



Since closing the acquisition of the Timok Project this past June, Nevsun has been rapidly ramping up the Upper Zone pre-feasibility study (“PFS”) work. In addition, the Company, with its joint venture partner, Freeport-McMoRan, has commenced a 67,000 metre drilling program on the Lower Zone deposit to further define the deep porphyry potential. Cliff Davis, President and CEO of Nevsun stated, “A significant benefit to the Company has, and will be, the availability of local, skilled Serbian staff and contractors due to a rich mining history in country. Our Serbian team will be supplemented by Nevsun’s proven development expertise and specialist consultants. Nevsun looks forwards to mining in Serbia for decades to come.”

Upper Zone Project Update

The PFS-related activities are moving forward quickly with a targeted completion date of September 2017. Subject to successful submissions and approvals in-country, an exploration decline to access the Upper Zone, could begin in Q4 2017. Commencing this decline as early as possible is important to fast tracking a Feasibility Study (“FS”) while ensuring timely receipt of overall mining permit approvals. The Company estimates expenditures of US\$35 to US\$40 million for all Upper Zone related activities to the end of 2017 prior to commencement of the FS. Nevsun owns 100% of the Upper Zone. Upon completion and delivery of a FS on any part of the Timok Project, Nevsun will own 46% of the Lower Zone and Freeport-McMoRan will own 54% of the Lower Zone.

Upper Zone PFS Program Details

- Six drills operating with approximately 5,000 metres of drilling completed since July 1, 2016
- 30,000 metre mineral resource drilling program, due for completion Q2 2017, designed to upgrade the existing mineral resource and improve our understanding of the deposit
- 20,000 metre drill program, due for completion Q2 2017, for technical work, including:
 - Geotechnical studies for underground mine design
 - Tailings management facility investigations including condemnation drilling
- Mine ore access and haulage logistics internal studies recently finished
- Mining method trade-off studies will be complete by Q1 2017
- Tailing management storage facility design and location studies will be complete by Q2 2017
- Best practice environmental monitoring program enhanced to facilitate future permitting
- Further metallurgical test work to better define previously successful flotation studies and to identify possible upside processing routes
- Hydrologic drilling and pump test programs commencing Q4 2016 to improve

understanding water inflow and management

- Land acquisition and resettlement program advancing in parallel with defining the Upper Zone mine development and infrastructure footprint
- Numerous other studies are being undertaken as appropriate to complete a PFS to Serbian and International standards

Lower Zone Project Update

- Targeting 67,000 metres drilling over the next 18-22 months to further define higher grade areas and further expand its mineralization
 - Work budget is estimated at US\$20 million
 - Two drills operating with approximately 3,500 metres of drilling completed since July 1, 2016
 - Two additional drills mobilized on site and due to commence drilling in coming weeks
 - Freeport-McMoRan continues to work with Nevsun to design and execute this program
- Mr. Peter Manojlovic P.Geo., Nevsun's VP Exploration, is a Qualified Person as defined by NI 43-101. Mr. Manojlovic has reviewed the technical content of this press release and approved its dissemination.

About Nevsun Resources Ltd.

Nevsun Resources Ltd. is the 60% owner of the high grade Bisha Mine in Eritrea. Bisha has nine years of reserve life, generating revenue from both copper and zinc concentrates containing gold and silver by-products. Nevsun has a strong balance sheet, no debt and pays a peer leading quarterly dividend. Nevsun is well positioned to grow shareholder value through exploration at Bisha and the newly acquired Serbian assets that include the high-grade copper-gold Timok Project.