



NEVSUN  
RESOURCES LTD.

# Copper and Zinc Production, Disciplined Growth.

SITE VISIT | OCTOBER 2016

## Introductions & Overview

# Forward looking statements

This Presentation contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation concerning anticipated developments on the Company's continuing and future operations in Eritrea, the adequacy of the Company's financial resources and financial projections. Forward-looking statements include, but are not limited to, statements concerning or the assumptions related to estimates of capital and operating costs, the timing, nature and extent of future copper, zinc and gold production, expanding exploration licenses, the estimation of mineral reserves and resources, methodologies and models used to prepare resource and reserve estimates, the realization of mineral reserve estimates, the conversion of mineral properties to reserves and resources, the potential to expand resources, reserves and mine life, future exploration budgets, plans, targets and work programs, capital expenditures and objectives, anticipated timing of grant of permits, mining and development plans and activities, construction and production targets and timetables, grades, processing rates, life of mine, net cash flows, metal prices, exchange rates, reclamation costs, results of drill programs, dividend plans and policy, litigation matters, integration or expansion of operations, requirements for additional capital, government regulation of mining operations, environmental risks, political risks and uncertainties, unanticipated reclamation expenses, and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimated," "potential," "possible", "budget" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource and mineral reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and the Company assumes no obligation to update such forward-looking statements in the future, except as required by law. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Please see the Company's Management Information Circular dated May 18, 2016, the Company's Annual Information Form for the year ended December 31, 2015 dated March 15, 2016 and the latest Management Discussion and Analysis of Nevsun for a more complete discussion of the risk factors associated with our business which have been filed with Canadian securities regulators and are available at [www.sedar.com](http://www.sedar.com), which have also been filed or submitted to the U.S. Securities and Exchange Commission on Form 40-F or Form 6-K and are available at [www.sec.gov](http://www.sec.gov).

Except as otherwise noted herein, Peter Manojlovic, Vice President of Exploration and Frazer Bourchier Chief Operating Officer, Qualified Persons as defined by National Instrument 43-101, have approved the scientific and technical information concerning Nevsun Resources Ltd discussed herein.





# 2017 Outlook & Guidance

## Bisha

200–230 mm lbs Zinc at C1 cost of \$0.70 to \$0.90\*

10–20 mm lbs Copper at C1 cost of \$0.90 to \$1.10\*

Stockpile sales 10k oz gold equivalent

\$16 million in sustaining capital (not including exploration)

## Timok UZ

Deliver UZ pre-feasibility study September

Obtain necessary permits to begin UZ decline Q4

Rapidly advance to production by mid-2021

\$45 million UZ budget (including UZ drilling)

## Exploration

Complete 130,000 meters in exploration drilling

40,000 meters in Eritrea on Bisha regional exploration

90,000 meters in Serbia primarily on UZ and LZ

Indicative Bisha underground mine study in Q2

\$27 million budget (not including UZ)



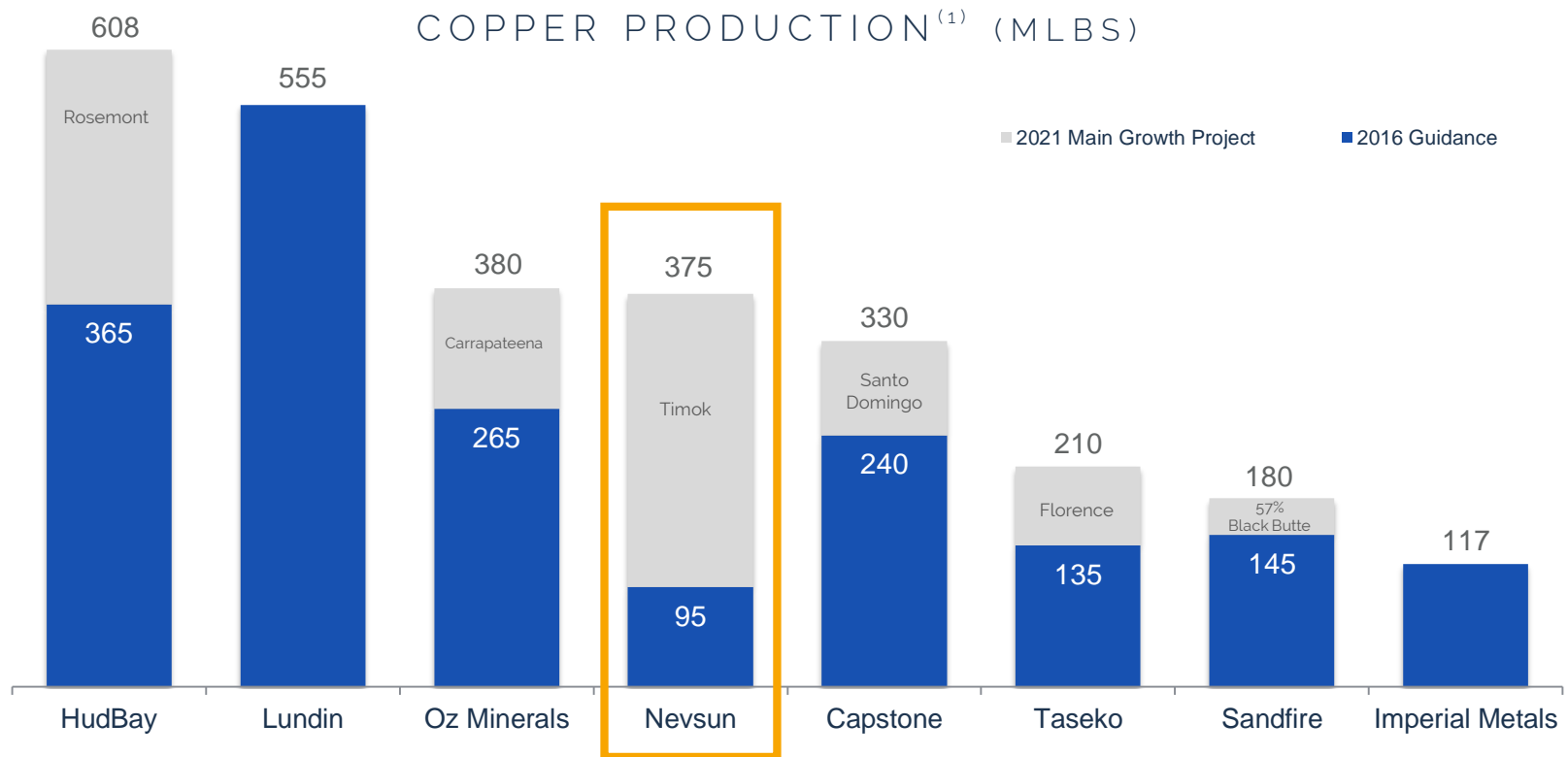
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UZ = Timok Upper Zone: high grade Cu-Au resource and PEA LZ = Timok Lower Zone: Au-Au porphyry mineralization; pre-resource

C1 cash costs are on a co-product basis where site costs are allocated. The allocation method is the ratio of payable production volume, multiplied by budgeted metals prices (revenue). The zinc co-product costs will remain high, due to a greater share of the cost allocation, until more saleable copper concentrate is consistently produced.

