

TSX: **NSU**  
NYSE AMEX: **NSU**  
September 2011



**NEVSUN**  
RESOURCES LTD.

LOW  
COST

**GROWING <sup>▲</sup> PRODUCER**

# Investment Summary

- Low cost copper, gold, zinc and silver producer
  - 60% owner and operator of Bisha project in Eritrea
- Strong support from Government of Eritrea
  - 40% owner of Bisha project
- Significant free cash flow with no debt or hedge
- \$187 million cash (As of June 30, 2011)
- Semi-annual 3¢ dividend
- Growth opportunities
  - Internal – Objective to **double** reserves in 2011
  - External – Acquisition strategy



# Advantageous Location

SUDAN

SAUDI ARABIA

ERITREA

Red Sea

**Bisha Mine**

180km from Asmara

Massawa

Asmara



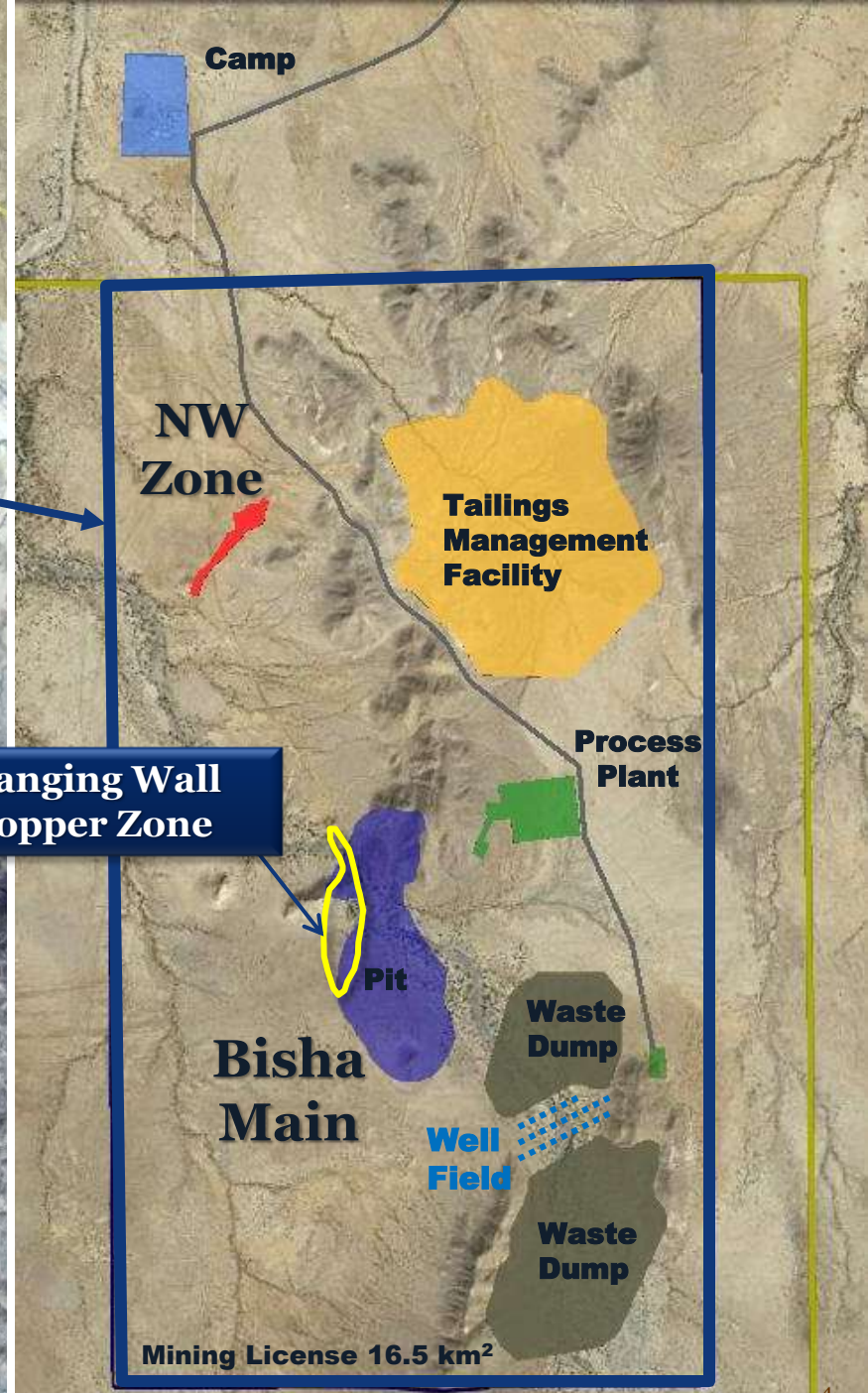
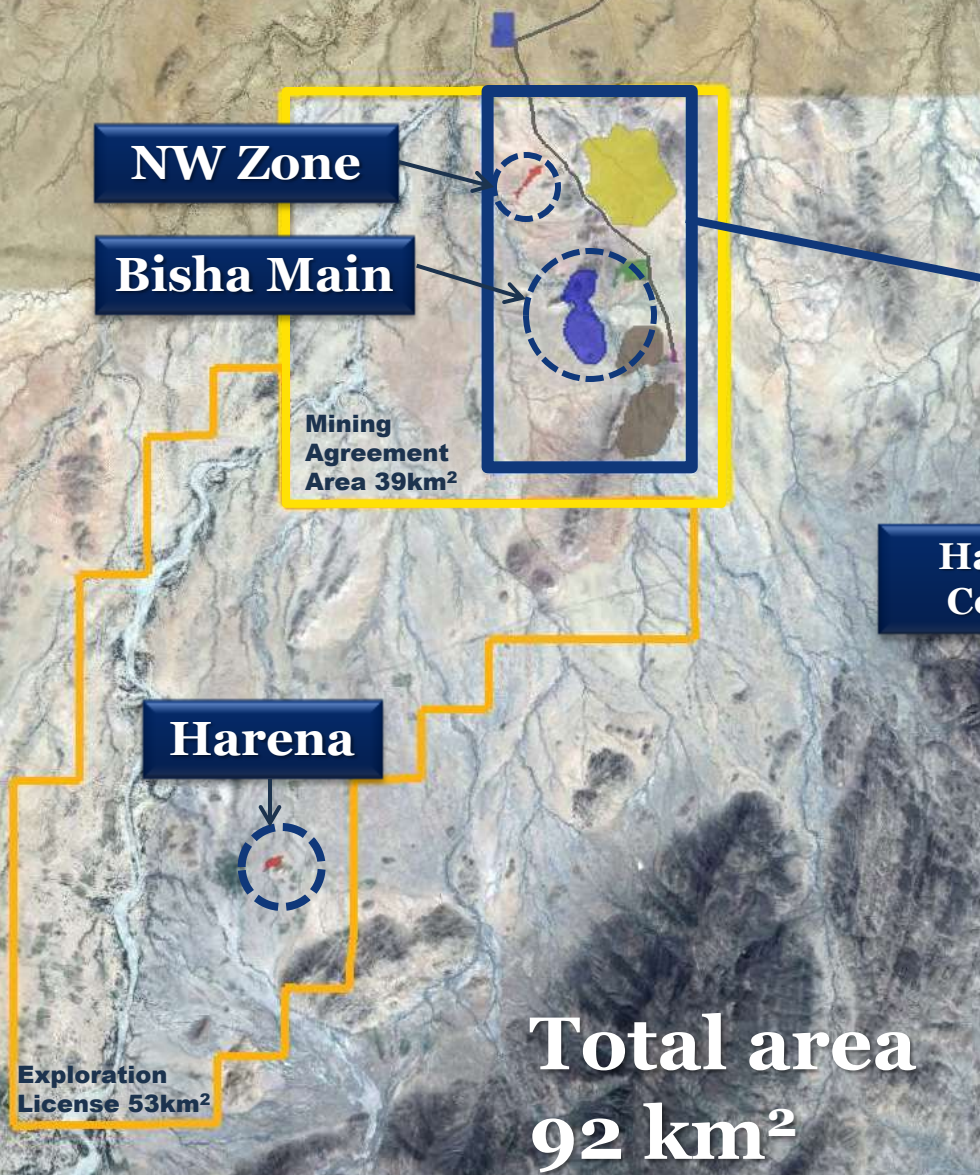
YEMEN

ETHIOPIA

- **Power:** Remotely generated diesel power
- **Roads:** Simple logistics with quality roads
- **Air Service:** Regular Lufthansa air service with large air freight capacity
- **Water:** Bountiful permitted groundwater supply
- **Port Access:** Large active port of Massawa on one of the world's busiest shipping lanes

