

Tasmanian Industry Participation Plan – Executive Summary

Nyrstar Hobart - Construction of New Electrolytic Cellhouse

Background

The Nyrstar Hobart Smelter is part of the international Nyrstar group of Companies located in Australia, the U.S.A., Netherlands, Belgium and France. Collectively they produce over one million tonnes of refined zinc annually and are the world's second largest producer of zinc.

The Nyrstar Hobart Smelter is the world's third oldest zinc refinery, having commenced operations in 1916. The site uses a conventional Roast / Leach / Electrowinning process for the production of zinc, and is integrated with Nyrstar Port Pirie, which treats Hobart's iron and lead products produced from this process.

While a large portion of the site has been modernised over the past thirty years, sections of the Electrolysis section (the 'Cellhouse') date back to the early 1920's. Apart from changes in materials of construction and increased mechanisation, the structure and operation of the Cellhouse has changed little.

Nyrstar Hobart is replacing the existing facility with a modern, automated 300,000 tonnes per annum 'Super-Jumbo' Cellhouse.

Construction of the new cellhouse will be central to maintaining the ongoing viability and longevity of the site and retaining the facility and associated jobs within Tasmania.

Opportunity for Tasmanian / Australian Supplier involvement

1. Opportunities for Australian / Tasmanian Suppliers

The new Cellhouse represents a major investment into the Tasmanian economy by the Hobart smelter in terms of financial commitment and securing future employment.

Many of Nyrstar Hobart's key suppliers are Tasmanian companies or operate a significant business base in Tasmania. Some key areas of work available to tender for these suppliers on the new cellhouse project are shown below:

- **Civil and Structural**
- **Steelwork, Mechanical and Piping**
- **Cranage and Concrete**
- **Electrical, Control and Interface**
- **Safety (including PPE and other equipment)**
- **Engineering Consultancy**
- **Personnel and Labour and other support services**

Broader social and economic opportunities

Advantages of Tasmanian Supply

In many cases Tasmanian businesses are preferred to support key operations (operational, capital projects and major plant maintenance and Turnarounds) having the key advantages of infrastructure and personnel already in state and in many cases located close to site.

Furthermore partnering with Tasmanian suppliers can reduce risk, shorten lead times and allows for easier project management by Nyrstar (no need for additional freight costs or FIFO for personnel and we can visit the supplier's premises to review progress or key stages in fabrication / manufacture).

Many local suppliers have built up a detailed knowledge of site operations and requirements over the course of many years and are valued business partners critical to the ongoing success of the plant and who will be involved in tendering / contracting on the cellhouse project. In addition, Nyrstar's ongoing operation will continue to rely on the significant network of satellite industries that support the Nyrstar Hobart site. Having these local companies involved in implementation of the electrolysis project is advantageous in building a close knowledge of the new facility, which will streamline future maintenance and / or upgrade works.

For new cellhouse projects Nyrstar will assess and compare local products and capabilities with non-local equivalents, looking at value for money, including whole of life cost parameters and appropriate quality and performance indicators.

Annual Local Spend

More generally, The Hobart plant provides significant opportunities for local businesses and Tasmanian based suppliers.

In FY22 (Oct 21 - Sep22) Nyrstar Hobart spent in the order of \$193 million (representing around 74% of the site's total spend during that period) within Tasmania, across a variety of businesses ranging from SMEs to major suppliers.