

WHEREAS, a consolidated action is pending before this Court entitled *In re: Nevsun Resources Ltd.*, Civ. Action No. 12 Civ. 1845 (PGG) (the “Action”);

WHEREAS, (i) Plaintiffs Craig F. Piazza and Scott F. Colebourne (collectively, “Plaintiffs”), on behalf of themselves and the Class; and (ii) Defendants Nevsun Resources Ltd. (“Nevsun”), Clifford T. Davis, Peter J. Hardie, and Scott Trebilcock (collectively, “Defendants”) have entered into a Stipulation and Agreement of Settlement dated May 1, 2014, 2014 (the “Stipulation”), which, together with the exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the Action, for the release of all Released Claims against the Released Parties, and for dismissal of the Action with prejudice upon the terms and conditions set forth in the Stipulation, subject to approval of this Court (the “Settlement”);

WHEREAS, unless otherwise defined herein, all defined terms herein shall have the same meanings as set forth in the Stipulation;

WHEREAS, Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the Stipulation and approving notice of the proposed Settlement to Class Members as more fully described herein; and

WHEREAS, the Court having read and considered the Stipulation and the respective exhibits thereto, including the proposed (a) Notice; (b) Claim Form; (c) Summary Notice; and (d) Judgment and the submissions relating thereto, and finding that substantial and sufficient grounds exist for entering this Order. NOW, THEREFORE, IT IS HEREBY ORDERED:

1. **Class Certification** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, the Action is hereby preliminarily certified as a class action on behalf of all Persons who purchased or otherwise acquired Nevsun

common stock from March 28, 2011 through February 6, 2012, inclusive, on the New York Stock Exchange or any other U.S. trading platform, and claim to have suffered losses as a result of such purchase or acquisition. Excluded from the Class are: (i) Defendants; (ii) any parent or subsidiary of Nevsun; (iii) any present or former director or officer of Nevsun; (iv) any legal representatives, heirs, successors and assigns, and members of the Immediate Family of each Individual Defendant; (v) any firm, trust, corporation or other entity in which any Defendant has or had a majority ownership interest, except for any Investment Vehicle; and (vi) those persons or entities who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice.

2. Also excluded from the Class are those persons who file valid and timely requests for exclusion in accordance with this Order of Preliminary Approval of Settlement (“Preliminary Approval Order”).

3. The Court finds, preliminarily and for purposes of Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members of the Class is impracticable; (b) there are questions of law and fact common to each of the Class; (c) the claims of the Lead Plaintiff are typical of the claims of the Class he seeks to represent; (d) the Lead Plaintiff will fairly and adequately represent the interests of the Class; (e) questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, preliminarily and for the purposes of Settlement only, Lead Plaintiff is appointed as the class representative on behalf of the Class, and Kaplan Fox & Kilsheimer LLP and Rigrodsky & Long, P.A. are hereby appointed as Lead Counsel for the Class.

5. Lead Counsel has the authority to enter into the Stipulation on behalf of Lead Plaintiff and the Class, and is authorized to act on behalf of Lead Plaintiff and the Class, with respect to all acts or consents required by or that may be given pursuant to the Stipulation, such as other acts that are reasonably necessary to consummate the Settlement.

6. **Preliminary Approval of Settlement** – The Court does hereby preliminarily approve the Settlement, as embodied in the Stipulation, as being fair, reasonable and adequate as to Class Members, subject to further consideration at the Settlement Hearing to be conducted as described below.

7. **Settlement Hearing** – A hearing (the “Settlement Hearing”) shall be held before this Court on January 22, 201~~4~~, at 10:00 a.m., at the United States District Court for the Southern District of New York, the Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007, for the following purposes: (a) to determine whether the Court should grant certification of the Class solely for the purposes of the Settlement; (b) to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class, and should be approved by the Court; (c) to determine whether a Judgment substantially in the form attached as Exhibit B of the Stipulation should be entered dismissing the Action with prejudice against the Defendants; (d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved by the Court; (e) to determine any amount of

attorneys' fees and expenses that should be awarded to Lead Counsel; (f) to determine any award to Lead Plaintiff for his representation of the Class; and (g) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Class Members as set forth in Paragraph 8 of this Order.

