



NEVSUN  
RESOURCES LTD.

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A LEADING DIVERSIFIED  
MID-TIER MINER

FOURTH QUARTER AND 2017 RESULTS WEBCAST  
MARCH 2, 2018

TSX &  
NYSE **NSU**

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# FORWARD LOOKING STATEMENT

This Presentation contains forward-looking statements or forward-looking information within the meaning of the United States Private Securities Litigation Reform Act of 1995, and applicable Canadian securities laws. All statements, other than statements of historical facts, are forward looking statements including statements with respect to the Company's continuing and future operations in Eritrea, Serbia and elsewhere that the Company has operations or business interests.

Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "hopes", "intends", "estimated", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. Forward-looking statements are statements concerning the Company's current beliefs, plans and expectations about the future, including but not limited to statements and information made concerning: statements relating to the business, prospects and future activities of, and development plans related to the Company, anticipated dividends, goals, strategies, future growth, exploration activities, the adequacy of financial resources and other events or conditions that may occur in the future.

These forward-looking statements are based on a number of assumptions which, while considered reasonable by the Company, are subject to risks and uncertainties. In addition to the assumptions contained herein, these assumptions include the assumptions described in the Company's Annual Information Form ("AIF") and the Company's management's discussion and analysis for the year ended December 31, 2016 ("MD&A"). The Company cautions readers that forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements and forward-looking statements are not guarantees of future results, performance or achievement.

These risks, uncertainties and factors include general business, economic, competitive, political, regulatory and social uncertainties; actual results of exploration activities and economic evaluations; fluctuations in currency exchange rates; changes in project parameters; changes in costs, including labour, infrastructure, operating and production costs; future prices of copper, gold, zinc, silver and other minerals; resource estimates and variations of mineral grade or recovery rates; metallurgical challenges; operating or technical difficulties in connection with exploration; land acquisition; mining method, production profile and mine plan; other development or mining activities, including the failure of plant, equipment or processes to operate as anticipated; delays in exploration, development and construction activities; changes in government legislation and regulation; the ability to maintain and renew existing licenses and permits and the ability to obtain other required licences and permits in a timely manner or at all; the ability to obtain financing on acceptable terms and in a timely manner or at all; contests over title to properties; employee relations and shortages of skilled personnel and contractors; the speculative nature of, and the risks involved in, the exploration, development and mining business; and other factors and risks discussed in the Company's AIF and MD&A.

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. For the reasons set forth above, investors should not place undue reliance on the Company's forward-looking statements.

Further information concerning risks and uncertainties associated with these forward-looking statements and our business can be found in our AIF for the year ended December 31, 2016, which is available on the Company's website ([www.nevsun.com](http://www.nevsun.com)), filed under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on EDGAR ([www.sec.gov](http://www.sec.gov)) under cover of Form 40-F.

