segment direct operating costs in Euro terms.

Direct operating cost (DOC) US$/ tonne ore milled	Year ended 31 December 2015	Year ended 31 December 2014	% change
Campo Morado	n/a	87	—
Contonga	73	73	—
El Mochito	63	70	(10)%
El Toqui	76	83	(8)%
Langlois	88	110	(20)%
Myra Falls	n/a	163	—
Tennessee Mines	42	43	(2)%
Average DOC/tonne ore milled	**67**	**71**	**(6)%**

The average direct operating cost in US$ per tonne of ore milled decreased by 6%, primarily due to the suspension of operations at Campo Morado, Myra Falls and Middle Tennessee together with benefit from weaker Canadian dollar and Latin American currencies versus the U.S. Dollar. Unit costs at all of the operating mines improved in 2015 compared to 2014 due to improved operating cost management.

Underlying EBITDA for the period was € (41) million, down 193% from € 44 million in 2014 (excluding a gain of € 42.9 million from the settlement of the Campo Morado silver stream).

Other & Eliminations

Underlying EBITDA in the Other & Eliminations segment was negative € 38 million in 2015, comprising the elimination of unrealised intersegment profits (for material consumed internally by the Metals Processing segment) and other Group costs. This result is in line with previous years.

Taxation

Nyrstar recognised an income tax benefit for the year ended 31 December 2015 of € 245 million, representing an effective income tax rate of 36.2% (for the year ended 31 December 2014: 16.6%). The tax rate is impacted by the results of impairment testing undertaken in the period that include a change of the Swiss corporate law, mandatory as from 1 January 2015, which requires that investments in subsidiaries are tested on a standalone rather than on a portfolio basis. Further, the effective tax rate has been impacted by losses incurred by the Group for which no tax benefit has been recognised.

Other significant events in 2015

In December 2015, Nyrstar entered into the 2015 Prepay Financing (see "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Funding sources—2015 Prepay Financing*").

On 9 November 2015, Nyrstar entered into the Relationship Agreement with Trafigura (see "*Business—Relationship with Trafigura—Relationship Agreement*") and into a series of commercial agreements with Trafigura, consisting of zinc concentrate and lead concentrate purchase agreements, and zinc metal and lead metal sales agreements (see "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*").

On 27 November 2015, Nyrstar reached the final funding milestone for the Port Pirie Redevelopment and commenced draw-down under the AUD 291 million funding structure supported by the EFIC, Australia's export credit agency, and the Treasurer of South Australia (for and on behalf of the State of South Australia).

Impairment charges

In 2015, Nyrstar performed impairment testing of its assets and recognised pre-tax net impairment losses of € 564 million, of which € 548.0 million relates to Nyrstar's Mining assets. The testing was carried-out applying the most recent macroeconomic assumptions and updated life of mine plans for all of Nyrstar's mines. Commodity price and foreign exchange forecasts were developed from externally available forecasts from a large number of different market commentators. Given the wide range of forecast metal prices and considering the current uncertainty relative to economic growth in some parts of the world, a broad range of externally available forecasts were utilised in establishing the robust composite price sets whereby equal weighting was applied to each of the individual forecasts in order to exclude any bias. The main component of the total pre-tax non-cash impairment loss was the full write-down of the carrying value of the Campo Morado mine of € 376 million due to uncertainty related to the restart of the mine in light of the continued unstable security situation in the Mexican State of Guerrero combined with the application of the most recent operational and commercial assumptions to the mineral resource block model and the ensuing life of mine plan. Smaller reductions to the carrying values were recorded for all of Nyrstar's mines and for the equity-accounted investment in Ironbark Zink Limited, driven primarily by the application of the most recent commercial assumptions. The remaining impairment charges relate to non-core operations of the Group of € 16.0 million. Following the substantial impairments recorded in 2015, the carrying value of the assets related to the Mining segment stood at € 533 million as of 31 December 2015.

Distribution

The board of directors did not propose to shareholders a distribution for the financial year 2015.

Results of operations for the years ended 31 December 2014 and 31 December 2013

Nyrstar Underlying EBITDA in 2014 was € 280 million, up 51% compared to € 185 million in 2013. This increase was primarily due to improved macro-economic conditions, including upward movements in zinc prices which increased on an annual average basis by 13%, settlement of the Campo Morado silver stream with Silver Wheaton, which contributed € 43 million to an Underlying EBITDA uplift, the depreciation of the Euro and the Australian Dollar against the U.S. Dollar, partially offset by downward movements in prices of silver, copper and gold, which declined on an annual average basis by 20%, 6% and 10%, respectively.

Additionally, Nyrstar benefited from lower direct operating costs in the Metals Processing segment which were assisted by lower energy costs, the depreciation of the Australian Dollar against the Euro and synergies following the announced closure of the zinc metal production plant at Port Pirie in mid-July 2014. A significant reduction in energy expenses that were down 17% in 2014 compared to 2013 was predominantly driven by lower rates in Europe, mainly in Budel and Balen, and the receipt of € 18 million in energy rebates comprised of refunds of historical overcharges from the electricity grid operator in The Netherlands and Emissions Trading Scheme rebates in Belgium relating to 2013.

Gross profit for 2014 was € 1,293 million up 3% on 2013, driven principally by the Metals Processing segment, which benefited from higher zinc treatment charge and premium income and close to record production volumes. Both Mining and Metals Processing segments also benefited from higher zinc prices, which were up 13% year-on-year, partially offset by lower by-product income due to lower average prices. Nyrstar gross profit contribution from treatment charges in 2014 was € 284 million, up 9% on 2013, driven by improved benchmark zinc treatment charge and the strength of U.S. Dollar against the Euro. Free metal income in 2014 was € 624 million, up 7% on 2013, driven by higher volumes of zinc produced by the Mining segment and higher average zinc metal prices. By-products income of € 359 million in 2014 was down 7% on 2013, driven by declines in average copper, lead, silver and gold prices of 6%, 2%, 20% and 10%, respectively, lower volumes of gold ore produced by the Mining segment and lower volumes of precious metals concentrates consumed by the Metals Processing segment.

Benchmark treatment charges for 2014 settled at US$ 223/dmt, basis US$ 2,000 (with an escalator of 8.5% and a de-escalator of (3)%), which was US$ 12.5 above 2013 terms of US$ 211/dmt, basis US$ 2,000 (with an escalator of 6.5% and a de-escalator of (2.5)%). The 2014 net treatment charge income of € 284 million represents an increase of € 23 million over 2013, largely driven by a higher benchmark treatment charge and the escalator benefit of a higher zinc price. The increase of € 30 million in treatment charge income in the Metals Processing segment was partially offset by a higher treatment charge expense in the Mining segment, which increased by € 8 million in 2014 for the same reasons.

The loss after tax in 2014 of € (287 million), compared to a loss of € (195 million) in 2013, was negatively affected by the € 246 million impairment charge related to the Zinc Streaming Agreement (see "*Business—Mining—Talvivaara Zinc Streaming Agreement*"), higher depreciation charges of € (257) million (up € 37 million from 2013) as a result of an increase in asset carrying values at the Balen and Port Pirie smelters following reversal of impairments in 2013 and net finance expense of € (108) million (up € 8 million from 2013) due to higher inventory funding requirements and positively impacted by the higher Group Underlying EBITDA result (up € 96 million from 2013), lower underlying adjustments reflecting an improvement of € 26 million year on year as a result of lower restructuring expenses down from € 19 million in 2013 to € 5 million in 2014 and € 0.4 million gain on the embedded derivatives in the Hobart smelter energy contract for 2014 compared to a loss of € (9) million in 2013.

Metals Processing segment

€ million unless otherwise indicated	Year ended 31 December 2014	Year ended 31 December 2013	% change
Revenue	**2,719**	**2,691**	**1%**
Treatment charges	367	337	9%
Free metal contribution	252	244	3%
Premiums	153	127	20%
By-products	194	215	(10)%
Other	(98)	(111)	(12)%
Gross profit	**868**	**813**	**7%**
Employee expenses	(223)	(207)	8%
Energy expenses(1)	(227)(2)	(272)	(17)%
Other expenses	(165)	(197)	(16)%
Direct operating costs	**(615)**	**(676)**	**(9)%**
Non-operating and other(3)	(14)	12(4)	(217)%
Underlying EBITDA	**239**	**149**	**60%**
Cost/t(5) (€)	**482**	**533**	**(10)%**

Notes:

(1) Energy expenses do not include the net loss or gain on the Hobart smelter embedded energy derivatives (€ 0.4 million gain in 2014; € 9.3 million loss in 2013).

(2) Net of € 12.9 million refund of a portion of charges related to the Dutch power transmission tariff for the period 2000 and 2011.

(3) Including a gain of € 42.9 million from the settlement of the Campo Morado silver stream.

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

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

The Metals Processing segment delivered an Underlying EBITDA result of € 239 million in 2014, an increase of 60% compared to 2013 (€ 149 million). The increase was primarily due to a 7% increase in gross profit and 9% reduction in direct operating costs.

Higher gross profit was mainly driven by a 20% increase in premium income, a 9% increase in zinc treatment charge income due to the combined impact of a higher benchmark treatment charge in 2014 compared to 2013 and the escalator benefit of a higher zinc price which appreciated 13% in 2014 compared to 2013 average. Free metal contribution increased 3% due to higher zinc metal production and improved zinc prices. By-product income declined by 10% compared to 2013 mainly driven by lower gold, silver and copper prices coupled with lower production volumes at Port Pirie due to a major planned maintenance shut of the blast furnace in the last quarter of 2014 and a short unplanned shut in Q2 2014, and the consumption of lower volumes of precious metals bearing concentrates. This was offset in part by increased indium metal sales from Auby. Other gross profit elements improved by 12%, attributable mainly to lower freight costs relative to 2013 and a contribution from the Hoyanger fumer which was acquired in December 2013.

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 2014 and 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 20% over the prior year. Given the lower production volumes and higher zinc prices, free metal contribution of € 252 million was up 3% year-on-year.

Direct operating costs declined by 9% in 2014 compared with 2013 due to an ongoing focus on cost savings measures, the continued weakening of Australian dollar against Euro and synergies following the announced closure of the zinc metal production plant at Port Pirie in mid-July 2014. A significant 17% reduction in energy expenses was predominantly driven by lower rates in Europe (mainly in Budel and Balen) and the receipt of € 18 million in energy rebates comprised of refunds of historical overcharges from the electricity grid operator in the Netherlands and Emissions Trading Scheme rebates in Belgium relating to 2013. As a result of these factors and certain unplanned shuts, the direct operating costs per tonne of zinc and lead metal produced decreased by 10% year-on-year to € 482 in 2014.

Mining segment

€ million unless otherwise indicated	Year ended 31 December 2014	Year ended 31 December 2013	% change
Revenue	**546**	**471**	**16%**
Treatment charges	(84)	(76)	11%
Payable metal contribution	373	335	11%
By-products	165	173	(5)%
Other	(26)	13	(300)%
Gross profit	**429**	**445**	**(4)%**
Employee expenses	(149)	(140)	6%
Energy expenses	(51)	(49)	4%
Other expenses	(170)	(169)	1%
Direct operating costs	**(370)**	**(358)**	**3%**
Non-operating and other	28(1)	(9)	411%
Underlying EBITDA	**87**	**78**	**12%**

Note:

(1) Including a gain of € 42.9 million from the settlement of the Campo Morado silver stream.

The Mining segment Underlying EBITDA in 2014 was up 12% compared to 2013 due to a € 43 million gain on the settlement of the silver stream at Campo Morado with Silver Wheaton (see "*Business—Mining—Campo Morado—Overview*" below) offset by the deterioration in copper, silver and gold metal prices, operational challenges at a number of sites (see "*Business—Nyrstar's business operations—Metals Processing—Operations review—Metals Processing—Years ended 31 December 2014 and 31 December 2013*" below) and a reduction in the campaigning of gold at El Toqui during H2 2014, as well as the lack of strategic hedging benefits that were realised in 2013.

Gross profit for the Mining segment in 2014 decreased by 4% compared to 2013 and totalled € 429 million. The treatment charge expense increased by 11% to € 84 million in line with the increase of the benchmark treatment charge per tonne of concentrate and the impact of the higher annual average zinc price through the treatment charge escalators. Payable zinc metal contribution increased 11% due to the benefit of higher average zinc metal prices and marginally higher volumes of zinc in concentrate produced. For 2013 other gross profit included the benefit from strategic zinc metal price hedges, whereas in 2014 the market did not provide for a similar opportunity.

Direct operating cost (DOC) US$/ tonne ore milled	Year ended 31 December 2014	Year ended 31 December 2013	% change
Campo Morado	87	100	(13)%
Contonga	73	71	3%
El Mochito	70	65	8%
El Toqui	83	83	—
Langlois	110	133	(17)%
Myra Falls	163	137	19%
Tennessee Mines	43	38	13%
Average DOC/tonne ore milled	**71**	**67**	**6%**

The average Mining segment direct operating cost in US$ per tonne of ore milled for 2014 was 6% above 2013 mainly due to reduced ore throughput resulting from operational issues at a number of sites, deterioration of unit operating costs at the Myra Falls mine due to a severe drought which reduced the site's ability to generate hydroelectric power and resulted in increased diesel generator costs, offset partly by decreases in unit operating costs at Campo Morado due to a two month suspension of operations as a result of the cancellation of the site's explosives permit due to an administrative issue and Langlois due to increased volume of processed ore by 11% while continuing to lower operating costs.

At El Mochito mine, equipment maintenance costs increased by 8% in 2014 driving the increase in cost per tonne. At the Tennessee mines direct operating cost were 13% higher in 2014 than in 2013 due to equipment failures.

Other & Eliminations

Underlying EBITDA in the Other & Eliminations segment was negative € 46 million in 2014, comprising the elimination of unrealised intersegment profits (for material consumed internally by the Metals Processing segment) and other Group costs. This result is in line with previous years.

Taxation

Nyrstar recognised an income tax benefit for the year ended 31 December 2014 of € 57 million, representing an effective income tax rate of 16.6% (for the year ended 31 December 2013: negative 6.0%). The tax rate is impacted by losses incurred by the Group for the year ended 31 December 2014 for which no tax benefit has been recognised and the change of tax rates in Chile, Mexico and Peru.

Other significant events in 2014 and 2013

- 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.
- 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.
- On 16 April 2013, Nyrstar announced that it had reached a negotiated settlement with Glencore 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*".
- On 30 September 2013 Nyrstar entered an off-take and strategic marketing agreement with Noble Resources UK 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 Nyrstar's European smelters. The current termination date of the agreement is 31 December 2016. Under the agreement, Nyrstar currently receives market price plus a benchmark premium per tonne of zinc metal. For Nyrstar, the agreement represented 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. Going forward, Nyrstar's commercial team is directly selling, marketing and financing the remaining volume 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.

- In 2014, 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.
- On 12 September 2014, Nyrstar placed the 2019 Notes, € 350 million of 8½% senior notes due 2019 at an issue price of 98.018%.
- On 30 September 2014, Nyrstar closed a rights offering, raising a gross amount of € 251,633,365 through the placement of (non-statutory) preferential subscription rights for existing shareholders, at a subscription price of € 1.48 per share at a ratio of 1 new share for 1 right. 170,022,544 of new ordinary shares were issued pursuant to the rights offering.
- On 1 October 2014, Nyrstar closed its voluntary conditional public tender offer in cash to purchase, for an aggregate principal amount of up to € 320 million, any-and-all of the € 220 million aggregate principal amount of outstanding 5.5% bonds due in 2015 (the "**2015 Bonds**"), and up to an aggregate principal amount of € 100 million outstanding € 515 million 5.375% bonds due in May 2016. An aggregate amount of € 147.4 million of the 2015 Bonds were tendered and accepted by Nyrstar (the remainder have since matured). An aggregate amount of € 270.3 million of the 2016 Bonds were tendered and an aggregate amount of € 100 million of the 2016 Bonds was accepted by Nyrstar.
- In September 2014, Nyrstar Sales & Marketing AG entered into a silver forward purchase agreement for a term of five years with a special purpose vehicle, Hydra Limited, under which Nyrstar Sales & Marketing AG received approximately US$ 109 million prepayment in return for the delivery of a total notional quantity of approximately 7.8 million ounces of silver. Nyrstar's delivery obligation will primarily be discharged from 2016 to 2019. Silver prices have been hedged with counterparties. As part of this forward sale of future silver, Nyrstar entered into the guarantee agreement whereby it irrevocably and unconditionally guaranteed to Hydra the punctual performance of all obligations and liabilities owing by Nyrstar Sales & Marketing AG to Hydra under the silver forward purchase agreement. Upon the occurrence of certain events constituting a change of control, a termination event or event of default under the silver forward purchase agreement, Hydra is allowed to effectively force a cancellation of all outstanding obligations and the set-off of losses and gains payable either way.

Impairment charges

During 2014 Nyrstar made available to Talvivaara a loan facility up to a maximum amount of € 20 million. Nyrstar made the facility available in several tranches with the amount of each advance calculated with reference to a corresponding delivery by Talvivaara of zinc in concentrate under the Agreement. On 6 November 2014, Talvivaara announced that it would enter into bankruptcy proceedings and therefore recovering the cash flows drawn under the facility was unlikely. As at 31 December 2014, Nyrstar recognised impairment losses of € 8.4 million equal to the full carrying value of the loan receivable under the facility.

Nyrstar has also recognised significant impairment losses in respect of its Zinc Streaming Agreement with Talvivaara. In November 2014 Talvivaara announced that it would enter into bankruptcy proceedings. Following an announcement in March 2015 by the Finnish State and Audley Capital Advisors that they would acquire the assets of the operating company from the bankruptcy estate of Talvivaara Sotkamo Limited, Nyrstar reviewed the prospects of recovering its Zinc Streaming Agreement and fully impaired the value of the Zinc Streaming Agreement as at 31 December 2014, resulting in an impairment charge of € 245.9 million (net of tax € 196.8 million). In August 2015 the Finnish State-owned Terrafame Mining acquired Talvivaara's mining business and assets. See "*Business—Mining—Talvivaara Zinc Streaming Agreement*".

Distribution

The board of directors did not propose to shareholders a distribution for the financial year 2014, reflecting its commitment to support the opportunities identified by the Company's growth plans.

Liquidity and capital resources

Funding sources

Nyrstar funds its operations primarily through net cash from operations and proceeds from debt and equity financings, including, e.g., the current Offering. These funds are used primarily to finance Nyrstar's working capital and capital expenditure requirements. Nyrstar had committed headroom (amounting to all available committed facilities, less drawings) under facilities of approximately € 429 million as of 31 December 2013, € 387 million as of 31 December 2014 and € 357 million as of 31 December 2015; committed facility headroom plus cash was approximately € 721 million as of 31 December 2013, € 886 million as of 31 December 2014 and € 473 million as of 31 December 2015.

Current and previous sources of funding in reverse chronological order are as follows:

2015 Prepay Financing

In December 2015, Nyrstar Sales & Marketing AG entered into a US$ 150 million refined zinc metal prepay with a special purpose vehicle (Politus B.V.), which in turn entered into a syndicated facility agreement arranged by Deutsche Bank in order to finance such prepayment. This prepayment arrangement benefits from an offtake agreement with Trafigura (the "**2015 Prepay Financing**"). Under this arrangement, Nyrstar received a US$ 150 million prepayment (two-thirds from Deutsche Bank and one-third from Trafigura) and agreed to physically deliver a volume of zinc, which will vary depending on the then-prevailing zinc price. The prepay has an amortising structure with a three year tenor and a 12 month grace period following which the facility will be repaid in equal monthly instalments over a period of two years. As part of this forward sale of zinc, the Company irrevocably and unconditionally guaranteed to Politus B.V. the performance of all obligations of Nyrstar Sales & Marketing AG under and in accordance with the terms of the prepayment agreement. For accounting purposes, the liability is treated as Other financial liabilities in Nyrstar's balance sheet. The zinc metal prepay agreement will not involve Nyrstar entering into forward purchase contracts with equivalent delivery dates to hedge the zinc price exposure related to the delivery commitment as the total volume to be delivered will be a function of the prevailing zinc price. Total legal and advisory expenses associated with the funding were approximately € 2 million plus participation fees. Syndication of the transaction is ongoing, and the transaction may be upsized in early 2016.

Receivable Discounting Agreement

On 1 December 2014, Nyrstar Sales & Marketing AG entered into a (non-recourse) receivables discounting agreement with KBC Commercial Finance pursuant to which it transfers certain receivables to KBC Commercial Finance on a non-recourse basis and obtains advances at a discount to the face amount of the transferred receivables, subject to certain conditions. The average utilization under the program amounted to € 44 million in 2015. The factoring fee payable to KBC is equal to the applicable base rate for the invoicing currency increased by a margin.

Forward Purchase Agreement of Silver

In September 2014, Nyrstar Sales & Marketing AG entered into the silver forward purchase agreement for a term of five years with an orphan special purpose vehicle, Hydra Limited, under which Nyrstar Sales & Marketing AG received approximately US$ 109 million prepayment in return for the delivery of a total notional quantity of approximately 7.8 million ounces of silver. Nyrstar's delivery obligation will primarily be discharged from 2016 to 2019. Silver prices have been hedged with counterparties. As part of this forward sale of future silver, Nyrstar entered into the guarantee agreement whereby it irrevocably and unconditionally guaranteed to Hydra the punctual performance of all obligations and liabilities owing by Nyrstar Sales & Marketing AG to Hydra under the silver forward purchase agreement. Upon the occurrence of certain events constituting a change of control, a termination event or event of default under the silver forward purchase agreement, Hydra is allowed to effectively force a cancellation of all outstanding obligations and the set-off of losses and gains payable either way, at which point all obligations under the Forward Purchase Agreement will reside with Nyrstar Sales & Marketing AG and guarantors.

Rights Offering

On 30 September 2014, Nyrstar closed an offering with (non-statutory) preferential subscription rights, raising a gross amount of € 252 million. 170,022,544 new ordinary shares were issued at a subscription price of € 1.48 per share pursuant to the rights offering (at a ratio of 1 new share for 1 right). The 2014 rights offering had been preceded by a rights offering in 2011.

2019 Notes

On 12 September 2014, Nyrstar Netherlands (Holdings) B.V. issued € 350 million aggregate principal amount of 8½% senior unsecured notes due 2019 (the "**2019 Notes**") under an indenture dated 12 September 2014 among, inter alios, Nyrstar Netherlands (Holdings) B.V., each of the guarantors named therein (each a "**2019 Notes Guarantor**" and collective "**2019 Notes Guarantors**") and The Law Debenture Trust Corporation p.l.c. The 2019 Notes were issued at an issue price of 98.018%, resulting in original issue discount of € 6.94 million.

The 2019 Notes bear interest at a rate of 8½% per annum payable semi-annually in arrears on 15 March and 15 September of each year, commencing on 15 March 2015. The 2019 Notes will mature on 15 September 2019.

The 2019 Notes are senior indebtedness of Nyrstar Netherlands (Holdings) B.V. and are guaranteed on a senior unsecured basis by Nyrstar Netherlands (Holdings) B.V. and the 2019 Guarantors (each a "**2019 Notes Guarantee**" and, collectively, the "**2019 Notes Guarantees**"). The 2019 Notes and the 2019 Notes Guarantees rank equal in right of payment to any of Nyrstar Netherlands (Holdings) B.V.'s and respective 2019 Notes Guarantor's existing and future indebtedness that is not subordinated in right of payment to the 2019 Notes and the relevant 2019 Notes Guarantee. The 2019 Notes and the 2019 Notes Guarantee are effectively subordinated to any of the Nyrstar Netherlands (Holdings) B.V.'s or relevant Guarantor's respective existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The 2019 Notes and the 2019 Notes Guarantees are structurally subordinated to any existing and future indebtedness of the Nyrstar Netherlands (Holdings) B.V.'s subsidiaries that do not guarantee the 2019 Notes.

Prior to 15 September 2019, Nyrstar Netherlands (Holdings) B.V. may redeem all or a portion of the 2019 Notes at a redemption price equal to 100% of the principal amount of the 2019 Notes plus the applicable "make-whole" premium plus accrued and unpaid interest to the redemption date. The applicable "make-whole" premium, as calculated by Nyrstar Netherlands (Holdings) B.V., is the greater of (1) 1.0% of the principal amount of the 2019 Notes; and (2) the excess of (a) the present value at the redemption date of (i) the redemption price of the 2019 Notes at 15 September 2019 plus (excluding accrued but unpaid interest to the redemption date) (ii) all required interest payments due on the 2019 Notes through 15 September 2019; over (b) the outstanding principal amount of the 2019 Notes.

In addition, at any time prior to 15 September 2019, Nyrstar Netherlands (Holdings) B.V. may redeem up to 35% of the aggregate principal amount of the 2019 Notes at a redemption price equal to 108.5% of the principal amount of the 2019 Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, with the net cash proceeds of one or more equity offerings; provided that: (a) at least 65% of the aggregate principal amount of the 2019 Notes originally issued under the 2019 Notes Indenture remain outstanding immediately after the occurrence of such redemption; and (b) the redemption occurs within 120 days of the date of the closing of such equity offering.

Convertible bonds

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 current conversion price is € 3.71 per Share. The bonds were placed through an accelerated book-built placement with institutional investors outside the United States in accordance with Regulation S under the Securities Act only. 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 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**"). The 2016 Bonds pay a fixed interest rate of 5.375% payable annually in arrears. The 2016 Bonds have the benefit of a negative pledge and, among other events of default, a cross default provision. € 415 million of the 2016 Bonds remained outstanding as of 31 December 2015. 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 use the net proceeds from the Offering to refinance the 2016 Bonds. See "*Use of Proceeds*".

Port Pirie Redevelopment funding

Financing sources for the ongoing Port Pirie Redevelopment consist of (i) a direct contribution from Nyrstar of approximately AUD 151 million; (ii) the forward sale of a portion of the silver output from the redeveloped Port Pirie facility for an upfront payment of approximately AUD 120 million closed in October 2014 as discussed above under "*—Forward Purchase Agreement of Silver*"; and (iii) an AUD 291 million structured investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC). The structured investment consists of perpetual securities issued by an orphan special purpose vehicle, which raises funds to subscribe for the perpetual securities under a credit facility with EFIC (for 50%) and Westpac (for 50%, benefiting from a guarantee from EFIC), while EFIC's risk is supported by a back-to-back indemnity from the State of South Australia. Accordingly, the special purpose vehicle is rated AAA, which is reflected in the cost of financing. The terms of the perpetual securities 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. 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 have received IFRS equity-accounting treatment in the Company's accounts. The first draw-downs took place on 27 November 2015, 30 December 2015 and 29 January 2015, with approximately AUD 49.55 million outstanding as of 31 January 2016. The coupon on these notes is variable and linked to the six-month bank bill swap rate. Further tranches were and will be issued in 2016 through and shortly following commissioning to match actual monthly spending of the last of the AUD 291 million of expenses. The total legal and advisory expenses associated with this structured investment amounted to approximately AUD 4 million. See "*Business—Metals Processing—Port Pirie multi-metal smelter—Port Pirie Redevelopment project—Funding and support package*".

Hobart smelter funding

Nyrstar is investing in four important growth projects at the Hobart smelter. Two of these projects, which were commissioned in H2 2015, will significantly increase the smelter's capacity to treat more complex concentrates following the Century mine ceasing to supply concentrates at the end of 2015. The two remaining projects relate to the upgrade of materials handling equipment and the addition of a side-leach plant that will enable the smelter to treat zinc oxide from Port Pirie, splitting base metals (zinc and lead) from minor metals (indium and germanium), enhancing the site's operational link with Port Pirie and the broader global Metals Processing network. These two remaining projects are due for commissioning towards the end of 2017.

In July 2015, Nyrstar, its subsidiaries Nyrstar Australia Pty Ltd, Nyrstar Hobart Pty Ltd, Nyrstar Metals Pty Ltd, Nyrstar Port Pirie Pty Ltd, EFIC and the Tasmanian Government signed binding agreements to support certain investments at the Hobart smelter. The structured funding is modelled on the Port Pirie Redevelopment funding described immediately above and relates to the two remaining projects (the upgrade of materials handling, transporting and processing equipment and the addition of a side-leach plant). Nyrstar Hobart will issue approximately AUD 29 million worth of perpetual securities to an orphan special purpose vehicle, created solely for the financing of the projects. The special purpose vehicle will be funded by a loan from the EFIC with EFIC's exposure to the special purpose vehicle being fully guaranteed and indemnified by the Tasmanian State Government. Nyrstar will directly fund the balance of the project costs. At the time of signing the agreements, the estimated project costs totalled AUD 52 million, with the final capital cost to be known when development stage studies are completed for the latter two projects.

Nyrstar Hobart Pty Ltd and the Tasmanian Government have also signed a grant deed under which the Government will contribute towards Nyrstar Hobart's committed groundwater remediation and interception programme, capped at AUD 5 million. Reimbursement is expected to commence in 2016 and end in 2019, when the remediation and inception programme is expected to be completed.

Revolving Structured Commodity Trade Finance Facility

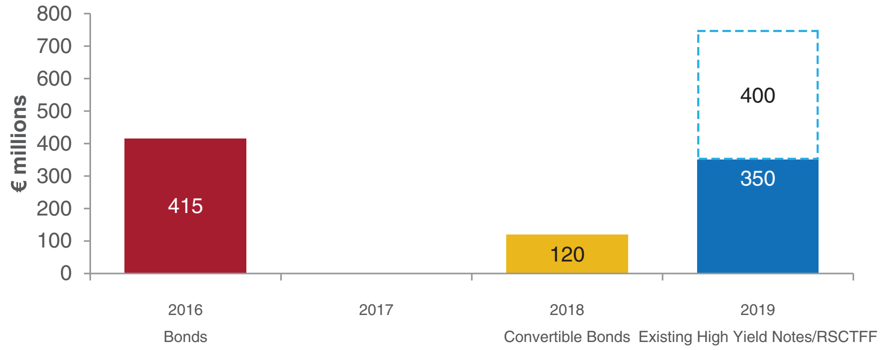
In January 2010, Nyrstar entered into a secured four-year multi-currency Revolving Structured Commodity Trade Finance Facility for an initial amount of € 250 million, subsequently upsized during syndication to € 400 million. Prior to entering into this facility, Nyrstar cancelled its pre-existing syndicated 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 and June 2015, Nyrstar successfully refinanced its multi-currency Revolving Structured Commodity Trade Finance Facility by way of amendment. The current € 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 June 2019 (with a 12 month run-off period during the final year). As with the previous facilities, the amount that Nyrstar may draw-down under the Revolving Structured Commodity Trade Finance Facility is determined by reference to the value of Nyrstar's inventories and receivables (the borrowing base) and accordingly adjusts as commodity prices change. The Revolving Structured Commodity Trade Finance Facility has a margin of 2.25% above the applicable base rate, i.e. LIBOR or EURIBOR. The Revolving Structured Commodity Trade Finance Facility was undrawn at 31 December 2013, 2014 and 2015, but was partially drawn at various times during each period.

In addition to standard representations, warranties and undertakings, including restrictions on mergers and disposal of assets, the facility provides for financial covenants which are linked to total consolidated tangible net worth and net debt to equity, which have been met at each half yearly testing date since the entry into the facility. The borrower under the facility is Nyrstar Sales & Marketing AG. The obligations of the borrower under the facility are guaranteed by Nyrstar NV. The participating banks in the facility are Deutsche Bank AG, Amsterdam branch as Coordinating Mandated Lead Arranger, facility agent and security agent, Deutsche Bank Trust Company Americas as New York account bank, Westpac Banking Corporation as Australian account bank, Deutsche Bank AG, Brussels branch as Belgian account bank and ABN AMRO Bank N.V., Bank of Montreal, London branch, BNP Paribas Fortis NV, Credit Suisse AG, Deutsche Bank AG, Amsterdam Branch, Goldman Sachs Bank USA, HSBC Trinkaus & Burkhardt AG, JPMorgan Chase Bank N.A., London Branch, KBC Bank NV, Scotiabank Europe plc, Société Générale, The Royal Bank of Scotland plc Belgium Branch, Westpac Banking Corporation and Zürcher Kantonalbank as syndicate lenders.

The Revolving Structured Commodity Trade Finance Facility 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 Revolving Structured Commodity Trade Finance Facility, as of 31 December 2015 (without adjustment for the potential effects of this Offering or the use of proceeds thereof):



Other facilities

Nyrstar NV, 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 is available until 31 July 2016 (having been extended annually), replacing a prior facility that was available until 31 July 2015. Of this € 100 million, € 50 million is available for cash advances, short-term loans, and documentary credit import credits. The remaining € 50 million is available for guarantees or documentary credit import. As of 31 December 2015, approximately € 48 million was outstanding under this facility.

Nyrstar Belgium NV entered into a committed € 16 million bilateral credit facility agreement with KBC Bank NV for the financing of the water treatment plant on its premises in Balen. The facility is guaranteed by Nyrstar NV and is to be repaid through regular payments from mid-2016 until mid-2023. The facility provides for restrictive covenants, including a debt service coverage ratio which will apply as of the financial year 2016, when the first repayments are to be made. As of 31 December 2015, approximately € 13 million was outstanding under this facility.

Nyrstar NV and various Nyrstar group members (including, among others, Nyrstar Finance International AG, Nyrstar Sales & Marketing AG, Nyrstar Belgium NV, Breakwater Resources, Nyrstar Budel B.V. 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 ABN AMRO, BBVA, BNP Paribas Fortis, ING Belgium, The Bank Nova Scotia, The Royal Bank of Scotland, Credit Suisse AG, Westpac and HSBC Trinkaus & Burkhardt AG in an aggregate amount of € 317 million as of 31 December 2015. As of 31 December 2015, letters of credit, guarantees and standby letters of credit in an amount of € 258 million were outstanding under these facilities. Similarly, Nyrstar France has entered into a surety bond facility (*contrat de caution*) with Zurich Insurance for an amount of up to € 20 million. Nyrstar Finance International AG has certain bank overdraft facilities (some of which are guaranteed by Nyrstar NV) with The Royal Bank of Scotland, The Bank of Nova Scotia and Westpac in an aggregate amount of € 5 million as of 31 December 2015, none of which were drawn as of such date. Nyrstar Finance International AG has also entered into a zero-balancing cash pooling arrangement with Deutsche Bank and for these purposes has entered into a € 5 million overdraft facility with Deutsche Bank.

See also "*Business—Material Contracts*".

Working capital statement

On the date of this Prospectus, the Company is of the opinion that, taking into account its available cash and cash equivalents (including undrawn committed facilities) but not taking into account the net proceeds from the Offering nor the completion of the announced divestment of some or all of its Mining assets nor any additional measures that the Company might take to be able to meet its working capital requirements (as discussed below), it does not have sufficient working capital to meet its present requirements and cover its working capital needs for a period of at least 12 months from the date of this Prospectus. However, the Company is of the opinion that the proceeds of the Offering, together with its available cash and cash equivalents (including undrawn committed facilities), will, when the Offering is completed, provide the Company with sufficient working capital to meet its present requirements and cover its working capital needs for a period of at least 12 months from the date of this Prospectus.

The Company has a significant amount of outstanding debt, including the 2016 Bonds maturing in May 2016. Furthermore, the current challenging macro-economic conditions in the relevant commodities markets and negative cash flows in Nyrstar's Mining segment have lead and are continuing to lead to losses and cash depletion. In addition, the Company's business requires substantial amounts of sustaining capital expenditure. This has required and will require a substantial use of Nyrstar's working capital.

To date, the Company has been able to fund its operations, capital expenditure and acquisitions through cash generated from its internal operations, equity capital markets (including the rights offerings in 2011 and 2014), debt capital markets, and debt and other working capital financing, which includes prepay agreements.

The Company has taken and intends to take specific measures to conserve liquidity. It is planning to divest some or all of its mining assets and has taken and may take further measures to limit cash outflow in the interim (see "*Business—Mining—Recent and Prior Strategic Reviews of Mining Assets and Operations Review*"). Furthermore, the nature of many of the Company's proposed investments is such that the timing of project development and implementation is highly flexible (see "*Business—Metals Processing—Smelting strategic review and Metals Processing Growth Pipeline Projects*"). If the Company did not complete the Offering, divest some or all of its Mining assets, or raise additional debt as part of the contemplated balance sheet strengthening measures, it is possible that it would run out of working capital during Q4 2016, using December 2015 consensus exchange rates and commodities prices for 2016. However, in such a scenario, the Company would seek to implement additional measures (such as changing its current business plans and strategy or changing currently scheduled investment programs or introducing further cost cutting programs) and believes that by doing so it would be able to meet its working capital requirements during the next 12 months from the date of this Prospectus.

