



Payments to Governments

Report 2016

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INTRODUCTION

This Payments to Governments Report ("Report") discloses the payments that Nyrstar NV and its subsidiaries ("Nyrstar") made during 2016 on a country-by-country and project-by-project basis as required by Belgian Law dated 18 December 2015 and the Belgian Royal Decree dated 11 September 2016 entering into effect as of 1 October 2016. This Belgian law enacts domestic rules in line with the reporting requirements of Chapter 10 of the EU Accounting Directive (2013/34/EU) which applies to large entities like Nyrstar that are involved in Extractive industries (exploration, prospection, discovery, development and extraction of minerals, oil, natural gas or other materials within the economic activities listed in Regulation (EC) No 1893/2006 of The European Parliament and of the Council of 20 December 2006 under Section B – Mining and Quarrying) and the logging of primary forests (naturally regenerated forest of native species, where there is no clearly visible indication of human activities and the ecological processes are both significantly disturbed).

This Report is available for download at www.nyrstar.com

BASIS FOR PREPARATION AND SCOPE

Nyrstar NV as parent of the Nyrstar group has prepared the report on consolidated basis and reports the activity of any of its subsidiary entities that are active in the extractive industry.

Taxes, production entitlements, royalties, and other payments to governments are presented on a cash-paid basis during the reporting period. In-kind payments are converted into monetary value at the date of settlement.

Payments made by Nyrstar to governments arising from activities involving the exploration, prospection, discovery, development and extraction of minerals, oil, natural gas or other materials (extractive activities) are disclosed in this Report. It excludes payments to governments related to Nyrstar's metal processing business.

Payments made to government during 2016 by the El Toqui mine, Chile, are excluded from the Report as the El Toqui mine, Chile was sold to a third party in November 2016 and Nyrstar had no control over the mine as of 31 December 2016.

Payments made to government during 2016 by the El Mochito mine, Honduras, are excluded from the Report as the El Mochito mine, Honduras was sold to a third party in December 2016 and Nyrstar had no control over the mine as of 31 December 2016.

Unless noted otherwise in the Report, the following terms have the definition as stated below:

Government

Government includes any federal, national, regional or local authority of a country in which the Nyrstar entity operates or another country and it includes any department, agency or undertaking controlled by that authority.

Project

Project is defined as operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities to a government. Where such agreements are substantially interconnected, those agreements are considered as a single project.

Production entitlements

Production entitlements are payments to governments based on the volume of output, as mandated in any agreement or license. These entitlements can be paid in cash or in-kind. The value of these payments is calculated based on the market price at the time of the in-kind payment.

Taxes on income

Taxes on income are levied on the income, production or profits of companies. They also include withholding taxes paid on dividends, interest, royalties, and services. Excluded are taxes levied on consumption such as value added taxes ("VAT"), personal income taxes or sales taxes. Property and environmental taxes are also excluded. Taxes on income include taxes paid in-kind, if applicable. The value of taxes paid in-kind is calculated based on the market price at the time of the in-kind payment.

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Royalties

Royalties are usage-based payments for the right to the on-going use of an asset (i.e. payments to governments in respect of revenue or production related to the extraction of metals).

Non-ordinary dividends

Non-ordinary dividends such as any dividend paid in lieu of production entitlements or royalties. In this context, dividends do not include payments to governments when a government is a shareholder of the company, as long as the dividend is paid to the government under the same terms and conditions as applicable to other shareholders.

Bonuses

Bonuses are payments related to awards, grants, or transfer of extraction rights. Payments can be in the form of periodic payments or a fixed amount upon signing of a contract, achievement of certain production levels or targets and discovery of (additional) mineral resources or deposits. Bonuses could be paid i.e. when signing a lease, when discovering natural resources and/or when production has commenced. Bonuses include signature, discovery and production bonuses.

License fees

License fees are levied on the right to use a geographical area for exploration, development and production and include rental fees, area fees, entry fees, severance tax and other considerations for licenses and/or concessions.

Infrastructure improvements

Payments related to the construction of infrastructure. Such payments are disclosed if Nyrstar is contractually obligated to improve the infrastructure. Payments in respect of social or community programs, for example building/providing a hospital or school are excluded.

