

NEVSUN RESOURCES LTD  
Form SC14D1F  
September 14, 2018  
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As filed with the United States Securities and Exchange Commission on September 14, 2018

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**SCHEDULE 14D-1F**

**TENDER OFFER STATEMENT PURSUANT TO RULE 14d-1(b)**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

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**NEVSUN RESOURCES LTD.**

(Name of Subject Company)

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**British Columbia, Canada**

(Jurisdiction of Subject Company's Incorporation or Organization)

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**1178180 B.C. LTD.**

a wholly owned subsidiary of

**ZIJIN MINING GROUP CO. LTD.**

(Bidder)

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**Common Shares**

(Title of Class of Securities)

**64156L101**

(CUSIP Number of Class of Securities)

**D.F. King, an AST Company**

**48 Wall St, New York**

**NY 10005**

**Telephone: 1 (866) 822-1238**

(Name, address (including zip code) and telephone number (including area code)

of person(s) authorized to receive notices and communications on behalf of bidder)

**Copy to:**

**Martin C. Glass  
Jenner & Block LLP  
919 Third Avenue  
New York, NY 10022  
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Bradley A. Freelan  
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333 Bay Street, Suite 2400  
P.O. Box 20, Toronto, ON M5H 2T6  
Tel: (800) 268-8424**

September 14, 2018

(Date tender offer published, sent or given to security holders)

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**CALCULATION OF FILING FEE**

Transaction Valuation(1)	Amount of Filing Fee(2)
U.S.\$1,408,936,133	U.S.\$175,413

(1) Estimated for purposes of calculating the amount of the filing fee only. This calculation assumes the purchase of all outstanding common shares of Nevsun Resources Ltd., at a purchase price of Cdn.\$6 per share, converted to United States dollars at an exchange rate of Cdn. \$1.00 = U.S.\$ 0.7583, which is the closing exchange rate as provided by the Bank of Canada on September 6, 2018. The number of common shares of Nevsun Resources Ltd. outstanding, assuming exercise of all options for such common shares, is estimated to be 309,699,905.

(2) The filing fee was calculated in accordance with General Instruction II.C to Schedule 14D-1F, by multiplying the transaction value by 0.0001245.

o Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

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**PART I INFORMATION REQUIRED TO BE SENT TO SHAREHOLDERS**

**Item 1. Home Jurisdiction Documents**

Offer and Circular, dated September 14, 2018, and the Letter of Transmittal and Notice of Guaranteed Delivery.

**Item 2. Informational Legends**

See Notice to Shareholders in the United States in the Offer and Circular.

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*No securities tendered to the Offer will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised, by the Offeror or any Person acting jointly or in concert with the Offeror) have been tendered to the Offer, (b) the minimum deposit period under the applicable securities laws has elapsed, and (c) any and all other conditions of the Offer have been complied with or waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the Offer in accordance with applicable securities laws and extend the Offer for an additional minimum period of 10 days to allow for further deposits of securities.*

*This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your broker, investment dealer, bank manager, accountant, lawyer or other professional advisor.*

*The Offer has not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is unlawful.*

*The Offer and this document do not constitute an offer or a solicitation to any Person in any jurisdiction in which any such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from, or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.*

September 14, 2018

**1178180 B.C. LTD.**

a wholly owned subsidiary of

**ZIJIN MINING GROUP CO. LTD.**

**OFFER TO PURCHASE FOR CASH**

all of the issued and outstanding Common Shares of

**NEVSUN RESOURCES LTD.**

**C\$6.00 PER NEVSUN SHARE**

1178180 B.C. Ltd. (the **Offeror** ), a wholly owned subsidiary of Zijin Mining Group Co. Ltd. ( **Zijin Mining** ) hereby offers (the **Offer** ) to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding common shares (the **Nevsun Shares** ) of Nevsun Resources Ltd. ( **Nevsun** ), together with any associated rights (the **SRP Rights** ) issued under the shareholder rights plan of Nevsun (the **Shareholder Rights Plan** ) described in Section 17 of the Circular, including Nevsun Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time (as hereinafter defined) of the Offer upon the exercise, conversion or exchange of options, warrants, debentures or other securities of Nevsun that are exercisable for, convertible into or exchangeable for Nevsun Shares, other than the SRP Rights (collectively, the **Convertible Securities** ) at a price of C\$6.00 in cash per Nevsun Share.

