

Reservoir Advises Mailing and Filing of the Information Circular and Proxy Materials Security Holders Are Recommended to Vote For the Transaction With Nevsun

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VANCOUVER, May 27, 2016 - [Reservoir Minerals Inc.](#) ("Reservoir" or the "Company") (TSX VENTURE:RMC) (OTC PINK:RVRLF) (BERLIN:9RE), is pleased to advise that the Management Information Circular (the "Information Circular") relating to the arrangement agreement between Reservoir and [Nevsun Resources Ltd.](#) ("Nevsun") whereby Reservoir and Nevsun will combine their respective companies (the "Arrangement") announced, on April 24th, 2016, has been mailed and filed on SEDAR. Reservoir shareholders and optionholders ("Reservoir Securityholders") as of the record date, May 11th, 2016, are entitled and will receive copy of the Information Circular and form of proxy in short order.

The Information Circular sets out the terms and conditions regarding the Arrangement, as well as voting instructions for the special meeting to be held on June 17, 2016 (the "Meeting"); eligible shareholders and optionholders are encouraged to read it carefully. Reservoir's Board of Directors and Executive team unanimously supports this transaction and urges shareholders to vote their Proxy FOR the Arrangement. Subject to certain customary conditions, the transaction is expected to close on or about June 23, 2016. At that time, Reservoir Shareholders will receive two common shares of Nevsun and \$0.001 in cash (less applicable statutory withholdings) for each Reservoir common share they own.

Accordingly, the Reservoir Board of Directors urge you to vote the proxy in support of this transaction.

Simon Ingram, President, CEO, and a Director of Reservoir commented: *"Nevsun has funded Reservoir US\$ 135 million through an equity placement and loan to enable it to exercise its right of first offer for the Timok project, such that Reservoir now owns 100% of the Timok Project high grade copper gold Upper Zone and is the operator of the Timok Project. Nevsun is well funded and its management team has built the Bisha Mine and the associated expansions on time and under budget. This Arrangement presents a low risk option for Reservoir shareholders to continue to participate in the development of the Timok Project to production and benefit in the future value creation we believe exists at this world class deposit."*

Miles Thompson, Non-Executive Chairman of the Board of Directors of Reservoir further commented, *"On behalf of Reservoir, our management team and the Reservoir Board, I would like to thank all Reservoir Securityholders for their continuing support, and urge you to read below our further comments and to vote in favour of this milestone transaction."*

As the Arrangement is subject to, among other things, approval by 66 2/3% of Reservoir shareholders, the purpose of this news release is to outline the value, opportunity and upside that this transaction delivers to shareholders, and the reasons why the Board of Directors and management are so enthusiastic about this transaction.

In brief, the Company believes this is an excellent outcome for shareholders and a milestone transaction for Reservoir and its Timok project. Reservoir has worked hard to bring Timok to where it is today. Now Reservoir can draw on Nevsun's experience, balance sheet and ongoing cash flow to bring Timok into production, while shareholders benefit from participating in a stronger and better-capitalized company.

The Arrangement

The proposed Arrangement with Nevsun has elevated the value of Reservoir common shares ("Reservoir Shares") to an all-time high and positions holders of Reservoir Shares ("Reservoir Shareholders") to benefit from the development and long-term opportunity of the Timok project. Based on the closing price of Nevsun common shares on April 22, 2016 on the Toronto Stock Exchange, the per share consideration to be paid to Reservoir Shareholders represents a premium of 124% compared with Reservoir's trading price on March 3, 2016, prior to receiving notification of the right of first offer on the Timok project. This is also a premium of 35% compared with the 20-day volume weighted average price (VWAP) on the last trading day prior to the

announcement of the combination with Nevsun.

Upon closing the combined company will have a 100% stake in the Timok Upper Zone, and the balance sheet strength to move the project forward and expedite it into production, using the ongoing cash flow from Nevsun's 60%-owned Bisha mine. Nevsun's team brought Bisha into production on time and under budget, and in 2015 it generated US\$120 million in operating cash flow.

At the Meeting shareholders and optionholders as of the record date will be asked to consider and vote upon the Arrangement upon completion of which Reservoir Shareholders will receive, for each Reservoir Share held, two common shares (each whole common share, a "Nevsun Share") in the capital of [Nevsun Resources Ltd.](#) ("Nevsun") and a nominal cash payment of \$0.001 (collectively, the "Consideration").

Securityholder Approval

In order to become effective, the Arrangement must be approved by a special resolution passed by: (a) at least two-thirds of the votes cast by Reservoir Shareholders at the Meeting present in person or represented by proxy voting as a single class; (b) at least two-thirds of the votes cast by Reservoir Securityholders at the Meeting present in person or represented by proxy voting as a single class; and (c) a simple majority of the votes cast by Reservoir Shareholders at the Meeting in person or by proxy, excluding the votes cast in respect of Reservoir Shares held or controlled by "interested parties" or "joint actors" (as defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Completion of the Arrangement is also subject to receipt of certain required regulatory approvals, including the approval of the Toronto Stock Exchange (the "TSX"), the TSX Venture Exchange (the "TSXV"), the New York Stock Exchange (the "NYSE") and the Supreme Court of British Columbia (the "Court"), and other customary closing conditions, all of which are described in more detail in the Information Circular.

All of the directors and senior officers of Reservoir have entered into agreements with Nevsun to vote their Reservoir Shares (including any Reservoir Shares issued upon the exercise of any Reservoir Options prior to the record date) and Reservoir Options in favour of the Arrangement, provided that the arrangement agreement dated as of April 22, 2016 between Reservoir and Nevsun (the "Arrangement Agreement") has not been terminated by either Reservoir or Nevsun in accordance with its terms.