8. **Approval of Form and Content of Notice** – The Court approves the form and content of the Notice, the Proof of Claim Form, and the Summary Notice annexed to the Stipulation as Exhibits A-1, A-2, and A-3, respectively. The Court further finds that the mailing and distribution of the Notice and Claim Form and the publication of the Summary Notice in the manner and form set forth in Paragraph 9 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise the Class Members of the pendency of the Action, the effect of the proposed Settlement (including the releases contained therein) and of their right to object to the proposed Settlement, exclude themselves from the Class and appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 77z-1(a)(7), § 78u-4(a)(7), and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

9. **Retention of Claims Administrator and Manner of Notice** – Pursuant to Rule 53(c) of the Federal Rules of Civil Procedure, the Court appoints Garden City Group, Inc. (“Claims Administrator”) to supervise and administer the notice procedure as well as the

processing of claims as more fully set forth below. Notice of the Settlement and the Settlement Hearing shall be given as follows:

a. Not later than 21 days after the date of this Order (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Proof of Claim Form substantially in the forms annexed as Exhibits A-1 and A-2 to the Stipulation, to be mailed by first class mail to all Class Members who can be identified with reasonable effort; and to be posted on its website at <http://www.gcginc.com/>;

b. Not later than 30 calendar days after the date of this Order, the Claims Administrator shall cause the Summary Notice substantially in the form annexed as Exhibit A-3 to the Stipulation, to be published once in *Investor’s Business Daily* and to be transmitted over *PR Newswire*;

c. Not later than 21 days after the date of this Order, the Claims Administrator shall post on its website, the Stipulation, Notice and the Proof of Claim Form; and

d. Not later than 14 days before the Settlement hearing, Lead Counsel shall serve on Defendants’ counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

10. **Broker and Nominee Procedures** – Nominees, brokers or omnibus account holders who purchased shares of Nevsun common stock for the benefit of another Person during the period of March 28, 2011 through February 6, 2012, inclusive, on the New York Stock Exchange or any other U.S. trading platform, shall be requested to forward the Notice and the Proof of Claim Form (together, the “Notice Packet”) to all such beneficial owners of shares of Nevsun within twenty (20) calendar days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within twenty (20) calendar

days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Upon full compliance with this Order, such brokers or nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Fund in accordance with the provisions of the Stipulation. Lead Counsel shall promptly bring to this Court's attention and request a conference or a ruling from the Court where necessary on any issues relating to a nominee, broker or omnibus account's duty and obligation to provide to the Claims Administrator beneficiary or a subaccount holder's identity and transactional information in a usable, economic and efficient form.

11. All fees, costs, and expenses incurred by the Claims Administrator or Lead Counsel in identifying and notifying members of the Class shall be paid from the Settlement Fund.

12. All members of the Class shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Class.

13. **Participation in Settlement** – Class Members who wish to participate in the Settlement and receive a distribution from the Net Settlement Fund must complete, sign, and return the Proof of Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim Forms must be postmarked no later than ninety (90) days from the Notice Date. Any Class Member who does not timely submit a Proof of Claim Form within the time provided shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court, but shall

nevertheless be bound by any final judgment entered by the Court. Notwithstanding the foregoing, Lead Counsel shall have the discretion to accept late-submitted Proof of Claim Forms for processing by the Claims Administrator so long as distribution of the Net Settlement Fund to the Class is not materially delayed as a result of such acceptance. By submitting a Proof of Claim Form, a person or entity shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim and the subject matter of the Settlement.

14. Each Proof of Claim Form submitted must satisfy the following conditions: (a) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (c) if the person executing the Proof of Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Class Member must be included in the Proof of Claim Form to the satisfaction of Lead Counsel or the Claims Administrator; and (d) the Proof of Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

15. Any Class Member that does not timely and validly submit a Proof of Claim Form or whose claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her or its right to share in the Net Settlement Fund; (b) shall forever be barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all proceedings, determinations, orders and judgments in the Action relating

thereto, including, without limitation, the Judgment and the releases provided for therein, whether favorable or unfavorable to the Class; and (d) will be fully and forever barred from commencing, maintaining or prosecuting any of the Released Claims against each and all of the Released Parties as defined in the Stipulation, as more fully described in the Notice.