**The Offer is open for acceptance until 5:00 p.m. (Toronto time) on December 28, 2018 (the Expiry Time ), unless the Offer is accelerated, extended or withdrawn by the Offeror.**

**Nevsun Board of Directors Recommendation**

**The Board of Directors of Nevsun has UNANIMOUSLY determined that the Offer is in the best interests of Nevsun and is fair, from a financial point of view, to the Shareholders. The Board of Directors of Nevsun UNANIMOUSLY RECOMMENDS that Shareholders ACCEPT the Zijin Mining Offer and DO NOT TENDER to the hostile Lundin Mining Offer.**

**ATTENTION NEVSUN SHAREHOLDERS**

**IF YOU HAVE ALREADY TENDERED YOUR NEVSUN SHARES TO THE LUNDIN MINING OFFER, YOU CAN WITHDRAW YOUR SHARES BY CONTACTING YOUR BROKER OR D.F. KING AT 1-866-822-1238 TOLL FREE IN NORTH AMERICA OR INQUIRIES@DFKING.COM.**

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The Nevsun Shares are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the symbol **NSU** and on the New York Stock Exchange American (the **NYSE MKT**) under the symbol **NSU**.

**The Offer represents a premium of 21% to the closing price of Nevsun Shares on the TSX on Tuesday, September 4, 2018. The cash consideration of C\$6.00 per share is C\$1.25 per share, or 26%, more than the C\$4.75 per share hostile bid for Nevsun launched by Lundin Mining on July 26, 2018. In addition, the 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.**

A Shareholder depositing Nevsun Shares will be deemed to have deposited all SRP Rights associated with such Nevsun Shares. **No additional payment will be made for the SRP Rights, and no part of the consideration to be paid by the Offeror will be allocated to the SRP Rights. See Section 1 of the Offer, The Offer.**

Zijin Mining and Nevsun have entered into a pre-acquisition agreement dated September 4, 2018 (the **Pre-Acquisition Agreement**) pursuant to which the Offeror has agreed to make the Offer and the Nevsun Board of Directors have agreed to endorse and recommend the Offer to the Shareholders, all subject to the conditions set forth in the Pre-Acquisition Agreement. See **Agreements Relating to the Offer - Summary of Pre-Acquisition Agreement** in Section 5 of the Circular.

Pursuant to the lock-up agreements dated September 4, 2018 (the **Lock-up Agreement**) between Zijin Mining and each of the directors and senior officers of Nevsun (the **Locked-up Shareholders**), each of the Locked-up Shareholders has agreed to deposit their Nevsun Shares to the Offer and not withdraw, subject to certain conditions, such Nevsun Shares, representing an aggregate of approximately 2.08% of the issued and outstanding Nevsun Shares on a fully diluted basis. See **Agreements Relating to the Offer - Lock-Up Agreements** in Section 5 of the Circular.

The Offer is subject to the conditions set out in Section 4 of the Offer, **Conditions of the Offer**. The Offer is conditional upon the specified conditions being satisfied, or where permitted, waived at the Expiry Time or such earlier or later time during which Nevsun Shares may be deposited under the Offer, excluding the mandatory 10-day extension period or any extension thereafter, which include: (i) there having been validly deposited under the Offer, and not withdrawn, that number of Nevsun Shares, together with any associated SRP Rights, representing more than 50% of the outstanding Nevsun Shares (excluding those securities beneficially owned, or over which control or direction is exercised, by the Offeror, Zijin Mining or any Person acting jointly or in concert with the Offeror) (the **Statutory Minimum Condition**), which is a non-waivable condition; (ii) there having been validly deposited under the Offer and not withdrawn that number of Nevsun Shares, together with any associated SRP Rights, representing at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding Nevsun Shares (calculated on a fully diluted basis), excluding Nevsun Shares held by the Offeror; (iii) certain Regulatory Approvals having been obtained; and (iv) there not having occurred, prior to the Expiry Date, a Material Adverse Effect (as defined in the Circular) with respect to Nevsun.

