Orsu Metals Corporation

Management's Discussion and Analysis of Results
June 30, 2015 and 2014

(Figures in United States Dollars)

CONTENTS

This MD&A contains the following information:

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STOCK EXCHANGES
Toronto Stock Exchange, OSU
(Stock is quoted in Canadian Dollars)
AIM Market of the London Stock Exchange, OSU
(Stock is quoted in British Pence)

The effective date of this MD&A is August 12, 2015.

This MD&A of Orsu Metals Corporation and its subsidiaries (together referred to as "Orsu" or the "Company") contains management's assessment and analysis of the operating results, financial condition and future prospects of Orsu and should be read in conjunction with the unaudited consolidated financial statements of the Company for the period ended June 30, 2015 and 2014 and the audited annual consolidated financial statements of the Company, and related annual MD&A, for the years ended December 31, 2014 and 2013 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The information provided herein supplements, but does not form part of, the unaudited consolidated financial statements for the period ended June 30, 2015 and 2014. All amounts are reported in United States Dollars ("$" or "U.S. dollars") unless otherwise indicated. Canadian Dollars are referred to herein as CAD$ and British Pounds Sterling are referred to as GBP£.

2015 SECOND QUARTER HIGHLIGHTS

- A year on year reduction of $0.9 million in net losses to $1.4 million for the six months ended June 30, 2015, from $2.3 million for the six months ended June 30, 2014, along with a year on year reduction of $0.5 million in net cash outflows.
- As at June 30, 2015 the Company had cash and cash equivalents of $6.3 million and estimates to have sufficient working capital to fund it exploration and administration obligations for the next 12 months.
- April 2015 – the Company announced that it had entered into a new conditional exclusivity agreement (the "Exclusivity Agreement") with David-Invest LLP ("David-Invest"), a Kyrgyz registered company, and a related company, David Way Limited ("David Way"), a Hong Kong registered company (together the "Potential Buyers") with a view to the potential sale of the Akdjol-Tokhtazan Project (defined below). Pursuant to the terms of the Exclusivity Agreement the Potential Buyers were granted the exclusive right to purchase the Akdjol-Tokhtazan Project until December 31, 2015 (the "Exclusivity Period") conditional upon the Potential Buyers continuing to fund the costs of maintaining the license (see section entitled "Operational Review – Potential disposal of the Akdjol-Tokhtazan Project, Kyrgyzstan" for details).
- May 2015 – the Company announced that Mr Timothy Hanford would not stand for re-election as a director, and accordingly his directorship terminated as at the conclusion of the Company's annual shareholder meeting held on June 22, 2015.

BUSINESS OVERVIEW

Orsu is a dual listed (TSX: OSU; AIM: OSU) base and precious metals exploration and development company currently focusing on the acquisition and development of exploration licenses in countries of the Former Soviet Union (the "FSU"). The Company currently holds exploration licenses in the Republic of Kazakhstan (or "Kazakhstan") and within the Kyrgyz Republic (or "Kyrgyzstan") and continues to seek opportunities to acquire and develop new exploration licenses in both Kazakhstan and FSU.

The Company's principal and most advanced project is the property, comprising a license area in eastern Kazakhstan containing the Karchiga volcanogenic massive sulphide ("VMS") deposit which is part of the Rudny Altai polymetallic belt (the "Karchiga Project"). The Karchiga Definitive Feasibility Study Report (as defined below), filed in March 2012, showed an initial capital expenditure requirement of $115 million for the construction of a mine and processing facility at the Karchiga Project. The Company is currently seeking to secure the finance required for the construction of a mine and processing facilities and to concurrently actively consider alternative financing options.

The Company also has an effective 51% interest in an exploration license for a prospect 70 km north west of the Karchiga Project, identified as a VMS copper mineralization within the Kurchum-Kalzhir metamorphic terrain and the same tectonic unit that hosts the deposit as the Karchiga Project (the "Kogodai Project").

The Company's exploration interest in Kyrgyzstan consists of the Akdjol and Tokhtazan exploration licenses located in the Jelal-Abad Oblast, western Kyrgyzstan (the "Akdjol-Tokhtazan Project"). In 2011 the Company determined the Akdjol-Tokhtazan Project to be a non-core asset and was available for sale. Since then the Company has held discussions with interested parties for the potential disposal of the project. In the event of the sale of the Akdjol-Tokhtazan Project the Company will no longer have any exploration interests in Kyrgyzstan (see section entitled "Operational Review – Potential disposal of Akdjol-Tokhtazan Project" for details).

OPERATIONAL REVIEW

During the six months ended June 30, 2015 the Company continued limited work at the Kogodai Project with no significant exploration work undertaken. The Company also continued to pursue and consider various financing options for the Karchiga Project.

The Company has continued, and will continue, to use its current working capital resources to satisfy the Company's expenditure obligations in respect of its corporate and administrative expenditures, as well as funding obligations for the Kogodai Project. In relation to the Karchiga Project, following the lapse of the agreement with Barclays and UniCredit to secure debt finance of up to $90 million in March 2015, the Company is continuing to hold discussions with providers of debt and equity finance, as well as alternative interested parties, in order to progress the development of the Karchiga Project.

At the date of this MD&A, until the Company is able to successfully conclude any financing for the Karchiga Project, the Company will not enter into any contracts to place advance orders for mining equipment or construction materials in relation to the construction of a mine and processing facilities and will be unable to determine the expected timing for the commencement of construction (see the "Financial review – Liquidity and capital resources" section below).

