



NEVSUN
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BISHA PROJECT

Eritrea, Africa

**HIGH GRADE, LOW COST
Gold, Copper, & Zinc
PRODUCTION AHEAD**

**WARNING
PRODUCTION
AHEAD**

TSX: **NSU**
NYSE AMEX: **NSU**
September 2010

Eritrea

Independence

1993

Capital

Asmara

Main Port

Massawa

Population

5.6 Million (2009 est.)

Culture

50% Islamic, 50% Christian

Currency

Pegged to \$ USD

Nevsun's Presence

Over 10 Years

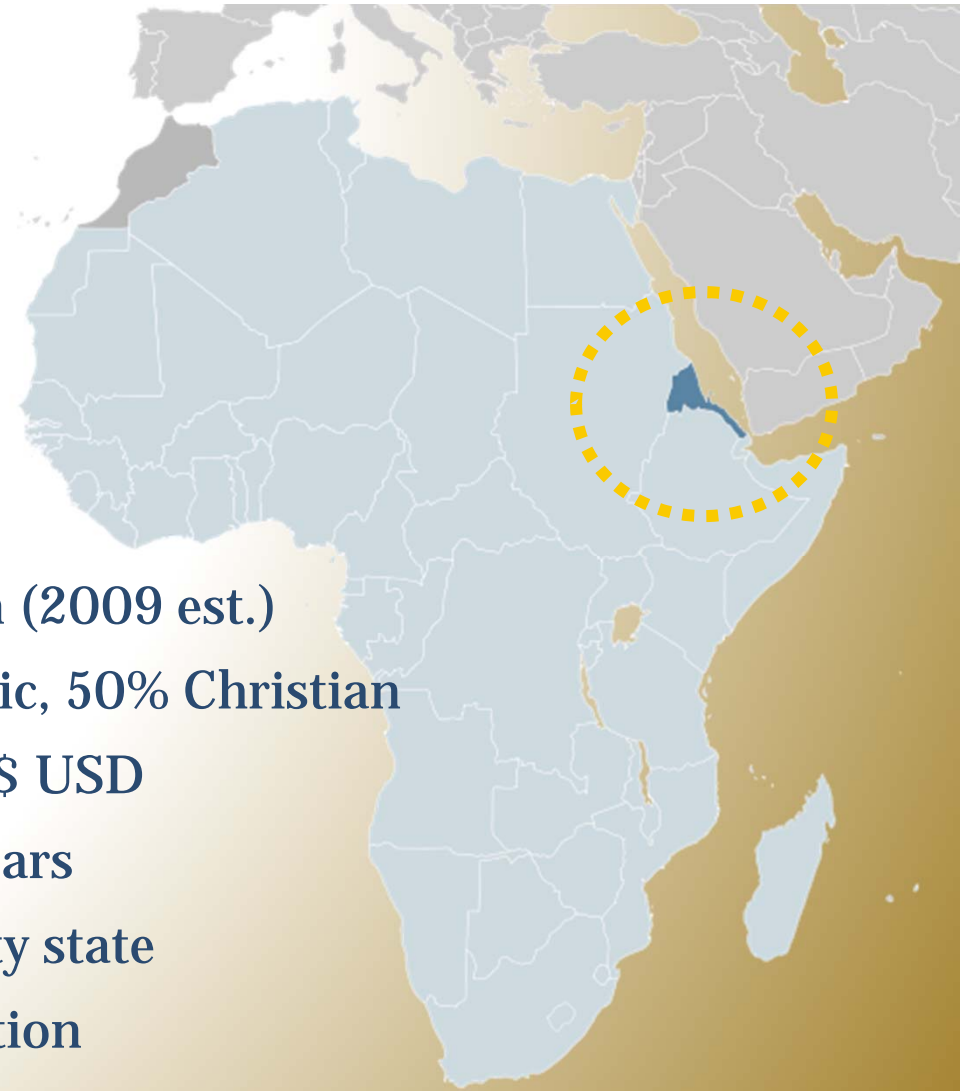
Politics

Single party state

No corruption

UN Sanctions

→ No impact on Bisha



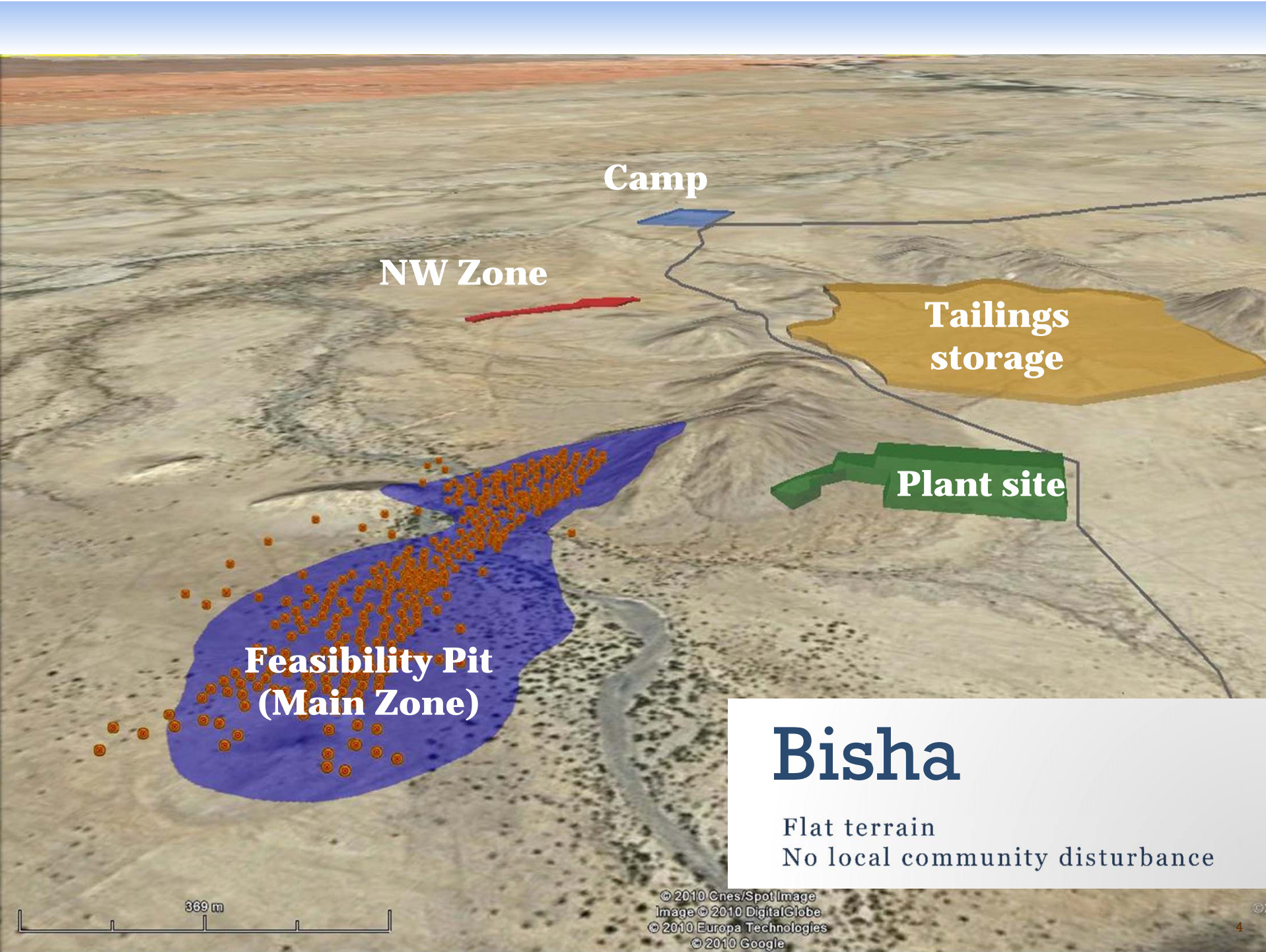
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Forward Looking Statements: This presentation contains forward looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Factors that could cause such differences include: changes in world commodity markets, financial markets, costs and supply of materials relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Although we believe the expectations reflected in our forward looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements.



Good Infrastructure
Roads, Port, Communications

Source: <http://www.mapsorama.com/political-map-of-eritrea/>



NW Zone

Camp

Tailings storage

Plant site

Feasibility Pit (Main Zone)

