

Regulated Information

## 2013 First Interim Management Statement

24 April 2013

### HIGHLIGHTS

**Zinc in concentrate production impacted by temporary suspension of mining activities at Campo Morado; full year guidance for all metals maintained**

- Own mine production of zinc in concentrate of 68,000 tonnes, down 8% on Q4 2012
- Mining operations temporarily suspended at the Campo Morado mine during February and March due to administrative issue; operations restarted in early April with results achieved in-line with improvements of December and January, following Mining for Value programme. Recovery plan in place to catch-up on production during 2013
- Low delivery volumes from Talvivaara; resulted in total zinc in concentrate down 15% on Q4 2012
- Full year mining production guidance for all metals maintained

**Zinc metal production was 263,000 tonnes in Q1 2013; full year zinc metal guidance maintained**

- Solid performance in Q1 2013, down 6% from a strong Q4 2012
- Maintain full year 2013 zinc metal guidance of 1.0 - 1.1 million tonnes

**Reported 2013 benchmark zinc treatment charge terms up 10%; Nyrstar continues to negotiate**

- Significant volumes of zinc concentrates already settled by Nyrstar at improved terms compared to reported settlement
- Lead concentrate negotiations also continue and are at a less advanced stage

<i>'000 tonnes unless otherwise indicated</i>	Q1 2013	Q4 2012	Δ%
<b>Mining</b>			
Total Zinc in concentrate <sup>1</sup>	70	82	(15)%
Own mine zinc in concentrate <sup>2</sup>	68	74	(8)%
Gold ('000 troy ounces)	10.0	26.5	(62)%
Silver ('000 troy ounces) <sup>3</sup>	1,094	1,385	(21)%
Copper in concentrate	2.8	3.3	(15)%
<b>Smelting</b>			
Zinc metal	263	281	(6)%
Lead metal (Port Pirie)	40	45	(11)%
<b>Market</b>			
Average LME zinc price (USD/t) <sup>4</sup>	2,033	1,947	4%
Average EUR:USD	1.32	1.30	2%

Zinc in concentrate production from Nyrstar's own mining operations in Q1 2013 was 8% down on Q4 2012. This was primarily due to the suspension of mining activities at the Campo Morado mine during February and March, caused by the temporary cancellation of the site's explosives permit. In early April, a new permit was issued and mining activities recommenced at the site with a recovery plan in place to catch-up on production throughout the remainder of 2013. Confidence in the recovery plan is in part based on the significant improvements in zinc, copper and gold grades and recoveries during December 2012 and January 2013 following the Mining for Value (optimisation) programme at Campo Morado in H2 2012. Results achieved in April are in-line with that trend. While not expected to have a material impact on full year mining segment performance, the suspension has had an impact on Q1 2013 mining production volumes and is expected to impact the H1 2013 average zinc mining C1 cash cost and mining segment financial performance.

<sup>1</sup> Includes production from Nyrstar operated mines and deliveries under the Talvivaara streaming agreement

<sup>2</sup> Includes production from Nyrstar operated mines only

<sup>3</sup> 75% of the silver produced by Campo Morado is subject to a streaming agreement with Silver Wheaton Corporation whereby only USD 3.90/oz is payable. In Q1 2013, Campo Morado produced approximately 145,000 troy ounces of silver

<sup>4</sup> Zinc price is average of LME daily cash settlement prices

Zinc in concentrate production at Nyrstar's other operated mines in Q1 2013 was largely comparable with Q4 2012. The El Toqui mine switched its focus from mining high gold to mining high zinc/lead ore faces, leading to a significant improvement in zinc in concentrate volumes. At the Langlois mine following the successful ramp-up of operations in H1 2012, the focus at site is now on optimisation. After the implementation of Nyrstar's Mining for Value at the Tennessee Mines and Campo Morado in 2012, the programme was rolled-out at Langlois at the end of Q1 / start Q2 2013. The main focus area identified is to increase the number of available ore faces for production and development, with a four part action plan in place to achieve that goal. The Tennessee mines continued to perform well in Q1 2013 on the back of significant improvements made in H2 2012.