The holders of Nevsun Shares (the "Nevsun Shareholders") will be asked to approve the issuance of the Nevsun Shares forming part of the Consideration (the "Consideration Shares") at a special meeting of Nevsun Shareholders to be held for such purpose. The issuance of the Consideration Shares will require approval from a majority of the Nevsun Shareholders. All of the directors and senior officers of Nevsun have entered into agreements with Reservoir to vote their Nevsun Shares in favour of the issuance of the Consideration Shares.

"We believe this transaction with Nevsun is an excellent outcome for Reservoir, and that Reservoir shareholders will benefit from the opportunity to participate in the combined company going forward. In reaching a decision to support the transaction, Reservoir conducted extensive due diligence. Our CEO and I visited Nevsun's Bisha mine in Eritrea, and met the operating team and senior government officials. It is an excellent operating mine site, and we are impressed with what Nevsun has achieved and built there."

Nevsun brought Bisha, the first modern mine in a relatively undeveloped economy, into production on schedule and under budget. Since it began operating in 2011, the mine has established a track record for safety, environmental performance and community involvement. Nevsun has also provided shareholders with top-tier returns, a regular dividend and a strong balance sheet during a period of weak metals prices. We have confidence in Nevsun's management team, based on its operating track record and its willingness to preserve its cash and wait for the right opportunity while others did not," said Mr. Thompson.

Nevsun provided US\$135 million in debt and equity funding at a per share price of Cdn\$9.40 to enable Reservoir to exercise its right of first offer in respect to the joint venture with Freeport International Holdings (BVI) Ltd. in the Timok Project. This investment represents fair value to Reservoir shareholders. Equity financing for this type of transaction is typically provided at a discount, but Nevsun provided the US\$90.3 million equity portion of the funding by acquiring Reservoir shares at premium value.

Going forward, shareholders of Reservoir will own approximately one-third of Nevsun's outstanding shares and will therefore benefit from Nevsun's ability to advance Timok to production, from Nevsun's solid, ongoing Bisha operations and from continued exploration and reserve opportunities across the combined portfolio of resource properties.

The Reservoir Board has received the opinion of Canaccord Genuity Corp. ("Canaccord") as to the fairness, from a financial point of view, to Reservoir Shareholders, of the consideration to be received by Reservoir

Shareholders pursuant to the Arrangement, delivered on April 22, 2016, the text of which is attached as Appendix "C" to the Information Circular, and has unanimously, after receiving legal and financial advice and the unanimous recommendation of the special committee of the Reservoir Board (the "Reservoir Special Committee"), determined that the consideration to be received by the Reservoir Securityholders pursuant to the Arrangement is fair to such holders and that the Arrangement is in the best interests of Reservoir and the Reservoir Securityholders and unanimously recommends that the Reservoir Securityholders vote in favour of the Arrangement Resolution. Accordingly, the Reservoir Board unanimously recommends that the Reservoir Securityholders vote FOR the Arrangement.

Shareholder Questions

Time is short – please vote your proxy as soon as you are in receipt

If you have any questions or need assistance with voting, please contact D.F. King, the proxy solicitation agent, by telephone at 1-866-822-1237 (North American Toll Free) or 1-201-806-7301 (Collect Outside North America); or by email at: inquiries@dfking.com.

Site Visit

Reservoir and Nevsun are hosting a combined site visit this June, in Serbia to demonstrate the value of the Timok Projects to shareholders. For interest in learning how to participate in the self-funded site visit please contact Rachel Stephenson at rachel@reservoirminerals.com.

About the Company:

[Reservoir Minerals Inc.](#) is an international mineral exploration and development company run by an experienced technical and management team, with a portfolio of precious and base metal exploration properties in Europe and Africa. The Company operates an exploration partnership business model to leverage its expertise through to discovery.

For further information on Reservoir Minerals Inc., please consult our website www.reservoirminerals.com.

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Such forward-looking statements or information, including but not limited to those with respect to receipt of the Information Circular and proxy materials, the expected closing date of the Arrangement, the consideration to be received in respect of the Arrangement, beliefs with respect to future value creation at the Timok Project and the outcome of the Arrangement and benefits to shareholders, and the future ownership by Reservoir shareholders of Nevsun Shares, involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of [Reservoir Minerals Inc.](#) to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such factors include, among others, (i) the conditions to completion of the arrangement will not be satisfied, including approval by Reservoir's and Nevsun's shareholders, and court approval; (ii) an event, change or other circumstance that could give rise to the termination of the arrangement agreement will occur; (iii) the retention of employees and other personnel will be adversely affected by uncertainty surrounding the arrangement; (iv) the companies will be unable to successfully integrate their operations following completion of the arrangement; (v) any of the assumptions in the historical resource estimates turn out to be incorrect, incomplete, or flawed in any respect; (vi) the methodologies and models used to prepare the resource and reserve estimates either underestimate or overestimate the resources or reserves due to hidden or unknown conditions, (vii) exploration activities or the mine operations are disrupted or suspended due to acts of god, internal conflicts in the country of Eritrea or Serbia, unforeseen government actions or other events; (viii) operations will be disrupted due to equipment or power failures, uncertainties in the copper mineralogy, metallurgical recoveries or concentrate grades, or other or other events; (ix) Nevsun is subjected to any hostile takeover or other unsolicited attempts to acquire control of Nevsun; or (x) are associated with the speculative nature of exploration activities, periodic interruptions to exploration, failure of drilling, processing and mining equipment, the interpretation of drill results and the estimation of mineral resources and reserves, changes to exploration and project plans and parameters and other risks disclosed in documents filed from time to time with the securities regulators in the applicable Provinces of British Columbia and Alberta.

Neither TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

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