



ANNUAL INFORMATION FORM

For the year ended November 30, 2007

**65 Queen Street West, Suite 815
Toronto, ON M5H 2M5
Tel : 416-861-5800
Fax : 416-861-8165
www.avionresources.com**

June 12, 2008

TABLE OF CONTENTS

<i>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION</i>	<i>1</i>
<i>DEFINITIONS AND GLOSSARY OF TERMS</i>	<i>2</i>
<i>CURRENCY PRESENTATION AND DATE OF INFORMATION</i>	<i>2</i>
<i>CORPORATE STRUCTURE</i>	<i>3</i>
<i>GENERAL DEVELOPMENT OF THE BUSINESS</i>	<i>4</i>
<i>NARRATIVE DESCRIPTION OF THE BUSINESS</i>	<i>7</i>
<i>DESCRIPTION OF THE MALI PROJECTS</i>	<i>14</i>
<i>DIVIDENDS</i>	<i>44</i>
<i>DESCRIPTION OF CAPITAL STRUCTURE</i>	<i>44</i>
<i>MARKET FOR SECURITIES</i>	<i>45</i>
<i>DIRECTORS AND OFFICERS</i>	<i>46</i>
<i>PROMOTERS</i>	<i>50</i>
<i>LEGAL PROCEEDINGS AND REGULATORY ACTIONS</i>	<i>50</i>
<i>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</i>	<i>50</i>
<i>TRANSFER AGENTS AND REGISTRARS</i>	<i>50</i>
<i>MATERIAL CONTRACTS</i>	<i>50</i>
<i>INTERESTS OF EXPERTS</i>	<i>50</i>
<i>ADDITIONAL INFORMATION</i>	<i>51</i>

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This annual information form contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's development potential and timetable of the Company's properties, including the Tabakoto and Segala gold properties; the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors that are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during construction, expansion and start-up; variations in ore grade and recovery rates; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Company 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 or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

DEFINITIONS AND GLOSSARY OF TERMS

In this annual information form, references to “Avion” or the “Company” mean Avion Resources Corp. and the following abbreviations and defined terms are used:

“AIF”	means this annual information form.
“Audit Committee”	means the audit committee of the Board.
“Board”	means the board of directors of Avion.
“Common Shares”	means the common shares in the capital of the Company, as they exist as of the date hereof. As a result, all share capital information has been updated to reflect applicable share consolidations.
“NI 43-101”	means the Canadian Securities Administrators National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .

CURRENCY PRESENTATION AND DATE OF INFORMATION

This AIF contains references to United States dollars and Canadian dollars. All dollar amounts referenced herein, unless otherwise indicated, are expressed in Canadian dollars. United States dollars are referred to as “United States dollars”, or “US\$”.

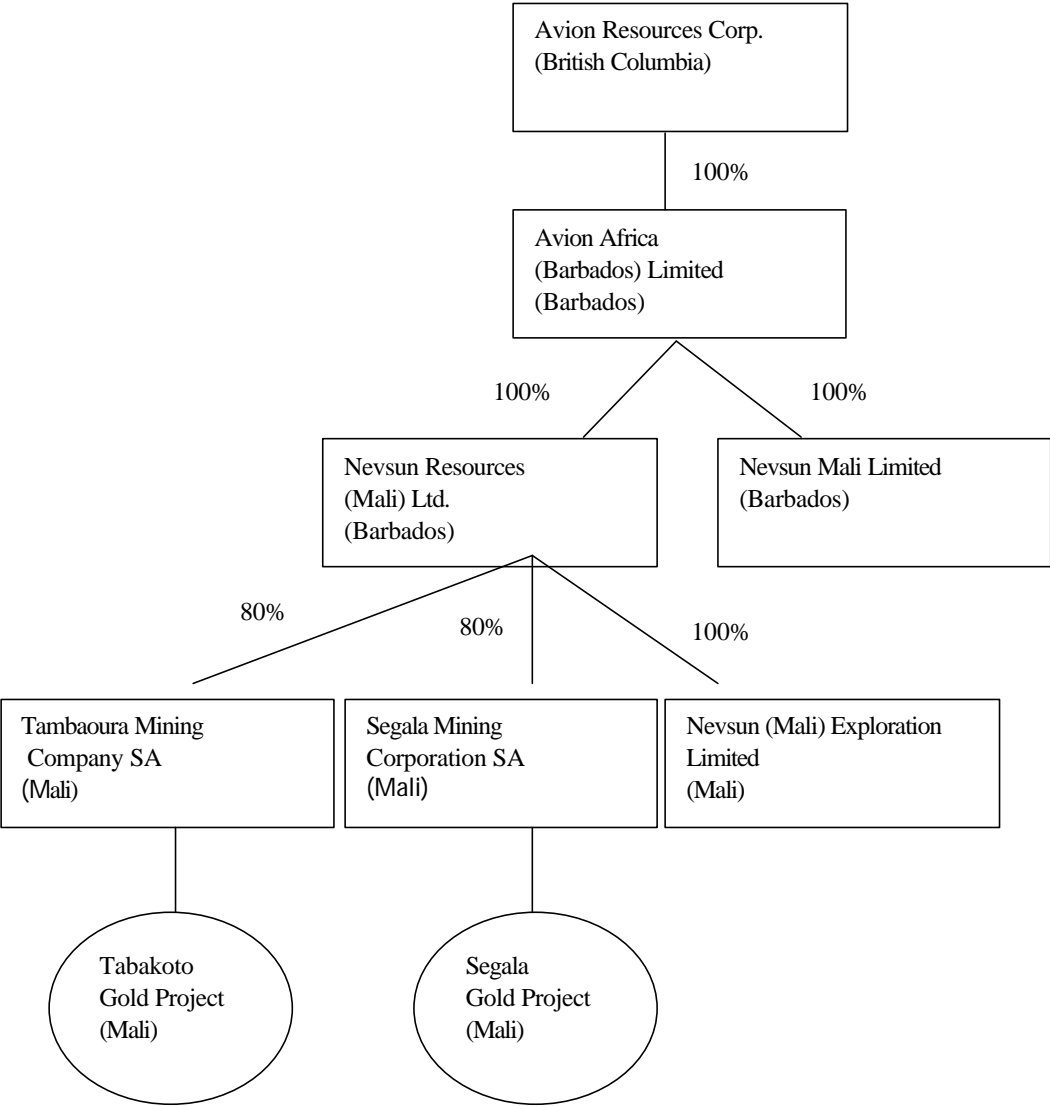
All information in this AIF is given as of June 12, 2008, unless otherwise indicated.

CORPORATE STRUCTURE

The Company was incorporated under the name of Southlands Mining Corporation, pursuant to the laws of the Province of British Columbia on September 3, 1985. On May 24, 1991, the Company changed its name to Euro-Pacific Resource Group Inc. On May 22, 1996, the Company changed its name to Holt International Investments Inc. On November 4, 1998, the Company changed its name to Argent Resources Ltd. On April 7, 2006, the Company consolidated its share capital on the basis of three old common shares for one new common share and changed its name to Argent Mining Corp. On June 20, 2007, the Company consolidated its share capital on the basis of three old common shares for one new common share and changed its name to Avion Resources Corp.

Avion’s head office is located at 65 Queen Street West, 8th Floor, Toronto, Ontario M5H 2M5. The registered office of the Company is located at 1500 Royal Centre P.O. Box 11117, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The following chart shows the subsidiaries of the Company, their jurisdiction of incorporation and the Company’s, direct or indirect, percentage ownership in each corporation.



GENERAL DEVELOPMENT OF THE BUSINESS

In 2007, the Company underwent a change of management as the present board of directors and management became involved with the Company. Subsequent to the change in management, the Company assumed an option to earn an interest in prospective mineral licences in Ethiopia. In May 2008, the Company acquired the Tabakoto and Segala gold projects in Mali.

Three-Year History

The following is a summary of the development of the Company over the past three financial years and the current financial year.

Current Financial Year

On May 20, 2008, the Company completed its acquisition (the "Acquisition") of an 80% interest in the Tabakoto and Segala gold projects (the "Mali Projects") in Mali. The remaining 20% interest in the Mali Projects belongs to the Government of Mali. The Tabakoto project was previously a producing gold mine and has mining infrastructure and processing facilities in place. The Company has filed a business acquisition report in respect of this acquisition, a copy of which is available under the profile of the Company on SEDAR at www.sedar.com.

As consideration for the purchase of the 80% interest in the Mali Projects, the Company made a cash payment to Nevsun Africa (Barbados) Ltd., a subsidiary of Nevsun Resources Ltd. ("Nevsun") of US\$20 million. In addition, Avion granted Nevsun a net smelter return royalty of 1.0%. Avion has the option to buy out the net smelter royalty for US\$2 million at any time prior to May 20, 2013. In addition Avion has agreed to pay a US\$1,000,000 finder's fee to an arm's length third party and grant this private company a 2% net smelter royalty on the Mali Projects. Avion has an option to buy out this net smelter royalty at a price of US\$4,000,000 at any time prior to May 20, 2013.

To fund the acquisition, on May 8, 2008, Avion completed an equity financing of 60,100,000 subscription receipts for gross proceeds of \$30,050,000. In connection with the financing, the Company engaged Canaccord Capital Corporation, as lead underwriter, and a syndicate comprised of Cormark Securities Inc., Macquarie Capital Markets Canada Ltd. and PI Financial Corp.

Each subscription receipt entitles the holder to receive one unit of the Company (each a "Unit") at the Conversion Time (as hereinafter defined). Each Unit will consist of one Common Share and one half of one share purchase warrant of the Company (each whole share purchase warrant, a "Warrant"). Each whole Warrant will entitle the holder thereof to subscribe for one additional Common Share (a "Warrant Share") at a price of \$0.65 per Warrant Share until May 8, 2010. The Company has agreed to use its best efforts to extend the term of the Warrants (the "Extension") for an additional period of twelve months (for a total term expiring on May 8, 2011) by (i) graduating to "Tier 1" status on the TSX Venture Exchange (the "TSX-V"), and (ii) obtaining all necessary regulatory approvals in connection with the Extension. Each Subscription Receipt will automatically convert into underlying securities on the earlier of (i) the third business day after the date of issuance of a receipt from the Ontario Securities Commission for a (final) prospectus qualifying the Common Shares and Warrants issuable on conversion of the subscription receipts, and (ii) 4:30 p.m. (Toronto time) on September 9, 2008 (together, the "Conversion Time"). The Company will use its best efforts to file a prospectus qualifying the distribution of the Common Shares and Warrants issuable on conversion of the subscription receipts in the jurisdictions of

Canada in which subscription receipts are sold. If a receipt for the Prospectus has not been issued prior to 4:30 p.m. (Toronto time) on July 15, 2008, each subscription receipt will thereafter entitle the holder to receive, on the conversion thereof, 1.05 Common Shares and one-half of a Warrant, in lieu of one Common Share, and one-half of a Warrant.

Financial Year Ended November 30, 2007

Ethiopia, Africa

In November 2007, the Company entered into negotiations with Aberdeen International Inc. ("Aberdeen") to acquire Aberdeen's rights, title, interest and obligations, including a 2% NSR obligation, pursuant to an agreement between Aberdeen and Ethio-Gibe Canada Mining PLC ("Ethio-Gibe"). In order to acquire these rights and interest, the Company will make the following payments to Aberdeen, in either cash or shares of the Company as mutually agreed upon:

- \$250,000 upon receipt of regulatory approval (paid subsequent to November 30, 2007);
- \$750,000 on or before June 30, 2008; and
- \$1,000,000 on or before December 31, 2008

As well, the Company agreed to grant to Aberdeen a 1.5% Royalty and issue Aberdeen 1,500,000 share purchase warrants exercisable at a price of \$0.48 per share purchase warrant exercised for a period of 18 months from the date of issue. Aberdeen holds more than 10% of the issued and outstanding shares of the Company, and the two companies have certain directors and officers in common.

The agreement with Ethio-Gibe provides an option to obtain 100% of the exclusive rights granted by the Ministry of Mineral Energy of Ethiopia to Ethio-Gibe on certain Gold-Copper-Zinc exploration concessions in Ethiopia, subject to a 2% net smelter return royalty to be held by Ethio-Gibe. The agreement provided Aberdeen with an option to purchase 50% of the net smelter royalty for \$1,000,000 in cash or in shares of the Company.

Under the terms of the agreement, the following consideration is to be provided to Ethio-Gibe:

- payment of \$200,000 in cash and issuance of 500,000 Common Shares on or before April 25, 2007, which has been made;
- payment of \$250,000 and issuance of 250,000 Common Shares on or before each of December 31, 2007, December 31, 2008 and December 31, 2009;
- payment of \$500,000 on each of December 31, 2010 and December 31, 2011, payable in cash or shares of the Company at the Company's option; and
- expend a minimum of \$2,000,000 on property exploration.

Dundonald Property, Timmins, Ontario

In November 2007, the Company entered into negotiations to acquire a 75% interest in the Dundonald property in Timmins, Ontario. The agreement was finalized subsequent to November 30, 2007. In order to acquire this interest, the Company assumed an interest in an existing agreement for the payment of \$250,000 and awarded a 2% NSR in favour of the assigning company. The 2% NSR is to be paid solely from the Company's interest in the property. The assumed agreement requires that following option payments and exploration expenditures be made:

Option payments:

- \$75,000 and issue 214,285 Common Shares upon regulatory approval of the agreement;
- \$250,000 and issue Common Shares with a market value of \$250,000 on or before the first anniversary of receiving regulatory approval; and
- \$500,000 and issue Common Shares with a market value of \$500,000 on or before each of the second, third and fourth anniversaries of receiving regulatory approval.

Exploration expenditures:

- \$500,000 prior to the first anniversary of receipt of regulatory approval; and
- an additional \$4,000,000 prior to the fourth anniversary of receipt of regulatory approval.

The assumption agreement also provides the optioning party with a back-in right to retain a 51% interest in the property, as well as an option to sell its remaining 25% interest to the Company for \$5,000,000, under certain conditions.

Financial Year Ended November 30, 2006

On July 7, 2006, the Company issued 71,346 Common Shares in settlement of approximately \$35,000 of outstanding liabilities, each Common Share being issued with a deemed price of approximately \$0.50.

