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TSX: OSU
PRESS RELEASE
November 11, 2016

Orsu Metals Corporation

Results for the nine-month period ended September 30, 2016 (Unaudited)

Orsu Metals Corporation ("Orsu" or the "Company") a London-based base and precious metals exploration and development company, listed on TSX (TSX: OSU), today reports its unaudited results for the nine months ended September 30, 2016 ("Q3 2016"). A full Management's Discussion and Analysis of the results ("MD&A") and Consolidated Financial Statements (Unaudited) for Q3 2016 (the "Financials") will soon be available on the Company's profile on SEDAR (www.sedar.com) or on the Company's website (www.orsumetals.com). Copies of the MD&A and Financials can also be obtained upon request from the Company Secretary.

The Financials have been prepared in accordance with applicable International Financial Reporting Standards ("IFRS").

All amounts are reported in United States Dollars (\$) unless otherwise indicated. Canadian Dollars are referred to herein as CAD\$ and British Pounds Sterling are referred to as GBP£.

The following information has been extracted from the MD&A and the Financials. Reference should be made to the complete text of the MD&A and the Financials.

BUSINESS UPDATE

The Company is currently in the process of disposing its two most advanced projects in the Republic of Kazakhstan (or "Kazakhstan"), as described below. In addition, in September 2016, the Company completed the disposal of its Akdjol and Tokhtazan exploration licenses (the "Akdjol-Tokhtazan Project") within the Kyrgyz Republic (or "Kyrgyzstan"), as described below.

The Company plans to utilise the sale proceeds from the successful disposal of its Kazakh projects for the potential acquisition of an exploration license situated in the Mogocha District of the Zabaikal'skiy region of the Russian Federation (the "Sergeevskoe Project").

In April 2016, the Company entered into two separate agreements with Karasat Trading FZE ("Karasat"), a company registered in the United Arab Emirates, for the sale of the Company's two projects in Kazakhstan consisting of the Karchiga Project and the Kogodai Project (both defined below).

Karchiga Project

The Company's principal and most advanced project comprises a license area in eastern Kazakhstan containing the copper bearing Karchiga volcanogenic massive sulphide ("VMS") deposit which is part of the Rudny Altai polymetallic belt (the "Karchiga Project"). Since 2012, the Company has been seeking to secure the funding required for the construction of a mine and processing facilities at the project. However, due to the continuing adverse economic environment during this period the Company was unable to secure the necessary funding required. As a result, the Company considered alternative solutions which resulted in the Company entering an agreement to sell its 94.75% interest in GRK MLD ("MLD"), which owns the Karchiga Project, to Karasat for a consideration of \$7.75 million (the "Karchiga Transaction") subject to various conditions (as set out in the MD&A).

Kogodai Project

The Kogodai Project comprises the exploration project for a prospect 70 km north west of the Karchiga Project identified as a VMS copper mineralization within the Kurchum-Kalzhir metamorphic terrain, the same tectonic unit that hosts the Karchiga deposit (the "Kogodai Project"). The Company entered a separate agreement with Karasat to sell its effective 51% interest in the Kogodai Project for \$10,000 (the "Kogodai Transaction") subject to certain conditions (as set out in the MD&A).

THIRD QUARTER 2016 HIGHLIGHTS

- A year on year reduction of \$1.3 million in net losses from \$2.6 million for the nine months ended September 30, 2015 to \$1.3 million for the nine months ended September 30, 2016, along with a year on year reduction of \$0.6 million in net cash outflows.
- As at September 30, 2016 the Company had cash and cash equivalents of \$3.1 million and expects to have sufficient working capital to fund its exploration and administration obligations for the next 12 months.
- In August 2016, the Company announced that its wholly owned subsidiary, Lero Gold Corp., had entered an agreement with three arm's length individuals (the "Purchasers") for the sale of its 100%



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interest in Tournon Finance Limited which owns 100% of Oriel in Kyrgyzstan LLC which is the owner of the Akdjol-Tokhtazan Project (details of which are set out in the MD&A).

