

Orsu Metals Corporation

("Orsu" or the "Company")

Sale of Akdjol-Tokhtazan Project

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Orsu Metals Corporation, the London-based TSX-listed (TSX: OSU) company, announces that its wholly owned subsidiary, Lero Gold Corp. ("**Lero**") has entered into an agreement (the "**Sale and Purchase Agreement**"), with three arm's length individuals (the "**Purchasers**"), to sell its 100% interest (the "**Equity Interest**") in Tournon Finance Limited ("**Tournon**"), which owns 100% of Oriel in Kyrgyzstan LLC, ("**OiK**") and which in turn holds the Company's interest in its Akdjol-Tokhtazan Project in the Kyrgyz Republic (the "**Transaction**"). The Company has been actively seeking to sell this project since the end of 2011.

The key terms of the Sale and Purchase Agreement, which will be filed on SEDAR, are as follows.

- The Equity Interest will be sold for an effective initial consideration of US\$0.5 million comprising
 - the nominal sum of US\$1, and
 - the Purchaser's assumption of the existing liabilities of OiK, estimated at US\$0.5 million.
- In addition, the existing interest free loan, payable on demand, of approximately US\$4.19 million between Lero (the "**Loan**") and OiK will remain in place and the Purchasers may, within two years of the effective date of the Sale and Purchase Agreement (i.e. on or before August 1, 2018) elect to
 - purchase the loan for the sum of US\$2 million, or
 - cancel the loan upon the payment by the Purchasers of the sum of US\$2.0 million, or
 - in the event that the Purchasers do not elect either of such options, the loan will become repayable within three years from the commencement of production at an interest rate of LIBOR plus 5%.
- Deferred consideration of US\$2 million is payable from production revenues over the first two years of production at the Akdjol-Tokhtazan Project, at US\$250,000 per quarter from the commencement of production ("**Deferred Consideration**").
- The Transaction is subject to normal commercial conditions, including formal exchange of documents and re-registration of the licences in the name of the Purchasers, which are expected to be completed within two weeks.

Lero has the right to assign its rights and obligations under the Loan and the right to assign the Deferred Consideration to a third party (including other members of the Orsu group).

The carrying value of net liabilities attributable to the Akdjol-Tokhtazan Project in the Company's unaudited consolidated financial statements as at March 31, 2016 was US\$0.5 million. The losses attributable to the Akdjol-Tokhtazan Project were US\$30,000 for the quarter ended March 31, 2016 (US\$4.4 million for the year ended December 31, 2015, which included an impairment charge of US\$4.3 million).

ENDS

FORWARD-LOOKING INFORMATION

This press release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information contained in this press release includes, but may not be limited to, the anticipated completion of the Transaction and the terms and timing related thereto, whether or not the Company receives any payments in relation to the Loan or the Deferred Consideration, the Company's use of any proceeds from the Transaction, and the expected effect of the Transaction on the Company.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, the ability of the parties to satisfy any conditions to the completion of the Transaction, the inability to obtain, maintain, renew, amend and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities, risks relating to the regulatory framework in the Kyrgyz Republic, adverse changes in the laws or political environment in the Kyrgyz Republic, adverse changes in commodities prices, as well as certain other risks set out in the Company's



public documents, including its annual information form dated March 30, 2016, filed under the Company's profile on SEDAR at www.sedar.com.

The forward-looking information in this press release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this press release, the Company has made assumptions about: the satisfaction or waiver, as applicable, of any conditions to the completion of the Transaction; the Company's business, the economy and the mineral resources development and extraction industry in general. The Company has also assumed that no significant events occur outside of the Company's normal course of business. 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.

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 as a result of new information, future events or results or otherwise.

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