On June 21, 2006, the Company announced that it had issued and sold 404,040 units at a price of \$0.495 per unit, each unit being comprised of one flow-through share and one share purchase warrant, for gross proceeds of \$199,999.80. Each share purchase warrant is exercisable at a price of \$0.63 for a two-year period.

On April 7, 2006, the Company consolidated its share capital on the basis of three old common shares for one new common share and changed its name to Argent Mining Corp.

On March 7, 2006, the Company announced that it had agreed to sell its Harper Creek property to Yellowstone Mining Inc. ("Yellowstone") in consideration of a cash payment of \$10,000 cash and the issuance of 100,000 common shares of Yellowstone.

On January 11, 2006, the Company announced that it had completed a private placement financing of 272,769 units (of which 250,000 were flow-through) at a purchase price of \$0.45 per unit for gross proceeds of \$122,746. Each unit consisted of one Common Share and one-half of one share purchase warrant, with each whole share purchase warrant exercisable for one Common Share at a price of \$0.90 for a period of one year.

Financial Year Ended November 30, 2005

The Company previously acquired an option to earn an interest in the Iron Lake property in British Columbia. The Iron Lake Property is located approximately 45 kilometres northeast of the city of 100 Mile House in the South Cariboo region of British Columbia. The Company held an option from Eastfield Resources Ltd. ("Eastfield") whereby the Company could earn a 55% interest in the Iron Lake Claims in British Columbia. Subsequent to November 30, 2007, the Company decided not to pursue this option. Consequently, during 2007, the Company wrote off all deferred costs associated with this property, amounting to \$701,052 charged to operations.

On February 23, 2005, the Company completed a private placement for gross proceeds of \$330,500, pursuant to which it issued 228,333 million flow-through units at \$0.90 and 138,888 million non-flow-through units at \$0.90. Each unit consisted of one Common Share and one half of one share purchase warrant, with each share purchase warrant exercisable for one Common

Share at a price of \$0.90 for a period of one year and at a price of \$1.35 during the second year from issue. None of these share purchase warrants remain outstanding.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

The business of the Company is focused on the exploration and development of the Mali Projects. The Company believes that these projects offer numerous benefits, including the following:

- **Existing infrastructure in-place:** Tabakoto mine infrastructure, processing facilities and camp is in place and fully operational for near term production capability, significantly reducing start-up capital expenditures for Avion. Nevsun operated the Tabakoto Mine until September 2007 when it was placed under care and maintenance.
- **Opportunity to use Avion's skilled technical team to improve operational efficiencies:** Management believes that this project presents an ideal opportunity to take advantage of its skilled technical team to create a new resource model and mine plan involving both Mali Projects.
- **Exposure to Mali, the second largest gold producer in Africa after South Africa:** In 2007, approximately 2.0 million ounces of gold were produced in Mali, accounting for approximately 80% of the mining activity in the country. The Tabokoto and Segala projects are located just south of AngloGold Ashanti/IAMGOLD's Sadiola Mine (499,000 ounces of gold produced in 2006) and Randgold's Loulo Mine (264,647 ounces of gold produced in 2007).
- **A platform for an aggressive exploration program in an area of proven producers:** Prospective 101.35 km² land package with eight targets identified by Avion's exploration team. Avion plans to commence an aggressive exploration program to expand and re-define mineral resources at the Mali Projects.

Nevsun had previously published a NI 43-101 compliant mineral resource estimate for the Mali Projects. Based on these estimates and its feasibility mine production plan, Nevsun commenced mining operations at Tabakoto expecting that 3.36 million tonnes of ore (assuming a gold price of \$350/oz) would be processed at a rate of 650,000 tonnes per year, with a grade of 5.26 g/t of gold, to a depth of 210 metres at a 2.0 g/t gold cut off grade. In addition, Segala was to contribute 3.98 million tonnes grading 2.99 g/t yielding 382,505 oz Au to the mill after mining at Tabakoto was completed. According to the plan, the mine was expected to yield approximately 567,544 ounces of gold at an average waste to ore ratio of 15.4:1 with ore and waste totaling 52 million tonnes. During production, Nevsun only recovered approximately 100,000 ounces of gold at an approximate grade of 3.41 g/t of gold, representing an approximate 35% shortfall in expected ore grades at Tabakoto. As a result, Nevsun determined that it could no longer rely on the resource model used to calculate mineral reserves and resources and, accordingly, in December 2006 commenced developing another resource model for both Tabakoto and Segala.

Business Objectives

Avion does not believe that the previous resource estimates for the Mali Projects are reliable and as such is treating the historic resources as a guide to coherent mineralization as opposed to a reserve estimate. Avion plans to focus its efforts on a drill program that will be designed to

increase the confidence levels of the previous mineral resource estimates at the Mali Projects and aggressively pursue satellite targets that could contribute additional gold resources in the immediate project area. For the Mali Projects, Avion is targeting the identification of between 1.4 and 1.7 million ounces with a target grade of approximately 3.0 to 4.5 g/t of gold at the Mali Projects. However, at this time the target resource estimate is conceptual in nature as the information and analysis required to substantiate an estimate has not been completed. Avion cannot be certain that further results and analysis will substantiate this estimate.

- **Exploration** – As of the date hereof, Avion plans to begin a minimum 15,000 meter drill program focused on better defining and expanding Nevsun’s historical resources at the Mali Projects. Avion’s exploration team has identified several preliminary drill targets and plans on completing a NI 43-101 compliant resource update. The Company will continue to explore the prospective land package for further expansions and deposits.
- **Development** – Avion plans to improve Nevsun’s historical operational and economic efficiencies by: 1) implementing a new block model to utilize excess plant capacity and incorporate ore from the Segala Project; 2) put in-place a new experienced management and technical team; 3) develop the significant underground resource; and 4) explore the potential for heap leach processing.
- **Production** – With infrastructure in-place, Avion plans to re-start production at the Tabakoto Mine shortly after operational and economic feasibility has been determined.

Principal Products and Markets

The Mali Projects are prospective gold projects. The Tabakoto Project has been placed on care and maintenance, but during production approximately 100,000 ounces of gold at an approximate grade of 3.41 g/t of gold were produced at Tabakoto. There is a global market into which any gold produced could be sold and, as a result, the Company would not be dependent on a particular purchaser with regard to the sale of any gold produced.

Competitive Conditions

The mining business is a competitive business. Avion competes with numerous companies that have resources significantly in excess of their resources, in the search for (i) attractive mineral properties; (ii) qualified service providers and labour; and (iii) equipment and suppliers. The ability of the Company to acquire additional mineral properties in the future will depend on its ability to operate and develop its present properties and also on its ability to select and acquire suitable producing properties or prospects for development or exploration.

Environmental Protection

The current and future operations of the Company, including development activities, are subject to laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, wastes disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations can increase the costs of, and potentially delay, planning, designing, drilling and developing the properties. The Company is also subject to various reclamation related conditions imposed under rules and permits.

Compliance with the laws and regulations requires forethought and diligence in the conduct of activities and projects.

Employees

The Company has approximately 130 consultants/employees, the majority of which are security guards at the Tabakoto gold project. The Company has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees can be retained by the Company when necessary. See “*Risk Factors – Qualified Personnel*”.

Risk Factors

Investing in the Company involves risks that should be carefully considered. The operations of the Company are speculative due to the high-risk nature of its business. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the operating results, earnings, properties, business and condition (financial or otherwise) of the Company. See “*Cautionary Statement Regarding Forward-Looking Information*”.

Unexpected costs or liabilities as a result of the Acquisition

Although Avion conducted what it believed to be a prudent and thorough level of investigation in connection with the Acquisition, an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of the acquired business or assets. Such liabilities could have an adverse impact on the business, financial condition, and results or operations of the Company.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. Avion’s current projects are currently subject to preliminary exploration work and are extremely speculative. The Tabakoto Project was placed on care and maintenance as a result of, among other things, the failure to realize projected recoveries for the project. The Company’s operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including incorrect geological analysis, differences between modeled and actual outcomes, environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated

climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated.

Failure to Meet Exploration Targets

Avion has announced certain exploration targets for the Mali Projects. If exploration commences, actual results and costs may vary from the estimates for a variety of reasons such as estimates of grade, recovery, tonnage, dilution and metallurgical and other characteristics, revisions to exploration plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment failures and other interruptions in capabilities. Failure to achieve exploration targets or cost estimates could have a material adverse impact on the share price, prospects and overall performance of the Company.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond Avion's control. Such estimates are a subjective process, and the accuracy of any mineral resource and mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of recovery of minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices, market conditions and actual events, could have a material adverse effect on the Company's mineral reserve estimates, financial position and results of operations.

Mineral Prices

The Company's future profitability is largely dependent on movements in mineral prices. Mineral prices have historically been volatile and are primarily affected by the supply/demand balance. Given the historic volatility of mineral prices, there are no assurances that the prices of gold, or any other mineral, will remain at economically attractive levels. A decline in mineral prices and, in particular, the price of gold, would adversely affect the business of the Company.

Gold prices are affected by numerous factors beyond Avion's control, including the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand, political and economic conditions, and production levels and costs. If, as a result of a decline in gold prices, projected revenues from gold sales were to fall below cash operating costs, the feasibility of continuing development and operations would be evaluated and if warranted, could be discontinued.

Foreign Operations

At present, substantially all of the operations of Avion will be in Africa and, as a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licences, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls; and governmental regulations or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in Ethiopia or Mali

may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, import or export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of Avion.

No Revenue

To date, Avion has not recorded any revenue from operations nor has it commenced commercial production on any property. Management of Avion expects that significant losses will occur in the near future and there is no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Mali Projects or other properties in which the Company acquires an interest. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Company will generate any revenues or achieve profitability.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the exploration and development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause Avion to postpone or slow down the development plans, forfeit rights in some or all of the Company's properties or reduce or terminate some or all of its activities.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Foreign Exchange

Gold is sold in U.S. dollars, thus Avion is subject to foreign exchange risks relating to the relative value of the Canadian dollar and local currencies as compared to the U.S. dollar. To the extent that the Company generates revenues upon reaching the production stage on its properties, it will be subject to foreign exchange risks as revenues will be received in U.S. dollars while operating and capital costs will be incurred primarily in Canadian dollars and the currency of the country in which projects are located. A continuing decline in the U.S. dollar would result in a decrease in the real value of the Company's revenues and adversely impact the Company's financial performance.

Licences and Permits, Laws and Regulations

The Company's exploration and development activities, including the mine and mill facilities to be acquired pursuant to the Acquisition, require permits and approvals from various government authorities, and are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Environmental Regulation

Avion's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are becoming ever more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on Avion, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Mali Projects have been granted to the Mali Subsidiaries in the form of mining concessions. The Ethiopian properties are held by Avion through mining concessions. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which Avion may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties. Avion notes that a number of artisanal miners have occupied the Mali Projects since the Tabakoto mine was placed on care and maintenance. There is a risk that such artisanal miners could resist removal from the property following the Acquisition, and this would have a negative impact on Avion.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Competition

Avion competes with many other mining companies that have substantially greater resources. Such competition may result in Avion being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund the Company's operations and

develop its properties. Avion's inability to compete with other mining companies for these resources would have a material adverse effect on its results of operations and business.

One of the strategies of Avion is to grow its business by acquiring attractive, quality mining assets. Avion expects to selectively seek strategic acquisitions in the future. However, there can be no assurance that suitable acquisition opportunities will be identified. Further, the ability of Avion to consummate and to integrate effectively any future acquisitions on terms that are favourable to it may be limited by the number of attractive acquisition targets, internal demands on the resources of the Company, competition from other mining companies and, to the extent necessary, Avion's ability to obtain financing on satisfactory terms, if at all.

Dependence on Outside Parties

Avion has relied upon consultants, engineers and others and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Avion.

Qualified Personnel

Recruiting and retaining qualified personnel in the future will be critical to Avion's success. As Avion develops, the need for skilled labour will increase. The number of persons skilled in the exploration and development of mining properties is particularly limited in Africa and competition for this workforce is intense. The activities of the Company may be significantly delayed or otherwise adversely affected if it cannot recruit and retain qualified personnel as and when required.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa. HIV/AIDS, malaria and other diseases may pose a healthcare challenge for the Company. There can be no assurance that Avion will not lose members of its workforce or workforce man-hours or incur increased medical costs, which may have a material adverse effect on the operations of the Company.

Availability of Reasonably Priced Raw Materials and Mining Equipment

The Company will require a variety of raw materials in its business as well as a wide variety of mining equipment. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Company's production and financial performance could be adversely impacted.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation. In particular, certain of the Company's directors and officers are also the officers and directors of other gold companies.

DESCRIPTION OF THE MALI PROJECTS

Certain information below has been excerpted or derived from the Technical Report. Doug Currie, MAusIMM, who is independent of Avion and Nevsun and a qualified person under NI 43-101, has reviewed the scientific and technical information in this document. See "Part III – Information Concerning Avion Following Completion of the Acquisition – Interests of Experts". The Technical Report, particularly the conclusions, interpretation and recommendations, include forward-looking information that does not represent historical fact. This forward-looking information contains estimates and projections and involves a number of risks and uncertainties that could cause actual results to differ materially. See "Cautionary Note Regarding Forward-looking Information".

The Tabakoto Project

Property Description and Location

The Tabakoto Project covers approximately 60 km². The permitted area is located around the village of Tabakoto, which is about 15 km north from the government administrative centre of Kéniéba in western Mali.

The Company indirectly holds an 80% interest in the Mali company that holds the Tabakoto Project. The Government of Mali holds the remaining 20% interest, which is a carried interest that is subject to the repayment of capital costs prior to payment of its portion of any profits. The Government of Mali's net smelter revenue royalty is at a rate of 6%, which may be reduced to 3% in certain circumstances. There is an arrangement with the Government of Mali to offset royalty payments against a fuel tax receivable owed by the Government to Avion in respect of both Mali Projects, which Avion estimates to be approximately US\$6.5 million.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Tabakoto Project can be accessed by fixed-wing aircraft from Bamako, 360 km to the east, which arrives at a 700-m long laterite airstrip at Kéniéba. There are no scheduled flights into this small and unequipped airstrip. Charter aircraft are available from Bamako but outgoing loads from Kéniéba are severely restricted due to insufficient runway length. Kéniéba is also accessible by laterite road from the rail terminal at Kayes, which is about 200 km away. The road is of good quality from Kayes to Sadiola (60 km), but in reasonable condition for the remaining portion. Kayes connects to the port city of Dakar in Sénégal (685 km to the west) and the capital Bamako, to the east.