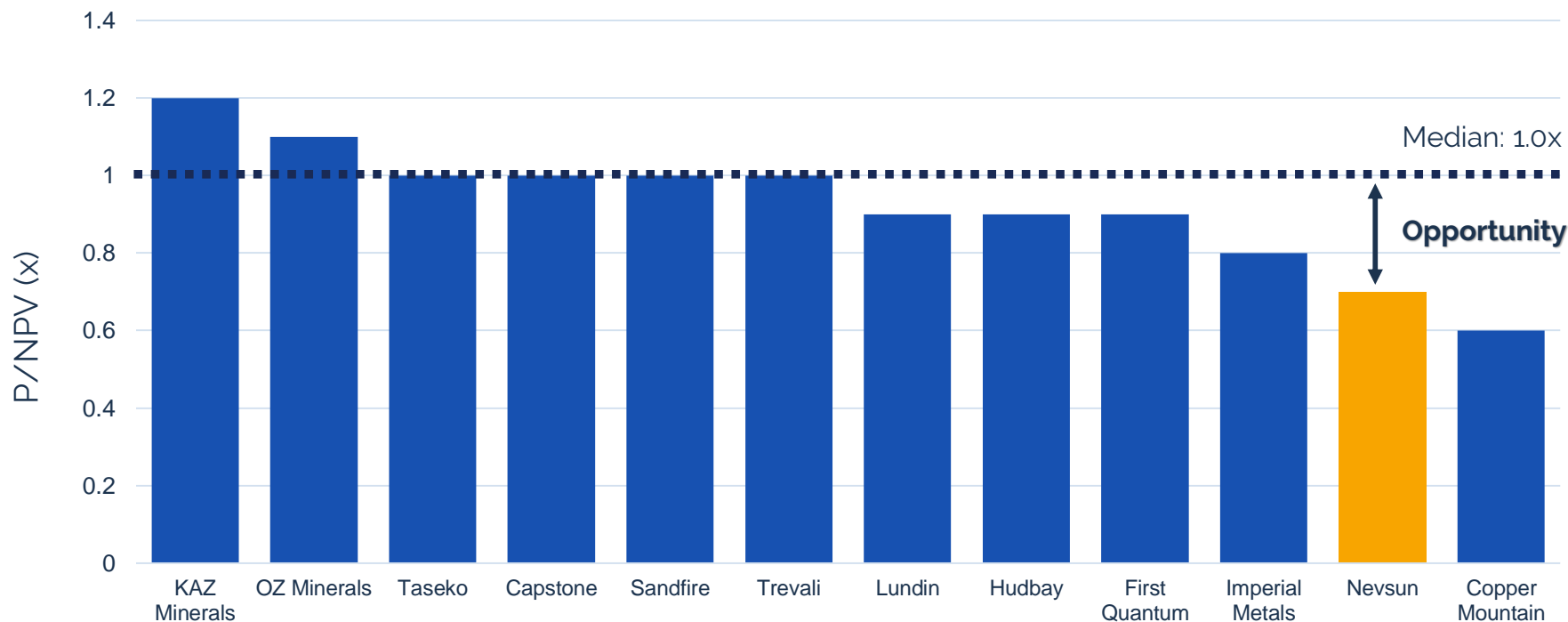
# Leading production growth

Timok will add ~300% growth in copper production in 4-5 years



# Nevsun trading at a discount to peers

Timok PFS, Bisha commissioning & new CEO value drivers in 2017



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Source: Company filings, Fact Set, BMO analyst research, February 2017

# About Serbia



Government system	Parliamentary democracy
Population	7.1 million (est. 2015)
Capital	Belgrade
GDP	USD 43 billion
Major ethnic groups	83% Serbian, 4% Hungarian, 2% Roma
Currency (Serbia Dinar)	1 USD : 110.6 RSD (Sep 20, 2016)



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- **Strong federal government support**
  - Committed to increasing GDP from mining from 2% to 5% by 2020
  - No restrictions on foreign ownership
  - No government participation
  - No restrictions on the flow of capital
  - 15% corporate tax rate; 5% NSR royalty on Cu and Au metals
  - New Dec 2015 mining code: exploration 3 + 3 + 2 yrs before mining licence.
- **Inexpensive energy costs** – approx. \$0.06/kilowatt hour
- **Other miners in Serbia** include Rio Tinto, Freeport-McMoRan, First Quantum Minerals & Dundee Precious Metals
- Municipality with **experienced & educated labour** force