Total zinc in concentrate volumes, down 15% in Q1 2013, were also impacted by low delivery volumes under the Talvivaara zinc stream. Production of other metals in concentrate in Q1 2013 was also impacted by the Campo Morado suspension, namely copper in concentrate, silver and gold production. In addition, gold production was also impacted by El Toqui firstly switching its focus to zinc production, and secondly stockpiling the majority of its gold as an intermediate product so that it can be processed into a higher margin doré product in H2 2013, when a new gravitational flotation plant is commissioned.

Nyrstar maintains its 2013 full year guidance for all metals for the mining segment.

Nyrstar's smelters delivered a solid result in Q1 2013 with zinc metal production of approximately 263,000 tonnes, 6% lower compared to a strong performance achieved in Q4 2012. The Balen/Overpelt smelter had a strong first quarter, increasing zinc metal output from Q4 2012. Production at the Auby and Clarksville smelters were impacted by announced planned maintenance shuts, while record temperatures in Tasmania, Australia constrained production at the Hobart smelter due to power reductions. Nyrstar maintains its 2013 full year zinc metal guidance

In the production of other metals in the smelting segment, Auby indium metal production has now stabilised at planned levels following the successful ramp up of operations in H2 2012. The Clarksville smelter increased the production of high margin germanium leach product by exclusively processing Middle Tennessee mine concentrate during a Q1 2013 campaign. Lead metal production at the Port Pirie smelter declined 11% in Q1 2013 due to an unplanned shut of the blast furnace following the installation of new equipment. Copper cathode and gold production at the site were both higher in Q1 2013, up 67% and 38% respectively, while silver production was 11% down due to the blast furnace shutdown.

During Q1 2013 Nyrstar entered into short-term strategic hedging arrangements with respect to zinc prices. The rationale for doing so is to improve the profitability of the business by, for example, providing targeted financial support for Nyrstar's assets or to take advantage of price conditions in the market. All hedge arrangements are compliant with a robust risk-reward framework. Nyrstar does not intend to enter into medium to long term structural hedges of the zinc price, thereby reducing its exposure to the medium to long term changes in the zinc price.

Following a strong opening to the year, the zinc and other metal prices declined sharply during March. The relatively high price environment at the start of the year led to a 4% higher than average zinc price in Q1 2013 compared to Q4 2012, however since the middle of March the price has traded between USD 1,800 to USD 1,900 per tonne. Other metal prices have also traded downwards, in particular the silver and gold price which have fallen sharply in April. The Euro strengthened against the US dollar during Q1 2013, with the average rate 2% compared to Q4 2012. As Nyrstar's earnings are largely denominated in US dollars, whereas it reports its earnings in Euros, a stronger Euro against the US dollar negatively impacts reported earnings. Due to the high sensitivity of Nyrstar's earnings to the zinc price, and increasingly with the gold and silver prices, and the Euro to US dollar exchange rate, its financial performance in 2013 will be impacted if this low metal price environment continues.

## CONFERENCE CALL

Management will discuss this statement in a conference call with the investment community on 24 April 2013 at 9:00am Central European Time. The presentation will be webcast live on the Nyrstar website, [www.nyrstar.com](http://www.nyrstar.com), and will also be available in archive. The webcast can be accessed via: <http://www.media-server.com/m/p/kvnupy67>