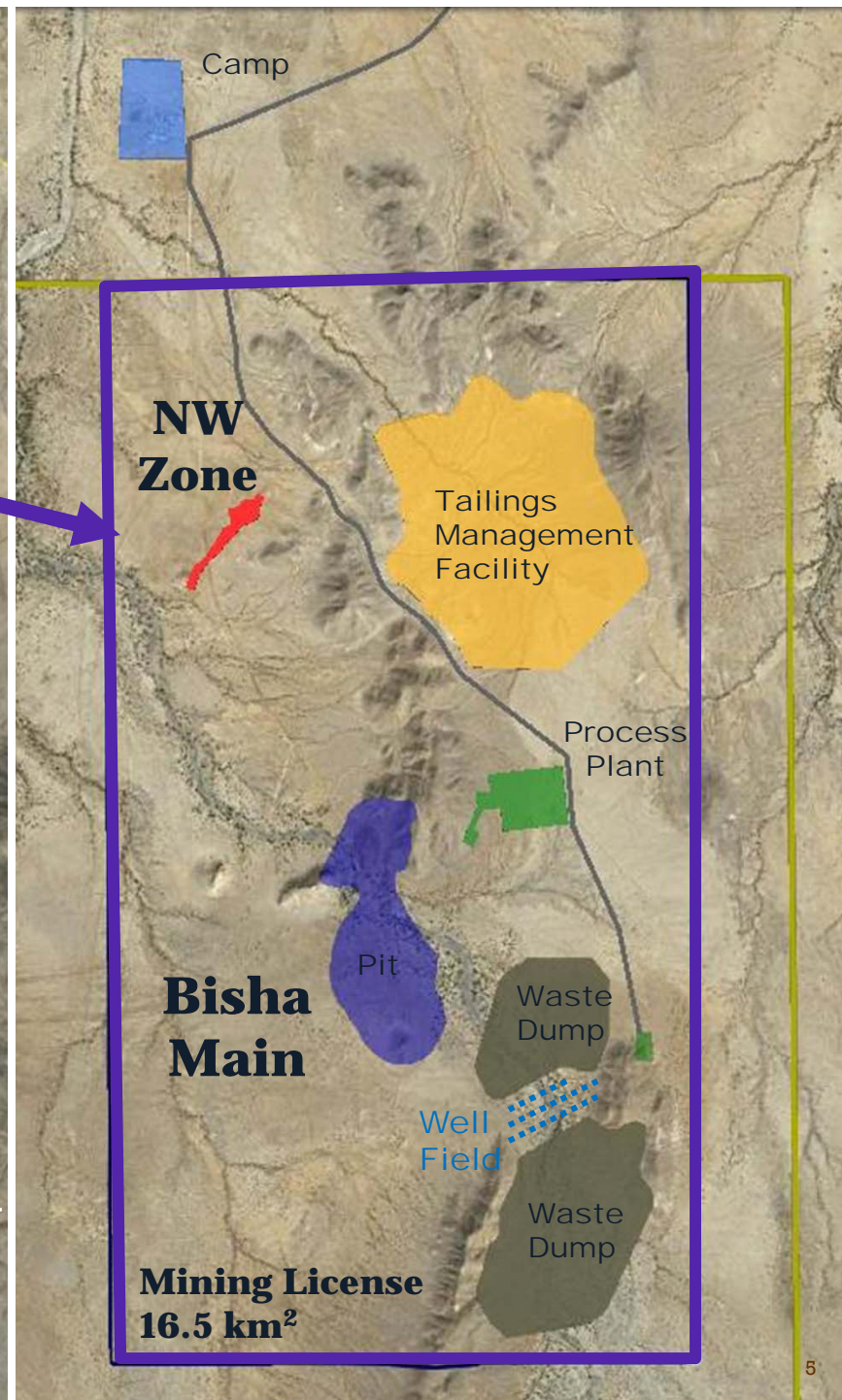