KARCHIGA COPPER PROJECT, KAZAKHSTAN

License Information

The Karchiga Project is the Company's most advanced project. The Karchiga Project is located in the extreme east of the Republic of Kazakhstan, within 40km of the Chinese border. The deposit at the Karchiga Project is situated within the north west striking, mid-Palaeozoic, Rudny Altai VMS belt, the host of numerous world class copper bearing polymetallic VMS deposits, including the Leninogorsk (also known as Ridder-Sokolnoye), Zyryanovskoye, and Maleevskoye deposits. The Rudny Altai is ranked in the top four VMS belts of the world.

The Company's interest (through its indirect subsidiary, GRK MLD LLP (or "GRK")) in the Karchiga Project is governed by an exploration and production contract (the "Karchiga Project Contract"), as amended by the Karchiga Amendments (as defined below), granted to GRK by the former Ministry of Energy and Mineral Resources of the Republic of Kazakhstan (the "Former MEMR") which carries a term until February 28, 2024. Pursuant to the Karchiga Project Contract, GRK has been granted the right to explore and produce copper within the boundary of the contract area.

Karchiga Definitive Feasibility Study

In February 2012, SRK Consulting (UK) Limited ("SRK") completed the definitive feasibility study for Karchiga Project (the "Karchiga Definitive Feasibility Study") and, in connection therewith, the report entitled the "Karchiga Feasibility Study, NI 43-101 Technical Report", and dated March 27, 2012 (referred to as the "Karchiga Definitive Feasibility Study Report") was prepared by Mr Michael Beare, Dr Michael Armitage and Ms Tracey Laight of SRK (each of whom is a "qualified person", and independent of Orsu, within the meaning of the National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (or "NI 43-101")). A copy of the Karchiga Definitive Feasibility Study Report can be viewed under the Company's profile on SEDAR at www.sedar.com.

Using only the indicated mineral resource estimates forming part of the December 2011 Pit-Constrained Mineral Resource Estimates, the Karchiga Definitive Feasibility Study Report reported a probable mineral reserve estimate of 8.5 million tonnes of sulphide ore in the central and north east pits containing 145,227t (320 Mlb) of copper at an average grade of 1.71% Cu to be amenable to flotation ("FL") and additional 1.5 million tonnes of ore in the central pit containing 21,399t (47.2 Mlb) of copper at an average grade of 1.43% Cu to be amenable to heap leaching ("HL").

Capital Expenditure

The estimated total project capital expenditure ("CAPEX") over the mine life of $147 million, including the solvent extraction with electro winning ("SXEW") plant to treat the oxide ores, is made up as follows:

- $21.5 million for mining equipment
- $40.1 million for copper in concentrate processing plant and equipment
- $26.3 million for SXEW plant
- $21.7 million for mine site facilities and infrastructure
- $26.3 million for sustaining capital & closure costs
- $11.3 million for contingency

The estimated initial CAPEX is $115 million, which excludes the SXEW plant, sustaining capital & closure costs but includes pre-production development costs.

The Company estimates that a 12 to 15 month period is sufficient for the construction of the processing facilities and pre-production development at the Karchiga Project.

Mine Plan

The open pit mining schedule produced by SRK calculated a producing mine life of 11.5 years. The mining schedule envisages the mining of 10 Mt of sulphide and oxide ore and 124 Mt of waste with a stripping ratio of 1:12.4 over the mine life. The average mining rate of the operation is 750 kt per annum.

For the first 2.25 years of the mine life, the mining schedule includes open pit mining of the Central sulphide ore body alone in order to maximise the sulphide copper grade and hence sulphide copper recovery. The optimised mine schedule has been developed to minimise the stripping ratio in the initial three years of the mine life. In addition, the use of stockpiling has enabled the Company to increase the processed ore grade. From Year 4 until Year 7, sulphide ore will be mined from both the Central and North East open pits. From Year 8 until the end of mine life in Year 12, all mining will continue in the North East pit.

The average mining cost over the mine life is $1.71 per tonne of material moved.

Processing Plan and Economic Model

The plant is designed to process approximately 750,000 tonnes per annum of sulphide ore. A conventional processing route was chosen using relatively fine grinding and selective sulphide flotation to produce a 27.9% bulk concentrate. The Company is currently seeking to secure finance for the Karchiga Project, and the timing for the start of construction is dependent thereon.

Copper from the oxide ore will be extracted using SXEW process. The oxides will be treated over a period of 4.5 years starting in 2020 at an annual production rate of 360,000 tonnes and is expected to produce an average of 2.8kt (6.22Mlb) of copper cathode per annum over that period. Production of cathode copper will continue until 2024.

In order to reduce the initial CAPEX, the SXEW plant construction has been delayed until after the initial capital expenditure payback period (which is anticipated to be 2.75 years). The plant has been designed to treat an average of 30,000 tonnes of leachable oxide ore per month.

The results of the Karchiga Definitive Feasibility Study demonstrate that economically the best option is to delay the SXEW construction until after the initial CAPEX payback period of 2.75 years, allowing the cost of construction to be financed from the revenue generated by the sulphide ore treatment.

The project key performance indicators are shown in Table 1 below.