The Tabakoto project area can also be accessed from Dakar by paved road to the village of Saraya in eastern Sénégal, a distance of 756 km. From there a dirt road leads to the Falémé River where there is a crossing in the dry season. The distance from Saraya to Tabakoto is 64 km. The Falémé crossing currently has a ferricrete base that likely has to be upgraded each year. An all-weather laterite access road branches west from the Route Nationale, south of Tabakoto, for 1.2 km to the present Nevsun campsite. A variety of dirt and laterite roads crosscut the Tabakoto project. The road to Bamako is upgraded from time to time with the journey taking approximately 9 to 10 hours to complete. The road from Tabakoto to Manateli takes approximately 3 hours to travel in the dry season and 4 hours during the rainy season. For the most part this is a dirt track with few upgrades. Bridges are under construction to span major watercourses.

The climate in the Kéniéba district is tropical with only two seasons: a rainy season from June to October and a dry season from November to May. The average temperature range in western

Mali is between 18 and 43°C. During the hottest portion of the summer months, temperatures vary between 25 and 43°C. In the winter months of December and January, the temperature ranges between 18 and 35°C. The wet season generally moderates the average temperature. The precipitation estimates for Kayes for average annual rainfall is between 750 and 1000 mm per year. During the rainy season, daily measurable precipitation can exceed 18-20 mm and peak daily rainfall can exceed 75 mm.

The Kéniéba district is at an elevation of 120 metres above sea level. The Project features low rolling plateaus cut by moderately well developed drainage systems. Rising above the plateaus in some areas are long ridges capped by hard ferruginous laterite crusts that extend for several kilometres. Immediately to the east of the property there is the prominent west facing Tambaoura escarpment formed by sandstone cliffs which rise to over 350 metres elevation. The district of Kéniéba is largely vegetated by tall grass and wooded savannah. Abundant seasonal streams transverse the area and flow southward into the Doundi River and thence westward into the Falémé River that forms the Mali-Sénégal border. Land use consists of subsistence farming and grazing of domestic animals. Crops typically consist of maize, millet, rice, peanuts and melons.

History

Local villagers report that the Tabakoto deposit was located by villagers in the early 1950s. Avion management believes that, at that time, the site was a small-scale alluvial mining site.

The following is a summary of the information available regarding the Tabakoto Project since Nevsun became involved with it.

Prior to June 1997, a contractor conducted all exploration work at Tabakoto. Initial geophysical and geochemical surveys were carried out on a limited basis to determine if the mineralization signaled further undiscovered zones. Initial drilling determined that mineralization was associated with several structural directions. Work on the property prior to 1997 included geological surveys, diamond and reverse circulation drilling.

By 1997, data from drilling had provided sufficient encouragement regarding the definition of a potential gold deposit at the Tabakoto project. Property-wide geological mapping, geophysical surveys and soil sampling were completed to provide a complete database of background exploration information. In June 1997, Nevsun took over on-site management of the exploration program. Nevsun conducted soil sampling, geological mapping, IP/resistivity surveys, constructed an exploration camp, and completed additional diamond drilling. Initial resource estimates were calculated for the Tabakoto Project. In 1998, a preliminary feasibility study was completed that presented various underground mining scenarios and a 750,000 tonne per year scenario in detail.

Following additional work, in 1999, Nevsun submitted an application for a mining licence to the Malian Government. In the latter part of 1999, the falling gold price forced Nevsun to focus on high-grade mining opportunities that would limit capital costs and at the same time improve the economic projections for the deposit. Snowden Mining Industry Consultants ("Snowden") completed a resource and mining review that suggested a high grade open pit mining scenario followed by underground mining would be feasible.

The Malian Government awarded a mining (exploitation) licence to Nevsun in October 2000. Nevsun continued its drilling exploration program with diamond and RC drilling. A re-interpretation of the deposit geology was completed by Snowden, and it concludes that it had developed a better understanding of the mineralized structures. In 2001, Nevsun acquired three additional

concessions (Koutila, Fougala, and Dioulafoundou) contiguous with the Tabakoto mining license area, which covered an aggregate area of approximately 36 km².

In May 2004, NRML commenced the construction of the Tabakoto mine. Construction took place during the following 21 months, during which it encountered a variety of project management, contractor and supply difficulties. Mining commenced at the Tabakoto project in late 2005 using a mining contractor. In January 2006, NRML took over the final construction of the processing facilities because, according to NRML, the construction contractor was not performing to schedule. Commissioning of the milling section of the process plant was completed in April 2006, milling softer near surface ore. Commissioning of the three stage crushing plant, needed to process the bulk of the ore body, was completed in the second quarter of 2006. By the end of 2006, the operations were capable of running at design tonnages.

Nevsun has previously published NI 43-101 compliant mineral resource estimates for the Mali Projects. Based on these estimates and its feasibility mine production plan, Nevsun commenced mining operations at Tabakoto expecting that 3.36 million tonnes of ore (assuming a gold price of \$350/oz) would be processed at a rate of 650,000 tonnes per year, with a grade of 5.26 g/t of gold, to a depth of 210 metres at a 2.0 g/t gold cut off grade. In addition, Segala was to contribute 3.98 million tonnes grading 2.99 g/t yielding 382,505 oz Au to the mill after mining at Tabakoto was completed. According to the plan, the Tabakoto mine was expected to yield approximately 567,544 ounces of gold at an average waste to ore ratio of 15.4:1 with ore and waste totaling 52 million tonnes. During production, Nevsun only recovered approximately **100,000 ounces of gold at an approximate grade** of 3.41 g/t of gold, representing an approximate 35% shortfall in expected ore grades at Tabakoto. As a result, Nevsun determined that it could no longer rely on the resource model used to calculate mineral reserves and resources and, accordingly, in December 2006 commenced developing another resource model for both Tabakoto and Segala.

In March 2007, Nevsun management also reviewed the carrying value of the Tabakoto Mine and related assets as part of its annual financial reporting process. In preparing its discounted cash flow analysis Nevsun management used gold prices that declined over the next three years from \$625/oz to \$500/oz for revenues based on budgeted costs for the remainder of the life of mine. Nevsun management concluded that in accordance with industry practice, a provision was required for impairment of the entire amount of the Tabakoto property (\$81,373,865), which combined with other directly related items, resulted in a total charge to the December 31, 2006 consolidated statements of operations and deficit of \$80,889,043.

In September 2007, Nevsun announced that the Tabakoto Mine would be placed on care and maintenance. Stockpile ores were processed during the following two months and Nevsun initiated a sale process for the Mali Projects.

The Tabakoto Mine operated until November, 2007; during the 21 months of production a total of 101,061 ounces of gold at an average grade of 3.41g/t gold was produced from the treatment of 1,027,808 tonnes of ore (see the table below). No details of the total volume mined (strip ratio) or fineness of gold produced (i.e. silver content) are available.

**Summary of Gold Production – Tabakoto Gold Mine
2006-2007**

	Tonnage	Head Grade	Gold Produced	Grade	Recovery
	tonnes	g/t Au	oz Gold	g/t	%
2006					
JAN					
FEB	1,421	0.08	4	0.09	
MAR	10,727	1.08	356	1.03	95.9
APR	51,009	1.2	1,888	1.15	95.9
MAY	49,863	3.08	4,774	2.98	96.8
JUN	51,444	2.68	4,297	2.60	96.9
JUL	39,504	2.88	3,498	2.75	95.5
AUG	59,130	3.18	5,749	3.02	95.2
SEP	44,828	2.23	2,884	2.00	89.8
OCT	51,561	4.39	6,657	4.02	91.6
NOV	57,436	4.29	6,866	3.72	86.7
DEC	62,186	3.44	5,956	2.98	86.7
Total 2006	479,110	3.03	42,930	2.79	91.9
2007					
JAN	54,410	5.25	8,158	4.66	88.8
FEB	37,798	3.82	3,984	3.28	85.7
MAR	63,461	3.43	5,972	2.93	85.4
APR	57,308	3.88	5,850	3.18	81.8
MAY	51,807	3.63	5,151	3.09	85.1
JUN	53,223	3.72	5,604	3.27	88.1
JUL	53,542	4.18	6,625	3.85	92.2
AUG	66,742	3.84	7,461	3.48	90.5
SEP	58,065	3.41	5,810	3.11	91.1
OCT	52,342	2.04	2,909	1.73	84.8
NOV	0		606		
DEC	0				
Total 2007	548,698	3.75	58,131	3.30	87.8
Total 2006-2007	1,027,808	3.41	101,061	3.06	89.71

Geological Setting

Information provided under this heading has been derived from information presented in the Technical Report.

Regional and Local Geology

Precambrian cratons of Archean and Lower Proterozoic age, Pan-African mobile zones of Upper Proterozoic age and intracratonic sedimentary basins ranging from the Proterozoic to the Quaternary dominate the geology of West and Central Africa. The substratum rocks seldom outcrop and are frequently covered by sands (dunes) in the north and by laterites in the south.

Due to extensive cover by intracratonic basins and deep crustal reactivation during the Pan-African orogenic event, only segments of the original Archean-Lower Proterozoic cratons are recognisable today. The principal remaining segments of the West African craton are Reguibate in Mauritania, Kayes in Mali, Kedougou-Kéniéba in Sénégal and Mali and the vast Man-Leo terrains, which extend from Guinea in the west to Benin and Niger in the east. Parts of the Congo craton subcrop in the Congo Republic, Gabon, Equatorial Guinea, Cameroon and the Central African Republic. Segments of the ill-defined Nilotic craton are preserved in the northern part of the Central African Republic and in Chad.

The Archean-Lower Proterozoic cratons consist essentially of granitic-gneissic terrains and of volcano-sedimentary and sedimentary greenstone belts. The greenstone belts, which are of either Archean or Lower Proterozoic age, are host to significant precious metal, base metal and bulk mineral deposits worldwide. Archean greenstone belts occur in most of the fragmented cratons of West and Central Africa. The second most significant gold resource of Africa (second only to the Witwatersrand basin) is associated with greenstone belts of the Lower Proterozoic Leo terrain of the West African craton. These belts are also known as Birimian greenstone belts, named after the Birimian River Valley in Ghana, where gold and diamonds occur. They encompass a vast area of approximately 350,000 km² covering parts of Niger, Burkina Faso, Benin, Togo, Ghana, Ivory Coast, Mali, Guinea, Liberia and Sénégal.

Western Mali is underlain by the Man Shield, which is represented in this region as the Kéniéba-Kédougou Inlier, part of the West African craton. Bedrock consists predominantly of deformed and weakly metamorphosed volcano-sedimentary rocks of Lower Proterozoic Birimian sequences (2300-1900 Ma) that are bordered to the east by Upper Proterozoic (also termed Infra-Cambrian) largely unmetamorphosed sedimentary cover rocks (quartzite and argillaceous schists). Proterozoic to Permian doleritic dikes crosscut this portion of the shield.

The Birimian sequences of West Africa are generally preserved as linear belts that are tens of kilometres wide with lengths in excess of several hundred kilometres. Granitic or migmatized zones separate the belts, corresponding to ante-Birimian bedrock or granitic manifestations of the Eburnean orogeny (2115-2080 Ma) the latest penetrative metamorphic/deformational event. Western Mali is somewhat exceptional to this as the linear belts are generally wider than average and have narrower intervening granitic zones between them. The Birimian sequence in eastern Sénégal and western Mali is exposed within the Kéniéba-Kédougou inlier and is comprised of three main volcano-sedimentary belts oriented roughly SWNE. The belts are comprised of successive sequences that range from volcanic dominated in the west (Mako Group) to predominantly turbidite sediments and less voluminous volcanic rocks to the east (Dialé Group and Daléma Group). Subsequently, the previous group names used for the inlier as a whole have been renamed in Mali respectively, the Saboussiré, Kéniébandi, and Kofi Formations.

The Kéniéba region, within which the property lies, is underlain by the Daléma Series consisting of dominantly volcanic derived turbidite sediments, occurring in the south-eastern most volcano-sedimentary sequence of the Kéniéba Inlier. Whereas the Birimian rocks are generally metamorphosed to greenschist facies, the emplacement of calc-alkaline syn-tectonic granites has produced areas of amphibolite facies metamorphism and migmatization, or transformation, to hornfels. A series of small granitoid stocks is especially evident in the area just north of Kéniéba. The lack of felsic intrusive outcrop is likely due to relatively rapid weathering of these types of rocks in the tropical environment. Diorite and granodiorite stocks and dykes intruded all the Birimian rocks towards the end of the Eburnean orogeny. These intrusions have been mapped as post or late tectonic in age because they are generally only weakly foliated. However, other analysis considers them to more likely be largely syn-tectonic. A number of intrusions cut the Daléma Group/Kofi Formation rocks in the Kéniéba area. These include the Yatia Granite stock, located about 20 km north of Kéniéba and the Gamayé Granite located about 22 km southeast of Kéniéba.

Upper Proterozoic sedimentary rocks of the Wassangara and Souroukoto Groups unconformably overlie the east portion of the Kéniéba-Kédougou Inlier. The rocks of the latter group form the prominent Tambaoura escarpment immediately to the east of the property. The present land surface over the Birimian rocks corresponds very closely to the former erosional surface of the base of the covering sequence.

Property Geology

The Tabakoto Project is underlain by a proximal turbiditic sequence of greywacke and lesser graphitic argillite, and siltstone whose structures (layering and foliation) regionally strike NNE (010° Az), dipping steeply to the east in the south to E-W striking with steep southerly dips in the north. Generally strike of the units appears to rotate to a more east-west direction, with steep dips to the south, in the area around the Yatia Granite pluton in the northern regions of the Ségala permit.

Diamond drilling of artisanal mining sites, soil geochemical anomalies and Induced Polarization (IP)/resistivity survey features resulted in the discovery and delineation of three strike-continuous gold zones at the Tabakoto Deposit: North, Main, and South. The zones are generally aligned in a north-south direction over a total strike length of approximately 2400 m.