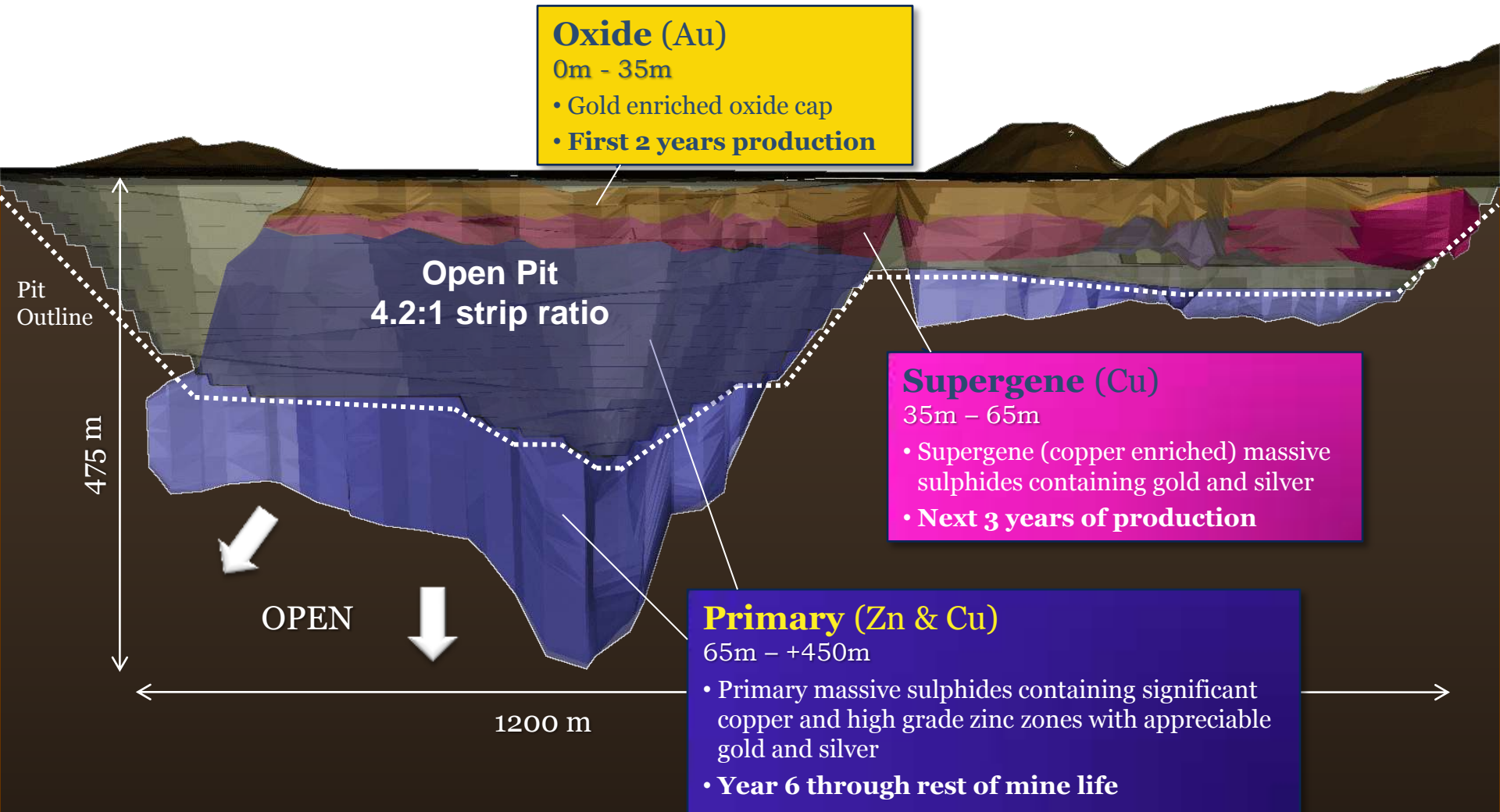
DJIBOUTI

# Licensed Areas





# Bisha Main Mineralization

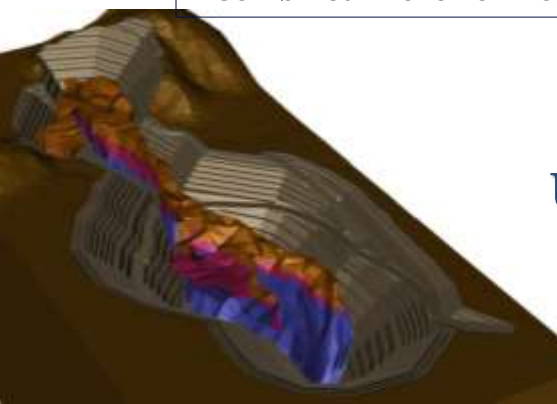


# Proven & Probable Reserves

## Restatement and Expansion Targeted Q4 2011

Ore Type	Tonnage (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
<b>Oxide</b>					
Proven	933	5.75	21.90	-	-
Probable	3,719	7.39	31.48	-	-
Combined Proven & Probable (Cut off ~1g/t Au)	4,651	7.06	29.56	-	-
<b>Supergene</b>					
Proven	844	0.80	43.47	4.92	-
Probable	6,537	0.77	31.29	3.77	-
Combined Proven & Probable (Cut off ~0.75% Cu)	7,382	0.78	32.68	3.90	-
<b>Primary</b>					
Proven	521	0.78	52.51	0.91	8.09
Probable	15,759	0.72	44.12	0.97	5.31
Combined Proven & Probable (Cut off ~0.5% Zn)	16,279	0.72	44.40	0.97	5.40

**28Mt Reserves** based on  
 US \$1015/oz Au | \$2.40/lb Cu | \$0.92/lb Zn  
**40Mt Resources**

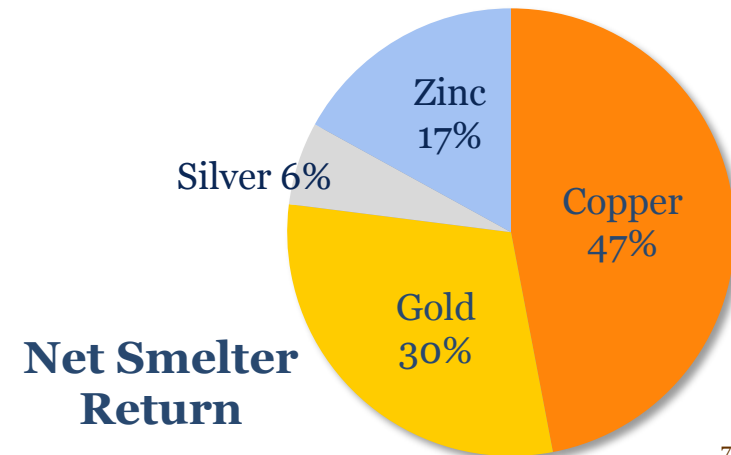


# Production

## Restatement and Expansion Targeted Q4 2011

	OXIDE			SUPERGENE		PRIMARY							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	CIL			COPPER FLOTATION		COPPER AND ZINC FLOTATION							
<b>Gold</b>	919,000 oz			90,000 oz		127,000 oz							
<b>Silver</b>	1,580,000 oz			3,370,000 oz		6,914,000 oz							
<b>Copper</b>				538,000,000 lbs		283,000,000 lbs							
<b>Zinc</b>						1,373,000,000 lbs							

**OPEX**  
**less than 1/2**  
**Industry Average**



# 2011 Operating Results

- Mine and plant continue to perform well
- Strong cash flow from operations
  - \$300 cash cost per oz gold sold YTD(including royalties)
  - Cash increased \$83 million in Q2 to \$186 million

	Q1		Q2	YTD
	Start Up	Commercial Production		
Tonnes milled	461,000	444,000		905,000
Recovery, % of gold	88%	89%		89%
Gold ounces produced	75,000	93,000		168,000
Gold price realized, per oz sold	US \$1,405	US \$1,510		US \$1,485