## OPERATIONS REVIEW: MINING

'000 tonnes unless otherwise indicated	Q1 2013	Q4 2012	% change
<b>Total ore milled</b>			
Campo Morado	57	188	(70)%
Contonga	89	104	(14)%
Coricancha	27	41	(34)%
El Mochito	190	186	2%
El Toqui	143	146	(2)%
Langlois	100	131	(24)%
Myra Falls	130	133	(2)%
East Tennessee	507	532	(5)%
Middle Tennessee	467	455	3%
Tennessee Mines	974	987	(1)%
<b>Total ore milled</b>	<b>1,709</b>	<b>1,917</b>	<b>(11)%</b>
<b>Zinc mill head grade (%)</b>			
Campo Morado	7.35%	6.40%	15%
Contonga	4.35%	4.55%	(4)%
Coricancha	1.94%	1.94%	-
El Mochito	3.95%	4.04%	(2)%
El Toqui	6.15%	3.57%	72%
Langlois	9.62%	8.05%	20%
Myra Falls	5.22%	5.78%	(10)%
East Tennessee	3.72%	3.57%	4%
Middle Tennessee	3.11%	3.43%	(9)%
Tennessee Mines	3.43%	3.51%	(2)%
<b>Lead mill head grade (%)</b>			
Contonga	0.19%	0.53%	(64)%
Coricancha	0.63%	0.92%	(32)%
El Mochito	1.93%	1.98%	(3)%
El Toqui	0.98%	0.05%	1860%
Myra Falls	0.48%	0.48%	-
<b>Copper mill head grade (%)</b>			
Campo Morado	1.94%	1.21%	60%
Contonga	0.91%	0.83%	10%
Coricancha	0.48%	0.29%	66%
Langlois	0.64%	0.53%	21%
Myra Falls	0.90%	0.77%	17%
<b>Gold mill head grade (g/t)</b>			
Campo Morado	1.90	1.64	16%
Coricancha	3.03	3.38	(10)%
El Toqui	1.55	4.57	(66)%
Langlois	0.15	0.15	-
Myra Falls	1.20	1.02	18%
<b>Silver mill head grade (g/t)</b>			
Campo Morado	145.11	138.64	5%
Contonga	36.34	48.11	(24)%
Coricancha	145.69	165.19	(12)%
El Mochito	77.09	80.41	(4)%
El Toqui	14.83	7.06	110%
Langlois	51.73	39.86	30%
Myra Falls	46.11	28.72	61%

'000 tonnes unless otherwise indicated	Q1 2013	Q4 2012	% change
<b>Zinc recovery (%)</b>			
Campo Morado	78.2%	77.3%	1%
Contonga	89.8%	90.0%	(0)%
Coricancha	73.2%	81.1%	(10)%
El Mochito	84.0%	84.0%	-
El Toqui	85.0%	80.6%	5%
Langlois	93.1%	91.7%	2%
Myra Falls	88.1%	89.5%	(2)%
East Tennessee	94.6%	94.8%	(0)%
Middle Tennessee	94.0%	92.2%	2%
Tennessee Mines	94.3%	93.6%	1%
<b>Lead recovery (%)</b>			
Contonga	59.7%	73.8%	(19)%
Coricancha	60.9%	75.7%	(20)%
El Mochito	80.4%	77.8%	3%
El Toqui	58.6%	0.0%	-
Myra Falls	33.1%	52.2%	(37)%
<b>Copper recovery (%)</b>			
Campo Morado	79.9%	66.2%	21%
Contonga	61.3%	55.1%	11%
Coricancha	61.3%	55.1%	11%
Langlois	87.9%	69.3%	27%
Myra Falls	67.8%	72.1%	(6)%
<b>Gold recovery (%)</b>			
Campo Morado	38.0%	35.0%	9%
Coricancha	89.7%	93.5%	(4)%
El Toqui	31.8%	81.4%	(61)%
Langlois	87.9%	84.2%	4%
Myra Falls	65.5%	60.4%	8%
<b>Silver recovery (%)</b>			
Campo Morado	54.3%	47.5%	14%
Contonga	78.8%	77.5%	2%
Coricancha	87.9%	102.1%	(14)%
El Mochito	86.7%	86.6%	0%
El Toqui	70.6%	72.1%	(2)%
Langlois	88.6%	83.9%	6%
Myra Falls	82.0%	78.0%	5%
<b>Total zinc concentrate</b>			
Campo Morado	7	20	(65)%
Contonga	7	9	(22)%
Coricancha	1	1	-
El Mochito	12	12	-
El Toqui	14	5	180%
Langlois	16	18	(11)%
Myra Falls	11	13	(15)%
East Tennessee	28	29	(3)%
Middle Tennessee	21	23	(9)%
Tennessee Mines	50	51	(2)%
<b>Own Mine Total</b>	<b>118</b>	<b>129</b>	<b>(9)%</b>
Talvivaara Stream	4	13	(69)%
<b>Total zinc concentrate</b>	<b>122</b>	<b>142</b>	<b>(14)%</b>

