



Orsu Metals Corporation
Berkeley Square House
Berkeley Square
London, W1J 6BD
United Kingdom

Tel: +44 (0)20 7518 3999

ir@orsumetals.com
www.orsumetals.com

TSX: OSU
PRESS RELEASE
May 12, 2016

Orsu Metals Corporation

Results for the quarter ended March 31, 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 quarter ended March 31, 2016 (“Q1 2016”). A full Management’s Discussion and Analysis of the results (“MD&A”) and Consolidated Financial Statements (Unaudited) for Q1 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

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 Karchiga Project and Kogodai Project (both defined below) in Kazakhstan.

Karchiga Project

The Company’s principal and most advanced project comprising 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 an initial consideration of \$7.75 million, plus deferred consideration of up to \$2 million based on relief for corporate tax losses and the future recovery of Value Added Tax (“VAT”) accumulated by MLD (the “Karchiga Transaction”) subject to various conditions (further details of which are set out in the MD&A).

Kogodai Project

This 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 into 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 (further details of which are set out in the MD&A).

FIRST QUARTER 2016 HIGHLIGHTS

- A year on year reduction of \$0.4 million in net losses to \$0.4 million for the three months ended March 31, 2016, from \$0.8 million for the three months ended March 31, 2015, along with a year on year reduction of \$0.3 million in net cash outflows for the quarter.
- As at March 31, 2016 the Company had cash and cash equivalents of \$4.1 million and expects to have sufficient working capital to fund its exploration and administration obligations for the next 12 months.
- In January 2016, the Company announced that further to an exclusivity agreement in April 2015 (the “Exclusivity Agreement”) with David Invest LLP and a related company, David Way Limited (together the “Potential Buyers”), the Potential Buyers had not exercised their option to purchase the Company’s exploration interest in Kyrgyzstan consisting of the Akdjol and Tokhtazan exploration licenses (the “Akdjol-Tokhtazan Project”) before the deadline of December 31, 2015 and consequently, the Exclusivity Agreement had lapsed and that the Company and would continue discussions with the Potential Buyers, as well as other interested parties, on a non-exclusive basis.
- In January 2016, the Company announced that it received confirmation from the relevant Kyrgyz authorities that the licenses for its Akdjol-Tokhtazan Project had been extended until January 1, 2020.



Orsu Metals Corporation
Berkeley Square House
Berkeley Square
London, W1J 6BD
United Kingdom

Tel: +44 (0)20 7518 3999

ir@orsumetals.com
www.orsumetals.com

- In February 2016, the Company announced that its UK registered office had changed to Berkeley Square House, Berkeley Square, London W1J 6BD, United Kingdom following the end of the Company's lease for its former offices at 1 Red Place, London on February 6, 2016.

POST QUARTER HIGHLIGHTS

- In April 2016, the Company announced that it entered into two separate agreements in respect of the Karchiga Transaction and the Kogodai Transaction for the sale of the Karchiga Project and Kogodai Project to Karasat subject to the successful completion of various conditions as set out in (as set out below in the MD&A).
- In May 2016, the Company announced that it had received \$100,000 deposit from Karasat pursuant to the terms of the Karchiga Transaction.
- In May 2016, the Company announced that, effective from May 11, 2016, its shares were no longer admitted for trading on the London Alternative Investment Market ("AIM").



Orsu Metals Corporation
Berkeley Square House
Berkeley Square
London, W1J 6BD
United Kingdom

Tel: +44 (0)20 7518 3999

ir@orsumetals.com
www.orsumetals.com

FINANCIAL RESULTS FOR Q1 2016

For Q1 2016 the Company reported a net comprehensive loss of \$0.4 million, compared to a net loss of \$0.8 million for the three months ended March 31, 2015.

In April, the Company announced the sale of both the Karchiga Project and the Kogodai Project and as a result re-classified the assets and liabilities in relation to both projects as at March 31, 2016 as well as the combined net losses of both projects for the three months ended March 31, 2016 and 2015 as "Assets held for sale".

As at March 31, 2016 the Company had net assets of \$11.8 million (\$12.2 million as at December 31, 2015) of which \$4.1 million was held in cash and cash equivalents (\$4.7 million as at December 31, 2015).

The net loss of \$0.4 million for the three months ended March 31, 2016 consisted of: administrative costs of \$0.2 million, legal and professional costs of \$0.1 million, and a net loss of \$0.1 million in relation to the disposal group asset held for sale.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2016 the Company's main source of liquidity was unrestricted cash and cash equivalents of \$4.1 million, compared with \$4.7 million as at December 31, 2015.

During the three months ended March 31, 2016 the net cash used by the Company's operating expenditures was \$0.6 million, compared to \$0.9 million for the three months ended March 31, 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⁾	2,000

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.



