

BMSC's Quarterly Newsletter









06 WE ARE THE PEOPLE







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SAFETY AND OCCUPATIONAL HEALTH



BMSC Believes:

Nothing is more important to BMSC's management than the Safety, Health and Wellbeing of its workers and their families.

All injuries and occupational illnesses are preventable and there is not a job worth doing in an unsafe way. NONE! Hence, no fatality was incurred at Bisha thus far, including during the construction phases.

Items	YTD as of June 2017
TRIFR	0.65
LTIFR	0.18
HPI	6
LTI	3
MTC / RW	8
FAI	9
Injury Free Days Since Last LTI	35
Hours worked since last LTI	690,460





MONTHLY SAFETY CHAMPION

Ghirmay Embaye

This is awarded to an individual(s) in the company who demonstrates exceptional safety leadership, exceptional work in promoting safety, develops an innovative idea, or makes a significant improvement in the safety culture of the mine.

REASON FOR NOMINATION AND SUPPORTING STATEMENTS

Ghirmay Embaye, Rig Maintenance Crew Leader, has shown diligence and self-initiation at occupational safety in the HME Rig section. He is highly committed in identifying and avoiding hazards on his workplace. He provides safety presentation at the workshop safety toolbook; and observations of the workshop safety and makes sure they are availated of any safety notifications. Thank you for your contribution in safety and accepting responsibility.

Well done **Ghirmay** for being Courageous Safety Leader at the Bisha Mine. Everyone going home safe and healthy every day.



Laboratory and the second		SIGNED		
Person		Signature	Date	
S&OH Manager;	Signature:	Goten	Date: 20/2/17	
A/General Manager:	Signature:	Get tiil	Date: 21/2/17.	



HOUSEKEEPING CHAMPION

Exploration Department

(February 2017)

The Safety and Health of all Employees and Contractors working at the Bisha Mine is of primary concern to Management. It is the responsibility of every person to ensure workplaces are kept clean and next – always...l.

Maintaining good Housekeeping has been observed at the Exploration work area. The team's commitment to install the discipline required to enable each individual to achieve and maintain an outstanding work environment was adopted through cleave displicit dealing behavior.

eping is not only unsafe but a waste of our company's resources and assets.









S&OH Manager: General Manager:

Date: 24/3/2017 Date: 24/3//7



MESSAGE FROM THE GENERAL MANAGER



This first edition of the Bisha magazine for Bisha employees and the wider community is a welcome development. So the first message is one of congratulations to Milena and her team in compiling and issuing this. I am sure it is of great interest to employees and others that our safety per-formance in an overall sense remains good, despite a total of 3 LTI's in 2017 so far.

I thank you all for generally working safely and encourage you to do even more in this area so our results continue to improve but above all we need to avoid injuries; remember our safety statement: "Everyone going home safe and healthy everyday". This is our guiding principle.

The zinc plant commenced operations on 7 June 2016 and after a difficult 6 months making bulk and zinc concentrates only we successfully made copper

and zinc concentrates from late January 2017. While there is still some way to go to fully achieve the plant design we are moving steadily in the right direction and we have international consultants as well as Bisha teams working on these issues to ensure we examine all aspects to find a permanent solution. The need for specific ore to be fed to the plant has made life difficult for all the Production Engine departments and they have done well to deal with the problems of this orebody. More work is needed in primarily Technical Services and Mining to learn more about the zinc orebody.

In all areas, Production Engine (Technical Services, Mining, Processing, Metallurgical Technical Services, Engineering, Projects) FICTS (Finance, IT, Commercial and Supply, Employee Services (Human Resources, Training and Development, Security, Medical Services, Village Services, PCR (Public and Community Relations), Safety, Environment and Exploration have all done an excellent job in meeting or exceeding their required performance targets safely and well. Of interest, no doubt, is the fact that we recently reopened the Erab camp as the main camp was becoming overcrowded. The occupants of this camp are Mining Load and Haul and Drill and Blast and some HME personnel.