16. **Exclusion From the Class** – Any Class Member may, upon request, be excluded or “opt out” from the Class. Any Class Member who wishes to exclude himself, herself or itself from the Class must submit to the Claims Administrator a request for exclusion in writing within the time and in the manner set forth in the Notice (“Request for Exclusion”). A Request for Exclusion must be signed by the Person requesting exclusion or an authorized representative and state: (i) the name, address, and telephone number of the Person requesting exclusion; (ii) that such Person “requests exclusion from the Class in “*In re: Nevsun Resources Ltd.*, Civ. Action No. 12 Civ. 1845 (PGG)”; (iii) the number of shares of Nevsun common stock purchased on the New York Stock Exchange or any other U.S. trading platform the Person held on the day prior to the start of the Class Period; (iv) the Person’s purchases or acquisitions of shares of Nevsun common stock on the New York Stock Exchange or any other U.S. trading platform, during the Class Period, including the dates of such purchases, the number of shares of Nevsun common stock purchased or acquired, and price paid for each such purchase; and (v) the Person’s sales or dispositions of Nevsun common stock during the Class Period that were purchased on the New York Stock Exchange or any other U.S. trading platform, including the dates of such sales, the number of shares of Nevsun common stock sold, and price received for each such sale. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this

Order shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any Final Judgment.

17. Lead Counsel shall cause to be provided to Defendants' counsel copies of all Requests for Exclusion, as well as any written revocations of previous requests for exclusion referenced in Paragraph 16, as expeditiously as possible and in any event no later than twenty eight (28) days prior to the Settlement Hearing.

18. Any Class Member who or which does not timely and validly request exclusion from the Class in the manner stated in this Order: (a) shall be deemed to have waived his, her or its right to be excluded from the Class in this or any other proceeding; (b) shall be fully and forever barred from requesting exclusion from the Class; (c) shall be bound by the provisions of the Stipulation and Settlement, all proceedings, determinations, orders and judgments in the Action, including, but not limited to, the Judgment and the releases provided for therein, whether favorable or unfavorable to the Class; and (d) will be fully and forever barred from commencing, maintaining or prosecuting any of the Released Claims, as defined in the Stipulation, against any of the Released Parties, as defined in the Stipulation and covered by the Judgment entered, as more fully described in the Notice.

19. **Appearance and Objections at Settlement Hearing** – Any Class Member who does not request exclusion from the Class may enter an appearance in the Action, at his, her, or its own expense, individually or through counsel of his, her, or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to both Lead Counsel and Defendants' Counsel as set forth in Paragraph 20 below such that it is received no later than twenty (20) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Class Member who does not enter an appearance will be represented by Lead Counsel.

20. Any Class Member who does not request exclusion from the Class may appear and show cause, if he, she, or it has any reason why the proposed settlement of the Action should not be approved as fair, reasonable and adequate, or why a Judgment should not be entered thereon, why the Plan of Allocation should not be approved, why attorneys' fees and expenses should not be awarded to Lead Counsel or an award to Lead Plaintiff for his representation of the Class; provided, however, that no Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the Judgment to be entered thereon approving the same, or the order approving the Plan of Allocation, or any attorneys' fees and expenses to be awarded to Lead Counsel, or award to Lead Plaintiff, unless written objections in the manner provided in the Notice and copies of any papers and briefs are received by Jeffrey P. Campisi, Kaplan Fox & Kilsheimer LLP, 850 Third Avenue, 14th Floor, New York, New York 10022 and Timothy J. MacFall, Rigrodsky & Long, P.A., 825 East Gate Boulevard, Suite 300, Garden City, NY 11530, and said objections, papers and briefs are filed with the Clerk of the United States District Court for the Southern District of New York, no later than 20 days prior to the Settlement Hearing.