Cash flow data

Cash flow for the years ended 31 December 2015, 2014 and 2013

	Year ended 31 December		
(€ million)	**2015**	**2014**	**2013**
Loss for the year	(431.9)	(286.6)	(195.4)
Adjustment for:			
Depreciation, amortisation and depletion	251.3	257.4	220.1
Income tax (benefit) / expense	(244.8)	(57.2)	11.1
Net finance expense	115.3	107.6	99.2
Share of loss/(profit) in equity accounted investees	0.1	0.4	(0.8)
Impairment loss (net)	564.0	255.1	20.1
Equity settled share based payment transactions	4.7	4.8	5.3
Other non-monetary terms	(20.7)	(36.7)	(33.1)
Gain on disposal of equity accounted investees	—	(1.0)	—
Gain on sale of property, plant and equipment	(2.6)	(0.8)	(2.1)
Cash flow from operating activities before working capital charges	**235.4**	**243.0**	**124.4**
Change in inventories	180.8	(42.5)	198.5
Change in trade and other receivables	3.6	(7.6)	38.5
Changes in prepayments and deferred expenses	(0.2)	4.2	(5.5)
Change in deferred income	(275.2)	164.7	88.8
Change in trade and other payables	(55.8)	62.7	(151.6)
Change in other assets and liabilities	(50.0)	(80.6)	65.6
Change in provisions and employee benefits	(32.0)	2.2	(28.5)
Income tax paid	(13.3)	(35.0)	(31.3)
Cash flow (used in) / from operating activities	**(6.7)**	**311.1**	**298.9**
Acquisition of property, plant and equipment	(400.9)	(272.6)	(192.2)
Acquisition of intangible assets	(0.5)	(2.9)	(1.1)

(€ million)	Year ended 31 December 2015	2014	2013
Proceeds from sale of property, plant and equipment	4.2	4.0	3.6
Proceeds from sale of intangible assets	2.4	1.3	0.1
Proceeds from sale of equity accounted investees	—	3.3	—
Acquisition of subsidiary, net of cash acquired	—	—	(2.8)
Acquisition of investment in equity securities	—	—	(0.2)
Distribution from equity accounted investees	—	—	0.5
Interest received	1.2	2.0	1.0
Cash flow used in investing activities	**(393.6)**	**(264.9)**	**(191.1)**
Capital increase	—	243.0	—
Issue of perpetual securities	21.8	—	—
Sale of own shares	—	12.6	11.7
Proceeds from borrowings	15.4	340.1	122.1
Repayment of borrowings	(81.3)	(371.2)	(17.1)
Proceeds from zinc prepayment	132.0	—	—
Interest paid	(101.4)	(101.8)	(84.0)
Distribution to shareholders	—	—	(24.0)
Cash flow from / (used in) financing activities	**(13.5)**	**122.7**	**8.7**
Net increase / (decrease) in cash held	**(413.8)**	**168.9**	**116.5**
Cash at the beginning of the reporting period	498.5	292.3	188.1
Exchange fluctuations	31.5	37.3	(12.2)
Cash at the end of the reporting period	116.2	498.5	292.3

Year ended 31 December 2015

As of 31 December 2015, cash and cash equivalents were € 116.2 million, a decrease of 76.7% from € 499 million as of 31 December 2014. The change in cash and cash equivalents position in 2015 was driven by the following elements: inflow of € 256 million from the Underlying EBITDA result for 2015; outflow of € 401 million in capital expenditure (comprising of € 177 million on sustaining capital expenditure and € 224 million on growth capital expenditure less an offsetting inflow of € 22 million from issuance of perpetual instruments directly linked to the funding of the Port Pirie Transformation, resulting in a net growth capital expenditure spend of € 202 million) (with each of the foregoing capital expenditure amounts on a cash basis rather than an accrual basis); and outflow of € 115 million in interest and tax payments; outflow of € 73 million for settlement of the 2015 Bonds; outflow of € 100 million from amortisation of silver prepays, which were not renewed at the end of 2015; inflow of € 135 million proceeds from zinc prepayment; and net outflow of € 107 million on changes in net working capital including inventories, payables, receivables and current deferred income, and foreign exchange effects and other cash.

Cash flow from operating activities before working capital changes of € 235.4 million in 2015 was down 3% compared to € 243.0 million in 2014 and cash out-flow from changes in working capital and other balance sheet movements in 2015 of € (242.1) million was down 455.5% compared to an in-flow of € 68 million in 2014, resulting in total cash out-flow from operating activities for 2015 of € (6.7) million compared to € 311.1 million in-flow for 2014. The increase in net working capital levels was driven by a reduction in current deferred income year-on-year following amortisation of silver prepays, which were not renewed at the end of 2015. The impact of lower commodity prices on working capital levels was largely offset by the strength of the U.S. dollar against the Euro.

Cash outflows from investing activities for 2015 of € 393.6 million were driven primarily by capital expenditures on development and growth projects as well as on sustaining projects. Cash outflows from financing activities in 2015 amounted to € 13.5 million and primarily related to interest paid on Nyrstar's borrowings and repayment of borrowings partially offset by proceeds from 2015 Prepay Financing. As of 31 December 2015, the full amount of Nyrstar's € 400 million Structured Commodity Trade Finance Facility was undrawn (also fully undrawn as of 31 December 2014). Committed undrawn liquidity headroom and cash on hand was € 473 million at the end of 2015.

Net debt at 31 December 2015 was € 761 million, an increase of € 323 million from 31 December 2014, with a gearing level of 54%, or 58% as of 31 December 2015 if including the 2015 Prepay Financing.

Year ended 31 December 2014

As of 31 December 2014, cash and cash equivalents were € 499 million, an increase of € 206 million from 31 December 2013.

In 2014, cash flows from operating activities generated an inflow of € 311 million, which comprised a € 243 million cash inflow from operating activities before working capital changes. Cash flow from operating activities increased by € 12 million compared with 2013 mainly due to the higher cash flow generated from operating activities before working capital changes offset by lower cash flow changes in working capital and other balance sheet movements. Net working capital changes in 2014 generated positive cash flows of € 68 million, primarily by cash inflow from changes in deferred income of € 165 million due to additional silver prepay agreements of approximately US$ 125 million, change in trade and other payables of € 63 million due to the depreciation of the Euro against the U.S. Dollar largely offset by change in inventories of € (43) million due to the inverse effect of the depreciation of the Euro against the U.S. Dollar and change in other assets and liabilities of € (81) million driven by the settlement of Campo Morado silver stream which cancelled the delivery of approximately US$ 80 million on Nyrstar's balance sheet.

Cash outflows from investing activities in 2014 of € 265 million mainly relate to capital expenditure for the Transformation.

Following the receipt of net proceeds of € 343.1 million and € 251.6 million, respectively, from the 2019 Notes offering and the 2014 rights offering offset by a € 371 million repayment of indebtedness, cash inflows from financing activities in 2014 amounted to € 123 million, compared to an inflow of € 9 million in 2013. As of 31 December 2014, the full amount of Nyrstar's Revolving Structured Trade Finance Facility was undrawn.

Net debt at 31 December 2014 was € 438 million, a decrease of € 232 million from 31 December 2013 with a gearing level of 31.5%.

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 € 174 million, primarily by cash inflow from changes in inventories of € 199 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 was undrawn.

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

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 guidance for 2016:

(€ millions)	
Sustaining capital expenditure	95-105
Growth capital expenditure	35-45
Port Pirie Redevelopment	110
Total Metals Processing capital expenditure	**240-260**
Sustaining capital expenditure	20-25
Exploration and development capital expenditure	20-30
Growth capital expenditure	0
Total Mining capital expenditure	**40-55**

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

(€ millions)	Year ended 31 December		
	2015	2014	2013
Metals Processing			
Sustaining and compliance capital expenditure	92	99	76
Growth capital expenditure	54	23	20
Port Pirie Redevelopment	176	59	—
Total Metals Processing capital expenditure	**322**	**180**	**96**
Mining			
Sustaining and compliance capital expenditure	34	45	52
Growth capital expenditure	10	15	3
Exploration and development capital expenditure	48	48	42
Total Mining capital expenditure	**92**	**108**	**97**
Other and eliminations capital expenditure	**5**	**6**	**7**

Year ended 31 December 2015

Capital expenditure was € 419 million in 2015, an increase of 43% from 2014 (€ 294 million).

Total capital expenditure for the Mining segment of € 92 million in 2015 represented a 14.8% decrease from € 108 million in 2014. In 2015, sustaining capital expenditure in the Mining segment was € 34 million, down € 11 million from 2014 as a result of the postponement of non-essential sustaining capital projects across all mining operations, the cancellation of non-committed growth projects, the suspension and deferral of investment work at Myra Falls and transitioning the Campo Morado operations from suspension to care and maintenance in October 2015 and placing the Middle Tennessee Mines on care and maintenance in December 2015. Of the € 58 million spent on exploration, development and growth, € 48 million was spent on exploration and mine development capital expenditure. The remaining € 10 million was spent on growth projects in the Mining segment during 2015, down € 5 million on 2014 and predominately spent at previously committed Campo Morado plant modifications in Q1 2015 and other minor site projects related to energy efficiency improvements.

Capital expenditure in the Metals Processing segment in 2015 of € 322 million represented an increase of 79% from € 180 million in 2014. This comprised approximately € 92 million on sustaining expenditures and € 230 million of growth capital expenditure relating to both Metals Processing Growth Pipeline Projects expenditure (€ 54 million) and Port Pirie Redevelopment project expenditure (€ 176 million).

Year ended 31 December 2014

Capital expenditure was € 294 million in 2014, an increase of 47% from 2013 (€ 199 million).

Total capital expenditure for the Mining segment of € 108 million in 2014 represented a 11% increase from € 97 million in 2013. In 2014, sustaining capital expenditure in the Mining segment was € 45 million, down € 7 million from 2013 as sustaining capital expenditure continues to be tightly managed across all mines. Of the € 63 million spent on exploration, development and growth, € 48 million was spent on exploration and mine development capital expenditure, up 14% over 2013, an increase aligned with Nyrstar's mine plans and as a function of the increase in ore extraction rates. The remaining € 15 million was spent on growth projects in the Mining segment during 2014, up € 12 million on 2013 and predominately spent at Campo Morado mill plant modification.

Capital expenditure in the Metals Processing segment in 2014 of € 180 million represented an increase of 88% from € 96 million in 2013. This comprised approximately € 99 million on sustaining expenditures and € 81 million of growth capital expenditure relating to both Metals Processing Growth Pipeline Projects expenditure (€ 60 million) and Port Pirie Redevelopment project expenditure (€ 21 million).

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.

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 2015:

			Payment due by period				
31 December 2015 (*€ million*)	**Carrying Amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**5 years or more**
Finance lease liabilities	(1.4)	(1.4)	(0.3)	(0.4)	(0.2)	(0.5)	—
Loans and borrowings	(875.9)	(1,067.3)	(467.1)	(19.0)	(37.0)	(541.0)	(3.2)
Trade and other payables	(613.4)	(613.4)	(600.0)	(4.8)	(5.4)	(1.0)	(2.2)
Zinc prepayment	(134.5)	(139.4)	(0.4)	(0.4)	(69.5)	(69.1)	—
Commodity contracts—fair value hedges	(12.0)	(12.0)	(12.0)	—	—	—	—
Foreign exchange contracts—held for trading	(5.3)	(5.3)	(5.3)	—	—	—	—
Foreign exchange contracts—cash flow hedges	(0.1)	(0.1)	(0.1)	—	—	—	—
Total	**(1,642.6)**	**(1,838.9)**	**(1,085.2)**	**(24.6)**	**(112.1)**	**(611.6)**	**(5.4)**

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

Trafigura Commercial Agreements

Please see "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*".

Glencore Offtake

In December 2008, Nyrstar entered into an off-take agreement with members of the Glencore Group (a shareholder of Nyrstar at the time) 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 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 which was set off against the €44.9 million payable. Nyrstar held the acquired shares as treasury stock with a view to placing the shares with suitable investors over time. Such treasury stock has since been cancelled, and, on the date of this Prospectus, Nyrstar has no treasury stock.

Talvivaara Zinc Streaming Agreement

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. In November 2014, Talvivaara announced that it would enter into bankruptcy proceedings. Following an announcement in March 2015 by the Finnish State and Audley Capital Advisors that they would acquire the assets of the operating company from the bankruptcy estate of Talvivaara Sotkamo Limited, Nyrstar reviewed the prospects of recovering its Zinc Streaming Agreement and fully impaired the value of the Zinc Streaming Agreement as at 31 December 2014, resulting in an impairment charge of € 245.9 million (net of tax € 196.8 million). In August 2015, the Finnish State-owned Terrafame Mining acquired Talvivaara's mining business and assets. In November 2015, Nyrstar assigned all its rights, title, benefits and interest under the Talvivaara Zinc Streaming Agreement to Terrafame for € 3.8 million related to the loan facility up to a maximum amount of € 20.0 million that was made available to Talvivaara in 2014 and recognised a pre-tax impairment reversal of € 3.8 million. See "*Business—Mining—Talvivaara Zinc Streaming Agreement*".

Other

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 Rosebery mine 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 31 December 2015, the capital commitments amounted to € 104 million. The operating lease commitments at 31 December 2015 amounted to € 13.7 million with no significant changes subsequent to 31 December 2015. At 31 December 2015, Nyrstar also had € 96.6 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

On 9 November 2015, Nyrstar Sales & Marketing AG entered into the Trafigura Commercial Agreements, a number of commercial agreements with Trafigura Group Pte. Ltd. consisting of zinc concentrate and lead concentrate purchase agreements, and zinc metal and lead metal sales agreements. See "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*".

In December 2015, Nyrstar Sales & Marketing AG entered into a US$ 150 million refined zinc metal prepay, arranged by Deutsche Bank. Trafigura is the off-taker under this prepay, and provided one-third (US$ 50 million) of the up-front funding. See "*—Liquidity and Capital Resources—Funding Sources—2015 Prepay Financing*".

In June 2014, Nyrstar Sales & Marketing AG, a subsidiary of the Company, provided a loan of € 97,510 to Bob Katsiouleris, then 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)*"). The loan was repaid in full in July 2015.

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 disposed of its stake in Genesis Alloys (Ningbo) Ltd. in October 2014.

Other than these loans and except for ordinary course transactions on arm's length basis, Nyrstar has not undertaken any related party transactions except the compensation paid to its board of directors and management, as set out in note 37 to its audited consolidated financial statements as of and for the years ended 31 December 2015, 2014 and 2013, each 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 on behalf of external parties at 31 December 2015. There were no outstanding guarantees on behalf of external parties at 31 December 2014 or 31 December 2013 other than as follows: in 2012 the Group provided a guarantee of CNY 20 million (€ 2.4 million) in favour of KBC 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).

Nyrstar is actively managing the liquidity risk in order to ensure that at all times it has access to sufficient cash resources at a cost in line with market conditions for companies with a similar credit standing. Liquidity risk is measured by comparing projected net debt levels against total amount of available committed facilities. These forecasts are being produced on a rolling basis and include cash flow forecasts of all operational subsidiaries. Also the average remaining life of the committed funding facilities is monitored, at least on a quarterly basis.

The financial covenants of the existing loan agreements are monitored as appropriate in order to ensure compliance, and Nyrstar remains in compliance.

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 the time of recording a foreign currency exposure on the balance sheet and the time of occurrence of the cash flow in that foreign currency; 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 (e.g., the Revolving Structured Commodity Trade Finance Facility and the KBC facilities). 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 34(f) to the 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 32 to the Financial Statements. In 2015, the board of directors decided to suspend the LESOP, and not to make any new award under such plan in 2015. In 2016, the board of directors decided to terminate the plan, and no longer to make any new awards under such plan in 2016 and thereafter.

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 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 29 to the 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 16 to the 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.

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 31 December 2015, except for those circumstances or events elsewhere stated or referred to in this Prospectus.

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 has been prepared by Wood Mackenzie, using as additional input statistics made available by the Silver Institute in the silver market and by the World Gold Council regarding gold demand. Gold and silver prices have been sourced from the London Bullion Market Association using AM Fix price data and from the Silver Institute, respectively. 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 most 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's 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.

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. 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.

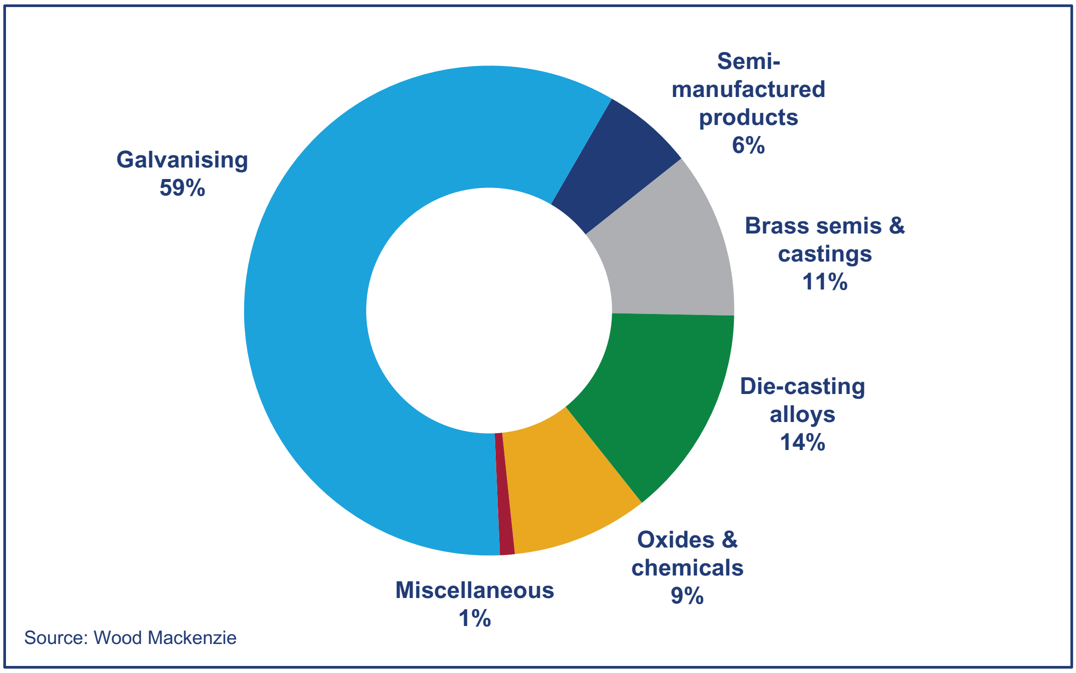
Zinc is also converted into rolled and extruded semi-manufactured products which are in turn used in the production of disposable batteries and architectural cladding products. The metal is also used to make zinc oxides and chemicals, the most important use of which is in the vulcanisation and hardening of rubber which in turn is primarily used in the production of automotive tyres.

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 2014. 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.

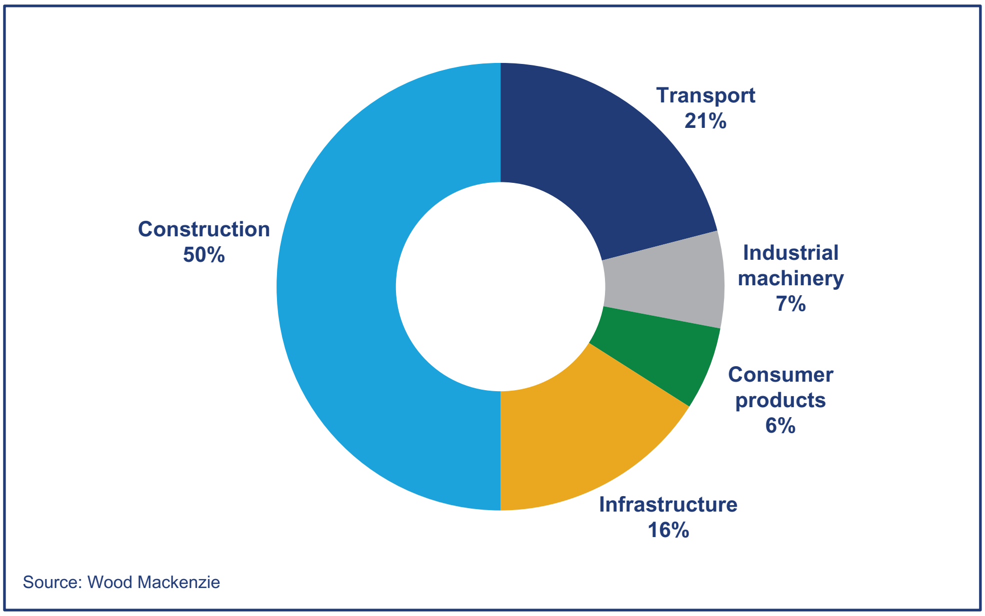
Like many materials, zinc faces the threat of substitution and thrifting. However, historically the substitution of zinc has not been driven by price but rather by the need to reduce weight in the automotive sector, which resulted in the replacement of zinc by aluminium in the production of some die cast parts and galvanised steel body panels. More recently, high zinc prices in this decade 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 0.4 kg in 1990 to 1.1 kg/capita in 2000. By 2010, China's per capita zinc consumption had grown to 3.5 kg to exceed that of the United States and France and in 2014 was 4.8 kg/capita. In the longer term, as the Chinese economy evolves, per capita zinc consumption is forecast to increase towards 6 kg in 2020. This is some 7 kg below the levels seen currently in South Korea's export dominated economy.

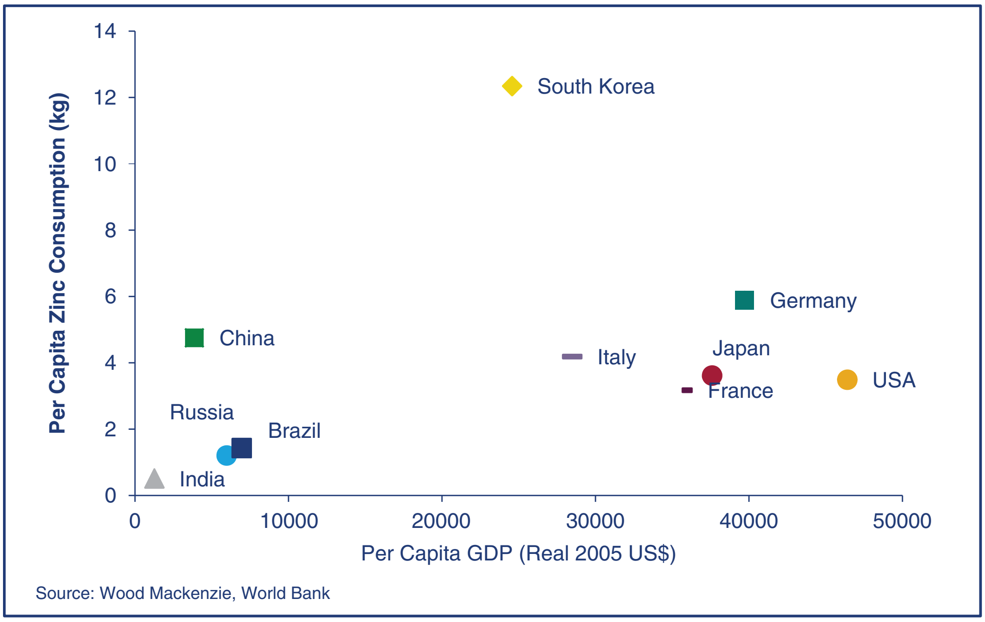
Zinc consumption by first use in 2014



Zinc consumption by end use in 2014



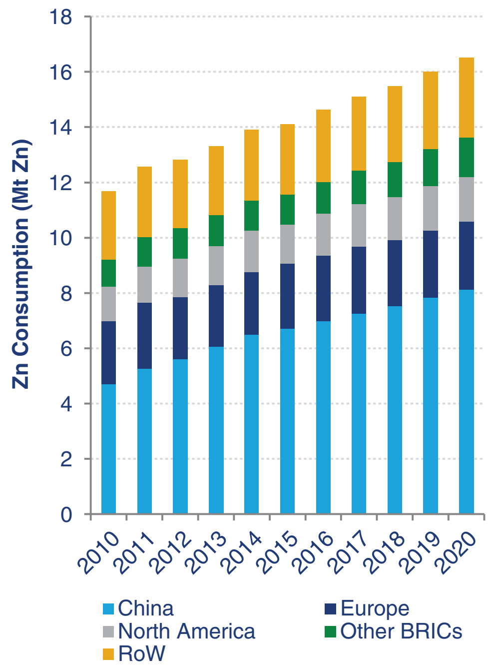
Per capita zinc consumption versus per capita GDP, 2014



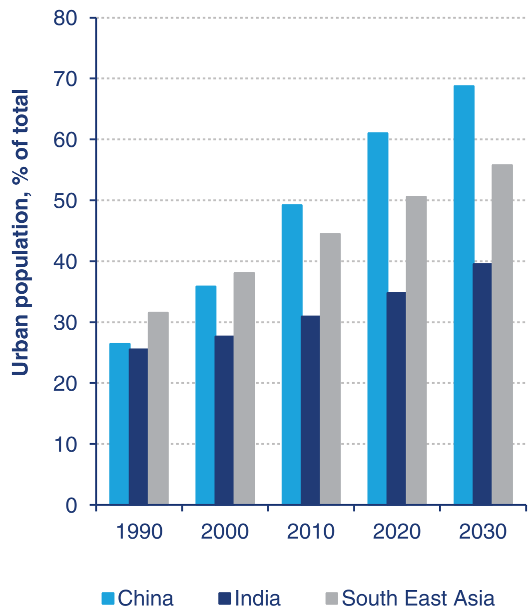
In the wake of the 2009 global economic downturn many governments deployed a range of measures to stimulate economic growth, which resulted in a 15.7% increase in global zinc consumption in 2010. However, as the effects of these stimulus measures decreased, Chinese zinc consumption growth slowed while 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. Economic stabilisation and growth across a number of key markets from 2013 onwards resulted in global zinc consumption growth increasing to 3.8% in 2013 and 4.2% in 2014. Provisional figures indicate 2015 witnessed somewhat slower consumption growth across all major markets, influenced by increasing economic concerns such as decelerating Chinese economic growth.

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 4.0% over the 2015 - 2020 period, according to Wood Mackenzie.

Zinc consumption over the medium term and urbanisation trends in China, India and South East Asia



Source: Wood Mackenzie

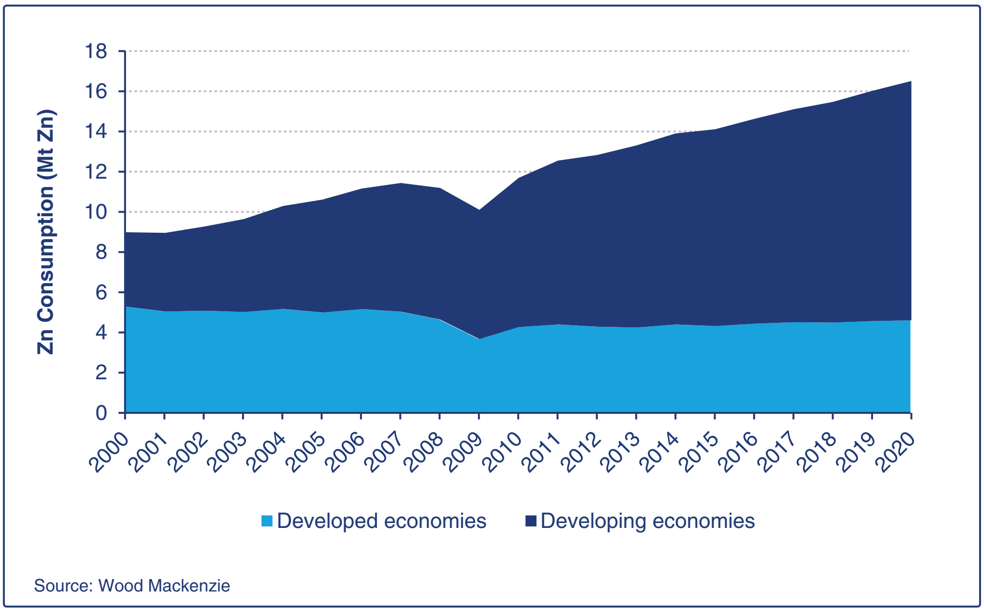


Source: Wood Mackenzie, UN

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 for zinc consumption of 1.3% in the world's developed economies over the 2015 - 2020 period.

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 13.9 Mt in 2014 to 16.5 Mt in 2020, equivalent to an average annual incremental increase of 0.48 Mt/a over the 2015 - 2020 period.

Global zinc consumption (Mt)



Note: Developed economies include Western Europe, USA, Canada, Japan, South Korea and Oceania. Developing economies include Africa, China, Eastern Europe, CIS, Mexico, Latin America, Middle East and Asia (excluding Japan and South Korea).

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.

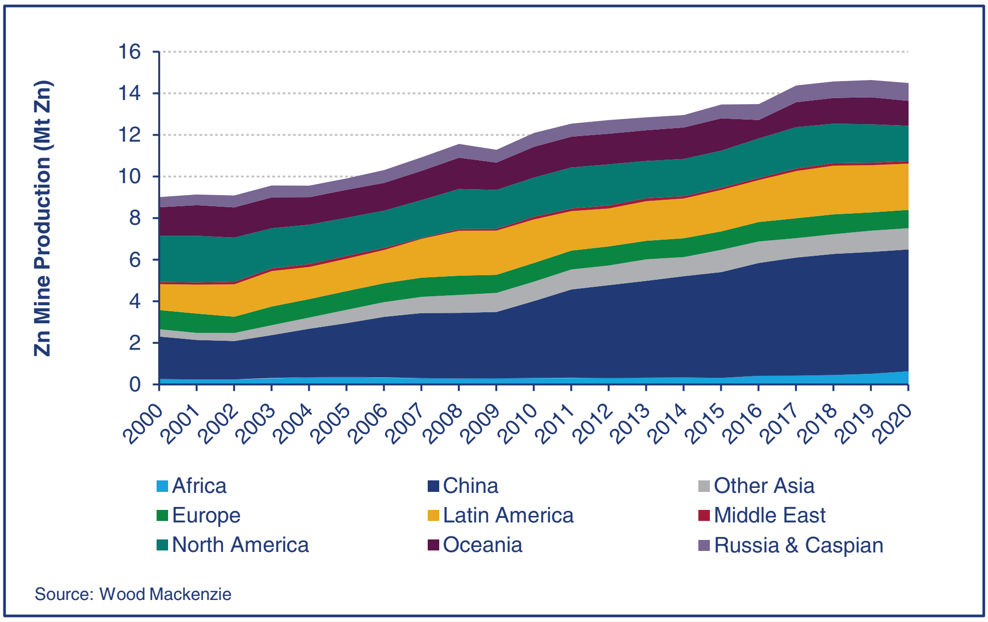
The process of advancing a project through the stages of ore body identification and verification, preliminary economic evaluation, economic ore reserve definition, bankable feasibility study, financing, licensing and permitting, engineering and technical design, procurement and construction, and finally 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 11.3 Mt/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 12.1 Mt/a in 2010. Over the following four years growth was more moderate with global output reaching 13.0 Mt in 2014.

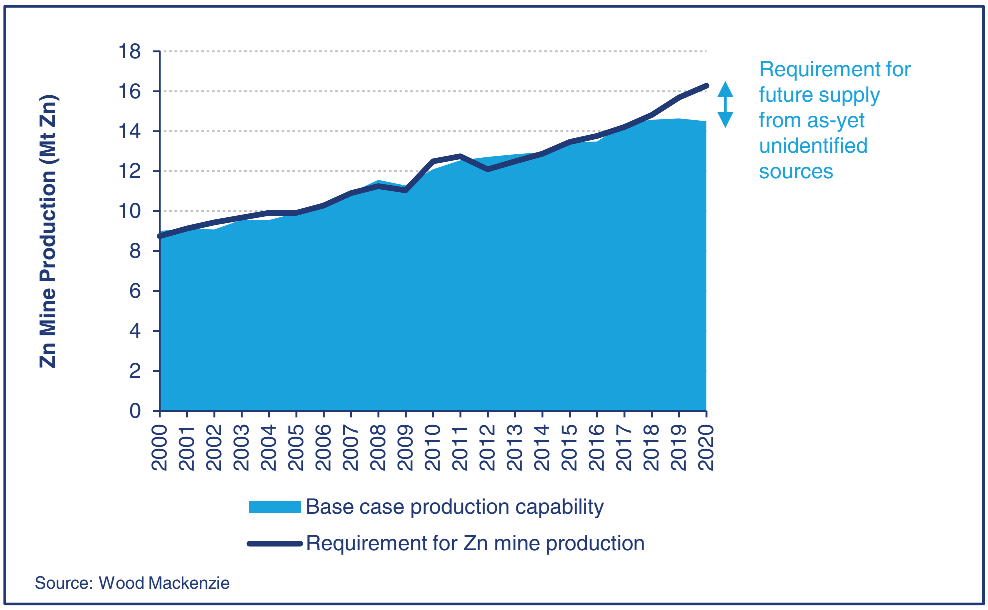
The world's largest producing country in 2014 was China (4.88 Mt/a) followed by Australia (1.52 Mt/a), Peru (1.21 Mt/a), and then the United States (0.79 Mt/a) and India (0.72 Mt/a).

Forecast world mine production capability by region (Mt Zn)



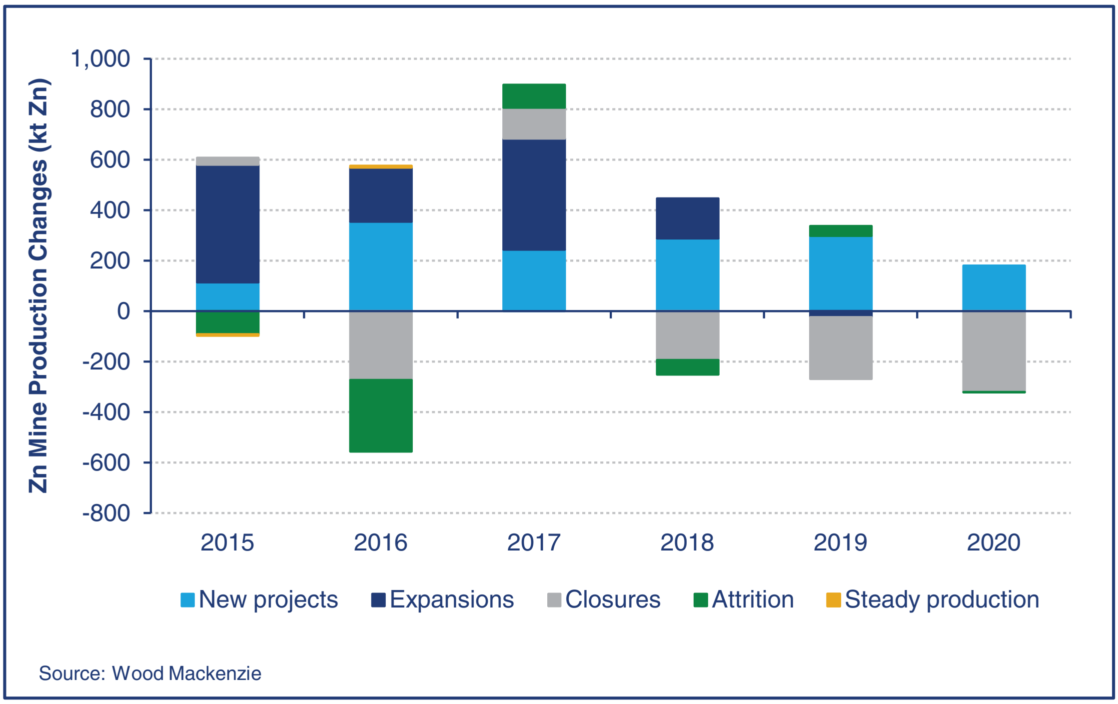
World zinc mine production capability from existing mines and committed projects is projected to increase to 14.6 Mt/a in 2019. Thereafter, incremental output from committed new mines and expansion projects is not enough to offset production losses from the anticipated closure of mines due to reserve depletion.

Forecast world zinc production shortfall (Mt Zn)

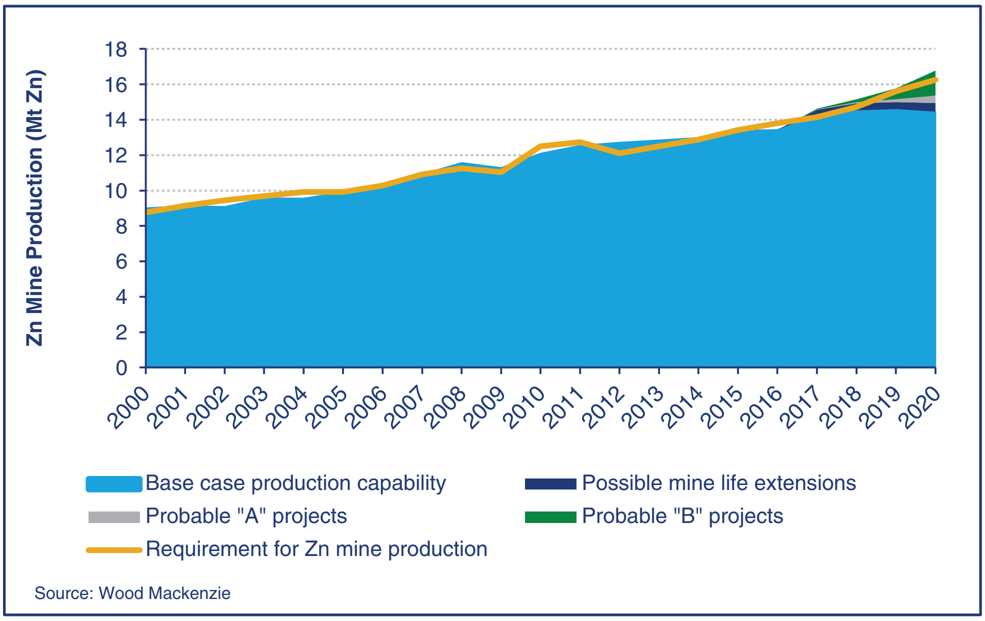


Projected production capability is expected to decline to 14.5 Mt in 2020 and more thereafter. An increasing volume of additional and replacement mine capability will be required to meet anticipated demand. By 2025, Wood Mackenzie expects that this volume will reach 6.2 Mt/a, excluding the impact of any disruptions to production.