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## MANAGEMENT SPEAKERS



**Peter Kukielski**

President and Chief  
Executive Officer



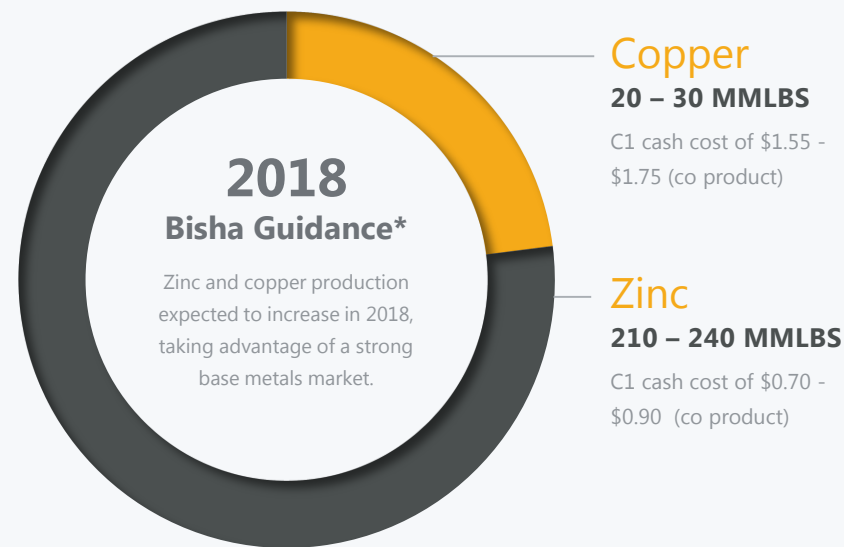
**Ryan MacWilliam**

Chief Financial Officer

# 2017 OPERATIONAL RESULTS + 2018 GUIDANCE

## 2017 OPERATIONAL RESULTS

	2017	2016	Q4 2017	Q4 2016
Recovery, % of zinc	69.0	58.8	72.6	63.6
Recovery, % of copper	36.0	-	27.4	-
Zinc in concentrate produced, Mlbs	210.4	90.2	57.7	46.5
Copper in concentrate produced, Mlbs	17.5	-	3.6	-
Payable zinc in concentrate sold, Mlbs	175.2	56.4	44.6	35.2
Payable copper in concentrate sold, Mlbs	14.4	-	3.6	-



\*2018 ZnEq production calculated using - Cu \$2.90/lb, Zn \$1.10/lb. For illustration purposes, chart uses mid-point of guidance.

# Q4 & 2017 FINANCIAL HIGHLIGHTS

	Q4 2016	Q4 2017	2016	2017	2018 Guidance
Revenues	\$36.2	\$80.6	\$230.7	\$289.4	-
Earnings (loss) from mining operations	\$(4.7)	\$15.0	\$82.7	\$(25.8)	-
Net income (loss)	\$(17.9)	\$2.2	\$16.2	\$(99.6)	-
Net income (loss) attributable to NSU shareholders	\$(16.5)	\$(3.8)	\$(2.7)	\$(84.7)	-
Basic earnings (loss) per share	\$(0.08)	\$(0.01)	\$(0.01)	\$(0.28)	-
Zinc C1 cash cost (by-product)	\$1.06	\$1.13	\$1.06	\$0.88	\$0.60-0.80 <b>-20%<sup>1</sup></b>
Zinc C1 cash cost (co-product)	\$1.06	\$1.23	\$1.06	\$0.97	\$0.70-0.90 <b>-18%<sup>1</sup></b>
Copper C1 cash cost (co-product)	-	\$2.01	\$1.04	\$1.72	\$1.55-1.75 <b>-5%<sup>1</sup></b>

<sup>1</sup> Indicates % change from 2017 to mid-point of 2018 guidance

# IMPAIRMENT REVERSAL | ACCOUNTING POLICY CHANGE



## Remaining Stockpiles

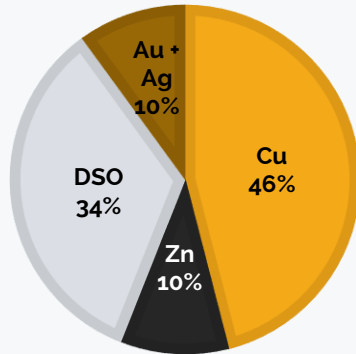
	Tonnes (kt)	Zn Grade (%)	Original Carrying Value
High grade	258.2	10.1%	\$5.6
Medium grade	348.9	5.5%	\$7.5
<i>\$13.1m Impairment reversal on remaining stockpiles</i>			
Low grade	1,244.7	1.8%	\$26.8
High arsenic	246.6	5.3%	\$5.3
<b>Total</b>	<b>2,098.4</b>	<b>3.8%</b>	<b>\$45.2</b>

## Exploration expenses under new policy

	2016 (\$m)	2017 (\$m)	Q4 2017 (\$m)	Q4 2016 (\$m)
Timok UZ	8.7	25.0	6.0	4.9
Timok LZ	3.0	15.6	2.4	3.0
BMSC	5.9	8.7	1.3	1.8
Other	1.0	1.5	0.5	0.6
<b>Total</b>	<b>18.6</b>	<b>50.8</b>	<b>10.2</b>	<b>10.4</b>