Subject to Laws, the Offeror reserves the right to withdraw the Offer and to not take up and pay for any Nevsun Shares deposited under the Offer if any condition of the Offer is not satisfied or waived at or prior to the Expiry Time. Subject to the terms and conditions of the Offer, the Offeror will take up and pay for the Nevsun Shares deposited under the Offer as soon as practicable after the Expiry Time, if not previously withdrawn.

**Shareholders should be aware that, during the period of the Offer, the Offeror and its affiliates may, directly or indirectly, bid for and make purchases of Nevsun Shares or other securities of Nevsun as permitted by Law. See Section 8 of the Offer, Market Purchases .**

Registered Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal, and deposit it, together with the certificate(s) or Direct Registration System statement(s) ( **DRS Statements** ) representing their Nevsun Shares in accordance with the rules and instructions in the Letter of Transmittal. See Section 3 of the Offer, Manner of Acceptance - Letter of Transmittal . Alternatively, Shareholders may accept the Offer by following the procedures for: (i) book-entry transfer of Nevsun Shares set out in Section 3 of the Offer, Manner of Acceptance - Book-Entry Transfer , or (ii) guaranteed delivery set out in Section 3 of the Offer, Manner of Acceptance - Procedure for Guaranteed Delivery , using the accompanying Notice of Guaranteed Delivery.



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Persons 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 Offer, in order to take the necessary steps to be able to deposit such Nevsun Shares under the Offer. Intermediaries likely have established tendering cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.

No broker, dealer, salesperson or other Person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror or the Depositary and Information Agent.

Shareholders will not be obligated to pay any fee or commission if they accept the Offer by transmitting their Nevsun Shares directly to Computershare Trust Company of Canada (the **Depositary**) at the address shown in the Letter of Transmittal, Notice of Guaranteed Delivery and on the last page of this document. However, an Intermediary through which a Shareholder owns Nevsun Shares may charge a fee to tender any such Nevsun Shares on behalf of the Shareholder. Shareholders should consult such Intermediary to determine whether any charge will apply.

Any questions and requests for assistance or additional copies of the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed by the Shareholders to D.F. King, a division of AST Investor Services Inc. (Canada) (the **Information Agent**) at 1-866-822-1238 toll free in North America or by email at [inquiries@dfking.com](mailto:inquiries@dfking.com) or the Depositary at the telephone number and address set out below. You may also contact your broker, investment dealer, commercial bank, trust company or other Intermediary for assistance.

**NOTICE TO HOLDERS OF CONVERTIBLE SECURITIES**

The Offer is made only for Nevsun Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the Convertible Security and subject to Laws, exercise, convert or exchange the Convertible Securities in order to obtain certificate(s) or DRS Statement(s) representing Nevsun Shares and deposit those Nevsun Shares under the Offer. Any such exercise, conversion or exchange must be completed sufficiently in advance of the Expiry Time to assure that the holders of such Convertible Securities will have Nevsun Share certificate(s) or DRS Statement(s) representing the Nevsun Shares issuable upon such exercise, conversion or exchange in time for deposit prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, *Manner of Acceptance - Procedure for Guaranteed Delivery*.

**FORWARD LOOKING STATEMENTS**

The Offer and the Circular, including the letter to Shareholders, Section 4 of the Circular, *Reasons to Accept the Offer*, Section 6 of the Circular, *Purpose of the Offer*, Section 7 of the Circular, *Effect of the Offer*, Section 8 of the Circular, *Source of Funds*, Section 13 of the Circular, *Effect of the Offer on the Market for and Listing of Nevsun Shares; Stock Exchange Listing and Public Disclosure*, Section 15 of the Circular, *Acquisition of Nevsun Shares Not Deposited Under the Offer*, and Section 22 of the Circular, *Expenses of the Offer*, and certain of the other statements made and information contained herein are forward-looking information or forward-looking statements within the meaning of Applicable Securities Laws. Words such as *anticipate*, *assumption*, *believe*, *continue*, *contingent*, *endeavour*, *estimate*, *expect*, *exp*, *feasibility*, *flexibility*, *forecast*, *focus*, *foresee*, *future*, *guidance*, *initiative*, *intend*, *likely*, *model*, *objective*, *opportunity*

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plan , potential , predict , preliminary , project , probable , proposed , prospect , risk , seek , strategy , study , target or uncertainty terminology or statements that certain actions, events or results can , could , may , might , shall , should , would , or will be taken, occur, or be achieved, or the negatives or variations of any of the foregoing terms or expressions, are intended to identify such forward-looking information.