'000 tonnes unless otherwise indicated	Q1 2013	Q4 2012	% change
<b>Total lead concentrate</b>			
Contonga	0.2	0.7	(71)%
Coricancha	0.2	0.6	(67)%
El Mochito	4.6	4.7	(2)%
El Toqui	1.6	0.0	-
Myra Falls	0.6	1.0	(40)%
<b>Total lead concentrate</b>	<b>7.2</b>	<b>7.0</b>	<b>3%</b>
<b>Total copper concentrate</b>			
Campo Morado	1.8	1.8	-
Contonga	1.8	1.8	-
Coricancha	0.3	0.4	(25)%
Langlois	3.0	2.1	43%
Myra Falls	3.4	3.2	6%
<b>Total copper concentrate</b>	<b>8.4</b>	<b>7.5</b>	<b>12%</b>
<b>Zinc in Concentrate</b>			
Campo Morado	3	9	(67)%
Contonga	3	4	(25)%
Coricancha	0	1	(100)%
El Mochito	6	6	-
El Toqui	7	4	75%
Langlois	9	10	(10)%
Myra Falls	6	7	(14)%
East Tennessee	18	18	-
Middle Tennessee	14	14	-
Tennessee Mines	31	32	(3)%
<b>Own Mine Total</b>	<b>68</b>	<b>74</b>	<b>(8)%</b>
Talvivaara Stream	2	8	(75)%
<b>Total</b>	<b>70</b>	<b>82</b>	<b>(15)%</b>
<b>Lead in concentrate</b>			
Contonga	0.1	0.4	(75)%
Coricancha	0.1	0.3	(67)%
El Mochito	3.0	2.9	3%
El Toqui	0.8	0.0	-
Myra Falls	0.2	0.3	(33)%
<b>Total</b>	<b>4.2</b>	<b>3.9</b>	<b>8%</b>
<b>Copper in concentrate</b>			
Campo Morado	0.9	1.5	(40)%
Contonga	0.5	0.5	-
Coricancha	0.1	0.1	-
Langlois	0.6	0.5	20%
Myra Falls	0.8	0.8	-
<b>Total</b>	<b>2.8</b>	<b>3.3</b>	<b>(15)%</b>
<b>Gold ('000 troy oz)</b>			
Campo Morado	1.3	3.4	(62)%
Coricancha	2.5	2.8	(11)%
El Toqui	2.4	17.1	(86)%
Langlois	0.4	0.5	(20)%
Myra Falls	3.3	2.7	22%
<b>Total</b>	<b>10.0</b>	<b>26.5</b>	<b>(62)%</b>
<b>Silver ('000 troy oz)</b>			
Campo Morado	145	399	(64)%
Contonga	81	125	(35)%
Coricancha	105	217	(52)%
El Mochito	409	418	(2)%
El Toqui	48	24	100%
Langlois	147	139	6%
Myra Falls	158	97	63%
<b>Total</b>	<b>1,094</b>	<b>1,419</b>	<b>(23)%</b>

Following the Mining for Value programme at Campo Morado in H2 2012, the mine started 2013 very well with significant improvements in zinc, copper and gold grades and recoveries. Unfortunately those improvements were curtailed when mining activities at the mine were temporarily suspended during February and March due to the cancellation of the site's explosives permit. The Mexican Department of Army (SEDENA), the body responsible for issuing and managing explosives permits at mines in Mexico, notified the site that the permit to purchase, store and use explosives necessary for mining operations at Campo Morado had been cancelled. The cancellation of the permit was due to an administrative issue, rather than any structural operational or legal situation at site. As a consequence the mine was not able to conduct blasting operations and subsequently ceased milling operations in early February. As soon as Nyrstar was informed of the cancellation of the explosives permit, the Company was in regular dialogue with SEDENA and other stakeholders to resolve the situation within the framework of the permitting process. To lessen the impact of the suspension, site management brought forward a planned maintenance shut of the mill and the maintenance of the mobile fleet, continued exploration drilling and expanded capacity of the tailing ponds. In early April, a new permit was issued and mining activities recommenced at the site with a recovery plan in place to catch-up on production throughout the remainder of 2013. Nyrstar's confidence in the recovery plan is based, in part, due to the significant improvements in zinc, copper and gold grades and recoveries during December 2012 and January 2013 following the Mining for Value (optimisation) programme, and results achieved in April are in-line with that trend. While not expected to have a material impact on full year mining segment performance, the suspension has had an impact on Q1 2013 mining production volumes and is expected to impact H1 2013 mining financial performance.

