



## QUESTIONS AND ANSWERS ABOUT THE ZIJIN OFFER

The information contained below is of a summary nature and therefore is not complete and is qualified in its entirety by the more detailed information contained in the Nevsun Directors' Circular ("Directors' Circular") (dated September 14, 2018), including the appendices in the Directors' Circular, all of which are important and should be reviewed carefully. Capitalized terms used in these questions and answers but not otherwise defined in this Question and Answer section have the respective meanings ascribed thereto in the Glossary set forth in Schedule "A" in the Directors' Circular.

**Q: Why am I receiving the Directors' Circular?**

**A:** On September 4, 2018, Nevsun entered into the Pre-Acquisition Agreement with Zijin Mining pursuant to which Zijin Mining agreed to make the Zijin Offer, subject to the terms and conditions set forth in the Pre-Acquisition Agreement. As a condition to the making of the Zijin Offer, among other things, Nevsun agreed to prepare the Directors' Circular containing the Nevsun Board's unanimous recommendation that Nevsun Shareholders accept the Zijin Offer.

**Q: Should I accept the Zijin Offer?**

**A:** **YES.** The Nevsun Board, based on the unanimous recommendation of the Special Committee, unanimously has concluded that the Zijin Offer is in the best interest of Nevsun, the Nevsun Shareholders and Nevsun's other stakeholders. The Nevsun Board unanimously recommends that Nevsun Shareholders **ACCEPT** the Zijin Offer and **DEPOSIT** their Nevsun Shares to the Zijin Offer.

**Q: Why is the Nevsun Board recommending that I accept the Zijin Offer?**

**A:** The Nevsun Board has made its recommendation for a number of reasons, including:

1. The Zijin Offer recognizes the fundamental and strategic value of Nevsun's portfolio of producing and development assets, underpinned by the world-class Timok deposit;
2. The Zijin Offer represents an attractive premium;
3. The Zijin Offer provides certainty and immediate liquidity to Nevsun Shareholders;
4. The Zijin Offer is the result of a comprehensive, competitive and global process undertaken to maximize shareholder value and is currently the most attractive alternative available to Nevsun and Nevsun Shareholders;
5. Zijin Mining is a leading global mining company with a track record of executing strategic mining transactions worldwide, including with respect to assets in Serbia;
6. The Zijin Offer shows a strong commitment by Zijin Mining to successfully execute the transaction as demonstrated by its agreement to a US\$50 million reverse termination amount held in escrow in Canada;

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7. The Nevsun Board and the Special Committee received separate opinions, dated September 4, 2018, from their respective financial advisors, BMO and Citi, as to the fairness, from a financial point of view and as of the date of such opinions, of the C\$6.00 per Nevsun Share cash consideration offered pursuant to the Zijin Offer;
8. The Zijin Offer is supported by Nevsun's directors and officers; and
9. Under the terms of the Pre-Acquisition Agreement, the Nevsun Board has preserved the ability to respond to unsolicited superior proposals.

**Q: How do I accept the Zijin Offer?**

A: Shareholders who wish to accept the Zijin Offer must properly complete and execute the Letter of Transmittal accompanying the Zijin Circular, and deposit it, together with certificate(s) or DRS Statement(s) representing their Nevsun Shares at or prior to the Expiry Time at the office of the Depository specified in the Letter of Transmittal.

Detailed rules and instructions are contained in the Letter of Transmittal. Alternatively, Nevsun Shareholders may follow the procedure for guaranteed delivery described in section three of the Zijin Circular, "*Manner of Acceptance – Procedure for Guaranteed Delivery*", using the accompanying Notice of Guaranteed Delivery. Nevsun Shareholders whose Nevsun Shares are held in an account with a broker, investment dealer, bank, trust company or other Intermediary should contact their representative if they wish to accept the Zijin Offer.

Nevsun Shareholders will not be required to pay any fee or commission if they accept the Zijin Offer by transmitting their Nevsun Shares directly to the Depository. However, a broker or other Intermediary through whom you own your Nevsun Shares may charge a fee to deposit Nevsun Shares on your behalf. You should consult your broker or other Intermediary to determine whether any charges will apply.

Nevsun Shareholders are invited to contact the Depository at the address and telephone number below for further information regarding how to accept the Zijin Offer.

