

# Serbia mining: Nevsun Resources Provides 2017 Outlook and Redeploys \$120 Million to Fund Timok

Categories : [Mining](#)

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Nevsun expects to invest \$45 million at the Timok Upper Zone Project during 2017. The pre-feasibility study remains on budget and on time for delivery in September 2017. There has been significant progress toward the other key 2017 milestone, commencing the decline in Q4 2017. The Company has completed approximately half of the required decline permitting obligations to date and will begin the tendering process for the decline construction during Q2 2017.

Nevsun Resources reported its financial and operating results for the year ended December 31, 2016 and its outlook for 2017. Nevsun also announced that its Board of Directors is redeploying approximately \$120 million over a four-year period from its corporate dividend toward development of the Timok high-grade copper-gold project in Serbia. Nevsun has determined that the development of the Timok Upper Zone represents by far the Company's best allocation of capital.

Cliff Davis, Nevsun CEO commented, "The transformation of Nevsun to a geographically diversified base metals producer is well underway. The Serbia based high-grade Timok Upper Zone development, which gives Nevsun market leading growth, is rapidly advancing. We have made significant progress toward the next key Timok Upper Zone milestones. We expect to deliver a Pre-Feasibility Study on Timok in September and to break ground on the decline in the fourth quarter.

The dividend decision will help Nevsun fund Timok while preserving a strong balance sheet. With anticipated production in 2021 from the Timok Upper Zone, we will be re-allocating approximately \$120 million of capital over the next four years toward growth. Consistent with our beliefs, Nevsun retains a peer leading current yield of 1.3%.

We continue to have strong support from our host country governments and other stakeholders and look forward to a productive 2017."

Full year 2016 highlights

- Completed the acquisition of Reservoir, which included the high-grade copper-gold Timok Project;
- Advanced the Timok Project Upper Zone pre-feasibility study with commencement of a

major drilling program and technical studies;

### 2017 Outlook Highlights

- Maintain top quartile safety performance
- Timok Upper Zone Copper-Gold Project
  - Deliver pre-feasibility study in September 2017, with an initial reserve
  - Obtain necessary permits and begin decline development in Q4 2017
  - Rapidly advance overall project to production in 2021

### Outlook: Timok Copper-Gold Project

The Company expects to invest \$45 million at the Timok Upper Zone Project during 2017. The pre-feasibility study remains on budget and on time for delivery in September 2017. There has been significant progress toward the other key 2017 milestone, commencing the decline in Q4 2017. The Company has completed approximately half of the required decline permitting obligations to date and will begin the tendering process for the decline construction during Q2 2017. Other key Upper Zone activities, including the Environmental Impact Assessment (EIA) and land acquisition, are progressing well. Keeping the Upper Zone on track for production in 2021 is Nevsun's top priority.

For Timok Lower Zone porphyry exploration, drilling the planned approximate 60,000 metre, \$20 million program continues. Expenditure in 2017 is estimated at \$17 million. Freeport-McMoRan, the joint venture partner on the Lower Zone project, continues to work with Nevsun to design and execute the program.