Tragically, despite significant improvements made by Nyrstar in the health and safety of employees within the mining segment, an employee was fatally injured in workplace incident at the Campo Morado mine on 3 March 2013. Nyrstar has fully cooperated with the authorities in investigating the incident and senior health and safety officials at Nyrstar have conducted their own in-depth, root-cause analysis of the incident to improve safety standards across all operations.

The production of zinc in concentrate at the Contonga mine declined slightly in Q1 2013 from Q4 2012 as the site managed its average mill throughput rates to comply with its permitted capacity. Therefore ore milled volumes fell by 14% quarter on quarter. During Q1 2013 mining activities were focused at the lower levels of the mines, which contain higher copper grades (10% improvement in average grade in Q1 2013) but lower lead and silver grades. Zinc, silver and copper recoveries were all in line, while the lead recovery fell due to the lower grade in the ore fed to the mill.

As discussed in the 2012 full year results, Coricancha was in the process of adapting its operating model to treat historic tailings while developing new areas of the mine for future production. This transition in Q1 2013 led to a 11% reduction in gold production compared to Q4 2012, as the site began to blend tailings material with mined ore. During the implementation of this process recoveries have reduced, as the site seeks to improve the mechanisation of this approach.

The El Mochito mine delivered another solid performance in Q1 2013, following on from a successful first full year under Nyrstar ownership in 2012. Ore milled volumes were up 2% compared to Q4 2012, with grades marginally lower in Q1 2013. The decline in grades were due to a blend of more lower grade mantos and less higher grade chimney ore being fed to the mill, as the site develops higher grade chimneys to come into production in H2 2013. Overall zinc in concentrate production was flat quarter on quarter, with lead in concentrate (3% up) and silver (2% down) broadly in line.

Production at the El Toqui mine in Q1 2013 was focused on zinc and lead compared to Q4 2012 when the focus was on gold. Therefore mining activities switched focus to higher grade zinc / lead ore faces, with the average zinc grade increasing 72%. Subsequently zinc in concentrate production increased by 75% in Q1 2013 and the mine started to produce meaningful volumes of lead for the first time. As the mill cannot process both high zinc and high gold ore, the site stopped mining high gold ore faces and so the average gold grade declined by 61%. In addition gold previously sold in a high gold concentrate product is being stockpiled as an intermediate gold product. This will then be processed into high margin gold doré by a gravitational flotation plant, which is currently being constructed with commissioning expected in H2 2013. For these two reasons the volume of (saleable) gold produced decreased by 86% in Q1 2013.

Following the successful ramp-up of operations in H1 2012, the focus at the Langlois mine is now on optimisation. After the implementation of Mining for Value at the Tennessee Mines and Campo Morado in 2012, the programme was rolled-out at Langlois at the end of Q1 / start Q2 2013. The main focus area identified is to increase the number of available ore



faces for production and development. The lack of available faces in Q1 2013 led to a shortfall in the volume of ore mined, which subsequently reduced ore milled volumes by 24% compared to Q4 2012. A four part action plan is in place at site to improve ore face availability, which includes the improvement of mine planning and execution. A 20% increase in the average zinc head grade (9.62%) meant that zinc in concentrate production was only 1,000 tonnes, approximately, lower than in Q4 2012. Improvements in by-product grades and recoveries, the latter through process changes at the mill, lead to a 20% increase in copper in concentrate production and 6% higher silver volumes in Q1 2013.

The Myra Falls mine had a solid first quarter of 2013. Ore milled volumes were in line with Q4 2012, while changes in grade reflect a planned move away from mining the main zone. While the main zone contains higher zinc grades, the areas in which mining activity was focused on in Q1 2013 support higher by-product grades, with gold and silver grades up 18% and 61% respectively. Subsequently while zinc in concentrate production was down by approximately 1,000 tonnes in Q1 2013 compared to Q4 2012, gold production increased by 22% and silver volumes were up 63%.