- In August 2016, the Company announced that it had received the consent from the Ministry for Investments and Development, the relevant Kazakh authority, to the sale of MLD as required under Kazakh law.
- In September 2016, the Company announced that it had entered an exclusive and binding heads of agreement for the potential acquisition of 100% of Sibzoloto Investments Limited ("Sibzoloto"), a Cypriot registered company, which is the sole owner of LLC GK Alexandrovskoe ("LLC GK Alexandrovskoe") which in turn is the sole owner of the license for the Sergeevskoe Project (the "Sergeevskoe Agreement"), from four arm's length parties who are the 100% owners of Sibzoloto (together the "Sellers"). The acquisition (the "Sergeevskoe Acquisition") is subject to the conditions and terms details of which are set out in the MD&A.

POST QUARTER HIGHLIGHTS

- In November 2016, the Company announced that the long stop date for the Karchiga Transaction by which the Company and Karasat would be required to obtain the all the necessary approvals and consents in Kazakhstan had been extended to January 31, 2017 (previously October 11, 2016) by mutual agreement. In addition, both Orsu and Karasat agreed to amendments to the terms of the Karchiga Transaction by which Orsu would no longer be entitled to any deferred consideration and in return Orsu would no longer be required to maintain at least \$2 million of the proceeds in liquid assets in relation to the tax indemnity, so releasing the Company from the restriction on use of a substantial portion of the proceeds.



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FINANCIAL RESULTS FOR Q3 2016

For Q3 2016 the Company reported a net comprehensive loss of \$1.3 million, compared to a net loss of \$2.6 million for the nine months ended September 30, 2015.

In April, the Company announced the sale of both the Karchiga Project and the Kogodai Project and thus the net assets and liabilities in relation to both projects as at September 30, 2016 have been classified as "Assets held for sale" and separately the combined net losses of the Karchiga Project and Kogodai Project disclosed as "Disposal group assets held for sale" for the nine months ended September 30, 2016 and 2015 (see below).

In August, the Company completed the disposal of the Akdjol-Tokhtazan Project and recorded a net gain on disposal of \$0.5 million for the nine months ended September 30, 2016.

In September 2016, the Company entered the Sergeevskoe Agreement for the potential acquisition of the Sergeevskoe Project and incurred initial exploration expenditures of \$26,000 for Q3 2016.

As at September 30, 2016 the Company had net assets of \$10.9 million (\$12.2 million as at December 31, 2015) of which \$3.1 million was held in cash and cash equivalents (\$4.7 million as at December 31, 2015).

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2016 the Company's main source of liquidity was unrestricted cash and cash equivalents of \$3.1 million, compared with \$4.7 million as at December 31, 2015.

During the nine months ended September 30, 2016 the net cash used by the Company's operating expenditures was \$1.5 million, compared to \$2.1 million for the nine months ended September 30, 2015.

The minimum working capital the Company estimates for 2016 is set out below:

	Estimate for the full year \$000
Estimated corporate and administrative expenditure ⁽¹⁾	2,136
Sergeevskoe Project exploration	<u>355</u>
Total	2,491

Note:

- (1) In estimating the forecast expenditures, the Company has applied an assumed average 2016 exchange rate of GBP£/ \$ of 1.4882 for its UK corporate expenditures. The estimated expenditure excludes significant exploration expenditures at the Karchiga Project and Kogodai Project, but does include estimates of continuing administrative costs for those projects during the completion period.
- (2) The above does not include any potential cash consideration for the acquisition of the Sergeevskoe Project.