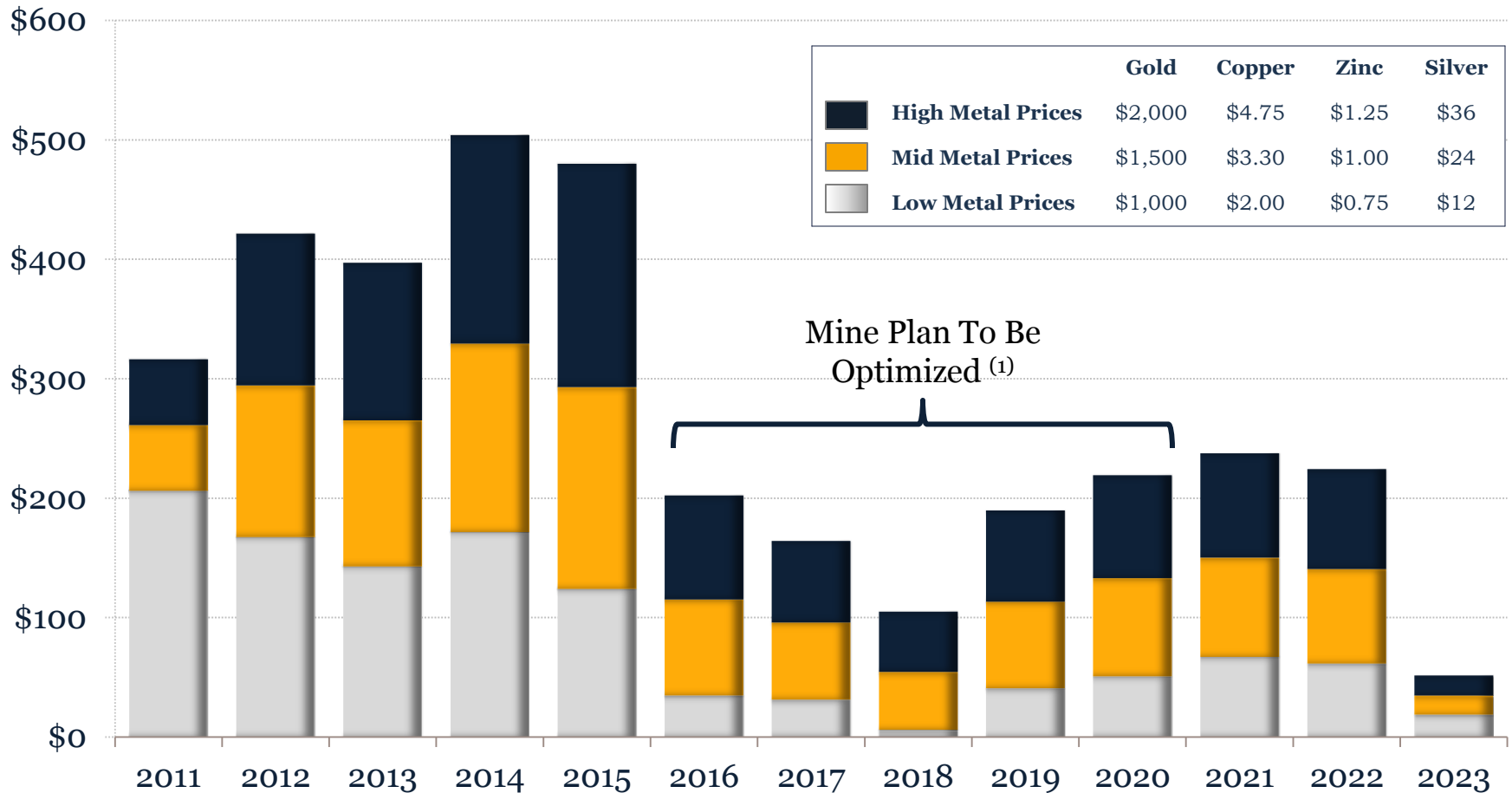


# Bisha Net Cash Flow

100% Project (after royalties, tax & CAPEX)

Nevsun to receive  
**60% of cash flows**  
 + **\$253.5M** (gov't purchase price)