Table 1. Key Performance Indicators

Parameter	Units	Key Performance Indicator
Average annual mining rate	Tonnes	750,000
Average mining cost	$/t of ore	22.99
Annual processing rate (FL)	Tonnes	750,000
Mine life (FL)	Years	11.5
Processing cost (FL)	$/t of ore	8.91
Metallurgical recovery (FL)	%	93.4
Average annual copper production, over 11.5 years (FL)	'000 tonnes	11.82
Average annual copper production (FL)	Mlb	26.1
Annual processing rate (HL)	Tonnes	360,000
Mine life (HL)	Years	4.5
Processing cost (HL)	$/t of ore	18.7
Metallurgical recovery (HL)	%	61.1
Average annual copper production, over 4.5 years (HL)	'000 tonnes	2.8
Average annual copper production (HL)	Mlb	6.2
Cash operating cost over the mine life (pre tax)	$/lb Cu	1.47

The mine is expected to produce a total of 149kt (328 Mlb) of payable copper, with an average of 12,957t (28.57 Mlb) of copper production per annum.

The Karchiga Project site is located 10 km from the main road and a 110 kV national power grid and is expected to be connected to the same as part of construction. An adequate supply of water can be sourced from the River Kalzhir as well as from aquifers in the immediate vicinity of the designed project facilities.

The project key economic indicators are shown in Table 2 below.

Table 2. Key Economic Indicators

Parameter	Units	Key Economic Indicator
Total project CAPEX	$m	147
Initial CAPEX	$m	115
Total Net Smelter Revenue	$m	971
Sulphide and Oxide Case @ $3.25/lb Cu:		
- Post-Tax $NPV_{7.5}$	$m	150
- Post-Tax IRR	%	30
- Payback period	Years	2.75
Sulphide and Oxide Case @ $3.00/lb Cu:		
- Post-Tax $NPV_{7.5}$	$m	113
- Post-Tax IRR	%	25
- Payback period	Years	3.0

All figures are on a 100% ownership basis

The figures for net present value ("NPV"), internal rate of return ("IRR") and payback in Table 5 assume 100% equity financing for the Karchiga Project and a discount rate of 7.5% was used to derive the NPV. The Environmental and Social Impact Assessment study for the Karchiga Project was successfully completed by WAI on January 31, 2012.

<u>Karchiga Project expenditure</u>

The Company incurred cumulative expenditure on the Karchiga Definitive Feasibility Study of $8.6 million from August 2010 to March 2012 which the Company considered to be exploration expenditure.

Following the filing of the Karchiga Definitive Feasibility Study Report in March 2012, which validated the technical and economic viability of the Karchiga Project, expenditures incurred from April 2012 have been considered by the Company to be development expenditures and relate to the future construction of the mine and processing facilities at the Karchiga Project (see "Financial Review – Karchiga Project pre-production and deferred finance costs"). These expenditures have been accounted for by the Company as property, plant and equipment. For the six months ended June 30, 2015 the Company incurred $45,000 for development expenditure ($66,000 for the six months ended June 30,2014). Cumulative development costs as at June 30, 2015 were $8.9 million ($8.2 million as at June 30, 2014). Until such time as the Company is able to secure the required financing for the Karchiga Project the Company will not enter into contracts for equipment or services in relation to mining equipment or construction materials.

<u>Other matters</u>

The Company continues to identify potential off-takers for the copper concentrate internationally, including amongst others, the People's Republic of China ("China") and Kazakhstan. However, as stated above the Company will not enter into any contract agreements until it is able to secure financing for the Karchiga Project. The Karchiga Project is favourably located approximately 220 km south east of the regional centre, Ust-Kamenogorsk, and approximately 40 km from the Chinese border to the east. The nearest copper mining operation in China at the Ashele VMS deposit, containing 1 million tonnes of copper, is located approximately 85 km east-southeast from the Karchiga Project.

POTENTIAL DISPOSAL OF THE AKDJOL-TOKHTAZAN PROJECT

Since 2011, when the Company classified the Akdjol-Tokhtazan Project as held for sale, the Company has sought its disposal. In relation to this, beginning in November 2012 the Company entered into a number of predecessor exclusivity agreements with the Potential Buyers for the potential sale of the Akdjol-Tokhtazan Project, the last of which expired in April 2015, pursuant to which the Company received a total of $400,000 as non-fundable deposits during 2014.

Thereafter, the Company announced on April 7, 2015, that it had entered into the Exclusivity Agreement with the Potential Buyers for the sale of the Akdjol-Tokhtazan Project, the key terms of which are:

- the Potential Buyers have been granted an exclusive right to purchase the Akdjol-Tokhtazan Project for the duration of the Exclusivity Period conditional upon the Potential Buyers continuing to fund the costs of maintaining the exploration licenses for the Akdjol-Tokhtazan Project. As at June 30, 2015 the Potential Buyers had funded cumulatively $0.6 million ($0.5 million as at December 31, 2014);
- the Potential Buyers have the option to purchase the Akdjol-Tokhtazan Project at any time on or before the expiry of the Exclusivity Period for a consideration of $5 million. The previous non-refundable deposits of $400,000 received by the Company during 2014, will be applied against the consideration in the event of any sale;
- the Potential Buyers will fund the exploration programme for the Akdjol-Tokhtazan Project licenses (which are due to expire on December 31, 2015) on a non-refundable basis for the Exclusivity Period;
- the Potential Buyers have the right to terminate the Exclusivity Agreement and,
- Orsu has the right to terminate the Exclusivity Agreement:
    - a) at any time, in the event of non-fulfilment of the obligation to fund the costs of maintaining the license or,
    - b) on serving notice between June 24 and 30, 2015, inclusive, and September 24 and 30 2015 inclusive.