Forecast world mine production capability (Mt Zn)

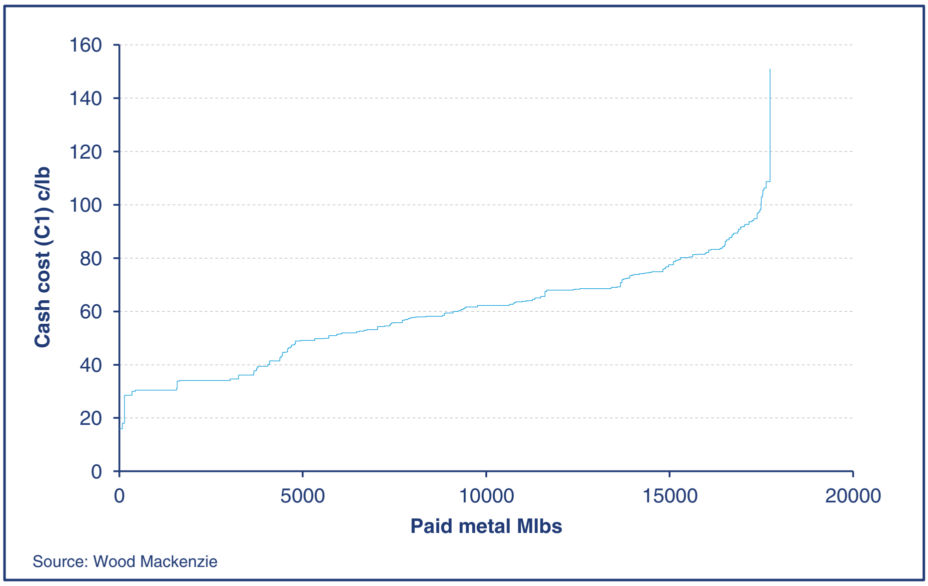


Requirement and sources of future world mine production (kt Zn)

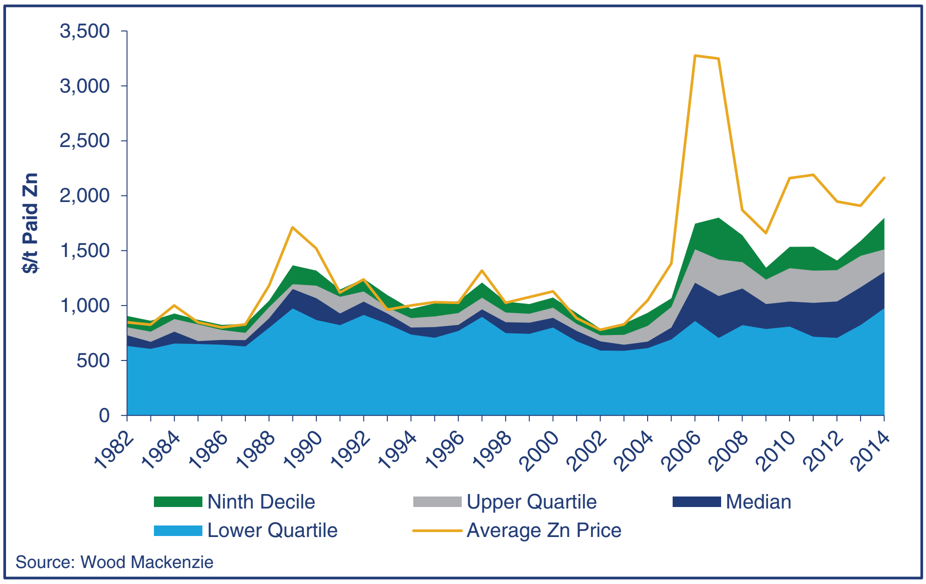


There is a great deal of variation in operating costs across primary zinc mines. To compare the operating costs of mining operations, Wood Mackenzie uses a metric called the C1 cash cost. The C1 cash cost is the costs of mining, milling and concentrating, on-site administration and general expenses, 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 an individual mine is to survive or profit from the zinc price and treatment charge cycle.

2014 direct cash cost (C1) competitive cost curve



C1 cash cost profile and zinc price range



2014 actual zinc mine and mining company ranking by production volume—top ten

	By Mine	kt Zn	%	By Company	kt Zn	%
1.	Rampura-Agucha (Hindustan Zinc)	601	4.6	Glencore	1,284	9.9
2.	Red Dog (Teck)	596	4.5	Hindustan Zinc	716	5.5
3.	Century (MMG)	466	3.5	Teck	664	5.1
4.	Mount Isa Pb/Zn (Glencore)	437	3.3	MMG Limited	587	4.5
5.	McArthur River (Glencore)	224	1.7	Votorantim	301	2.3
6.	San Cristobal (Sumitomo)	213	1.6	Boliden	294	2.3
7.	Antamina (BHP Billiton (33.8%), Glencore (33.8%), Mitsubishi (10%), Teck (22.5%))	210	1.6	Minera Volcan	283	2.2
8.	Penasquito (Goldcorp)	176	1.3	Nyrstar	278	2.1
9.	Cerro Lindo (Milpo (50%), Votorantim (50%)	167	1.3	Sumitomo	217	1.7
10.	Lanping (Chihong Zinc & Germanium (20.1%), Hongda Group (60%), Yunnan Metallurgical Group (20.1%))	150	1.2	Industrias Penoles	214	1.6

Source: Wood Mackenzie.

2015 provisional zinc mine and mining company ranking by production volume—top ten

	By Mine	kt Zn	%	By Company	kt Zn	%
1.	Rampura-Agucha (Hindustan Zinc)	714	5.3	Glencore	1,334	9.9
2.	Red Dog (Teck)	568	4.2	Hindustan Zinc	856	6.4
3.	Mount Isa Pb/Zn (Glencore)	440	3.3	Teck	660	4.9
4.	Century (MMG)	391	2.9	MMG Limited	526	3.9
5.	McArthur River (Glencore)	279	2.1	Votorantim	325	2.4
6.	San Cristobal (Sumitomo)	235	1.7	Boliden	297	2.2
7.	Antamina (BHP Billiton (33.8%), Glencore (33.8%), Mitsubishi (10%), Teck (22.5%))	225	1.7	Minera Volcan	283	2.1
8.	Penasquito (Goldcorp)	215	1.6	Nyrstar	237	1.8
9.	Cerro Lindo (Milpo (50%), Votorantim (50%))	182	1.4	Sumitomo	229	1.7
10.	Tara (Boliden)	136	1.0	Goldcorp	204	1.6

Source: Wood 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. Most of 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 in 2014 provided around 7% of total raw material to the world's zinc smelters (compared with approximately 20% on average across Nyrstar's zinc smelters).

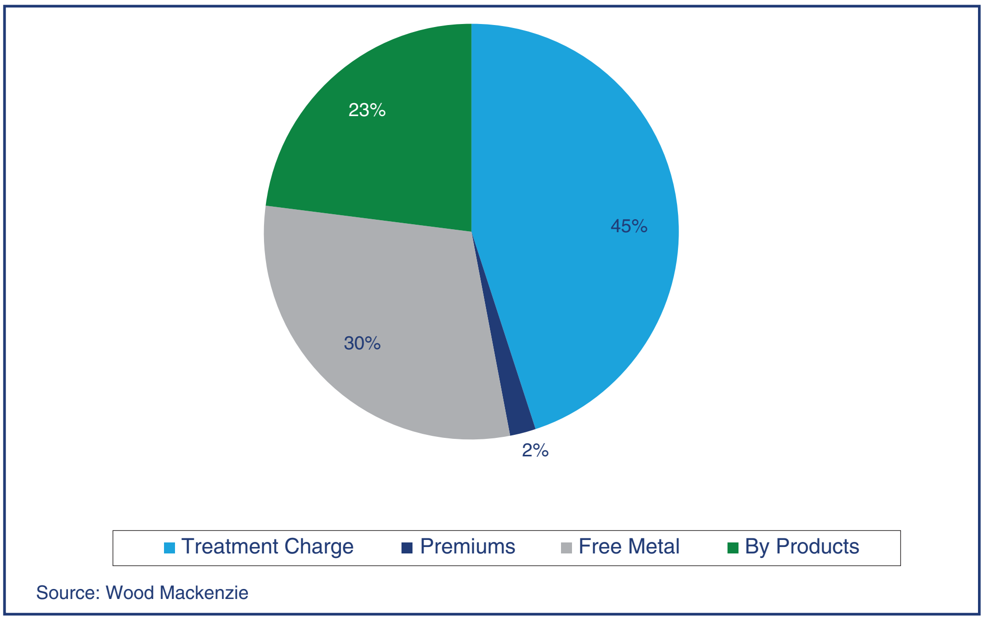
Concentrate and secondary feed material is purchased using a standard commercial contract:

- 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 Prospectus 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.

2014 smelter sources of revenue average %

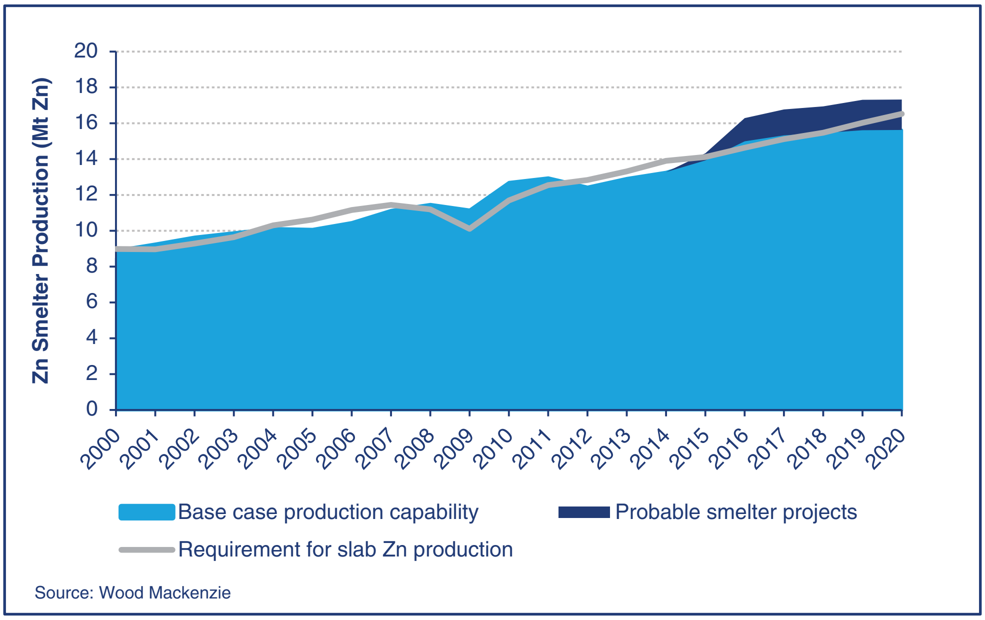


World zinc smelter production was 11.5 Mt/a Zn in 2008. It contracted by 2.7% to 11.2 Mt/a in 2009 when the world was faced with economic recession and a financial crisis that reduced the demand for zinc concentrate and metal. With stabilisation of the financial system and a return to positive economic 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%. In line with improved economic conditions smelter production subsequently increased again, reaching 13.3 Mt in 2014.

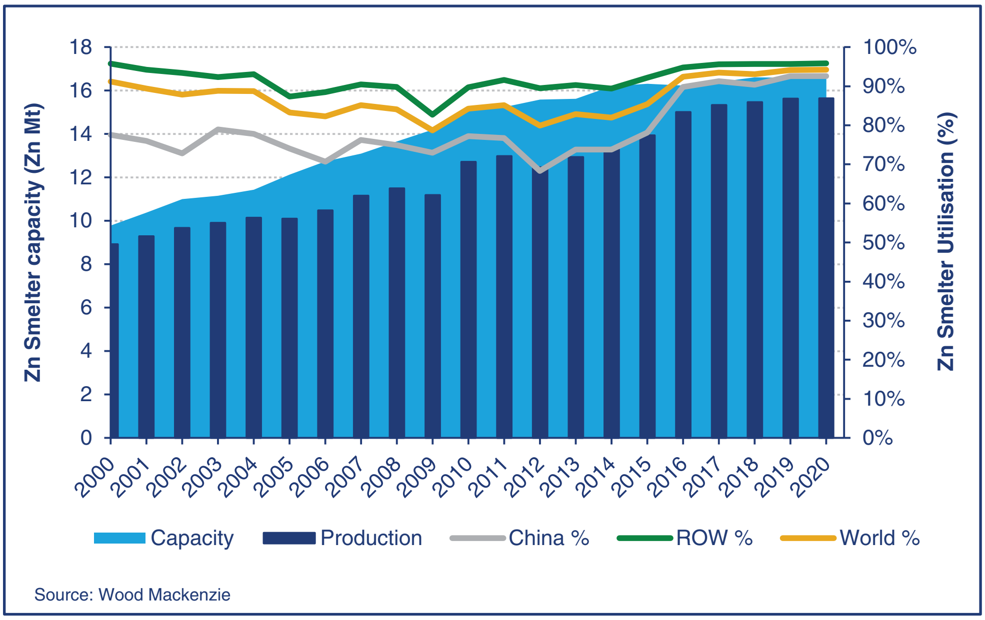
There are thirty countries in the world that produce refined zinc. In 2014, the world's largest producing country was China (5.7 Mt/a) followed by South Korea (0.9 Mt/a), India (0.7 Mt/a), Canada (0.6 Mt/a), Japan (0.6 Mt/a) then Spain and Australia each at around 0.5 Mt/a. The rapid expansion of capacity in China has outstripped both the availability of concentrate and market demand for metal. Consequently, Chinese 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 production levels. World smelter production capability is projected to increase to 15.6 Mt/a in 2020. By 2020, world consumption of zinc is projected to be 16.5 Mt, which would require the commissioning of 1.2 Mt of new capacity.

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, Mt Zn



Zinc smelter capacity, production (Mt Zn) and utilisation



2014 actual zinc smelter and smelting company ranking by production volume - top ten

	By Smelter	kt Zn	%	By Company	kt Zn	%
1	Onsan (Korea Zinc)	548	4.1	Korea Zinc Group	1,119	8.4
2	San Juan de Nieva (Glencore)	499	3.8	Nyrstar	1,097	8.3
3	Zhuzhou (China Minmetals (51%), China State Enterprise (49%))	400	3.0	Glencore	1,022	7.7
4	Sukpo (Korea Zinc)	353	2.7	Hindustan Zinc	699	5.3
5	Chanderiya EL (Hindustan Zinc)	341	2.6	Votorantim	571	4.3
6	Cajamarquilla (Votorantim (99%), Private & Other (1%))	328	2.5	Boliden	468	3.5
7	Mian Xian (Bayi) (Hanzhong Bayi Zinc Ind Co (20%), Shaanxi Nonferrous Metals (80%))	316	2.4	Shaanxi Nonferrous Metals	419	3.2
8	Kokkola (Boliden)	302	2.3	China State Enterprise	289	2.2
9	Budel (Nyrstar)	290	2.2	Teck	277	2.1
10	Trail (Teck)	277	2.1	China Minmetals Corp	276	2.1

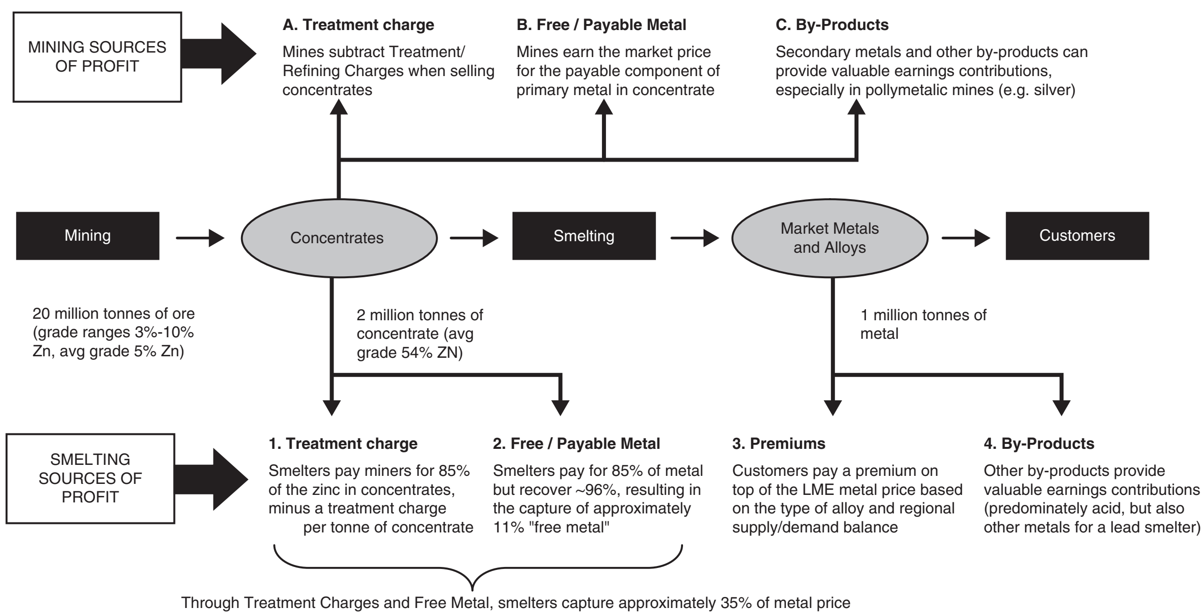
2015 provisional zinc smelter and smelting company ranking by production volume - top ten

	By Smelter	kt Zn	%	By Company	kt Zn	%
1	Onsan (Korea Zinc)	560	4.0	Korea Zinc Group	1,135	8.1
2	San Juan de Nieva (Glencore)	498	3.6	Nyrstar	1,105	7.9
3	Zhuzhou (China Minmetals (51%), China State Enterprise (49%))	420	3.0	Glencore	1,025	7.4
4	Chanderiya EL (Hindustan Zinc)	420	3.0	Hindustan Zinc	813	5.8
5	Sukpo (Korea Zinc)	360	2.6	Votorantim	595	4.3
6	Mian Xian (Bayi) (Hanzhong Bayi Zinc Ind Co (20%), Shaanxi Nonferrous Metals (80%))	340	2.4	Boliden	470	3.4
7	Cajamarquilla (Votorantim (99%), Private & Other (1%))	333	2.4	Shaanxi Nonferrous Metals	422	3.0
8	Kokkola (Boliden)	305	2.2	Teck	303	2.2
9	Trail (Teck)	303	2.2	China Minmetals Corp	286	2.1
10	Budel (Nyrstar)	290	2.1	Huludao Zinc	275	2.0

Economic drivers for zinc miners and smelters

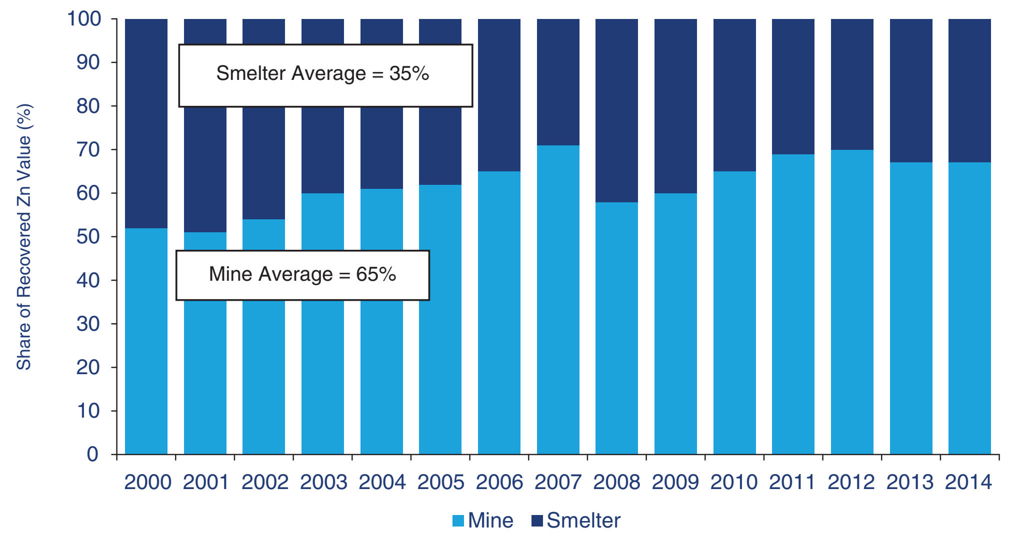
The zinc market consists of two sequential markets, the market for zinc concentrate between mines and smelters and the market for refined zinc between smelters and consumers. The price of metal in the refined market is set by trading on the LME with smelter-specific premium adjustments according to conditions 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 2014, mines received 65% and smelters 35% 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



Source: Wood Mackenzie

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 2014. From 2010 to 2014, the average cash operating margin for mines has been almost 3 times 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 one-third of global zinc concentrate production is currently treated on an integrated basis.

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. 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 2014, for instance, the total net revenue of zinc producing mines globally was estimated to be 36.1% from zinc, 14.2% from lead, 24.1% from copper, 18.0% from silver, 5.8% from gold and 1.8% 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.

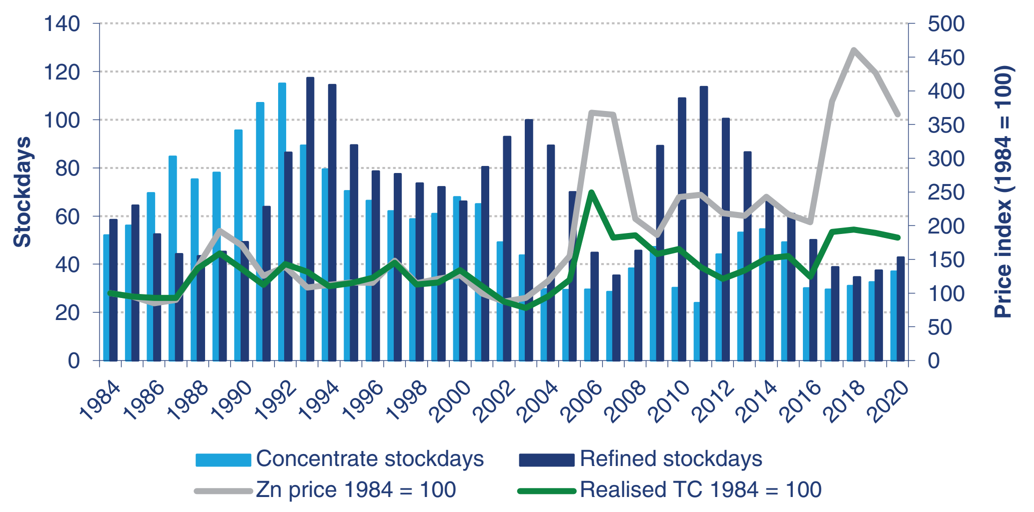
Even so, 2009 recorded a modest concentrate stock increase of 0.25 Mt Zn but a very large refined surplus of 1.07 Mt. The latter took overall implied refined stocks (exchange stocks, reported consumer and producer stocks and estimated, unreported inventory) to 2.47 Mt, equivalent to 89 days of consumption. 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 820 kt and SHFE stocks were 364 kt which together were equivalent to about thirty-four days of zinc demand. Total implied stocks were estimated to be 3.9 Mt, or equivalent to 114 days of demand.

The following three 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 to 2012 but have since declined. The LME price did not immediately respond to the improving fundamentals, averaging US$ 1,946/t in 2012 and US$ 1,910/t in 2013, though during 2014 the price rose once again, averaging US$ 2,162 for the year.

At the end of 2014, LME stocks were 691 kt and SHFE stocks were 84 kt which together were equivalent to about twenty days of zinc demand. Total implied stocks were estimated to be 2.6 Mt, equivalent to 68 days of demand.

Cumulative stock days and price/TC indexes

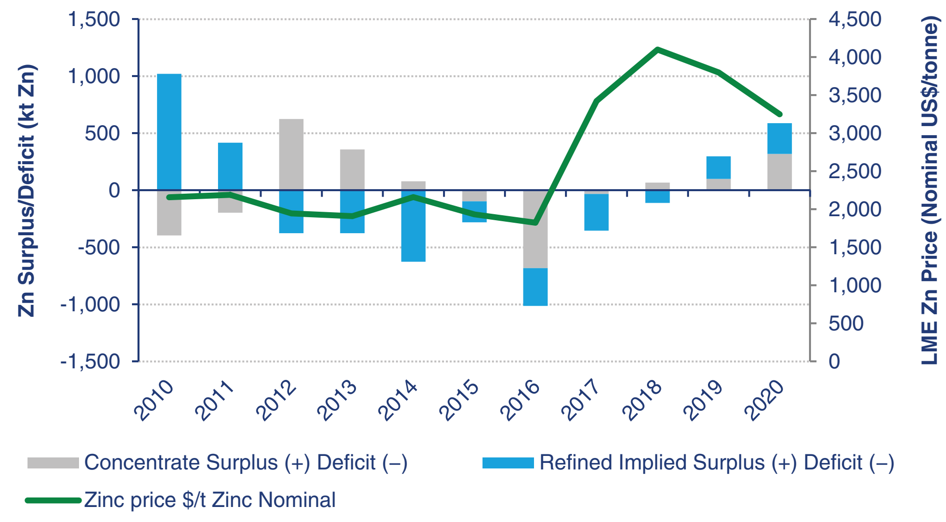


Source: Wood Mackenzie

The zinc concentrate market has been in surplus since 2012 against a background of soft prices and soft demand from smelters. Smelters obtained some benefit from this with the annual contract treatment charge increasing year-on-year in 2013, 2014 and 2015. Wood Mackenzie has forecast the concentrate market moving firmly to deficit in 2016, leading to the drawdown of accumulated stocks and resulting in a further 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 14.4 Mt in 2017. 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 with a dual deficit of concentrate supplies and metal production 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 a decrease in treatment charge relative to the zinc price. Smelter revenues are expected to benefit from increased revenue from the free metal they recover with higher zinc prices and market premium. 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.

LME price and surplus / deficit



Source: Wood Mackenzie

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 (–)	–395	–196	625	358	104	–119	–666	3	109	141	258
Cumulative concentrate stock days	30	24	44	53	54	49	30	29	31	33	37
Refined Implied Surplus (+) Deficit (–)	1,021	417	–375	–376	–626	–178	–347	–402	–136	173	295
Cumulative refined stock days	109	114	100	87	66	61	50	39	35	37	43
Price											
Zinc price $/t Zinc Nominal	2,158	2,190	1,946	1,910	2,162	1,932	1,825	3,425	4,100	3,800	3,250
Zinc price $/t Zinc Real (2015$)	2,348	2,309	2,010	1,944	2,166	1,932	1,795	3,298	3,895	3,540	2,968

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. For the 2000-2014 period the annual average ex-works acid price received by zinc smelters globally averaged US$ 52/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 the 2000-2014 period for all modes of distribution averaged US$ 16/t, with a high of US$ 18/t in 2012 and low of US$ 12/t in 2000 and 2002. Sulphuric acid has thus generated an average net revenue for zinc smelters over the period of US$ 36/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 since 2000 has averaged in the range of 1.3-1.4t of acid for 1t of slab zinc production. On average since 2010, Nyrstar produces approximately 1.4 Mt 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. For the 2005 - 2014 period, zinc mines averaged 13% 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 almost exclusively 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 three main grades of lead are 99.97% minimum, 99.985% minimum, and 99.90% minimum. 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 2014, 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 around 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 25% 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, accounts for around 35% of Chinese lead demand. 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 battery 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 41% in 2010 to 50% by 2020. Lead demand growth in the developing economies is forecast at 4.2% p.a., and at 3.2% p.a. excluding China, over the 2015-2020 period. Lead demand growth in the mature economies is forecast to increase by 0.2% p.a. over the same period. The higher 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 2015 - 2020 period is forecast at 2.9% p.a., from 11.9 Mt to 13.8 Mt.

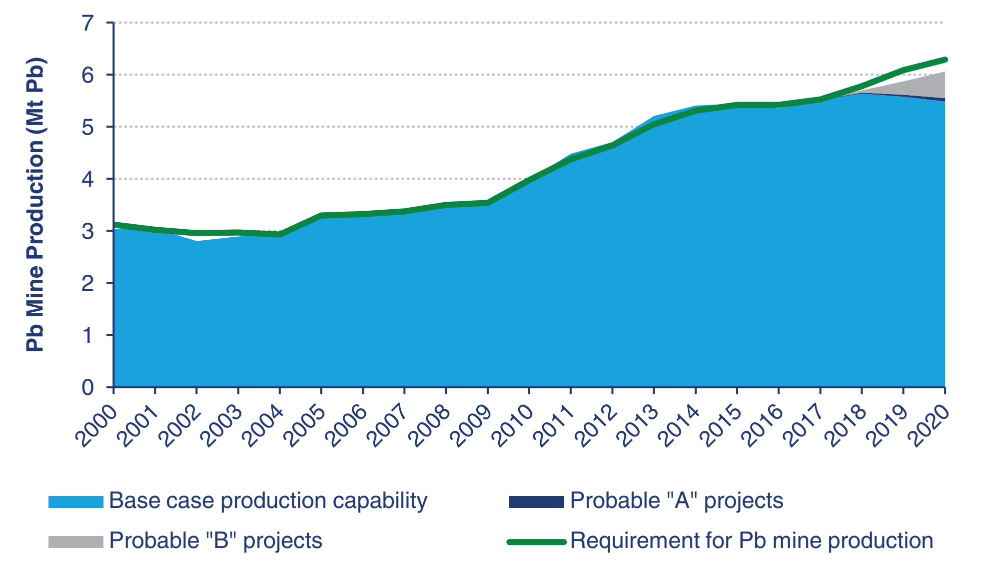
Lead mining

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 5.4 Mt/a Pb in 2014. 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 (3.0 Mt) followed by Australia (0.7 Mt) and the U.S. (0.3 Mt).

Global lead mine capability is currently forecast to a maximum of 5.7 Mt in 2018, before contracting thereafter over 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 0.9 Mt/a in 2020, 2.7 Mt/a by 2025 and 4.4 Mt/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 2.9% p.a. for the 2014 - 2030 period.

Requirement and sources of future global mine production (Mt Pb)



Source: Wood Mackenzie

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 ten-year 2005 - 2014 period secondary feed to primary smelters has averaged 20% of total feed, with the remainder from concentrates. One quarter 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, rotary or 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 11.7Mt in 2014, 2.3% 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 59 countries, with primary lead produced in 24 countries. The largest refined producer is China (5.4Mt in 2014) followed by the United States (1.2Mt) and India (0.8Mt).

Primary refined production capability is projected to increase to 7.1 Mt by 2020 (+3.8% p.a. 2015-2020), driven by growth in China, as a result primary refined production capability is estimated to account for 55% of global refined production capability at that time. Secondary production capability is forecast to grow at 0.9% p.a. to 6.5 Mt by 2020, by which time it will represent 46% of global refined production capability (13.9 Mt).

2014 actual lead smelter and smelting company ranking by production volume - top ten

Rank	Smelter	Production (kt Pb)	World Share (%)	Company	Production (kt Pb)	World Share (%)
1	Onsan	299	5.2	Glencore	386	6.8
2	Jiyuan Jinli	220	3.9	Korea Zinc Group	299	5.2
3	Jiyuan Wanyang	219	3.8	Jiyuan Jinli Lead	220	3.9
4	Yuguang	213	3.7	Jiyuan Wanyang Nonferrous	219	3.8
5	Port Pirie	178	3.1	Yuguang Gold and Lead Co	213	3.7
6	Shuikoushan	155	2.7	Nyrstar	178	3.1
7	Stolberg	150	2.6	Hunan Yuteng Nonferrous	175	3.1
8	Nordenham	139	2.4	Quexco	150	2.6
9	Mount Isa BF	131	2.3	China Minmetals Corp	142	2.5
10	Ust Kamenogorsk	127	2.2	China State Enterprise	136	2.4

2015 forecast lead smelter and smelting company ranking by production volume - top ten

Rank	Smelter	Production (kt Pb)	World Share (%)	Company	Production (kt Pb)	World Share (%)
1	Onsan	277	4.6	Glencore	391	6.5
2	Yuguang	240	4.0	Korea Zinc Group	277	4.6
3	Jiyuan Jinli	220	3.6	Yuguang Gold and Lead Co	240	4.0
4	Jiyuan Wanyang	220	3.6	Jiyuan Jinli Lead	220	3.6
5	Port Pirie	175	2.9	Jiyuan Wanyang Nonferrous	220	3.6
6	Shuikoushan	155	2.6	Hunan Yuteng Nonferrous	175	2.9
7	Stolberg	150	2.5	Nyrstar	175	2.9
8	Mount Isa BF	139	2.3	Quexco	150	2.5
9	Nordenham	126	2.1	Hindustan Zinc	143	2.4
10	Torreon	118	2.0	China Minmetals Corp	130	2.2

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 2014 mines received 71% and smelters 29% 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$ 1,725/t. 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$ 2,397/t for the year, reflecting renewed investor confidence.

Subsequently, the market started to tighten and 2014 saw a refined lead market supply deficit, albeit fairly moderate, for the first time in several years. At the end of 2014 the refined market was in a modest deficit, with total stocks (LME, SHFE and implied) at 47 days of consumption. The lead price averaged US$ 1,748/t in 2015, down by 17% on the average level for 2014 despite the move to market deficit.

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, copper semis are consumed in five broad end use sectors. Of these building and construction is the largest at 30% followed by consumer and general products (28%), electrical network infrastructure (19%), transportation equipment (12%) and industrial machinery and equipment (11%). Copper is used both unalloyed and 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, accounting for 34% of total production in 2010, though provisional data indicates that this position has slipped to 31% in 2015. China is the second largest producer of mined copper and its share of total output has increased slightly from 8% in 2010 to around 9% currently. Peru and the USA account for 8% and 7% respectively of total mine output. Mined copper ores are processed into 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 Chinese 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 provisional figures indicate that its share of global refined consumption reached 46% in 2015. 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 19.2 Mt 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 refined market has subsequently been in surplus as supply growth has outpaced that of demand, resulting in annual average price declines since 2011. The copper price averaged US$ 6,862 in 2014 and has declined to average US$ 5,494 in 2015. The copper market is expected to remain in surplus until 2020, with annual average prices trading progressively lower in the near-term. From 2018 the market will be tighter as the pace of supply growth slows relative to demand, and as the rate of inventory accumulation slows prices are expected to trade higher. The price is expected to reach Wood Mackenzie's forecast long-term incentive level of US$ 7,716/t (US$ 3.50/lb) in constant 2015$ by 2022.

Silver and gold industry overview

Silver

Nyrstar is currently one of the world's leading refined silver producers by volume, having produced approximately 14.6 million troy ounces of refined silver from its Metals Processing segment in addition to 2.7 million troy ounces of silver from its Mining segment in 2015.

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 2014, world silver demand is estimated to have been comprised of demand from electrical and electronics (25%), other industrial fabrication usages (31%), jewellery (20%), physical coin and bar investment (19%), and silverware (6%), with a small offset from ETF and exchange inventory destocking (-1%).

The primary sources of silver supply are mine production and silver scrap. Mine supply constituted 83% of supply in 2014. Mine supply has seen notable growth in recent years, as primary silver operations have entered production. The following countries were the ten largest suppliers of mined silver in 2014: Mexico, Peru, China, Australia, Chile, Bolivia, Russia, Poland, the United States and Argentina. Silver is mainly mined as a by-product to zinc, lead, copper and gold mining. In 2014, 31% 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 16% of silver supply in 2014. 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. There were no net government sales of silver in 2014, though in the past this source has accounted for as much as 8% of annual 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 just over US$ 20 billion in 2014 compared to US$ 179 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 London fix silver price ranged from US$ 15.28 to US$ 22.05 per ounce in 2014, with an average market price of US$ 19.08 per ounce, while in 2015, the silver price ranged from US$ 13.71 to US$ 18.23.

The silver price has been declining since 2011 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. Since 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 77.3 thousand troy ounces of refined gold from its Metals Processing segment and approximately 16.1 thousand troy ounces of gold from its Mining segment in 2015.

