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Nevsun pours first gold at Bisha

Nevsun Resources (NSU-T, NSU-X) has poured its first gold on time and under budget at Bisha, Eritrea's first modern-day mine, the company reported on Jan. 4.

Ramp up to full commercial production will take place over the course of the first quarter.

The maiden gold pour was part of the plant commissioning process and yielded two doré bars or about 920 oz. gold.

"In the face of difficult capital markets during 2008/2009 and other obstacles overcome in 2010, we are proud of this significant accomplishment," Cliff Davis, the company's president, said in a statement.

Nevsun discovered the large precious and base-metal volcanogenic massive sulphide (VMS) deposit in January 2003.

The Main zone is a 1.2-km-long section

characterized by precious metal oxides and base metal-rich (copper and zinc) massive sulphides, and the deposit is configured in three distinct layers.

The Oxide zone is a near-surface gold-silver rich bearing oxide with a reserve of 4.02 million tonnes grading 7.99 grams gold per tonne and 33 grams silver per tonne. This zone reaches from surface down to a depth of 35 metres.

The Supergene zone (35 metres to 65 metres) is a copper-enriched massive sulphide horizon that also contains gold and silver. This zone has a reserve of 6.35 million tonnes of 4.4% copper.

The Primary zone (65 metres to 450 metres) is an underlying primary massive sulphide containing copper and high-grade zinc zones with appreciable gold and silver. The reserve in this zone has been estimated at 9.71 million tonnes of 7.21% zinc plus 1.14% copper.

Nevsun anticipates Bisha will produce 1.06 million oz. gold, 734 million lbs. copper, 1 billion lbs. zinc and 9.4 million oz. silver over the course of its 10-year-plus mine life as an open pit.

The mine will be a low-cost gold producer in the first two years of its lifetime and a low-cost, high-grade copper concentrate and zinc producer in the remaining years.

Gold will be produced at an operating cost of less than US\$250 per oz., with copper operating costs ranging from US\$4¢-US\$67¢ per lb., and zinc operating costs at US\$50¢ per lb.

Eritrea won independence from Ethiopia in 1993.

At presstime in Toronto, Nevsun was trading at \$7.34 per share. Over the last year, it has traded in a range of \$1.98-\$7.54. The company has 195.92 million shares outstanding.



NEVSUN RESOURCES

Pouring gold at Nevsun Resources' Bisha gold mine, 150 km west of Asmara, Eritrea.