# Serbia assets

## Timok Magmatic Complex

### Rakita Joint Venture

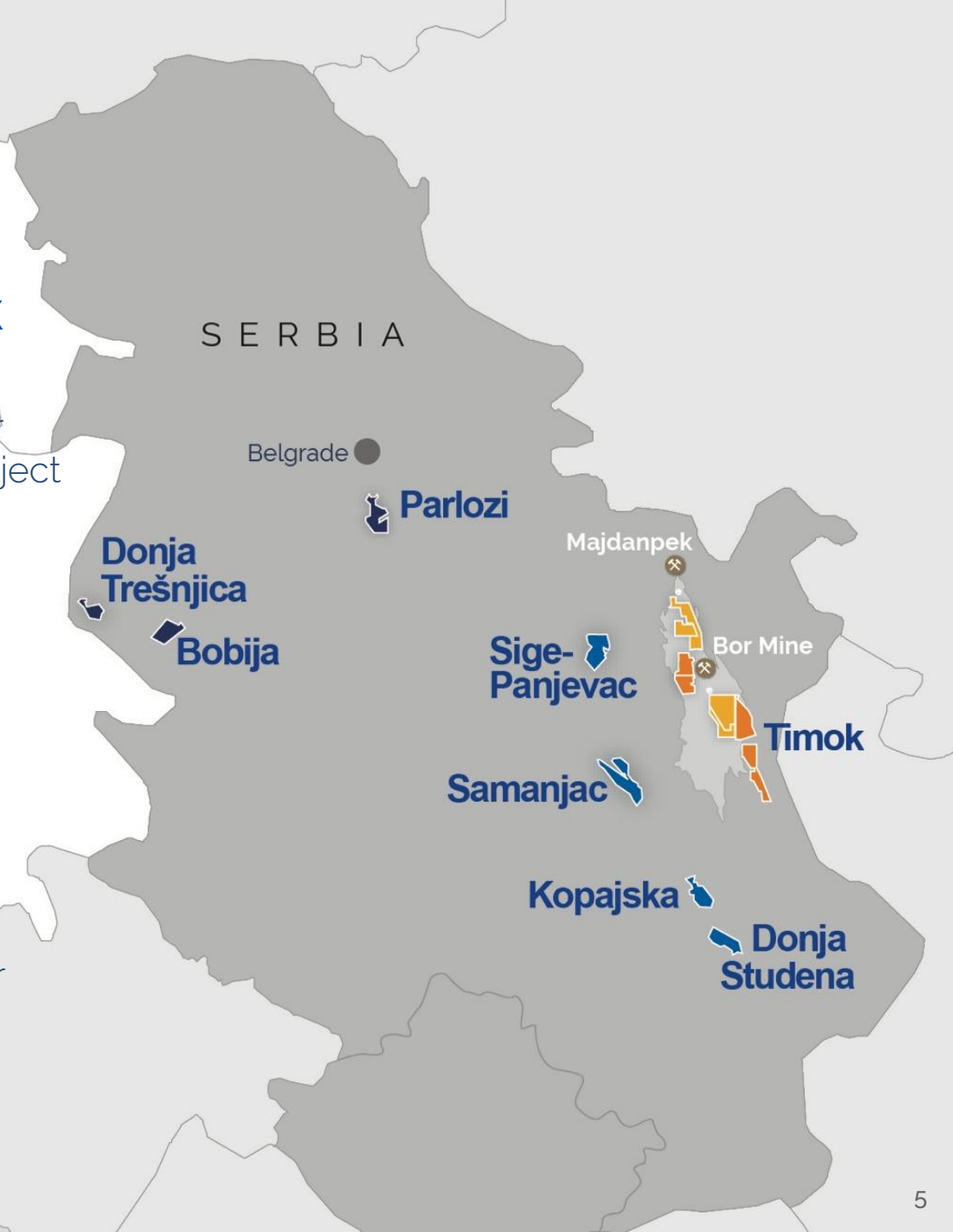
- 4 exploration permits in the Bor region, including the Timok project
- JV with Freeport McMoRan

### Tilva Joint Venture

- 4 exploration permits in close proximity to Timok project
- JV with Rio Tinto

## 100% Owned Projects

- 3 permits: zinc, lead, gold, silver sulphide targets
- 4 permits: sedimentary copper targets



# Balkan Exploration & Mining (BEM) permits

BEM

Parlozzi

Bobija

Donja  
Trešnjica

Sediment Hosted  
Cu-Ag  
Sige-Panjevac  
Samanjac  
Kopajsk  
Donja Studena

SERBIA

Belgrade

Parlozi

Donja Trešnjica

Bobija

Sige-Panjevac

Majdanpek

Bor Mine

Timok

Samanjac

Kopajska

Donja Studena



# Rakita JV permits

RAKITA doo  
(JV w/ Freeport)

Jasikovo  
Durlan-Potok

Leskovo

Brestovac-  
Zapad

Brestovac-  
Metovnica

Timok Upper  
Zone

Timok Lower  
Zone

- 100% cost and profits to NSU
- NSU operator and sets programs and budgets
- Same 100% ownership for additional size discoveries

- Freeport can earn 54% at feasibility.
- Freeport currently 39.6%.
- Same ownership for other large discoveries.

Jasikovo  
Durlan-Potok

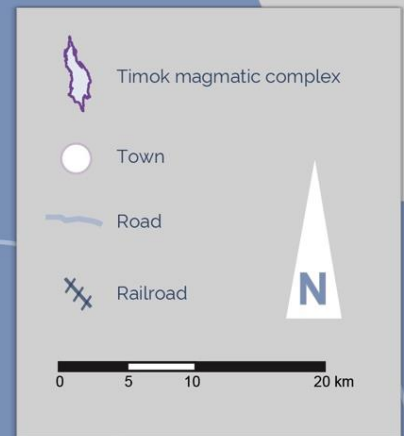
Leskovo

Bor

Cukaru Peki  
Discovery

Brestovac-  
Metovnica

Brestovac  
Zapad



# Tilva JV permits

TILVA doo  
(JV with Rio)