The Tabakoto Deposit occurs within the core of a tight, upright anticline (or anticline couple), whose axial surface dips steeply (70°-85°) eastward. The folded metasediments are monotonously intermixed such that no distinct marker units exist, and the anticline is defined strictly by common sedimentary facing directions. A suite of meter to decametre scale, intermediate to felsic (+/- quartz) feldspar-porphyritic dykes cuts the folded sequence along the length of the core of the anticline. The porphyritic dykes are concentrated within two main intrusive corridors in the northern portion of the deposit, namely a western corridor (15-30 meters wide) dominated by intermediate (diorite, quartz diorite) dykes and an eastern corridor (20-75 meters wide) dominated by felsic dykes. The corridors are generally about 40 meters apart (up to 80 meters in the north) and merge into one principal corridor (50-110 meters wide) in the central part of the deposit. Brittle faults and gabbro-dolerite dykes transect the folded assembly.

The main north-south direction of the Tabakoto mineralized zone is intersected by a significant series of NE-SW (055° Azi) striking structures. The timing of these 055° structures is post north-south structure and it is clear that they have been intruded by felsic, mafic and lamprophyric

dykes that are themselves mineralized with arsenopyrite and gold. It is interpreted that these NE-SW structures generally display left-hand movement and likely dip to the SE.

A swarm of relatively minor but highly auriferous east-west trending structures crosscut the north-south and most of the NE-SW trending structures. They appear to display right hand movement. NW-SE oriented structures also exist and are suspected of being mineralized. All of these rocks and structures have been in turn cut by 030° oriented faults and down-thrown to the east in what appears to be the latest structural event of significance. It is thought to be a post mineralization event.

The dyke corridors and associated host rocks along the length of the anticlinal axis form the locus of preferential alteration (silicification, sericitization and/or carbonatization), intrusion of narrow (cm to dm scale) gold bearing (+/-albite, carbonate) quartz vein systems, development of quartz crackle vein and quartz flooded breccia zones, and development of fine to medium grained disseminated arsenopyrite with subordinate pyrite and free gold. Visible gold occurs statistically in all lithologies and gold grades range widely owing to a nugget effect.

Gold mineralization appears to be mainly associated with zones of fracturing and brecciation within the axial zone of the Tabakoto anticline. The fracture zones and the associated mineralization are not restricted to any particular lithology but rather mostly follow the axial trace of the anticline. Brittle deformation appears to be best developed within the relatively competent units of the felsic and intermediate porphyritic dykes. In other places the mineralization follows silicified and carbonatized sediments. There appears to be little evidence of strictly ductile deformation. It should be noted that there is no north-south mineralizing event. The competent north-south zone is merely a host to crosscutting mineralized structures.

High grade zones of gold mineralization are related to the porphyritic dyke corridors, including the host metasediments, and the zones of alteration and fracturing associated with them, forming a north trending main mineralized zone ranging between 20-50 meters in width along the anticlinal axial trace. Cross and long sections depict a somewhat erratic pattern of high grade mineralization, yet infer the presence of moderately south plunging shoots or panels, likely governed by the intersection of brittle structures. NE trending cross structures, such as the major structure that transects the deposit at its south end and other zones cutting the central part of the deposit, also form the locus of porphyritic dyke injection, alteration and gold mineralization.

The main alteration type appears to be silicification, with subordinate iron-carbonatization and sericitization, which all together contribute to a "creamy alteration". Related to this alteration are variable amounts of disseminated to patchy arsenopyrite, pyrite and pyrrhotite as well as trace amounts of chalcopyrite and sphalerite. Very intense creamy alteration commonly replaces the original rock, resulting in diffuse zones of uncertain protolith. Creamy alteration, while related to gold mineralization is not ubiquitously associated with high gold values, and in several localities well-altered material returned very low gold values. It is possible that this style of alteration may not be temporally related to gold mineralizing events. Early alteration likely provided the ground preparation needed to allow brittle fracture and the subsequent infiltration of gold mineralizing fluids. At the same time, as there are many phases of dyke intrusion, there are likely to be many phases of alteration, not all of which will result in gold mineralization.

It has been noted in a number of cases that very high-grade gold mineralization is related to weak to strong silicification and micro-fracturing in sediments. Barely visible hairline silicified fractures also locally host visible gold. A number of sections of relatively unaltered core were initially sampled because of the presence of very diffuse arsenopyrite mineralization and when

these sections were carefully re-inspected upon return of very high gold grades were found to contain appreciable visible gold. Subsequently, many sections of previously logged core were re-examined and wider scale sampling was carried out. In general, since there is no strictly definitive relationship between lithology and alteration style with gold mineralization, it may be necessary to define mineralization by assay cut-off methods. This is an important characteristic to bear in mind in the planning of future exploitation of the deposit.

The felsic porphyritic dykes are almost ubiquitously silicified, although the intensity of alteration is highly variable. In general, these dykes tend to exhibit silicification with varying amounts of arsenopyrite and pyrite mineralization. These altered rocks were routinely sampled and assayed; however, gold content is highly variable.

It has been noted that there is a distinct change in the geology from north to south at the northern boundary of the Tabakoto East concession. It was noted that a relative abundance of carbonaceous argillites to the north passes abruptly into an abundance of coarse-grained greywackes to the south. This abrupt change is marked by VLF-EM data, (which is very active north of line 5+00S but is very flat to the south) and appears to coincide with an east-west LANDSAT image linear feature, noted earlier, located along the northern Tabakoto property boundary.

In this context the Tabakoto Deposit is located on the south side of the intersection of a north-south structure with a later east-west structure. It has since been determined that a significant number of east-west oriented structures pass through the entire area of the Tabakoto deposit and play a significant role in gold emplacement.

In addition to the probable primary sedimentary facies changes between the Tabakoto and Ségala properties, there is a change in orientation of bedding and foliation. On the Ségala property, the structural sense deviates from the regional norm by striking 110° versus 010° . It seems likely that the F1 axis has in turn folded around a NE-trending (025° Azi) open F2 fold axis. As the Ségala gold deposit is also known to occupy an antiformal position, it is possible that the deposits were developed along the same F1 fold axis, which is refolded by a NE-trending F2 fold.

In detail, the Tabakoto Deposit mineralization extends for at least 1,650 m in a north-south direction and is composed of at least three main north-south zones and is subsequently transected by NE-SW (055° Azi) and east-west crosscutting brittle deformation zones. The current state of knowledge suggests that there are a number of south-plunging pods of high-grade mineralization within the north-south hosting zone.

Mineralization was encountered at a vertical depth of 580 m. The deposit appears to become discontinuous to the south largely due to the emplacement of NE trending felsic/intermediate dykes and east-west trending potassically altered intermediate dykes.

Nevsun's planned open pit was centered on the Main Zone and the majority of drilling prior to commencement of mining was concentrated in this area. A lower density of drilling in the South Zone to date only permits a partial definition of the trend over this part of the property. Additional mapping and drilling is required to define significant concentrations of gold mineralization in this area. Nevertheless, it is felt that zones of satellite mineralization will be defined in this area that can add subsequent feed to any ongoing mining operation.

Detailed geological mapping, at 1:1000 scale, north of 1150S delineated two diffuse trends of orpaillage workings striking 015°, corresponding with the two dyke corridors defined by drilling. Pits located between these trends define the central weakly mineralized dyke. Two relatively continuous artisan open pits striking at 290° occur at grid lines 400S and 500S. These orpaillage workings are likely defining mineralization within WNW cross-structures or alternatively the intersection of east-west and NW oriented mineralized structures.

The results of later drilling programs were interpreted to clearly indicate the importance of generally east-west trending structures and their ability to carry significant amounts of gold. These structures are usually manifested as fine quartz and/or sulphide filled millimetre-sized stringers often with visible gold present. It is interpreted that breccia zones result from the intersection point(s) of these structures with north south, NW and NE structures with appreciable gold values over significant widths resulting. The east-west structures are interpreted to be a late event with mineralization and quartz associated with these structures cutting almost all other mineralized structures.

The strike appears to rotate to a more east-west direction, with steep dips to the south, in the area around the Yatia pluton within the Ségala permit to the north. A wide variety of small feldspar porphyry felsic and intermediate (dioritic) intrusions have been observed in orpaillage (artisanal mining) diggings and in the drilling at Segala. It is believed they bear a strong relationship to the gold mineralization located at Tabakoto. All of these rocks have been intruded by a series of narrow NE-SW oriented diabase dykes which have in turn been offset by a series of later NE trending (030°) normal faults which have been down-thrown to the east. The intrusion of these mafic dykes likely took place during the Paleozoic era. Numerous kimberlitic diatremes have been discovered in the immediate area of the property and these are known to be younger than the Upper Proterozoic rocks of the Souroukoto Series.

Exploration

See the section entitled "History" above, for information regarding the various exploration programs conducted at Tabakoto. In general, exploration has been fragmented because of the disparate ownership of the individual permit areas that Nevsun has consolidated. The following provides a summary of the geological mapping, geochemistry and geophysics that has been conducted on the property. Also see the information below under the heading "Drilling".

Geological Mapping

The Tabakoto properties have undergone extensive historical exploration, including numerous air photo and remote sensing structural interpretations and geological mapping at various scales. However, Doug Currie, the author of the Technical Report, noted that he had not seen a comprehensive, detailed, property scale geological map that compiles all of the available geological mapping and structural interpretations.

Oliver Gold reported in 1996 that it was commencing mapping of the Ségala and Dar Salam permits at 1:2500 scale. Nevsun completed a program of 1:5000 and 1:1000 scale geological mapping in 1999 over portions of the Tabakoto permits. In 2002, Nevsun reported that it completed 1:1000 scale geological mapping over the Kaolinite Mountain and Pedro's Grande Mine target areas in the south-central portions of the Dioulafoundou (Famakan) permit.

Mr. Currie noted that the initial geological map provides a map of the fold structures that have been found to be very important to the localization of gold mineralization. In addition, detailed

1:1000 scale, geological mapping is reported to have been completed in the vicinity of the Ségala and Tabakoto deposits in the 2003-2004 periods, although Mr. Currie did not see any detailed maps.

Several of these programs appear to have also mapped surface materials, i.e. alluvium, colluviums, laterite, outcrop, etc. Historical artisanal workings have also been located on these maps. Mr. Currie stated that this information will be particularly useful in the evaluation of surface geochemical results.

Since commencement of modern exploration of the properties in 1997 there have been several initiatives to establish survey control, survey property boundaries, obtain air photo coverage, acquire satellite imagery, etc. Mr. Currie noted that one report reviewed refers to a potential location discrepancy between older maps and modern maps created using the WGS84 datum. Apparently data plotted on pre-2004 maps is plotted approximately 224m east and 142m north Mali shift of WGS84 points (subject to verification); caution will be required when compiling old/new data on the same base.

Geochemical Surveys

Surveys have ranged from regional stream sediment surveys, including heavy minerals sampling designed for diamond exploration, to detailed grid based soil sampling programs, with sample density as low as 25 x 100m spacing. Sample collection techniques have also varied, including standard -80# surface soil samples, -10# samples taken at 20-30cm depth and a minimal quantity of BLEG samples.

Similarly, sample analysis techniques and elements analyzed also vary. Some samples were prepared in the field and sent to distant laboratories in South Africa, Zambia, other West African countries and Canada; others were prepared and analyzed locally at Abilab (Afrique de l'Ouest SARL) located in Bamako, Mali.

Abilab was the primary laboratory used by Nevsun until a modern laboratory was purpose-built at the Tabakoto Mine by ALS-Chemex in 2006. Abilab is not ISO accredited or certified by any international standards organization. Five companies have audited Abilab since 1997.

In 1997, Nevsun commissioned Analytical Solutions Ltd. to conduct an audit of the laboratory; the results of that report and remedial actions taken are summarized below. This summary excerpts from the Technical Report, which drew from a previous technical report for this information.

“This work identified several issues with Abilabs work, including:

- *the pulps prepared by Abilab were not ground fine enough; and*
- *the pulps were not rolled or homogenized prior to splitting a sub-sample for submission to the external lab.*

“Poor reproducibility of the gold check assays had been previously ascribed to the coarse nature of the gold in the Tabakoto Deposit. Lakefield performed 50 metallic assays and reported that for over half of the samples, more than 30% of the gold was contained in the +150 mesh fraction therefore a high nugget value is also evident.”

In the Technical Report, Mr. Currie stated that Nevsun was particularly concerned with these issues as they related to drill results.

“Due to the coarse nature of the Tabakoto gold mineralization, RC assay values may show higher variance than core drilling. RC drilling reduces the initial sample to +4 mesh. This crush size appears too high for a sample split without adequate homogeneity and results in a higher variance. The implementation of core sample duplicates would provide a comparison with the high variance found in RC drilling.”

After the 1997 QA-QC program, a technical consultant engaged by Nevsun recommended the following:

- *Nevsun should investigate the possibility of improving reproducibility of the assays by pulverizing the whole samples to a finer mesh (+20 mesh or greater) prior to the sub-sample split;*
- *Nevsun should add core duplicates and external laboratory duplicates within the same QA-QC protocol in order to provide comparable results between programs; and*
- *Nevsun should ensure that Abilab reports any pulps that have insufficient amounts for further analysis, in order for Nevsun to replace that material.*

Mr. Currie stated that he believed that these procedures were implemented.

No information is available on more recent work done at the ALS-Chemex laboratory on the Tabakoto Mine site.

In 2002, Nevsun retained Analytical Solutions Ltd to merge all gold and arsenic soil geochemical data available from six surveys carried out at various times between 1996 and 2000. As discussed above, surveys were carried out by a number of different companies and only minimal information was available on sample procedure and analytical methodology. Analytical Solutions completed a small program of an unspecified number of soil and pit samples on various grids in an attempt to relocate earlier anomalies and to duplicate their results. This proved extremely difficult because prior field grids could not be recovered. It also became obvious that the shallow alluvial cover and soil/laterite profile across the property makes it difficult to interpret the data without knowing how the original samples were collected.

Nevertheless, Analytical Solutions normalized sample results to the Ségala grid values and presented gold and arsenic anomaly maps of the properties. Although they concluded that these maps are useful at a property-scale of evaluation, they recommended that prior to initiating detailed follow-up on individual anomalies additional sampling be done to verify the anomalies and test pitting to test the variability of gold values with depth.