Forward-looking statements include, but are not limited to, statements regarding: the Offer, including the anticipated timing, mechanics, funding, completion, settlement, results and effects of the Offer; Zijin Mining's and the Offeror's plans for Nevsun; the ability of the Offeror to complete the transactions contemplated by the Offer; the benefits of the Offer; reasons to accept the Offer; the purpose of the Offer; the value inherent in the Timok Project and other

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Nevsun assets; the likelihood that the price of the Nevsun Shares will decline to significantly lower levels if the Offer is not successful; expectations regarding the process for obtaining Regulatory Approvals; the tax treatment of Shareholders; intentions to delist the Nevsun Shares and to cause Nevsun to cease to be a reporting issuer; the completion and effects of a Compulsory Acquisition, a Subsequent Acquisition Transaction or another alternative transaction.

Forward-looking information is based on current expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Offeror and Zijin Mining. Forward-looking information is based on various factors and assumptions including, without limitation, the expectations and beliefs of management that the Offeror will be successful in acquiring 100% of the issued and outstanding Nevsun Shares, that all required third party regulatory and governmental approvals to the transaction will be obtained and all other conditions to completion of the transaction will be satisfied or waived, the price of metals, anticipated costs and the ability to achieve goals. Many of these assumptions are based on factors and events that are not within the control of the Offeror or Zijin Mining and there is no assurance they will prove to be correct. Although the Offeror and Zijin Mining believe that the expectations reflected in the forward-looking information and forward-looking statements contained herein are reasonable, such information and statements, by their nature, involve risks and uncertainties and are not guarantees of future performance.

Forward-looking information and forward-looking statements are subject to a variety of known and unknown risks and uncertainties, and ultimately, actual events or results may differ materially from those reflected in the forward-looking information and forward-looking statements. Risks and uncertainties that may impact forward-looking information and forward-looking statements include, without limitation, the ultimate outcome of any possible transaction between the Offeror, Zijin Mining and Nevsun, including: actions taken by Nevsun or by security holders of Nevsun in respect of the Offer, that the conditions of the Offer may not be satisfied or waived by the Offeror at the expiry of the Offer period, the ability of the Offeror to acquire 100% of the Nevsun Shares through the Offer, a Compulsory Acquisition, a Subsequent Acquisition Transaction or another alternative transaction, the ability to obtain Regulatory Approvals and meet other closing conditions to any possible transaction, potential adverse reactions or changes to business relationships resulting from the announcement, pendency or completion of the Offer transaction or any subsequent transaction, competitive responses to the announcement or completion of the Offer, unexpected costs, liabilities, charges or expenses resulting from the Offer, including with respect to transfer taxes, litigation relating to the Offer, any changes in general economic and/or industry-specific conditions, industry risk, geopolitical risk, including but not limited to legislative or regulatory changes, Nevsun's structure and its tax treatment, obtaining necessary approvals, interest rates, dependence on skilled staff, labour or community opposition to the transaction and/or other disruptions, government opposition, changes in capital or securities markets and that there are no inaccuracies or material omissions in Nevsun's publicly available information, and that Nevsun has not disclosed events which may have occurred or which may affect the significance or accuracy of such information.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Offeror has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate, and so readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of the Offer and Circular. Neither the Offeror nor Zijin Mining undertake to update such forward-looking information unless required under Laws.

**NOTICE TO SHAREHOLDERS IN THE UNITED STATES**

**THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ( SEC ) OR ANY STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE**

**SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFER AND THE CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

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**The Offer is made for the securities of a foreign issuer. The Offer is subject to Canadian disclosure requirements and Shareholders should be aware that these disclosure requirements are different from those of the United States.**

**The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that each of Nevsun, the Offeror and Zijin Mining are located in a foreign country, and that some or all of their officers and directors are residents of a foreign country. In addition, it may be difficult for Shareholders in the United States to enforce their rights and any claims they may have arising under United States federal and state securities laws since each of the Offeror and Nevsun is a corporation existing under the laws of British Columbia, Canada and Zijin Mining is a corporation existing under the laws of the People's Republic of China; some or all of the officers and directors of each of the Offeror, Zijin Mining and Nevsun reside outside the United States; and all or a substantial portion of the assets of the Offeror, Zijin Mining and Nevsun are located outside the United States. Shareholders may not be able to sue the Offeror, Zijin Mining, Nevsun or their respective officers or directors in a foreign court for violations of United States federal securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to the jurisdiction and judgement of a United States court.**

