

Regulated Information

Nyrstar and New Century Resources announce binding term sheet for long term zinc concentrate offtake

26 February 2018 at 07:00 CET

Nyrstar NV (“Nyrstar”) (EBR:NYR) and **New Century Resources Limited** (“New Century”) (ASX:NCZ) are pleased to announce the execution of a binding term sheet for a new 5.5 year offtake agreement covering 600,000 dmt of zinc concentrate produced from the Century Zinc Mine in Australia. The term sheet for offtake includes a variable tonnage allocation to Nyrstar of 250,000 dmt of zinc concentrate for the first 3.5 years, rising to 350,000 dmt for the final two years of the offtake agreement. This represents approximately 15% and 35% respectively of the scheduled production. New Century remains on track for its first zinc concentrate production in Q3 2018. Terms of the offtake remain confidential but are highly attractive to both parties.

Nyrstar agreed to suspend the arbitration proceedings against New Century that were commenced earlier in February 2018 relating to the validity of historical Century Zinc Mine offtake agreements between the parties dating back to 2007. Withdrawal remains subject to documentation of the formal offtake agreement on terms consistent to the binding term sheet and the deed of settlement and release confirming all historical agreements relating to the Century Mine have been terminated.

Commenting on the new agreement, New Century Executive Chairman Evan Cranston, said:

“New Century is pleased to establish this offtake with Nyrstar, which is the world’s second largest direct end user of zinc concentrate with smelters located around the world. The term of the agreement, covering 5.5 years, clearly demonstrates the robust demand for Century zinc concentrate. New Century looks forward to building a long term mutually beneficial relationship between the parties.”

Nyrstar Chief Executive Officer, Hilmar Rode, added:

“Nyrstar has traditionally been a significant long term user of Century zinc concentrate. We are very pleased to have secured a new long term supply agreement and are looking forward to continue our long standing successful relationship with the Century Zinc Mine and its new owners New Century Resources.”

The term sheet for offtake utilises a pricing structure based on an industry standard model with zinc concentrate sold on a CIF (cost, insurance, freight) basis. The model determines sale price through reference to the contained zinc and silver in the concentrate and the spot metal prices published by the LME and the LBMA, less a treatment charge.

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 six smelters, one fumer and four mining operations, located in Europe, Australia and North America, and employs approximately 4,100 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.

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