Analytical Solutions concluded that: “The absence of gold anomalies in some areas may be due to sample collection of near-surface material that is alluvial in origin and not representative of bedrock mineralization.....In areas of alluvial cover, where geology and structure indicate a high mineral potential, auger sampling to retrieve samples below the alluvial cover may be warranted.”

Geophysical Surveys

The Segala – Tabakoto properties have been subjected to extensive ground geophysical surveys, specifically IP/Resistivity, VLF-EM, Max-Min and ground magnetics. In the Technical Report, Mr. Currie summarized the geophysical work on the properties by excerpting from a previous technical report, as reproduced below.

In 2002, Nevsun completed its most comprehensive program, including IP/resistivity and magnetic surveys over the Main and Northwest Zones at Ségala and over portions of the Dioulafoundou, Koutila and Fougala permits. They also compiled the results of this new work with historical work.

Sagax Afrique S.A. were contracted to carry out this work as they had completed most of the historical surveys elsewhere on the Nevsun properties and had access to the historical data.

The property wide magnetometer survey completed by past operators is of poor quality due to a malfunctioning base station. Consequently, it is difficult to carry out any accurate interpretations of the historical data beyond defining obvious diabase dykes. A new survey covered a large portion of the Ségala property, including the mineralized target areas, including a zone mentioned for the first time, the Christmas Zone hosted by the Segala granite.

A previous technical report stated that the most apparent interpretation in the area of the Segala Main deposit is the 65° trending least-resistive unit that appears to cut the eastern end of the Segala Main mineralization. Conceivably this is a NE structure with a chargeability signature that may influence the ultimate positioning of the main 105° trend of gold mineralization in the immediate area. It is strongly suspected that the majority of chargeability anomalies, especially those with coincident resistivity “lows” are caused by graphitic horizons. Other low resistivity units also trending 65° at the east end of the map area that display intermittent chargeability responses may be of interest with respect to gold mineralization.

In their report, Sagax also interpret a number of northwesterly trending structures that appear to divide the Ségala Deposit into segments; Mr. Currie stated that this interpretation may be useful in following up extensions to the deposit.

The magnetometer survey clearly indicates the contact of the Yatia Granite to the north and several late diabase dykes that strike at approximately 50°. It is interpreted that the main diabase dyke has been faulted off by a late structure displaying approximately 150 meters of left hand movement. Past interpretations have indicated that this fault strikes NW and may have influenced the position of part of the Main and NW Zones. The smaller Segala Granite also appears to have a distinct magnetic signature leading one to believe that it is of similar timing and composition as the Yatia Granite. Beyond that there appears to be little to gain from the magnetic data other than that it appears that the broad magnetic low envelope in the vicinity of the known mineralization may represent an area of magnetic destruction.

Mineralization

At the Tabakoto Deposit, gold mineralization is commonly associated with the combined groups of felsic to intermediate dykes and it also commonly occurs within metasediments and brecciated metasediments that are marginal to or are enveloped by the dykes. Gold can also occur significant distances away from the dyke corridors in areas that are structurally prepared and altered, i.e., at the intersection of two or more structures. This occurs both in the hanging wall and footwall of the main dyke corridors. See “Geological Setting – Property Geology” above.

Drilling

Details of drilling and sampling procedures are not well known for some of the earlier drilling on the Mali Projects. However, more recent work has been well documented. Mr. Currie stated that, in general, industry standard procedures have been followed for most of the work completed.

Diamond drilling was performed by West African based divisions of international drilling companies, including Boart Longyear, who currently maintain a base at the Loulo mine to the north of Tabakoto, and Ausdrill. The upper 60-90m portions of most holes was usually HQ diameter core; once competent rock was encountered reduction to NQ sized core was undertaken. Mr. Currie examined core in Nevsun's core storage facility at the Tabakoto Mine; and concluded that recovery seemed good and the core was well preserved in the core yard.

RC drilling was performed by SDS Drilling Ltd, a division of Boart Longyear, and Ausdrill using Schramm RC drills with a 5 inch face-centered hammer and standard cyclone.

Drill core was cut with electric core saws and half core samples were taken at 1.5m intervals or at lithological contacts. RC samples were collected at 2m intervals and riffle-split to 2kg samples for analysis.

A previous technical report refers to potential minor up-hole contamination issues in some of the RC drilling. This was identified by the logging geologist as haematitic oxidized chips, hence near surface material, at depths of greater than 80m depth in fresh bedrock.

Mr. Currie did not review historical drill results in detail and during his site visit did not locate detailed plans or sections for drilling at the various prospects. Compilations of "significant assays" and drill results are included in various technical reports and are repeated in the Technical Report; these tables should not be considered as complete and without the benefit of an opportunity to review them on plan and section it is difficult to assess their value.

Summary of Historical Drilling Tabakoto Project

Permit	Prospect	Company	Date	DDH		RC	
				Holes	Metres	Holes	Metres
Tabakoto							
	Tabakoto	PDRM	1994	13	1,742.0		
			1995	39	4,178.0		
			1995	61	20,285.5		
			1995			36	2,241.0
			1995	51	18,160.0		
		Nevsun	1997	43	9,962.5		
	Dabo, Samake, Dioulafoundouding	Nevsun	1997	94	28,122.5	162	9,162.0
			1998	41	10,998.2	178	11,415.0
			1999	24	2,964.0	-	-
			2000	22	3,021.0	18	1,438.0
		Nevsun	2001	49	5,971.0	71	6,341.0

		Nevsun	2002	30	4,836.0	23	1,873.5
		Nevsun	2003	46	7,084.0	-	-
		Sub-Total		513	117,324.7	488	32,470.5

Sample Method and Approach

Diamond Drilling

Following the completion of all logging, the marked core was photographed and subsequently cut in half using diamond-bladed rock saws. The core was usually sampled in 1.0 to 1.5 metre intervals and according to lithological intervals. Looking down the core, the right hand side was consistently sampled for assay purposes; where oriented this would be the northern or eastern half of the core. This was done so that if in the future it becomes necessary to relog the oriented core, measurements could be accurately taken.

Samples were trucked to Abilab Afrique de l'Ouest SARL laboratory in Bamako for assay. The remaining half of the core is retained at the Nevsun core storage area. Pulps and rejects of the assay material are stored in Nevsun-owned containers located at the Abilab site in Bamako.

Blank core was inserted after intervals containing visible gold and after approximately every 25th sample. The assay laboratory was notified on the assay tag inserted in the sample bag that visible gold had been seen in the split interval.

Reverse Circulation Drilling

While drilling, the sample that passed through a conventional cyclone was collected in pails and then passed through a splitter. The sample interval was consistently 2 metres. Approximately 10% of the original sample (2 kg) was obtained after riffle splitting (two-stage SP-2 Porta Splitter). Duplicate samples were routinely taken.

Samples were shipped by Nevsun's trucks to Abilab Afrique de l'Ouest SARL laboratory in Bamako for assay.

Geotechnical Drilling

Metallurgical Design & Management (Pty) Ltd. ("MDM") requested that 10-15 cm lengths of core be sampled at one metre intervals down each hole. Samples were wrapped first in paper towels, then clear plastic cling-wrap, then a plastic sample bag, and sealed with wrapping tape. The hole number and depth interval were recorded on the outside of the sample bag. A wooden tag with the hole number and sample interval was sealed inside the sample bag. Samples were subsequently packaged in sturdy wooden crates for shipment to MDM in South Africa. A list of samples was enclosed with the samples.

Sample Preparation, Analyses and Security

Abilab Analytical Procedure

Samples were crushed to approximately 10 mesh or finer through a jaw crusher. The jaws were visually checked to ensure no rock or residual material was left behind and then blown with compressed air to prevent any contamination to the next sample. Details of the manufacturer or composition of the jaw crusher plates were not obtained. The crushed material was transferred to a splitter and mixed to provide homogeneity within the sample. The entire sample was split until a 250-300 gram sample portion was obtained for pulverizing. Compressed air was blown through the splitter to collect any residuals and prevent contamination of the next sample. The sample reject was placed into marked bags for storage or future analyses.

The entire 250-300 gram sub-sample was then pulverized through disc plate pulverizers to obtain 90% to 95% passing -150 mesh. After the entire sample had been pulverized, pure silica was passed through the disc plate pulverizer to ensure the plates were clean prior to pulverizing the next sample. Details of the disc plate manufacturer or composition of the plates were not obtained. The sample pulp was then rolled on a matting sheet to ensure the homogeneity of the pulp material and then placed in its respective pulp bag, ready for assaying and analyses. The pulp bags were then transferred into the weighing room. See “Exploration” above for commentary on the procedures used at Abilab.

Quality Assurance/Quality Control (QA/QC) Program

Samples collected during the current program were submitted to Abilab Afrique de l’Ouest SARL, Bamako, Mali (“ABILAB”). ABILAB, located in Bamako, Mali is the primary laboratory used by Nevsun. ABILAB was not ISO accredited or certified by any international standards organization. Five companies have audited ABILAB since 1997; one of them being Nevsun who commissioned Analytical Solutions to conduct an audit of the lab. The QA/QC sample insertion protocol includes the following samples:

- certified standard control samples (1 control sample inserted in every 25 samples for RC and Core samples)
- blank samples of barren core (submitted at the end of hole and after mineralized zones for Core and RC samples)
- duplicate samples (collected 1 for every 20 samples for RC samples)

Previous analysis of the QA/QC protocols concluded that, in general, the results for the QA/QC samples are reasonable, and have performed as intended. In the Technical Report, Mr. Currie reproduced comments on the QA/QC program, which have been presented above under the heading “Exploration”.

Conclusions and Interpretation

The information provided in this section has been excerpted or derived from the Technical Report.

Gold mineralization is widespread throughout the Lower Proterozoic Birimian volcano-sedimentary units, which occur as linear belts a few tens of kilometres wide and several hundreds of kilometres long throughout West Africa. Within the Kéniéba-Kedougou District there is substantial evidence of historical artisanal mining activity and more recent discoveries include more than 25 million ounces of gold.

Currie was retained by Avion to review the geology, mineralization and results of the extensive historical exploration work conducted on the Tabakoto-Ségala properties and to prepare an appropriate exploration program to further evaluate its potential.

The Tabakoto-Ségala property is underlain by a sequence of Birimian sediments that vary from a proximal turbiditic sequence of greywacke and lesser graphitic argillite and siltstone in the south to a distal turbiditic sequence of graphitic argillites, siltstones and greywackes in the north. These units have been tightly folded and intruded by a series of narrow, generally NE-SW oriented diabase dykes which have been offset by E-NE trending normal faults.

At a regional scale, gold mineralization is very closely associated with major north-south or northeast-southwest trending structures, with major deposits located along these structures. On the Tabakoto-Ségala Property, gold mineralization tends to be associated with fracturing and brecciation or in association with silicified and carbonatized sediments within the axial core region of tight anticlinal folds. Structure is very important to localization of mineralization; several directions of faulting/shearing appear to be mineralized, i.e. generally northeast and north-south at Tabakoto and west-northwest to east-southeast at Ségala. In all cases, mineralized structures appear to be steep to vertically dipping.

Mineralization, both at Tabakoto and Ségala, but also at some of the smaller prospects, is almost always related to intrusive cross-cutting felsic and intermediate porphyritic dykes. Visible coarse gold is observed in core and widespread, large scale orpaillage workings throughout the properties would confirm this.

The properties have been subject to extensive exploration, primarily for gold but also for diamonds, since modern exploration began in the region in the mid-1980s. In addition to regional stream sediment sampling, extensive soil geochemical surveys have identified a number of significant, generally coincident, gold and arsenic anomalies. IP geophysics, performed over much of the property, has defined zones of chargeability highs and resistivity lows, representative of weak sulphide mineralization or silicification, and frequently associated with the shear hosted style of mineralization at Tabakoto or Ségala.

Although there is an abundance of work reported, the author has not seen a diligent compilation and comprehensive interpretation of all of this data. This is unfortunate but adds considerably to the potential for future discovery.

Much of the 213,000 metres of drilling that has been completed on the properties has been focused on delineation of mineral resources at the Tabakoto and Ségala Deposits; however, some, mostly historical, i.e. pre-2003, drilling has also evaluated other targets. Significant gold intersections have been returned in these drill programs.

Based on the number of strong geochemical anomalies and the significant results obtained in drilling, it is evident that there are a number of prospects with sufficient encouragement to conclude that with additional exploration it is very likely there will be additional, potentially economic, gold deposits located within the Tabakoto-Ségala properties.

The targets at Tabakoto considered having the most potential are:

In addition to potential strike and depth extensions to the Tabakoto Deposit, there are several targets which are along strike from Tabakoto, a large geochemical target area at Fougala-Kaolinite Mountain and Koutila on the southern property boundary.

- Dar Salam
 - Mineralization is similar to and along strike from Tabakoto
 - Large (>1.0km), strong gold geochemical anomaly (stronger than at Tabakoto) associated with significant orpillage workings with north-south orientation
 - Visible gold noted in many core holes
 - Intersections include 33.20m @ 4.11 g/t Au (DD96-26) and 32.0m @ 10.94g/t Au (DR-96) from a shallow depth of 12.0m.
 - Likely an extension of the Tabakoto Deposit
→Potential for Tabakoto-style deposit
- Tabakoto South
 - Immediately south of current Tabakoto Mine
 - Historical drilling has intersected some encouraging mineralization, including 4m @ 63.5g/t Au (hole unknown).
→Potential extension from Tabakoto
- Dioulafoundo
 - A large geochemical anomaly associated with extensive orpillage workings at Grande Mine
 - North-south trending silicified felsic dykes
 - Drilling has tested zone over 300+m, open along strike and at depth
 - Historical results include 12.0m @ 7.35g/t Au (D-04), 20.0m @ 2.35g/t Au (hole unknown), 9.0m @ 3.01g/t Au (hole unknown)
→Potential Tabakoto-style mineralization
- Fougala (Kaolinite Mountain-Sansanto)
 - Gold mineralization in orpillage workings over almost 4km strike, with felsic-intermediate dykes and stockwork quartz veining with sulphides
 - Narrow but high grade drill intersections include 1.5m @ 19.06g/t Au (F-05) and 1.5m @ 8.25g/t Au (F-07)
→ Potential for Tabakoto-style mineralization
- Koutila
 - Large area of gold/arsenic soil geochemistry along southern property boundary, with limited testing
→Potential unknown

The Tabakoto-Ségala Properties are well located in a prolific gold district. The property is large, has had a history of significant artisanal gold mining and modern open pit gold production, and has numerous strong exploration targets. Although partially tested, the density of prior drilling is insufficient to adequately test all known targets and there are many geochemical anomalies which appear to have never been tested. The exploration potential for discovery of additional gold mineralization is considered excellent.