Computershare Investor Services Inc.  
100 University Avenue  
8th Floor  
Toronto, ON  
M5J 2Y1  
Attn: Corporate Actions  
Toll Free: 1-800-564-6253  
E-Mail: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)

**Q: Who is making the Zijin Offer for my Nevsun Shares?**

A: The Offeror, meaning 1178180 B.C. Ltd., a wholly-owned subsidiary of Zijin Mining, is making the Offer, and was incorporated for the sole purpose of making the Offer.

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Zijin Mining is a diversified mining company incorporated under the laws of the People's Republic of China ("PRC"), and is principally engaged in the exploration, mining, smelting and sale of gold, copper and other metal minerals. It is one of the largest gold producers, the largest zinc producer, the second largest mined-copper producer, and an important tungsten and iron ore producer in the PRC. Zijin Mining currently employs over 21,000 people worldwide with a presence in China, Australia, South Africa, Peru, Russia, Papua New Guinea, Tajikistan, Kyrgyzstan and the Democratic Republic of Congo.

Zijin Mining is dual-listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange with a current capitalization of approximately US\$10 billion.

Zijin Mining has a strong track record of executing strategic mining transactions globally, including strategic partnerships with Toronto-based Barrick Gold Corporation related to the Porgera mine in Papua New Guinea and Vancouver-based Ivanhoe Mines Ltd., related to the Kamo-a-Kakula copper project in the Democratic Republic of Congo. Zijin Mining also successfully completed a board-supported takeover of Norton Gold Fields Ltd., an Australian mining company, in 2015.

**Q: Does Zijin Mining Have the Resources to Pay for my Nevsun Shares?**

A: Yes. The Zijin Offer is not subject to any financing conditions. The Offeror will fund the Zijin Offer, and related expenses associated with the Zijin Offer and the completion of a Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable, out of the cash consideration from the proceeds of the CCBC Facility and the Bank of China Facility.

See "Source of Funds" in Section 8 of the Zijin Circular.

**Q: Is the Offeror's or Zijin Mining's Financial Condition Relevant to my Decision to Tender my Nevsun Shares?**

A: No. We believe that neither the Offeror's nor Zijin Mining's financial condition is material to a Nevsun Shareholder's decision whether to deposit their Nevsun Shares under the Zijin Offer because: (a) cash is the only consideration that will be paid to Nevsun Shareholders in connection with the Zijin Offer; and (b) the Offeror is offering to purchase all of the outstanding Nevsun Shares in the Zijin Offer.

**Q: Will the Directors and Senior Officers of Nevsun tender their Nevsun Shares?**

A: **Yes.** All of Nevsun's directors and senior officers have entered into lock-up agreements with Zijin Mining. Pursuant to such agreements, Nevsun's directors and senior officers have agreed to support the Zijin Offer and to deposit or cause to be deposited under the Zijin Offer, subject to certain terms and condition, all of the Nevsun Shares owned or controlled by them, representing approximately 2.08% of the issued and outstanding Nevsun Shares. Further, Nevsun's directors and senior officers have advised Nevsun of their intention, as of the date of this Directors' Circular, **TO TENDER** their Nevsun Shares to the Zijin Offer.

See "Intention of Directors and Officers with respect to the Zijin Offer" on page 8 of the Directors' Circular.

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**Q: Can I withdraw my Nevsun Shares if I have already tendered them to the Lundin Hostile Bid?**

A: **YES.** According to the Lundin Circular, among other circumstances, you can withdraw your Nevsun Shares at any time before your Nevsun Shares have been taken up by Lundin pursuant to the Lundin Hostile Bid, which cannot occur until November 9, 2018. If you need assistance withdrawing your Nevsun Shares, contact your broker as soon as possible or call Laurel Hill Advisory Group, the strategic shareholder advisor and information agent retained by Nevsun, at 1-877-452-7184 (toll-free in North America), or 1-416-304-0211 (collect calls outside North America), or by email at [assistance@laurehill.com](mailto:assistance@laurehill.com).

See “*How to Withdraw Nevsun Shares Deposited Under the Lundin Hostile Bid*” on page 8 of the Directors’ Circular.

**Q: How long do I have to decide whether to tender to the Zijin Offer?**

A: You have until the Expiry Time, meaning 5:00 p.m. (Toronto time), on December 28, 2018, to tender to the Zijin Offer, unless the Zijin Offer is accelerated, extended or withdrawn. In accordance with Law, if not withdrawn, the Offeror will extend the Zijin Offer for an additional period of 10 days following the Expiry Date and may extend the Zijin Offer for one or more optional extension periods.