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Consolidated statements of net loss and comprehensive loss (Unaudited)
 (Prepared in accordance with IFRS)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Operating expenses				
Administration	(374)	(484)	(707)	(1,264)
Legal and professional	(41)	(115)	(182)	(326)
Exploration	(26)	-	(26)	-
Stock based compensation charge	-	(100)	-	(100)
Foreign exchange losses	(10)	(9)	(30)	(15)
Loss from disposal group assets held for sale	(585)	(469)	(810)	(867)
	<u>(1,036)</u>	<u>(1,177)</u>	<u>(1,755)</u>	<u>(2,572)</u>
Unrealized gain on share warrant liability	-	(4)	5	36
Net of finance (expense) less finance income	<u>5</u>	<u>14</u>	<u>(22)</u>	<u>58</u>
	5	10	(17)	94
Net loss and comprehensive loss for the period from continuing operations	<u>(1,031)</u>	<u>(1,167)</u>	<u>(1,772)</u>	<u>(2,478)</u>
Loss from discontinued operation	(9)	(72)	(72)	(148)
Net gain from disposal of discontinued operation	553	-	553	-
	<u>544</u>	<u>(72)</u>	<u>481</u>	<u>(148)</u>
Net loss and comprehensive loss for the period	<u>(487)</u>	<u>(1,239)</u>	<u>(1,291)</u>	<u>(2,626)</u>
<i>Net loss attributable to owners of the parent:</i>				
Loss from continuing operations	(1,011)	(1,115)	(1,709)	(2,347)
Net gain/ (loss) from discontinued operations	544	(72)	481	(148)
Loss and comprehensive loss for the period attributable to parent	<u>(467)</u>	<u>(1,187)</u>	<u>(1,228)</u>	<u>(2,495)</u>
<i>Net loss attributable to non-controlling interests:</i>				
Loss from continuing operations	(20)	(52)	(63)	(131)
Loss from discontinued operations	-	-	-	-
Loss and comprehensive loss for the period attributable to non-controlling interests	<u>(20)</u>	<u>(52)</u>	<u>(63)</u>	<u>(131)</u>
<u>Loss per share (US dollar per share) from continuing operations:</u>				
Basic	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.01)
Diluted	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.01)
<u>Net gain/ (loss) per share (US dollar per share) from discontinued operation:</u>				
Basic	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Weighted average number of common shares (in thousands)	182,696	182,696	182,696	182,696



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Consolidated Balance Sheets (Unaudited)
(Prepared in accordance with IFRS)

	September 30 2016 \$000	December 31 2015 \$000
Assets		
Current assets		
Cash and cash equivalents	3,125	4,697
Prepaid expenses and receivables	51	238
Assets of disposal group held for sale	8,068	-
	<u>11,244</u>	<u>4,935</u>
Non-current assets		
Property, plant and equipment	5	8,287
Other assets	10	88
	<u>15</u>	<u>8,375</u>
Total assets	<u>11,259</u>	<u>13,310</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	286	436
Liabilities of disposal group held for sale	41	-
Liabilities of discontinued operation	-	475
Lease obligations	-	171
Share warrant liability	-	5
	<u>327</u>	<u>1,087</u>
Equity		
Share capital	382,576	382,576
Share purchase options	100	115
Contributed surplus	34,161	34,146
Non-controlling interest	(790)	(727)
Deficit	(405,115)	(403,887)
	<u>10,932</u>	<u>12,223</u>
Total equity and liabilities	<u>11,259</u>	<u>13,310</u>



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Consolidated Statements of Cash Flows (Unaudited)
 (Prepared in accordance with IFRS)

	Nine months ended September 30,	
	2016	2015
	\$000	\$000
Cash flows used by operating activities		
Net loss and comprehensive loss for the period	(1,291)	(2,626)
Items not affecting cash:		
Depreciation	11	84
Unrealized exchange (gains)/ losses on cash and cash equivalent balances	27	(33)
Fair value adjustment Karchiga Project	464	-
Onerous provision release	(171)	(244)
Share based payments	-	100
Net gain from disposal of discontinued operation	(559)	-
Unrealized derivative gain on share warrant liability	(5)	(36)
Foreign exchange losses	35	370
	<u>(1,489)</u>	<u>(2,385)</u>
Changes in non-cash working capital:		
Accounts receivable and other assets	111	5
Accounts payable and accrued liabilities	(90)	326
Net cash used by operating activities	<u>(1,468)</u>	<u>(2,054)</u>
Cash flows used by investing activities		
Expenditures on property, plant and equipment	(58)	(68)
Net decrease in cash and cash equivalents in the period	<u>(1,526)</u>	<u>(2,122)</u>
Cash and cash equivalents - Beginning of the period	4,697	7,607
Exchange (losses)/ gains on cash and cash equivalents	(27)	33
Cash and cash equivalents - End of the period	<u>3,144</u>	<u>5,518</u>
Cash and cash equivalents per the consolidated balance sheets	3,125	5,517
Included in assets held for sale	19	1