**Shareholders should be aware that, during the period of the Offer, the Offeror or its affiliates may, directly or indirectly, bid for or make purchases of Nevsun Shares, or other securities of Nevsun, in each case, as permitted by applicable Law or regulations.**

Nevsun shareholders in the United States should be aware that the disposition of Nevsun Shares by them as described herein may have tax consequences both in the United States and in Canada. Such consequences may not be fully described herein and such holders are urged to consult their tax advisors. See Certain Canadian Federal Income Tax Considerations in Section 18 of the Circular, and Certain United States Federal Income Tax Considerations in Section 19 of the Circular.

### INFORMATION CONCERNING NEVSUN

Except as otherwise indicated, the information concerning Nevsun contained in this Offer and Circular has been taken from or is based upon publicly available documents and records on file with the securities regulatory authorities in Canada and other public sources at the time of the Offer. Although the Offeror, or Zijin Mining, has no knowledge that would indicate that any statements contained herein concerning Nevsun taken from or based upon such documents and records are untrue or incomplete, neither the Offeror, nor Zijin Mining, nor any of their directors or officers assumes any responsibility for the accuracy or completeness of such information, including any of the Nevsun financial statements, or for any failure by Nevsun to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror or Zijin Mining.

*Terms used but not otherwise defined herein are defined in the accompanying Glossary.*

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**QUESTIONS AND ANSWERS ABOUT THE OFFER**

*The following are some of the questions that you, as a shareholder of Nevsun, may have and the Offeror's and Zijin Mining's answers to those questions. The information contained in these questions and answers is a summary only and is not meant to be a substitute for the more detailed description and information contained elsewhere in the Offer and the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Shareholders are urged to read the Offer and the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery in their entirety. Terms defined in the Glossary and not otherwise defined in these questions and answers have the respective meanings given to them in the Glossary, unless the context otherwise requires. Cross references have been included in these questions and answers to other sections of the Offer and Circular where you will find more complete descriptions of the topics mentioned below.*

*Except as otherwise indicated, the information concerning Nevsun contained in this Offer and Circular has been taken from or is based upon publicly available documents and records on file with the securities regulatory authorities in Canada and other public sources at the time of the Offer. Although the Offeror, or Zijin Mining, has no knowledge that would indicate that any statements contained herein concerning Nevsun taken from or based upon such documents and records are untrue or incomplete, neither the Offeror, nor Zijin Mining, nor any of their directors or officers assumes any responsibility for the accuracy or completeness of such information, including any of the Nevsun financial statements, or for any failure by Nevsun to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror or Zijin Mining.*

**WHAT IS THE OFFER?**

The Offeror is offering, subject to the terms and conditions set forth in the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, C\$6.00 in cash for each Nevsun Share.

A Shareholder depositing their Nevsun Shares will be deemed to have deposited any associated rights issued under the Shareholder Rights Plan of Nevsun. No additional payment will be made for the SRP Rights and no part of the consideration to be paid by the Offeror will be allocated to the SRP Rights.

The Offer represents a premium of 21% to the closing price of Nevsun Shares on the TSX on Tuesday, September 4, 2018. The cash consideration of C\$6.00 per share is C\$1.25 per share, or 26%, more than the C\$4.75 per share hostile bid for Nevsun launched by Lundin Mining on July 26, 2018. In addition, the 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 The Offer in Section 1 of the Offer.

**WHO IS OFFERING TO PURCHASE MY NEVSUN SHARES?**

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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. The Offeror is a corporation organized under the Laws of British Columbia. The Offeror's registered office is located at 2900 - 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

Zijin Mining is a diversified mining company principally engaged in the exploration, mining, smelting and sale of gold, copper and other metal minerals and 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 People's Republic of China. Zijin Mining currently has 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 market capitalization of approximately US\$10 billion.

See The Offeror in Section 1 of the Circular.