In the social area, I was pleased to see the sporting efforts of all employees at the independence celebration competitions. Congratulations to the winners and to all competitors - remember it is much better to take part than not - and also many congratulations to Eritrea on the occasion of the 26th anniversary of her independence. Recently, we heard also that Asmara has gained international heritage site status. Congratulations to Asmara and Eritrea - this is also well deserved.

The recent major event of keen interest to national employees was the establishment of the Bisha Union, which is the first such Union in the Mining Industry. I look forward to the Union and Management working together for the future benefit of Bisha. Congratulations to all involved and in particular to the Services team under Chief Services Officer, Fesseha Ghebrehiwet, who worked hard to make this happen.

I trust you find this magazine interesting and useful and it helps you get a little more out of an association with Bisha.

Best Wishes Ed



Short Background?

I am Zambian, 29 years old and have been in the mining industry for 7 years.

How did you get into mining?

I always loved Chemistry and in my first year of undergrad the School of Mines at the University of Zambia gave a career talk. I came across metallurgy and gained an understanding of how chemistry can be applied to mineral extraction so I majored in Metallurgy and Mineral *Processing.* Fast forward 7 years later and here I am.

Why Bisha? ...and what has Bisha meant to you since joining?

Why not Bisha? I was looking for a different challenge and I found that at Bisha. The ore here is amazingly complex and no two days are the same. In that way Bisha has meant being open to continuously learning new things, but most importantly knowing how to quickly adapt. On a personal level, Bisha has allowed me to meet amazing people and forge friendships that will hopefully last a lifetime.

What's your favorite part of working here and how do you see yourself contributing to the company?

My favourite part is definitely my interaction with the young graduate trainees in our team. I see so much potential and hard work there and I think being in a position where I help nurture that potential and convert it into top notch process engineers that add to the Bisha value chain makes up a big part of my contribution.

Also... the coffee. I've had some of the best coffee here thanks to the ceremonies I've been lucky enough to be invited to.

Something fun about vour PP team...

How well we all get along. That's definitely the best part.

Something fun about you...

I like cycling. I also consider myself somewhat of a secret adrenalin junkie. I like adventure and I am always up for trying something thrilling; Bungee jumping, quad biking etc. Next up



FEATURED STORY: EXPLORING THE EXPLORERS



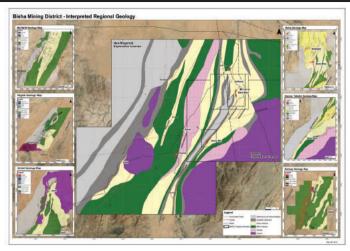
The Exploration Department has been actively working to discover new mineral resources within the Bisha exploration licenses as well as resource expansion of Bisha and three previously and recently discovered satellite deposits (Harena, Hambok and Asheli). The Department employs modern scientific technology to acquire, investigate and store exploration data. Airborne and ground geophysical survey, geochemical analysis of all kinds of samples (drill core, whole rock, rock chip, soil and stream sediment) and geological mapping and modeling are the main techniques used. Arc GIS, surpac and acquire software are mostly utilized to investigate, store and retrieve exploration data.

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Exploration Activities

BBisha's total exploration license was expanded to nearly 20 folds (from 41 to 814 square kilometers) since the beginning of 2017. The exploration license consists of the Tabakin license (184 sq.km), which surrounds the existing BMSC mining licenses, and the Mogoraib license (630 sq.km) in the vicinity of Bisha mining. Both licenses are located in a highly favorable and prospective geological setting of the Bisha VMS district. A regional helicopter borne geophysical survey was conducted in January and February of this year. Over 6386 kilometers were flown which, together with the previous regional airborne survey cover the whole exploration license. About thirty VTEM anomalies (signatures) have been identified in the recent airborne geophysical survey. Currently, the Exploration Department is actively working on the ground to follow up the signals (indications) of the airborne geophysical survey with detailed investigations through field checkups, conducting ground geophysical surveys, detailed geological mapping, sampling and drilling. Meanwhile, more resource extension and exploration drilling has been conducted at Harena and Asheli.