Coka Kupijatra

Tilva Njagra

Nikolicevo

Kraljevica

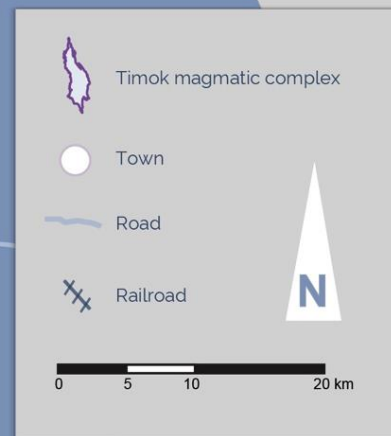
Coka Kupijatra

Tilva Njagra

Bor

Nikolicevo

Kraljevica



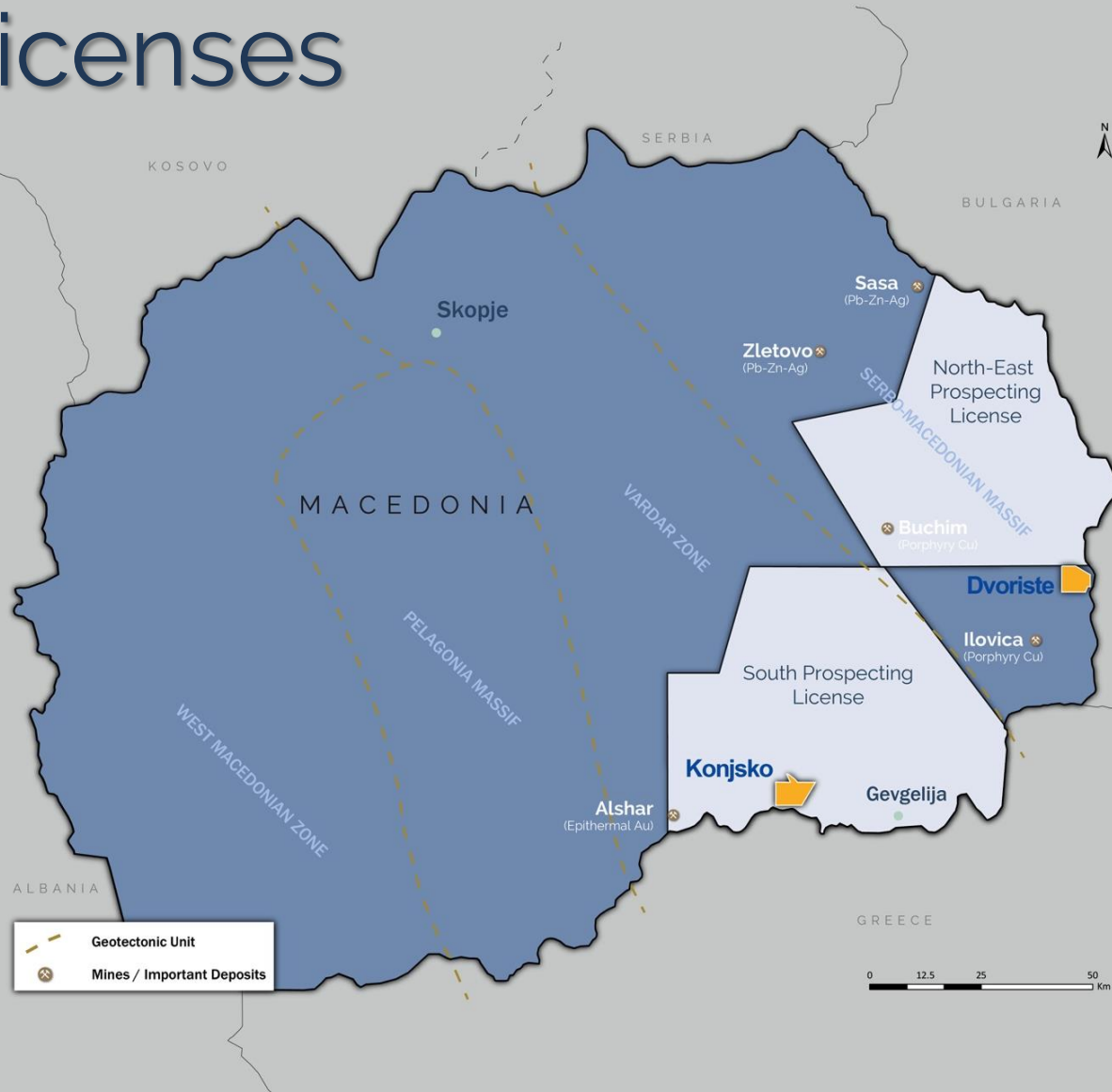
Rio can earn 75% of Tilva doo by funding \$75 million USD over ten years.



# Macedonia licenses

## 100% Owned Projects

- Two exploration licenses
  - Konjsko
  - Dvoriste
- Two prospecting licenses
  - Exclusive rights to stake ~120 km<sup>2</sup> of exploration licenses by Q3 2017
- Country manager: **Daniela Bombol**
- Offices in Skopje







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## Timok Magmatic Complex Exploration



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## Timok Magmatic Complex

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4 exploration permits in the  
Bor region, including the  
Timok project

