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Nevsun hits more copper at Bisha

Vancouver - **Nevsun Resources** (NSU-T) has pulled numerous copper hits from an area just outside the established resource at its producing Bisha mine in Eritrea.

The results were part of a 43-hole, 5,900-metre program exploring the hanging wall copper zone immediately west of the Bisha Main zone. The zone partially falls under the current design for the open pit but is not included in any resources or reserves.

Hole 395, one of the few drilled within the supergene pit outline, returned 30 metres grading 8.55% copper, 1.48 grams gold per tonne, and 62.65 grams silver per tonne from 35 metres depth. The company reports that the hole intersected a lens in the supergene zone not previously identified, possibly an extension of the northwest lens that was faulted off.

Hole 395 was lost in mineralization so Nevsun twinned the hole 3 metres to the south and hit 22 metres grading 4.47% copper from 47 metres. The company drilled two other holes in the area, with one drilled over top of the lens and a second one intersecting 30 metres of supergene enriched massive sulphide, but with results still pending. The supergene zone at Bisha is a high-grade copper section of the Bisha deposit that runs between roughly 35 and 65 metres depth.

Clustered in an area about 150 metres south-southwest of where hole 395 was collared, hole 413 pulled 82.5 metres grading 0.81% copper from 39 metres downhole, hole 398 cut 45.5 metres averaging 0.95% copper from 53 metres depth and hole 411 cut 39.3 metres carrying 1% copper from 66 metres. The holes were all drilled outside both the supergene and the primary pit limits.

Meanwhile the holes collared the furthest west and to the south in the program, including holes 379, 381, 382, 389 and 390, returned no significant mineralization.

Nevsun designed the phase one drill program on the hanging wall zone to establish the extent and continuity of the low-grade copper mineralization in the area. A 3,000-metre phase two program, to start shortly, will concentrate on infill drilling and resource calculation as the company looks at the possibility of using the zone for supplemental feed for the Bisha plant. The company has also completed 16,000 metres of drilling at the Bisha Main deposit, with results expected later this year.

At the Bisha mine, Nevsun produced 93,000 oz. gold in the first full quarter of production at a cash cost of US\$301 per oz., translating to US\$134.7-million in revenue and US\$60.6-million in profit for the quarter.

The State of Eritrea recently agreed to pay Nevsun US\$253.5-million for the government's 30% interest in the project. The money will be paid out from a portion of operating profit from the mine and take about 2 years to pay off, while the government also holds a 10% free-carried interest. The agreed-upon price is based on parameters in a 2007 agreement that established the government's 30% paid participating interest, including a much lower reserve amount.

Today Bisha hosts 4.65 million proven and probable tonnes grading 7.06 grams gold per tonne and 29.56 grams silver in a near-surface oxide layer to be mined in the first two years. The supergene zone below hosts 7.38 million reserve tonnes grading 0.78 gram gold, 32.68 grams silver and 3.9% copper. And finally, the primary zone hosts 16.28 million reserve tonnes grading 0.72 gram gold, 44.4 grams silver, 0.97% copper and 5.4% zinc.

Nevsun's share price closed up 24¢ or 3.6% at \$6.84 the day after the latest drill results. The company has a 52-week share price range between \$4.53 and \$7.54 and 198 million shares outstanding.