

# News release



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## Nyrstar operations and full year guidance update

**3 October 2016 at 7am CEST**

Nyrstar NV ("Nyrstar" or the "Company") announces today the following operations and full year guidance update in advance of the Company's third quarter 2016 interim management results, which are scheduled for release on 2 November 2016. A number of unplanned, one-off production outages and operational issues have been experienced during Q3 2016 which will negatively impact the Company's reported third quarter operational and financial performance. The vast majority of these issues have now been resolved with the sites having returned to normal operational production levels.

The Metals Processing segment was impacted by weather events and two exceptional fires whilst the Mining segment has been impacted by restricted ore face access at Langlois and to a lesser extent East Tennessee.

During Q3 2016, a number of extraordinary operational issues arose in the Metals Processing segment which adversely impacted production. These issues included a hydrogen fire in the electrolysis department at Balen and an electrical cabinet fire at one of Balen's roasters, structural damage to the electrolysis department at Hobart caused by strong winds and issues with stability in the leaching department, and record high temperatures at Clarksville impacting electrolysis efficiency. The combined impact of these one-off issues during Q3 2016 has been a loss of zinc metal production of approximately 30,000 tonnes.

As a result of these one-off production issues, Nyrstar has reviewed its full year zinc metal production guidance and now expects it to be at the low end of the guidance range of 1 to 1.1 million tonnes.

Also, as previously announced, the Port Pirie lead refinery suffered from a storm related electricity failure in the state of South Australia on Wednesday 28 September 2016, which caused an outage of the entire plant. This most impacted the blast furnace, which is currently expected to be down for approximately 6 – 10 days for repairs necessitated by the power outage which would negatively impact Metals Processing EBITDA by approximately EUR 3 - 5 million. Timing for the full restart of operations will depend upon when power is fully restored to the site by the network operator.

The Mining segment, currently in the process of being divested, also experienced some production issues during the third quarter amounting to approximately 4,000 tonnes of lost zinc in concentrate production. These production issues were predominantly at Langlois where ground control issues have temporarily restricted access to two high-grade Alimak stopes, leading to an approximate 60% reduction in zinc in

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concentrate production during September 2016 and at the East Tennessee Mines, which suffered issues due to equipment and stope availability. These issues are expected to be resolved during Q4 2016.

Accounting for this Mining segment production decline of 4,000 tonnes and the exclusion of the El Mochito and El Toqui mines, which will not be included in the production results as they are assets held for sale as part of Nyrstar's Mining segment divestment process, Nyrstar has revised down its 2016 full year zinc in concentrate production from 130 - 160 thousand tonnes to 90 - 110 thousand tonnes. It is likely this guidance will be further impacted by the mines divestment process currently underway with more divestments expected to be announced before the year-end.

Commenting on the revised guidance, Bill Scotting, Chief Executive Officer, said: "The one-off operational performance issues of the zinc smelting assets caused by fire and weather events have now been resolved and the issues identified in the mining segment will be resolved during the coming months as ground stability issues are rectified and mine plans improved. Given the impact of these unplanned production outages that have now predominantly been corrected, revising the full year guidance is a prudent measure."

"We remain focused on our cash flow improving strategic priorities for the remainder of 2016 and into 2017 with the continued advancement of the mining divestment, delivering on the Port Pirie Redevelopment with its substantial forecast earnings uplift, and making continued operational improvements and cost savings to benefit from the strengthening of zinc market fundamentals."

## About 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, which are 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 and Australia and employs approximately 5,000 people. Nyrstar is incorporated in Belgium and has its corporate office in Switzerland. Nyrstar is listed on 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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