JV with Freeport McMoRan

### Tilva Joint Venture

4 exploration permits in close  
proximity to Timok project

JV with Rio Tinto



# Tethyan Metallogenic Framework

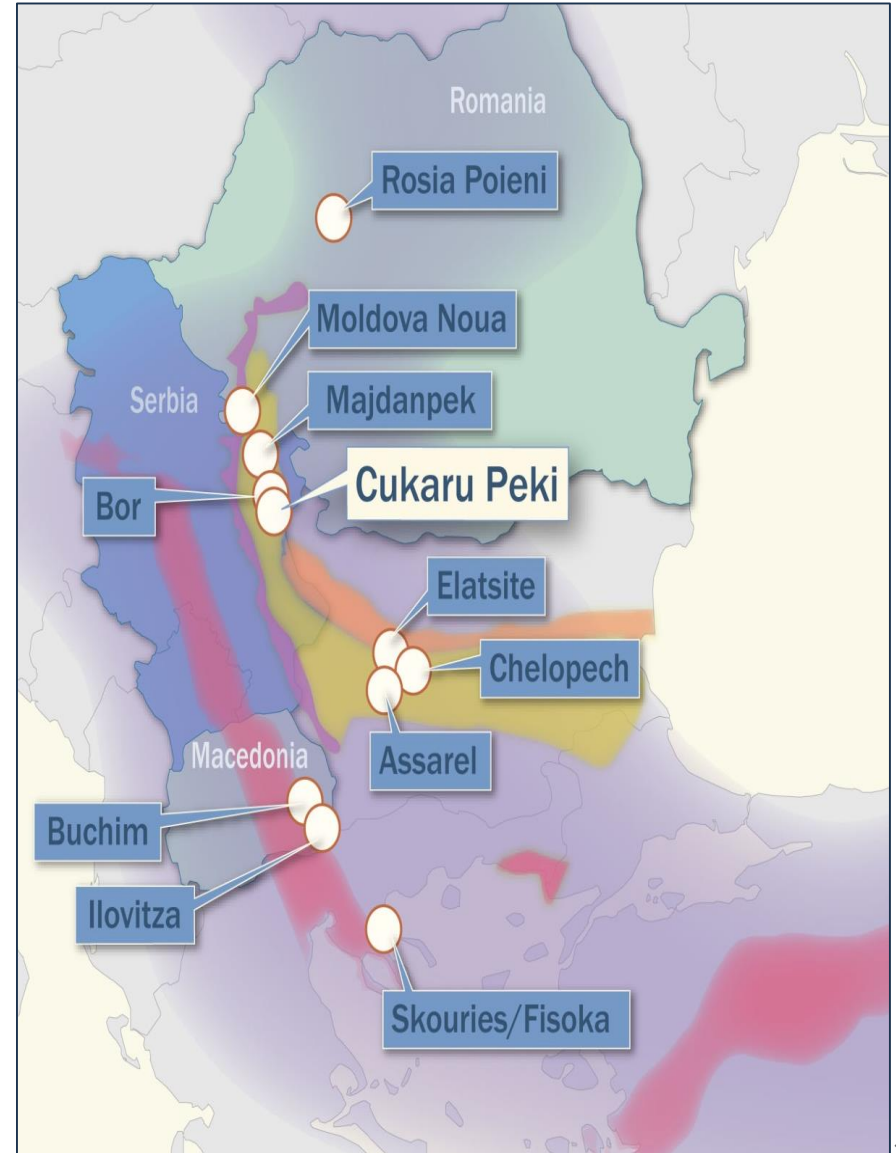
## – Copper-Gold Endowment

Rosia Poieni	431 Mt @ 0.55% Cu and 0.25g/t Au
Majdanpek	1,000Mt @ 0.5% Cu and 0.35g/t Au
Bor	800Mt @ 0.84% Cu and 0.39 g/t Au
Cukaru Peki (UZ)	35Mt @ 2.9% Cu and 1.5 g/t Au <sup>note 2</sup>
Chelopech	60Mt @ 1.2% Cu and 3.4 g/t Au
Assarel	354Mt @ 0.44% Cu and 0.35 g/t Au
Ilovitza	374Mt @ 0.21% Cu and 0.32 g/t Au <sup>note 3</sup>
Skouries	568Mt @ 0.35% Cu and 0.47 g/t Au

*Tonnage and Grade data from USGS "Porphyry Copper deposits of the world" database*

*Note 2 – RMC SRK PEA March 2016*

*Note 3 - Euromax 43101 FS 2016 (M+I)*



# Exploration outside Cukaru Peki

## 1. Bor Mining District:

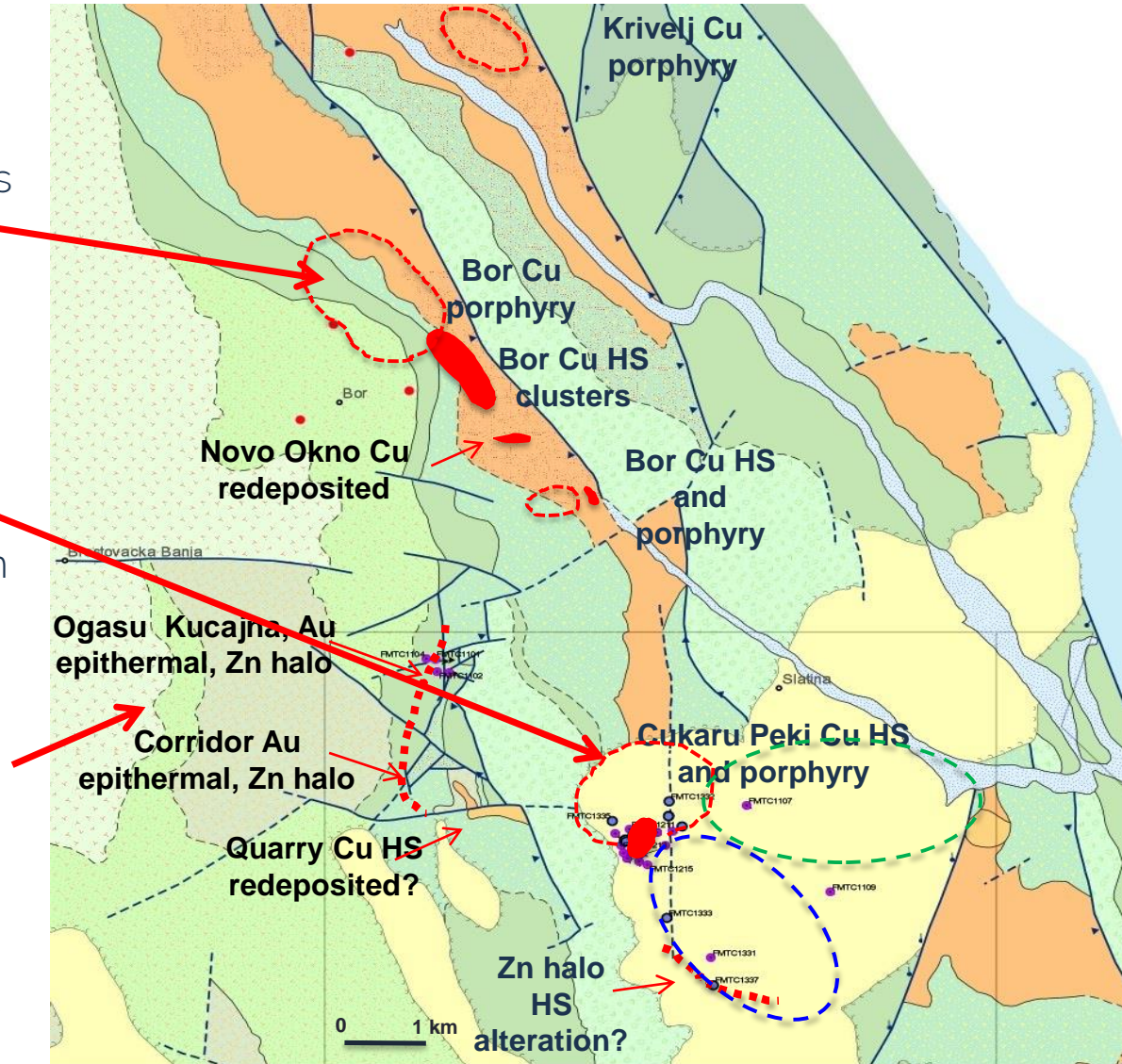
- Bor HS and porphyry clusters including numerous HS bodies and Borska Reka–Borski Potok porphyries
- Novo Okno Cu redeposited

## 2. Cukaru Peki (CP) Discovery Zone:

- Additional HS and porphyry targets (both brownfield and in permit)
  - Include Tailings Dam Area