Gold is relatively liquid compared to other commodity markets, and significant depth exists in futures and forward gold sales on the various exchanges. The largest source of gold demand is for jewellery, which represented 58% of total gold demand in 2014. Usage in electronics, dentistry and other industrial applications collectively accounted for 8% of 2014 demand, with the remainder taken up by various forms of physical and fund investments (19%) as well as central bank and other institutional demand (14%). More readily accessible and liquid gold investment vehicles (such as ETFs) that have become available in recent years have facilitated entering as well as exiting the investment sector of the gold market. World investment demand in 2014 is estimated to have totalled just over 820 tonnes, with an approximate value of US$ 33 billion. Total investment demand saw a large upward surge in 2008 and further increases thereafter to over 1700 tonnes in 2011 as market prices increased towards record high levels. As prices peaked in 2011-12 this inflow was reversed, notably during 2013 when there was a net outflow of 916 tonnes from ETFs and similar investment vehicles. Fabrication continues to be the largest component of gold demand overall and represented an estimated 67% of total demand in 2014. It is notable that jewellery demand exhibited strongly price-elastic growth of 25% in 2013 amid a relatively low gold price environment. Major centres for gold jewellery demand are China, India and the Middle East. For a number of years up to 2009 the official sector (e.g. governments and central banks), was an active net seller of its 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 591 tonnes in 2014, down by 6% from 2013, which at 626 tonnes was a multi-year high level of official sector purchases. Despite the decrease in official sector purchases, central bank purchasing activity remains at historical highs. From 2010 to 2014, net central bank purchases equalled 2,344 tonnes, a figure equivalent to nine months of current global annual mine production.

The primary sources of gold supply are mine production and gold scrap. Global gold mine production rose 2% year-on-year in 2014 to a new record high of 3,134 tonnes. Production in recent years has benefited from a combination of new mine supply from significant, recently commissioned projects, and efficiency improvements in several established operations. Scrap typically represents 25-20% of total gold supply. World scrap supply is estimated to have fallen slightly in 2014, mainly as a result of declining gold prices.

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 continued to provide some 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. In 2012, the gold price ranged from US$ 1,538 to US$ 1,790 per ounce, with an average market price of US$ 1,669 per ounce. In 2013, the gold price ranged from US$ 1,189 to US$ 1,693 per ounce, with an average market price of US$ 1,411 per ounce. The gold price ranged from US$ 1,145 to US$ 1,379 per ounce in 2014, with an average market price of US$ 1,266 per ounce. In 2015, the gold price traded within a range of US$ 1,051 and US$ 1,298 per ounce to average US$ 1,160.

The gold price has lost support after reaching its 2011 high, initially largely due to the recovery of advanced economies that caused gold and silver to lose their appeal as safe haven investments and more recently as part of an overall decline in commodity prices as concerns rise over the extent of the economic slowdown emerging in China. 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.

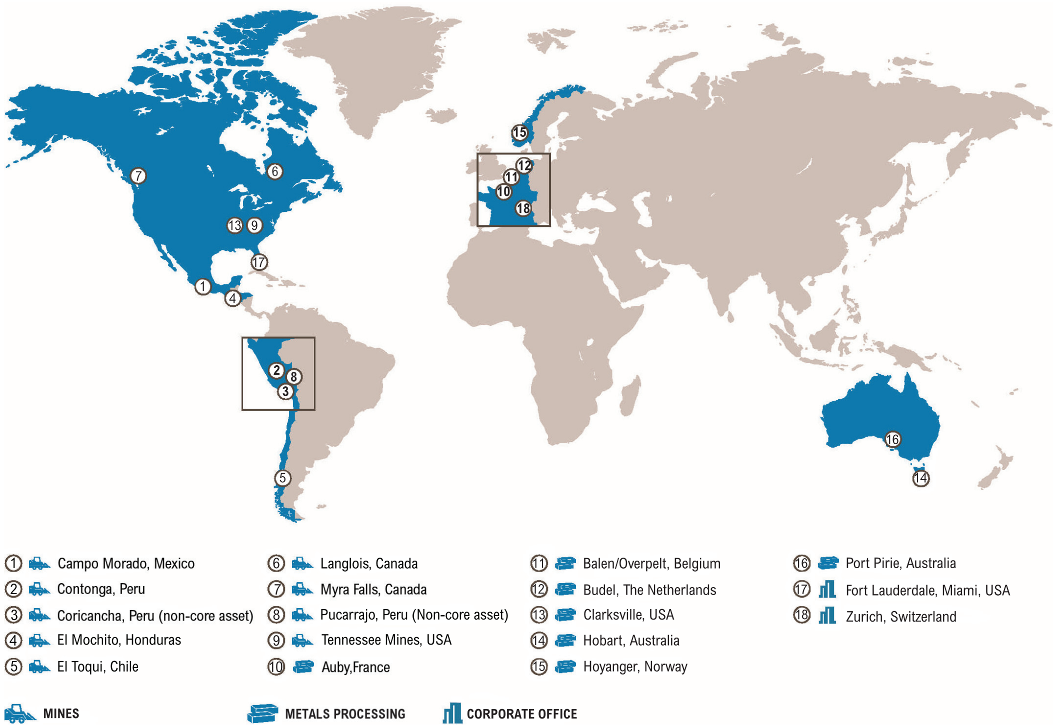
Overview

Nyrstar is a global multi-metals business, with a market leading position in zinc and lead and growing positions in other base and precious metals, such as copper, gold and silver. Nyrstar has six smelters, one fumer and nine mining operations, located in Australia, the Americas and Europe, and employs approximately 5,000 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 metal in 2015, Nyrstar's share of the global zinc market in 2015 was 7.9% (based on provisional 2015 smelted zinc production figures of 13.93 million tonnes) according to Wood Mackenzie, which made Nyrstar the second 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. Port Pirie is in the process of being redeveloped into an advanced metal recovery and refining facility, enabling a fundamentally different operating and business model. This redevelopment would allow Nyrstar to capture and monetise more of the free metal contained in the feed materials and permit increased integration with Nyrstar's existing zinc smelters. For the year ended 31 December 2015, the Metals Processing segment reported Underlying EBITDA of € 336 million.

In 2015 Nyrstar's zinc mining operations were one of the largest in the world (based on 2015 production according to Wood Mackenzie). In addition, Nyrstar has significant positions in copper and lead mining. Nyrstar's mines are currently at various stages of operation, as some are operating at full production capacity and others are temporarily or indefinitely suspended or on care and maintenance. In November 2015, Nyrstar announced the results of its review of strategic alternatives for its mining assets, individually and as a portfolio, which may include additional mine suspensions, asset disposals and a full exit from mining. Nyrstar has retained financial advisors to assist with a process to pursue strategic alternatives. Where appropriate, offtake agreements will be put in place to maintain access to concentrates for Nyrstar's smelters. This initiative is designed both to reduce and ultimately eliminate the short-term cash burden of supporting the Mining segment assets at this time and to allow latent potential in the assets to be realised by acquirers and offer stakeholders a more sustainable future. Pending the envisaged disposals, Nyrstar will consider further suspensions of its mines if the current depressed commodity environment continues. For the year ended 31 December 2015, the Mining segment reported Underlying EBITDA of € (41) million.

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.



For the year ended 31 December 2015, Nyrstar's revenue was € 3,139 million, gross profit was € 1,336 million, and Underlying EBITDA was € 256 million. For the year ended 31 December 2015, Nyrstar's gross profit margin and Underlying EBITDA margin were 43% and 8%, respectively.

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

Leading market position allows Nyrstar to leverage the forecasted strong zinc market fundamentals

According to Wood Mackenzie, in 2015 Nyrstar was the second largest zinc producer globally and among the top eight zinc miners in the world. Since 2010, Nyrstar has delivered stable zinc production of approximately 1.1 million tonnes of zinc metal per year, which represented approximately 7.9% of the global production of zinc in 2015. In the metals and mining industry, scale provides various economic and knowledge benefits to offset the high barriers to entry from the high capital requirements and environmental regulations. Nyrstar's scale and global presence allow it to offer a wide range of products across a variety of regions and applications. Nyrstar's flexibility allows it to shift its production and distribution in response to changes in applicable premiums over time, enabling it to enhance its premiums and to maximise its gross profit margin.

Despite the current pricing environment for zinc, according to Wood Mackenzie, the price for zinc metal is expected to exceed long-term historical averages over the medium term as a result of forecast supply constraints resulting from mine closures and depletions and recovering demand. Nyrstar believes that its strong market position will enable it to leverage off the forecasted strong zinc market fundamentals and capitalize on the expected increases in zinc prices.

Deep market insight, strong R&D and technical knowhow allows Nyrstar to extract maximum value from metal flows

Building on its deep market insight and strong R&D and technical knowhow, Nyrstar pursues superior returns by seeking to extract the maximum value inherent in the mineral resources and by-products it processes and by optimizing the raw material flows into its metal processing network. Nyrstar's focus in its metals processing division is on increasing the value extracted from existing residues and concentrates through treatment charges, but also through selling unpaid zinc metals and other by-products. As a result of Nyrstar's processing and technical capabilities, Nyrstar is able to process complex concentrates that are rich in by-products and to extract maximum value from these metal flows.

The Port Pirie Redevelopment and the ongoing and future upgrading of Nyrstar's zinc smelter network, known as the Metals Processing Growth Pipeline Projects (together, the "**Transformation**"), represent critical steps in Nyrstar's value optimisation approach. As a result of these initiatives, Nyrstar expects to be able to treat significantly increased volumes of zinc residues, as well as more complex zinc and lead concentrates. These initiatives also enable increased integration between the redeveloped Port Pirie operations and Nyrstar's existing zinc smelters. Nyrstar expects to significantly increase its flexibility to process a wider range of concentrates and has a goal to increase the amount of available value in feed it captures in gross profit from approximately 80% to approximately 90%.

Unique Raw Material Sourcing Capabilities allow Nyrstar to optimize the feedbook mix

Nyrstar's processing capability is fed by its highly effective access to global concentrate markets. Nyrstar's external raw material purchases are executed by way of both favourable long-term contracts and spot market purchases, enabling Nyrstar to opportunistically secure mispriced or higher value concentrates identified by its advanced optimisation models. Newly-entered long-term contracts with a key stakeholder will further strengthen Nyrstar's raw material sourcing capabilities leading to a stable, optimal feedbook mix for the smelters and support security of supply.

Diverse product mix provides a partial hedge against volatility and supports premium pricing

The foregoing strengths enable Nyrstar to deliver a diverse product mix, which provides a partial natural hedge against price and earnings volatility. Nyrstar's 2015 gross profit split per metal was 81% zinc, 7% lead, 4% silver, 2% copper, 2% gold and 4% minor metals. The gross profit of zinc is itself derived from a mix of commodity grades (61%) and specialty grades (39%).

Specialty products can be marketed and sold at above industry benchmark prices. In 2015, the average gross premium per tonne to the LME zinc price that Nyrstar obtained on SHG zinc products sold ranged from US$ 55 to US$ 430; the premium per tonne for die cast alloys sold ranged from US$ 180 to US$ 929; and the premium per tonne for specialty alloys sold ranged from US$ 73 to US$ 950.

Nyrstar determines its sales and production mix on a dynamic basis by regularly reviewing the total net premium, or "pocket margin", across products, regions and applications. Nyrstar has developed sophisticated modelling tools which calculate the various pocket margins after taking the relevant market premiums (determined based on industry analysis and market intelligence) and all relevant costs to market. These tools allow Nyrstar to analyse individual aspects of a particular product's revenue and cost to market profile to ensure sales and production mix decisions are capable of maximising the returns for Nyrstar.

Well invested asset base and portfolio rationalisation to support cash flow generation

Subject to favourable macroeconomic conditions Nyrstar is well placed to generate substantial free cash upon finalisation of the Port Pirie Redevelopment, which is expected to commence commissioning by the end of H1 2016 and to ramp up in its revised configuration through H2 2016 and H1 2017.

In addition, the Company has identified significant cash flow savings in the Mining segment and is also in the process of divesting some or all of the Mining assets. In 2015, the Mining segment was cash flow negative, and therefore a sale of the mining assets coupled with any proceeds from the sale will further improve Nyrstar's financial profile. Nyrstar has also identified operating cost savings in the Metals Processing segment and Corporate office which will help the Company achieve its medium-term free cash flow targets.

Through the Offering and other financial initiatives, including a US$ 150 million prepay financing secured in December 2015, Nyrstar's balance sheet has strengthened and will continue to strengthen, thereby enabling the Company to deal with a variety of market conditions as well as providing necessary increased financial flexibility in the current commodity price environment.

Highly experienced, committed and responsive management

Nyrstar is led by a highly experienced management team. Chief Executive Officer Bill Scotting commenced at Nyrstar in August 2015. Prior to Nyrstar, he held the position of Chief Executive Mining at ArcelorMittal and has 30 years of experience in the metals and mining industry in strategic, operations management, technical and consulting roles. He is supported by Chief Financial Officer Chris Eger, Senior Vice President of Metals Processing Michael Morley, Senior Vice President of Mining John Galassini and Senior Vice President Corporate Services Willie Smit.

Strategy

Nyrstar's Management has a strategy aimed at positioning the business for a sustainable future as a leading metals processing business. Through its deep market insight and unique processing capabilities, Nyrstar aims to generate superior returns by extracting the maximum value inherent in the mineral resources and by-products it processes.

Accordingly, Nyrstar has developed a coordinated approach to redeveloping and operating its asset portfolio to optimise the concentrate feed into its smelters, maximise minor and precious metal extraction, and enhance the margins of its end-product mix. To realise its strategy, management has determined five strategic priorities:

Strengthen and Maintain a More Conservative Balance Sheet

Nyrstar management has developed a robust plan designed to strengthen the Company's balance sheet and therefore enable the Company to withstand challenging commodity prices and financing markets while giving it the necessary operational flexibility to deliver shareholder returns. Core elements of this plan include:

- *Cost savings:* Cash consumption is being and will continue to be reduced, in particular in the mining segment. Mining segment growth capital expenditure in 2016 will be reduced to nil, while targeted 2016 operating cost and sustaining capital savings have increased with expected annualised cash flow savings in the Mining segment to be greater than € 60 million compared to 2015 levels. Nyrstar will embed further operating cost and sustaining capital savings throughout the business, including a further annualised reduction in Metals Processing and Corporate operating costs of € 30 million.
- *Liquidity:* This Offering and a variety of existing and new financing initiatives, including the US$ 150 million 2015 Prepay Financing secured in December 2015, are intended to provide necessary financial flexibility to address the current challenging commodity price environment and near-term bond maturities.
- *Conservative investment policy*: The new funding and cost savings will be combined with a conservative investment policy aimed at maintaining sufficient capital buffers, while at the same time executing the Company's strategy to be a leading metals processor leveraging an optimised feedbook mix for its smelters and generating superior returns from the targeted end product mix.

Streamline the asset base with a focus on smelting operations

Following a detailed review of the Company's recent financial performance, medium term capital requirements and current commodity price environment, management has decided to pursue strategic alternatives for its mining assets, individually and as a portfolio, which may include asset disposals and a full exit from mining, further emphasizing Nyrstar's focus on smelting operations considering the unique value proposition the assets have to offer following the Port Pirie Redevelopment. Nyrstar has retained financial advisers, BMO Capital Markets and Lazard, to assist with a process to pursue these strategic alternatives. Where appropriate, offtake agreements will be put in place to maintain Nyrstar's access to concentrates. Nyrstar will consider further suspensions of its mines if the current depressed commodity price environment continues.

Redevelop Port Pirie metal recovery and refining facility to maximise the value from concentrates and residues

Nyrstar is progressing the redevelopment of its Port Pirie refinery into an advanced metals recovery and refining facility, with funding support from the South Australian Government and EFIC, Australia's export credit agency. This redevelopment is expected to commence commissioning in mid-2016 and to ramp up in its revised configuration during H2 2016 and H1 2017. Once ramped-up, the redeveloped Port Pirie is forecast to generate an EBITDA uplift of approximately € 80 million, applying pricing and foreign exchange parameters as of 31 December 2015.

As part of the Port Pirie Redevelopment, Nyrstar is replacing an aging sinter plant with a new oxidation furnace on a revamped, upgraded site, which is expected to provide further flexibility to treat significantly increased volumes of zinc residues and complex lead concentrates and permit increased integration with Nyrstar's existing zinc smelters. A substantial increase in gross profit is targeted via an increase in the contribution from free metal and by-products and a lower dependence on treatment charges.

Selectively invest in existing smelter network to allow the processing of higher margin 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 and technologies deployed. Accordingly, Nyrstar has developed a transformation blueprint aimed at increasing unrealised value in feed materials and increasing the value captured across the network. These projects, some of which have already been implemented while others are being pursued in a more phased manner as and when the market conditions and funding permit, can be categorised under three core headings: (i) de-bottlenecking (or de-constraining) Nyrstar's smelting network, (ii) enhancing fuming capacity and (iii) increasing minor metals production capabilities. See "*Business—Metals Processing*" for a description of the Port Pirie Redevelopment, the smelting strategic review and the Transformation. The ultimate aim is to unlock value through a full-scale transformation of Nyrstar's metals processing business from individually-run smelters to an integrated system. Nyrstar believes that as a result of the Transformation, it will improve the operational efficiency and financial performance of the Metals Processing segment.

Optimise the feed book of raw materials

Capitalising on the increased operational flexibility of its upgraded zinc smelter network and redeveloped metals recovery and refining asset base, Nyrstar intends not only to continue to optimise the current feed book of internally and externally sourced raw materials, but also to enhance its market position by securing a broader mix of long-term feed needs from third-party sources. The commercial agreements with Trafigura, among other arrangements, provide opportunities to secure a better mix of feed materials in the long-term. See "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*". This optimization will support increased flexibility and security of feed supply, enhance the cost of the raw materials supply mix, and allow maximum value to be extracted from raw materials, residues and by-products.

Improve end product mix and integration with key end users

Nyrstar intends to continue to optimise and diversify its end product mix between specialty and commodity grade zinc and other metals. Building on its R&D capabilities and understanding of key customer product needs, Nyrstar aims to continue development of specialty products that will be marketed and sold at above industry benchmark prices.

Nyrstar's business operations

Nyrstar currently has two operating segments, Metals Processing (formerly known as Smelting) and Mining.

The Metals Processing segment comprises the following smelters: Auby (France), Balen (Belgium), Budel (The Netherlands), Clarksville (U.S.), Hobart (Australia) and Port Pirie (Australia), and a fumer at Hoyanger (Norway).

The Mining segment consists of Nyrstar Tennessee Mines (U.S.), the Coricancha, the Contonga and Pucarrajo mines (Peru), Campo Morado (Mexico), Myra Falls and Langlois (Canada), El Mochito (Honduras) and El Toqui (Chile). Coricancha and Myra Falls are currently on care and maintenance, Campo Morado is suspended indefinitely and Pucarrajo has never been in operation. In November 2015, following a review under the direction of its new CEO of strategic alternatives for its mining assets, individually and as a portfolio, Nyrstar announced its intent to dispose of some or all of its mines and to consider additional suspensions pending disposals. Nyrstar has retained financial advisors to assist with the process to pursue strategic alternatives. See "*—Mining Operating Review*" below.

In the years ended 31 December 2015, 2014 and 2013, the Mining segment sales to the Metals Processing segment accounted for approximately 86%, 85% and 82%, 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 direct operating costs*".

	Year ended 31 December		
(€ millions)	**2015**	**2014**	**2013**
Metals Processing Revenue	3,091	2,719	2,691
Mining Revenue	346	546	471
Other & Eliminations	(298)	(465)	(339)
Total Consolidated Revenue	3,139	2,799	2,824
Underlying Metals Processing EBITDA	336	239	149
Underlying Mining EBITDA	(41)	87	78
Underlying Other & Eliminations EBITDA	(38)	(46)	(43)
Total Underlying EBITDA	**256**	**280**	**185**

Metals Processing

Overview

The table below provides an overview of Nyrstar's principal smelting facilities, as of 31 December 2015.

Smelter	Location	Process	Employees (as of 31 December 2015)	Main products	2015 Zinc production ('000 tonnes)(1)
Auby	France	Roast leach electrolysis ("***RLE***") smelting	294	Zinc cathode and indium metal	169
Balen and Overpelt	Belgium	RLE smelting Oxide washing	540	SHG zinc, zinc alloys and washed oxides	260
Budel	The Netherlands	RLE smelting	450	SHG zinc and zinc alloys	291
Clarksville	United States	RLE smelting	250	SHG zinc, zinc alloys and washed oxides	124
Hobart	Australia	RLE smelting	496	SHG zinc and zinc alloys	271
Hoyanger	Norway	Fuming	29	N/A	N/A
Port Pirie	Australia	Lead: sinter plant and blast furnace. Zinc: slag fumer, leach. Copper: solvent extraction.	742	Lead and alloys, SHG zinc and alloys, copper, gold and silver	—
Total:			**2,801**		**1,115**

Smelting strategic review and Metals Processing Growth Pipeline Projects

In connection with the work undertaken as part of the Port Pirie Redevelopment, discussed below, Nyrstar undertook a smelting strategic review in order to identify opportunities to sustainably improve profitability.

This 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 blueprint, being the Metal Processing Growth Pipeline Projects integrated with the Port Pirie Redevelopment. Nyrstar refers herein to the Port Pirie Redevelopment and the Metals Processing Growth Pipeline Projects together as the "**Transformation**".

Nyrstar identified a significant amount of non-realised value in feed material that Nyrstar controls via the residues its zinc smelters produce and historical ponds at the smelters. In addition to the feed materials currently controlled by Nyrstar, the commercial operations team sources external feed materials for consumption by the Metals Processing segment. The Transformation will allow commercial operations greater flexibility when identifying favourable feed stock and optimise the net value of the external feed being consumed by the Metals Processing segment. The upgrading of Nyrstar's zinc and lead smelter network represents a critical step in Nyrstar's value optimisation. Completion of these initiatives would enable Nyrstar to extract more value from the feed and treat significantly increased volumes of more valuable zinc residues, including substantially all of its internally generated zinc residues through the redeveloped Port Pirie, as well as more complex and valuable zinc and lead concentrates.

The smelting strategic review resulted in the identification of a number of specific projects falling into three main categories, as discussed below. Nyrstar has commenced implementing certain of these projects with seven of the currently identified projects across the Metals Processing segment now substantially implemented. Metals Processing growth capital expenditure through 31 December 2015 was € 52 million and was concentrated on de-constraining projects related to the end-of-life of the Century mine as well as, to a lesser extent, on both fuming and minor metals projects required as a result of the end-of-life of the Century mine (a major source of concentrate for several of Nyrstar's smelters historically) that was projected for, and occurred, in August 2015. Capital expenditure guidance for 2016 in relation to the Metals Processing Growth Pipeline Projects is approximately € 35-45 million and the Company will further review projects associated with the European fumer and additional fuming capacity in Europe; germanium recovery in Clarksville; Auby side-leach, germanium plant and additional indium plant. The timing of the implementation of other value accretive Growth Pipeline Projects will be evaluated in light of the Company's prudent balance sheet management and the availability of resources to effectively manage a breadth of simultaneous projects. The nature of the proposed investments is such that the timing of project development and implementation is highly flexible. The capital investment for the entire Metals Processing Growth Pipeline Projects, implementation of which is subject to availability of funding and market conditions, was estimated in 2013 at approximately € 265 million. In 2015, the Metals Processing segment recorded € 1,003 million of gross profit, € 648 million of direct operating costs and € 93 million of sustaining capital expenditure. Management views the Metals Processing Growth Pipeline Projects as providing 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 cash flow.

The Metals Processing Growth Pipeline Projects can be categorised under three main categories:

De-bottlenecking (or deconstraining) Nyrstar's smelting network to allow the treatment of more complex and higher value material: Zinc network de-bottlenecking investments were 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. For example, projects at Budel and Hobart enabling the treatment of concentrates containing cadmium and iron volumes following the introduction of a more complex feedbook with the closure of the Century mine in Australia, have been fully implemented following a successful commissioning process in Q3 and Q4 2015 (see "*—Significant factors affecting Nyrstar's results of operations—Raw materials—Closure of Century mine*").

Lead de-bottlenecking investments were also identified to further enhance the operating capacity and flexibility of Port Pirie following the Port Pirie Redevelopment to capture more value in feed. These investments include de-bottlenecking to further increase the capacity to treat higher volumes of certain elements in feed (mainly cadmium and selenium). Commissioning of the selected de-bottlenecking investments is expected in mid-2016, which is aligned with the commissioning of the Port Pirie Redevelopment. Funding of these investments is part of the € 35-45 million of capital expenditure allocated to the Metals Processing Growth Pipeline Projects in 2016. Applying pricing and foreign exchange parameters as of 31 December 2015, these investments are forecast to generate an EBITDA uplift of approximately € 50 million.

At the Auby smelter the expansion of indium refining capacity from 45 tonnes to approximately 70 tonnes is well advanced with commissioning of key equipment completed. Due to a fire at Auby's indium cement plant in November 2015, the ramp up schedule of expected to be delayed by approximately six months and occur by the end of Q3 2016. Also in Auby, the project to lift the silica constraint in concentrates consumed, enabling increased indium throughput and recovery remains on schedule with commissioning underway. As a consequence of the fire, the production in 2016 of indium metal will be negatively impacted compared to 2015 production levels.

Other de-constraining projects are progressing well and remain on schedule, including the commencement of the expansion of cadmium capacity at Port Pirie with construction of the new plant scheduled for H1 2016. Also in Port Pirie, the pilot plant trial for selenium recovery, which is critical to inform development phase engineering and final design, has been completed. Implementation of the project will proceed in H1 2016 with commissioning scheduled for completion prior to the ramp-up of the Port Pirie Redevelopment.

Fuming capacity enhancement to enable more efficient processing of some smelter residues and capturing of minor metals value: Incremental fuming capacity in Europe has been identified as enabling the more efficient processing of some smelter residues (including current and some historical residues) and improved minor metals capture. Smelter residues treated by Nyrstar's fumers would create additional capacity for Port Pirie following the Port Pirie Redevelopment to treat even higher value raw materials. Potential identified standalone investments include the construction of a standalone fumer (in addition to Nyrstar Hoyanger acquired in December 2013; see "*—Hoyanger fumer*" below).

Minor metals capabilities allowing an increased capacity to produce a wider portfolio of valuable minor metals products: Nyrstar implemented its first indium recovery circuit in 2012 as part of its focus on maximising value from minor metals. Management believes that subsequent investments in minor metals extraction would enable Nyrstar to capture greater value in all of the minor metal by-products produced in its smelters. Identified and ongoing investments in Hobart and Auby are expected to allow Nyrstar to extract and refine a wider range of minor metals from its feed materials, including germanium, gallium and indium.

Solid progress has been made on the projects at the Hobart and Auby smelters that will enable Nyrstar to extract and refine a wider range of minor metals from its feed materials. Minor metals will be captured through fumes (oxides) from Port Pirie and Nyrstar's fumers, and then will be further concentrated in side streams and subsequently transformed into market products at dedicated minor metals plants. Implementation of certain of the fuming projects and commencement of some of the other fuming projects occurred in H2 2015, representing a capital expenditure of € 4.2 million in H2 2015, while work at the Hoyanger fumer is continuing with the site having successfully treated residues from both the Budel and Clarksville smelters. The Hoyanger fumer is continuing to ramp-up; with some modifications planned in 2016, Nyrstar anticipates the plant to be running at full capacity processing 50,000 tonnes per annum of Budel leach product following the ramp-up process scheduled in Q1 2016. Experience from the Hoyanger operation will be applied to the proposed expansion of fuming capacity in Europe.

In July 2015, Nyrstar signed a binding agreement with the Tasmanian Government on key terms for an AUD 29 million funding and support package that has enabled Nyrstar's Hobart smelter to proceed with two projects related to minor metals at the Hobart smelter. These projects are comprised of an upgrade of materials handling equipment and the addition of a side-leach plant enabling the smelter to treat zinc oxide from Nyrstar Port Pirie, splitting base metals (zinc and lead) from minor metals (indium and germanium) and enhancing the site's operational link with Nyrstar Port Pirie and the broader global Metals Processing network. Commissioning of these projects at Hobart is planned towards the end of 2017.

Based on simulations done in 2013, should all of the Metals Processing Growth Pipeline Projects be completed, Nyrstar would expect to significantly increase the amount of available value in feed it captures through to gross profit from approximately 80% (with the total of such gross profit value split 39% base metals, 32% other unpaid metals and 29% TCs in 2013) to approximately 90% (with the total of such gross profit value split 40% base metals, 30% other unpaid metals and 30% TCs). The estimated increase in value capture is based on a comparison of then-current 2013 value capture and projected estimated value capture using a detailed, internally-developed Nyrstar model. Under Nyrstar's model, Nyrstar evaluated 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 was expected to be recovered through the existing Metals Processing network configuration. Nyrstar then repeated the calculations for 2017 assuming at the time that the Metals Processing Growth Pipeline Projects would all be completed by 2017 (which is no longer the case) 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 Transformation) Metals Processing network configuration. The results indicate how much potential value there is in the then-expected 2017 feed mix and what percentage of this is expected to be recovered following the completion of the Transformation. 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 Transformation and the optimised feed mix.

Zinc smelting process

Overview

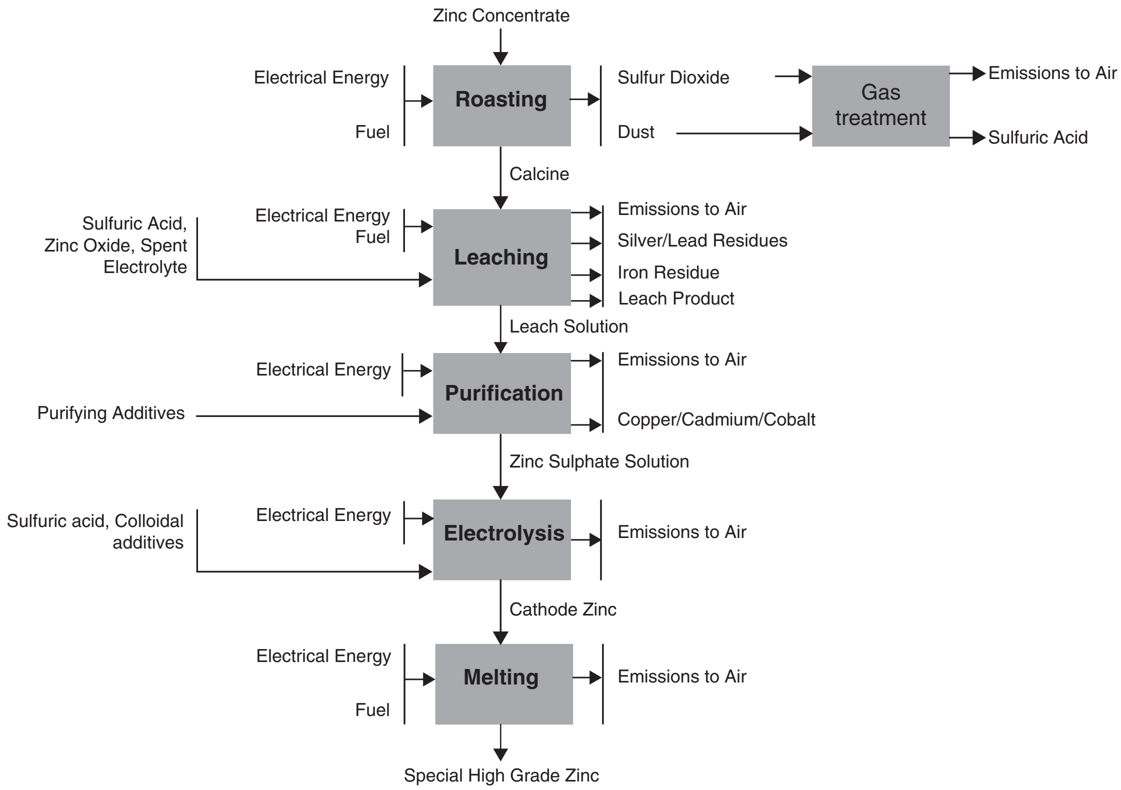
Zinc smelting is the process of recovering and refining zinc metal out of zinc-containing feed material such as zinc-containing concentrates or secondary feed materials such as zinc oxides. In addition to zinc, the concentrate contains approximately 25% to 40% or more sulphur, as well as different amounts 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 and Prospects—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 per annum and has since expanded capacity three times to approximately 45 tonnes per annum in 2013, 50 tonnes per annum in 2014 and 70 tonnes per annum in 2015.

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.

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 290,000 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 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 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 high grade sulphidic concentrates, zinc oxides and other secondary feeds. Historically, a substantial percentage of its feedstock was sourced from the Century mine, the relatively low iron content of which was particularly well suited for the smelter. 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 (3-4% iron content).

The Century mine reached its life-of-mine in August 2015 and ceased supplying the Budel smelter in Q4 2015. Management accordingly took steps to secure raw materials from other sources, including entering into the Trafigura Commercial Agreements and buying on the spot market. The Budel smelter today sources raw materials from approximately 70 different suppliers. In addition, Nyrstar invested in "de-bottlenecking" the Budel smelter as part of the Transformation. By de-bottlenecking the Budel smelter, Nyrstar has expanded 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 were traditionally sourced exclusively from Europe, with attendant 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.

In December 2015, operations at the Middle Tennessee Mines were suspended and the operation placed on care and maintenance with zinc metal production at the nearby Nyrstar Clarksville smelter reduced by approximately 7%, equivalent to approximately 9,000 metric tonnes per annum. The Clarksville Smelter will continue to be supplied by East Tennessee Mines and additional external sources.

Raw materials

The Clarksville smelter was designed to recover zinc from the high zinc content and 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 and low impurity concentrates from these mines.

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 limiting 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 the Asian markets. 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 280,000 tonnes in 2014. As part of the Transformation, Nyrstar has invested in "de-bottlenecking" the Hobart smelter to allow a larger variety of zinc concentrates to be processed.

In July 2015, Nyrstar signed a binding agreement with the Tasmanian Government on key terms for an AUD 29 million funding and support package that has enabled Nyrstar's Hobart smelter to proceed with projects including an upgrade of materials handling equipment and the addition of a side-leach plant enabling the smelter to treat zinc oxide from Nyrstar's Port Pirie smelter, splitting base metals (zinc and lead) from minor metals (indium and germanium), enhancing the site's operational link with Port Pirie and the broader global Metals Processing network. These projects at Hobart are due for commissioning towards the end of 2017. See "*Description of Certain other Indebtedness—Liquidity and Capital Resources—Funding sources—Hobart smelter funding*".

Raw materials

Hobart currently sources approximately 40% of its concentrate requirements from the Rosebery zinc mine, the balance being sourced predominantly from other Australian mines. Accordingly, it currently operates with the advantage of being close to its raw material suppliers. Hobart previously sourced the majority of concentrate from the Century mine which reached its life-of-mine in August 2015. In anticipation of this closure, Nyrstar had taken steps to secure raw materials from other sources, including sourcing feedstock from Trafigura under the Trafigura Commercial Agreements which entered into force on 1 January 2016 and implementing the "de-bottlenecking" upgrades at the Hobart smelter as part of the Transformation. For further information, see "*—Raw materials*".

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.

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.

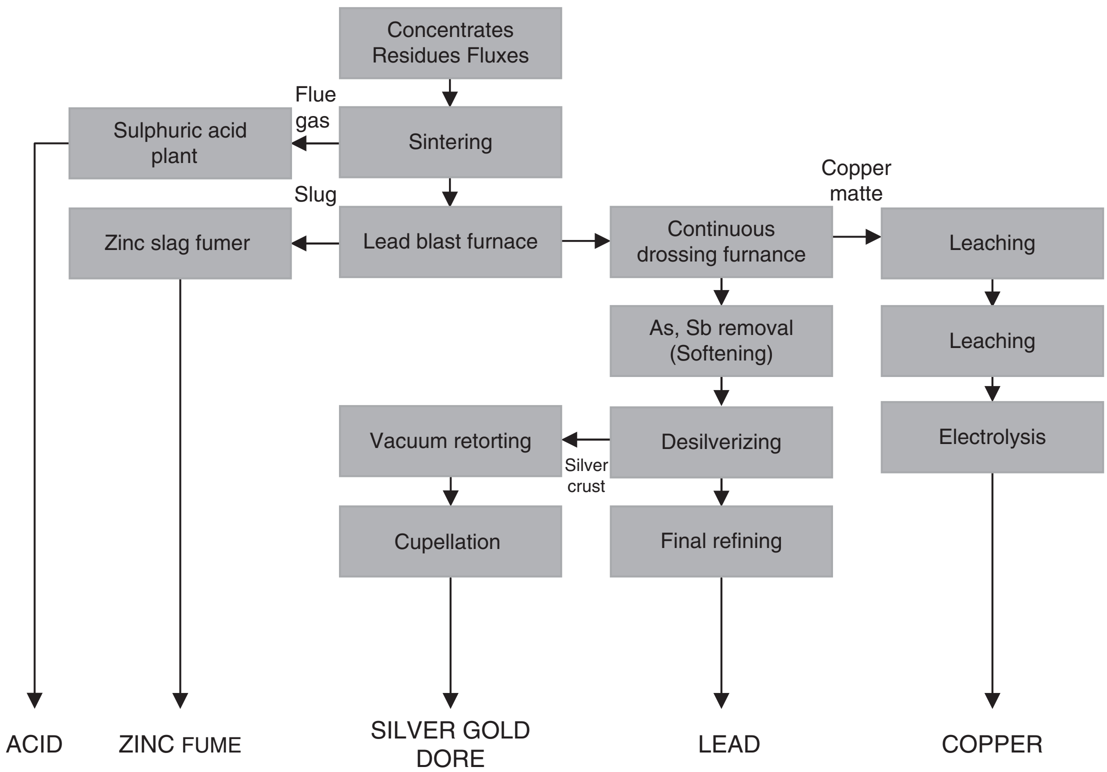
Overview

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 Asian markets, especially China. Port Pirie is strategically linked to the Hobart smelter through flows of by-products such as paragoethite, leach products and zinc oxides (fumes).