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**WHAT ARE THE CLASSES OF SECURITIES SOUGHT IN THE OFFER?**

The Offeror is offering to purchase all of the issued and outstanding Nevsun Shares (including any Nevsun Shares to be issued upon exercise, exchange or conversion of the Convertible Securities), together with any associated SRP Rights, meaning those rights issued under the Shareholder Rights Plan of Nevsun dated June 8, 2011. As of September 13, 2018, there were 302,592,672 Nevsun Shares issued and outstanding and 309,749,905 Nevsun Shares on a fully-diluted basis. The Offer includes Nevsun Shares that may become outstanding after the date of this Offer, but before the expiration of the Offer, upon exercise, conversion or exchange of any Convertible Securities. The Offer is not being made for any Convertible Securities or other rights to acquire Nevsun Shares.

Based on the above information, the Offeror understands that, assuming the exercise of all Convertible Securities, 309,749,905 Nevsun Shares would be subject to the Offer.

See The Offer in Section 1 of the Offer.

**WHY ARE YOU MAKING THIS OFFER?**

Zijin Mining continually reviews its position in light of the changing competitive environment in its industry, with the objective of identifying strategic alternatives and other opportunities, including business combination transactions, joint ventures and other commercial transactions, that may be available to complement Zijin Mining's businesses, support its corporate strategy and enhance shareholder value.

Prior to the commencement of the Offer, Zijin Mining and Nevsun engaged in constructive discussions regarding the potential of either entering into a strategic partnership or Zijin Mining acquiring an equity interest in Nevsun. Following the announcement of the hostile takeover bid initiated by Lundin Mining, Zijin Mining and Nevsun commenced negotiations regarding and subsequently entered into (i) the Pre-Acquisition Agreement, whereby the Nevsun Board of Directors has unanimously agreed to recommend to the Shareholders to accept and tender their shares to the Offer, and reject the Lundin Mining Offer, and (ii) Lock-Up Agreements, whereby the Locked-Up Shareholders agreed to deposit and not withdraw, subject to certain conditions, their Nevsun Shares, representing 2.08% of the issued and outstanding Nevsun Shares, to the Offer.

The Offeror is making the Offer because it wants to acquire control of, and ultimately the entire equity interest in, Nevsun. If the Offeror completes the Offer but does not then own 100% of the Nevsun Shares, the Offeror will acquire any Nevsun Shares not deposited to the Offer in a second-step transaction. This transaction would likely take the form of a Compulsory Acquisition or a Subsequent Acquisition Transaction.

See Background to the Offer in Section 3 of the Circular, Reasons to Accept the Offer in Section 4 of the Circular, Purpose of the Offer in Section 6 of the Circular, and Acquisition of Nevsun Shares Not Deposited Under the Offer in Section 15 of the Circular.



**DO YOU HAVE THE RESOURCES TO PAY FOR THE SHARES?**

Yes. The Offer is not subject to any financing conditions. The Offeror will fund the Offer, related expenses associated with the 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 (as defined below) and the Bank of China Facility (as defined below). See **Source of Funds** in Section 8 of the Circular.

**IS THE OFFEROR S OR ZIJIN MINING S FINANCIAL CONDITION RELEVANT TO MY DECISION TO TENDER MY SHARES?**

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

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**WHY ACCEPT THE OFFER?**

The Offeror and Zijin Mining believe that the Offer is compelling, and represents a superior alternative to the Lundin Mining Offer, for the following reasons:

- (a) **Compelling Premium**. The Offer represents a premium of 21% to the closing price of Nevsun Shares on the TSX on Tuesday, September 4, 2018. The cash consideration of C\$6.00 per share is C\$1.25 per share, or 26%, more than the C\$4.75 per share hostile bid for Nevsun launched by Lundin Mining on July 26, 2018. In addition, the 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.
- (b) **Unanimous Recommendation of the Nevsun Board of Directors**. The Nevsun Board of Directors has unanimously approved and recommended that Shareholders accept the Offer and reject the Lundin Mining Offer.
- (c) **Support of Shareholders**. Certain Shareholders, including all of the senior officers and directors of Nevsun, have entered into Lock-Up Agreements pursuant to which they have agreed to deposit to the Offer all Nevsun Shares held by them, representing approximately 2.08% of the issued and outstanding Nevsun Shares on a fully diluted basis, subject to certain terms and conditions of such agreements.
- (d) **Liquidity and Certainty of Value**. The Offer provides a compelling liquidity event and an opportunity for Shareholders to realize cash proceeds and certainty of value for their entire investment.
- (e) **Project Execution and Development Risk**. The Offeror believes that the Offer provides Shareholders with the value inherent in the Timok Project and other Nevsun assets, without the long term risks associated with development and execution. Given the financial prospects of the Timok Project and the region more broadly, Zijin Mining sees potential for the ultimate development of a Serbian copper belt with potential for significant value creation.