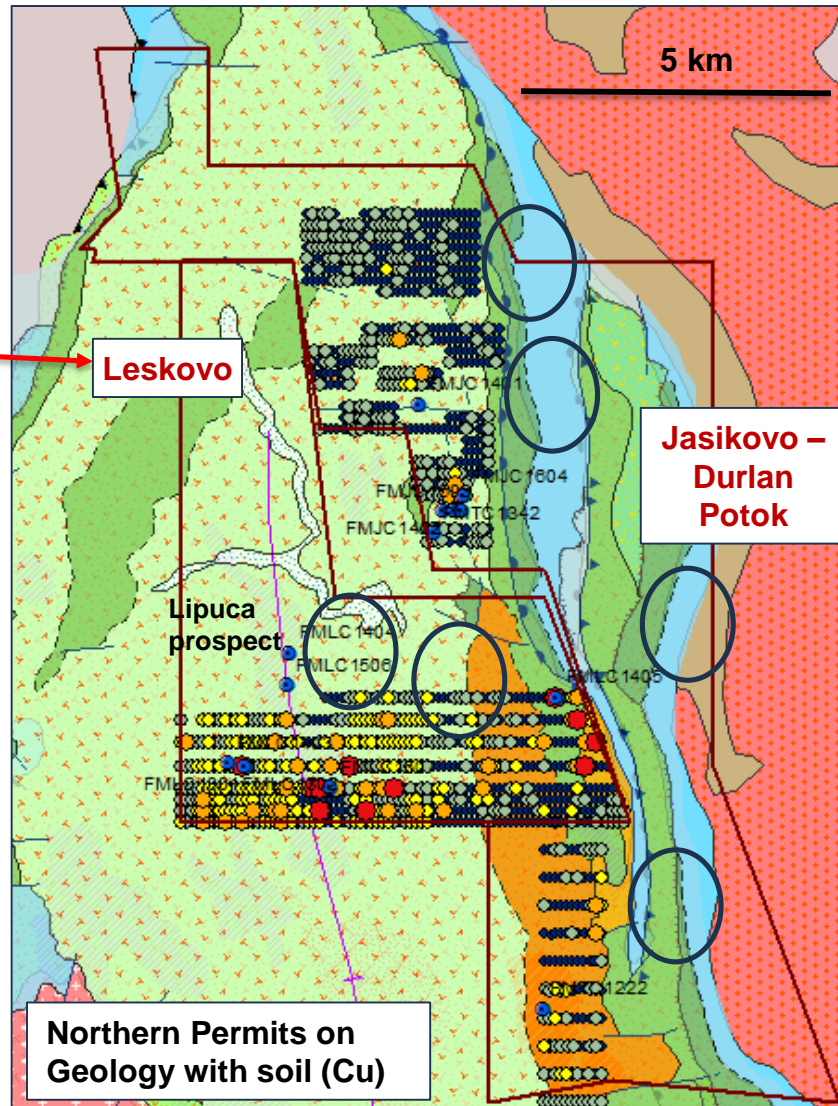
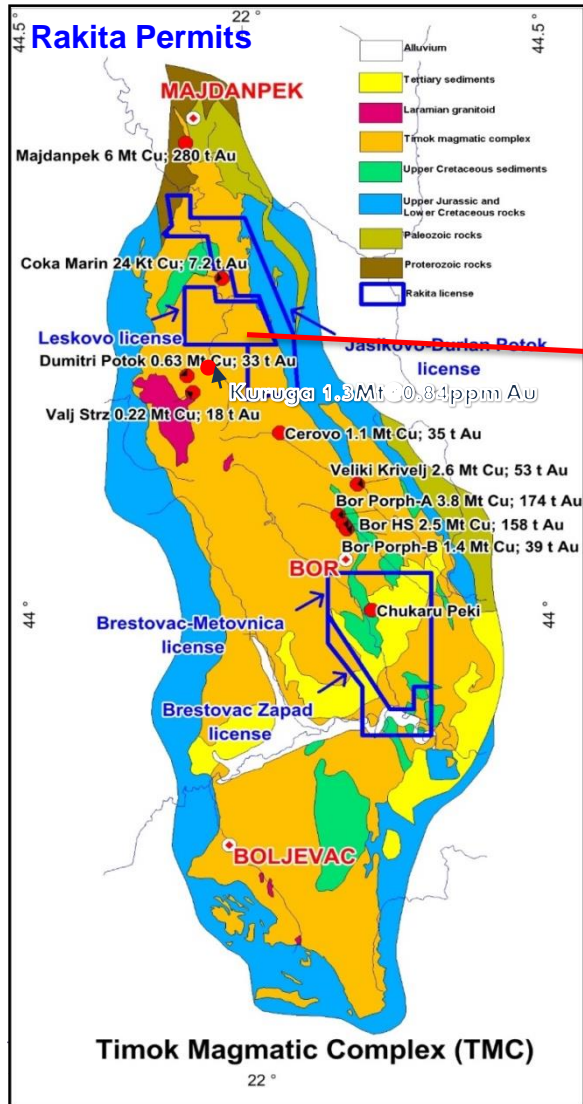
## 3. Ogasu Kucajna / Corridor Zone:

- Corridor-Ogasu Kucajna IS Au epithermal + Au targets
- Conceptual HS and porphyry targets on Corridor – Bor Fault Zone – further review