Other than as described above, there have been no significant changes to the terms of the previous exclusivity agreements signed in 2012, 2013 and 2014. As at June 30, 2015, the Company had not exercised its right to serve notice to terminate the Exclusivity Agreement.

The Company will apply any proceeds from a sale of the Akdjol-Tokhtazan Project to working capital and identification of other early stage exploration opportunities consistent with the Company's strategy.

See sections entitled "Financial review - Asset held for sale" and "Financial review – Deferred income" below.

SUMMARY OF THE QUARTERLY RESULTS FOR 2015 AND 2014

(Prepared in accordance with IFRS)

Expressed in $000s' except where indicated	June 30 2015 (Unaudited)	March 31 2015 (Unaudited)	December 31 2014 (Unaudited)	September 30 2014 (Unaudited)
Net loss from operations	(565)	(822)	(2,010)	(1,060)
Net loss and comprehensive loss for the period	(565)	(822)	(2,010)	(1,060)
Net loss attributable to:				
Shareholders of the Company	(524)	(784)	(1,884)	(1,038)
Non-controlling interests	(41)	(38)	(126)	(22)
	(565)	(822)	(2,010)	(1,060)
Loss per Common Share (in $/ Common Share)				
Loss per Common Share from operations	$(0.00)	$(0.00)	$(0.01)	$(0.01)
Net loss per Common Share attributable to shareholders of the Company	$(0.00)	$(0.00)	$(0.01)	$(0.01)
Weighted average number of Common Shares (in thousands) (note 1)	182,696	182,696	182,696	182,696

Note 1: Weighted average number of Common Shares of the Company includes basic and diluted.

SUMMARY OF THE QUARTERLY RESULTS FOR 2014 AND 2013

(Prepared in accordance with IFRS)

Expressed in $000s' except where indicated	June 30 2014 (Unaudited)	March 31 2014 (Unaudited)	December 31 2013 (Unaudited)	September 30 2013 (Unaudited)
Net loss from operations	(1,241)	(1,010)	(1,429)	(2,412)
Net loss and comprehensive loss for the period	(1,241)	(1,010)	(1,429)	(2,412)
Net loss attributable to:				
Shareholders of the Company	(1,236)	(995)	(1,420)	(2,401)
Non-controlling interests	(5)	(15)	(9)	(11)
	(1,241)	(1,010)	(1,429)	(2,412)
Loss per Common Share (in $/ Common Share)				
Loss per Common Share from operations	$(0.01)	$(0.01)	$(0.01)	$(0.01)
Net loss per Common Share attributable to shareholders of the Company	$(0.01)	$(0.01)	$(0.01)	$(0.01)
Weighted average number of Common Shares (in thousands) (note 1)	182,696	182,696	182,696	176,174

Note 1: Weighted average number of Common Shares includes basic and diluted.

FINANCIAL REVIEW

For the six months ended June 30, 2015 the Company reported a net loss of $1.4 million, compared to a net loss of $2.3 million for the six months ended June 30, 2014.

During the six months ended June 30, 2015 capitalized development expenditure in relation to the Karchiga Project amounted to $45,000 ($66,000 for the six months ended June 30, 2014).

As at June 30, 2015 the Company had net assets of $19.7 million ($21.1 million as at December 31, 2014) of which $6.3 million was held in cash and cash equivalents ($7.6 million as at December 31, 2014).

RESULTS FOR THE QUARTERS ENDED JUNE 30, 2015 AND 2014

For the three months ended June 30, 2015 the Company reported a net loss of $0.6 million compared to a net loss of $1.2 million for the three months ended June 30, 2014.

The net loss of $0.6 million for the three months ended June 30, 2015 primarily consisted of: administrative costs of $0.4 million ($0.7 million for the three months ended June 30, 2014), legal and professional costs of $0.2 million ($0.3 million for the three months ended June 30, 2014) and exploration costs of $0.1 million ($0.2 million for the three months ended June 30, 2014). These losses were partially offset by net finance income of $0.1 for the three months ended June 30, 2015 (nil for the three months ended June 30, 2014).

The Company's administrative costs decreased quarter on quarter by $0.3 million due to a reduction of headcount at its offices in Kazakhstan, primarily in relation to the Karchiga Project, and at the corporate head office in London.

The Company's legal and professional costs decreased quarter on quarter by $0.1 million primarily due to lower audit and tax related expenditures at the Company's London head office.

For the three months ended June 30, 2015 the Company continued limited exploration work at the Kogodai Project. For the three months ended June, 2014 exploration expenditure of $0.2 million was in relation to work at the Balkhash license area in Eastern Kazakhstan, (the "Balkhash Project"). Subsequently, in September 2014 the Company elected to discontinue exploration work at the Balkhash Project.

COMPARISON OF QUARTERLY RESULTS FOR 2014 AND 2013

A comparison of the quarter on quarter results between 2014 and 2013 show that the net losses were lower in 2014 compared to 2013 with the exception of the fourth quarter of 2014 compared to the fourth quarter of 2013 because of onetime items of income and expenditure in this quarter. As the Company's activities during 2014 and 2013 relate to mainly exploration work, the general trend of lower expenditures from 2013 to 2014 has been due to the steps taken by the Company in relation to its financial objective to preserve its cash assets.

For the fourth quarter of 2014 the Company reported a net loss of $2.0 million which included a number of one-off items of expense totalling $1.1 million comprising a provision for an "onerous lease", in relation the Company's London head office of $0.4 million, a charge for deferred finance costs in relation to debt finance no longer available of $0.5 million and an adjustment to Kazakh Value Added Tax ("VAT") recoverable amounts of $0.2 million. Excluding these one-off charges of $1.1 million gives a comparable net loss of $0.9 million for the fourth quarter of 2014 compared to a net loss of $1.4 million for the fourth quarter of 2013.