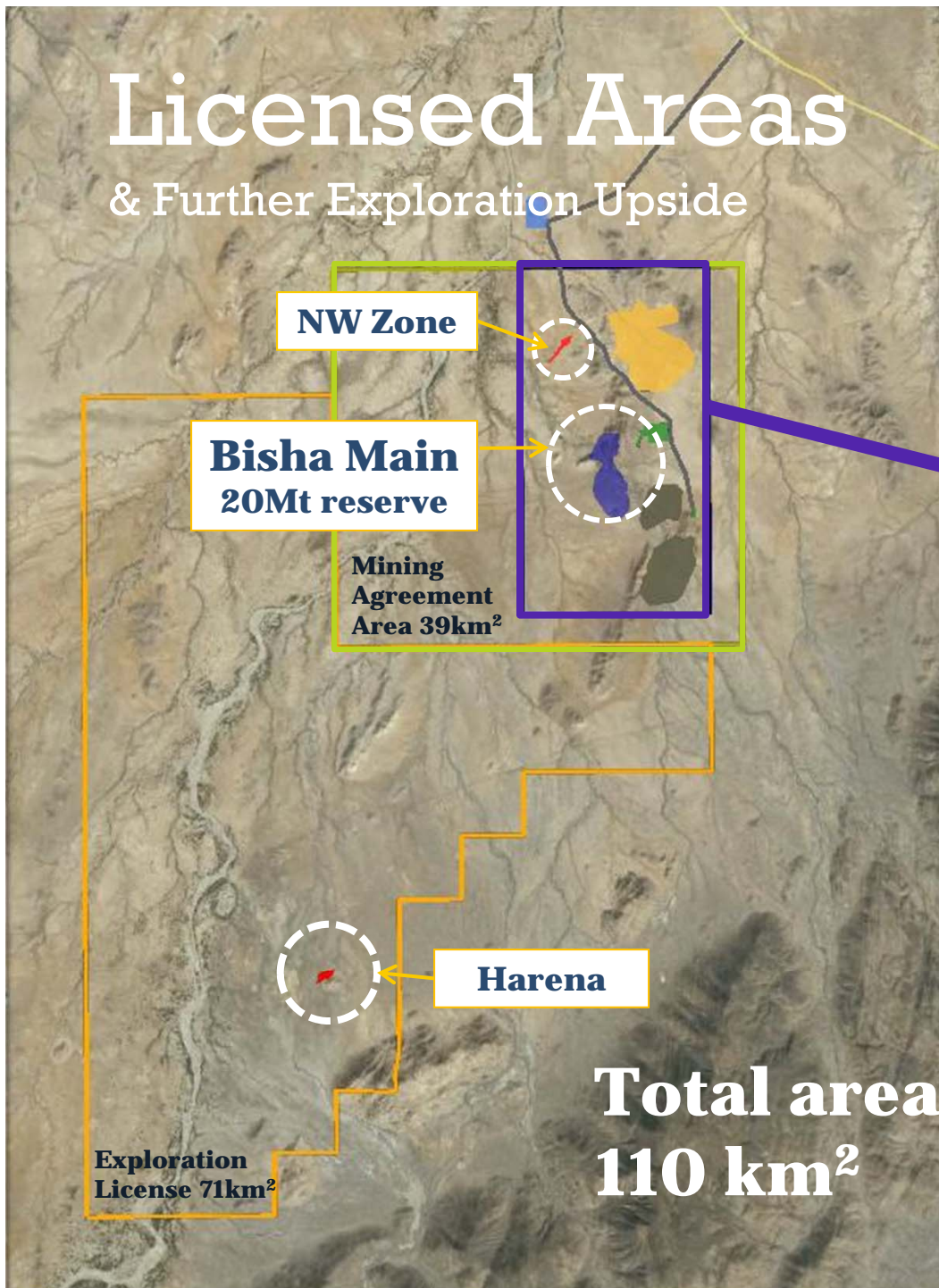
Bisha