Port Pirie is in the process of being redeveloped. 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 mine. 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 reached its life-of-mine in August 2015 and ceased supplying the Port Pirie smelter in Q4 2015. Nyrstar has accordingly taken steps to secure raw materials from other sources, including Trafigura under the Trafigura Commercial Agreement. For further information, see "*—Raw materials*" and "*—Smelting strategic review and Metals Processing Growth Pipeline Projects*".

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 and a copper plant.

Port Pirie Redevelopment project

Overview

The Port Pirie Redevelopment involves the conversion of the Port Pirie operations 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 Nyrstar 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 and resulted in an estimated total capital cost of approximately AUD 514 million comprised of € 268 million construction costs, € 14 million for feasibility costs, € 45 million for contingencies, € 14 million for inflation allowances and € 13 million for miscellaneous Port Pirie Redevelopment costs (principally consisting of Nyrstar project management team salaries and overhead). This cost estimate was increased in 2015 by AUD 49 million to approximately AUD 563 largely due to adverse foreign exchange impacts and additional engineering and project management services required. Nyrstar currently expects to commission the Redevelopment by the end of H1 2016 and begin ramp up of Port Pirie in its revised configuration during H2 2016.

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. In particular, 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 accelerated. At the end of 2015, all major key supply contracts had been awarded including the oxygen enriched bath smelting furnace design and supply contract, the acid plant supply contract and the oxygen plant contract with approximately 90% of the engineering work for the project also having been completed. Work on the Port Pirie Redevelopment is being undertaken in parallel with the ongoing operation of the smelter with all piling for the acid plant and oxygen plant and piling for and installation of the furnace and numerous components completed. Pile caps and foundations are also close to complete. The modular offsite fabrication of the acid plant and furnace buildings is underway with offsite work ramping-up significantly. Delivery of major modules from the module fabrication yards commenced late in Q4 2015 and will continue throughout Q1 2016. In readiness for the installation of the various modules, a 2,600 tonne heavy lift mobile crane has been assembled on the site. The Port Pirie Redevelopment remains on schedule for commencement of commissioning by the end of H1 2016, with ramp-up commencing in H2 2016. Once ramped-up, the redeveloped Port Pirie is forecast to generate an EBITDA uplift of approximately € 80 million, applying pricing and foreign exchange parameters as of 31 December 2015.

Nyrstar remains on track with its work on site in 2016. This includes completing the construction of site permanent facilities, completing piling for the new top submerged lance furnace in the area of the old maintenance workshop and in the new acid plant area; and handing over the construction area for the oxygen plant to Air Liquide.

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.

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 2014 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 in mid-2014, which contributed around 6% to average unit cost in 2013).

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 AUD 102 million, which was further topped up by AUD 49 million in 2015 (i.e., the amount of the increase in the total project capital expenditure estimate, as noted above). The full amount of AUD 151 million has been spent;

(ii) the forward sale in 2014 of a portion of the incremental silver output from the redeveloped Nyrstar Port Pirie facility for an upfront payment of approximately AUD 120 million (the "**Port Pirie Silver Prepayment**"). 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 has been hedged using a US$/oz. commodity swap; and

(iii) an AUD 291 million structured investment benefiting from a guarantee from the export credit agency of the Australian Federal Government (EFIC). The structured investment consists of perpetual securities issued by an orphan special purpose vehicle, which raises funds to subscribe for the perpetual securities under a credit facility with EFIC (for 50%) and Westpac (for 50%, benefiting from a guarantee from EFIC), while EFIC's risk is supported by a back-to-back indemnity from the State of South Australia. Accordingly, the special purpose vehicle is rated AAA, which is reflected in the cost of financing. The terms of the perpetual securities 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. 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 have received IFRS equity-accounting treatment in the Company's accounts. The first draw-downs took place on 27 November 2015, 30 December 2015 and 29 January 2015, with approximately AUD 49.55 million outstanding as of 31 January 2016. Further tranches were and will be issued in 2016 through and shortly following commissioning to match actual monthly spending of the last of the AUD 291 million of expenses.

Nyrstar Port Pirie and its subsidiaries (and other entities in Nyrstar group) have been subject to certain restrictions from the time since 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 has been 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 (i) distributions for costs incurred by Nyrstar Port Pirie but subsequently reimbursed by Nyrstar Sales & Marketing AG pursuant to their pre-existing tolling agreement, subject to certain specified restrictions and (ii) 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 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 expenditure guidance

The current estimate of total capital expenditure for the Port Pirie Redevelopment is AUD 563 million. Capital expenditure totalled € 176 million in 2015 and capital expenditure guidance was decreased to € 110 million in 2016. Taking into account the AUD 151 million already directly contributed by Nyrstar and the Port Pirie Silver Prepayment of AUD 102 million received in 2014 and spent in 2015, the remaining capital expenditure (€ 60-80 million in 2016) is expected to be substantially funded by the AUD 291 million of the structured investment by third party investors.

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 had experienced deteriorating production volumes and rising costs, ultimately making the plant unsustainable. The plant was identified as the highest cost zinc plant in Nyrstar's smelter portfolio.

Consequently, Nyrstar ceased zinc metal production at Port Pirie and closed its zinc plant in July 2014, and zinc in fume is being processed at Nyrstar's other smelter assets (predominantly the Hobart smelter). This is expected to have no impact on the overall Redevelopment. The Company has reused certain zinc plant assets in other production areas onsite as well as across Nyrstar's smelting business.

Hoyanger fumer

Hoyanger is a fuming plant located in the south-west of Norway that was acquired by Nyrstar in December 2013 for approximately € 3 million. Historically, the plant produced zinc oxides from processing electric arc furnace dust, a feed from the steel industry. Since acquiring the plant, work has continued on the redevelopment of Hoyanger. These works have enabled the facility to treat residues from Nyrstar's European zinc smelting network and have included a new furnace and furnace cooling system, a sulphur dioxide scrubber and new bag house filter. These works were substantially completed by the end of 2014 with commissioning occurring during January 2015. The site is currently treating the residue from the Budel zinc smelter and is progressively ramping up to full capacity.

Operations review—Metals Processing

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

Years ended 31 December 2015 and 31 December 2014

	Year ended 31 December 2015	Year ended 31 December 2014	% change
Zinc metal ('000 tonnes)			
Auby	169	171	(1)%
Balen/Overpelt	260	262	(1)%
Budel	291	290	0%
Clarksville	124	110	13%
Hobart	271	252	8%
Port Pirie	—	13	(100)%
Total	**1,115**	**1,097**	**2%**
Lead metal ('000 tonnes)			
Port Pirie	185	178	4%
Other products			
Copper cathode ('000 tonnes)	4	4	—
Silver (million troy ounces)	14.6	13.4	9%
Gold ('000 troy ounces)	77	33	126%
Indium metal (tonnes)	41	43	(5)%
Sulphuric acid ('000 tonnes)	1,451	1,438	1%

The Metals Processing segment produced approximately 1,115,000 tonnes of zinc market metal in 2015, an increase of 2% from 2014.

The Auby smelter produced approximately 169,000 tonnes of zinc market metal in 2015, a decrease of 1% compared to 2014, and 41 tonnes of indium, a decrease of 5% from 2014 due to the delay of indium bearing concentrate shipments at the beginning of 2015 and lower production in Q4 2015 due to the indium cement plant fire.

Balen/Overpelt produced approximately 260,000 tonnes of zinc market metal in 2015, a decrease of 1% from 2014, primarily due to operational issues experienced at the smelter in H1 2015.

At Budel, strong performance continued with zinc market metal production of approximately 291,000 tonnes in the period, flat compared to 2014.

The Clarksville smelter contributed approximately 124,000 tonnes of market metal zinc production in 2015, an increase of 13% from 2014 production of 110,000 tonnes as a result of no planned roaster shutdown during 2015.

Zinc market metal production at the Hobart smelter for 2015 was approximately 271,000 tonnes, an increase of 8% from 2014. The increase was mainly as a result of the introduction of Port Pirie zinc containing fume to Hobart's feed book.

2015 lead market metal production at the Port Pirie smelter was approximately 185,000 tonnes, up 4% on 2014 production due to a planned five week shutdown in 2014. This higher production occurred despite the plant outage in April 2015 caused by a disruption of natural gas supply to the region of Port Pirie that extended for almost the entire month and in July by a leaking cooling water jacket requiring replacement. 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 (predominantly the Hobart smelter). Gold production was up by 126% and silver production up by 9% against 2014 as a function of higher gold and lower silver in feed and a different mix of residues consumed.

Years ended 31 December 2014 and 31 December 2013

	Year ended 31 December 2014	Year ended 31 December 2013	% change
Zinc metal ('000 tonnes)			
Auby	171	152	13%
Balen/Overpelt	262	252	4%
Budel	290	275	5%
Clarksville	110	106	4%
Hobart	252	272	(7)%
Port Pirie	13	30	(57)%
Total	**1,097**	**1,088**	**1%**
Lead metal ('000 tonnes)			
Port Pirie	178	179	(1)%
Other products			
Copper cathode ('000 tonnes)	4	4	—
Silver (million troy ounces)	13.4	17.9	(25)%
Gold ('000 troy ounces)	33	66	(50)%
Indium metal (tonnes)	43	33	30%
Sulphuric acid ('000 tonnes)	1,438	1,389	4%

The Metals Processing segment produced approximately 1,097,000 tonnes of zinc metal in 2014, a 1% increase in production from 2013.

The Auby smelter achieved a new production record in both zinc metal and indium production. Planned maintenance shuts of the roaster and the indium plant were carried out during H2 2014 leading to lower indium production in H2 2014, in line with management expectations. In total, the Auby plant produced approximately 171,000 tonnes of zinc cathode in 2014, compared to 152,000 tonnes in 2013. Indium metal production increased substantially to approximately 43 tonnes in 2014 (33 tonnes in 2013).

The Balen/Overpelt smelter zinc metal production was 4% higher than in 2013 at 262,000 tonnes. The planned maintenance shut of the F4 roaster and acid plant in H1 2014 was completed on time and on budget. H2 2014 was 4% lower compared to H1 2014, mainly due to two national strikes in Q4 2014 but also due to a number of unplanned roaster shuts during Q3 2014.

The Budel smelter achieved 290,000 tonnes of zinc metal in 2014, a new production record, up 5% on 2013. The higher production in 2014 was mainly driven by operational improvements across all departments.

The Clarksville smelter produced approximately 110,000 of zinc metal in 2014, compared to 106,000 tonnes in 2013, primarily due to the shorter maintenance shut of the smelter's roaster and acid plant in 2014. The site produced approximately 64,000 tonnes of zinc metal in H1 2014, compared to 57,000 tonnes in H2 2013. Unplanned maintenance works combined with severe winter weather impacted cathode production in Q1, although this was offset by a drawdown of zinc cathode inventory from 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, although performance was slightly impacted by supply shortfalls of Middle Tennessee concentrates.

Zinc metal production of 252,000 tonnes at the Hobart smelter in 2014 was 7% lower compared to 2013 (272,000 tonnes). The reduction was mainly due to the planned maintenance shut of roaster 5 and the acid plant in Q2 2014. An unexpected delay of Century concentrate shipments in early 2014 led to a calcine shortage prior to the planned shut, which further impacted production. During Q3 2014, Hobart successfully started consumption of Port Pirie zinc oxides (fumes).

Lead metal production at the Port Pirie smelter in 2014 was in line with 2013 production totals, decreasing slightly to 178,000 tonnes, compared to 179,000 tonnes in 2013, with production in 2014 impacted by a major planned maintenance shut of the blast furnace in Q4 2014 and a shorter unplanned shut in Q2 2014. During 2014 the blast furnace was offline for a total of 48 days, compared to 21 days in 2013. Due to a failure of a furnace jacket two weeks prior to the planned shut of the blast furnace in Q4, the duration of the shut was extended by an additional two weeks. These shutdowns led to a 1% decrease in 2014 compared to 2013. Zinc metal production of approximately 13,000 tonnes in 2014 was in line with management expectations, following the announced closure of the zinc metal production plant in July 2014. Gold and silver production were mainly impacted by lower consumption of precious metals bearing concentrates in 2014.

Recently disposed of or terminated operations

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 disposed of its stake in Genesis Alloys (Ningbo) Ltd in October 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 Zinc Streaming Agreement.

Estimated annual production at full capacity

Operation	Location	Type	Employees (at 31 December 2015)	Other metals (by type)	Status of operations	2015 production ('000 tonnes of zinc)	2014 production ('000 tonnes of zinc)	% change
Campo Morado	Mexico	Underground polymetallic mine	29	Copper, gold, lead and silver	Indefinitely suspended	—	22	(100)%
Contonga	Peru	Underground polymetallic mine	380 (combined Peruvian Operations)	Copper, silver and lead	In operation	12	13	(8)%
Pucarrajo	Peru	Underground polymetallic mine		Silver and lead	In care & maintenance	—	—	—
Coricancha	Peru	Underground polymetallic mine		Gold, silver and lead	In care & maintenance	0	0	—
El Mochito	Honduras	Underground zinc mines	633	Lead and silver	In operation	23	30	(23)%
El Toqui	Chile	Underground zinc mines	346	Lead, gold and silver	In operation	38	37	3%
Langlois	Canada	Underground zinc mines	241	Copper and silver	In operation	40	38	5%
Myra Falls	Canada	Underground zinc mines	58	Copper, gold and silver	Temporarily suspended	9	27	(67)%
East Tennessee Mines	United States	Underground zinc mines	568 (combined Tennessee Mines Operations)	N/A	In operation	64	63	2%
Middle Tennessee Mines	United States	Underground zinc mines		N/A	Temporarily suspended	47	47	0%
Own Mines Total			**2,255**			**234**	**278**	**(16)%**

Recent and Prior Strategic Reviews of Mining Assets and Operations Review

Latest Review/Current Strategy

In November 2015, Nyrstar announced that the currently achieved scale of the Mining segment relative to the Metal Processing segment's requirement for concentrate is not material enough to justify the levels of capital allocated to the Mining segment. As Nyrstar is currently capital constrained and has a number of Metals Processing Growth Pipeline Projects with high projected internal rates of return competing with the Mining segment for available capital, Nyrstar has decided to pursue strategic alternatives for its mining assets, individually and as a portfolio, which may include additional mine suspensions, a sale of some or all of the Mining segment assets or a full exit from mining. Nyrstar has retained financial advisors, BMO Capital Markets and Lazard, to assist with a process to pursue strategic alternatives. Where appropriate, offtake agreements will be put in place to maintain Nyrstar's access to concentrates. This initiative is designed both to reduce and ultimately eliminate the short-term cash burden of supporting the Mining segment assets at this time and to allow latent potential in the assets to be realised by acquirers and offer stakeholders a more sustainable future. Pending the envisaged disposals, Nyrstar will consider further suspensions of its mines if the current depressed commodity price environment continues. In the meantime, cash consumption continues to be reduced.

Prior Reviews

In the second half of 2013, Nyrstar initiated a review of its global mining assets (the "**Mining Operating Review**"), aimed at identifying opportunities to make a step-change improvement in the Mining segment's operational and financial performance. The Mining Operating Review was 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 was operational in nature and not capital consumptive.

In the first quarter of 2014, as part of the Mining Operating 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. The Coricancha mining complex was acquired by Nyrstar in October 2009 and has been on care and maintenance since August 2013. The Pucarrajo mine has not been mined by Nyrstar since its acquisition in 2010. In May 2015, Nyrstar entered into a two-year option agreement to sell the Coricancha mining complex, located 90 kilometres east of Lima, Peru, to Great Panther Silver Limited—a Canadian precious metals mining and exploration company with operations in Latin America.

Current Status of Other Mines

During the first nine months of 2015, Campo Morado had no production, with operations suspended due to the on-going issues associated with security in the region. The Campo Morado mine has been placed on indefinite care and maintenance while a buyer is sought and the ongoing cash costs to maintain the operation in this state have been reduced to approximately € 5 million per annum. Management consider this mine to be a non-core asset.

In May 2015, production at the Myra Falls operation was suspended to allow for a concentrated focus on infrastructure and operational reliability to allow for a potential future restart with substantially improved mine and plant operating conditions. The turnaround investment works at Myra Falls have been suspended and deferred with the cash costs to maintain the operation in this state estimated at € 15-20 million per annum. The resource base at the Myra Falls mine has substantial potential and operating costs are expected to be lowered significantly with the investment of turnaround capital from an acquirer. Management consider this mine to be a non-core asset.

Operations at the Middle Tennessee Mines were suspended in December 2015.

The El Mochito and El Toqui operations (each considered by Management to be a non-core asset) as well as the East Tennessee Mines currently remain operational, however, the latter is cash flow negative in the current zinc price environment.

In Quebec, the Langlois mine remains operational and, having benefitted from a large devaluation of the Canadian dollar against the US dollar and management cost reduction actions, is cash flow positive in the current low zinc price environment.

Operations at the Contonga mine in Peru are ongoing and currently are EBITDA neutral. Management consider this mine to be a non-core asset.

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.

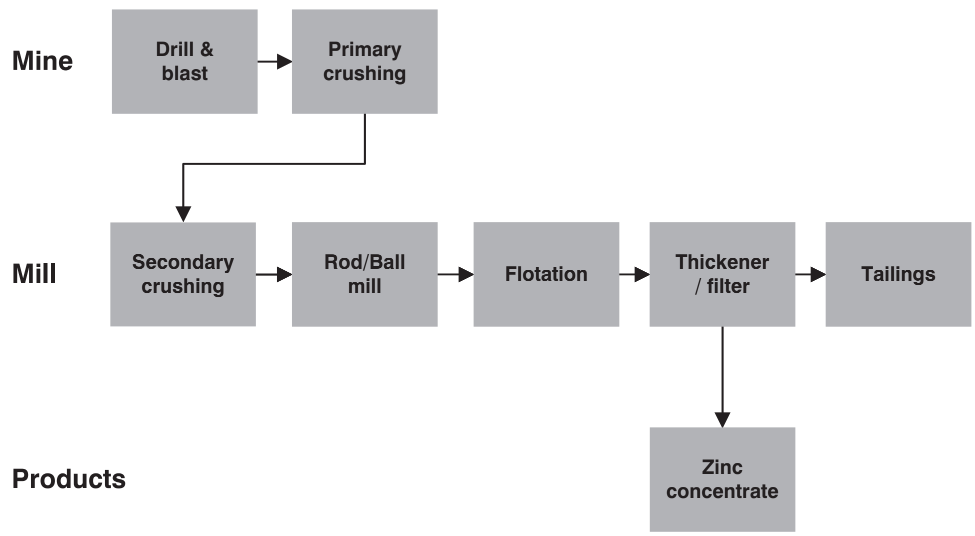
The largest zinc mining regions in the world in terms of both production and mineral resources and mineral reserves are Latin America, China, Australia and North America (mainly Canada). As zinc concentrates are a bulk commodity that ship relatively easily, there is a major world trade in zinc concentrates, 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 2014, 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 2014 (the last date for which such reports have been prepared) 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 ounce.

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.

As an outcome of a review of Nyrstar's mining operations, 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 Operating Review*" above.

In addition to the resources and reserves of mines under Nyrstar's sole ownership, in January 2010, Nyrstar entered into the 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). Talvivaara entered bankruptcy proceedings in November 2014, and in August 2015 the Finnish State-owned Terrafame Mining acquired Talvivaara's mining business and assets. Nyrstar has fully impaired the value of the Zinc Streaming Agreement, under which an aggregate of approximately 113,000 tonnes of zinc in concentrate had been delivered to Nyrstar, as it expects no further deliveries thereunder. 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

Nyrstar acquired Farallon, the owner of Campo Morado, in Q1 2011 for approximately CAD 409 million (approximately € 296 million).

Campo Morado is a zinc-rich polymetallic mining operations comprising approximately 12,000 hectares in six mining concessions, located 160 kilometres south-southwest of Mexico City. The mineral deposit that was mined was the G-9 deposit, which achieved commercial production in April 2009 and comprised high grade zinc, copper, lead, gold and silver. In H2 2014, the G-9 ore deposit was exhausted and the focus for commercial production moved to the 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 Campo Morado. 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 (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) was deducted from the up-front deposit. On 31 December 2014, Nyrstar reached an agreement with Silver Wheaton to settle the existing silver streaming agreement. Under the settlement, the streaming agreement delivery obligation was brought to an end as of 31 December 2014. In return, Nyrstar made a payment of US$ 25 million to Silver Wheaton in January 2015 and granted Silver Wheaton a five year right of first refusal on any similar silver streaming transaction in relation to a Nyrstar group property, concession or other mining right. The settlement cancelled the delivery liability of approximately US$ 80 million on Nyrstar's balance sheet, which was fair-valued at the time of the Campo Morado acquisition in January 2011 and resulted in a positive contribution of €43 million to its Underlying EBITDA in 2014.

Since 5 January 2015, production at the Campo Morado has been suspended as a precaution due to deteriorating security in the state. In October 2015, Campo Morado was transitioned to care and maintenance. Production at the operation had been intermittently disrupted since 13 November 2014 due to issues associated with security in the region. This was initially because of an illegal blockade of the mine entrance by non-affiliated union activists and then due to contractors and unionised mine workers being subjected to systematic intimidation. In October 2015, the site was put on indefinite care and maintenance.

The bulk of the employees at Campo Morado were made redundant in Q2 2015 with a total of approximately 70 staff remaining on site for administration, security, mine development and maintenance.

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2014	Measured mineral resources 2013	Indicated mineral resources 2014	Indicated mineral resources 2013	Measured and indicated mineral resources 2014	Measured and indicated mineral resources 2013	Inferred mineral resources 2014	Inferred mineral resources 2013
Campo Morado	100%	UG	(Mt)	7.90	10.26	6.80	6.70	14.70	17.00	2.15	2.14
			Zn (%)	4.43	4.31	2.98	3.14	3.76	3.85	2.22	2.44
			Cu (%)	0.87	0.73	0.89	0.71	0.88	0.72	0.92	0.71
			Pb (%)	0.87	0.90	0.75	0.84	0.81	0.88	0.73	0.81
			Ag (g/t)	112.00	114.00	98.00	110.00	106.00	113.00	89.10	105.00
			Au (g/t)	1.27	1.34	1.43	1.72	1.34	1.49	1.49	1.88

Mineral resources are based on 3D geological models of all deposits and were substantially updated in 2014. The block models were prepared on a fully depleted basis (i.e., with all areas mined to December 2014 removed).

During 2014, total ore milled at Campo Morado was approximately 657 thousand tonnes, meaning there has been an after mining production decrease of 1.64 million tonnes to the measured and indicated mineral resources despite effective definition drilling programs. The remaining change to the mineral resource base in 2014 was the result of a thorough 3D remodelling program of all zones after an extensive database review and rebuild.

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 has distinct mineralogical characteristics. The Campo Morado metallurgical facility was originally 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; however, such assessment has been disrupted by the ongoing suspension of operations at Campo Morado.

Further as part of the wider Mining Operating 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. As a result, since the third quarter of 2013 the focus of mining at Campo Morado has been shifting to the El Largo, Naranjo and southwest zones.

The mineral resource statement for Campo Morado has been prepared in accordance with the NI 43-101 Guidelines for disclosure under the supervision of independent Qualified Person Gilles Arseneau, P.Geo. (APEGBC) of Arsenau Consulting Services in accordance with the CIM Definition Standards.

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. In May 2015, Nyrstar entered into a two-year option agreement to sell the Coricancha mining complex to Great Panther Silver Limited, a Canadian precious metals mining and exploration company with operations in Latin America. Under the terms of the option agreement, Nyrstar received a cash payment from Great Panther of US$ 1.5 million upon signing and a second option payment of US$ 1.5 million is due on the first anniversary of signing to extend the option for a second year. Should Great Panther exercise the option on or before the second anniversary, the companies would enter into a share purchase agreement whereupon Great Panther would make a cash payment of US$ 5 million for 100% of the shares of Nyrstar Coricancha, S.A. (plus the second option payment if not already paid). There is a further contingent payment of US$ 4 million payable to Nyrstar under certain conditions.

Under the option agreement, Great Panther will undertake certain exploration activities during the two-year option period costing Great Panther US$ 2 million in the first year and US$ 3 million in the second year.

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		Probable mineral reserves		Total mineral reserves	
				2014	2013	2014	2013	2014	2013
Contonga	100%	UG	(Mt)	1.16	1.21	0.41	0.51	1.57	1.72
			Zn (%)	4.44	4.56	4.24	4.36	4.39	4.50
			Pb (%)	1.73	1.88	1.47	1.43	1.66	1.74
			Cu (%)	0.66	0.56	0.85	0.80	0.71	0.63
			Ag (g/t)	89.27	94.28	90.51	91.92	89.58	91.92

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources		Indicated mineral resources		Measured and indicated mineral resources		Inferred mineral resources	
				2014	2013	2014	2013	2014	2013	2014	2013
Contonga	100%	UG	(Mt)	1.45	1.33	1.30	0.97	2.75	2.29	1.07	0.81
			Zn (%)	4.39	4.65	3.23	3.76	3.84	4.28	2.28	3.07
			Pb (%)	1.71	1.83	0.74	0.69	1.25	1.35	0.55	0.63
			Cu (%)	0.65	0.80	0.96	0.98	0.80	0.88	0.94	0.81
			Ag (g/t)	86.47	94.72	57.54	61.66	72.78	80.78	41.99	45.96

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 2014, total ore milled at Contonga was approximately 392 thousand tonnes. During the year, there was a decrease in proven and probable ore reserves of 150 thousand tonnes. A definition drilling program was successful in the conversion of mineral resources to proven and probable ore reserves, but its benefit was offset by the impact of increasing the economic mining block value unit cut-off to include ore body related exploration, waste development costs, and annually recurring sustaining capital costs. Measured and indicated mineral resource increased by 460 thousand tonnes, primarily due to the impact of exploration drilling.

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. (APGO & PEGNL) of WSP Canada Inc., who was responsible for the geological databases, interpretation and geological modelling and mineral resource estimation; and Brian Saul, P. Eng., (PEO) of WSP Canada Inc., who was responsible for ore reserve estimates, capital and operating cost estimates and economic evaluation.

El Mochito

Overview

Nyrstar acquired Breakwater, the owner of the El Mochito mine in Honduras, in Q3 2011. In Q3 2015, Nyrstar decided to suspend operations at El Mochito in order to achieve targeted operating cost and capital expenditure reductions across the segment.

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

				Proven mineral reserves		Probable mineral reserves		Total mineral reserves	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
El Mochito	100%	UG	(Mt)	0.72	0.63	2.31	1.12	3.03	1.75
			Zn (%)	4.93	5.87	4.96	5.24	4.95	5.46
			Pb (%)	2.61	4.15	1.93	2.33	2.10	2.98
			Ag (g/t)	89.4	138.1	45.3	73.3	55.8	96.5

				Measured mineral resources		Indicated mineral resources		Measured and indicated mineral resources		Inferred mineral resources	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
El Mochito	100%	UG	(Mt)	1.53	1.06	5.90	2.86	7.44	3.92	4.15	2.50
			Zn (%)	4.91	6.46	4.43	5.23	4.53	5.56	5.13	5.57
			Pb (%)	1.97	3.45	1.48	1.85	1.58	2.29	1.37	2.26
			Ag (g/t)	66.4	116.2	37.4	54.8	43.4	71.4	34.3	49.1

The mineral resource and mineral reserve estimates for the Mochito mine are developed using Geovia GEMS modelling software utilising a zinc equivalent cut-off grade. Block models have been created for the various zones using an inverse distance squared interpolation. The mineral reserves have been estimated by applying dilution and recovery factors to the mineral resources.

During 2014, total ore milled at El Mochito mine was approximately 756 thousand tonnes. In the second half of 2014, a thorough review of operating, capital, and sustaining expenses was undertaken in respect to the 2013 mineral resource and mineral reserve statement because of the sizable loss of tonnes. The review resulted in a number of adjustments that had the positive effect of lowering the zinc equivalent cut-off grade and therefore increasing mineral resources and mineral reserves. In addition, inferred mineral resources were also upgraded through definition drilling and positive results from exploration drilling, which delineated new mineral resources. This readjustment had an impact on the overall economics of the block model and resulted in proven and probable mineral reserves increasing by 73%, but the overall grade decreased by 23%. Similarly, measured and indicated mineral resources increased by 65% while the grade decreased by 28%. Inferred mineral resources also increased by 55%, and the grade decreased by 21%.

The El Mochito mine has a long history of reserve replacement and promising exploration potential. In 2014, 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 Guidelines for disclosure and based on information from a mineral resource and reserve statement prepared under the supervision of Isidro Aguirre, Manager Geology & Exploration; Olaf Scholtysek, Senior Geologist; and non-independent QP Jason K. Dunning, P.Geo. (APGO & APEGBC), Mining Group Manager—Geology & Exploration in accordance with the CIM Definition Standards.

El Toqui

Overview

Nyrstar acquired Breakwater, the owner of the El Toqui mine in Chile, in Q3 2011.

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

				Proven mineral reserves		Probable mineral reserves		Total mineral reserves	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
El Toqui	100%	UG	(Mt)	1.07	1.14	2.69	2.81	3.76	3.95
			Zn (%)	6.70	6.21	5.66	6.12	5.96	6.15
			Pb (%)	0.20	0.28	0.30	0.33	0.27	0.32
			Ag (g/t)	9.06	11.9	12.17	10.33	11.25	10.78
			Au (g/t)	2.71	3.30	1.16	1.20	1.60	1.81

				Measured mineral resources		Indicated mineral resources		Measured and indicated mineral resources		Inferred mineral resources	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
El Toqui	100%	UG	(Mt)	1.85	1.99	6.15	5.52	8.00	7.50	4.13	3.69
			Zn (%)	6.95	6.64	5.13	5.51	5.56	5.81	4.27	4.26
			Pb (%)	0.19	0.28	0.33	0.38	0.30	0.35	0.41	0.41
			Ag (g/t)	8.62	12.32	16.16	13.38	14.42	14.57	20.1	17.38
			Au (g/t)	2.10	2.45	0.87	0.98	1.15	1.37	0.74	0.74

The mineral resource and mineral reserve estimates for the El Toqui mine are developed using Geovia GEMS modelling software utilising a zinc equivalent cut-off grade. Block models have been created for the various zones using an inverse distance squared interpolation. The mineral reserves have been estimated by applying dilution and recovery factors to the mineral resources.

During 2014 total ore milled at El Toqui was approximately 575 thousand tonnes. The El Toqui mine has a long history of reserve replacement and promising exploration potential. In total, 1.1 million tonnes were added to the measured and indicated base. This was achieved by reducing operating costs, successful infill, delineation and exploration drilling programmes. In addition, 400 thousand 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 NI 43-101 Guidelines for disclosure under the supervision of Eduardo Marquina, Geology Superintendent SME and Luis Rodrigo Peralta, Senior Exploration Geologist, AusIMM; Jose Ulloa, Senior Production Geologist; and non-independent QP Jason K. Dunning, P.Geo. (APGO & APEGBC), Mining Group Manager, Geology & Exploration in accordance with the CIM Definition Standards.

Langlois

Overview

Nyrstar acquired Breakwater, the owner of the El Langlois mine in Canada, in Q3 2011.

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 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

				Proven mineral reserves		Probable mineral reserves		Total mineral reserves	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Langlois	100%	UG	(Mt)	1.90	1.64	0.64	1.54	2.54	3.18
			Zn (%)	9.34	9.54	8.74	10.58	9.20	10.05
			Pb (%)	0.35	0.20	0.22	0.25	0.32	0.23
			Cu (%)	0.72	0.60	1.07	0.75	0.80	0.67
			Ag (g/t)	52.33	45.41	47.18	51.52	51.09	48.37
			Au (g/t)	0.04	0.04	0.09	0.10	0.06	0.07

				Measured mineral resources		Indicated mineral resources		Measured and indicated mineral resources		Inferred mineral resources	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Langlois	100%	UG	(Mt)	2.48	2.54	1.95	2.31	4.43	4.85	1.12	0.86
			Zn (%)	11.61	10.71	8.88	9.93	10.40	10.33	7.02	7.19
			Pb (%)	0.27	0.24	0.25	0.26	0.26	0.25	0.19	0.19
			Cu (%)	0.72	0.66	0.63	0.66	0.68	0.66	0.40	0.38
			Ag (g/t)	55.66	51.65	48.89	51.74	52.68	51.70	41.68	43.12
			Au (g/t)	0.04	0.04	0.08	0.10	0.06	0.07	0.07	0.07

Langlois sulphide zones consist of near vertical lenses comprised primarily of sphalerite and pyrite with lesser chalcopyrite and pyrrhotite. The mineral resource and mineral reserve estimates for the Langlois mine are calculated using Geovia GEMS modelling software. A block model has been created for the five main sulphide zones. The mineral reserves have been estimated by applying dilution factors and mining recoveries by zone.

At the end of 2014 proven and probable mineral reserves decreased 635 thousand tonnes. This decrease in mineral reserves is a result of milled ore of 529 thousand tonnes combined with a further decrease of approximately 106 thousand tonnes due to better 3D modelling and changes to assumptions such as mining recovery and dilution. This reduction in mineral reserves was partially offset by an increase of 110 thousand tonnes, due to decreased mine operating expenses. Measured and indicated mineral resources, inclusive of mineral reserves, decreased by approximately 420 thousand tonnes, whereas inferred mineral resources increased by 260 thousand tonnes.

The mineral resource and reserve statement for Langlois has been prepared in accordance with the NI 43-101 Guidelines for disclosure under the supervision of non-Independent Qualified Person Mr. Zied Tebaibi, P.Geo. (OGQ) and Independent Qualified Person Mr. Paul BonneVille, P. Eng. (OIQ), in accordance with the CIM Definition Standards.

Myra Falls

Overview

Nyrstar acquired Breakwater, the owner of the Myra Falls mine in Canada in Q3 2011.

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 principle 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.

Production at Myra Falls in H1 2015 was affected by hydro-electric power supply problems due to a turbine failure. Following a comprehensive review of the operations at Myra Falls, Nyrstar temporarily suspended mining and milling operations to allow work on site to focus on optimisation in readiness for a restart with substantially improved mine and plant operating conditions. The comprehensive operational review identified a number of structural shortcomings across the site including deficiencies in the integrity of site infrastructure, inefficient planning, operating and maintenance practices and inadequate mine development for future mining areas. All of these factors manifested into a significant deterioration in the financial performance of the site in 2014 and 2015. A number of alternative operating scenarios to address these issues were evaluated, taking into account all associated operational and financial risks. The evaluation identified the temporary suspension as the most effective and practical operating scenario to enable all appropriate resources to be focused on addressing the structural shortcomings at the site in readiness for a restart. All personnel not required during the suspension period were removed by the end of H1 2015.

Prior to the decision to divest the Mining segment assets, Management had developed a series of critical milestones, which included: an organisational review of the management structure with associated personnel changes; the restoration and upgrade of site power infrastructure; execution of a focussed mine development plan into the Western zones of the mine and re-establishment of basic competencies in the areas of mine planning, optimum infrastructure maintenance practices, technical expertise and resources engaged to help transition the operation into an efficient and profitable mine. These initiatives were suspended in late 2015.