East and Middle Tennessee Mines continued to perform well, with zinc in concentrate production in Q1 2013 in line with Q4 2012. A 4% increase in the average mill head grade at East Tennessee, to 3.72%, combined with a 5% reduction in the volume of ore, allowed the site to maintain zinc in concentrate production quarter on quarter. At the Middle Tennessee Mine the average zinc head grade was 11% lower in Q1 2013, consistent with the mine plan, and is expected to improve in Q2 2013. Over the same period, the site achieved a 2% increase in the volume of ore milled, despite extended downtime of the underground road-train. To ensure the continued movement of ore from underground faces to the shaft, additional haulage trucks were utilised. In addition to the increase in ore milled there was a 2% increase in the zinc recovery, which combined helped offset the lower average grade, enabling zinc in concentrate volume to remain constant quarter on quarter. However due to the aforementioned issues the C1 cash cost was negatively impacted.

Nyrstar received deliveries of zinc in concentrate from Talvivaara under the zinc streaming agreement of approximately 2,000 tonnes in Q1 2013.

## OPERATIONS REVIEW: SMELTING

	Q1 2013	Q4 2012	% change
<b>Zinc metal ('000 tonnes)</b>			
Auby	36	40	(10)%
Balen/Overpelt	66	64	3%
Budel	68	71	(4)%
Clarksville	22	31	(29)%
Hobart	64	69	(7)%
Port Pirie	7	7	-
<b>Total</b>	<b>263</b>	<b>281</b>	<b>(6)%</b>
<b>Lead metal ('000 tonnes)</b>			
Port Pirie	40	45	(11)%
<b>Other products</b>			
Copper cathode	1.0	0.6	67%
Silver ('000 troy ounces)	4,393	4,914	(11)%
Gold ('000 troy ounces)	18	13	38%
Indium metal (tonnes)	8	8	-
Sulphuric acid	343	346	(1)%

Zinc metal production in the smelting segment of approximately 263,000 tonnes in Q1 2013 was 6% lower than in Q4 2012, with the fourth quarter traditionally a strong quarter for smelting production. Production achieved in Q1 2013 was in line with management expectations and demonstrates that the smelters are on track to deliver the full year 2013 guidance of 1.0 – 1.1 million tonnes.

Zinc metal production at the Auby smelter was 10% lower in Q1 2013 compared to Q4 2012 due to the announced planned maintenance shut of the zinc plant. Indium metal production of 8 tonnes was in line with site expectations, with the technical process now stable following the ramp-up of operations during H2 2012. Operations at the Balen/Overpelt smelter ran well in Q1 2013 with zinc metal production up 3% compared to Q4 2012, which was impacted by issues in roasting and leaching. Production at Budel was in line with management expectations, marginally down in Q1 2013 following a strong performance in Q4 2012.

At the Clarksville smelter zinc metal production was lower due to the announced maintenance shut of the roaster and acid plant. In addition a Q1 2013 campaign to exclusively process Middle Tennessee concentrate to increase production of the high margin germanium leach product, reduced zinc metal production due to the coarse grind size of the concentrate. Production at Hobart during Q1 2013 was impacted by record regional temperatures, which constrained electrolysis throughput due to power reductions. This led to a 7% reduction in zinc metal production compared to Q4 2012.

Lead metal production at the Port Pirie multi-metal smelter declined 11% in Q1 2013 compared to Q4 2012 due to a minor unplanned shut of the blast furnace following the installation of new equipment. Zinc metal production was in line with Q4 2012, while copper cathode and gold production were both higher in Q1 2013, up 67% and 38% respectively. Silver production was 11% down compared to Q4 2012 due to the shutdown of the blast furnace.

## **Treatment Charges (TC)**

Zinc concentrate TC settlements achieved by major Asian-based smelters for 2013 have been widely reported to be on the following terms:

- Base TC of USD 210.50/dmt (dry metric tonne) at a basis zinc price of USD 2,000/tonne
- Escalators of 6% from a zinc price of USD 2,000/tonne to USD 2,500/t, 5% from a zinc price of USD 2,500/tonne to USD 3,000/t, 2% from a zinc price of USD 3,000/tonne to USD 3,500/t, and flat thereafter
- De-escalator of 2% from a zinc price of USD 2,000/tonne to USD 1,500/t, and flat thereafter.