- Northern permits: Leskovo & Jasikovo

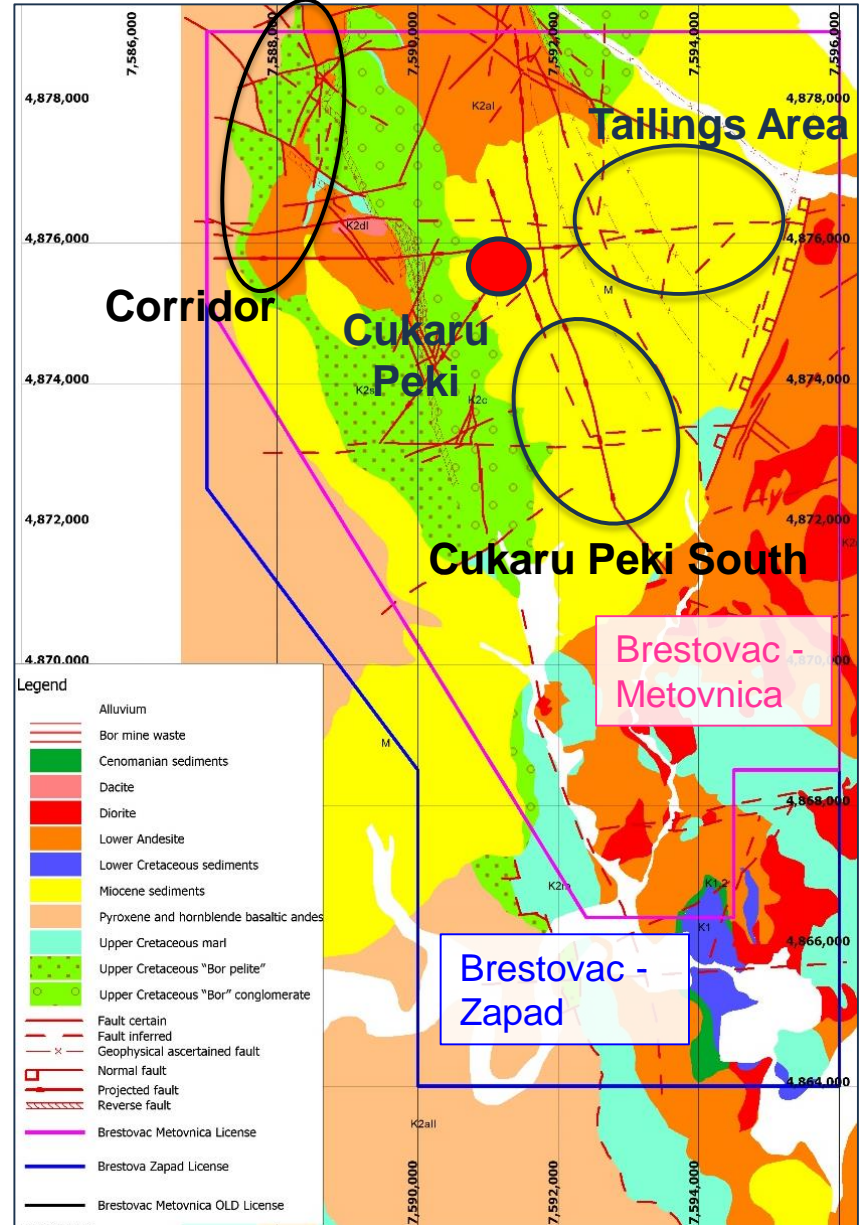




# Exploration outside Cukaru Peki

## - Brestovac Metovnica

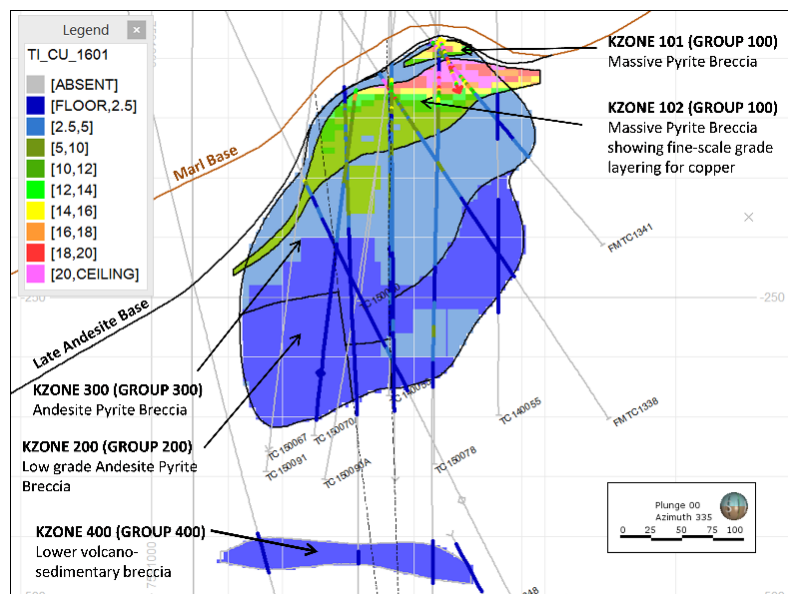
- Outside of the drilling immediately at Cukaru Peki, there has been little drilling completed in the Miocene basin to-date
- Priorities include:
  - 1) Focus on sterilizing areas where potential tailings facilities will be located
  - 2) Continue exploring the Bor – Cukaru Peki trend to the south (starting in 2017)
  - 3) Continue to evaluate the Corridor gold deposit



# High grade Timok Upper Zone project

Rapidly developed with production by mid-2021

## UPPERZONE BLOCK MODEL COPPER GRADE DISTRIBUTION



## Upper Zone Resource and PEA

- Semi Massive Sulphide ("SMS") → high-sulphidation epithermal pyrite and copper sulphide