Mineral Resources and Mineral Reserves

				Proven mineral reserves		Probable mineral reserves		Total mineral reserves	
Name of operation	**Ownership**	**Mining method**	**Commodity**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Myra Falls	100%	UG	(Mt)	5.07	4.50	0.80	0.98	5.87	5.49
			Zn (%)	5.86	5.38	6.34	7.12	5.92	5.69
			Pb (%)	0.61	0.54	0.63	0.81	0.61	0.59
			Cu (%)	0.88	0.90	0.66	0.79	0.85	0.88
			Ag (g/t)	58.12	54.23	82.95	77.07	61.50	58.32
			Au (g/t)	1.49	1.45	1.86	1.78	1.54	1.51

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2014	Measured mineral resources 2013	Indicated mineral resources 2014	Indicated mineral resources 2013	Measured and indicated mineral resources 2014	Measured and indicated mineral resources 2013	Inferred mineral resources 2014	Inferred mineral resources 2013
Myra Falls	100%	UG	(Mt)	6.25	5.53	1.11	1.28	7.36	6.81	2.08	2.34
			Zn (%)	6.34	6.02	6.78	7.75	6.41	6.34	6.13	5.86
			Pb (%)	0.66	0.63	0.66	0.86	0.66	0.67	0.71	0.66
			Cu (%)	0.97	0.90	1.18	1.27	1.00	0.97	0.54	0.55
			Ag (g/t)	62.25	61.79	89.23	87.04	66.31	66.53	109.53	101.09
			Au (g/t)	1.63	1.63	2.25	2.21	1.72	1.74	2.22	2.04

The Myra Falls zinc-copper-gold (lead-silver) mineral deposits are comprised of complex metal-zoned volcanic hosted massive sulphide deposits. The principal sulphide minerals are sphalerite, pyrite and chalcopyrite with minor galena, bornite, and tennantite. Myra Falls mine produces copper, lead, zinc, and gold concentrates with silver in concentrate.

The mineral resource and mineral reserve estimates for the Myra Falls mine are developed using Geovia GEMS modelling software. Separate block models are maintained for the various mining zones at Myra Falls. A separate extraction factor and dilution rate is applied to each mining area to estimate mineral reserve tonnages and grades.

The total ore milled in 2014 at Myra Falls mine was 466 thousand metric tonnes. There was an after-mining increase of 550 thousand tonnes to the mineral resource (measured and indicated categories) in 2014. This increase was attained through exploration and definition drill programs, which continue to replace mining reserves year-over-year.

The mineral resource and reserve statement for Myra Falls has been prepared in accordance with the NI 43-101 Guidelines for disclosure under the supervision of non-independent Qualified Person Rick Sawyer, P.Geo. (APEGBC) in accordance with the CIM Definition Standards.

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 within 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 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 would have a nominal production capacity of approximately 130,000 tonnes of zinc in concentrate, providing more than 100% of the concentrate requirements for Nyrstar's Clarksville smelter. In the years ended 31 December 2012, 2013 and 2014, actual production of zinc in concentrate at the Nyrstar Tennessee Mines was 109,000, 121,000 and 111,000 tonne, respectively.

Middle Tennessee mines were put on care and maintenance to further minimise cash consumption in the mining segment in October 2015. This decision will result in approximately 50,000 tonnes of zinc in concentrate per annum being taken out of the market. Zinc metal production at the nearby Nyrstar Clarksville smelter will be reduced by about 7%, equivalent to approximately 9,000 metric tonnes per annum. The Clarksville smelter will continue to be supplied by East Tennessee Mines and additional external sources.

Mineral Resources and Mineral Reserves

East Tennessee Mines

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves 2014	Proven mineral reserves 2013	Probable mineral reserves 2014	Probable mineral reserves 2013	Total mineral reserves 2014	Total mineral reserves 2013
East Tennessee Mines	100%	UG	(Mt)	0.53	0.49	4.30	4.44	4.83	4.93
			Zn (%)	2.70	2.70	3.90	3.73	3.80	3.63

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2014	Measured mineral resources 2013	Indicated mineral resources 2014	Indicated mineral resources 2013	Measured and indicated mineral resources 2014	Measured and indicated mineral resources 2013	Inferred mineral resources 2014	Inferred mineral resources 2013
East Tennessee Mines . . .	100%	UG	(Mt)	0.53	0.57	5.13	5.30	5.65	5.87	23.64	24.75
			Zn (%)	2.80	2.71	4.10	3.86	4.00	3.75	3.70	3.86

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 2014, total ore milled at East Tennessee mines was approximately 2 million tonnes. During 2014, approximately 1.42 million tonnes were depleted from the measured and indicated resources. Exploration activity in 2014 at the mines added 1.14 million tonnes to the measured and indicated resources, which resulted in an overall decrease of 220 thousand tonnes. Inferred resources decreased 1.1 million tonnes with losses at Young Mine offset by increases in tonnage and grade at both Immel and Coy Mines.

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, P.Geo. (APGO and APEGBC), for the mineral resources, and James Monaghan, P.Eng. (PEO), for the mineral reserves, both of AMC Mining Consultants (Canada) Limited.

Middle Tennessee Mines

Name of operation	Ownership	Mining method	Commodity	Proven mineral reserves 2014	Proven mineral reserves 2013	Probable mineral reserves 2014	Probable mineral reserves 2013	Total mineral reserves 2014	Total mineral reserves 2013
Middle Tennessee Mines . . .	100%	UG	(Mt)	0.22	0.00	2.27	3.92	2.48	3.92
			Zn (%)	3.50	0.00	3.70	3.70	3.60	3.70

Name of operation	Ownership	Mining method	Commodity	Measured mineral resources 2014	Measured mineral resources 2013	Indicated mineral resources 2014	Indicated mineral resources 2013	Measured and indicated mineral resources 2014	Measured and indicated mineral resources 2013	Inferred mineral resources 2014	Inferred mineral resources 2013
Middle Tennessee Mines	100%	UG	(Mt)	0.24	0.00	3.70	4.89	3.94	4.89	16.70	15.21
			Zn (%)	3.70	0.00	3.60	3.78	3.60	3.80	3.50	3.67

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 2014, total ore milled at Middle Tennessee Mines was approximately 1.55 million tonnes. Despite effective definition drilling programs which upgraded a portion of mineral resources there was a decrease in mineral reserves of 1.43 million tonnes, of which 430,000 thousand tonnes was due to increasing unit costs based upon an assessment of operating expenses. Measured and indicated mineral resources decreased by 950,000 thousand tonnes while inferred mineral resources increased by 1.49 million tonnes. Middle Tennessee Mines has a long, proven history of mineral resource replacement; however, additional surface and underground drilling is required to identify and quantify new mineral resources.

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, P.Geo. (APGO and APEGBC), for the mineral resources, and James Monaghan, P.Eng. (PEO), for the mineral reserves, both of AMC Mining Consultants (Canada) Limited.

Talvivaara Zinc Streaming Agreement

In January 2010, Nyrstar entered into an agreement to acquire 1.25 million tonnes of zinc in concentrate from Talvivaara for a purchase price of US$ 335 million (approximately € 243 million) plus an extraction and processing fee and a price participation per tonne delivered (as amended, 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 produced as a by-product to Talvivaara's nickel production.

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. However, as a result of unforeseen ongoing operational challenges at the Talvivaara's Sotkamo mine production of ore metal in concentrate from Talvivaara, and hence deliveries, were significantly lower than expected, although there was no production impact.

In February 2013, Nyrstar and Talvivaara agreed to amend and restate the Zinc Streaming Agreement with an upfront fee for a discount on deliveries.

In November 2013, Talvivaara applied for the commencement of corporate reorganisation proceedings under Finland's Restructuring of Enterprises Act, which the Finnish court approved.

During 2014 Nyrstar made available to Talvivaara a loan facility up to a maximum amount of € 20 million, available in several tranches with the amount of each advance calculated with reference to a corresponding delivery by Talvivaara of zinc in concentrate.

However, in November 2014, Talvivaara announced that it would enter into bankruptcy proceedings. In March 2015 the bankruptcy estate of Talvivaara notified Nyrstar that it was no longer committed to the Zinc Streaming Agreement and the loan. Subsequently, in July 2015 the public receiver requested the lienholders of Talvivaara to release the security encumbering the relevant assets of the estate in order to enable the completion of the transaction between the estate and the Finnish State-owned Terrafame Mining. Nyrstar subsequently released its security on the encumbered assets and Terrafame Mining acquired Talvivaara's mining business and assets. In November 2015, Nyrstar assigned all its rights, title, benefit and interest under the Talvivaara Zinc Streaming Agreement to Terrafame for € 3.8 million related to the loan facility up to a maximum amount of € 20 million that was made available to Talvivaara in 2014.

Nyrstar reviewed the prospects of recovering its Zinc Streaming Agreement with Talvivaara and recovery under the loan agreement. Given that it expects no further performance, it fully impaired the value of the Zinc Streaming Agreement as at 31 December 2014. The impairment charge amounted to € 245.9 million (net of tax € 196.8 million). Nyrstar also recognised impairment losses of € 8.4 million equal to the full carrying value of the loan receivable under the facility.

For further information on the accounting treatment of the Zinc Streaming Agreement, see note 18 to Nyrstar's Financial Statements for the year ended 31 December 2015.

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 5.34% of the issued share capital of Herencia Resources plc.

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 5.7% zinc and 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 has conducted a number of additional equity private placements since November 2010 to raise further funding; however, Nyrstar has chosen not to participate in these placements and currently has a diluted shareholding of approximately 22.04%. The project is currently at an advanced post-feasibility stage.

Operations review—Mining

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

Years ended 31 December 2015 and 31 December 2014

'000 tonnes unless otherwise indicated	**Year ended 31 December 2015**	**Year ended 31 December 2014**	**% change**
Total ore milled	**5,913**	**6,888**	**(14)%**
Total zinc concentrate	**519**	**550**	**(6)%**
Total lead concentrate	**20.7**	**33.0**	**(37)%**
Total copper concentrate	**26.2**	**60.6**	**(57)%**
Zinc in Concentrate			
Campo Morado	0	22	(100)%
Contonga	12	13	(8)%
El Mochito	23	30	(23)%
El Toqui	38	37	3%
Langlois	40	38	5%
Myra Falls	9	27	(67)%
East Tennessee	64	63	2%
Middle Tennessee	47	47	0%
Tennessee Mines (Total)	112	111	1%
Own Mine Total	**234**	**278**	(16)%
Talvivaara Stream	—	24	(100)%
Total	**234**	**302**	**(23)%**
Lead in concentrate			
Contonga	0.9	0.4	125%
El Mochito	9.8	15.5	(37)%
El Toqui	2.1	1.8	17%
Myra Falls	0.2	1.5	(87)%
Total	**13.0**	**19.2**	**(32)%**
Copper in concentrate			
Campo Morado	0.1	3.9	(97)%
Contonga	3.7	3.1	19%
Langlois	2.1	2.0	5%
Myra Falls	0.6	2.3	(74)%
Total	**6.5**	**11.3**	**(42)%**
Gold ('000 troy oz)			
Campo Morado	0.1	5.7	(98)%
El Toqui	10.0	20.3	(51)%
Langlois	1.9	2.0	(5)%
Coricancha	—	0.5	(100)%
Myra Falls	4.0	23.6	(83)%
Total	**16.1**	**52.1**	**(69)%**
Silver ('000 troy oz)			
Campo Morado(1)	21	902	(98)%
Contonga	481	368	31%
El Mochito	1,105	1,827	(40)%
El Toqui	266	313	(15)%
Langlois	642	518	24%
Coricancha	—	5	(100)%
Myra Falls	209	1,173	(82)%
Total	**2,724**	**5,106**	**(47)%**

(1) Until 31 December 2014, 75% of the silver produced by Campo Morado was subject to a streaming agreement with Silver Wheaton whereby only US$ 4.02/oz was payable in 2014.

The performance of the Mining segment in 2015 reflected the suspension of operations at Campo Morado at the beginning of 2015 and transitioning Campo Morado to care and maintenance in October 2015, suspension at Myra Falls from May 2015 and the placement of the Middle Tennessee Mines on care and maintenance in December 2015.

Nyrstar's mines produced approximately 234 kt of zinc in concentrate during 2015, down 16% on 2014 and down 23% including the Talvivaara stream, which was 24 kt in 2014 and nil in 2015.

During 2015, Campo Morado had no production at the mine, with operations being suspended due to the on-going issues associated with security in the region. This was initially caused by an illegal blockade of the mine entrance by non-affiliated union activists and over the course of the first quarter due to contractors and unionised mine workers being subjected to systematic intimidation. A small amount of Alimak vertical development was performed, and there has been on-going work on the block model, metallurgical testing and mine plan.

Production at Myra Falls in 2015 was affected by hydro-electric power supply problems due to a turbine failure and the decision in Q2 2015 to suspend operations from May 2015 to allow for a concentrated focus on infrastructure and operational reliability to allow for a future restart with substantially improved mine and plant operating conditions. Zinc recoveries were in-line with the same period last year; however, lead, copper and gold recoveries were negatively influenced by the lower head grades for these metals despite concentrate volumes being down. Production was substantially reduced for all metals against the last year primarily as a result of the power interruptions, suspended mining and milling operations and lower head grades and recoveries for all metals except for zinc.

At El Mochito, despite processing a similar volume of ore in 2015 compared to 2014, production of zinc, lead and silver during 2015 was reduced by 22%, 37% and 39% compared to 2014. This reduced production was due to the lower contribution of ore from chimneys, replaced by lower grade mantles ore.

The Middle Tennessee Mines reported flat production year-over-year, despite ore milled reducing by 5% and the mines being placed on care and maintenance in December 2015, due to zinc mill head grade improving by 2% (higher grade stopes being mined) and zinc recovery improving by 3% (more consistent run schedule implemented at the Middle Tennessee mill). Production at the East Tennessee Mines was up 2% in 2015 compared to 2014 due to a moderate improvement in zinc mill head grade (up 1%) and ore milled (up 2%).

The volume of ore milled at Contonga during 2015 decreased by 11% year-on-year due to higher ore production from stopes and drifts in the lower ore zones of the mine. The mined ore came from low zones with lower zinc head grades (down 18%) and higher copper (up 6%), lead (up 70%) and silver mineralization (up 6%). As a result of the head grades, zinc in concentrate was 8% lower, while copper, lead and silver were up by 19%, 149% and 19%, respectively compared to 2014.

Years ended 31 December 2014 and 31 December 2013

'000 tonnes unless otherwise indicated	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**% change**
Total ore milled	**6,888**	**6,960**	**(1)%**
Total zinc concentrate	**550**	**511**	**8%**
Total lead concentrate	**33.0**	**24.3**	**36%**
Total copper concentrate	**60.6**	**68.3**	**(11)%**
Zinc in Concentrate			
Campo Morado	22	25	(12)%
Contonga	13	13	—
El Mochito	30	25	20%
El Toqui	37	23	61%
Langlois	38	36	6%
Myra Falls	27	27	—
East Tennessee	63	71	11%
Middle Tennessee	47	50	(6)%
Tennessee Mines (Total)	111	121	(8)%
Own Mine Total	**278**	**271**	**3%**
Talvivaara Stream	24	14	71%
Total	**302**	**285**	**6%**
Lead in concentrate			
Contonga	0.4	0.3	33%
El Mochito	15.5	11.6	34%
El Toqui	1.8	1.2	50%
Myra Falls	1.5	0.9	67%
Total	**19.2**	**14.2**	**35%**
Copper in concentrate			
Campo Morado	3.9	4.9	(20)%
Contonga	3.1	2.6	19%
Langlois	2.0	2.0	—
Myra Falls	2.3	3.3	(30)%
Total	**11.3**	**12.9**	**(12)%**
Gold ('000 troy oz)			
Campo Morado	5.7	11.7	(51)%
El Toqui	20.3	41.3	(51)%
Langlois	2.0	1.8	11%
Coricancha	0.5	2.6	(80)%
Myra Falls	23.6	17.8	33%
Total	**52.1**	**75.2**	**(31)%**
Silver ('000 troy oz)			
Campo Morado(1)	902	1,156	(22)%
Contonga	368	306	20%
El Mochito	1,827	1,637	12%
El Toqui	313	141	122%
Langlois	518	524	(1)%
Coricancha	5	164	(97)%
Myra Falls	1,173	818	43%
Total	5,106	4,746	8%

Note: The production figures above are those attained under Nyrstar ownership.

(1) Until 31 December 2014, 75% of the silver produced by Campo Morado was subject to a streaming agreement with Silver Wheaton whereby only US$ 3.90/oz was payable in 2013.

In 2014, the volume of zinc in concentrate produced at Nyrstar's own mines (excluding deliveries under the Zinc Streaming Agreement) was approximately 278,000 tonnes, up 3% from 2013.

The increase in production was primarily due to the commencement of mining from the Port Royal chimney at El Mochito and production from the Tennessee mines returning to sustainable levels in H2 2014. Total zinc in concentrate was up 6% from 2013.

At the Campo Morado mine, 2014 production of all metals was intermittently disrupted from mid-November 2014 due to the suspension of operations in the final quarter following an illegal blockade by union activists. Ore grades declined compared with 2013 as the G9 ore body was exhausted, impacting production for all metals. Metallurgical testing on the resource consisting of highly complex refractory ore bodies and plant modifications to optimise the metal recoveries were undertaken. The plant modifications are expected to result in the production of copper concentrate, zinc concentrate and lead concentrate and ensure higher payment terms for the concentrates as they will have less penalties and higher payables than the previous two concentrates.

The Contonga mine increased its throughput to maximum levels permitted by its operating license and offset a minor decline in zinc ore grade whilst maintaining production volumes of zinc, lead and copper and increasing silver production compared to 2013.

El Mochito mine achieved increased production for all metals compared to 2013 with a higher head grade. These increases were achieved through the development of new high grade chimney mining areas using the Alimak mining method. Development of these areas was completed in H1 2014 and the ore was processed in H2 2014. This complemented a consistent performance from existing ore bodies which use a standard room and pillar mining method.

El Toqui mine achieved record zinc production, 61% higher than 2013. This improved result was largely due to improved surface facilities, which enabled higher processing rates and enhanced metal recoveries. There was also a change of focus away from gold campaigns due a review of gold pillar extraction methods in poor ground conditions and the depressed gold price in H2 2014. Lead and silver volumes exceeded 2013 production by 50% and 122% respectively.

At the Langlois mine, zinc in concentrate production for 2014 increased by 6% year-on-year. Improved cycle times from steady state underground operations resulted in 11% higher mill production despite slightly lower ore grades. Production of copper, silver and gold was in line with 2013.

Myra Falls, despite temporary interruptions due to power availability caused by a severe drought followed by flooding in Q4 2014, had a solid performance in 2014 across all metals. The mine recorded zinc in concentrate volumes in line with 2013, a 43% increase in silver and a 33% increase in gold ounces produced. Focus continued to remain on the long-term sustainability of production from the mine with the development of future ore zones in the western sector of the mine and improvements to the productivity and utilisation of underground equipment during 2014.

The Tennessee mines reported an 8% reduction in zinc in concentrate production in 2014 compared to 2013. Average zinc mill head grades were below 2013 and ore volumes processed were impacted by equipment failures at the surface facilities as well as mine cycle times in underground operations. Management has taken actions to address the issues resulting in improved performance.

Deliveries of zinc in concentrate from Talvivaara under the Zinc Streaming Agreement were up by 71% in 2014 compared to 2013. See also "*—Mining—Talvivaara Zinc Streaming Agreement*" above.

Relationship with Trafigura

Overview of the relationship with Trafigura

Trafigura is a significant shareholder of the Company through its subsidiary, Urion. Trafigura has informed the Company that, as of the day of this Prospectus, it holds 80,694,821 Shares, which prior to the Offering and before conversion of any outstanding convertible bonds, represents 24.64% of the outstanding Shares.

Trafigura acquired its shareholding in the Company through several acquisitions, which were notified to the Company as follows:

Date of Notification	Number of shares notified	Percentage of shares notified
1 October 2014	28,638,753	8.42%(1)
2 October 2014	34,651,369	10.19%(1)
12 November 2014	52,035,694	15.30%(1)
1 September 2015	68,090,869	20.02%(1)
—	80,694,821	24.64%(2)

Notes:

(1) On the basis of 340,045,088 outstanding Shares of the Company at that time, before conversion of any of the convertible bonds outstanding at that time.

(2) On the basis of 327,473,863 outstanding Shares of the Company at the time before conversion of any of the convertible bonds outstanding at that time. Trafigura has informed the Company that Urion currently holds 80,694,821 Shares.

At the annual general shareholders' meeting of the Company that was held on 29 April 2015, Mr. Christopher Cox and Mr. Martyn Konig were elected as respectively non-executive non-independent director and non-executive independent director of the Company at the proposal of Urion.

On 9 November 2015, the Company announced that it had entered into several agreements with Trafigura, consisting notably of:

- an agreement with Trafigura, pursuant to which Trafigura (through its subsidiary, Urion) agreed to support the Offering, subject to certain conditions, all as further described in the Shareholder Commitment Agreement (see also "*The Offering—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*");
- several commercial agreements (see also "*—Trafigura Commercial Agreements*"); and
- a Relationship Agreement governing Nyrstar's relationship with Trafigura (see also "*—Trafigura Relationship Agreement*").

Trafigura has since also become the off-taker in the 2015 Prepay Financing. See "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Funding sources—2015 Prepay Financing*".

On 16 December 2015 the European Commission approved Trafigura's shareholding in the Company under the EU Merger Control Regulation (Regulation 139/2004).

Trafigura Commercial Agreements

On 9 November 2015, Nyrstar Sales & Marketing AG entered into commercial agreements with Trafigura Pte. Ltd. (the "**Trafigura Commercial Agreements**") relating to the purchase by Nyrstar from Trafigura of zinc concentrate, lead concentrate and finished refined aluminium metal (the "**Purchase Agreements**") and the sale by Nyrstar to Trafigura of finished refined zinc metal (part of this contract being implemented by way of the 2015 Prepay Financing), finished refined lead metal and finished refined copper cathodes (the "**Sales Agreements**").

All of the agreements entered into force on 1 January 2016 for a fixed term of five years, with an option for Trafigura to renew for a further period of five years. Thereafter they are expected to continue on an evergreen basis, provided that with at least one calendar year's notice (which can be given on and from 31 December 2024) (i) Trafigura may terminate at any time and (ii) Nyrstar may terminate if Trafigura's or its affiliate's shareholding in Nyrstar NV or its affiliate falls below 20%. In addition, the agreements are subject to certain termination rights in case of default under the various agreements.

The Purchase Agreements provide for market-based prices with annually agreed treatment charges (for zinc concentrate and lead concentrate) and premiums (for aluminium) subject to certain fallback mechanisms, in case no agreement can be reached between the parties. Subject to annual agreement, the Purchase Agreements will relate to approximately 10-30% of Nyrstar's feedbook requirements.

The Sales Agreements provide for market-based prices with (i) market-based premiums subject to specific market-based discounts up to and including 2017 and annually agreed discounts thereafter for zinc metal, (ii) annually agreed premiums for lead metal and (iii) market-based premiums subject to annually agreed discounts for copper cathodes, subject to certain fallback mechanisms in case no agreement can be reached between the parties. The Sales Agreements will relate to substantially all of Nyrstar's commodity grade metal.

The Company is of the opinion that the Trafigura Commercial Agreements were entered into at market conditions.

Relationship Agreement

In connection with Trafigura's commitment to support the Offering, on 9 November 2015 the Company also entered into a relationship agreement (the "**Relationship Agreement**") with Trafigura Group Pte. Ltd. to govern Nyrstar's relationship with Trafigura Group Pte. Ltd. and its affiliated persons (collectively "**Trafigura**").

The Relationship Agreement provides amongst other things for the following:

- All transactions between the Group and Trafigura are to be conducted at arm's length and on normal commercial terms.
- Trafigura will during the term of the Relationship Agreement not acquire (directly or indirectly) any Shares or voting rights in the Company that would bring its aggregate holding of Shares or voting rights (when aggregated with the holdings of any person with whom it acts in concert, including, as the case may be, the Group) to a level above 49.9% of the outstanding Shares or voting rights of the Company. Furthermore, Trafigura does not intend to and will not, directly or indirectly, solicit, launch or publicly announce the solicitation or launching of a private or public offer or any proxy solicitation with respect to all or substantially all of the voting securities of the Company that is not recommended or otherwise supported by the board of directors of the Company. The aforementioned restrictions would automatically fall away in case of the announcement by a third party at the request of the Belgian FSMA regarding its intention to carry out a public tender offer, the announcement of an actual public tender offer by a third party, an acquisition by a third party of Shares such that such person's holding of shares reaches or exceeds 10% of the outstanding Shares in the Company, and it becoming unlawful for the Relationship Agreement to remain in force. The restrictions do not prevent Trafigura from soliciting, launching or publicly announcing the solicitation or launching of a private or public offer or any proxy solicitation with respect to all or substantially all of the voting securities of the Company that is recommended or otherwise supported by the board of directors of the Company, tendering Shares in a public tender offer (including the entering into an irrevocable commitment with respect to such public tender offer) or entering into another transaction in relation to its Shares, such as sale of its Shares.
- Trafigura will be able to nominate or propose the nomination of such number of directors to the Company's board of directors as it determines, but limited to a number that does not constitute a majority of the Company's board of directors (such directors being a "**Trafigura Director**", but it being noted that the director appointed upon proposal of Trafigura, Mr. Martyn Konig, prior to the date of the Relationship Agreement who is an "independent director" shall not for these purposes be considered as a Trafigura Director). The Relationship Agreement also provides that the proposal for appointment of any new independent director requires the approval of a majority of the directors other than the Trafigura Directors, it being understood however, that the Relationship Agreement in no way restricts the Trafigura group as shareholder to vote in favour of or against any proposed independent director. In case a Trafigura Director is chairman of the board of directors or chairs a meeting of the board of directors, he or she shall not have a casting vote. Furthermore, the Relationship Agreement provides that the attendance quorum for a board meeting shall be at least one independent director and one Trafigura Director, but if this attendance quorum is not met, a subsequent board meeting can be held with the same agenda if at least any two directors are present.
- After completion of the Offering, Trafigura may request the Company to take certain steps, including the publication of a prospectus or other offering document in connection with a proposed disposal of some or all of Trafigura's Shares.

- After completion of the Offering, if the Company issues equity securities, Trafigura will have pro rata subscription rights.

The Relationship Agreement will have effect for as long as Trafigura holds 20% or more but less than 50% of the Shares in the Company. It may be terminated by Trafigura if any of the Trafigura Commercial Agreements that it entered into with Nyrstar Sales & Marketing AG on 9 November 2015 (See "—*Trafigura Commercial Agreements*") is terminated by the Company other than as a result of expiry or non-renewal and other than due to material breach by Trafigura. It may also be terminated by Trafigura if the Offering is not completed by 27 April 2016 other than due to failure by Urion to comply with its obligations under the Shareholder Commitment Agreement (see below "*The Offering—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*").

Commercial operations

Since mid-2009, all trading activities (zinc, lead, related alloys and by-products) have been carried out by a single legal group entity, Nyrstar Sales & Marketing AG (a company incorporated in Switzerland). The commercial operations team is integrated into the Metals Processing and Mining segments.

The commercial operations team, located in Zurich, has 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. Various methodologies and models are used 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). Nyrstar Sales & Marketing AG 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, end use market knowledge has been used 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 commercial operations 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 Nyrstar Sales & Marketing AG 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 concentrate 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. In 2015, spot purchases were only approximately 8% of all volumes of concentrate. Concentrates have been secured under contracts with mining companies and traders for approximately 94% of Nyrstar's 2016 concentrate demand, with concentrates from own mines production and sourced under the Trafigura Commercial Agreement representing approximately half of this requirement. The small residual balance for purchases during 2016 is expected to be predominantly contracted in the same ratio.

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 MMG secured approximately 31% and 9%, respectively, of Nyrstar's total zinc concentrate feed requirements in 2015. As noted, Century reached its life-of-mine and ceased supplying Nyrstar's smelters in Q4 2015. Going forward, Nyrstar has replaced zinc concentrate supplies from the Century mine with supplies under the Trafigura Commercial Agreements. See "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*". Nyrstar's own mines supplied approximately 11% (from the Tennessee and El Mochito mines) of its concentrate feed requirements in 2015. The remaining 46% was split amongst a number of other suppliers, with no other supplier representing more than 7% of the total supply.

More than half of Nyrstar's current zinc concentrate portfolio of concentrates produced outside of Nyrstar group is supplied under contracts linked to 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 reached its life-of-mine in August 2015 and ceased supplying Nyrstar's smelters in Q4 2015. Supply from Century represented approximately 31% of total supply to Nyrstar's smelters and 66% and 58% of supply to Budel and Hobart, respectively, in 2015. Management accordingly took 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 built a long concentrate position ahead of the closure of the Century mine, and these sources currently cover, and are projected to enable Nyrstar to cover 100% of the shortfall created by such closure.

Product Sales

Sales of metal and by-products are carried out centrally through the commercial operations team 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.

Specialty grade metals

Nyrstar markets such metals itself.

Commodity metals

Nyrstar sells almost all of its commodity grade zinc and lead metal to the Glencore Group, Noble and Trafigura. These commodity grades represent approximately 63% of Nyrstar's total zinc metal sales and 89% of its total 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 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) currently continues as before under the off-take agreement. See "*Operating and Financial Review and Prospects—Contractual obligations and commitments*".

On 30 September 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 current termination date of the agreement is 31 December 2016. Under the agreement, Nyrstar currently receives market price plus a benchmark premium per tonne of zinc metal, 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 sales agreements entered into with Trafigura described above will relate to substantially all of Nyrstar's commodity grade metal. See "*—Relationship with Trafigura—Trafigura Commercial Agreements*" for information on the sales arrangement with Trafigura.

Top Five Zinc Products—Europe

	2014			2015		
	Product	**Volume**	**Percentage**	**Product**	**Volume**	**Percentage**
1.	SHG—25kg Slabs	212 kt	40%	SHG—25kg Slabs	208 Kt	42%
2.	SHG—cathodes	147 kt	28%	SHG—cathodes	141 Kt	28%
3.	ZAMAK #5—8.3 kg slabs	82 kt	16%	ZAMAK #5—8.3 kg slabs	70 Kt	14%
4.	SHG—1450 kg jumbos	60 kt	11%	SHG—1450 kg jumbos	64 Kt	13%
5.	SHG—1000 kg jumbos	27 kt	5%	Zn/Al 0.4%—1950 kg jumbos	17 Kt	3%
	TOTAL:	**528kt**	**100%**	**TOTAL:**	**500 Kt**	**100%**

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 Nyrstar smelters can extract value from such concentrate and the location of the concentrate. In 2015, approximately 53% of Nyrstar's concentrates from its own mines was internally consumed, accounting for 11% of the Metals Processing segment's concentrate requirements.

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 operations teams or by the Business Execution team (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 Nyrstar 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.

Activities are complemented by specialised teams that provide support on such functions as contract administration, invoicing, pricing and assay exchange administration.

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 5,000 employees with 28% of Nyrstar's total personnel employed in Europe, 49% in the Americas and 23% in Australia as of 31 December 2015.

The table below illustrates the breakdown of employees across Nyrstar's business segments and geographic regions.

	As of 31 December		
	2015	2014	2013
Corporate	155	170	196
Smelting	2,768	2,831	2,805
Mining	2,255	3,610	3,598
Total(1)	**5,178**	**6,611**	**6,599**
Australia	1,195	1,228	1,236
Europe	1,451	1,497	1,487
Americas	2,532	3,886	3,876
Total(1)	**5,178**	**6,611**	**6,599**

Note:

(1) Excluding Genesis (disposed of in October 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. With the exception of the Clarksville smelter, each of Nyrstar's 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 31 December 2015, the Hobart smelter had a workforce of approximately 496 employees and approximately 149 full-time equivalent contractors. As at 31 December 2015, the Hobart smelter has approximately 310 employees working under enterprise agreements. The enterprise agreement for operators at the Hobart smelter was renegotiated at the end of 2014. The enterprise agreement for maintenance employees was renegotiated in early 2014 and expires in 2018.

As of 31 December 2015, the Port Pirie smelter had approximately 699 full time equivalent employees. It is estimated that approximately 65% 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 31 December 2015, approximately 99% of the 294 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 31 December 2015 was approximately 540. The total number of employees at the Budel smelter at 31 December 2015 was approximately 450.

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 2016) 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 the labour agreement with CAO Metalektro is under negotiation.

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, Campo Morado and Myra Falls. These are due to expire as follows: Peru operations (March 2016), El Toqui (September 2016) and El Mochito (September 2016).

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, strikes in 2012 and 2014 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 Health & Safety Audits, involving assessment of key safety and health risks, were completed at all smelters in 2013 and 2014. The audits focused on conformance with Group requirements and local regulations 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 were 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 and Mining segments during H1 2014, which identified failures with Port Pirie's classification of musculoskeletal injuries in the past and with El Mochito's and Contonga's classification of medical treatments. Historical injury rates have been corrected and expectations clarified across the sites. The number of days lost or under restricted duties ("**DART**") were significantly improved by 30% in 2015. The recordable injury rate, defined as the twelve-month rolling average of the number of injuries requiring medical treatment ("**RIR**") beyond first aid per million hours worked, including all employees and contractors across all operations was 9.4 in 2015, compared to 13.0 in 2014 and 11.4 in 2013. The 2015 and 2014 lost time injury ("**LTI**") 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 2.4 and 4.0, respectively, compared to 4.0 in 2013. Both segments achieved record safety performances in 2015. In Metals Processing, the DART and RIR reduced by 23% and 19%, respectively, compared to 2014, while Clarksville and Nyrstar Port Pirie were LTI free in 2015. In Mining, the DART and RIR reduced by 35% and 33%, respectively, compared to 2014.

The significant overall reductions in RIR, LTI and DART rates were due to a number of factors within 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.

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 1.9, 1.4 and 3.5 near misses per injury in 2013, 2014 and 2015, 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 in line with Nyrstar's goal of preventing harm.

Despite Nyrstar's strong focus on safety, fatal injuries at Nyrstar's mines unfortunately occur, including in March 2013 (Campo Morado), September 2013 (Contonga), June 2015 (El Mochito) and January 2016 (El Mochito and Langlois). Risk scenarios were conducted across all mines to help prevent the recurrence of similar situations.

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 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.

Current environmental issues of potentially material relevance for Nyrstar's financial condition and operating performance include:

- Windblown tailings from the non-operational Confluencia tailing storage facility ("**TSF**") at El Toqui: The windblown tailings escaping the facility deposited in a small area downwind of the site, and tests in this area have shown localised impacts to soil, vegetation and cattle, primarily from arsenic and lead. Measures to reduce dust emissions have been implemented and final reclamation of the facility, involving the placement of a protective cover on top of the tailings, is scheduled to be completed in 2016 at a cost of around US$ 2.5 million. Despite these ongoing and planned measures, on 5 January 2016 the environmental regulator (*Superintendencia del Medio Ambiente*) initiated sanction procedures on account of four alleged violations related to insufficient dust control, modification of the facility without the required environmental authorisations, and unauthorised discharge of effluent from the facility during a spill event in June 2015. Possible sanctions, should the violations be confirmed, include revocation of relevant environmental licenses, temporary or permanent suspension of operations, and monetary fines of up to US$ 19 million in aggregate for the four violations. Nyrstar's assessment is that the alleged instances of non-compliance are defendable and that the threatened sanctions are unlikely to be realised. Nyrstar's response to the regulator was filed on 4 February 2016. In addition to regulatory actions, the emissions from the facility and their impacts on the local environment have attracted the attention of local and national media in Chile.

- Instances of non-compliance with regulatory limits for discharge of effluent at Myra Falls: During a period from November 2014 to December 2015, eight instances of non-compliance with effluent discharge criteria specified in applicable regulations and permits were recorded at

Myra Falls. These events were reported to the supervising environmental authorities (Environment Canada and BC Ministry of Environment) as required. Two warning letters were received from Environment Canada on 12 January 2015 in relation to events that occurred in November and December 2014. Further enforcement action is considered likely, but the nature and extent of such enforcement action is unclear at this time. An action plan to improve the performance of the site's effluent treatment system has been developed and is being implemented by Nyrstar.