See "Reasons to Accept the Offer" in Section 4 of the Circular.

**WHAT DOES THE NEVSUN BOARD THINK OF THE OFFER?**

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The Nevsun Board of Directors has unanimously determined that the Offer is in the best interest of Nevsun and is fair, from a financial point of view, to the Shareholders (other than Zijin Mining, Lundin Mining and their respective affiliates). The Nevsun Board of Directors unanimously recommends that Shareholders accept the Offer.

### **HOW DO I PROCEED IF I HAVE ALREADY DEPOSITED MY NEVSUN SHARES TO THE LUNDIN MINING OFFER?**

You can withdraw your Nevsun Shares at any time before your Nevsun Shares have been taken up by Lundin Mining pursuant to the Lundin Mining Offer. The Lundin Mining Offer is currently scheduled to expire on November 9, 2018. If you have already tendered your shares to the Lundin Mining Offer, you can withdraw your shares by contacting your broker or D.F. King at 1-866-822-1238 toll free in North America or [inquiries@dfking.com](mailto:inquiries@dfking.com)

### **WHAT ARE THE MOST IMPORTANT CONDITIONS TO THE OFFER?**

The Offer is conditional upon the specified conditions being satisfied, or where permitted, waived at 5:00 p.m. (Toronto time) on December 28, 2018 or such earlier or later time during which Nevsun Shares may be deposited under the Offer, excluding the 10-day Mandatory Extension Period or any extension thereafter, including:

- (a) Shareholders must validly tender and not withdraw before the expiration of the Offer that number of Nevsun Shares that would represent more than 50% of the total number of outstanding Nevsun Shares (excluding those securities beneficially owned, or over which

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control or direction is exercised, by the Offeror, Zijin Mining or any Person acting jointly or in concert with the Offeror). This condition cannot be waived by the Offeror.

(b) The Pre-Acquisition Agreement shall not have been terminated in accordance with its Terms.

(c) Certain Regulatory Approvals having been obtained and/or waiting periods expired that the Offeror considers necessary or desirable in connection with the Offer.

(d) There not having occurred, prior to the Expiry Date, a Material Adverse Effect with respect to Nevsun.

The Offer is subject to certain other conditions in addition to those listed above. A more detailed discussion of the conditions to the consummation of the Offer can be found in Conditions to the Offer in Section 4 of the Offer. The Offer is not subject to any financing condition.

**HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER TO THE OFFER?**

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

See Time for Acceptance in Section 2 of the Offer.

**CAN YOU EXTEND THE OFFER?**

Yes. The Offeror may elect, in its sole discretion, to extend the 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 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 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 Offer.

**HOW DO I ACCEPT THE OFFER AND TENDER MY NEVSUN SHARES?**

Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal, 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 Depositary specified in the Letter of Transmittal. Detailed rules and instructions are contained in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery described in Section 3 of the Offer, Manner of Acceptance - Procedure for Guaranteed Delivery using the accompanying Notice of Guaranteed Delivery. 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 Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by transmitting their Nevsun Shares directly to the Depositary. 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.

Shareholders are invited to contact the Depositary or D.F. King at 1-866-822-1238 toll free in North America or [inquiries@dfking.com](mailto:inquiries@dfking.com) for further information regarding how to accept the Offer.

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See Manner of Acceptance in Section 3 of the Offer.

**IF I ACCEPT THE OFFER, WHEN WILL I RECEIVE THE OFFER CONSIDERATION?**

If the conditions of the Offer are satisfied or waived, and if the Offeror consummates the Offer and takes up your Nevsun Shares, the consideration for the Nevsun Shares you tendered will be delivered to the Depository as representative for you as a registered 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 Offer for the 10-day Mandatory Extension Period following the initial Expiry Date and may extend the deposit period for Optional Extension Periods. The Offeror will immediately take up and promptly pay for Nevsun Shares deposited under the 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 Offer.