As reported this would represent more than a 10% improvement from the 2012 benchmark TC of USD 191/dmt, at a basis price of USD 2,000/t.

Nyrstar has progressed its 2013 zinc concentrate TC negotiations during Q1 2013, with significant volumes of zinc concentrates already settled at a higher base TC and improved de-escalator terms compared to the above reported settlement. Other features of the settled contracts are in line with the reported settlements. Nyrstar's negotiations continue with a number of suppliers.

The lead raw materials market negotiations continue and are at a less advanced stage. Uncertainty remains in the market as expected smelting restarts have not yet begun to process significant volumes and the import market into China remains quiet.

As in previous years, opening inventories and some outstanding deliveries of zinc concentrates received during 2012 will be on treatment charge terms carried over from last year's contracts, however these are not expected to have a material impact on treatment charge income.



## **Strategic hedging of zinc and other metal prices**

During Q1 2013 Nyrstar entered into short-term strategic hedging arrangements with respect to zinc prices.

The hedges, which relate to Q2, Q3 and Q4 2013, are for 20,000 tonnes of zinc metal per month. The hedges in Q2 2013 guarantee Nyrstar a zinc price between USD 2,100/t and USD 2,200/t for 60,000 tonnes of metal. The hedges for Q3 and Q4 2013, containing put and call spread options, guarantee Nyrstar a zinc price between USD 2,100/t and USD 2,200/t for 120,000 tonnes of metal and if the price exceeds USD 2,400/t Nyrstar would have exposure to the upside benefit. The total cost for entering into these hedging arrangements was approximately USD 7 million.

The rationale for entering into such short term arrangements is to improve the profitability of the business by, for example, providing targeted financial support for Nyrstar's assets or to take advantage of price conditions in the market. 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-reward framework, and all decisions to enter or exit from a hedge are taken by a Metal Price Risk Committee.

Nyrstar does not intend to enter into medium to long term structural hedges of the zinc price, thereby reducing its exposure to the medium to long term changes in the zinc price. Nyrstar remains confident in the medium and long term fundamentals of the zinc market and its decision to enter into hedging arrangements does not reflect any change to this view.

## **Nyrstar Port Pirie Transformation funding package hedging**

As announced on 3 December 2012, Nyrstar reached an in-principle agreement with the Australian Federal Government and the South Australian Government with respect to the funding of the proposed transformation of the Port Pirie smelter. As part of the related funding package Nyrstar intends to raise AUD 100 million via a forward sale arrangement of some of the incremental free metal units to be produced at Port Pirie as a consequence of the transformation. In order to ensure this funding alternative remains attractive, on 10 April 2013 Nyrstar sold forward to February 2014 (the expected date by which the transformation funding package would be effected) 5.0 million troy ounces of silver at a price of approximately USD 28/toz. It is currently intended that this position would be rolled into the transformation funding package in February 2014.

## **FORWARD-LOOKING STATEMENTS**

This release includes forward-looking statements that reflect Nyrstar's intentions, beliefs or current expectations concerning, among other things: Nyrstar's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Nyrstar operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause Nyrstar's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Nyrstar cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which Nyrstar operates may differ materially from those made in or suggested by the forward-looking statements contained in this news release. In addition, even if Nyrstar's results of operations, financial condition, liquidity and growth and the development of the industry in which Nyrstar operates are consistent with the forward-looking statements contained in this news release, those results or developments may not be indicative of results or developments in future periods. Nyrstar and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this report or any change in Nyrstar's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

## **About Nyrstar**

Nyrstar is an integrated mining and metals business, with market leading positions in zinc and lead, and growing positions in other base and precious metals; essential resources that are fuelling the rapid urbanisation and industrialisation of our changing world. Nyrstar has mining, smelting, and other operations located in Europe, the Americas, China and Australia and employs over 7,000 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on NYSE Euronext Brussels under the symbol NYR. For further information please visit the Nyrstar website, [www.nyrstar.com](http://www.nyrstar.com)

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