See “*Time for Acceptance*” in Section 2 of the Zijin Offer.

**Q: Can the Offeror extend the Zijin Offer?**

A: Yes. The Offeror may elect, in its sole discretion, to extend the Zijin Offer from time to time prior to the Expiry Date or prior to the expiry of any extension thereof.

In accordance with Law, if the Offeror is obligated to take up the Nevsun Shares deposited at the initial Expiry Date, it will extend the period during which Nevsun Shares may be deposited under the Zijin Offer for a 10-day mandatory extension period following the Expiry Date and may extend the deposit period after such 10-day mandatory extension period for one or more optional extension periods. If the Offeror extends the Zijin Offer, it will notify the Depositary and publicly announce such extension or acceleration and, if required by Law, mail you a copy of the notice of variation.

See “*Variation or Change of the Offer*” in Section 5 of the Zijin Offer.

**Q: If I accept the Zijin Offer, when will I receive the offer consideration?**

A: If the conditions of the Zijin Offer are satisfied or waived, and if the Offeror consummates the Zijin Offer and takes up your Nevsun Shares, the consideration for the Nevsun Shares you tendered will be delivered to the Depositary, as representative for you as a registered Nevsun Shareholder, or your nominee, as soon as practicable and in any event no later than three Business Days after the Nevsun Shares are taken up.

In accordance with Law, if the Offeror is obligated to take up such Nevsun Shares, the Offeror will extend the period during which Nevsun Shares may be deposited under the Zijin Offer for the 10-day mandatory extension period following the initial Expiry Date and may extend the deposit period for optional

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extension periods. The Offeror will immediately take up and promptly pay for Nevsun Shares deposited under the Zijin Offer during the 10-day mandatory extension period and any optional extension period.

See “*Take Up and Payment for Deposited Nevsun Shares*” in Section 6 of the Zijin Offer.

**Q: If I do not tender but the Zijin Offer is successful, what will happen to my Nevsun Shares?**

A: If the conditions of the Zijin Offer are otherwise satisfied or waived and the Offeror takes up and pays for the Nevsun Shares validly deposited under the Zijin Offer, the Offeror intends to acquire any Nevsun Shares not deposited under the Zijin Offer: (i) by Compulsory Acquisition, if at least 90% of the outstanding Nevsun Shares are validly tendered under the Zijin Offer and not withdrawn; or (ii) by a Subsequent Acquisition Transaction on the same terms as such Nevsun Shares were acquired under the Zijin Offer, if a Compulsory Acquisition is not available or if the Offeror decides not to proceed with a Compulsory Acquisition.

See “*Purpose of the Offer*” in Section 6 of the Zijin Circular and “*Acquisition of Nevsun Shares Not Deposited Under the Offer*” in Section 15 of the Zijin Circular.

**Q: Following the Zijin Offer, will Nevsun continue as a public company?**

A: If the Zijin Offer and a Compulsory Acquisition or a Subsequent Acquisition Transaction are successful, among other things:

- (a) the Offeror will own all of the equity interests in Nevsun and the Offeror will be entitled to all of the benefits and risks associated with such ownership; and
- (b) Nevsun Shares will no longer be publicly traded and Nevsun will no longer file periodic reports (including, without limitation, financial information) with any securities regulatory authorities.

The purchase of Nevsun Shares by the Offeror pursuant to the Zijin Offer will reduce the number of Nevsun Shares that might otherwise trade publicly as well as the number of holders of Nevsun Shares and, depending on the number of Shareholders depositing and the number of Nevsun Shares purchased under the Zijin Offer, would likely adversely affect the liquidity and market value of the remaining Nevsun Shares held by the public.

The rules and regulations of the TSX and the NYSE MKT establish certain criteria which, if not met, could lead to the delisting of the Nevsun Shares from such exchanges. Among such criteria are the number of holders of Nevsun Shares, the number of Nevsun Shares publicly held and the aggregate market value of the Nevsun Shares publicly held. If a sufficient number of Nevsun Shares are purchased under the Zijin Offer, the Nevsun Shares may fail to meet the criteria for continued listing on the TSX and the NYSE MKT and, in that event, the Nevsun Shares may be delisted from the TSX and the NYSE MKT after completion of the Zijin Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction.