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FORWARD-LOOKING INFORMATION

This press release and the Company's MD&A contains or refers to forward-looking information. All information, other than information regarding historical fact that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information includes, without limitation, statements relating to: the estimate, use and sufficiency of the Company's working capital and the Company's ability to fund its working capital requirements; the potential disposition of one or more of the Company's exploration interests or exploration projects as well as the seeking of business opportunities other than such exploration projects; the potential raising of additional funding through the Sale and Purchase Agreement for the disposition of the Karchiga Transaction and the Kogodai Transaction and the proposed uses and allocation thereof; the Company's determination that the Kogodai Project is in good standing and not at risk from default; the proposed terms and conditions of the Sergeevskoe Acquisition; the anticipated trend of decreasing administration expenditures; and the Company's future growth (including new opportunities and acquisitions) and its ability to raise or secure new funding.

The forward-looking information in this press release and the Company's MD&A reflects the current expectations, assumptions or beliefs of the Company based on information currently available to the Company. With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things, the Company's ability to generate sufficient funds from debt sources and/or capital markets and the sale of properties to meet its future expected obligations and planned activities, the economy and the mineral exploration and extraction industry in general, available historical information will be useful to the Company's evaluation of the geological and metallurgical risks for the Sergeevskoe Project; the political environments and the regulatory frameworks in Kazakhstan and Kyrgyzstan with respect to, among other things, the mining industry generally, royalties, taxes, environmental matters and the Company's ability to obtain, maintain, renew and/or extend required permits, licenses, authorisations and/or approvals from the appropriate regulatory authorities, including the previous waiver granted by the relevant ministry in Kazakhstan, currently the Competent Authority, which covers any pre-emptive right that the Competent Authority or State has in respect of any past placements, future capital, operating and production costs and cash flow discounts, anticipated mining and processing rates, assumptions relating to the Company's critical accounting policies, and has also assumed that no unusual geological or technical problems occur, no material adverse change in the price of copper, gold or molybdenum occurs and no significant events occur outside of the Company's normal course of business.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: completion of the Karchiga Transaction and the Kogodai Transaction; uncertainty of capital and operating costs, adverse changes in commodity prices; the inability of the Company to obtain required financing for its planned activities; the inability of the Company to obtain required financing on favourable terms at all or arrange for the disposition of, and find potential buyers for, the Company's exploration interests or exploration projects; the negotiation and execution of the Sergeevskoe Agreement before the expiry of the exclusivity period; unsatisfactory due diligence results, the failure to obtain the necessary approval of the Russian Federation for the transfer of ownership of the Sergeevskoe Project, the failure to obtain approval of the Sergeevskoe Acquisition by Orsu shareholders, the failure to obtain the required authorizations and/or approvals from the TSX; the Company's inability to obtain, maintain, renew and/or extend required licenses, permits, authorizations and/or approvals from the appropriate regulatory authorities, adverse changes in the political environments in Kazakhstan and Kyrgyzstan and the laws governing the Company, its subsidiaries and their respective business activities; inflation; changes in exchange and interest rates; adverse general market conditions; lack of availability, at a reasonable cost or at all, of equipment or labour; the inability to attract and retain key management and personnel; the possibility of non-resident class members commencing individual claims in connection with the Claim; the possibility of non-compliance with environmental or other applicable laws and regulations; the Company's inability to delineate additional mineral resources and mineral reserves; and future unforeseen liabilities and other factors including, but not limited to, those listed under the "Risk and Uncertainties" section of the Company's annual MD&A.

Any Russian style A, B, C1, C2 and P category figures referred to herein are historical estimates and no assurances can be given that the indicated levels of minerals will be verified and/or produced. Such estimates made at a given time may significantly change when new information becomes available. By their nature such estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Due to the uncertainty that may be attached to such estimates, it cannot be assumed that all or any part of such estimates will be upgraded to mineral resource because of continued exploration.



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Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether because of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

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