Historically, there has also been considerable effort devoted to the exploration for diamonds in the region and specifically on the Tabakoto-Ségala properties, with considerable success. 24 potentially diamondiferous kimberlite pipes have been recognized and some follow-up work has been completed on 15 target areas within the properties. The specialists who have reported on this historical work have been very enthusiastic about the potential for discovery of diamonds on the properties. This work should be more thoroughly evaluated by a specialist consultant.

Recommendations

The information provided in this section has been excerpted or derived from the Technical Report and updated by Don Dudek, a qualified person under NI 43-101 and Avion's Senior Vice President, Exploration, who has spent several months reviewing the projects' data.

Continued evaluation of the Tabakoto-Ségala Properties is recommended to advance delineation of additional gold resources outside the defined Tabakoto and Ségala Deposits which could have an impact on the economics and mine plan for these two deposits.

A one year exploration program of concurrent geological compilation, field work and drilling, totaling approximately US\$5.0million is recommended.

This program focuses on exploration outside the defined resource areas at the Tabakoto and Segala Deposit areas; however, this work is complementary to any detailed geological investigations in the deposit areas. Suggestions are made for the type of activity possibly required in these areas; however, as the author has not reviewed data on the deposits in detail, these comments must be considered preliminary and subject to a more thorough review of the relevant data.

The principal goals of the recommended exploration activity on the Tabakoto-Ségala Properties are:

:

- To advance exploration of known prospects to define new mineral resources
- To identify new targets within the property area which have potential to host significant gold mineralization
- To review the prospectivity of the areas surrounding the current permit area to identify other potential exploration targets and to acquire the mineral rights of the underlying ground, by applying for the mineral rights or by acquiring the mineral rights from the current owners through Joint Venture arrangements.

The compilation and field work part of the Exploration Program totalling US\$500,000 will be carried out just prior to the start of and concurrent to follow-up drilling. Drill targets will be continuously generated during compilation. This will result in ongoing re-prioritization of drill targets.

Data Compilation, Interpretation & Preliminary Geological Assessment

The compilation program is primarily a data compilation, interpretation and geological data verification and assessment stage to synthesize existing data, to identify errors, inconsistencies or

gaps in the data, to validate existing historical databases and to confirm historical field observations reported and, to generate new targets for follow-up or to prioritize historical targets.

This program which has commenced will be focused on:

- Retrieval and compilation, into an acceptable Geographic Information System (GIS), of historical exploration data, including, but not limited to:
 - Survey information, including topographic mapping
 - Airphotos, Landsat & other remote sensing data available, augmented with new coverage as required, and associated interpretations/interpretive reports, etc
 - Geochemical data (regional stream sediment & soil geochemistry; detailed grid geochemistry)
 - Geophysical data
 - Geological mapping, particularly geological maps
 - Trenching
 - Drilling (RC, DDH, Auger)
- Synthesizing all geological data to common scales, legends & nomenclature. This may require :
 - Purchase of additional remote sensing products
 - Re-survey key data points to verify physical location of drill holes, orpillage sites, trenches, etc
 - Compilation of topographic mapping & aerial photography to prepare an accurate base map for data compilation, particularly locating all old workings, prospects, mines, etc
 - Field checking of geological maps to enable blending of various eras of work
 - Structural interpretation of new satellite & photo images
- Production of appropriate scale regional (1:50,000), project (1:25,000;1:10,000) and detailed prospect (1:1000;1:2500) compilation plans & detailed Cross Sections (1:1000; 1:500 scales) for any mineralized targets.

Simultaneous with this work, similar data compilation and interpretation of the Tabakoto and Ségala Deposit areas is required. For the Tabakoto Mine, in addition to the items specified above, this work is likely to include:

- Complete reconstruction of the geological database to include pre-mining drill data, any in pit exploration and grade control drilling, pit floor sampling, etc
- Create new 3D wireframe model, level plans, cross sections and long sections
- Where access is possible, remap the pit walls, with particular attention to structural controls on mineralization

The Tabakoto resource and reserve model must be updated to reflect the material which has been extracted, and based on the reinterpretation of the data, consideration will be given to additional drill holes, particularly to further evaluate the cross structures and the depth potential beneath the existing resource model. The goal in 2008 will be to develop a new resource for the Tabakoto deposit that can be used in a new feasibility study.

For the Ségala Deposit, the current resource and reserve model must be carefully examined, particularly in light of the failure of the Tabakoto Mine to realize the predicted reserve grades during mining. Again, depending on the outcome of the re-interpretation of the deposit, consideration will likely be given to additional infill or deep drilling and possibly trial mining to expose the top of the mineralization to allow detailed sampling and structural mapping. As with the Tabakoto deposit, the resource model of the Segala deposit will be re-generated, supported by new drill holes, if required, and a fresh re-interpretation of the drill data base.

Ultimately it is recommended that a comprehensive “Compilation Report” which contains all of the property information be prepared and carefully archived both at site in Mali and in the corporate office in Canada.

This phase of the program will require a team of geologists, possibly 1-2 student geologists or technicians/clerks and an experienced Draftsperson/GIS specialist. Although some of this work could be completed in Canada, ultimately proximity to the field is important so that local field checking could be performed simultaneously.

This work should be done simultaneously with the evaluation of the Tabakoto and Ségala Deposits, with careful liaison between the project staff to avoid duplication of effort and to ensure uniformity in all aspects of the compilation.

A brief review of the diamond potential of the properties should commence with a review of historical data.

The compilation program will take approximately six months and has commenced.

A budget of US\$480,000 is proposed for Compilation, as set out in the chart below.

Compilation		US\$
Personnel		
Supervision	6 mo @ 5,000	30,000
Senior Geologist	6 mo @12,000	72,000
Junior Geologist(2)	2x6mo @8,000	96,000
Geological Technicians(2)	2x6mo @5,000	60,000
Survey Crew	20 days @1,000	20,000
Draftsperson	6 mo @5,000	30,000
Labourers (4)	4x4mo @ 50/day	18,000
		308,500
Logistics		
Airfares	3x3x5000	45,000
Accommodation & Meals	60x30x25/day	45,000
Communication	3 mo @ 1,000	5,000
Computer Hardware/software		40,000
Consumables		16,500
Satellite Imagery		19,000
		154,000
	Compilation Sub-Total	480,000

Drilling Program

The drill program will be developed based on interpretations and conclusions of the Phase I compilation program; however, based on information reviewed, there are already a substantial number of targets worthy of immediate additional exploration and the principal issue with the Phase II program will be prioritization of targets. It is anticipated that the program will comprise some initial geochemical sampling to verify anomaly locations, geological/regolith mapping, possible trenching and a considerable amount of drilling.

At this date, without the benefit of more thorough review and interpretation of the data, the Technical Report identified the following targets at Tabakoto for further follow-up:

- Dar Salam
- Tabakoto South
- Dioulafoundo
- Fougala (Kaolinite Mountain-Sansanto)
- Koutila

In general terms, the specifics of the drill program will be determined during the ongoing data compilation, but in detail will include some orientation and confirmation geochemical soil sampling, possibly trenching where bedrock is considered to be near surface, RAB drilling of untested geochemical anomalies and along strike from known deposits or prospects, and RC and DDH to follow-up on historical results or to further evaluate strike and depth extensions to known prospects.

The proposed program, subject to modifications as required by conclusions of the Phase I Interpretation Report, will be comprised of approximately 20,000m RAB drilling, 20,000m RC drilling and 10,000m diamond drilling, as set out in the table below.

Recommended Phase II Drill Program

Property	Prospect	DDH
Ségala	Ségala Area	3,000
	Far NW	1,000
	Ségala South-Southwest	1,000
	Moralia Granite Anomaly	
	Dar Salam - Moralia trend	1,200
	NE Orpeillage	1,000
	Tabakoto	Tabakoto Area
	Dar Salam	1,500
	Tabakoto South	1,000
	Dioulafoundou	1,000
	Fougala	1,000
	Koutila	500

Other		3,300
Diamond Targets		400
	Total	20,000

The drill program and follow-up work will take approximately 12 months.

There has been no mention of the use of RAB drilling in any of the historical reports. This is a surprise as RAB drilling has been found to be a very useful, cheap tool for evaluation of soil geochemical anomalies, areas of orpilleur workings and areas covered by shallow lateritic duracrust elsewhere in West Africa. Apparently a number of the satellite zones of mineralization located at the Loulo Deposit have been discovered by RAB drilling following-up geochemical anomalies.

Therefore it is strongly recommended that a RAB drill be utilized to evaluate some of the untested geochemical anomalies or favoured structural targets. As RAB drilling is generally considered as a deep geochemical sampling tool, composite four metre, redox boundary interface and bottom of hole samples should be taken. "Toe-to-tail" overlapping fences of angled RAB holes should be very effective because of the generally steep nature of the mineralized structures. However, it should be noted that due to the fact that there are multiple mineralization directions and that the significance of each intercept will depend on accurate directional understanding of the mineralized structures the bias for the planned drill program will be diamond drilling.

Historical drilling has favoured diamond core drilling to RC drilling on a 3:1 ratio (156,500m::56,275m; Table 5). There is no doubt that the gold mineralization within the Tabakoto and Ségala properties is very structurally controlled. Nevertheless, it seems that in previous programs the standard sample interval for the DDH drilling was 1.5m and 2m in the RC. Apparently, in the Tabakoto Mine, initial plans were for grade control drill holes to be vertical on a 5x5m based grid to a 10m depth; however, because of poor reconciliation in early stages of the mining due to structural complexities, the drill pattern was modified, with inclined (-55°) drill holes completed at 6x6m centers with samples composited over the entire 15m hole.

It is highly recommended that in the future, both RC and DDH core should be sampled on a maximum 1.5m interval.

There appears to be good correlation between gold and arsenic soil geochemical anomalies. As well, drill logs reports scattered amounts of arsenopyrite, chalcopyrite, sphalerite and occasionally bornite. However, none of the technical reports reviewed refer to other metals in the drill results. It is not uncommon to find geochemical indicators, other than gold, that can be used very successfully to trace structural corridors which may potentially host gold mineralization. It is recommended that samples are also analyzed by ICP to capture additional geochemical information.

A budget of US\$4,550,000 is proposed for Drilling Program, as set out in the table below.

Phase II		US\$
Personnel		
Supervision	12 mo @ 10,000	120,000
Senior Geologist	12 mo @ 12,000	144,000

Junior Geologist (2)	2x12mo @8,000	192,000
Geological Technicians(2)	2x12mo @3,000	72,000
Survey Crew	60days @1,000	60,000
Draftsperson	12 mo @5,000	60,000
Labourers (20)	20x12mo @ 50/day	12,000
		660,000
Contractor Services		
Trenching (Excavator)	100hrs@100	10,000
Drilling		
Bulldozer-site prep	250hrs @100	25,000
Diamond Drilling	20,000m @160/m	3,200,000
Independent reserve reports		100,000
Additional Metallurgical testing		50,000
Analytical Fees	5,000@30/sample	150,000
		3,535,000
Logistics		
Airfares	3x9x5000	135,000
Accommodation & Meals	00x25/day	12,500
Communication	12mo @ 1,000	12,000
Field consumables	12x2500/mo	30,000
Vehicle Allocation (3)	3x12x2500	90,000
Miscellaneous		45,500
		325,000
	Drill Program Total	5,000,000

Ségala Property

Property Description and Location

The Segala concessions are located 20 kilometres north from the government administrative centre of Kéniéba in western Mali. The Segala camp is located six kilometres north of the village of Tabakoto. The Segala project covers an area of 23 square kilometres immediately to the north of the Tabakoto project.

The Company indirectly holds an 80% interest in the Mali company that holds the Segala Project. The Government of Mali holds the remaining 20% interest, which is a carried interest that is subject to the repayment of capital costs prior to payment of its portion of any profits. The Government of Mali's net smelter revenue royalty is at a rate of 6%, which may be reduced to 3% in certain circumstances.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The landscape at Segala is generally flat and gently undulating but is dominated by the Tambaoura sandstone cliffs, which extend in a north-south orientation and border the area on the eastern side. Artificial disturbances of the topography are prevalent where artisanal miners have excavated holes up to 30 m deep over a large area in the vicinity of the Segala Main and NW deposits, Moralia, and Dar Salam.

Access is as described above in respect of the neighbouring Tabakoto project. Regional access to the project area is via a dirt track from the Segala campsite. One creek has been bridged. The Segala Main deposit is located 2 km to the west of the Segala campsite. It can be accessed via a dirt road. Other dirt roads have been established to access the NW Zone, Far NW Zone, the Moralia Zone and the Dar Salam Zone.

History

A short chronological listing of the significant exploration work carried out on the property follows:

? 1987-91 PDRM carried out geophysical surveys over the deposit area and interpreted the underlying geology from this work. Nevsun has not seen this report.

? controlling interest in the Segala permit from the "Societe Camara et Diarra et Freres" (SOCADIF) and expanded the area to include a complete interest in the adjacent Dar Salam permit to the south from Ibrahim Keita in 1993.

? 1994 CMC (WA) completed 4 diamond drill holes totaling 942 m. All holes (SG-1 to SG- 4) contained gold mineralization with average grade of 1.9 g/t Au to 4.7 g/t Au over core lengths of 34 to 55 m respectively.

? 1995 Soil geochemical surveys were completed over the Dar Salam permit which defined several north south trending gold anomalies that appeared to be continuations of the structure hosting the Tabakoto deposit to the south. A regional remote sensing study was also completed.

? Tesla Consulting carried out VLF-EM and magnetometer surveys on a 34.5 km grid established over the mineralized zone. A reasonable geological interpretation was produced. VLF-EM, magnetic maps and the interpretation are available at a scale of 1:10,000.