Flat terrain
No local community disturbance

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Licensed Areas

& Further Exploration Upside





**Tailings
Thickener**

**CIL & Detox
tanks**

**Assay
Lab**

Mills

**Preleach
Thickener**

**Stock pile
tunnel**

Process Plant Overview – August 13, 2010

Pipe Racks



Pipe Racks



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Crusher & ROM Pad



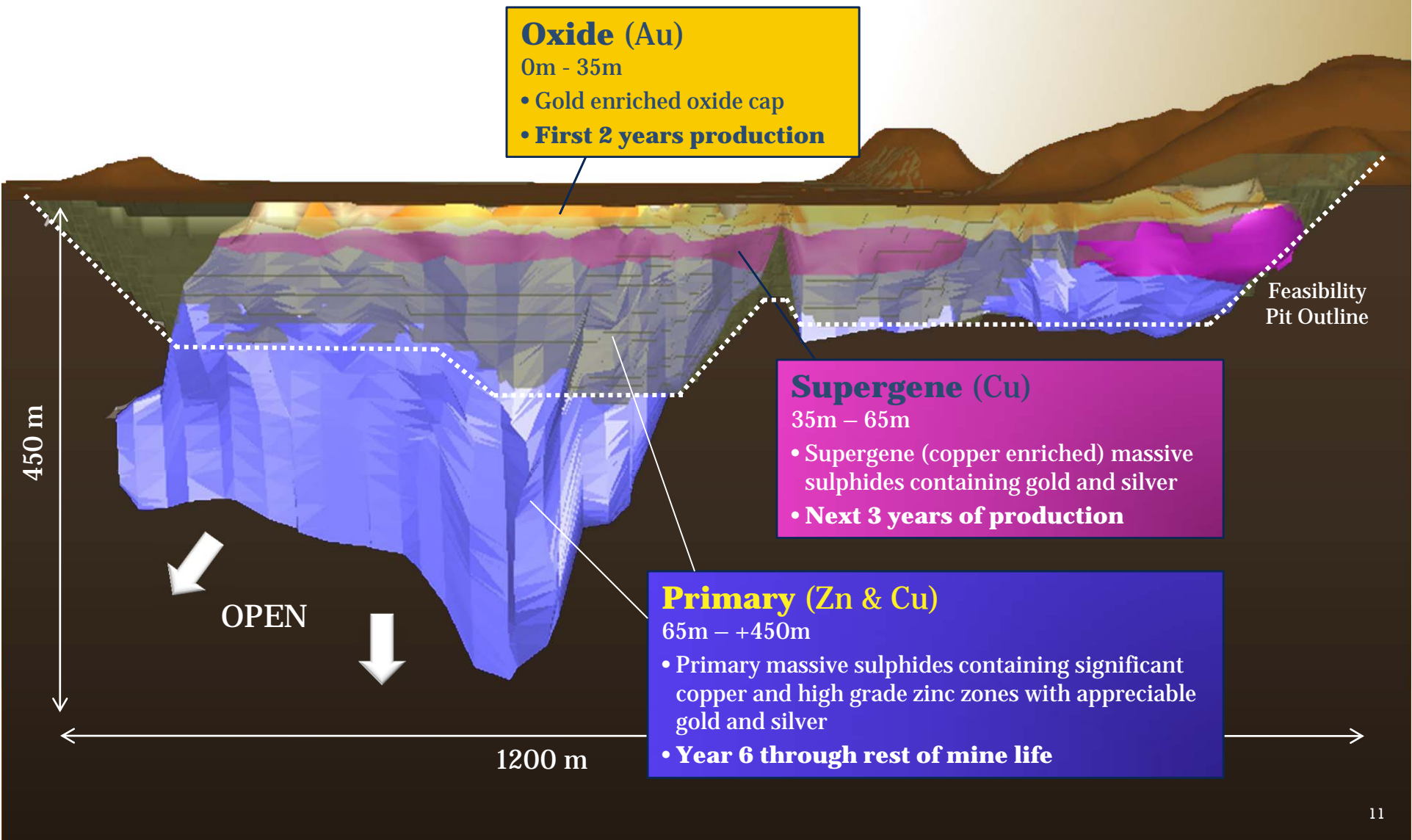
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Plant & Impermeable Liner





Mineralization & Zones



Proven & Probable Reserves

Ore Type	Tonnage (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Oxide					
Proven	663	6.87	28.93	-	-
Probable	3,353	8.21	33.62	-	-
Combined Proven & Probable (Cut off ~ 2g/t Au)	4,016	7.99	32.85	-	-
Supergene					
Proven	808	0.81	44.74	5.10	-
Probable	5,542	0.83	34.71	4.30	-
Combined Proven & Probable (Cut off ~ 1% Cu)	6,350	0.83	35.98	4.40	-
Primary					
Proven	353	0.82	65.56	1.10	11.38
Probable	9,360	0.76	53.57	1.15	7.05
Combined Proven & Probable (Cut off ~ 1% Zn)	9,713	0.76	54.00	1.14	7.21
Total Combined Proven & Probable	20,079				

20M tonnes Reserves based on
 US \$400 /oz Au | \$1.05 /lb Cu | \$0.50 /lb Zn
 – from 2006 Feasibility Study –

40M tonnes Resources



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Opportunities for Reserve Expansion

- Revise metals pricing & cut-off grades
 - Conversion of waste to ore
- At depth
 - Conversion of resources to reserves
- Adjacent to Main Zone
 - Hanging wall copper zone
- Immediate region in licensed area
 - 9km away, Harena, plus others



Production

Years	1	2	3	4	5	6	7	8	9	10
	OXIDE		SUPERGENE			PRIMARY				
Oxide Processing										
Gold	900,000 oz		80,000 oz			80,000 oz				
Silver	1,535,000 oz		3,040,000 oz			4,690,000 oz				
Sulphide Processing										
Copper			538,000,000 lbs			196,000,000 lbs				
Zinc						1,075,000,000 lbs				

Plant
Commissioning
Q4 2010



Commercial
Production
Q1 2011



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CAPEX / OPEX

Capital Costs

- Pre-production CAPEX \$260 M

Operating Costs

- All in, including royalties:

	<u>W/O Credits</u>	<u>With Credits</u>	<u>2010E Industry Average</u>
Gold (Oxide)	\$230 /oz	\$210 /oz	\$580/oz ¹
Copper (SG)	\$0.90 /lb	\$0.67 /lb	\$1.46 /lb ²
Copper (P)	\$1.19 /lb	\$0.54 /lb	\$1.46 /lb ²
Zinc (P)	\$0.54 /lb	\$0.50 /lb	n/a

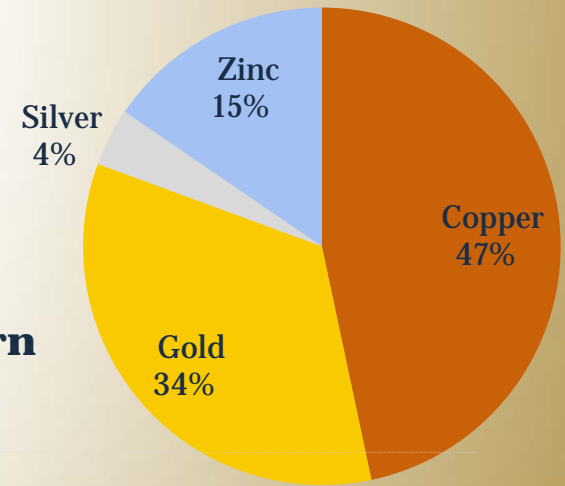


¹ TD Newcrest, Precious Metals Outlook [2010E], August 30, 2010

² Haywood Metals & Mining Weekly [2010E], August 30, 2010

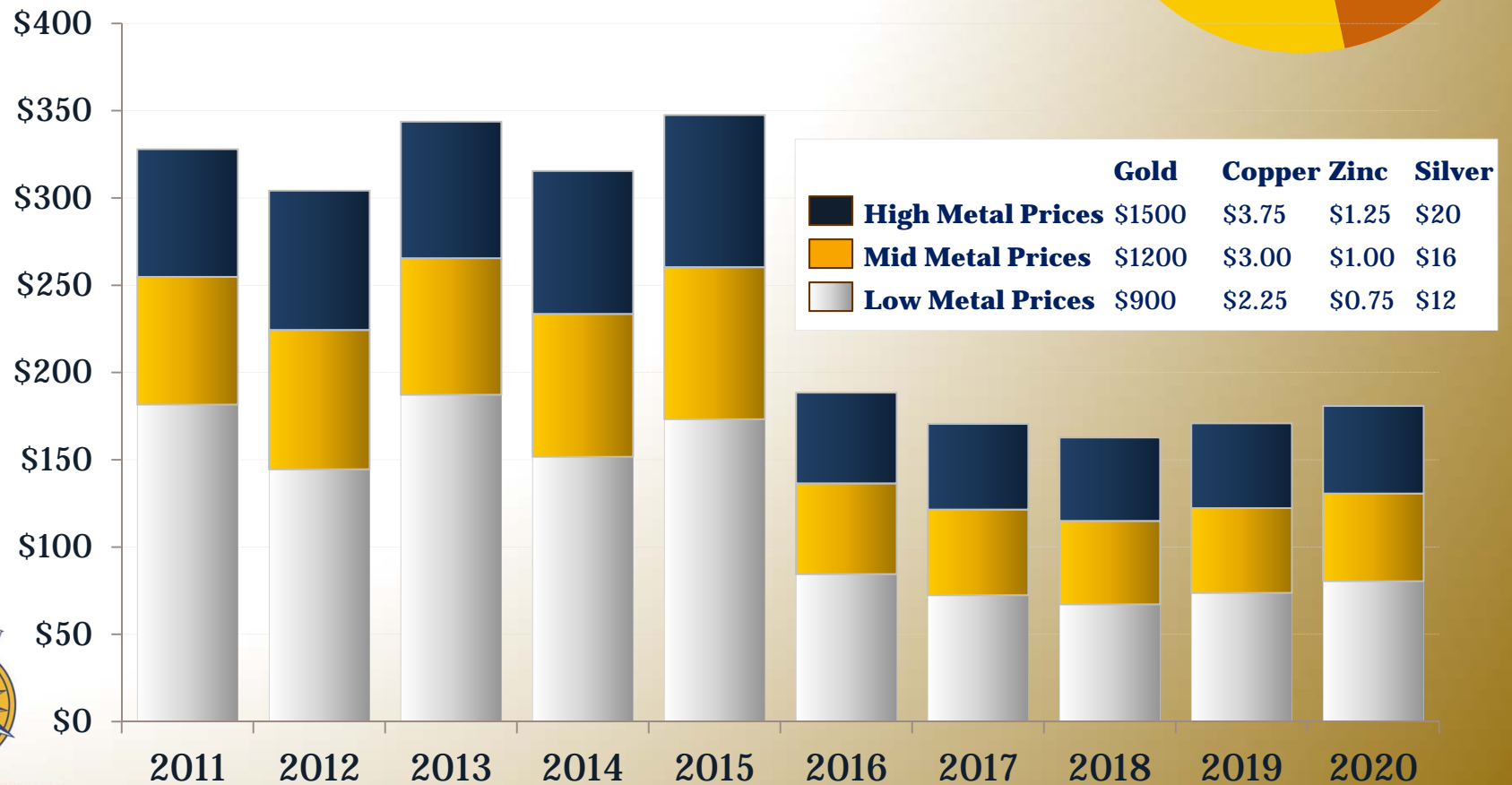
Bisha Net Cash Flow

100% Project (after tax & CAPEX)