**CAN I WITHDRAW MY PREVIOUSLY TENDERED NEVSUN SHARES?**

Yes. You may withdraw Nevsun Shares previously tendered by you at any time (i) before Nevsun Shares deposited under the Offer are taken up by the Offeror, (ii) if your Nevsun Shares have not been paid for by the Offeror within three Business Days after having been taken up by the Offeror, and (iii) in certain other circumstances.

See Withdrawal of Deposited Nevsun Shares in Section 7 of the Offer.

**HOW DO I WITHDRAW PREVIOUSLY TENDERED NEVSUN SHARES?**

To withdraw Nevsun Shares that have been tendered, you must deliver a written notice of withdrawal with the required information to the Depository while you still have the right to withdraw the Nevsun Shares. Alternatively, if Nevsun Shares have been deposited pursuant to the procedures for book-entry transfer, as set out under Section 3 of the Offer, Manner of Acceptance - Book-Entry Transfer, any notice of withdrawal must specify the name and number of the account at CDS, to be credited with the withdrawn Nevsun Shares and otherwise comply with the procedures of CDS.

See Withdrawal of Deposited Nevsun Shares in Section 7 of the Offer.

**IF I DO NOT TENDER BUT THE OFFER IS SUCCESSFUL, WHAT WILL HAPPEN TO MY NEVSUN SHARES?**

If the conditions of the Offer are otherwise satisfied or waived and the Offeror takes up and pays for the Nevsun Shares validly deposited under the Offer, the Offeror intends to acquire any Nevsun Shares not deposited under the Offer: (i) by Compulsory Acquisition, if at least 90% of the outstanding Nevsun Shares are validly tendered under the Offer and not withdrawn; or (ii) by a Subsequent Acquisition Transaction on the same terms as such Nevsun Shares were acquired under the 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 Circular and Acquisition of Nevsun Shares Not Deposited Under the Offer in Section 15 of the Circular.

**FOLLOWING THE OFFER, WILL NEVSUN CONTINUE AS A PUBLIC COMPANY?**

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

(a) the Offeror will own all of the equity interests in Nevsun and the Offeror will be entitled to all the benefits and risks of loss associated with such ownership; and

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(b) Nevsun 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 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 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 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 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 Circular.

**WILL I HAVE THE RIGHT TO HAVE MY NEVSUN SHARES APPRAISED?**

The completion of a Subsequent Acquisition Transaction may result in 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 Shareholders for their Nevsun Shares.

See Acquisition of Nevsun Shares Not Deposited Under the Offer in Section 15 of the Circular.

**WILL I HAVE TO PAY ANY FEES OR COMMISSIONS?**

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

See Depositary in Section 21 of the Circular.



**WHAT IS THE MARKET VALUE OF MY NEVSUN SHARES AS OF A RECENT DATE?**

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

The Offer represents a premium of 21% to the closing price of Nevsun Shares on the TSX on Tuesday, September 4, 2018. The cash consideration of C\$6.00 per share is C\$1.25 per share, or 26%, more than the C\$4.75 per share hostile bid for Nevsun launched by Lundin Mining on July 26, 2018. In addition, the 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 Circular.

**HOW WILL CANADIAN RESIDENTS AND NON-RESIDENTS OF CANADA BE TAXED FOR CANADIAN FEDERAL INCOME TAX PURPOSES?**

A Resident Holder who disposes of Nevsun Shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received under the 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.

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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 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.

**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 Circular, Certain Canadian 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.**

**HOW WILL U.S. HOLDERS BE TAXED FOR U.S. FEDERAL INCOME TAX PURPOSES?**

A U.S. Holder will recognize 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 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 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.**

**WHOM CAN I CALL WITH QUESTIONS?**

You can call or email the Information Agent if you have questions or requests for additional copies of the Offer and Circular.

**North American Toll Free: 1-866-822-1238**

**Outside North America: 1-212-771-1133**

Email: [inquiries@dfking.com](mailto:inquiries@dfking.com)