? CMC (WA) optioned the property to Oliver Gold Corporation. Additional VLF-EM and magnetometer surveys appear to have been completed over an expanded grid. Oliver completed 23 diamond drill holes totaling 5,558 m, which further defined the Main Carbonate Zone and the Northwest Zone. These holes were generally drilled on 100 m centres over a strike length of 1200 m. A total of 7 diamond drill holes (948 m) were completed on the Dar Salam permit. One hole was abandoned in bad ground.

? 1996 Oliver and CMC (WA) completed a 24 hole (7,038 m) diamond drill program and a 291 hole reverse circulation drill program (13,655 m) over the Main and Northwest Zones to depths of up to 300m vertical.

? Detailed soil sampling on lines 100 m apart and sample spacing of 25 m was completed. Samples were analyzed for gold and arsenic. Samples along specific lines were subjected to a multi-element ICP analysis.

? Limited reverse circulation drilling was carried out at Moralia (18 holes) and Dar Salam (21 holes) for a total of 2472 m. A 15 further diamond drill holes were completed at Dar Salam for a total of 4085 m.

? 1997 Sagax Geophysics Inc. ("Sagax Geophysics") was contracted to carry out a pole-dipole IP/resistivity survey over the Dar Salam, Moralia and Segala West areas. Two lines were surveyed over the Main Zone.

? Oliver drilled a further 18 diamond drill holes on the Main and Northwest zones. Rescan Engineering wrote a pre-feasibility report on the Segala deposit. This document was submitted to the Malian government who ultimately issued an exploitation permit for the property. The exploitation company was named Semico S.A.

? 1998 Pearson Hoffman and Associates completed a resource estimate for the Segala Main and Northwest zone using data from 72 diamond drill holes and 291 RC holes. Nevsun contracted this work. They calculated a total of 11.6 Mt grading 2.74 g/t Au containing 1.02 million ounces of gold. This was calculated over a strike length of 1000 m and to a vertical depth of 550 m. Primary indicated resources using a 1.5 g/t Au cutoff amounted to 7.5 Mt grading 3.52 g/t Au while the indicated oxide resource using a 1.5 g/t cut-off amounted to 0.5 Mt grading 3.07 g/t Au.

? The property was sold to Semafo Inc. ("Semafo")/Managem.

? 2000 Reminex, the exploration group attached to Managem, carried out a significant exploration program at Segala. This included: (1) contracting Sagax Geophysics to complete a gradient array IP/resistivity survey between the Segala Main and Moralia areas, (2) completing soil sampling in an area west of the Dar Salam grid, (3) trenching at Moralia, Segala and Dar Salam, (4) diamond drilling of 4 holes on the Segala Main Zone, 2 holes on the North Zone, 3 holes at the Far NW Zone and 3 holes at Dar Salam, (5) RC drilling of 18 holes mostly at the Far NW Zone. There was significant recovery problems associated with this drilling.

Geological Setting

See the description of the geological setting of the Tabakoto project for a description of the regional and local geological setting of the Segala project.

Property Geology

Three mineralized zones, the Main (Carbonated) Zone, Northwest Zone and Southwest Zone, comprise the Ségala Deposit.

Main Zone

The Main Zone extends over a strike of 750 m, has an average width of 40 m and continuity of mineralization down to a depth of at least 500 m. Originally this zone was drilled because of a concentration of orpaillage working. The Ségala Main zone is considered to be structurally controlled alteration and mineralization system that is hosted by the core of an isoclinal anticline whose axial trace trends ESE (approx. 110°Azi) and dips steeply to the south at about -80°. The anticline is made up of somewhat deformed and altered metasediments (greywackes and argillites) that display variable intensities of alteration of chlorite, carbonate, sericite and silica. A series of quartz stringers and veins intrude this package.

Gold mineralization is associated with later narrow iron carbonate-quartz veins and stringers that intrude the silicified and carbonated sediments. The veins and stringers usually display somewhat bleached selvages containing coarse to fine grained arsenopyrite crystals and finer disseminated to patchy pyrite (pyrite is also seen to replace arsenopyrite). Many of these stringers and veins are seen to be parallel to local foliation but there are others that are believed to be oriented northeast southwest as well as north south. To a significantly lesser degree, gold is also

associated with fractured felsic and intermediate feldspar porphyry dykes. Mineralization appears to plunge steeply to the east.

The mineralization is hosted within a wide alteration envelope of carbonatization, sericitization and pyrite and arsenopyrite disseminations with associated quartz-carbonate and quartz-arsenopyrite veinlets which has bleached the sedimentary units to a light brown to grey colour. The Hangingwall Zone and Footwall Zone are separated by mostly un-altered argillite units which are occasionally graphitic. Visible gold is contained in some of the veins and fabric of the rock, preferentially in those veins having arsenopyrite along the vein selvages.

The Main Zone hosts two non-mineralized diabase units. One is a flat lying tabular unit, approximately 10 m thick, at a depth of 400 m. Only ten of the deepest diamond drill holes intersected the unit. The second unit is steeply dipping to the west, trending north northeast (010°Azi) contained within the fault zone that intersects perpendicular to the Main Zone. These units contain no appreciable gold values and are separate un-estimated domains with hard boundaries.

Narrow, steeply dipping dykes, parallel with the main mineralized structures within the Main Zone are recognized as being mineralized but are lower grade. Although these are lithologically separate, they still form a continuous part of the mineralized sequence. A large post mineralized fault zone, steeply dipping, trending north-south (010°Azi), intersecting the Main Zone was geologically modeled. The fault displays a true wide of 70 m and continues to depth in the deposit. The fault displays little to no displacement in the vertical or horizontal direction.

NW Zone

The NW Zone has been extensively drilled over a 500 m strike length and is characterized by a network of quartz-carbonate veinlets developed at the contact between argillite and greywacke and in mineralized feldspar porphyry. The geology is characterized by multiple quartz-carbonate veinlets in a greywacke-argillite sequence. The strike of the Northwest Zone appears to be parallel to the Main Zone. Northeast striking structures are suspected to play a significant role in emplacement of gold. Graphitic/carbonaceous zones are noted to carry some gold values.

Mineralized feldspar-porphyrines were also intersected in narrow sheeted structures. The alteration in the NW Zone is not as well developed in comparison to the Main Zone, lacking a distinct alteration halo and having a more weathered profile. The depth of oxidation is in the order of 40-60m as opposed to the Main Zone, which has depths of oxidation ranging from 5 m in the east to 25m in the west.

The degree of iron carbonate and sericite alteration is significantly less and the mineralization associated with quartz veining is subtler. The alteration occurs proximal to the quartz-carbonate veins containing arsenopyrite mineralization. Quartz veining and stringers are interpreted to trend both northeast-southwest and east-west. Mineralized zones at the NW Zone are more discrete and wide spread than in the Main Zone with wide widths of lower grade gold mineralization being more common. Visible gold is contained in some of the veins.

SW Zone

Associated with a magnetic low away from the main area of orpailleur workings, drilling intersected mineralization in quartz-carbonate veins within argillite and greywacke. The encompassing host rock is only weakly altered but arsenopyrite has been observed.

Exploration

See “Tabakoto Property – Exploration” for a description of the exploration work that has been conducted on the Segala property.

Mineralization

Gold mineralization at Segala Main is associated with later narrow iron carbonate-quartz veins and stringers that intrude the silicified and carbonatized sediments. The veins and stringers usually display somewhat bleached selvages containing coarse to fine grained arsenopyrite crystals and finer disseminated to patchy pyrite (pyrite is also seen to replace arsenopyrite). Many of these stringers and veins are seen to be parallel to local foliation but there are others that are believed to be oriented northeast southwest as well as north south. To a significantly lesser degree gold is also associated with fractured felsic and intermediate feldspar porphyry dykes. Mineralization appears to plunge steeply to the east.

The Main Zone has been defined over a strike length of at least 600 metres and attains widths of up to 40 metres. Higher-grade gold zones occur within the mineralized envelope.

The Northwest Zone located to the north and west of the Main Zone does not display the degree of alteration that is seen in the Main Zone. Consequently, the depth of oxidation is in the order of 40-60 m as opposed to the Main Zone, which has depths of oxidation ranging from 5 m in the east to 25 m in the west. The degree of iron carbonate and sericite alteration is significantly less and the mineralization associated with quartz veining is subtler. Quartz veining and stringers are interpreted to trend both northeast southwest and east west. The strike of the Northwest Zone appears to be parallel to the Main Zone. Northeast striking structures are suspected to play a significant role in emplacement of gold. Graphitic/carbonaceous zones are noted to carry some gold values.

The primary differences between the Main Zone and the Northwest Zone include:

- There is no distinctly foliated and iron carbonate altered envelope around the gold mineralization.
- The depth of weathering is significantly deeper likely reflecting a lack of intense silicification.
- Mineralized zones are more discrete and wide spread with wide widths of lower grade gold mineralization being more common.

Consultants have previously described the primary differences between the mineralization at the Segala Main Zone and the mineralization at Tabakoto as including:

- The vast majority of mineralization is associated with a well-foliated metasediment that has undergone quite extensive iron carbonate and silicification alteration. Sericitization locally intense and appears to be fairly late. It appears to overpower the foliated sediments such that they seem to become quite competent and lose the strong foliation characteristic.

Quartz veining is common in the sericitic sections probably due to the increased competency of the rock and subsequent fracturing. They do not necessarily carry gold.

- Silicification of the sediments was not particularly noted by Oliver's geologists but the shallow depths of oxidation apparent at the east end of the Main Zone and the apparent fine grained nature and hardness of the sediments point to quite intense silicification.
- ? The felsic/ intermediate dykes are far fewer in number than they are at Tabakoto and the grade of mineralization is significantly less. One gets the feeling that they postdate at least one mineralizing event, as in numerous instances the dykes carry significantly less gold grade than the adjoining sediments. In most instances the dykes are not well fractured. Potassic feldspar porphyry ("KFP") dykes have been noted.
- The gold mineralization associated with quartz stringers is much more subtle than it is at Tabakoto. One or two centimeter-scale quartz stringers could easily boost a 1.0-metre length sample to 1.0 g/t Au. They often have a subtle halo of disseminated arsenopyrite.
- They can contain minute particles of visible gold. Fine visible gold has been noted in samples that have assayed as low as 0.3 g/t Au.

Drilling

See "Tabakoto Property – Drilling" for a description of the drilling methods used at Tabakoto and the reliability of such methods.

Nevsun completed numerous drilling programs on the Segala Property. The following table presents a summary of the material drill results from Segala, as outlined in the technical Report.

Summary of Historical Drilling Segala Project

Permit	Prospect	Company	Date	DDH		RC	
				Holes	Metres	Holes	Metres
Ségala							
	Main	CMC	1994	4	942.0		
	Main/NW	Oliver Gold	1995	23	5,558.0		
	Dar Salam	Oliver Gold	1995	7	948.0		
	Main/NW	Oliver/CMC	1996	24	7,038	291	13,655
	Moralia	Oliver/CMC	1996			18	2,472.0
	Dar Salam	Oliver/CMC	1996	15	4,085.0	21	
	Main/NW	Oliver	1997	18	7,331.0		
	Main	Managem-Semafo	2000	4	2,022.0		
	NW	Managem	2000	2			
	Far NW	Managem	2000	3			18

	Dar Salam	Managem	2000	3			
		Sub-Total	<2002	103	27,924.5	348	17,686
	Main	Nevsun	2002	24	4,421.0	21	1,980
	NW	Nevsun	2002	22	4,000.0	2	228
	Far NW	Nevsun	2002	6-7 (?)	?	17	?
	Moralia	Nevsun	2002	6	?	2	?
	Dar Salam	Nevsun	2002	6	?	7	?
	Dar Salam East	Nevsun	2002	1	?		?
	Ségala East	Nevsun	2002		?	?	?
	Moralia South	Nevsun	2002		?	7	?
		Sub-Total		65	11,311.5	67	6,117
		SUB-TOTAL		168	39,236.0	415	23,803.0

Sampling Method and Approach

See information above under the heading "Tabakoto Project – Sampling Method and Approach".

Sample Preparation, Analysis and Security

See information above under the heading "Tabakoto Project – Sampling Preparation, Analysis and Security".

Data Verification

See information above under the heading "Tabakoto Project – Data Verification".

Conclusions and Interpretation

The information provided in this section has been excerpted or derived from the Technical Report.

General information relating to both the Tabakoto and Segala projects is provided above under the heading "Tabakoto Project – Conclusions and Interpretation". The information below provides conclusions and interpretation from the Technical Report that is specific to the Segala Project.

The targets at Segala considered having the most potential are:

In addition to immediate strike and depth extensions to the Ségala Deposit, there are several other targets within the property defined by soil geochemistry, geophysics and even orpillage activity, some of which have never been tested.

- Far NW Zone
 - Along strike from Ségala Deposit
 - Zone 500+m in strike length
 - Drill results include 27.0m @ 2.07g/t Au(SRC-374) from a shallow depth of only 1.50m
 - Open along strike and at depth
 - Potential for large low grade, possibly heap leachable deposit, or smaller high grade resource of similar grades to Ségala (2.9-3.2g/t Au)

- Ségala South-Southwest
 - Within the large soil geochemical anomaly along strike and parallel to the south of the Ségala Deposit; anomaly slightly weaker but similar strike length as Ségala
 - Single drillhole intersected 1.0m @ 25.47g/t Au (SG-16)
 Open in all directions; soil
 - Potential unknown; possible Ségala-style target

- Segala North
 - Within the large soil geochemical anomaly along strike of the Far FW zone and parallel to the Ségala deposit
 - 1000 m of soil geochem anomaly not tested. Potential unknown; possible Ségala-style target

- Moralia Granite Anomaly
 - Large, unnamed strong gold with associated weaker arsenic soil geochemical anomaly coincident with the Yatia and Moralia Granite, herein named “Moralia Granite Anomaly”
 - No mention of follow-up
 - Potential unknown

- Moralia/NE Orpailage
 - Historical & current large scale orpailage coincident with strong, northeast striking linear gold and arsenic geochemical anomaly
 - Gold mineralization associated with quartz stringers & veining, with associated weak arsenopyrite and north-south trending felsic dykes
 - Possible offset or parallel structure to Tabakoto Deposit
 - Potential unknown; possible Tabakoto-style target

- Segala Far South
 - E-W trending, poorly defined Au-in-soil anomaly associated with E-W trending magnetic low that has offset a NE trending gabbro dyke
 - Target has merit since much of the Au mineralization on the Properties is controlled by E-W trending structures.