See “*Effect of the Offer on the Market for and Listing of Nevsun Shares, Stock Exchange Listing and Public Disclosure*” in Section 13 of the Zijin Circular.

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**Q: Will I have the right to have my Nevsun Shares appraised?**

A: The completion of a Subsequent Acquisition Transaction may result in Nevsun Shareholders having the right to dissent and demand payment of the fair value of their Nevsun Shares. If the statutory procedures governing dissent rights are available and are complied with, this right could lead to judicial determination of the fair value required to be paid to such dissenting Nevsun Shareholders for their Nevsun Shares.

See “*Acquisition of Nevsun Shares Not Deposited Under the Offer*” in Section 15 of the Zijin Circular.

**Q: Will I have to pay any fees or commissions?**

A: Registered Shareholders will not be obligated to pay any fee or commission if they accept the Zijin Offer by transmitting their Nevsun Shares directly to the Depository. However, an Intermediary through which a Nevsun Shareholder owns Nevsun Shares may charge a fee to tender any such Nevsun Shares on behalf of the Nevsun Shareholder. Nevsun Shareholders should consult such Intermediary to determine whether any charge will apply.

See “*Depository*” in Section 21 of the Zijin Circular.

**Q: What is the market value of my Nevsun Shares as of a recent date?**

A: On September 4, 2018, the closing price of the Nevsun Shares on the TSX was C\$4.94.

The Zijin Offer represents a premium of 21% to the closing price of Nevsun Shares on the TSX on Friday, August 31, 2018. The cash consideration of C\$6.00 is C\$1.25 per share or 26% more than the C\$4.75 per share Lundin Hostile Bid launched on July 26, 2018. In addition, the Zijin Offer represents a premium of 57% over Nevsun’s closing price of C\$3.82 on May 7, 2018, the day Lundin Mining first publicly announced its desire to acquire Nevsun.

See “*Information Concerning the Nevsun Shares*” in Section 12 of the Zijin Circular.

**Q: How will Canadian residents and non-residents of Canada be taxed for Canadian federal income tax purposes?**

A: A Resident Holder who disposes of Nevsun Shares to the Offeror under the Zijin Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received under the Zijin Offer, net of any reasonable costs of disposition, exceeds (or is exceeded by) the aggregate adjusted cost base to the Resident Holder of those Nevsun Shares immediately before the disposition.

Generally, a Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of Nevsun Shares pursuant to the Zijin Offer, unless the Nevsun Shares are “taxable Canadian property” of the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

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**The foregoing is a very brief summary of certain principal Canadian federal income tax considerations and is qualified in its entirety by Section 18 of the Zijin Circular, “Certain Canadian Federal Income Tax Considerations”. Nevsun Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of the Nevsun Shares under the Zijin Offer, a Compulsory Acquisition, a Compelled Acquisition or a Subsequent Acquisition Transaction.**

**Q: How will U.S. Holders be taxed for U.S. Federal Income Tax Purposes?**

A: A U.S. Holder will recognize a capital gain or loss on the disposition of Nevsun Shares pursuant to the Offer equal to the difference between the amount of cash received (determined in U.S. dollars as described below) and such U.S. Holder’s adjusted tax basis in such Nevsun Shares. Such gain or loss generally will be a long-term capital gain or loss if the Nevsun Shares have been held for more than one year. Preferential tax rates may apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust.

**The foregoing is a very brief summary of certain principal United States federal income tax considerations and is qualified in its entirety by Section 19 of the Zijin Circular, “Certain United States Federal Income Tax Considerations”. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of the Nevsun Shares under the Offer, a Compulsory Acquisition, a Compelled Acquisition or a Subsequent Acquisition Transaction.**

**Q: Who do I ask if I have more questions?**

A: Nevsun has retained Laurel Hill Advisory Group as its strategic shareholder advisor and information agent. You should contact your professional advisor or Laurel Hill Advisory Group if you have any questions about the Directors’ Circular or the matters described in the Directors’ Circular. Nevsun Shareholders who would like additional copies, without charge, of this Directors’ Circular, the Zijin Circular, the Letter of Transmittal or the Notice of Guaranteed Delivery or have additional questions should contact their broker or Laurel Hill Advisory Group at 1-877-452-7184 (toll-free in North America), or 1-416-304-0211 (collect calls outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

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