



New York Stock Exchange-listed Nevsun Resources will invest between \$50-million and \$60-million this year to advance its Timok Upper Zone copper/gold project, in Serbia.

The company on Wednesday released its guidance for this year, with zinc production forecast to reach between 210-million and 240-million pounds at a C1 cash cost of \$0.70 to \$0.90 per payable pound sold with copper at a C1 cash cost of \$0.60 to \$0.80 per payable pound sold on a by-product basis.

The company also expects to produce between 20-million and 30-million pounds of copper at a C1 cash cost of \$1.55 to \$1.75 per payable pound sold on a co-product basis.

Nevsun president and CEO Peter Kukielski commented that Nevsun will drive value by advancing the high-grade Timok Upper Zone copper development project.

It expects to complete a prefeasibility study at the project, including a maiden reserve estimate, in the first quarter of this year, which will significantly advance the definitive feasibility study work, which is set for completion in the first half of 2019.

Further, the development of an exploration decline will start once all permits are received. The company had expected the exploration decline permit to be granted in the fourth quarter of 2017 and it is now working with the State of Serbia to understand the source of the delay and to expedite approval.

Meanwhile, at the company's Bisha zinc/copper mine, in Eritrea, the principal source of mill feed will be primary ore sourced from the Bisha main pit, which is in contrast to the second half of 2017 when zinc-only stockpiles were processed.

Stockpiles of zinc-only ore remain available for processing, if required. However, the company notes that, at current gold prices, there are no plans to monetise precious metal stockpiles this year.

Bisha expects to achieve improved zinc and copper recoveries from the primary ore this year, owing to an ongoing programme of metallurgical improvement yielding improvements in copper recoveries.

"At Bisha, zinc and copper production are expected to increase, taking advantage of a strong base metals market. The resulting cash flow and dividend redeployment will bolster an already strong balance sheet enabling growth from Timok development and exploration," said Kukielski.