Recommendations

The information provided in this section has been excerpted or derived from the Technical Report and updated to reflect compilation work completed by Avion’s Vice-President, Exploration.

General information relating to both the Tabakoto and Segala projects is provided above under the heading “Tabakoto Project – Recommendations”. The information below provides recommendations that are specific to the Segala Project.

At this date, without the benefit of more thorough review and interpretation of the data, the Technical Report identified the following targets at Segala for further follow-up:

- Far NW Zone
- Ségala South-Southwest
- Segala North
- Moralia Granite Anomaly
- Moralia/NE Orpeillage
- Segala Far South

DIVIDENDS

The Company is not limited in any way in its ability to pay dividends on its Common Shares. However, the Company has not paid any dividends since incorporation and the Company does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the Board.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares of which 75,639,954 Common Shares are issued and outstanding as of the date hereof. In addition, 4,700,000 Common Shares are reserved for issuance under stock options granted to directors, officers, employees and consultants and 46,437,965 Common Shares are reserved for issuance upon exercise of outstanding share purchase warrants.

The holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors, to receive notice of, and one vote per Common Share at, meetings of the shareholders of the Company and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of Common Shares. All Common Shares have been issued as fully paid and non-assessable shares in the capital of the Company.

MARKET FOR SECURITIES

Trading Price and Volume

The following table sets out the high and low trading of the Common Shares as traded on the TSX Venture Exchange for the periods indicated, based on Avion's financial year end of November 30.

Period	High (\$)	Low (\$)	Approximate Aggregate Volume
May 2008	\$0.56	\$0.36	795,000
April 2008	0.68	0.42	1,194,000
March 2008	0.52	0.30	977,000
February 2008	0.48	0.31	269,000
January 2008	0.50	0.385	118,000
December 2007	0.58	0.475	587,000
November 2007	0.60	0.39	484,000
October 2007	0.49	0.36	94,000
September 2007	0.39	0.33	174,000
August 2007	0.39	0.25	252,000
July 2007	0.40	0.30	220,000
June 2007	0.33	0.10	300,000
May 2007	0.15	0.12	258,000
April 2007	0.18	0.12	404,000
March 2007	0.20	0.13	418,000
February 2007	0.17	0.15	196,000
January 2007	0.19	0.14	230,000
December 2006	0.17	0.12	170,000

Prior Sales

During the financial year ended November 30, 2007, the Company completed two private placement financings.

On October 12, 2007, the Company completed a private placement of 10,000,000 units at a price of \$0.22 per unit for gross proceeds of \$2,200,000 million. Each unit was comprised of one Common Share and one share purchase warrant, with each share purchase warrant being exercisable at a price of \$0.29 at any time prior to October 12, 2009.

On December 19, 2007, the Company announced that it had completed a private placement of 1,111,111 units at a price of \$0.27 per unit for gross proceeds of \$300,000. Each unit was comprised of one Common Share and one share purchase warrant, with each share purchase warrant being exercisable at a price of \$0.36 at any time prior to December 19, 2009.

DIRECTORS AND OFFICERS

The following table provides names, province or state and country of residence, present principal occupation and position with the Company of each nominee director and each officer of the Company. In respect to the information regarding number of Common Shares that each person beneficially owns, directly or indirectly, or over which such person exercises control or direction assumes the completion of the Acquisition. Avion has relied upon each individual to provide information regarding their personal shareholdings.

Name & Jurisdiction of Residence	Present Principal Occupation	Position with Company	Number of Common Shares Beneficially Held	Percentage of Common Shares Beneficially Held ⁽¹⁾
Stan Bharti Ontario, Canada	Mining Executive	Chairman, Director since March 14, 2007	1,363,636	8.8%
Rene Bharti Ontario, Canada	President and Chief Executive Officer of Avion	Director since June 21, 2007, President and CEO	681,818	4.4%
Bruce Humphrey ⁽¹⁾ , Ontario, Canada	Mining Executive	Director since May 12, 2008	Nil	-
Pierre Pettigrew ⁽¹⁾ Ontario, Canada	Executive advisor, Deloitte & Touche LLP	Director since May 12, 2008	Nil	-
Don Dudek Ontario, Canada	Senior Vice President Exploration of Avion	Director since May 12, 2008, Senior Vice President Exploration	Nil	-
John Begeman ⁽¹⁾ South Dakota, USA	President and Chief Executive Officer of Valencia Ventures Inc.	Director since May 12, 2008	Nil	-
Greg Duras Ontario, Canada	Financial Consultant	Chief Financial Officer	Nil	-
Andrew Bradfield Ontario, Canada	Mining Engineer	Chief Operating Officer	Nil	-
Nejib Abba Biya Ontario, Canada	Consultant	Vice President Corporate Development	Nil	-
Peter MacLean Ontario, Canada	Professional Geologist	Exploration Manager	Nil	-
Patrick Gleeson Ontario, Canada	Lawyer	Corporate Secretary	68,181	0.4%

Notes:

(1) Member of the Audit Committee.

The directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control over, 2,113,635 Common Shares, representing approximately 2.7% of the issued and outstanding Common Shares as of the date hereof. The term of service of each of the directors expires at the next annual and general meeting of the shareholders of the Company, subject to their prior resignation or removal.

The principal occupations, businesses or employments of each of the Company's directors and executive officers within the past five years are disclosed in the brief biographies below.

Stan Bharti is the Chief Executive Officer of Forbes & Manhattan, Inc., a private merchant bank operating in Canada, the United States and Western Europe. From February 2002 to April 2006, he was Chairman and a director of Desert Sun Mining Corp., a Toronto Stock Exchange-listed mining company which was acquired by Yamana Gold Inc. He has over 25 years of experience in operations, public markets and finance. Mr. Bharti is also a director of several public and private companies.

Rene Bharti is the President, CEO and Director of Avion. Mr. Bharti has held roles in several public and private companies, including those in the resource, technology, and entertainment sectors. Mr. Bharti, from December 2004 has served as the President of Company X Audio Inc. and, from January 2002 to November 2004, served as a Producer at Tattoo Music Inc. Mr. Bharti holds a Bachelor of Commerce (Honors) degree from Queen's University.

Bruce Humphrey is a director of Avion. Mr. Humphrey is a mining engineer with over 30 years experience. He served as the President and Chief Executive Officer of Desert Sun Mining Corp. from October 2004 to April 2006. From May 1998 to May 2004, Mr. Humphrey served as Senior Vice President and Chief Operating Officer at Goldcorp Inc. He is a member of the Professional Engineers of Ontario.

Honourable Pierre Pettigrew, p.c. has had a distinguished career with success in both public and private sectors. From January 1996 to February 2006, he served as a Member of Parliament. Most notably, he led a number of senior government departments in his ten years as a minister in successive federal Canadian governments. Among other positions, he has served Canada as the Minister of Foreign Affairs, Minister for International Trade and the Minister for International Cooperation. He is now with Deloitte & Touche LLP in the role of Executive Advisor, International. Prior to entering national politics, Pierre Pettigrew was the Vice President of Samson Belair Deloitte & Touche International (Montréal), where he acted as an international business consultant.

John Begeman is a mining engineer with over 30 years of mining experience. He is currently the President and Chief Executive Officer of Valencia Ventures Inc. Previously, from January 2006 to May 2008, he was the Chief Operating Officer of Zinifex Canada Inc. (formerly Wolfden Resources Inc.) and, from May 2000 to January 2006, he was the Vice President, Western Operations of Goldcorp Inc. Mr. Begeman is also a director of several public companies.

Don Dudek is the Senior Vice President Exploration at Avion. He has held increasingly senior roles with junior to senior exploration and mining companies over the past 25 years. Mr. Dudek served from January 1, 2004 to December 31, 2007, as the Exploration Manager of Aur Resources Inc., which provided him the opportunity to evaluate hundreds of grass roots to advanced projects in Latin America and Africa. During his career, Mr. Dudek has been a part of teams that discovered seven new base and precious metal deposits in Canada, one of which has been mined. He also supervised work at Aur's high profile La Verde Cu-porphyry deposit in Mexico. Mr. Dudek holds a B.Sc. Geology (honors) from the University of Saskatchewan.

Greg Duras is the Chief Financial Officer of Avion. He is also the President and Chief Executive Officer of Cash Minerals Ltd. and the Chief Financial Officer of five other TSXV-listed companies. From June 2004 to May 2007 Mr. Duras was the Vice President of Finance and Administration, for

an advanced-stage mineral exploration and mining development company, where he was responsible for financial reporting, project financing, auditing and budgeting activities. Prior to that, from May 2000 to January 2006, he was a Controller at Gabriel Resources Ltd. Mr. Duras is a Certified General Accountant and a Certified Professional Accountant, and holds a Bachelor of Administration from Lakehead University.

Andrew Bradfield is the Chief Operating Officer of Avion. He has over 26 years of operations, technical, and management experience in the mineral resource industry. He has held positions at mines in Australia, Canada, China, Ethiopia, Philippines, South Africa and Sweden. His experience includes start-up, development, operations, as well as technical and financial evaluations. From April 2006 to February 2008, Mr. Bradfield was VP, Operations for TVI Pacific Inc. From November 2003 to March 2006, he was the Chief Operating Officer for a mining and exploration company, which operates a diamond mine, and explores for diamonds and gold in China. He holds a Bachelor of Science (B.Sc. with honours) in Mining Engineering from Queen's University.

Nejib Abba Biya is the Vice President Corporate Development for Avion. He has strategic connections across Africa, and is one of the founders of the African New Comers Association, as well as the founder and Chairperson of the African Training Employment Centre. Mr. Abba Biya has founded, ran and sold several technology companies over the past two decades. Most recently, Mr. Biya served as Vice President Corporate Development for Aberdeen International Inc. between October 2006 to November 2007 and for ten years prior to that was a Vice President at Toshiba Canadian Business Systems. Mr. Abba Biya was born in Ethiopia, and holds a Bachelor of Commerce in Finance from the University of Toronto.

Dr. Peter MacLean is Avion's Exploration Manager and was previously the Regional Exploration Manager for Aur Resources in Mexico from 2003 to 2007. With Aur, Dr. MacLean was instrumental in the acquisition and evaluation of the La Verde Cu-porphyry deposit. Dr. MacLean has also worked with other mining companies in Mexico and consulted for companies including Newmont Mining Corporation. Dr. MacLean obtained his PhD at the University of Western Ontario.

Patrick Gleeson is the Corporate Secretary of the Company. From October 2002 to March 2007, Mr. Gleeson was a lawyer at Cassels Brock & Blackwell LLP. He received a J.D. from the University of Toronto in 2001, a M.A. in international relations from the University of Toronto in 2001 and a B.A. from Queen's University in 1997.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director, executive officer or promoter of the Company, (a) is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, other than Mr. Stan Bharti, who was a director of William Multi-Tech Inc., which on May 29, 2001 became subject to a cease trade order for a period of more than 30 consecutive days for failing to file its financial statements; and Mr. Bradfield who was an officer of China Diamond Corp. who on January 27, 2006 became subject to a cease trading order for failing to comply with certain Exchange requirements and an officer of

TVI Pacific Inc. who on October 17, 2007 became subject to a cease trading order for failure to file financial statements.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, (i) is, as at the date of this AIF, or has been within ten years before the date of this AIF, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, other than Mr. Stan Bharti, who was a director of Galaxy OnLine Inc., which on May 29, 2001 became subject to a cease trade order for a period of more than 30 consecutive days for failing to file its financial statements, and; and (iv) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, other than Mr. Stan Bharti, who was a director of BLM Service Group Inc., which was petitioned into receivership on May 31, 2001.

To the knowledge of the Company, as of the date of this AIF no director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has: (a) been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making an investment decision.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of the Company also serve as directors, please see the management information circular of the Company dated April 11 2008. To the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

PROMOTERS

To the best of the Company's knowledge, no person or company has been within the three most recently completed fiscal years, or is during the current fiscal year, a promoter of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of the Company's knowledge, there were no legal proceedings during the financial year ended November 30, 2007 to which the Company was a party or of which any of the Company's property was subject that would have had a material adverse effect on the Company, nor are there any such legal proceedings existing or contemplated to which the Company is a party or of which any of the Company's property is subject.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by any securities regulatory authority during the fiscal year ended November 30, 2007, or any other time that would likely be considered important to a reasonable investor making an investment decision in the Company. The Company has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended November 30, 2007.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors, executive officers or principal shareholders of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction within the past three years or in any proposed transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent is Equity Transfer and Trust Company, located in Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into by the Company in the ordinary course of business or otherwise disclosed herein, the only material contracts entered into which can reasonably be regarded as presently material are the following:

1. the Underwriting Agreement dated May 20, 2008 entered into among Canaccord Capital Corporation, Cormark Securities Inc., Macquarie Capital Markets Canada Ltd., PI Financial Corp. and the Company;
2. the Warrant Indenture dated May 20, 2008 between the Company and Equity Transfer & Trust Company; and
3. the share purchase agreement between Avion and Nevsun Resources Corp. dated March 24, 2008.

INTERESTS OF EXPERTS

Doug Currie, MAusIMM, authored the Mali Technical Report. To the knowledge of the Company, Mr. Currie does not hold an interest in any securities or other properties of the Company, its

associates or affiliates as at the date the individual prepared the applicable report and as at the date hereof nor does he expect to receive such an interest.

McGovern, Hurley, Cunningham LLP, Chartered Accountants, are the auditors of the Company and have performed the audit in respect of the audited annual financial statements of the Company as at and for the year ended November 30, 2007. McGovern, Hurley, Cunningham LLP, Chartered Accountants, are independent of the Company in accordance with the applicable rules of professional conduct as of the date hereof.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's stock option plan is contained in the management information circular of the Company.

Additional financial information is provided in the Company's annual financial statements and management discussion and analysis for the year ended November 30, 2007. These documents and other information about the Company can be found on SEDAR under the Company's profile at www.sedar.com.