USD \$  
 Millions



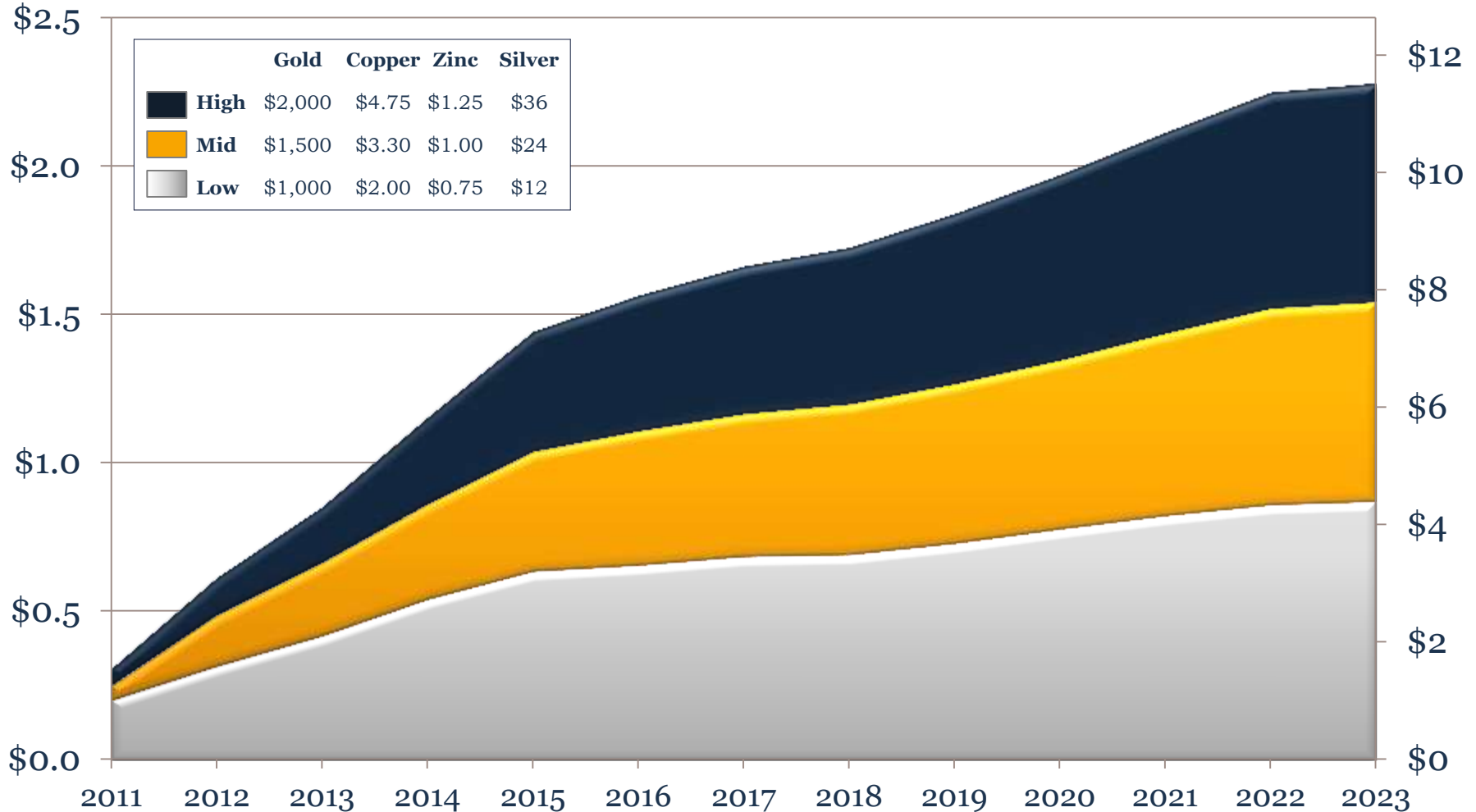
(1) Expanded resources expected from 2011 drill programs

# Newsun's Cash Accumulation

Newsun cumulative 60% of Cash Flows + recovery of gov't purchase price

Accumulation  
Billions (USD)