Orsu Metals Corporation
 Berkeley Square House
 Berkeley Square
 London, W1J 6BD
 United Kingdom

Tel: +44 (0)20 7518 3999

ir@orsumetals.com
www.orsumetals.com

Consolidated statements of net loss and comprehensive loss (Unaudited)

(Prepared in accordance with IFRS)

	Three months ended March 31,	
	2016	2015
	\$000	\$000
Operating expenses		
Administration	(173)	(595)
Legal and professional	(102)	(38)
Foreign exchange losses	(29)	-
Loss from disposal group assets held for sale	(111)	(161)
	<u>(415)</u>	<u>(794)</u>
Unrealized gain on share warrant liability	3	38
Net of finance income less finance expense	5	(8)
	<u>8</u>	<u>30</u>
Net loss and comprehensive loss for the period from continuing operations	<u>(407)</u>	<u>(764)</u>
Loss from discontinued operation	(30)	(58)
Net loss and comprehensive loss for the period	<u>(437)</u>	<u>(822)</u>
<i>Net loss attributable to owners of the parent:</i>		
Loss from continuing operations	(388)	(596)
Loss from discontinued operations	(30)	(58)
Loss and comprehensive loss for the period attributable to the parent	<u>(418)</u>	<u>(654)</u>
<i>Net loss attributable to non-controlling interests:</i>		
Loss from continuing operations	(19)	(168)
Loss from discontinued operations	-	-
Loss and comprehensive loss for the period attributable to non-controlling interests	<u>(19)</u>	<u>(168)</u>
<u>Loss per share (US dollar per share) from continuing operations:</u>		
Basic	\$(0.00)	\$(0.00)
Diluted	\$(0.00)	\$(0.00)
<u>Loss per share (US dollar per share) from discontinued operation:</u>		
Basic	\$(0.00)	\$(0.00)
Diluted	\$(0.00)	\$(0.00)
Weighted average number of common shares (in thousands)	182,696	182,696



Orsu Metals Corporation
Berkeley Square House
Berkeley Square
London, W1J 6BD
United Kingdom

Tel: +44 (0)20 7518 3999

ir@orsumetals.com
www.orsumetals.com

Consolidated Balance Sheets (Unaudited)

(Prepared in accordance with IFRS)

	March 31	December 31
	2016	2015
	\$000	\$000
Assets		
Current assets		
Cash and cash equivalents	4,115	4,697
Prepaid expenses and receivables	167	238
Assets of disposal group held for sale	8,446	-
	<u>12,728</u>	<u>4,935</u>
Non-current assets		
Property, plant and equipment	5	8,287
Other assets	19	88
	<u>24</u>	<u>8,375</u>
Total assets	<u>12,752</u>	<u>13,310</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	417	436
Liabilities of disposal group held for sale	42	-
Liabilities of discontinued operation	505	475
Lease obligations	-	171
Share warrant liability	2	5
	<u>966</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	(746)	(727)
Deficit	(404,305)	(403,887)
	<u>11,786</u>	<u>12,223</u>
Total equity and liabilities	<u>12,752</u>	<u>13,310</u>



Orsu Metals Corporation
 Berkeley Square House
 Berkeley Square
 London, W1J 6BD
 United Kingdom

Tel: +44 (0)20 7518 3999

ir@orsumetals.com
www.orsumetals.com

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

	Three months ended March 31,	
	2016	2015
	\$000	\$000
Cash flows used by operating activities		
Net loss and comprehensive loss for the period	(437)	(822)
Items not affecting cash:		
Depreciation	5	41
Unrealized exchange (gains)/ losses on cash and cash equivalent balances	(4)	15
Onerous provision release	(171)	(33)
Unrealized derivative gain on share warrant liability	(3)	(38)
Foreign exchange losses	35	13
	(575)	(824)
Changes in non-cash working capital:		
Accounts receivable and other assets	3	(34)
Accounts payable and accrued liabilities	18	11
Net cash used by operating activities	(554)	(847)
Cash flows used by investing activities		
Expenditures on property, plant and equipment	(21)	(24)
Net decrease in cash and cash equivalents in the period	(575)	(871)
Cash and cash equivalents - Beginning of the period	4,697	7,607
Exchange gains/ (losses) on cash and cash equivalents	4	(15)
Cash and cash equivalents - End of the period	4,126	6,721
Cash and cash equivalents per the consolidated balance sheets	4,115	6,721
Included in the assets held for sale	11	-



Orsu Metals Corporation
Berkeley Square House
Berkeley Square
London, W1J 6BD
United Kingdom

Tel: +44 (0)20 7518 3999

ir@orsumetals.com
www.orsumetals.com

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 disposition of the Akdjol-Tokhtazan Project, 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; 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 press release and the Company's 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, 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 (including the Akdjol-Tokhtazan Project); 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 "Risk and Uncertainties" in the Company's MD&A.

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. 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.

ENDS

For further information, please contact:

Kevin Denham, Chief Financial Officer and Company Secretary, Orsu Metals Corporation
Tel: +44 (0) 20 7518 3999

www.orsumetals.com