# 2017 REVENUES

**2016 - \$231m**



**Production**

90Mlbs Zn

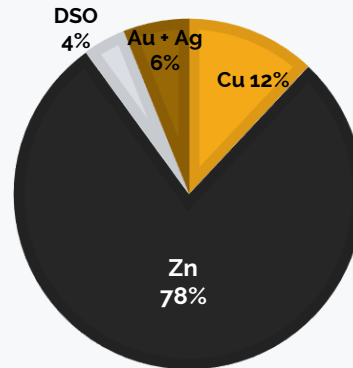
56Mlbs Cu

**Realized Prices**

\$1.17/lb Zn

\$2.13/lb Cu

**2017 - \$289m**  
 + 25%<sup>1</sup>



**Production**

210Mlbs Zn

+ 113%

18Mlbs Cu

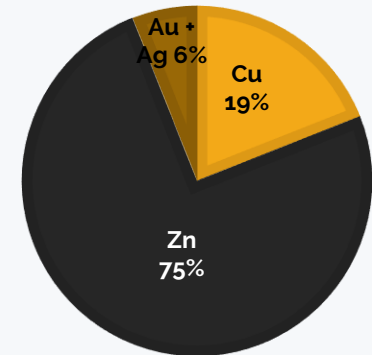
- 68%

**Realized Prices**

\$1.36/lb Zn

\$2.88/lb Cu

**2018 Guidance<sup>2</sup>**



**Production**

210-240Mlbs Zn

+ 7%<sup>3</sup>

20-30Mlbs Cu

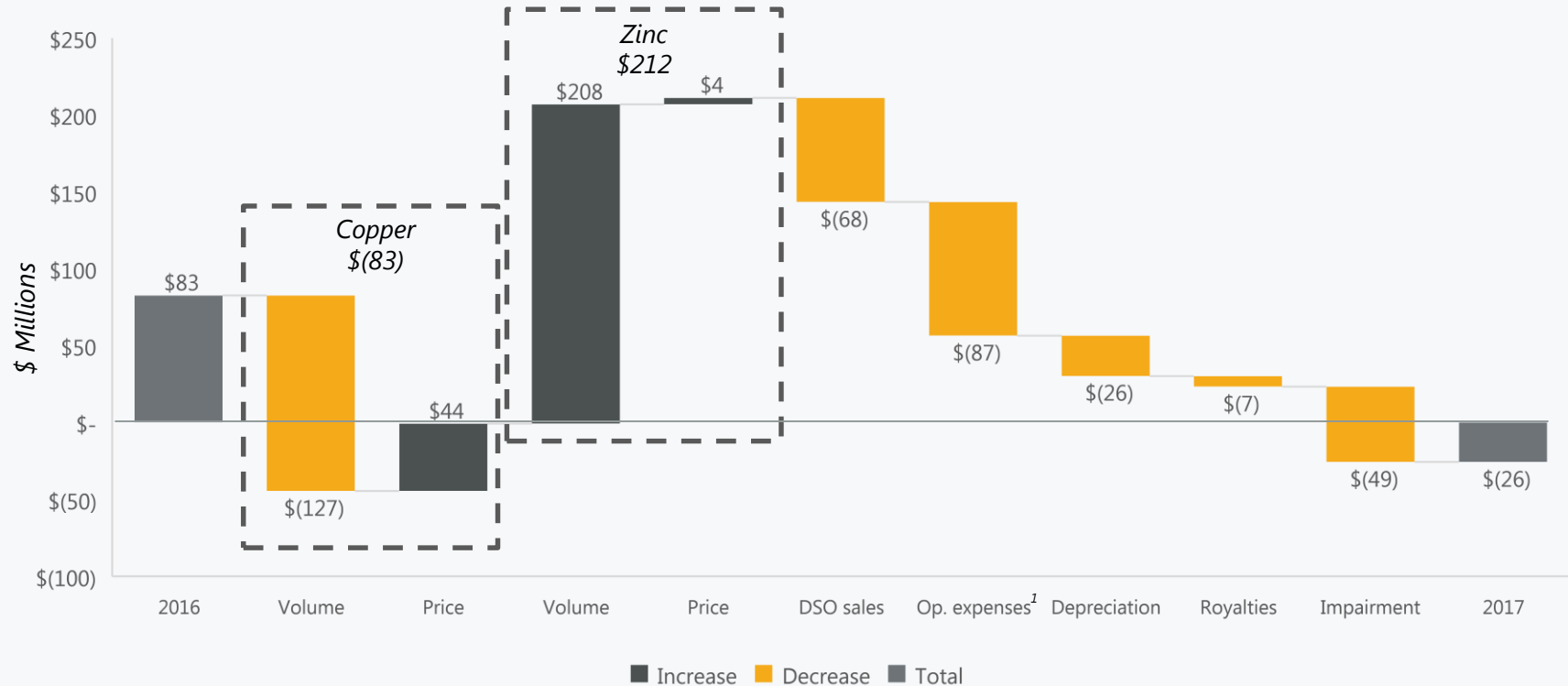
+ 39%<sup>3</sup>

<sup>1</sup>9% if revenues which were capitalised in 2016 are included

<sup>2</sup>Indicative 2018 revenue split based on \$3.00/lb Cu and \$1.50/lb Zn

<sup>3</sup>Change from 2017 to mid-point of 2018 guidance

# EARNINGS FROM MINING OPERATIONS

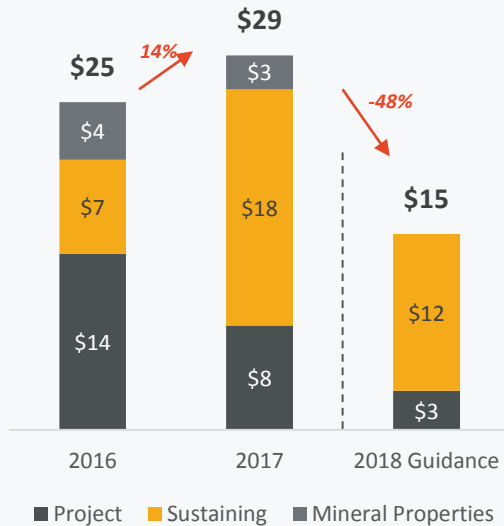


<sup>1</sup> Includes \$(2) in by-products and TC/RCS

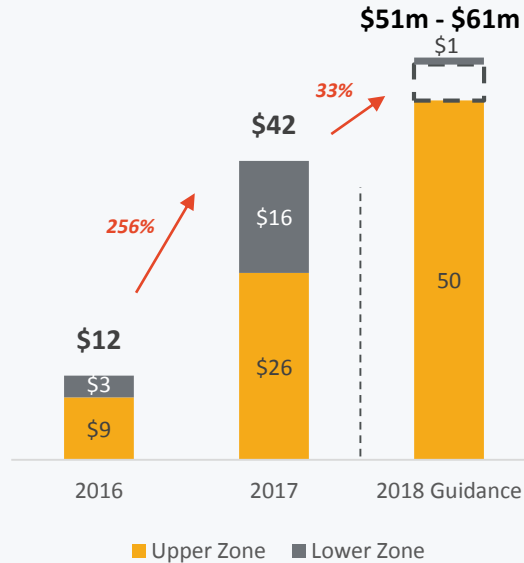


# CAPITAL EXPENDITURES | EXPLORATION

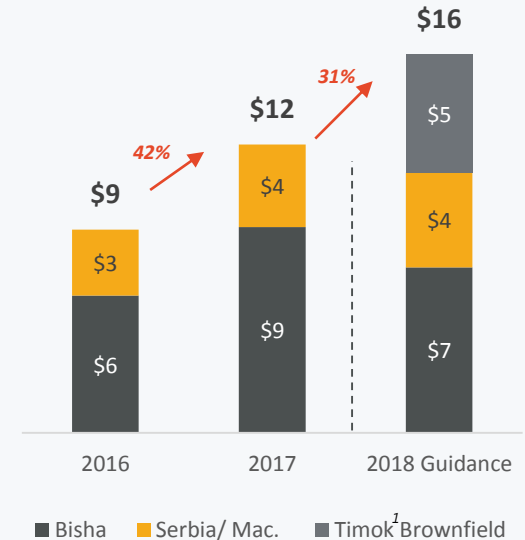
## Bisha Capital Spend



## Timok Project Spend



## Exploration



<sup>1</sup>Tilva joint venture funded by Rio Tinto and not reflected in NSU statements

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# OPERATIONAL APPOINTMENTS

## Jerzy Orzechowski, VP & Project Director, Timok

- Extensive experience in all phases of project development and implementation
- Key role in restructuring Kinross' Tasiast project to optimize value and lower capex
- EPCM Project Director for \$6B smelter/power generation complex in UAE which came in under budget and ahead of schedule

## Adam Wright, Head of Operations

- Most recently VP, Papua New Guinea operations for Nautilus
- Senior operational positions at Placer Dome and Equinox including Managing Director of Lumwana in Zambia.





## TIMOK 2018

- Prefeasibility study in late Q1 2018 to bring additional clarity to project parameters
- Permit for exploration decline granted, construction start in Q2
- Continue to advance land acquisition. Currently > 40% of required land secured
- Ongoing exploration for more Upper Zone style mineralization
- Advance work on feasibility study upon completion of the pre-feasibility study
- Complete \$20M work program on Lower Zone and declare a maiden resource

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# QUESTIONS?



**Peter Kukielski**

President and Chief  
Executive Officer



**Ryan MacWilliam**

Chief Financial Officer

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# THANK YOU



NEVSUN  
RESOURCES LTD.

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