Nyrstar's mines are also subject to risks related to the integrity of its TSF which typically include one or several dam structures. In order to assure and advance the safety of Nyrstar's tailing dams, a round of third party dam safety reviews were undertaken across all major tailing facilities in 2014. The purpose of the reviews was to allow for an independent expert assessment of dam conditions, providing an additional level of monitoring and surveillance above and beyond the routine dam safety inspections completed by site personnel and their engineers of record. In total, 12 active and non-active TSFs located at Langlois, Bouchard-Hebert, Tennessee Mines, Campo Morado, El Mochito, Contonga and El Toqui were audited. The two TSFs at Myra Falls were also subject to third party dam safety reviews in late 2013 as required under provincial dam safety regulations. Detailed action plans have been prepared to respond to the findings and improvement opportunities identified by the third party auditor. Many of the actions from these plans have been completed and the status of the action plans is regularly monitored and reported to senior management. Key dam safety issues that remain outstanding and for which expenditures of a significant nature may be expected by the Company include:

- Upgrades to surface water management structures associated with the 'Old TDF' (tailing disposal facility) at Myra Falls. The upgrade works include the improvement of water diversion ditches upgradient of the facility and the installation of new surface water decants and spillways on the top of the TDF. The works were commenced in November 2015 and are expected to be completed by the end of H1 2016 at a total cost of approximately US$ 8 million, approximately 80% of which will be incurred in 2016.
- Investigation of glacio-lacustrine soils in the foundation of the Old TDF at Myra Falls. The investigations were ordered by the British Columbia (BC) Ministry of Energy and Mines (MEM) in response to the breach of the tailing dam at the Mount Polley mine which was found to be associated with failure of glacio-lacustrine foundation soils. The investigations are ongoing and expected to be concluded in March 2016. The need for remedial measures, and the nature and costs of any such potential measures, can only be determined following the conclusion of the geotechnical investigations.
- Measures to reduce seepage of acid drainage from the TSF at the former Bouchard-Hebert mine. Geotechnical investigation of the seepage issues commenced in 2015 and is expected to require several years to complete. While remedial measures will be required, the nature and costs of such measures is not expected to be material.
- Progressive closure and reclamation of the non-operational Naranjo Bajo TSF at Campo Morado. While yet to be regulatory mandated, covering of the facility is required in order to manage stormwater accumulating in the facility during the rainy season. Closure plans for the wider Campo Morado site and the Naranjo Bajo TSF, including closure cost estimates, are in the process of being developed. Preliminary estimates indicate costs for the progressive closure and reclamation of the Naranjo Bajo TSF may be in the order of US$2 million.
- Transportation of legacy tailings from TSFs at the Tamboraque area of the Coricancha mine to a new facility, TSF Chinchan. In H1 2014, Nyrstar suspended the transportation of legacy tailings when a study determined that further transport could destabilize the Tamboraque area and instead requested an amendment to the mine closure plan to maintain and reclaim the legacy tailings in the existing location. The applications to amend the closure plan were, however, rejected by the competent authorities in 2014 and 2015. For this reason, the company is planning to resume the relocation of tailings in April 2016 and the project is likely to require at least two years to complete. Costs for transporting the legacy tailings from Tamboraque to Chinchan are estimated at approximately US$ 10 million including costs to expand the Chinchan TSF and reclaim the tailing storage area at Tamboraque. Costs for relocating the tailings and for reclaiming the Tamboraque storage area are included in the environmental provisions for Coricancha. Additional measures to stabilise the Tamboraque storage area may

be required following relocation of the tailings. The need for, and cost of, such potential measures are yet to be confirmed and are not included in the environmental provision. Despite communicating and discussing the intention to resume tailings transportation with the relevant government authorities, on 8 January 2016 the Peruvian safety regulator (Osinergmin) initiated sanction procedures against the Company for failure to (i) relocate the tailings from the TSFs at Tamboraque to the Chinchan TSF as required in the site's statutory Closure Plan; and (ii) submit a detailed engineering study for reclamation of the TSFs at Tamboraque. Maximum possible fines for the two alleged claims amount to 1,000 tax units per issue (approximately US$ 2.3 million in aggregate for the two claims). The Company's responded to Osinergmin on 28 January 2016.

- Remedial works related to the Oasis TSF at Pucarrajo. The works are required in order to address outstanding instances of non-compliance identified in a sanction procedure initiated by the regulator (Osinergmin) in 2013 and to improve the stability of the tailing dam. The proposed works involve the relocation of 95,000 m^3 of waste rock from site waste rock dumps to be used to construct a downstream buttress on the tailing dam. While not directly associated with the Oasis TSF, the comtemplated remedial works also include stabilisation and progressive reclamation (re-profiling and covering) of the largest waste rock dump on site. Total costs for implementation of the proposed remedial works at Pucarrajo are approximately US$ 3.3 million. Given that the proposed works are yet to be incorporated in the statutory closure plan for Pucarrajo and have not yet been approved by the Peruvian authorities, the estimated costs are also not included in the environmental provision for Pucarrajo.

With the exception of the dam safety works at Pucarrajo discussed immediately above, costs for the investigative and remedial works highlighted above are included in the environmental provisions established for each site.

For further information, see "*Operating and Financial Review and Prospects—Environmental Costs*".

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.

Based on the application of these environmental incident reporting processes, environmental incidents occurring in 2015 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 Coricancha, where the environmental regulator (OEFA) has initiated a sanction process related to alleged instances of non-compliance identified during an inspection in April 2013. OEFA's allegations raise a number of issues relating to transport and disposal of tailings. Nyrstar has filed a legal defence contesting OEFA's findings, and Nyrstar's assessment is that corrective actions might be required but that material monetary fines are unlikely to be incurred. In addition, at the El Toqui mine, a portion of a spill of 90 tonnes of tailings in April 2014 entered the San Antonio River and was washed downstream into the El Toqui River. Although Nyrstar has completed its planned clean up of the tailings and has implemented corrective measures, the incident remains under investigation by the Chilean authorities.

Corporate social responsibility

Nyrstar aims to remain valuable and trusted partner of local communities and focuses its corporate social responsibility ("**CSR**") programme on strengthening relations with local communities at the site level. The CSR programme supports initiatives related to children's health, educational and training opportunities, habitat and wildlife protection, local community business management, cultural and sporting events.

Nyrstar has established such programmes as the Targeted Lead Abatement Programme, 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 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.

In 2011, Nyrstar has also established 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. The idea behind the Nyrstar Foundation is to grant € 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.

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 for its smelters and mines and certain aspects of business interruption for its smelters and select mines. It also maintains 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 for the purposes of operating and maintaining the furnace supplied by Outotec Pty Ltd at the Port Pirie site 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 twelve 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. However, Nyrstar is challenging a corrective corporate income tax assessment amounting to approximately €45.5 million issued by the Dutch tax administration relating to an intra-group reorganisation in the year ended 31 December 2010. While the outcome of these proceedings is uncertain, Nyrstar believes it has a strong position and intends to vigorously defend itself in court and accordingly has not recorded a provision in respect of this matter.

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 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 entered into a silver streaming agreement with Silver Wheaton Corp. ("**Silver Wheaton**") to sell to it 75% of the silver produced from Campo Morado. 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 paid 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 (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. On 31 December 2014, Nyrstar reached an agreement with Silver Wheaton to settle the existing silver streaming agreement. Under the settlement, the streaming agreement delivery obligation was brought to an end as of 31 December 2014. In return, Nyrstar made a payment of US$ 25 million to Silver Wheaton in January 2015 and granted Silver Wheaton a five year right of first refusal on any similar silver streaming transaction in relation to a Nyrstar group property. The settlement cancelled the delivery liability of approximately US$ 80 million on Nyrstar's balance sheet, which was fair-valued at the time of the Campo Morado acquisition in January 2011 and resulted in an uplift to the Underlying EBITDA for 2014 of €43 million.

For further information on the four-year strategic off-take and marketing agreement with Noble, see "—Commercial operations—Commodity Metals".

For further information on relationship agreement and commercial agreements with Trafigura, see "*—Relationship with Trafigura—Relationship Agreement" and "—Relationship with Trafigura—Trafigura Commercial Agreements*".

For further information on the 2015 Prepay Financing, see "*Operating and Financial Review and Prospects —Liquidity and Capital Resources— Funding sources—2015 Prepay Financing*".

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 2015, Nyrstar entered into a silver prepay agreement with Bank of America Merrill Lynch, under which Nyrstar received a US$ 50 million prepayment and agreed to physically deliver 3.16 million ounces of silver in equal instalments over a six month period ending December 2015. 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. This prepay agreement has not been renewed.

In June 2015, Nyrstar entered into a silver prepay agreement with JP Morgan Chase Bank, under which Nyrstar received a US$ 100 million prepayment and agreed to physically deliver 8.38 million ounces of silver in equal instalments over a six month period ending December 2015. 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. This prepay agreement has not been renewed.

In March 2015, Nyrstar entered into a silver prepay agreement with Macquarie Bank, under which Nyrstar Received a US$ 25 million prepayment and agreed to physically deliver 1.52 million ounces of silver in equal instalments over a two year period ending March 2017. 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 31 December 2015, the capital commitments amounted to € 104 million. The operating lease commitments at 31 December 2015 amounted to € 14 million. As at 31 December 2015, Nyrstar also had € 96.6 million of bank guarantees that are not on its balance sheet, provided to secure liability towards 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*" and "*Description of Certain Other Indebtedness*".

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 C.V.	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.

The board of directors has decided not to propose to shareholders a distribution in respect of the 2013, 2014 and 2015 financial years. 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 the First Term	End of Current Term
Julien De Wilde	Chairman	Non-Executive, Independent	2007	2018
Bill Scotting	Chief Executive Officer, Director	Executive	2015	2019
Ray Stewart	Director	Non-Executive, Independent	2007	2018
Oyvind Hushovd	Director	Non-Executive, Independent	2009	2016
Carole Cable	Director	Non-Executive, Independent	2013	2017
Martyn Konig	Director	Non-Executive, Independent	2015	2019
Christopher Cox	Director	Non-Executive	2015	2019
Karel Vinck	Director	Non-Executive	2007	2016

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 NV Bekaert SA, 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 health, safety, environment and community committee. He obtained an engineering degree from the Catholic University of Leuven, Belgium.

Bill Scotting, chief executive officer, was appointed chief executive officer in August 2015 and elected as director in December 2015. Prior to Nyrstar, he held the position of chief executive mining at ArcelorMittal. He joined Mittal Steel in 2002 and prior to his role of chief executive mining held the positions of head of strategy and head of performance enhancement. Mr. Scotting has close to 30 years of experience in the metals and mining industry in strategic, operations management, technical and consulting roles. He has previously held positions at McKinsey & Company, BHP Steel, CRU International, Mascott Partnership and Pioneer Concrete. Mr. Scotting holds a Bachelor of Science degree in Metallurgy from the University of Newcastle in Australia, and a Masters of Business Administration (with distinction) from Warwick Business School in the United Kingdom.

Ray Stewart, non-executive director, currently serves on the board of bpost NV. Previously, he held the position of executive vice president finance and chief financial officer of Proximus NV. Prior to Proximus, 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. He was 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 he held a number of senior positions within that company). He is chairman of the health, safety, environment and community 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 nomination and remuneration committee and the health, safety, environment and community 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.

Martyn Konig, non-executive director, is Non-Executive Chairman of Euromax Resources (since 2009) and an Independent Director of TSX-listed New Gold (since 2009), sitting on the Audit Committee and Chair of the Remuneration Committee. He is also a consultant chief investment officer for T Wealth Management, a private multi-family office for partners and senior management of the Trafigura group based in Geneva. Previously, from 2008, he was Executive Chairman and President of European Goldfields until its friendly takeover by Eldorado Gold Corp for US$2.5bn in 2012. He has also been a main Board Director of NM Rothschild and Sons Ltd. for 15 years and held senior positions at Goldman Sachs and UBS and other companies including FSA regulated Blackfish Capital Group, Resourceworks and Aim-listed Latitude Resources. Martyn is a barrister and also a Fellow of the Chartered Institute of Bankers.

Christopher Cox, non-executive director, currently serves on the Trafigura supervisory committee. He was also formerly the head of the non-ferrous and bulk trading division at Trafigura and a member of the Trafigura management board between March 2004 and December 2011 as well as a member of the Trafigura board of directors from October 2013 until early September 2014. Prior to working for Trafigura, he was employed by Gold Fields of South Africa holding positions in mine and project evaluations and marketing of base metal concentrates and refined metals. He is a member of the nomination and remuneration committee and the health, safety, environment and community committee. Mr. Cox was educated in South Africa and holds a BSc (Hons) in Geology and an MBA from University of Cape Town Graduate School of Business.

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, NV Bekaert SA and the Belgian Railways. He is a member of the audit committee. 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.

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
Bill Scotting	Chief Executive Officer
Christopher Eger	Chief Financial Officer
Michael Morley	Senior Vice President, Metals Processing
John Galassini	Senior Vice President, Mining
Willie Smit	Senior Vice President, Corporate Services

Bill Scotting is the chief executive officer of the Company. See his biography above under "—*Board of directors*".

Christopher Eger, chief financial officer, was appointed in November 2015. Prior to Nyrstar he was at Trafigura where he was a senior member of the mergers and acquisitions team. Prior to that he was a member of the investment banking group of Bank of America Merrill Lynch, where he worked with metals and mining companies on debt and equity financing and M&A. He also worked as a director in the global metals and mining group at BMO Capital Markets. He holds an MBA from Kellogg School of Management at Northwestern University, United States.

Michael Morley, senior vice president, metals processing, 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).

John Galassini, senior vice president, mining, was appointed in December 2014. Prior to joining Nyrstar, he was senior vice president for the Americas at Phelps Dodge/Freeport-McMoran. He also held the position of regional vice president at Kinross Gold with responsibility for Kinross' operations in North America. His most recent leadership role was as chief operating officer of U.S.-based Sunshine Silver Mines Corporation, a privately-held silver mining and refining company. He holds a Bachelor of Science Chemical Engineering from New Mexico State University.

Willie Smit, senior vice president, corporate services, was appointed in January 2016. Prior to joining Nyrstar, he was a senior vice-president and Global head of HR at Swiss-based cement producer Holcim Ltd, and before that he held a number of increasingly senior positions with ArcelorMittal, including Executive Vice President and Head of HR, where he was in charge of the global HR function for the Group. Before joining Mittal Steel in 2005, he worked for the Siberian-Urals Aluminium Company (SUAL) as Vice President HR Europe and Africa. He started his career in South Africa where he first worked as an HR graduate trainee at East Rand Proprietary Mines (ERPM Ltd.) and then joined the construction and infrastructure company Group Five. He holds a Bachelor of Educational Science Degree in Clinical Psychology from the University of Johannesburg in South Africa, (formerly Rand Afrikaans University).

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.

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.

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 21 October 2015.

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, 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. By 1 January 2017, at least one third of the members of the board of directors will have to be of the opposite gender.

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.

In connection with Trafigura's commitment to support the Offering, the Company entered into a Relationship Agreement with Trafigura Group Pte. Ltd., Urion's 100% parent company on 9 November 2015, to govern Nyrstar's relationship with Trafigura. The Relationship Agreement provides amongst other things that Trafigura will be able to nominate or propose the nomination of such number of directors to the Company's board of directors as it determines, but limited to a number that does not constitute a majority of the Company's board of directors (such directors being "Trafigura Directors"). The director appointed upon proposal of Trafigura, who is Mr. Martyn Konig, prior to the date of the Relationship Agreement who is an "independent director" shall not for these purposes be considered as a Trafigura Director. No independent director will be nominated or proposed for nomination unless with the approval of a majority of the directors other than the Trafigura Directors. On the date of this Prospectus, only Christopher Cox is a Trafigura Director. Furthermore, the Relationship Agreement provides that the attendance quorum for a board meeting includes at least one independent director and one Trafigura Director, but if this attendance quorum is not met, a subsequent meeting can be held with the same agenda if at least any two directors are present. The Relationship Agreement will have effect for as long as Trafigura holds at least 20% or more but less than 50% of the Shares in the Company. Trafigura may decide to terminate the Relationship Agreement if the Trafigura Commercial Agreements that it entered into with the Company are terminated by the Company other than due to material breach by Trafigura or if the Rights Offering is not completed by 27 April 2016 other than due to failure by Urion to comply with its obligations under the Shareholder Commitment Agreement. "*Business—Relationship with Trafigura—Relationship Agreement*" and "*The Offering—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*".

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. The Relationship Agreement provides that in case a Trafigura Director is chairman of the board of directors or chairs a meeting of the board of directors, he or she shall not have a casting vote.

During 2015, 17 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 health, safety, environment and community 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, Martyn Konig and Oyvind Hushovd. The current composition of the audit committee complies with the Belgian Code on Corporate Governance which requires that a majority of the members of the audit committee are independent.

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 previous roles as chief financial officer of the Belgacom Group, chief financial officer of Matav and chief financial officer of 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 2015, four 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, Christopher Cox, Martyn Konig and Carole Cable. 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, 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 2015, three nomination and remuneration committee meetings were held.

Health, safety, environment and community committee

The health, safety, environment and community committee consists of at least three directors. All members of the health, safety, environment and community committee are non-executive directors, with at least one independent director. The health, safety, environment and community 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 health, safety, environment and community committee are Oyvind Hushovd (chairman), Julien De Wilde, Carole Cable and Christopher Cox.

The role of the health, safety, environment and community committee is to assist the board of directors in respect of health, safety, environment and community matters. In particular, its role is to ensure that the Company adopts and maintains appropriate health, safety, environment and community policies and procedures, as well as effective health, safety, environment and community internal control and risk management systems, and to make appropriate recommendations to the board of directors.

In principle, the health, safety, environment and community committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2015, three health, safety, environment and community committee meetings were 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. The Company discloses in its annual report which directors are independent directors. An independent director who ceases to satisfy the requirements of independence must immediately inform the board of directors.

The shareholders meeting of the Company has appointed Julien De Wilde, Ray Stewart, Oyvind Hushovd, Carole Cable and Martyn Konig as independent directors.

The Relationship Agreement between the Company and Trafigura provides that the proposal for appointment of any new independent director requires the approval of a majority of the directors other than the Trafigura Directors, it being understood however, that the Relationship Agreement in no way restricts the Trafigura group as shareholder to vote in favour of or against any proposed independent directors. See also "*—Corporate governance—Board of directors*".

Evaluation 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.

As the mandate of two of the existing directors, Mr. Hushovd and Mr. Vinck, is scheduled to come to an end at the annual general shareholders' meeting that is to be held on 27 April 2016 and as at least a third of the directors will have to be of the opposite gender by 1 January 2017, the board of directors is currently reviewing its size and composition.

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 is a member of the board. He 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 health, safety, environment and community 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 is part of the corporate governance statement, which is a part of the annual report. The 2015 remuneration report will be submitted to the annual general shareholders' meeting that will be held on 27 April 2016 for approval.

The 2014 remuneration report was not approved by the annual general shareholders' meeting on 29 April 2015. During this meeting, the Chairman announced that the Company would take into account the decision of the general meeting not to approve the remuneration report and would re-evaluate the Company's remuneration policy. As part of this exercise and in order to address comments that were made in relation to the 2014 remuneration report, additional disclosure has been provided regarding the performance criteria under the Annual Incentive Plan, which is the short term variable remuneration plan for the executive management of the Company (see also below in "*—Executive remuneration—Annual Incentive Plan*"). In addition, while the general shareholders' meeting in 2013 previously approved the implementation of a Leveraged Employee Stock Ownership Plan, the board reconsidered the further implementation of this plan, and decided to suspend the plan in 2015, and not to make any new awards under such plan in 2015. In 2016, the board decided to terminate the plan, and no longer to make any new awards under the plan in 2016 and thereafter (see also below in "*Description of Share plans—Leveraged Employee Stock Ownership Plans (LESOPs)*"). The fact that the 2014 remuneration report was not approved by the general shareholders' meeting does not impact or affect remuneration that has already been paid, granted or agreed to by the Company.

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 after 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 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 he 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 regularly reviews the remuneration of non-executive directors against market practice, and it is not excluded that this could result into changes to the remuneration policy or remuneration of the non-executive directors during the next two financial years.

Remuneration and compensation in 2015

During 2015, the following remuneration and compensation was paid to the directors (excluding the chief executive officer:

Chairman:

- Annual fixed remuneration of €200,000 per year; and
- 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; and
- No additional attendance fees.

Based on the foregoing, the following gross remuneration was paid to the directors (excluding the chief executive officer) in 2015:

	Remuneration (€)
Julien De Wilde	200,000
Carole Cable	65,361
Christopher Cox	—(1)
Oyvind Hushovd	80,000
Martyn Konig	—(1)
Ray Stewart	80,000
Karel Vinck	69,277

Note:

(1) The director was entitled to receive €70,000, but upon the director's request no payment was made in 2015.

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 after 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 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, 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 previous years, approval by the general shareholders' meeting has been obtained in relation to the Share plans (see "*—Description of Share plans*") and the possibility to pay out entitlements under the Annual Incentive Plan (AIP) in the form of deferred Shares of the Company instead of cash (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 Stock Ownership Plans (LESOPs); and
- pension benefits.

On 17 June 2015, the board decided to suspend the LESOP plan in 2015, and not to make any new award under such plan in 2015. On 3 February 2016, the board decided to terminate the LESOP plan and no longer to make any new award under such plan in 2016 and thereafter.

For performance year 2015, 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 2015 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). There will be no delivery of AIP entitlements for the Company's management committee for performance year 2015 in deferred Shares.

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.

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 (except in relation to the suspension of the Leveraged Employee Stock Ownership Plans), executive remuneration was independently reviewed by two independent external advisors during 2015. In 2015, two new members were appointed to the management committee and two left.

The respective elements of the remuneration package are further described below.

Annual base salary

The annual base salary constitutes a fixed remuneration. The reference base salary structures are determined with the support of external market data and analysis of economic trends for different countries involved. Included in this analysis are the 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 50% percentile to reflect an optimal alignment with the market.

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 Nyrstar's 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 Nyrstar of annual financial targets, which are determined and approved by the board of directors, in order to guarantee the self-funding nature of the plan; and
- the achievement by the beneficiary of personal "stretch targets", which aim at achieving an individual performance over and above the normal requirement of his or her function.

The main key performance indicator is the Underlying EBITDA on consolidated level, supported by the operational performance of each segment and unit and the individual contribution. Every year the board of directors revises and approves the performance criteria both for Nyrstar on a group level and for the members of the management committee.

The AIP performance criteria for the members of the management committee supports:

- the financial health of the Company (based on consolidated financials);
- the maintenance, development and performance of the operations; and
- the corporate values of Nyrstar.

The incentive under the AIP only becomes available if Nyrstar meets the performance threshold as approved by the board of directors in the beginning of the performance year. In any event, the payment of the annual incentive is subject to overall acceptable personal behaviour, demonstrated commitment to the Nyrstar Way 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 2015

The following remuneration and compensation (other than Share based awards, which are described in "*—Directors' and other interests*") was paid to the chief executive officer and other members of the management committee in 2015:

	Chief executive officer (€)	Members of the management committee other than the chief executive officer (on an aggregate basis) (€)
Annual Base salary	837,133[1]	1,871,326
AIP[2]	488,349	1,100,212
Pension benefits[3]	127,177	301,063
Other components of the remuneration[4]	383,665	960,701
Severance payment[5]	—	228,614
Total	**1,836,324**	**4,461,918**

Notes:

(1) Heinz Einger was interim CEO for 7.5 months in 2015, until Bill Scotting was appointed CEO in mid-August. Bill Scotting was CEO for 4.5 months in 2015.

(2) This amount relates to performance period from 1 January 2014 to 31 December 2014 paid to Roland Junck, a former CEO.

(3) The pension includes 20% of annual base salary as savings contributions and also risks contributions.

(4) Includes representation allowance, housing, car allowance and health insurance made in 2015.

(5) Bob Katsiouleris received a lump sum equivalent to six months base pay at the end of his employment with Nyrstar, as per contractual agreement.

Payments upon termination

Each member of the management committee is 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). The same provision was also included in the agreement with the former chief executive officer.

In 2015 two members of the management committee left the organisation. Bob Katsiouleris received a lump sum severance payment equivalent to six months' gross base salary in addition to a six months' notice period according to contractual agreement. Heinz Eigner signed an agreement providing for the contractual severance payment of 12 months gross base salary and pension contribution. In February 2016 the board will evaluate whether these should remain as good leavers and remain participants in the LTIP and AIP share based plans on a prorated basis.

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 Premier Development Fund CVBA	NV Bekaert SA Metris NV Van Breda International NV CTO KBC Bank NV Telenet Group Holding NV Arseus NV
Ray Stewart	The United Fund for Belgium bpost NV	Proximus NV
Oyvind Hushovd	Ivanhoe Mines Sørlaminering Røo-Invest Lydia AS	LionOre Western Oil Sands Nickel Mountain AB Cameco Corporation Inmet Mining Corporation Corporation Libra Group Jiffy International AS
Carole Cable	Brunswick Group Women in Mining UK	N/A
Martyn Konig	Euromax Resources Newgold	European Goldfields
Christopher Cox	Trafigura Beheer B.V.	N/A
Karel Vinck	Tessenderlo Group NV Koninklijke Muntschouwburg NV Coordinator at the European Commission in relation to the European Rail Traffic Management System	Eurostar Suez-Tractebel Umicore Vlaamse Raad voor Wetenschapsbeleid Beheersmaatschappij Antwerpen Mobiel NV

Name	Current	Past
Bill Scotting	N/A	Subsidiaries of ArcelorMittal
Christopher Eger	N/A	Mawson West
Willie Smit	Tenon Engineering	Subsidiaries of ArcelorMittal
Michael Morley	N/A	N/A
John Galassini	College of Engineering of New Mexico State University	Kinross Gold USA Inc. Bema Gold (US) Inc.

Note:

(1) Until 30 June 2014, acting through De Wilde J. Management BVBA.

Description of Share plans

In 2015, the Company had a Long Term Incentive Plan (LTIP) 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), Leveraged Employee Stock Ownership Plans (LESOPs) and a Co-Investment Plan (together with the LTIP, ESAP and LESOPs, 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. No other co-investment plan was implemented. On 17 June 2015, the board decided to suspend the LESOP plan in 2015, and not to make any new award under such plan in 2015. On 3 February 2016, the board decided to terminate the LESOP plan, and no longer to make any new award under such plan in 2016 and thereafter.

The key terms of the LTIP are described below. For further information on the manner in which awards under the LTIP 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 2015.

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 and whether they have been met. The board of directors has set two performance conditions, which are weighted equally at 50%. For an Executive 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 Executive Awards to vest under the grant that was made in 2015 (Grant 8), 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 2015 are shown below:

	Grant 6	Grant 7	Grant 8
Effective Grant Date	30 June 2013	5 September 2014	30 June 2015
Performance Period	1 January 2013 to 31 December 2015	1 January 2014 to 31 December 2016	1 January 2015 to 31 December 2017
Performance Criteria	—zinc price 50% —MSCI 50% Executive remains in service to 31 December 2015	—zinc price 50% —MSCI 50% Executive remains in service to 31 December 2016	—zinc price 50% —MSCI 50% Executive remains in service to 31 December 2017
Vesting Date	31 December 2015	31 December 2016	31 December 2017

During the period between the satisfaction of the performance condition and when the Participating Executive receives the relevant payment, the Participating Executive will be entitled to a payment equal to the cash equivalent of any dividends paid.

The 2012 Share awards under Grant 5 forfeited fully by 31 December 2014. Therefore no payment was due in 2015 to the participating employees of Grant 5.

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 (including all participants):

	Grant 6	Grant 7	Grant 8	Total
Opening balance at 1 January 2015	2,826,537	5,859,665	—	**8,686,202**
Initial allocation at 30 June 2015	—	—	3,803,515	**3,803,515**
Dilutive impact / adjustment	—	—	—	**—**
Forfeiture	(1,022,216)	(1,649,628)	(521,796)	**(3,193,640)**
Additions	875,586	1,261,591	—	**2,137,177**
Closing balance at 31 December 2015	**2,679,907**	**5,471,628**	**3,281,719**	**11,433,254**

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.

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 shareholders also approved that the Shares that would be acquired under a LESOP would be immediately acquired by the participants (without prejudice to the aforementioned holding period) (and not at the expiry of a three year period following the grant), and that the possibility to participate in a LESOP (if and when a LESOP is established) and the actual participation in a LESOP is not to be considered as "fixed remuneration" nor as "variable remuneration" (for purposes of 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). The first stage of the 2014 LESOP was implemented in June 2014. In 2015, the board of directors decided to suspend the LESOP, and not to make any new awards under such plan in 2015. In 2016, the board of directors decided to terminate the plan, and no longer to make any new awards under such plan in 2016 and thereafter.

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). Any Share allocation is dependent on the successful achievement of the AIP performance criteria defined and approved by the board of directors for each particular performance year as described under "*—Remuneration and benefits—Executive management—Annual Incentive Plan*".

There will be no delivery of AIP entitlements for the Company's management committee for performance year 2015 in deferred Shares.

Directors' and other interests

Shares and Share awards under the LTIP

The table below reflects the Share awards that during 2015 have been granted or delivered under the LTIP to the members of the management committee, and those that have expired:

		LTIP (as of 31 December 2015)		
Name	**Title**	**Share awards delivered in 2015 under the LTIP of which the performance conditions have been met[(1)]**	**Share awards granted, but that expired in 2015[(2)]**	**Share awards granted in 2015 or in prior years under LTIP of which the performance conditions have not been met[(3)]**
Bill Scotting	Chief Executive Officer	—	—	444,811
Bob Katsiouleris[(4)]	SVP Commercial Operations	—	153,942	—
Christopher Eger	Chief Financial Officer	—	—	—
Heinz Eigner[(5)]	Chief Financial Officer	—	329,345	62,430
John Galassini	SVP Mining	—	—	153,236
Michael Morley	SVP Metals Processing	—	93,940	175,370
Russell Murphy[(6)]	Chief HR & SHE Officer	—	93,940	168,560

Notes:

(1) These Share awards refer to the forfeiture of Grant 5 (LTIP 2012).

(2) Shares awards pertaining to the Grant 5 (LTIP 2012) forfeited completely. It also includes forfeitures under other grants related to end of employment.

(3) Vesting is subject to performance conditions.

(4) Bob Katsiouleris was employed by Nyrstar in January 2013 and was a member of the Nyrstar management committee from June 2013 to January 2015.

(5) Heinz Eigner was employed by Nyrstar in January 2007 and was a member of the Nyrstar management committee until December 2015.

(6) Russell Murphy was employed by Nyrstar since its inception and was a member of the Nyrstar management committee until January 2016.

Shares and Share awards under the AIP

During 2015, the following Share awards had been granted under the AIP to the members of the management committee at that time:

Name	Title	AIP (as of 31 December 2015)	
		Share awards delivered in 2015 under the AIP of which the vesting conditions have been met(1)	Share awards awarded in 2015 under the AIP of which the vesting conditions have not yet been met(2)
Heinz Eigner(3)	Chief Financial Officer	20,964	79,329
Russell Murphy(4)	Chief HR & SHE Officer	18,868	71,397
Michael Morley	SVP Metals Processing	18,868	71,397
Bob Katsiouleris(5)	SVP Commercial Operations	13,231	49,916
John Galassini(6)	SVP Mining	—	—

Notes:

(1) Relates to the 2013 AIP deferred Share component. Vesting is subject to the employee remaining employed until 31 December 2014. All management committee members have met the vesting condition. Shares were delivered in March 2015.

(2) Relates to the 2014 AIP deferred Share awards that were awarded in 2015. Vesting is subject to the employee remaining employed until 31 December 2015.

(3) Heinz Eigner was employed by Nyrstar in January 2007 and was a member of the Nyrstar management committee until December 2015.

(4) Russell Murphy was employed by Nyrstar since its inception and was a member of the Nyrstar management committee until January 2016.

(5) Bob Katsiouleris was employed by Nyrstar in January 2013 and was a member of the Nyrstar management committee from June 2013 to January 2015. He did not participate in the 2012 AIP.

(6) John Galassini joined the Nyrstar management committee in December 2014. He did not participate in the AIP 2014.

Shares and Share awards under the LESOPs

During 2015, no Shares were purchased by participants under the LESOP plan, and on 17 June 2015, the board decided to suspend the LESOP plan. Therefore, no purchase was made under this plan in 2015. The board terminated the plan in 2016.

Total Shareholding

The following number of Shares are held by members of Nyrstar's management committee as of 31 December 2015:

Name	Title	Shares(1)
Bill Scotting	Chief Executive Officer	—
Christopher Eger	Chief Financial Officer	—
Russell Murphy	Chief HR & SHE Officer	1,265,813
Michael Morley	SVP Metals Processing	1,352,393

Note:

(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 as at 31 December 2015.

As per the date of this Prospectus, none of the directors of the Company hold Shares.

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, on the one hand, and the directors or related parties of directors, on the other hand, 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).

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. While this does not entail a direct personal conflict of interest, Mr. Cox is a member of the supervisory committee of Trafigura. As Trafigura is a related party of Mr. Cox for purposes of Section 1.4 of the corporate governance charter of the Company, this section is also applicable to transactions with Trafigura.

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 controls 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 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 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 expenditure, metal prices, foreign exchange and commercial terms) and uploaded into the centralised budgeting, planning and consolidation system.
- 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 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 group's full actual financial results, supplemented by quarterly interim management statements, which will include selected key financial 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

The commodity risk management committee comprises the chief financial officer, the group treasurer, the group controller and the group manager financial planning & analysis. 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 risk.

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 18 January 2016.

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 Antwerp, division 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 18 January 2016. The amendments related to a cancellation of 12,571,225 own Shares held by the Company (see below "*—Share Capital and Shares*"). The same extraordinary general shareholders' meeting also approved the capital increase pursuant to which the Offering is being made. 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.

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 € 34,004,508.80 and is fully paid-up. It is represented by 327,473,863 ordinary shares (the "**Shares**"), each with a fractional value of (rounded) € 0.10 and representing one 327,473,863rd 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 2013 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
23 May 2013	Capital reduction(1)	(27,203,607.04)	—	—	370,649,145.92	170,022,544
20 August 2014	Capital reduction without distribution to the shareholders(2)	(353,646,891.52)			17,002,254.40	170,022,544
30 September 2014	Capital increase(3)	17,002,254.40	170,022,544	1.48	34,004,508.80	340,045,088
18 January 2016	Cancellation of own Shares(4)	—	12,571,225	—	34,004,508.80	327,473,863

Notes:

(1) 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.

(2) 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.

(3) On 30 September 2014, the Company issued 170,022,544 new Shares at an issue price of € 1.48 per Share in connection with the completion of the Company's 2014 rights offering with (non-statutory) preferential subscription rights on a 1-for-1 basis for the existing shareholders of the Company. As a result of this capital increase, the Company's share capital was increased with an amount of € 17,002,254.40, and an amount of € 234,631,110.72 was booked as issue premium. The 2014 rights offering was approved by the Company's board of directors within the framework of the Company's authorised capital.

(4) By resolution of the Company's extraordinary general shareholders' meeting held on 18 January 2016, 12,571,225 own Shares held by the Company were cancelled without reduction of the Company's share capital. Following this cancellation of Shares, the Company no longer holds any own Shares.

Upon successful completion of the Offering, the Company will issue, on or about 29 February 2016, 608,165,740 new ordinary Shares, for an aggregate issue price of € 273,674,583.00 (or € 0.45 per new Share). A portion of the issue price per Share equal to the fractional value of the Shares, i.e. (rounded) € 0.10 (in aggregate € 63,188,420.39), 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. (rounded) € 0.35 (in the aggregate € 210,486,162.61), will be booked as issue premium. As a result, upon successful completion of the Offering, the share capital would be increased up to € 97,192,929.19 and be represented by 935,639,603 ordinary Shares. The Offering takes place pursuant to a resolution by the Company's extraordinary general shareholders' meeting that was held on 18 January 2016. 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 (rounded) €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.

On 25 September 2013, Nyrstar issued 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 Convertible 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 downwards 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 (which is subject to adjustment under clause 5(b) of the terms and conditions of the 2018 Convertible Bonds) is €3.71 per Share. Based on a conversion price of €3.71 per Share, if all 2018 Convertible Bonds were converted into new Shares in their entirety, 32,345,013 new Shares would be issued. As a result of the Offering, the conversion price of the 2018 Convertible Bonds will be adjusted downwards from €3.71 per Share. If the conversion price is adjusted downwards, this would lead to the issuance of more than 32,345,013 new Shares if all of the 2018 Convertible Bonds were to be converted in their entirety.

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 could 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 Belgian 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 Belgian 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 after 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 statutory 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 Share Capital. 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 at the latest on the twenty-second day preceding the date of the general shareholders' meeting concerned. If the Company receives a request, it will have to publish at the latest on the fifteenth day preceding 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, for a period of five years after the relevant shareholders' 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 European Economic Area ("**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, profit-sharing certificates, non-voting shares, bonds, subscription rights or other securities issued by the Company, as the case may be, and all holders of certificates issued with the co-operation of the Company (if any) can attend the shareholders' meetings insofar as the law or the articles of association entitles them to do so and, as the case may be, gives them the right to participate in voting.

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 to 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 general shareholders' meeting and to vote at the general shareholders' meeting in person or through a proxy holder, who need not be a shareholder. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding 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 notice convening the meeting may allow shareholders to vote remotely in relation to the general shareholders' meeting, by sending a paper form or, if specifically allowed in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. The original signed paper form must be received by the Company at the latest on the sixth calendar day preceding the date of the meeting. Voting through the signed electronic form may occur until the last calendar day before the meeting.

The Company may also organise a remote vote in relation to the general shareholders' meeting through other electronic communication methods, such as, among others, through one or several websites. The Company shall specify the practical terms of any such remote vote in the convening notice.

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. The special majority requirements, however, remain applicable.

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, including the Shares issued in the context of the Offering, 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 financial years 2015, 2014 and 2013. 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 this under capitalisation. 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. The board of directors must justify its proposals in a special report to the shareholders. 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.

If the Company is dissolved for any reason, the liquidation must be carried out by one or more liquidators appointed by the general shareholders' meeting and whose appointment has been ratified by the competent commercial court. Any balance remaining after discharging all debts, liabilities and liquidation costs must first be applied to reimburse, in cash or in kind, the paid-up capital of the shares not yet reimbursed. Any remaining balance shall be equally distributed amongst all the shareholders pro rata to the number of shares held by such shareholders.