Per Share

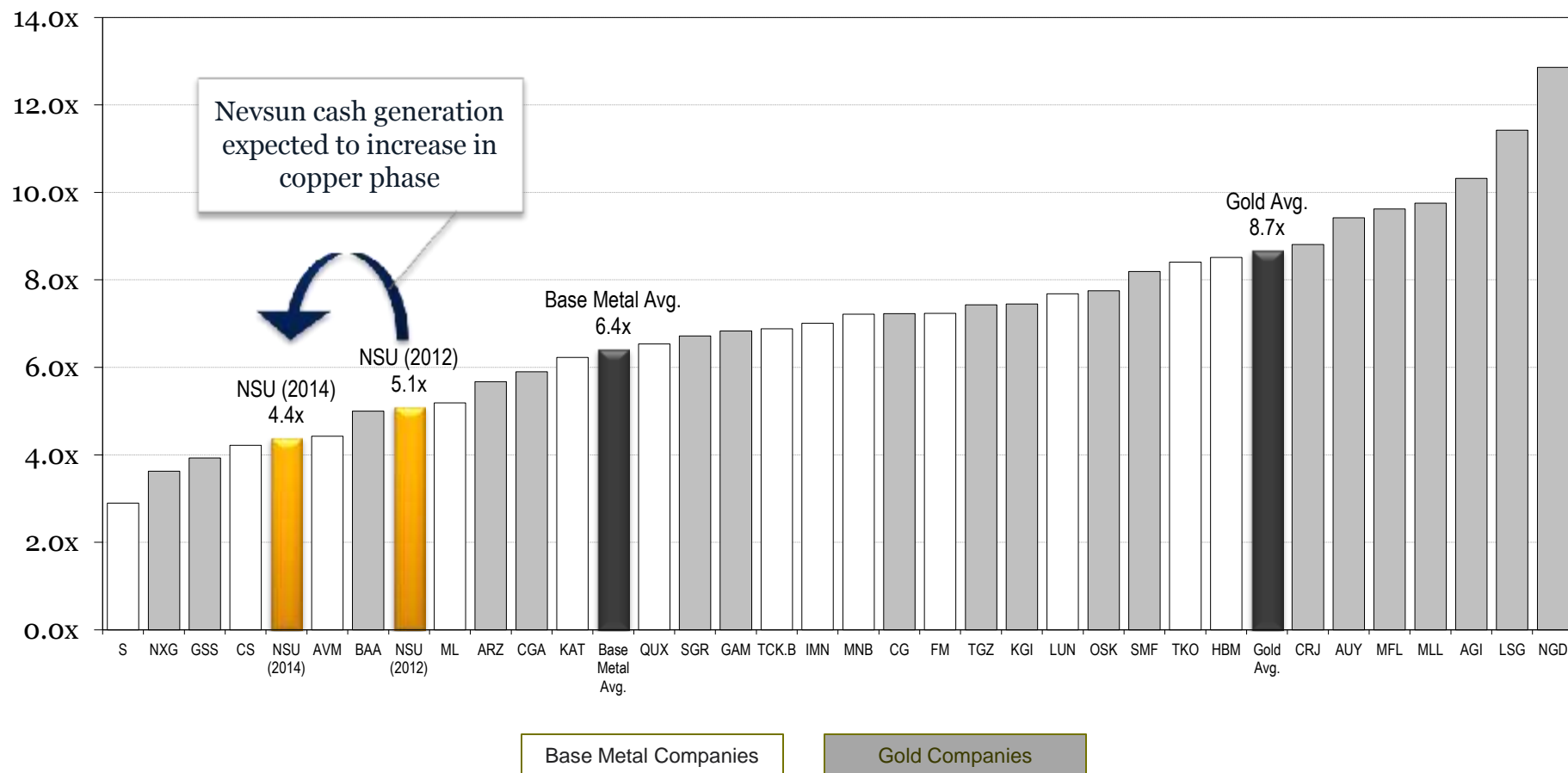


(1) Includes \$50.1 million in cash at Jan. 1, 2011

# Significant Discount to Industry Average

## P/CF Comparison

### 2012E Price-to-Cash Flow Ratio



Source: Cosmos Chiu, CIBC Institutional Equity Research "Nevsun Resources *Gold-plated Industrial Machine*", May 2011.



# Bisha Internal Growth

\$10M budget  
for resource  
and reserve  
expansion in  
2011



## Bisha Main

- Reserve restatement #1 added 40% to mineable reserves (COMPLETED)
- New 43-101 report (COMPLETED)
- Additional drilling (Q2)
- Reserve restatement #2 (Q4)

## Harena

- In-fill drilling (COMPLETED)
- Incremental to total resources
- Reserve restatement #2 (Q4)
- New mining license application (2011)

## Hanging Wall Copper Zone

- In-fill drilling (IN PROGRESS)
- Incremental to total resources
- Reserve restatement #2 (Q4)

## NW Zone

- In-fill drilling (Q1 2012)
- Incremental to total resources
- Potential resource statement (2012)



## Share Structure

## Analyst Coverage

As at June 30, 2011

Shares Outstanding	197.8 M
Options	11.3 M
Fully Diluted	209.1M
Market Cap	~\$1.2 B
Cash (USD)	\$187 M

- Canaccord Capital
- CIBC World Markets
- Edison Investment Research
- GMP Securities
- Haywood Securities Inc.
- RBC Capital Markets
- Paradigm Capital
- TD Securities

# Management & Shareholders

- Cliff Davis, *CEO*
- Peter Hardie, *CFO*
- Scott Trebilcock, *VP BD & IR*

## Directors

- R. Stuart (Tookie) Angus
- Robert Gayton
- Gary German
- Gerard Munera

## Strong Bisha Management Team



## Reporting Holders

- Vanguard 20%
- Franklin Templeton 15%

## Other Significant Holders

- Blackrock
- Van Eck
- JP Morgan
- Oppenheimer
- Jennison
- Baker Steel
- Passport Capital

