

Nevsun Resources Closes Reservoir acquisition creating a diversified Mid-Tier base metal company

Nevsun Resources announced that it has closed the acquisition of Reservoir Minerals Inc., creating a leading diversified mid-tier base metals company.

The acquisition provides Nevsun with the following:

High quality asset: The Timok Project Upper Zone is a high grade copper-gold development project in a historic mining jurisdiction with excellent local and regional infrastructure.

Geographic diversification: Project location in Serbia expands Nevsun's reach to Europe from Africa.

Resource growth: Contained copper in indicated resources grows 51% from 857 to 1,299 million pounds and inferred resources grow 517% from 426 million pounds to 2,631 million pounds, flow will be used to develop Timok, a strategic, high return project.

Exploration potential: Significant exploration exposure in the prolific Timok Magmatic Complex.

Major Strategic Partners: Freeport-McMoRan on the Lower Zone project at Timok and Rio Tinto on similar exploration projects in the Timok Magmatic Complex.

"The combination of the Upper Zone at Timok and our Bisha mine provides Nevsun with significant growth potential," said Mr. Cliff Davis, Nevsun's President and Chief Executive Officer. "Given our experience as a mine developer, the strength of our balance sheet and the ongoing cash flow generation from Bisha, we have the financial capacity to move the Timok project to production in a timely manner and create value for shareholders and all stakeholders."

Nevsun has acquired all of the outstanding common shares and restricted share units of Reservoir. On closing, Nevsun has 299,710,299 shares issued and outstanding, of which approximately 33% are owned by former Reservoir shareholders. Nevsun retains a strong balance sheet with more than \$200 million in cash and no outstanding debt.

source: nevsunresources.com