Bisha mining district regional geological map

Exploration Team

The exploration team consists of dedicated personnel including managers, geologists, laboratory technicians, geo-technicians, GIS geologists and geophysics technicians and operators..

Safety and Health

One of the main strategies of BMSC is to ensure the safety and health of its employees. The Exploration Department works hard to strictly implement BMSC's famous slogan 'every one going home safe and healthy every day' by continuously urging and raising safety awareness through daily toolbox meetings and weekly as well as monthly safety meetings. Any negligence or violations in implementing safety and health procedures are not tolerated.

Safety and Health performance is ensured through:

1. Work place field level risk assessment (FLRA), which is done by assessing possible risks/hazards, taking necessary measures to control the risks/hazards, recording the assessment in the FLRA book prior to commencement of work.



- 2. Team based risk assessment (TBRA), is completed before commencing new and advanced work program which involves two or more stakeholders or if the project is thought to have a wide range of safety issues, and
- 3. The Rostered Day Off (RDO) program, during which the exploration team cleans and clears all work areas and services all team vehicles.

Social and cultural gathering The RDO program

The rostered day off (RDO) program is a biweekly drilling operation shift changing day, during which the team implements cleaning, servicing and conducts teambuilding and recreational activities such as reading poems and stories, playing games and other fun competitions like mime.



Poem presentation and mime competition



Sirak Abraham / Process Plant Supervisor

Sirak's development, from gold room assistant operator during the gold phase all the way to his present position as process plant Supervisor, is a testament to BMSC's commitment to the training and development of its national workforce. Sirak is a high school graduate with one year of university. He is one of the first local staff recruited at the process plant back in December 2010.

He speaks very fondly of his expat colleagues who pushed him to keep advancing himself and never give up. Sirak says that this valuable motivation and vote of confidence from his immediate supervisors and colleagues is what allowed him to face all challenges and climb up his career ladder. His slogan is "never surrender or never give up believe in one number that is one and be number one in every aspects". In his spare time Sirak loves playing soccer.



Hajia Omer Mohammed / Village Services, Housekeeping

"Life can be full of obstacles but overcoming them is what makes it worth living" says Hajia Omer. Hajia joined BMSC in 2013 in the housekeeping section of the Village Services Department. Prior to this she was engaged in local hand-craft works producing and selling local baskets, mats, etc. Hajia's husband is a Martyr and so her income was subsidized by the Government of Eritrea's Martyrs Fund given to any family that lost a loved one during the war. Although this allowed her to survive to some extent, it was far from sufficient to care for her family, which includes three children and two sisters with mental disorders.

Hajia is very grateful to have been recruited to join BMSC and says this has played a great role in changing her livelihood. She could now afford to pay for extra medical expenses and although education is free in Eritrea the income allows her to pay for extra tutoring for her children. She also said that this has taught her a culture of saving, which allowed her to buy two cows. In her spare time, Hajia is still involved in local handcraft activities.

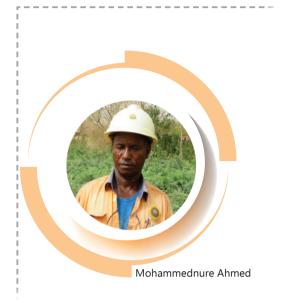


Mohammednure Ahmed / Environmental Assistant

"BMSC is not only a mining company but a training school" those were Mohammednure's words to describe his work environment. Before joining BMSC he was engaged in daily labor and seasonal farming activities in his village. He was demobilized in 2014 and right after that he joined the Environment Department as day-laborer at the site's nursery.

While at BMSC, he received training in pruning, pesticide spraying and other nursery management related activities. He also received training in safety and human resources, as well as other soft skills training.

Mohammednure speaks very highly of his team and colleagues. Working at BMSC, Mohammednure says, has allowed him to buy three oxen for farming, two dairy cows and two donkeys to fetch water for home consumption. He is also able to take good care of his wife and eight kids.



