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#### Highlights

- Overall PFS remains on track for September 2017
- 30,000 metre Timok UZ resource infill drill program completed
- Metallurgical test work well advanced
- Condemnation, hydrology and geotechnical drilling nearing completion
- Exploration decline permitting underway with construction start expected in Q4 2017
- New greenfield exploration program commencing on Timok UZ exploration license

“We are very satisfied with how the Timok UZ project is coming together. With over 336 Serbian nationals on staff or on contract, the team is executing the pre-feasibility study (“PFS”) and further advancing the project as we remain on track to deliver the PFS in September and break ground on an exploration decline in Q4,” commented Cliff Davis, Nevsun CEO. Mr. Davis further commented, “Due to our strong cash position and Bisha cash flow, we are embarking on a regional exploration program targeting more high-grade Upper Zone type mineralization. The licence area remains under-explored, even adjacent to the Timok UZ resource, and a new discovery of an additional upper zone would be game changing.”

#### Infill Drilling Program Complete

The infill drilling of the Timok UZ resource is essentially complete with 29,700 metres of drilling in 36 holes. Assays for 10% of the holes are outstanding and will be released in due course. Condemnation, geotechnical and metallurgical drill holes are also nearing completion. Data and analyses from these holes will feed into the various on-going PFS work streams. The infill drilling has so far confirmed the high-grade and bulk portion of the orebody. The Timok UZ resource will be updated with the PFS study release in September 2017, with the accompanying NI 43-101 Technical Report to be filed by mid-November.

#### Timok Upper Zone Project Update

Rakita doo (“Rakita”), a Serbian company, is the operator of the Timok UZ project. The team in Serbia (including contractors and consultants) currently has over 336 Serbian nationals employed on the project supplemented with 65 expatriates with specific technical and project management expertise. In addition, the project is supported by various external specialty consultants including Knight Piesold, Ausenco, and SRK. SRK will manage the physical PFS report and associated NI 43-101 Technical Report.

All technical study work (mining, metallurgy, hydrology, tailings storage facility, and

infrastructure) is progressing to plan with the metallurgical work playing a key role in the overall design. Primary metallurgical assessments underway are copper concentrate flotation, gold recovery from pyrite, and arsenic management. The exploration decline design is complete and the tender process has begun. Expressions of interest for the decline construction have gone to market with a plan to award the contract in August and start construction in Q4 2017.

Overall Timok UZ project permitting is progressing well including the baseline Environmental and Social Impact Assessment (“ESIA”). Decline permitting is also near completion with the final permits expected in time to start construction in Q4. Land acquisition for the decline is complete and additional land requirements, important for overall project timing, continue to advance.

#### Commences Timok Greenfield Regional Exploration

Nevsun has approved the budget for Rakita to undertake an exploration program targeting additional high grade Upper Zone style mineralization under the Miocene basement in the immediate area around Timok UZ and on the additional exploration licenses to the north of Bor. The work around the Timok UZ includes 10 diamond drill holes of approximately 1,000 metres each with follow-up borehole electromagnetic surveys. The work on the northern licenses is expected to include a geophysical survey (VTEM) over the properties looking for shallow Upper Zone style mineralization followed by ground geophysics (gravity), soil geochemistry and finally drill testing anomalies with 4,000 metres of drilling.

The total proposed budget is \$4 million in 2017 and is incremental to the 2017 Outlook and Guidance news release (February 23, 2017) exploration budget.