21. Any objections, filings and other submissions by the objecting Class Member must contain a statement of his, her or its objections, as well as the specific reasons for each objection, including the legal and evidentiary support the Class Member wishes to bring to the Court's attention and documents sufficient to prove the number of shares of Nevsun common stock that the objecting Class Member purchased and sold during the Class Period on the New York Stock Exchange or any other U.S. trading platform, as well as the dates and prices of each

such purchase and/or sale, and the exchange or trading platform on which each purchase and/or sale was executed.

22. Any Member of the Class who does not make his, her or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the proposed Settlement, the proposed Plan of Allocation, any award of attorneys' fees and expenses to Lead Counsel, any payment of an award to Lead Plaintiff for his representation of the Class, and shall forever be foreclosed from otherwise being heard concerning the Settlement, the Plan of Allocation, the requested attorneys' fees and expenses, or any requested award to Lead Plaintiff in this or any other proceeding.

23. **Settlement Fund** – All funds held by the Escrow Agent, including the contents of the Settlement Fund, shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

24. All papers in support of the settlement, Plan of Allocation and any application by Lead Counsel for attorneys' fees and expenses shall be filed and served no later than 28 days prior to the Settlement Hearing and any reply papers shall be filed and served seven (7) calendar days prior to the Settlement Hearing.

25. Neither Defendants nor their Related Parties shall have any responsibility for the Plan of Allocation or any application for attorneys' fees or expenses submitted by Lead Plaintiff and Lead Counsel, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the settlement.

26. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Counsel, any application for attorneys' fees and expenses, and any award to Lead Plaintiff for his representation of the Class, should be approved.

27. **Settlement Administration Fees and Expenses** – All reasonable expenses incurred in identifying and notifying Class Members as well as administering the Settlement Fund shall be paid as set forth in the Stipulation. In the event the Court does not approve the settlement, or it otherwise fails to become effective, neither Lead Plaintiff nor Lead Counsel shall have any obligation to repay any amounts actually and properly incurred or disbursed pursuant to ¶ 12 or ¶ 36 of the Stipulation.

28. **Use of this Order** – Defendants have denied any liability, fault, or wrongdoing of any kind in connection with the allegations in the Action, and as such, neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Defendants of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind. This Order, the proposed Settlement, the Stipulation, and any and all of their respective terms (and all negotiations, discussions and proceedings in connection therewith): (a) shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum, or other tribunal other than as may be necessary to enforce the terms of this Order and/or the proposed Settlement; (b) shall not be described as, construed as, interpreted as or offered or received against the Defendants as evidence of and/or deemed to be evidence of any presumption, concession, or admission of wrongdoing by the Defendants as to any liability, negligence or fault, on their part or the validity of any claim by Lead Plaintiff or the merits of any of their defenses; and (c) shall not be described as, construed

as, interpreted as, or offered or received against Lead Plaintiff or any other Class Member as evidence of any infirmity in the claims of Lead Plaintiff and the Class or that the damages recoverable from the Defendants would not have exceeded the Settlement Amount.

29. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the members of the Class, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the proposed Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Class.

30. **Stay** – All proceedings in this Action are stayed until further Order of this Court, except as may be necessary to implement the Settlement, comply with the terms of the Stipulation, and/or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Lead Plaintiff, all Class Members, and each of them, and anyone who purports to act on their behalf, shall not institute, commence, or prosecute, either directly, indirectly, representatively or in any other capacity, any action that asserts Released Claims, as defined in the Stipulation, against each and all of the Released Parties, as defined in the Stipulation.

31. If (a) the Stipulation is terminated by Defendants as provided in ¶ 35 of the Stipulation; or (b) any specified term or condition of the Settlement as set forth in the Stipulation is not satisfied and Lead Counsel or Defendants elect to terminate the Settlement as provided in the Stipulation, then, in any such event, ¶ 36 of the Stipulation shall apply, this Order may not be introduced as evidence or referred to in any actions or proceedings by any Person or entity, and each party shall be restored to his, her or its respective position in this Action as it existed as of April 10, 2014.

32. The Court retains jurisdiction over the Litigation to consider all further matters arising out of or connected with the proposed Settlement.

IT IS SO ORDERED.

DATED: October 3, 2014

Paul P. Gardephe
THE HONORABLE PAUL P. GARDEPHE
UNITED STATES DISTRICT JUDGE *pm*