Amleset Negusse and Letetsion Ghebreleul / Car Wash Attendants

Amleset Negusse and Letetsion Ghebreleul / Car Wash Attendants Gender discrimination in Eritrea, especially when it comes to equal opportunity in school and work, is abolished. This is why many activities previously monopolized by men are now being efficiently handled by women. There are many examples of equal opportunity employment access at BMSC, in several departments. The two that are most apparent are in the Mining and Engineering Departments. Amleset Negusse and Letetsion Ghebreleul are the embodiment of this policy.

Amleset is from the Mai-Mine sub zone. She takes care of her two children and & her elderly mother. Before joining BMSC, she was a waitress at a teashop in Mogoraib, barely earning enough income to survive. This harsh reality changed in 2012 when she applied and was accepted to join BMSC as a car wash attendant. Amleset is bussed to and from her house in Mogoraib and says that her time at BMSC has taught her many valuable lessons in survival and perseverance.

Letetsion is from the Adi-Quala sub zone. She too has two children and an elderly mother whom she takes care of. Letesion's husband is a Martyr. She joined BMSC in 2010 as part of the Village Services laundry crew. After a few years, she moved to Engineering for higher pay and is now a car wash attendant. Letetsion is also bussed to and from Mogoraib and says she continues to strive for growth within the company.

As both Adi Quala and Mai-Mine are adjacent to the border with Ethiopia, the two year border war (1998-2000) and the continued no-war no-peace situation between Eritrea and Ethiopia affected the economic life of the border areas. Therefore, both Amleset and Letetsion migrated to the Gash Barka region in search of jobs and BMSC provided the perfect opportunity.



CORPORATE NEWS



n July 14, 2017, Nevsun Resources announced that Cliff Davis's transition period was completed and that he was retired from the Company after 22 years of service. During his last field visit to Eritrea, BMSC's management organized a very special farewell dinner for him in the presence of all department heads and guests, including other new Board of Directors members and new CEO, Mr. Peter Kukielski.

Cliff was presented with various traditional gifts from the Gash Barka region to show the Bisha team's appreciation for his solid leadership and service over years.



July 13, 2017

Nevsun Reports Increased Copper Production In Bisha Q2 Operating Results

Nevsun Resources Ltd. is pleased to report its Bisha operating results for the three and six months ended June 30, 2017.

Bisha Operating Highlights During Q2 2017

- Produced 5.7 million pounds of copper in copper concentrate
- Produced 43.0 million pounds of zinc in zinc concentrate
- •Sold 7.7 million payable pounds of copper in copper concentrate
- •Sold 34.3 million payable pounds of zinc in zinc concentrate
- •Improved copper recovery to 51.6% from 34.0% during Q1 2017

"We continue to see gradual improvements in the plant performance," stated Peter Kukielski, Nevsun CEO, "We are now producing copper concentrate consistently in the copper circuit versus the prior three quarters where bulk concentrate was being produced."



May 8, 2017
Nevsun Resources Appoints New CEO
Nevsun Resources Ltd. announced the appointment of
Mr. Peter G. Kukielski to the position of President and
Chief Executive Officer, effective May 12, 2017. Mr.
Kukielski replaces Cliff Davis, who announced his intention to retire earlier this year.

Mr. Kukielski brings more than 30 years of diverse international experience in the mining industry to this role. Most recently, Mr. Kukielski was Chief Executive Officer of Anemka Resources from 2014 to 2017, a private company backed by Warburg Pincus formed to invest in global mining assets. From 2008 to 2013 he was the Chief Executive, Mining for ArcelorMittal, responsible for 27 operating mines and three major development projects, distributed within 12 countries. From 2006 to 2008 Mr. Kukielski was the Chief Operating Officer of Teck Resources, responsible for three copper mines, four zinc mines, six metallurgical coal mines, two gold mines, one base metal refinery and two major development projects. From 2001 to 2006 he was with Falconbridge (originally Noranda) in senior roles, latterly including Chief Operating Officer, and in years prior he had various increasingly senior roles with other major mining companies, including direct experiences in engineering, commissioning and operating significant mines in a wide variety of international jurisdictions.