**35 MT @ 2.9% Cu & 1.7 g/t Au**

INFERRED RESOURCE

**1.7 MT @ 13.5% Cu & 10.4 g/t Au**

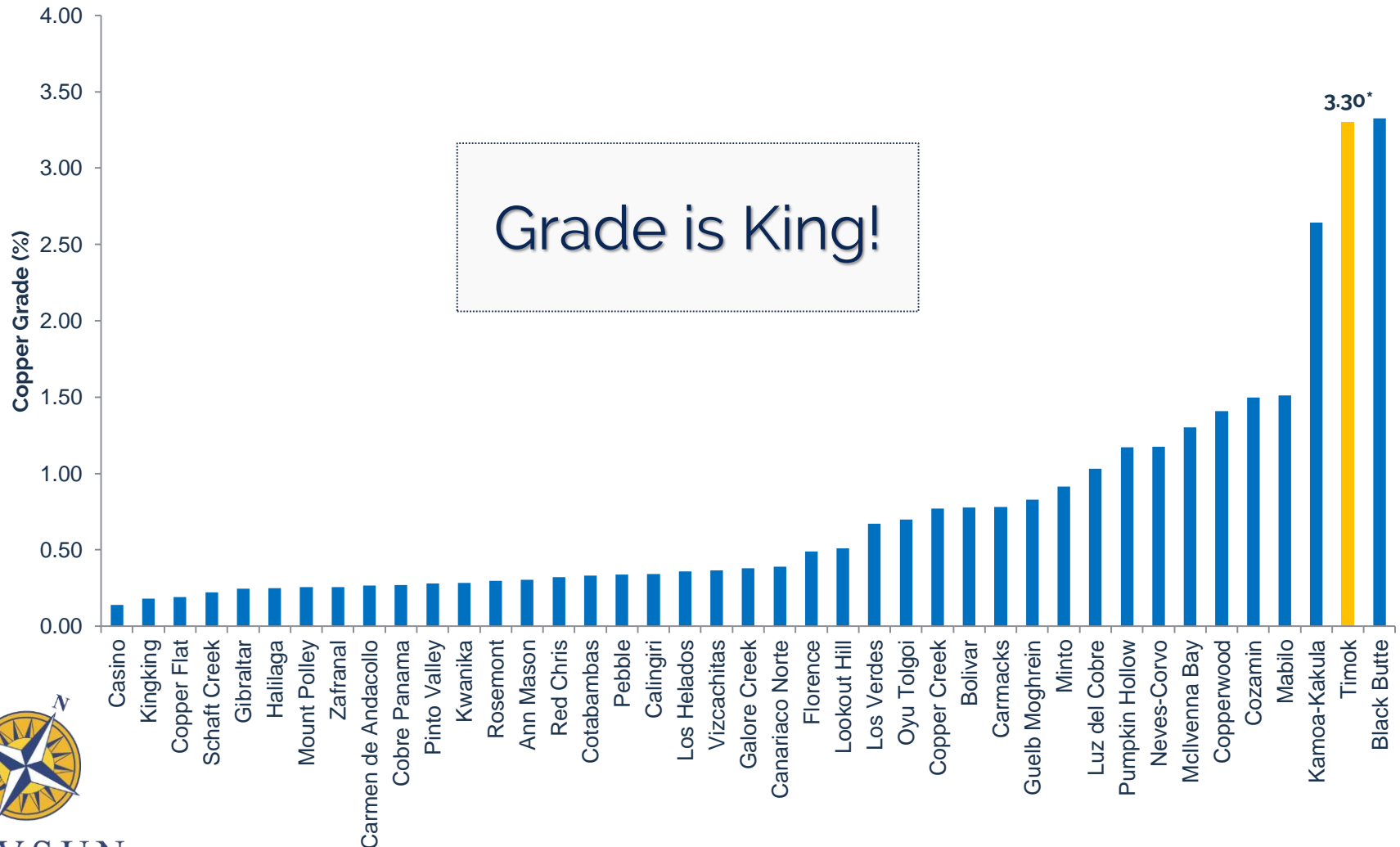
INDICATED RESOURCE

- Subject of the April 2016 Reservoir Minerals PEA<sup>5</sup>
  - \$US1.5B NPV** at \$3.00 per lb Cu/\$1200 per oz Au
  - 12 year mine life** with sub-level open stopping and conventional copper flotation processing

## Nevsun owns 100% of Upper Zone

# High grade copper project

## In a jurisdiction supportive of development







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# Timok - Lower Zone

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# Timok project: next steps

## Pre-feasibility study Upper Zone

Nevsun is rapidly advancing a Pre-Feasibility study ("PFS") for the **Upper Zone**.

Key next steps for the project are:

- PFS targeted to be **completed in September 2017**
- 25,000 metres of drilling
- Decline development to start later in Q4 2017
- **Production anticipated in 2021**
- ~ \$45 million spend in 2017



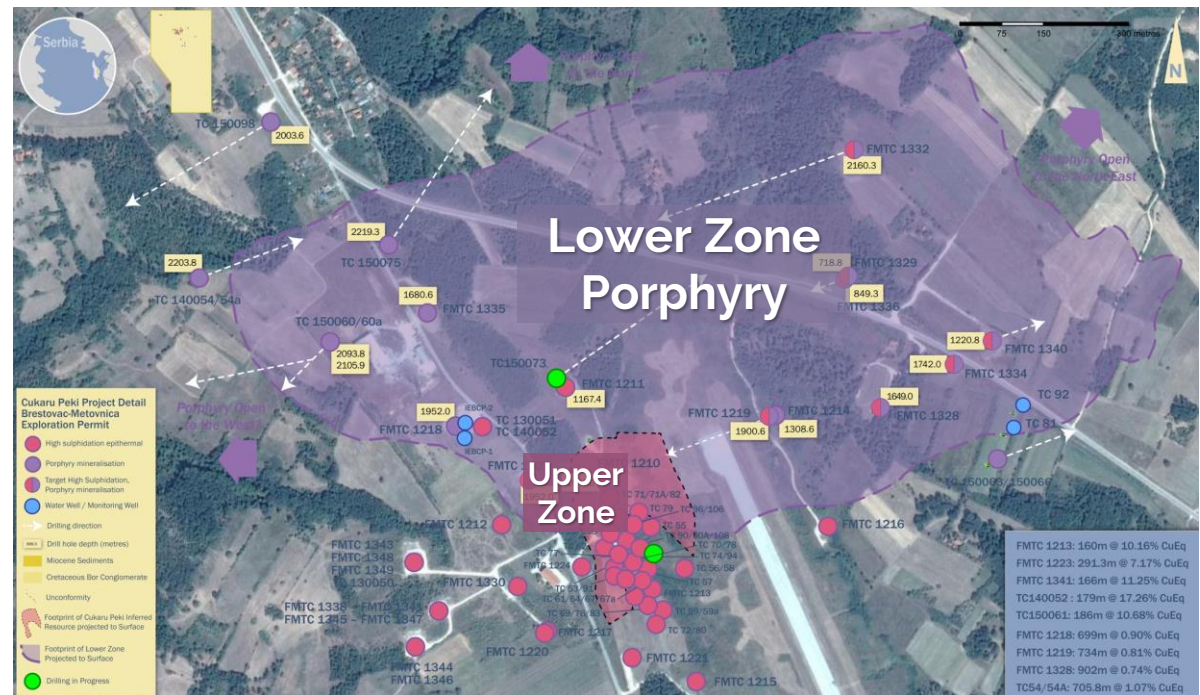
# Timok project: Lower Zone

Lower Zone project adds significant growth potential

## Lower Zone

- Extensive porphyry style copper-gold mineralization below the Upper Zone w/ **block cave potential**
- Long term potential for world scale project
- After UZ feasibility, **Freeport-McMoRan 54% JV partner**
- Drilling \$20 million** by early 2018 to further define mineralization

PLAN VIEW OF UPPER & LOWER ZONE DEPOSITS





# Experienced leadership

## Management

Cliff Davis, *CEO*

Frazer Bouchier, *COO*

Joe Giuffre, *CLO*

Scott Trebilcock, *CDO*

Tom Whelan, *CFO*

Ken Engquist, *VP Project Development*

Peter Manojlovic, *VP Exploration*

Todd Romaine, *VP CSR*

Peter Tam, *VP Finance*

## Directors

R. Stuart Angus, *Chairman*

Ian Ashby

Geoff Chater

Cliff Davis

Gary German

Ian Pearce

Stephen Scott

David Smith



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Strong Site Management Teams



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# Contact

## INVESTOR RELATIONS

TEL: +1 604-623-4700 | 1-888-600-2200

EMAIL: [ir@nevsun.com](mailto:ir@nevsun.com)

WEB: [www.nevsun.com](http://www.nevsun.com)

TSX: NSU | NYSE MKT: NSU