# Eritrea

**Independence**

1993

**Capital**

Asmara

**Main Port**

Massawa

**Population**

5.8 Million (2010 est.)

**Culture**

50% Islamic, 50% Christian

**Currency**

Pegged to \$ USD

**Nevsun's Presence**

Since 1998

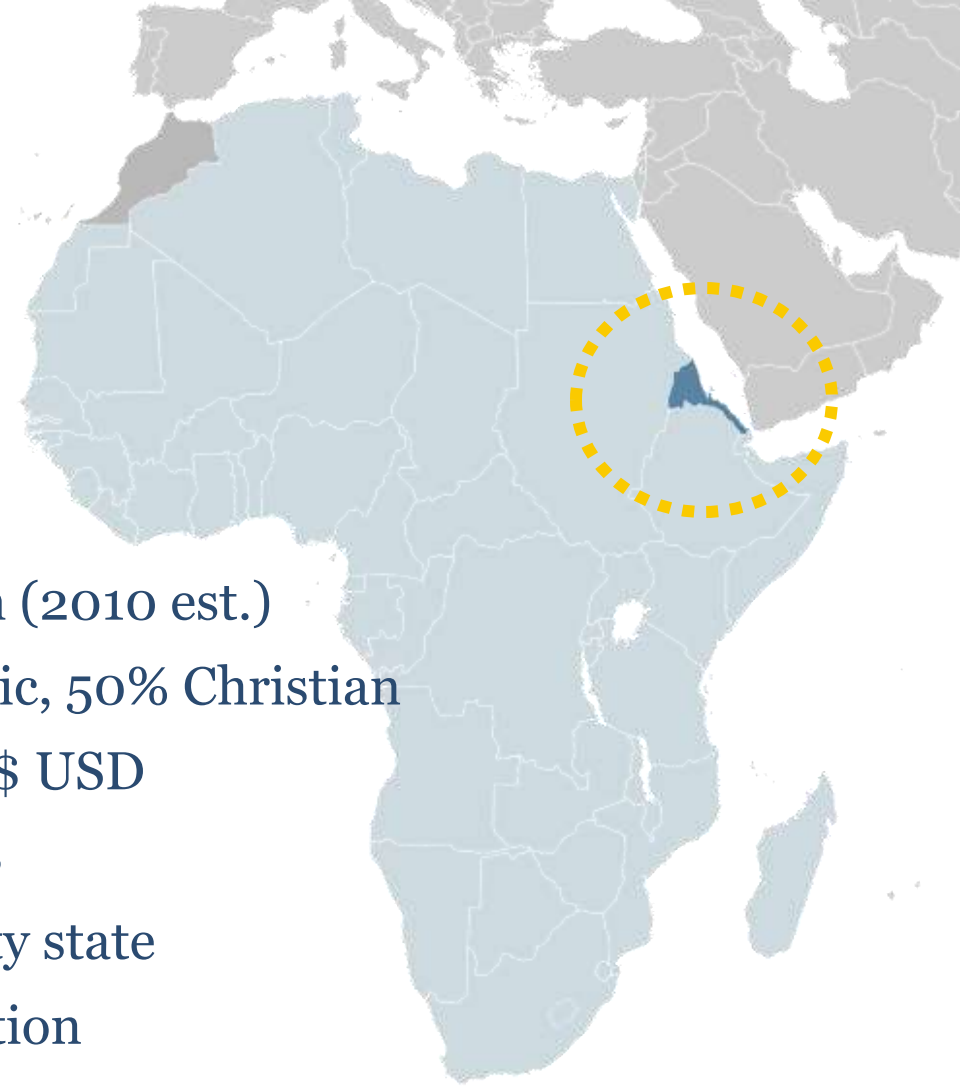
**Politics**

Single party state

No corruption

UN Sanctions

→ No impact on Bisha



# Social Responsibility

- Health and Safety
  - Western safety standards
  - +7 million man-hours with no major injuries
- No local community disturbance
- Employment and training
- Cultural heritage preservation



# 2011 Objectives

- ☑ Achieve commercial production (FEBRUARY)
- ☑ Release reserve restatement (MARCH)
- ☑ Begin copper phase construction (JUNE)
- ☑ Finalize government purchase price (AUGUST)
- ☐ Deliver production and accumulate cash (ONGOING)
- ☐ Complete expansion drill programs (Q4)
- ☐ Release reserve restatement #2 (Q4)
  - ◆ Objective to double reserves in 2011



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