In general, the quarterly losses for 2014 were lower than the quarterly losses for 2013 because the Company took steps to reduce expenditures at both the Karchiga Project and the corporate head office. These included a reduction in headcount at the Karchiga Project and at the corporate head office as well as lower quarterly corporate head office expenditures in relation to administrative, legal and professional costs. In addition, quarterly exploration expenditures in 2014 were lower than 2013 due to the reduction in the exploration work programme at the Balkhash Project and the decision of the Company in September 2014 to cease any further exploration work at the Balkhash Project.

RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND JUNE 30, 2014

For the six months ended June 30, 2015 the Company reported a net loss of $1.4 million compared to net loss of $2.3 million for the six months ended June 30, 2014.

The net loss of $1.4 million for the six months ended June 30, 2014 consisted of: administrative costs of $1.1 million (compared with $1.4 million for the six months ended June 30, 2014), legal and professional costs of $0.2 million (compared to $0.3 million for the six months ended June 30, 2014) and exploration costs of $0.1 million (compared with $0.4 million for the six months ended June 30, 2014). For the six months ended June 30, 2014 the Company incurred a net foreign exchange loss of $0.2 million.

Since 2013, and continuing during 2015, a key financial objective of the Company has been to preserve its cash assets. In relation to this the Company took a number of steps to reduce administrative costs as well as legal and professional costs in Kazakhstan, primarily at the Karchiga Project while the Company continues to seek to secure project finance for that project, and at its London head office.

The Company's administrative costs decreased by $0.3 million year on year due to a decreases in corporate and head office expenditure relating to the Karchiga Project. Administrative costs were lower due to reductions in office costs at the Karchiga Project as well reductions in headcount at its offices in Kazakhstan, primarily in relation to the Karchiga Project, and at the corporate head office in London.

The Company's legal and professional costs decreased quarter on quarter by $0.1 million primarily due to lower audit and tax related expenditures at the Company's London head office.

Exploration expenditure decreased year on year by $0.3 million. For the six months ended June 30, 2015 the Company incurred exploration expenditure of $0.1 million for continued exploration work at the Kogodai Project. For the six months ended June, 2014 exploration expenditure of $0.4 million was in relation to work at the Balkhash Project and for which subsequently, in September 2014, the Company elected to discontinue exploration work.

For the six months ended June 30, 2014 the Company incurred a net foreign exchange loss of $0.2 million following a 20% devaluation in February 2014 of the Kazakh Tenge to U.S. dollar exchange rate which impacted on the Company's Kazakh monetary assets.

In respect of the Company's cash flows, the decrease in cash and cash equivalents for the six months to June 30, 2015 was $1.4 million. The decrease of $1.4 million for the six months to June 30, 2015 was due primarily to corporate and exploration expenditure of $1.3 million and a $47,000 for expenditure on property, plant and equipment.

In respect of the Company's cash flows, the decrease in cash and cash equivalents for the six months to June 30, 2014 was $1.9 million. The decrease of $1.9 million for the six months to June 30, 2014 was due primarily to corporate and exploration expenditure of $1.8 million and a $66,000 for expenditure on property, plant and equipment.

FINANCIAL POSITION AS AT JUNE 30, 2015 AND DECEMBER 31, 2014

As at June 30, 2015 the Company's net assets were $19.7 million, compared with $21.1 million as at December 31, 2014 of which $6.3 million consisted of cash and cash equivalents ($7.6 million as at December 31, 2014).

The decrease in net assets of $1.4 million was due primarily to corporate, exploration and capital cash expenditure in the quarter of $1.4 million (set out in the interim consolidated financial statements for the period ended June 30, 2015).

KARCHIGA PROJECT DEVELOPMENT COSTS

In March 2012, the Company successfully completed the Karchiga Definitive Feasibility Study. At the same time and subsequently the Company incurred costs related to the construction of a mining and processing facility at the Karchiga Project. Under IFRS, IAS 16 "*Property, Plant and Equipment"*, costs are capitalized during the development phase, defined as being from the date that an economic study is completed and the date the asset is deemed to be available for use (or the "development costs") and are those that can be directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by the Company. Under IAS 16, these development costs are capitalized, as they meet the criteria for the capitalization for a basic asset.

These and future costs will be recorded as "Property, plant and equipment" until such time when the asset is "available for use" (defined as when commercial levels of production are capable of being achieved). In the six months ended June 30, 2015 the Company capitalized $45,000 of development costs ($66,000 during the six months ended June 30, 2014). Work at the Karchiga Project is currently on a care and maintenance basis and whilst the Company continues in its efforts to secure the required financing for the construction of a mine and processing facility, or to identify and consider alternative financing options, at the Karchiga Project, the Company will not incur significant development expenditures. Cumulative development costs as at June 30, 2015 were $8.9 million ($8.2 million as at June 30, 2014).

ASSET HELD FOR SALE

The exploration license area for the Akdjol-Tokhtazan Project is located in the Jelal-Abad Oblast, western Kyrgyzstan and comprises the Akdjol license and Tokhtazan license. During 2010, the Company identified the Akdjol license area as a gold-silver epithermal prospect and the Tokhtazan license area as a gold prospect. The Akdjol and Tokhtazan licenses will expire on December 31, 2015, but are renewable subject to certain conditions being met.