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*"). On 30 September 2014, the Company issued 170,022,544 new Shares at an issue price of €1.48 per Share in connection with the completion of the Company's 2014 rights offering with (non-statutory) preferential subscription rights on a 1-for-1 basis for the existing shareholders of the Company. The 2014 rights offering was approved by the Company's board of directors within the framework of the Company's authorised capital. Since this capital increase, the board of directors no longer has the power to increase the Company's share capital with the framework of the authorised capital. The current Offering is taking place pursuant to a decision of the Company's extraordinary general shareholders' meeting that was held on 18 January 2016.

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.

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 Belgian 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, on or outside the stock market, 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 the regulated market 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.

By resolution of the Company's extraordinary general shareholders' meeting held on 18 January 2016, 12,571,225 own Shares held by the Company were cancelled without reduction of the Company's share capital. Following this cancellation of Shares, the Company no longer holds any own Shares.

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.

Pursuant to the Belgian Act of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions, a notification to the Company and to the Belgian FSMA is required by all natural and legal persons in the following circumstances:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the holding of voting securities upon first admission thereof to trading on a regulated market;
- the passive reaching of a threshold;
- the reaching of a threshold by persons acting in concert or a change in the nature of an agreement to act in concert;
- where a previous notification concerning the voting securities is to be updated;
- the acquisition or disposal of the control of an entity that holds the voting securities; and
- where the Company introduces additional notification thresholds in the articles of association,
- in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and further multiples of 5% or, as the case may be, the additional thresholds provided in the articles of association. The Company has provided for additional thresholds of 3% and 7.5% in its articles of association.

The notification must be made as soon as possible and at the latest within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the threshold. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification.

The forms on which such notifications must be made, as well as further explanations, can be found on the website of the Belgian 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 Belgian 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/shareholderstructure.aspx).

Public takeover bids

Public takeover bids for the Company's Shares and other securities giving access to voting rights (such as warrants, if any, or convertible bonds) are subject to supervision by the Belgian 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 Belgian FSMA prior to publication.

Belgium implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by the Belgian Act of 1 April 2007 on public takeover bids, as amended (the "**Takeover Act**") and the Belgian Royal Decree of 27 April 2007 on public takeover bids, as amended (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 certain cases set out in the Takeover Decree such as (i) 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, or (ii) in case of a capital increase with preferential subscription rights decided by the company's general shareholders' meeting, as is the case with respect to the Offering.

As a result of the Offering, and depending on the shareholder participation in the Rights Offering, Trafigura's shareholding in the Company may cross the threshold of 30% of the voting securities in the Company. The Offering has been approved by the Company's extraordinary general shareholders' meeting on 18 January 2016 and has been structured as a capital increase with statutory preferential subscription rights. In view hereof, if Trafigura were to increase its participation in the Company to above 30% in the context of the Offering, it will not be obliged to carry out a mandatory tender offer. The Company believes, however, that considering the current market environment and the Relationship Agreement that has been entered into with Trafigura (see also "*Business—Relationship with Trafigura—Relationship Agreement*"*)*, shareholder value is best preserved by conducting the Offering with the ability for all shareholders to participate in order to strengthen the Company's operational and financial flexibility.

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 kind or 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 Belgian 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.

The Company's articles of association do not provide for any other specific protective mechanisms against public takeover bids.

The following significant agreements can, upon a change of control of the Company or following a takeover bid, 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 relevant debtor(s) 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 5.375% 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 US$ 50 million 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$ 125 million uncommitted credit facility 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 uncommitted credit facility 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 €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 committed €16 million bilateral credit facility with KBC Bank (see "*Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Other facilities*");
- Nyrstar's uncommitted €1 million bilateral credit facility with The Royal Bank of Scotland N.V. (see "*Operating and Financial Review and Prospects—Liquidity and capital resources—Funding sources—Other facilities*");
- Nyrstar's 2015 Prepay Financing as described in more detail in "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Funding sources—2015 Prepay Financing*";
- Nyrstar's Port Pirie Silver Prepayment Agreement as described in more detail in "*—Metals Processing—Port Pirie multi-metal smelter—Port Pirie Redevelopment project*";
- Nyrstar's US$ 25 million silver prepay agreement with Macquarie 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*"; and
- the 2019 Notes.

Nyrstar has received waivers with respect to the material credit facilities referenced above with respect to Trafigura to the extent necessary in the context of the Offering.

In addition, Nyrstar's Share based plans also contain take-over protection provisions (see also "*Management and Corporate Governance—Description of Share plans*") and the agreement with the chief executive officer provides that upon a change of control, his agreement with Nyrstar will be terminated (see also "*Management and Corporate Governance—Remuneration and benefits—Executive management—Payments upon termination*"). 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 at least 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

Within three months after the end of an acceptance period related to a public takeover bid, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns at least 95% of the voting capital and 95% of the voting securities in a public company following a takeover bid, to buy their securities from them at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of 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 the relevant thresholds, it is possible that the information below in relation to a shareholder is no longer up-to-date.

		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)
Urion Holdings (Malta) Ltd(3)	—	80,694,821	24.64%	80,694,821	22.43%
BlackRock(4)	14 May 2015	10,772,165	3.29%	10,772,165	2.99%
Umicore NV(5)	—	10,503,712	3.21%	10,503,712	2.92%
Dimensional Fund Advisors LP(6)	29 April 2015	10,215,142	3.12%	10,215,142	2.84%

Notes:

(1) The percentage of voting rights is calculated on the basis of the 327,473,863 outstanding Shares. The calculation does not take into account 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 359,818,876 outstanding Shares, assuming that all 2018 Convertible Bonds have been converted into 32,345,013 new Shares at a conversion price of €3.71 per Share. 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*". Furthermore, the percentage does not take into account the new Shares issuable in the Offering.

(3) Urion Holdings (Malta) Ltd is an indirect subsidiary of Trafigura Group Pte. Ltd. and is ultimately controlled by Farringford N.V. Trafigura has informed the Company that Urion Holdings (Malta) Ltd currently holds 80,694,821 Shares. In view of the commitment that Urion provided to the Company to subscribe for new Shares in the Offering, upon completion of the Offering, Trafigura may own, through Urion, from 24.64% of Nyrstar's outstanding share capital, if every holder exercises all of its Rights in the Offering, to up to 38.31% of Nyrstar's outstanding share capital if none of the Rights are exercised during the Rights Subscription Period and none of the Scrips can be placed with investors in the Scrips Offering (see also "*The Offering—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*"). The most recent transparency notification with respect to the shareholding of Urion Holdings (Malta) Ltd. was filed on 1 September 2015, and related to 68,090,869 Shares, representing 20.02% on the basis of the then outstanding number of Shares.

(4) The Shares are held by, and the voting rights attached to the Shares are exercised by, several discretionary investment managers that are ultimately controlled by BlackRock, Inc.

(5) Umicore NV notified the Company on 23 March 2011 that it held 5,251,856 Shares, which at the time represented 3.09% of the 170,022,544 outstanding Shares. On 30 September 2014, the Company issued 170,022,544 new Shares pursuant to the completion of the 2014 rights offering with (non-statutory) preferential subscription rights on a 1-for-1 basis for the existing shareholders of the Company. The Company was informed on 2 April 2015 that Umicore NV held at that time 10,503,712 shares, which represents 3.09% of the 340,045,088 then outstanding Shares.

(6) Dimensional Fund Advisors LP and its affiliates stated to have the authority to exercise the voting rights reflected in the table pursuant to their voting policies and procedures. The notification was made by Dimensional Fund Advisors LP in its capacity as discretionary investment manager or sub-investment manager in relation to a number of accounts managed by itself or its affiliates. Dimensional Fund Advisors LP, on behalf of itself and its subsidiaries, expressly disclaimed beneficial ownership of the shares held in the aforementioned accounts.

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.

THE OFFERING

Terms and conditions of the Offering

Shares offered with a statutory preferential subscription 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 Company's extraordinary general shareholders' meeting held on 18 January 2016 (see also under "*—The new Shares offered—Authorisations relating to the Offering*"). The offering by the Company of new Shares in the amount of € 273,674,583.00, will be carried out with statutory preferential subscription rights for existing shareholders, as set forth in Articles 592 and 593 of the Belgian Companies Code.

The Company has published a notice in the Belgian Official Gazette (*Moniteur Belge / Belgisch Staatsblad*) announcing the term of the Rights Subscription Period on 29 January 2016, being at least eight days prior to the start of Rights Subscription Period as provided for by Article 593 of the Belgian Companies Code. The terms of the Offering have been determined together with Urion and the Joint Bookrunners pursuant to respectively the Shareholder Commitment Agreement (see also "*—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*") and the Equity Commitment Agreement (see also "*—Placing and underwriting—Equity Commitment Agreement*").

Allocation of Rights

Each existing Share will entitle its holder on the Record Date to receive one Right.

Subscription Price and Ratio

The Subscription Price is € 0.45, which represents a discount of 66.3% against the closing price of € 1.335 per Share as quoted on the regulated market of Euronext Brussels on 4 February 2016. A portion of the Subscription Price per new Share equal to the fractional value of the Shares, i.e. (rounded) €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. rounded € 0.35, 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 13 new Shares for 7 Rights. Based on the closing price of the Company's Shares on Euronext Brussels on 4 February 2016, the theoretical ex-right price ("**TERP**") is € 0.76, the theoretical value of one Right is € 0.58, and the discount of the Subscription Price to TERP is 40.8%.

The TERP can be regarded as the theoretical price of the Shares following completion of the Offering, and is determined (on a per Share basis) on the basis of the following formula:

$$\text{TERP} = \frac{(\text{SXP}) + (\text{Sn} \times \text{Pn})}{\text{S} + \text{Sn}}$$

whereby the factor "S" represents the number of outstanding Shares prior to the launch of the Offering, i.e. 327,473,863 Shares, "P" represents the closing price of the Shares as quoted on the regulated market of Euronext Brussels prior to the launch of the Offering and separation of the Rights, i.e. € 1.335 per Share on 4 February 2016, "Sn" represents the number of new Shares issuable in the Offering, i.e. 608,165,740 new Shares, and "Pn" represents the Subscription Price of the new Shares issuable in the Offering, i.e. € 0.45 per Share.

Based on the formula to determine the TERP, the theoretical value ("**TV**") of one Right can be determined on the basis of the following formula:

$$\text{TV} = (\text{TERP} - \text{Pn}) \times \frac{\text{Sn}}{\text{S}}$$

whereby the factors "S", "Sn" and "Pn" have the meaning given to them in the TERP formula above.

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 5 February 2016 and persons having acquired Rights during the Rights Subscription Period will have a statutory preferential subscription right to subscribe for the new Shares, at the Subscription Price and in accordance with the Ratio.

The Rights, represented by coupon No. 8 of the existing Shares, will be separated from the underlying Shares on 5 February 2016 after the closing of the regulated market of Euronext Brussels and will be tradable on such regulated market from 8 February 2016 to 22 February 2016.

Any sale of existing Shares prior to the closing of the regulated market of Euronext Brussels on 5 February 2016 and to be settled after 5 February 2016, will be settled "cum Rights". Any existing Shares sold after the closing of the regulated market of Euronext Brussels on 5 February 2016 will be sold and settled "ex Rights".

The Rights Subscription Period will be open from 8 February 2016 to 5.30 pm CET on 22 February 2016 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 5.30 pm CET on 22 February 2016, 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 24 February 2016.

Scrips Offering

The Rights that are not exercised at the time of the closing of the Rights Subscription Period, which will be 5.30 pm CET 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 in an accelerated bookbuilt private placement (i) 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 24 February 2016 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 24 February 2016.

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.

Pursuant to the Shareholder Commitment Agreement that the Company entered into with Urion, the Company will procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as Urion determines at the price per Scrip that will result from the Scrips Offering. It was also agreed in the Shareholder Commitment Agreement that the Scrips Offering shall be organised by the Joint Bookrunners as an accelerated bookbuilt private placement for the benefit of the holders of unexercised Rights. In light of that, the Company and the Joint Bookrunners expect that the Joint Bookrunners will conduct the accelerated bookbuilt placement of the Scrips in a manner that is consistent with normal practices for similar placements, and will endeavour to generate active, quality demand for the Scrips from a diverse group of investors. The price for, and the actual allocation of, the Scrips, will be determined by the Company in light of the Joint Bookrunners' recommendation on the basis of customary criteria and considerations such as price, coverage, quality of demand, and the requirement of a robust aftermarket, while giving effect also to Urion's entitlement to priority allocation. The number of Shares for which Urion may decide to subscribe in the Scrips Offering shall not exceed the total number of Shares to be placed pursuant to the Scrips Offering, and Urion's aggregate shareholding in the Company (when aggregated with the shareholdings of any person acting in concert with Urion) after completion of the Offering shall not in any circumstances exceed 49.9%. For a description of Urion's subscription commitment and the limitations and conditions thereto, see also "*—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*" below.

Trading in Rights

Trading in the Rights on the regulated market of Euronext Brussels is expected to commence on 8 February 2016 and will continue until on 22 February 2016 under the ISIN code BE0970147501 and the symbol NYR8. 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 8 February 2016 until 22 February 2016 inclusive (by 5.30 pm CET).

The last date and time before which notification of exercise instructions may be validly given by Eligible Persons may be earlier than 5.30 pm CET on 22 February 2016 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 in an accelerated bookbuilt private placement (i) 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 24 February 2016, 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.

Offering for a reduced amount

The Company has the right to proceed with the Offering in a reduced amount. This is, however, without prejudice to the underwriting commitment agreed to by the Joint Bookrunners (as described in *"—Placing and underwriting—Underwriting—Equity Commitment Agreement*") and the underwriting commitment provided by Urion pursuant to the Shareholder Commitment Agreement (see also "*—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*"). The actual number of the Shares subscribed for will be confirmed in the Financial Press (as defined below). However, the Shareholder Commitment Agreement with Urion provides that Urion shall not be obliged to subscribe for any Shares unless the Global Subscription Amount of the Offering is not less than € 250 million and not greater than € 275 million.

Revocation or suspension of the Offering

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 29 February 2016. Any prospectus supplement will be subject to approval by the Belgian 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 Belgian 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 29 February 2016 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 29 February 2016. 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 29 February 2016.

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 25 February 2016 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

Announcement pursuant to Article 593 of the Belgian Companies Code	T-7	29 January 2016
Determination of the Subscription Price and Ratio	T-1	4 February 2016
Separation from the Shares of coupon No. 8 (representing the Right) after closing of Euronext Brussels	T	5 February 2016
Availability to the public of the Prospectus	T	5 February 2016
Start of the trading of Shares "*ex Right*"	T+3	8 February 2016
Listing of the Rights on the regulated market of Euronext Brussels	T+3	8 February 2016

Opening date of the Rights Subscription Period	T+3	8 February 2016
End of the Rights Subscription Period	T+17	22 February 2016
End of the listing of the Rights on the regulated market of Euronext Brussels	T+17	22 February 2016
Announcement via press release of the results of the Rights Offering (before market opening)	T+19	24 February 2016
Scrips Offering	T+19	24 February 2016
Announcement via press release of the results of the Scrips Offering	T+19	24 February 2016
Publication in the Financial Press of the results of the Offering and the amount due to holders of unexercised Rights	T+20	25 February 2016
Payment by investors	T+24	29 February 2016
Completion of the Offering and realisation of the capital increase	T+24	29 February 2016
Listing and delivery of the new Shares subscribed with Rights and with Scrips	T+24	29 February 2016
Payment of the Excess Amount to holders of unexercised Rights (as the case may be)	T+24	29 February 2016

Note: "T +" a given number refers to the day that falls that number of days following the day that corresponds to "T" (that is, 5 February 2016).

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 2015, 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 Company's extraordinary general shareholders' meeting held on 18 January 2016.

Issue date

The expected date for the issue of the new Shares is 29 February 2016.

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 subscription commitment of Urion and its priority in the Scrips Offering described in "*—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*", and 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 statutory preferential subscription 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 in an accelerated bookbuilt private placement (i) 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 in an accelerated bookbuilt private placement (i) 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 instances of 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 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, if applicable;

provided that no such offer of new Shares, Rights or Scrips 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 Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

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, Deutsche Bank AG, London Branch and KBC Securities NV are joint bookrunners (the "**Joint Bookrunners**") of the Offering. Their respective addresses are indicated on the inside back cover of this Prospectus.

Equity Commitment Agreement

On 9 November 2015, the Company entered into an equity commitment agreement with the Joint Bookrunners (the "**Equity Commitment Agreement**") which is superseded by the Underwriting Agreement. In the Equity Commitment Agreement, the Joint Bookrunners agreed to underwrite the new Shares for an aggregate subscription amount of up to € 150 million (the "**Aggregate Equity Commitment Amount**") subject to conditions. In the Equity Commitment Agreement, Nyrstar has agreed irrespective of the entry into the Underwriting Agreement to pay to the Joint Bookrunners a commission equal to 0.3% 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 4 February 2016 (the "**Underwriting Agreement**"). Pursuant to the terms and subject to the satisfaction or waiver of the conditions of the Underwriting Agreement listed below, the Underwriters have severally agreed to underwrite the Offering for an aggregate amount up to € 149 million, and to procure purchasers and payment for, and failing which to subscribe and pay for, the new Shares in the following proportions:

Underwriters	**Percentage of offer Shares underwritten by the Underwriters[(1)]**
Deutsche Bank AG, London Branch	49.33%
KBC Securities NV	36.67%
BMO Capital Markets Limited	7.00%
BNP Paribas Fortis SA/NV	7.00%
Total	**100.00%**

Note:

(1) This only reflects the Shares that are not subscribed for by Urion pursuant to the Shareholder Commitment.

The commitment of the Underwriters to subscribe for these Shares in the Offering is subject to certain conditions, including notably:

(a) the Shareholder Commitment Agreement has not been terminated, cancelled, amended or repealed and is in full force and effect and has become unconditional, and Urion shall have performed all of its obligations under the Shareholder Commitment Agreement; and

(b) Urion does not, at any time between the date of the Underwriting Agreement and the Closing date, (i) offer, sell, contract to sell or otherwise dispose of any of the Shares in the Company it holds on the date of the Underwriting Agreement or (ii) 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, or enter into a transaction with similar economic effect, or publicly announce its intention to do any of the transactions mentioned in (i) or (ii) above.

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 of 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) the Shareholder Commitment Agreement has been terminated;

(d) either the Company or any of its subsidiaries has sustained any loss of or interference with their business;

(e) 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;

(f) 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, Switzerland, Peoples Republic of China, 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, Switzerland, the Peoples Republic of China, Japan, the United States, Australia or Canada of a national emergency.

provided that, in connection with the events referred to in any of (a), (b), (d), (e) and (f) (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.

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 Belgian 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 1.4% 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 Joint Bookrunners in consideration of their equity commitment under the Equity Commitment Agreement and described in "*—Underwriting—Equity Commitment Agreement*" above.

Shareholder Commitment Agreement

On 9 November 2015, the Company entered into a commitment agreement (the "**Shareholder Commitment Agreement**") with Urion, an indirect subsidiary of Trafigura, demonstrating Trafigura's support for the proposed Rights Offering. In the Shareholder Commitment Agreement, Urion agreed, subject to certain conditions (described below), to subscribe (or procure the subscription by any person with whom it acts in concert) in the Offering for (i) those Shares that it is entitled to subscribe for pursuant to the Rights arising out of the Shares that it holds as at the date of the Rights Offering in accordance with the terms of the Offering, and (ii) such number of Shares that remain available for subscription after the Rights Subscription Period and the Scrips Offering for which no Rights have been exercised in the Rights Subscription Period and for which no Scrips could be placed during the Scrips Offering. The Company will procure that the Joint Bookrunners shall offer Urion the right, in its sole discretion and in priority to all other participants, to participate in the Scrips Offering in respect of such number of Shares as it determines at the price per Scrip that will result from the Scrips Offering.

Urion's commitment to acquire Shares in the Offering is limited as follows:

- The maximum number of Shares which Urion committed to acquire in the Offering is limited to the number of Shares that would result in Urion's aggregate shareholding in the Company (when aggregated with the shareholdings of any person acting in concert with Urion, as the case may be) after completion of the Offering and the issue of additional Shares as a result thereof being not more than 49.9%; and
- Urion's maximum subscription amount in the Offering (the "**Shareholder Commitment Amount**") shall be € 125 million, less the amount, if any, by which 50% of the gross proceeds of the Offering (including issue premium) is less than € 125 million, provided that the aggregate amount payable by Urion may be further reduced at the election of Urion in its sole discretion by the aggregate amount subscribed for and paid by it for any Shares subscribed for by Urion upon exercise of additional Rights or Scrips acquired during the Rights Subscription Period or Scrips Offering.

Urion is not obliged to subscribe for any Shares under the Shareholder Commitment Agreement unless the gross proceeds of the Offering (including issue premium) are equal to or greater than €250 million and equal to or less than €275 million.

Furthermore, Urion's commitment to subscribe for these Shares in the Offering is subject to certain conditions, including notably (without limitation)**:**

(i) the representations and warranties that the Company provided in the Shareholder Commitment Agreement remaining true and correct on Closing (see also below);

(ii) the Underwriters' obligations under the Underwriting Agreement becoming unconditional (on or before the Closing);

(iii) the Relationship Agreement remaining in force as of the Closing; and

(iv) the absence of certain events prior to the Closing, including the announcement of a transaction under which a person other than Urion would acquire more than 50% of the Company's Shares or the right to appoint a majority of the Company's directors.

In the Shareholder Commitment Agreement, the Company has agreed to pay to Urion a commission of €5 million as consideration for its commitment to subscribe for the Shares as set out above, such commission to be payable on the earlier of the completion of the Offering and (regardless of the completion of the Offering) the termination of the Shareholder Commitment Agreement, unless Urion has been found, on the basis of a final and non-appealable court decision, to have committed fraud, gross negligence or wilful misconduct in the performance of its obligations under the Shareholder Commitment Agreement. The Company has also agreed to bear all expenses of Urion in connection with the Offering, including but not limited to legal fees and expenses, up to a maximum of €1 million.

The Company has made certain representations, warranties and undertakings to Urion, including an undertaking not to commence any capital raising (other than the Offering) or enter into any material financing transactions outside the ordinary course of business, other than debt financing that is approved by Urion. In addition, the Company has agreed to indemnify Urion against certain environmental liabilities relating to Nyrstar's mining operations (see "*Business—Environment*") (the "**Shareholder Indemnity**") above a certain threshold.

The Shareholder Commitment Agreement will terminate if at any time prior to the Closing:

(a) completion of the Offering has not occurred on or before 27 April 2016;

(b) the Company announces that the Offering will not proceed;

(c) the Underwriting Agreement is no longer capable of becoming unconditional or has been terminated or amended;

(d) there has occurred any of the following:

  (i) any significant adverse change in, or affecting, the business, trading, financial position, shareholders' equity, results of operations or prospects of the Group taken as a whole;

  (ii) any suspension or material limitation in trading in the Company'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 having been declared by authorities, or a material disruption in securities settlement, payment or clearance services in Europe or the United States having occurred;

  (iv) a 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, Switzerland, Japan, the United States, Australia, Canada or the People's Republic of China having defaulted or announced or threatened 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 Shareholder Commitment Agreement;

  (vii) a change or development involving a prospective change in taxation materially adversely affecting the Company, the Shares, the issuance, subscription, delivery or transfer thereof; or

(viii) the 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, Switzerland, Japan, the United States, Australia, Canada or the People's Republic of China of a national emergency,

provided that, for each event specified in any of (d)(i), (iv), (v) and (viii), in the judgement of Urion acting in good faith, the effect of any such event makes it impracticable or inadvisable to proceed with the Offering.

(e) if any one or more of the Trafigura Commercial Agreements which the Company entered into with Trafigura on 9 November 2015 (See "*Business—Relationship with Trafigura—Trafigura Commercial Agreements*") has been terminated by the Company or one of its subsidiaries (as applicable) other than for cause;

(f) any matter arising which Urion considers (acting reasonably) would give Urion a right to receive a payment under the Shareholder Indemnity, provided that Urion has given written notice to the Company that the Shareholder Commitment Agreement has terminated as a result of such matter arising; and

(g) any matter or circumstance arises as a result of which there is no reasonable prospect (in the opinion of Urion acting in good faith) that all of the conditions to its commitment to subscribe for the Shares in the Offering under the Shareholder Commitment Agreement will be satisfied, or will become capable of being satisfied (and not waived) before the settlement of the Offering on the Closing.

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 stock option plans or other incentive plans as disclosed herein.

To the knowledge of the Company, no shareholder has entered into a lock-up agreement.

Admission to trading and dealing arrangements

The Rights, represented by coupon No. 8 of the existing Shares, will be separated from the underlying Shares on 5 February 2016 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 BE0970147501 from 8 February 2016 to 22 February 2016 (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 29 February 2016. 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 Offering will be approximately €6 million. The expenses related to the Offering include, among other things, the underwriting and management fees and commissions of €4 million due to the Underwriters (see above "*—Underwriting—Underwriting Agreement*"), the fees due to the Belgian FSMA and Euronext Brussels and legal and administrative expenses, as well as publication costs, but exclude the commitment fee of €5 million due to Urion under the Shareholder Commitment Agreement (see above "*Business—Relationship with Trafigura—Shareholder Commitment Agreement*"). 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 0.35% 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 608,165,740 new Shares	1.34	0.76	0.86	0.29	—
% of financial dilution			—	21.5%	43.1%

Note:

(1) Price of the Shares as at 4 February 2016.

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 and Urion.

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, Deutsche Bank arranged the 2015 Prepay Financing (see "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Funding sources—2015 Prepay Financing*"). In addition, certain of the Underwriters have entered and may from time to time enter into hedging arrangements with the Company and its affiliates. See "*The Offering—Placing and underwriting—Underwriting—Shareholder Commitment Agreement*" and "*Operating and Financial Review and Prospects—Related Party Transactions*".

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 by an investor that acquires such securities in connection with this Offering, as well as of the receipt of the Unexercised Rights Payment by an investor 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 and new Shares and of the receipt of the Unexercised Rights Payment, 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 and new Shares and of the receipt of the Unexercised Rights Payment 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 a 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 27% 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 in principle be treated as a dividend subject to a Belgian withholding tax of 27%, 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 27%, subject to such relief as may be available under applicable domestic or tax treaty provisions.

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 27% 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, provided that such treaty or any other agreement 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 Annex I, Part A to Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, as amended, 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.

Dividends distributed to non-resident qualifying companies established in a Member State of the EEA or in a country with which Belgium has concluded a double tax treaty, provided that such treaty or any other agreement includes a qualifying exchange of information clause, will, under certain conditions, be subject to a reduced 1.6995% withholding tax to the extent that the Belgian withholding tax applicable pursuant to Articles 261 to 269 of the Income Tax Code cannot be credited nor reimbursed at the level of the qualifying company.

The application of this reduced withholding tax rate requires that (i) the Share participation held by the non-resident company, upon payment or attribution of the dividends, amounts to less than 10% of the Company's share capital but has an acquisition value of at least €2,500,000; (ii) this Share participation is held in full legal ownership during an uninterrupted period of at least one year; (iii) the non-resident company has a legal form as listed in Annex I, Part A to Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, as amended, or a legal form similar to the legal forms listed in the aforementioned annex and which is governed by the laws of another Member State of the EEA or a similar legal form in a country with which Belgium has concluded a double tax treaty; and (iv) 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.

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

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, subject to the exceptions listed below.

As of 1 January 2016, a so-called "speculation tax" of 33% (not subject to local surcharges) applies to capital gains realised, other than in the framework of a professional activity, by Belgian resident individuals on Shares that have been acquired for consideration less than six months before the transfer for consideration. The speculation tax also applies to capital gains on Shares acquired by way of gift, if these Shares are transferred for consideration within six months from the date of their acquisition for consideration by the direct or indirect donor.

The six month period is calculated by applying a "Last In First Out" method. In the case of short transactions (shorttansactie / vente à découvert, as provided under Art. 2, 1st indent, b of EU Regulation n° 236/2012 of 14 March 2012) with respect to Shares, the six month period is calculated between the date of the last short sale of Shares and the concerned purchase date of Shares.

The speculation tax is levied by way of a withholding tax due by an intermediary who intervenes in the transaction in Belgium. This withholding tax is final and releases Belgian resident individuals from reporting the transaction in the personal income tax return. If no intermediary intervenes in Belgium, the capital gain has to be reported in the personal income tax return.

The taxable base of the speculation tax is equal to the difference between (i) the price received for the Shares (in whatever form), reduced with the Belgian tax on stock exchange transactions (see "—Tax on stock exchange transactions" below) borne by the taxpayer on the transfer, and the acquisition price paid by the taxpayer (or the donor in case of a gift) increased with the Belgian tax on stock exchange transactions borne by the taxpayer (or donor) on the acquisition. If the acquisition price is unknown, the withholding tax is applied on the entire price received for the Shares (less the Belgian tax on stock exchange transactions) and any excess speculation tax may be reclaimed through the personal income tax return. Under certain circumstances, in case of a sales transaction involving Shares acquired at different times during the six month period prior to such sales transaction, capital losses incurred on certain Shares may offset capital gains realised on other Shares, but the total net result cannot be lower than zero.

Certain capital gains on Shares are excluded from the speculation tax. These include capital gains realised upon transfer of the Shares for consideration solely at the Company's initiative and where no choice is available to the investor. According to the preparatory documents to the law introducing the speculation tax, this includes forms of imposed reorganisations of companies (such as mergers and demergers) and dividends in shares where the taxpayer does not have an option to choose between cash and shares. These also include capital gains realised on Shares acquired in the context of professional activities and where the acquisition of the Shares has, if applicable, resulted in taxable professional income at the level of the relevant Belgian resident individual.

The speculation tax applies on qualifying sales of Shares acquired as from 1 January 2016. With respect to short sales of Shares, the tax applies on sales occurring as from 1 January 2016.

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 EEA, 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) 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, §§1 to 6 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 were not to 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.

Non-resident individuals who have been subject to withholding tax under the speculation tax (if the conditions of application under domestic law are satisfied, see "—*Belgian resident individuals*" above) and who are resident for tax purposes in a country with which Belgium has concluded a tax treaty that does not confer the authority to tax capital gains to Belgium, should consult their own tax advisors as to the procedural requirements for making claims for reimbursement.

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.

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 under the speculation tax or 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.

Capital gains realised by non-resident individuals or non-resident companies upon redemption of the Shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

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 country 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 23 July 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 23 July 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.

Common Reporting Standard

The exchange of information is, in the near future, expected to be governed by the broader Common Reporting Standard ("**CRS**").

On 29 October 2014, 51 jurisdictions signed the multilateral competent authority agreement which is a multilateral framework agreement to automatically exchange financial and personal information with the subsequent bilateral exchanges coming into effect between those signatories that file subsequent notifications.

More than 40 jurisdictions have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017.

Under the CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC**") which provides for mandatory automatic exchange of financial information foreseen in CRS. DAC amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU. The European Union has concluded agreements with Switzerland, San Marino and Liechtenstein in order to extend the automatic exchange of financial information to these jurisdictions, and intends to conclude similar agreements with other jurisdictions (including Andorra and Monaco). Belgium has implemented the aforementioned Directive 2014/107/EU by way of the Law of 16 December 2015.

Investors who are in any doubt as to their position should consult their professional advisers

Taxation of the Unexercised Rights Payment and the sale of the Rights prior to the closing of the Rights Subscription Period

The Unexercised Rights Payment should, in principle, not be subject to Belgian withholding tax.

The Unexercised Rights Payment will, in principle, not be subject to income tax in the hands of Belgian resident or non-resident individuals, except when resident individuals hold the Rights for professional purposes and non-resident individuals hold the Rights in connection with a business conducted in Belgium through a fixed base in Belgium, in which case the gains realised upon the receipt of the Unexercised Rights Payment will be taxable at the progressive income tax rates, increased by local surcharges.

For Belgian resident companies, gains realised upon the receipt of the Unexercised Rights Payment will be taxable at the ordinary corporate income tax rate. Non-resident companies holding the Rights through a Belgian permanent establishment will also be taxable at the ordinary non-resident income tax rate on gains realised upon the receipt of the Unexercised Rights Payment. Non-resident companies that have not acquired the Rights in connection with a business conducted through a Belgian permanent establishment are in principle not subject to taxation on gains realised upon the receipt of the Unexercised Rights Payment (subject to the reservation set out under "*—Taxation of capital gains and losses on Shares—Non-resident individuals or companies—Uncertain effect of Article 228, §3 ITC for non-residents*").

Belgian resident legal entities subject to Belgian legal entities tax are, in principle, not subject to Belgian income tax on the Unexercised Rights Payment.

The same Belgian tax analysis applies to gains realised upon the sale of Rights prior to the closing of the Rights Subscription Period, with the difference that, under certain circumstances, such gains realized by Belgian resident individuals or by non-resident individuals having their fiscal residence in a country with which Belgium has not concluded a tax treaty can be subject to speculation tax (see "*—Taxation of capital gains and losses on Shares—Belgian resident individuals*"). More specifically, capital gains realised by any of the individuals referred to above who have acquired such Rights against consideration, and then re-sold them, within the Rights Subscription Period, will be subject to speculation tax. By contrast, there are strong arguments to defend that no such tax applies in case of disposal by existing shareholders of the Company of the Rights received upon separation from the underlying Shares.

Tax on stock exchange transactions

The purchase and the sale and any other acquisition or transfer for consideration of Shares or Rights (secondary market) in Belgium through a professional intermediary is, in principle, subject to the tax on stock exchange transactions (*taxe sur les opérations de bourse* / *taks op de beursverrichtingen*) of 0.27% of the purchase price, capped at €800 per transaction and per party. 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; (v) public and institutional regulated real estate companies as described in Article 2 of the Belgian Act of 12 May 2014; and (vi) 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 (as described with respect to Shares below under "*—Taxation of Scrips and Shares-Sale or exchange*", below) 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 U.S. Dollar value paid by the U.S. Holder for the Scrip. The U.S. Dollar value will be determined by translating into U.S. Dollars the amount in Euros paid by a U.S. Holder for the Shares (and/or Scrip, as relevant) on the date of purchase, or the settlement date for the purchase in the case of Shares traded on an established securities market that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

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" and that dividends paid by the Company may be eligible for taxation at preferential rates. 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.

A U.S. Holder that receives non-U.S. currency (such as Euros) from a sale or exchange of Shares generally will realize an amount equal to the U.S. dollar value of such non-U.S. currency on the date of such sale or exchange. However, if Shares are traded on an established securities market, a cash basis or electing accrual basis taxpayer will determine the U.S. dollar value of the amount realized in such sale or exchange by translating such amount at the spot rate on the settlement date of the sale or exchange. If an accrual basis U.S. Holder makes the election described above, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. Holder will have a tax basis in any non-U.S. currency received in respect of the sale or exchange of Shares equal to the U.S. Dollar value of such non-U.S. currency calculated at the exchange rate in effect on the date of such sale or exchange (or in the case of a cash basis or electing accrual basis taxpayer the exchange rate in effect on the settlement date). Any gain or loss recognized upon a subsequent disposition of non-U.S. currency will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for U.S. foreign tax credit purposes.

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.

Information with Respect to Foreign Financial Assets

Individual U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (such as the Shares and the Rights) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations have been proposed that would extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. U.S. Holders should consult their own tax advisors concerning the application of these rules to their investment in Shares and Rights, including the application of the rules to their particular circumstances.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, a U.S. Holder may be required to treat a foreign currency exchange loss in connection with the Shares or Rights (or Scrips) as a reportable transaction if this loss exceeds the relevant threshold in the regulations (US$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of US$10,000 in the case of a natural person and US$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. U.S. Holders are urged to consult their tax advisors regarding the application of these rules.

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 exempt U.S. Holders 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 financial years ended 31 December 2015, 2014 and 2013 (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 consolidated financial statements for the financial year ended 31 December 2015, which are incorporated by reference in this Prospectus:

Consolidated income statement	Pages 20
Consolidated statement of comprehensive loss	Pages 21
Consolidated statement of financial position	Pages 22
Consolidated statement of changes in equity	Pages 23
Consolidated statement of cash flows	Pages 24
Notes to the consolidated financial statements	Pages 25 - 94
Statutory auditors' report on the consolidated financial statements	Pages 95 - 97

The table below sets out the relevant pages of the Company's annual report for the financial year ended 31 December 2014, which are incorporated by reference in this Prospectus:

Corporate governance statement	Pages 68 - 94
Consolidated income statement	Page 110
Consolidated statement of comprehensive loss	Page 111
Consolidated statement of financial position	Pages 112 - 113
Consolidated statement of changes in equity	Pages 114 - 115
Consolidated statement of cash flows	Page 116
Notes to the consolidated financial statements	Pages 118 - 182
Statutory auditors' report on the consolidated financial statements	Pages 183 - 185

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 - 105
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

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.

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.

Cathode . . . . Negatively charged electrode in electrolysis; in zinc and cadmium electrolysis, the cathode is a flat sheet of aluminium.

Cellhouse . . . . 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.

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.

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.
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.

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.

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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