Net Cash Flow
USD \$ Million

Net Smelter Return

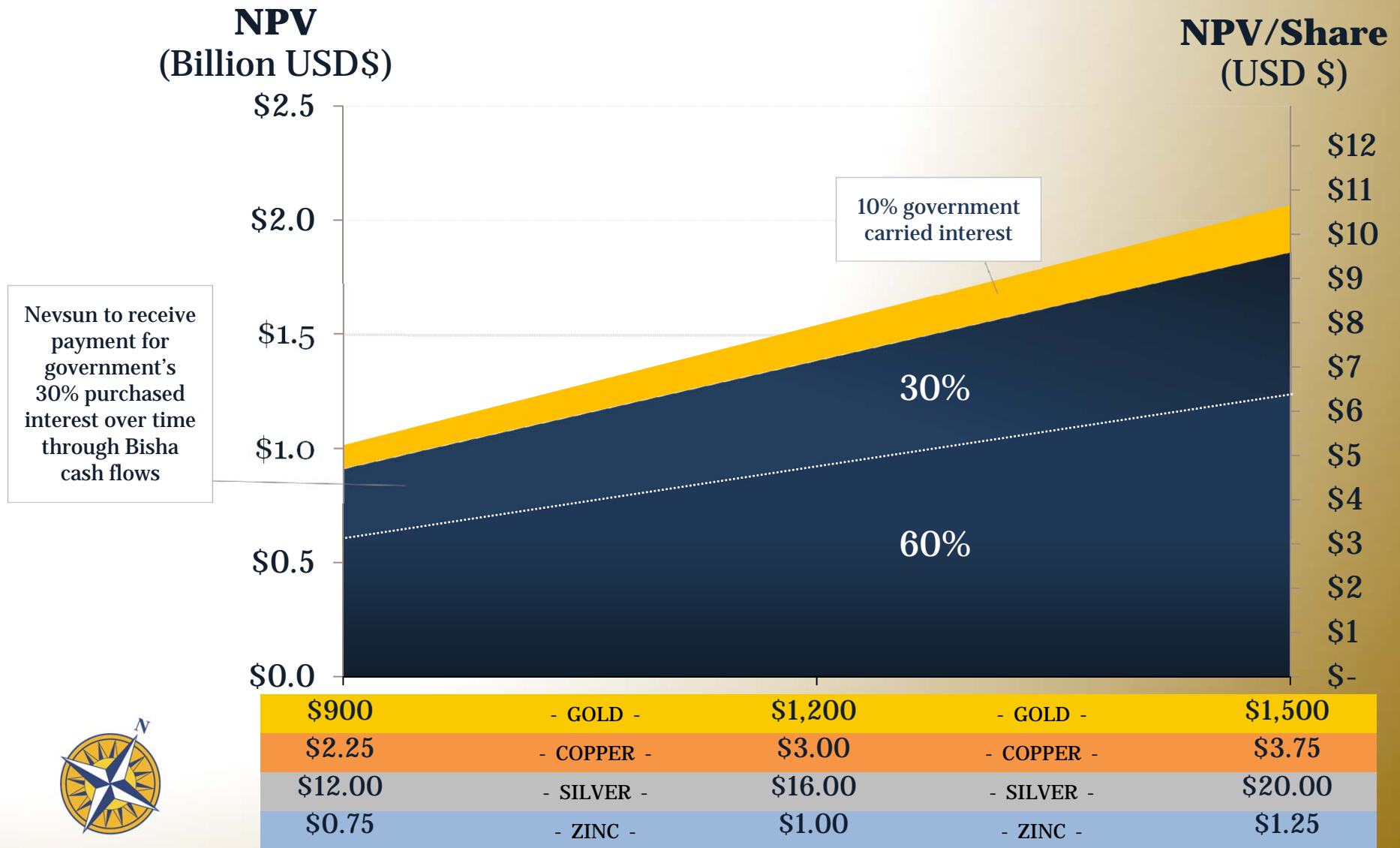


	Gold	Copper	Zinc	Silver
High Metal Prices	\$1500	\$3.75	\$1.25	\$20
Mid Metal Prices	\$1200	\$3.00	\$1.00	\$16
Low Metal Prices	\$900	\$2.25	\$0.75	\$12



Net Present Value of Bisha

at Start of Production,
at Various Metal Prices



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NPV discounted at 5%

Gold Equivalency of Gold & Base Metals

Gold Production

- YEARS 1-2: Over 400,000 oz Au/yr

Copper Production

- YEARS 3-5: *Equivalent to over 400,000 oz Au/yr*

Copper & Zinc Production

- YEARS 6-10: *Equivalent to over 200,000 oz Au/yr*
- Assumes gold price at \$1,200/oz, copper at \$3.00/lb
- On current reserves, without expansion opportunity



Share Structure

TSX: NSU | NYSE AMEX : NSU

As at August 31, 2010

Shares Outstanding	194.1 M
Options	12.4 M
Fully Diluted	206.5 M
Market Cap	~\$970 M

Analyst Coverage

- Canaccord Capital
- Edison Investment Research
- Haywood Securities Inc.
- Resource Capital Research
- TD Securities

Comparative Information

■ Industry Comparables

■ Price per Cash Flow per Share (P/CFPS)

■ Global Gold Producers = 23.4¹ (\$23.40/ \$1 CFPS)

■ Global Copper Producers = 11.9² (\$11.90/ \$1 CFPS)

■ Nevsun estimates **>\$1 CFPS** for the next five years using Au \$1200/oz, Cu \$3/lb



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¹ TD Newcrest, Precious Metals Outlook [2010E], August 30, 2010