"On behalf of the board of directors, I would like to welcome Mr. Kukielski to Nevsun," said Tookie Angus, Nevsun Chairman. "Mr. Kukielski's extensive experience in the sector makes him an ideal candidate to lead Nevsun through the next phase of its evolution, which is underpinned by the advancement and development of the copper-gold Timok Project in Serbia."

"The board of directors would also like to thank Cliff Davis for his unwavering commitment and dedication to the success of Nevsun. We are thankful for his contributions to the Company and wish him well in his retirement," added Mr. Angus. Mr. Davis continues with the Company for the next two months as part of the transition process.

"Nevsun has a world-class asset base and I am thrilled to be joining the Company at such an exciting time in its history. I look forward to working with the board of directors, my colleagues in senior management and the entire team at Nevsun as we advance our projects and optimize our assets with the goal of creating sustainable long-term value for shareholders," said Mr. Kukielski.

Mr. Kukielski has a Masters of Science degree in Civil Engineering from Stanford University in California.

First Zinc from Primary ore

After many months of project work to complete the new Zinc Process Plant and many hours of laboratory and other work to achieve the required recovery rates in the plant, we managed to ship the first Zinc Concentrate from Primary ore on 6 September 2016.

The MV Le Tong left Massawa Port on the 6th of September 2016 to be discharged in Fancheng port for MRI. MRI managed to win our first Zinc tender and planned to deliver this shipment to their end customer in china. It was a big achievement to complete the Zinc project on time and it is a significant milestone for Eritrea, it's people and the whole BMSC team. This could not be accomplished without the invaluable inputs from all Bisha employees as well as assistance from our partners, Transhorn and Massawa Port Authorities



First Copper from Primary ore

The effort to recover Copper concentrate from the Zinc/Copper ore being mined from the Bisha pit has been a long but successful exercise for all the people involved to achieve a saleable copper concentrate.

This was achieved earlier this year when we were able to ship our first parcel of Copper Concentrate from Primary ore. The MV Simone left Massawa Port on the 31st of May 2017 to be discharged at the Isabel port in Philippines for the Glencore Pasar smelter.

This could not be achieved without the major effort from all involved improving the Copper recovery efficiencies and all Bisha employees involved deserve a big recommendation. This again is a significant milestone for Eritrea, it's people and the whole BMSC team and could not be accomplished without the invaluable assistance from our partners, Transhorn, Massawa Port Authorities.



BISHA PHOTOS









COMMUNITY ASSISTANCE PROJECT

CLO Office at Mogoraib Reopens

On Saturday, July 15, Frazer Bourchier, Nevsun's Chief Operating Officer, was accompanied by BM-SC's General Manager, Ed Mounsey, Chief Services Officer, Fesseha Ghebrehiwet, and other BMSC department heads and staff as he cut the ribbon on the newly built BMSC Information Center at Mogoraib.

The center was built using Community Assistance Project (CAP) funds after the original structure was destroyed by heavy winds back in 2015.

Mogoraib's Community Liaison Officer, Mr. Hamed Ali Mohammed, who has been with BiMSC for 11 years, will occupy half the structure while the other half will be occupied by sub zoba Dghe administration.