In 2011, the Company determined the Akdjol-Tokhtazan Project to be a non-core asset which was made available for sale and determined to have met the criteria to be classified as "held for sale" under IFRS 5, "Non-current Assets Held For Sale and Discontinued Operations". As at December 31, 2014 the Company re-measured the assets at the estimated fair value, less cost to sell, at $4.4 million based on the lower end of a range of prospective sale prices discussed with the Potential Buyers and other interested parties, taking into account current and future forecast gold prices and the good standing of the license.

As at June 30, 2015 the Company had entered into the Exclusivity Agreement with the Potential Buyers for the potential sale of the Akdjol-Tokhtazan Project for a gross consideration of $5 million less $0.4 million of non-refundable deposits (see "Deferred income" below). The Company concluded that as at June 30, 2015 it continued to be appropriate to classify the assets and liabilities related to the Akdjol-Tokhtazan Project (the disposal group) as held for sale as the potential consideration of $5 million, from the Potential Buyers, exceeds the carrying value of net assets of $4.3 million (see table below).

The Company is confident that a sale of the Akdjol-Tokhtazan Project within the year remains probable, though not certain. However, if the Company is unable to conclude the sale of the Akdjol-Tokhtazan Project to the Potential Buyers, or other interest parties, then it will be required to re-appraise the probability of any potential sale of the Akdjol-Tokhtazan Project and hence if it is appropriate to continue to classify the Akdjol-Tokhtazan Project as an asset held for sale. If the Company concludes that it is no longer appropriate to classify the Akdjol-Tokhtazan Project as an "asset held for sale" then it will reassess the carrying value of the property and record an impairment charge if required against the carrying net asset value of the Akdjol-Tokhtazan Project as at December 31, 2015.

The net assets of the disposal group as at June 30, 2015 and December 31, 2014 are shown below:

	2015 $000	2014 $000
Cash and cash equivalents	1	1
Prepayments and other receivables	60	169
Mineral properties	4,392	4,392
Property, plant and equipment	20	21
Total Assets	4,473	4,583
Accounts payable and accrued liabilities	(150)	(187)
Net assets of disposal group held for sale	4,323	4,396

DEFERRED INCOME

Since 2011 when the Company classified the Akdjol-Tokhtazan Project as held for sale, the Company has sought to dispose of the project. In relation to this, from November 2012 the Company entered into a number of predecessor exclusivity agreements with the Potential Buyers for the potential sale of the Akdjol-Tokhtazan Project the last which expired in April 2015, pursuant to which the Company received a total $400,000 as non-refundable deposits.

Thereafter, the Company announced on April 7, 2015, that it had entered into the Exclusivity Agreement with the Potential Buyers for the sale of the Akdjol-Tokhtazan Project following the expiry of the previous exclusivity agreement (see section entitled "Operational Review – Potential disposal of the Akdjol-Tokhtazan Project, Kyrgyzstan" for details).

In the light of the ability of the Potential Buyers to offset the $400,000 non-refundable deposits against the price of any eventual sale of the Akdjol-Tokhtazan Project, as at June 30, 2015 the Company continued to record the total non-refundable deposits as deferred income. In the event that ongoing discussions with the Potential Buyers do not lead to a positive conclusion, then the Company will recognize the non-refundable deposits of $400,000 as income.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2015 the Company's main source of liquidity was unrestricted cash and cash equivalents of $6.3 million, compared with $7.6 million as at December 31, 2014.

The Company measures its consolidated working capital as comprising free cash, accounts receivable, prepayments and other receivables, less accounts payable and accrued liabilities. As at June 30, 2015 the Company's consolidated working capital was $6.6 million (compared with a consolidated working capital of $7.7 million as at December 31, 2014).

In the past the Company has funded the development of its exploration licenses, assessment of new exploration licenses as well as its corporate and administration requirements through either equity raised finance or through the sale of its interest in exploration or investment properties. This has included

(a) funding of exploration expenditure in relation to the Karchiga Project up to the filing of the Karchiga Definitive Feasibility Study Report in March 2012, and thereafter development expenditure at the Karchiga Project,

(b) contributing its pro-rata share of exploration costs to its then 40% interest in the Talas Project (as defined below) before the Sale in July 2012

(c) funding of exploration costs at the Akdjol-Tokhtazan Project until the Company entered into an exclusivity agreement with David-Invest in November 2012, and

(d) funding exploration work at the Balkhash Project and

(e) the funding of the acquisition of, and preliminary exploration costs at, the Kogodai Project.

During July 2012 the Company raised funds through the sale of its 40% interest in the Talas Project, for $10 million, and a further CAD$10 million in July 2013 following the completion of the Subscription (as defined below) by Gold Fields (as defined below). In the year ended December 31, 2014, the Company had received non-refundable deposits totaling $400,000, from the Potential Buyers in relation to the Akdjol-Tokhtazan Project.

In relation to its operating activities, the Company's administration and exploration cash expenditures were $3.5 million and $6.6 million in 2014 and 2013 respectively (as set out in the Company's audited consolidated financial statements for the year ended December 31, 2014). In addition the Company incurred capital expenditures of $0.2 million and $1.5 million for 2014 and 2013 respectively primarily in relation to development expenditure for the Karchiga Project. However, as the Company sought to secure project finance for the construction of a mine and processing facility at the Karchiga Project, during 2013 and 2014 the Company implemented a number of steps to reduce its corporate and administration expenditures which included the reduction of headcount at its offices in both Kazakhstan and at its head office in the UK as well as a reduction of its legal and professional advisory expenditures in order to preserve the Company's cash assets.

