

Middle Tennessee Mines (MTM)

Name of operation	Ownership	Mining method	Commodity	Proven Ore Reserves		Probable Ore Reserves		Total Ore Reserves	
				2017	2016	2017	2016	2017	2016
MTM	100%	UG	(Mt)	0.28	0.06	3.18	2.32	3.46	2.38
			Zn (%)	3.30	4.40	3.30	3.50	3.30	3.50

Name of operation	Ownership	Mining method	Commodity	Measured Mineral Resources		Indicated Mineral Resources		Measured and Indicated Mineral Resources		Inferred Mineral Resources	
				2017	2016	2017	2016	2017	2016	2017	2016
MTM	100%	UG	(Mt)	0.28	0.14	3.86	3.27	4.14	3.41	16.35	16.32
			Zn (%)	3.70	4.00	3.50	3.50	3.50	3.50	3.5	3.40

Middle Tennessee Mines (MTM) is comprised of three operating mines: Gordonsville, Elmwood, and Cumberland and one project, Stonewall, which are located approximately 80 kilometres east of Nashville, Tennessee. Zinc mineralisation occurs in Mississippi Valley Type (MVT) deposits as open-space fillings of breccia units and fractures within limestones and dolomites. In MTM, the zinc mineralisation contains recoverable amounts of germanium and gallium. Mining at MTM has a history of around 40 years. On a large scale, there is strong geological continuity of the mineralization as demonstrated in the extensive diamond drilling and underground development.

Mineral Resource classification is based on the assessment of geologic continuity, geologic and structural interpretation and adequacy of drill data coverage. The estimated Mineral Resource is based on a mix of methods with the Measured and Indicated Mineral Resources estimated using block models and constrained within wireframes, the Inferred Mineral Resources are based on simple polygons. Mineral Resources are diluted to a minimum mining height, where applicable. A cut-off grade of 2.0% Zn has been applied to all mines in the estimation of Mineral Resources. Drill hole databases are continuously reviewed and updated in order that block models and wireframes can be modified accordingly. There is an active quality assurance / quality control program in place at MTM, which is in line with industry standards.

The Ore Reserves are determined using modifying factors and dilution is applied according to the estimated internal dilution and over break during extraction. Subsequent economic viability from NSR values have been calculated based on recoverable metal, metal pricing set by Nyrstar, and documentable production costs. Ore Reserves are tested prior to being included in the current mining plan. Nyrstar has utilised third party expertise to assist the verification, interpretation and compilation of historical data. Historical geological data has been reconciled across all mines, and on-going data gathering via drilling and sampling, is consolidated into an electronic database. The Ore Reserve cut-off grades for Gordonsville, Elmwood, and Cumberland mines are 2.3%, 2.3% and 2.8% respectively.

Mining operations recommenced at MTM in January 2017 after a period of care and maintenance beginning December 2015. Refurbishment and production ramp-up occurred during H1 2017 and the operation achieved approximately 0.76 million tonnes mill throughput at an average grade of 3.12% Zn to the end of 2017. Total Ore Reserves increased by 1.08 million tonnes and this increase is largely attributable to higher zinc prices and lower treatment charges, together with conversion of Measured and Indicated Resources to Ore Reserves. In terms of Resources, a total of 730 thousand tonnes of Measured and Indicated Resources was added, and this was due to discovery of extensions to mineralisation and remodelling parts of the orebody.

This statement is reported in accordance with the JORC Code for disclosure and based on information from a Mineral Resource and Ore Reserve statement reviewed by Independent Competent Persons J. Morton Shannon, P.Geo. (APGO and APEGBC), for the Mineral Resources, and Gary Methven, P.Eng. (APEGBC), for the Ore Reserves, both of AMC Mining Consultants (Canada) Limited.