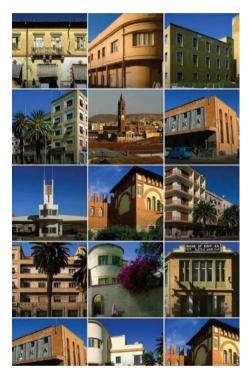






During the handover ceremony, Tenal Bourchier, Frazer's daughter, was also present and the Mogoraib community organized a special ceremony in which Mr. Humed IIa, Dghe Administrator, gifted her a traditional outfit called "luwyet" on behalf of the community.

fISMfIRfi: fi modernist city of fifricfi



Located at over 2000 metres above sea level, the capital of Eritrea developed from the 1890's onwards as a military outpost for the Italian colonial power. After 1935, Asmara underwent a large scale programme of construction applying the Italian rationalist idiom of the time to governmental edifices, residential and commercial buildings, churches, mosques, synagogues, cinemas, hotels, etc. The property encompasses the area of the city that resulted from various phases of planning between 1893 and 1941, as well as the indigenous unplanned neighbourhoods of Arbate Asmera and Abbashawel. It is an exceptional example of early modernist urbanism at the beginning of the 20th century and its application in an African context. Source: UNESCO

Take on your BMSC colleagues in this head-to-head version of a modern-day classic "brain food". Email your answers to mbereket@bishamining.com and the winner (time-stamped emails) will be announced in the next issue of this newsletter.

	8		3					9
6						8		
				6	8	1		7
		8		7		3	1	
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California Avocado Burger

TASTEBUD CHALLENGE

We love our Caterning staff and truly appreciate their hard work in keeping our stomachs happy, three times, every single day.

We especially love them when they respond to our challenges and go the extra mile to remind us of mom's cooking.

Here are three different dishes collected from our expat colleagues. We call this corner the "tastebud challenge" and believe BMSC's Catering staff will, as always, go the extra mile to surprise us.

California Avocado Fettuccine



Guacamole Potato Salad



WORKERS' UNION

Workers' Union inaugurated July 11, 2017
After a long process that included meetings with employees in all departments, discussions and consultation with the National Confederation of Eritrean Workers, and finally, an open and democratic election process that resulted in 11 employees elected as representatives, BMSC formally established a workers union on July 11, 2017. The Secretary General of the NCEW, Mr. Tekeste Baire, along with ENAMCO representative, Mr. Hizbawi Menghisteab, were present at the inaugural event, congratulating BMSC employees for this milestone.

Below is an excerpt of Ed Mounsey's speech during the meeting conducted with BMSC employees on July 4:

The Union we establish at Bisha should be a Union that follows and respects Bisha rules, procedures and should add value to the existing BMSC policies and Core Values. Bisha Union should be a role model to the other companies that are coming up soon in Eritrea.

BMSC accepts the establishment of a Union at Bisha. All parties, i.e. BMSC, Nevsun, Enamco and NCEWs recognise the importance of this step and agree to the following general guidelines in establishing a framework for this exercise.

- The function of the Union will be to assist employees who are registered union members in their normal dealings within BMSC.
- These dealings will include, inter alia, disciplinary case representation, grievance issues, general routine workplace communications meetings, Quarterly Works committee meetings, SHES related issues, general medical health admin related issues and others as per the existing Workers Rights in Bisha.
- It is anticipated that employees will need to become members of the union to be eligible for representation by the Union. Union membership is voluntary.
- It is envisaged that each workplace area, Department or Section will be represented in proportion of its number.
- The number of Union leadership will be eight (8).
- The detail relationship working procedures (WP) between BMSC and the BMSC Union representatives and leadership will be developed between NCEW and BMSC prior to the establishment of a Union at BMSC.
- The role of the Union will be to ensure success for BMSC and its employees in meeting production targets in all areas and support harmonious working relationships at BMSC.
- The existing policies and SWPs at BMSC will be followed and respected by all parties.

- All parties recognize the leading role played by BMSC in developing international standard mining and processing operations in a safe, healthy and cooperative work environment and will continue to work cooperatively to maintain this. BMSC is a leading organization in the field of Corporate Social Responsibility (CSR) and workers' rights (WR) and has active programs or systems and procedures in place in both areas. All parties recognize this and will continue to fully support BMSC in maintaining a leading position in these areas.
- All parties recognize the economic importance of BMSC to Eritrea and will work together to ensure operations continue on a 24/7/365 basis to the mutual benefit of all















Celebrating May 24