Disclosure threshold

Payments made to a government are single payments or series of related payments of EUR 100,000 (or equivalent) or more in a financial year.

Exchange rate

Payments made to a government in currencies other than EUR are translated for this Report based on the foreign exchange rate at yearly average rate.

FORWARD LOOKING STATEMENTS

This document has been prepared by the management of Nyrstar NV (the "Company"). It does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

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REPORTS

The following reports have been prepared on the basis as outlined in Basis for preparation and scope on page 1 of this Report.

Payments per country:

All amounts are in EUR thousand

Country	Production entitlements	Taxes	Royalties	Non-ordinary dividends	Bonuses	License fees	Infrastructure improvements ³	Total
Canada	-	750	-	-	-	-	4,641	5,391
Mexico	-	-	-	-	-	167	-	167
Peru	-	366	340	-	-	-	522	1,228
USA ¹	-	-	-	-	-	-	-	-
Tunisia ²	-	-	-	-	-	-	-	-
Total	-	1,116	340	-	-	167	5,163	6,786

¹ All the 2016 payments to governments by the Nyrstar's mining entities in the USA were below the equivalent of EUR 100,000.

² All the 2016 payments to governments by Breakwater Tunisia SA were below the equivalent of EUR 100,000.

³ Infrastructure improvements include guarantee payments to governments for restoration of the sites after the site closure.

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Payments by government:

All amounts are in EUR thousand

Country/ Government	Production entitlements	Taxes	Royalties	Non-ordinary dividends	Bonuses	License Fees	Infrastructure improvements ³	Total
Canada								
National	-	370	-	-	-	-	-	370
Regional - Province of Quebec	-	380	-	-	-	-	4,641	5,021
Total	-	750	-	-	-	-	4,641	5,391
Mexico								
National	-	-	-	-	-	167	-	167
Total	-					167		167
Peru								
National	-	366	340	-	-	-	522	1,228
Total	-	366	340	-	-	-	522	1,228
USA¹								
National	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Tunisia²								
National	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Total	-	1,116	340	-	-	167	5,163	6,786

¹ All the 2016 payments to governments by the Nyrstar's mining entities in the USA were below the equivalent of EUR 100,000.

² All the 2016 payments to governments by Breakwater Tunisia SA were below the equivalent of EUR 100,000.

³ Infrastructure improvements include guarantee payments to governments for restoration of the sites after the site closure.

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Payments by project:

All amounts are in EUR thousand

Country/Project	Production entitlements	Taxes	Royalties	Non-ordinary dividends	Bonuses	License Fees	Infrastructure improvements ³	Total
Canada								
Myra Falls mine withholding taxes	-	123	-	-	-	-	-	123
Langlois mine – withholding taxes	-	62	-	-	-	-	-	62
Langlois Mine – site restoration and rehabilitation	-	-	-	-	-	-	2,268	2,268
Langlois Mine – mining taxes	-	380	-	-	-	-	-	380
Bouchard-Hebert mine – site restoration and rehabilitation	-	-	-	-	-	-	2,373	2,373
Breakwater Resources Ltd withholding taxes	-	185	-	-	-	-	-	185
Total	-	750	-	-	-	-	4,641	5,391
Mexico								
Campo Morado mine	-	-	-	-	-	167	-	167
Total	-	-	-	-	-	167	-	167
Peru								
Contonga mine	-	269	340	-	-	-	142	751
Coricancha mine	-	97	-	-	-	-	380	477
Total	-	366	340	-	-	-	522	1,228
USA¹								
Nyrstar Tennessee mines	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Tunisia²								
Nyrstar Tunisia	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Total	-	1,116	340	-	-	167	5,163	6,786

¹ All the 2016 payments to governments by the Nyrstar's mining entities in the USA were below the equivalent of EUR 100,000.

² All the 2016 payments to governments by Breakwater Tunisia SA were below the equivalent of EUR 100,000.

³ Infrastructure improvements include direct guarantee payments to governments for restoration of the sites after the site closure.



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