The Company's working capital needs as at June 30, 2015 included the funding for its 'care and maintenance costs at Karchiga, its future expenditure obligations of the Kogodai Project, its corporate and administrative expenditure requirements and potential contributions towards project finance, if and when arranged, in relation to the Karchiga Project. The Company expects to fund its working capital requirements from its existing cash resources for the remainder of 2015, other than as set out below for the Karchiga Project, and be able to contribute towards the pursuit of future growth opportunities (which may include acquiring one or more additional assets), if and when such opportunities arise, from its unrestricted cash of $6.3 million as at June 30, 2015 and potential net proceeds, if any, from the sale of the Akdjol-Tokhtazan Project.

During the six months ended June 30, 2015 the net cash used by the Company's operating expenditures was $1.4 million, compared to $1.9 million for the six months ended June 30, 2014 (set out in the interim consolidated financial statements for the period ended June 30, 2015). The steps taken to reduce cash expenditures during 2013 and 2014 are reflected in a reduction in the forecast expenditures for 2015 in relation to corporate and administration costs, the funding of exploration work at the Kogodai Project and the Karchiga Project on a care and maintenance basis.

The minimum working capital the Company estimates for 2015 is set out below:

Estimated working capital requirements for 2015	Estimate for the full year $000
Estimated corporate and administrative expenditure (1)	3,005
Estimated expenditure for the Kogodai Project (2)	875
Total	3,880

Notes:

(1) Includes office expenditure at the Karchiga Project. In estimating the forecast expenditures, the Company has applied an average 2015 exchange rate of GBP£/ $ of 1.5285 for its UK corporate expenditures and an average 2015 exchange rate of Kazakh Tenge/ $ of 182.35 for local office expenditure at the Karchiga Project.

(2) The total exploration expenditure obligation (measured from the date of the transfer of the license) is $3.75 million over five years. The Company will primarily fund the Kogodai Project in U.S. dollars.

In order to achieve the Company's planned construction of mining facilities and commencement of mining operations at the Karchiga Project, if any, the Company will require an estimated initial CAPEX of $115 million (see "Operational review – Karchiga copper project, Kazakhstan") for which the Company will be required to raise additional financing in the future. If the Company secures the required financing on acceptable commercial terms then it may also apply a proportion of its available unrestricted cash and if any, from the sale of the Akdjol-Tokhtazan Project, towards the project financing requirements as the Company determines necessary. Whilst the Company has been successful in raising debt and other financing in the past, the Company's ability to raise additional debt and other financing may be affected by numerous factors beyond the Company's control, including, but not limited to, adverse market conditions and/or commodity price changes and economic downturn and those other factors that are listed under "Risks and Uncertainties" in the Company's 2014 annual MD&A.

The Company holds the majority of its surplus cash in interest-bearing bank deposit accounts in U.S. dollars, CAD$, and GBP£ and manages such deposits in light of its forecast cash needs and available market interest rates. The majority of the Company's expenditures are in U.S. dollars, British Pounds Sterling, Kazakh Tenge and Canadian Dollars. The Company's liquidity may, therefore, be adversely affected by, amongst other things, the ability of the Company to accurately forecast its operating cash needs in the aforementioned currencies, its ability to convert its cash funds from U.S. dollars into the other aforementioned currencies, unfavorable movements in the U.S. dollar exchange rate relative to the aforementioned currencies and the Company's ability to earn interest on its cash deposits. Further information regarding the Company's liquidity risk, currency risk and interest rate risk may be found in the Company's audited consolidated financial statements as at December 31, 2014.

COMMITMENTS

The following table summarises the Company's future commitments as disclosed in the Company's financial statements as at June 30, 2015:

	2015 $000	2016 $000	2017 $000	2018 $000	2019 + $000	Total $000
Lease obligations	202	-	-	-	-	202

The Company's lease obligations are for its London head office property rents, payable under a lease agreement expiring in February 2016, for a total of GBP£220,200 per annum. The above figures are exclusive of business rates and service charges.

DERIVATIVE FINANCIAL INSTRUMENTS

In July 2013, the Company completed a subscription with a wholly owned subsidiary of Gold Fields Limited ("Gold Fields" or collectively with certain of its subsidiaries, the "Gold Fields Group") for 25 million units of the Company (each a "Unit") at a price of CAD$0.40 per Unit for gross proceeds of CAD$10 million (the "Subscription"), with each Unit consisting of one common share of the Company (a "Common Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"), each Warrant being exercisable for a period of three years from the date of issue to acquire one Common Share at a price of CAD$0.50. Following the completion of the Subscription the Company received in cash the gross proceeds from the Subscription of CAD$10 million, $9.6 million, plus a further CAD$35,446 of accumulated interest. The Company subsequently accounted for the Warrants issued to Gold Fields as a derivative instrument.