² TD Newcrest, Base Metals Outlook [2010E], August 30, 2010

Risk Management

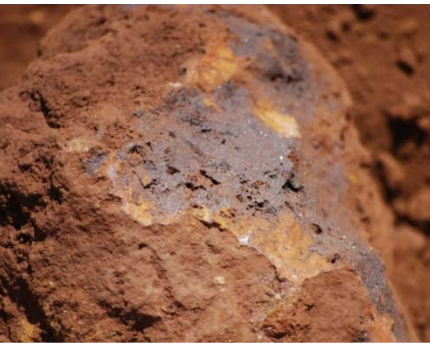
- **UN Sanctions**
 - No impact to Bisha construction or operations
- **Finance**
 - Fully Financed - 2/3 Nevsun; 1/3 Eritrea
- **Construction / Commissioning Risks**
 - EPCM & local contractors performing well
 - Experienced key personnel in place
 - Training, training, training



Investment Summary

- Near term production
- Very low cost gold and base metal production
- Very strong support from Government of Eritrea
- No debt
- No hedge
- Growth opportunities at depth on Bisha and within the Bisha land package
- **WORLD CLASS** in profitability





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SENET
CONTRACT NO : SP/335
CONTRACT NAME : BISHA - GOLD PROJECT
EQUIPMENT DESCRIPTION SEHELL TM 5.11/FX
DIMENSIONS : 664 X 208 CM
BRUT WEIGHT : 37080 KG
PACKAGE NO : 213
SENDER :
SENET
NO 1 HIGH STREET
MODDERCREST OFFICE PARK
MODDERPONTHEIN
REPUBLIC OF SOUTH AFRICA



Head Office

Nevsun Resources Ltd.
Suite 800 -1075 West Georgia Street
Vancouver, BC, V6E 3C9, Canada

- Tel: 604-623-4700
- TF: 1-888-600-2200
- Email: contact@nevsun.com
- Web: www.nevsun.com

Investor Relations

Kin Communications Inc.
Suite 210 - 736 Granville Street
Vancouver, BC, V6Z 1G3, Canada

- Tel: 604-684-6730
- TF: 1-866-684-6730
- Email: ir@kincommunications.com
- Web: www.kincommunications.com

