

Regulated Information – Inside Information

## Update on Strategic Zinc Price and Foreign Exchange Hedging and Silver Prepays

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### Update on Strategic Zinc Price and Foreign Exchange Hedging

Nyrstar NV (the "Company") advises that it has entered into further short-term strategic hedging arrangements utilising put and call collar structures to mitigate potential down side risks with respect to the zinc price and foreign exchange.

For H1 2018, protective hedges have now been put in place for 70% of the total free metal produced by Nyrstar's Metals Processing segment (8,300 tonnes of zinc metal per month) and Mining segment (7,500 tonnes per month of the payable zinc metal produced in concentrate). These hedges result in full exposure to the zinc price for 100% of the production volume in H1 2018 between a floating zinc price of USD 2,300/t and USD 3,094/t. Above and below these prices, Nyrstar's exposure is limited to 30% of the total free metal produced.

In Q2 2017, Nyrstar also placed protective foreign exchange hedges with collar structures for 33% of 2018 AUD/USD exposure related to direct operating costs denominated in Australian dollars and 100% of 2018 CAD/USD exposure related to direct operating costs denominated in Canadian dollars. These hedges result in full exposure to the AUD/USD in 2018 within a range of 0.675 to 0.799 and only 66% exposure outside of this range. The CAD/USD exposure is full for 2018 within a range of 1.320 and 1.362 and no exposure outside of this range.

Nyrstar's management will continue to apply strategic hedges to limit downside risks for key commodity price and foreign exchange sensitivities on a rolling six to nine month basis during the implementation of the Company's transformation and turnaround plan.

### Update on Silver Prepays

During Q2 2017, Nyrstar entered into a further two silver prepay transactions and received total funds of USD 100 million. In May 2017, Nyrstar entered into a silver prepay agreement under which Nyrstar received a USD 50 million (EUR 43.8 million) prepayment with a six month grace period and agreed to physically deliver 4.2 million troy ounces of silver in equal installments over a six month period ending June 2018. Nyrstar entered into a forward purchase contract with equivalent delivery dates to hedge the silver price exposure related to delivery commitments. In June 2017, Nyrstar entered into an unhedged silver prepay agreement under which Nyrstar received a USD 50 million (EUR 43.8 million) prepayment with a nine month grace period and agreed to physically settle the prepayment through the delivery of silver in equal installments over a five month period ending August 2018. These silver prepay contracts are accounted for as "deferred income" and use of proceeds of these new prepays will be to roll forward prepays which are amortizing in 2017.

Nyrstar's management will continue to monitor the market for additional opportunistic financings in order to further strengthen the balance sheet, extend the existing maturity profile and improve liquidity.

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# News release



## 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 4,300 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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