A summary of the changes in the Company's share purchase warrants in the six months ended June 30, 2015 and year ended December 31, 2014 are set out below:

	2015			2014		
	Warrants Outstanding 000s'	Value Assigned $000	Exercise price CAD$	Warrants Outstanding 000s'	Value Assigned $000	Exercise price CAD$
Balance – Beginning of period	12,500	46	0.50	12,500	160	0.50
Fair value re-measurement	-	(40)		-	(114)	
Balance – End of period	12,500	6	0.50	12,500	46	0.50

A summary of the Warrants outstanding as at June 30, 2015 is set out below:

Exercise Price CAD$	Expiry date	Number 000's	Value $000
0.50	July 25, 2016	12,500	6

The Company measured the fair value of the Warrants issued to Gold Fields based on the Black-Scholes option-pricing model using the following assumptions as at June 30, 2015 and as at December 31, 2014:

	June 30, 2015	December 31, 2014
Stock price	CAD$0.02	CAD$0.03
Exchange rate CAD$/ US$	1.2483	1.1583
Risk free interest rate	0.5716%	1.05%
Expected warrant life	1.07 years	1.57 years
Volatility (assuming a dividend yield of nil)	142.42%	143.87%

TRANSACTIONS WITH RELATED PARTIES

(a) *Key management compensation*

Key management includes directors and officers. The salaries and other short term employee benefit compensation paid or payable to key management for employee services is shown below.

	Six months ended June 30,	
	2015 $000	2014 $000
Directors		
Dr Sergey V Kurzin	124	135
Dr Alexander Yakubchuk	116	131
Mr Mark Corra	14	15
Mr Timothy Hanford (directorship ceased June 22, 2015)	14	15
Mr Massimo Carello	14	15
Mr David Rhodes	14	15
	296	326
Senior officers		
Mr Kevin Denham	97	110
Mr Christopher Power (resigned effective April 30, 2015)	67	113
	164	223
Other key management personnel	84	85
Total	544	634

It should be noted that key management compensation is denominated in currencies other than $ (principally in GBP£) and the amounts are translated at the prevailing rate in accordance with the Company's policy for currency transactions. There have been no changes in the amounts paid to key management personnel; the differences above arise entirely from movements in the relevant exchange rates (primarily GBP£ to $).

(b) *Equus Petroleum plc*

The Company and Equus Petroleum plc ("Equus") have a director, Dr Sergey Kurzin, in common. Dr Kurzin is Executive Chairman of Orsu and Non-Executive Chairman of Equus, having previously been Executive Chairman of Equus until June 11, 2014, and is considered to be a member of key management for both companies as defined under IFRS, IAS 24 *"Related Party Disclosures"*.

Up until January 31, 2015, the Company charged Equus for services relating to property rent, administration support and office service expenses. As at June 30, 2015 the total receivable was $360,727 ($258,354 as at December 31, 2014). The amounts receivable from Equus accrue interest of 4% per annum, above the Barclays Base Rate, from the due date of payment until the date of payment. The charges for all the services provided to Equus, as well as the interest charged on overdue payments from Equus, are considered to be on normal commercial terms.

The total outstanding receivable from Equus as at June 30, 2015 and as at December 31, 2014 is shown on the table below:

	2015	2014
	$000	$000
Balance – Beginning of period	258	525
Recharges to Equus	103	515
Settlements received	-	(782)
Balance – End of period	361	258

In August 2014 Equus served notice to terminate the offices rented from the Company effective January 31, 2015.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 "*Interim Financial Reporting"*. The accounting policies applied in the interim consolidated financial statements are the same as those applied in the Company's audited consolidated financial statements as at December 31, 2014. In the period to June 30, 2015 there have no new and amended standards adopted by the Company which have had a material change to the Company's financial statements. In addition there have been no new, or amendments to, standards and interpretations issued which are not effective for annual periods starting on 1 January 2015, but will become effective for later annual periods, and have not been applied in preparing the consolidated financial statements for the period ended June 30, 2015.

RISKS AND UNCERTAINTIES

There have been no significant changes to the Company's risks and uncertainties during the six month period ended June 30, 2015. Readers of this MD&A should refer to a full analysis of the "Risk and uncertainties" detailed in the Company's MD&A for the year ended December 31, 2014 and for the period ended March 31, 2015 and give careful consideration to the information included in this document and the Company's consolidated financial statements and notes.

FORWARD-LOOKING INFORMATION

This 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: development and operational plans and objectives, including the Company's expectations relating to the continued and future maintenance, exploration, development and financing for, as applicable, of the Karchiga Project, and the Kogodai Project and the timing related thereto and its acquisition and development of new mineral exploration licenses, properties and projects; the Company's ability to satisfy certain future expenditure obligations; mineral resource and mineral reserve estimates; estimated project economics, cash flow, costs, expenditures, revenue, capital payback, performance and economic indicators and sources of funding; the estimate, use and sufficiency of the Company's working capital and the Company's ability to fund its working capital requirements; the re-negotiation of a new debt mandate with UniCredit and/or another senior debt provider and the potential participation by other debt providers; the potential raising of additional funding through the disposition of the Akdjol-Tokhtazan Project and the proposed uses thereof; the estimated mine life, NPV and IRR for, and forecasts relating to tonnages and amounts to be mined from, and processing and expected recoveries and grades at, the Karchiga Project as well as the other forecasts, estimates and expectations relating to the Karchiga Definitive Feasibility Study Report; the mine design and plan for the Karchiga Project, including mining at, and production from the Karchiga Project; the Company's intention to recognize the $400,000 non-refundable deposit from the Potential Buyers as income in the future; the future political and legal regimes and regulatory environments relating to the mining industry in Kazakhstan and/or Kyrgyzstan; the Company's expectations and beliefs with respect to the waiver of the State's pre-emptive right with respect to the Karchiga Project and the past placements of the Common Shares being covered thereby; the significance of any individual claims by non-Ontario residents in relation to a class action in June 2008 brought against the Company in the Ontario Superior Court of Justice which was settled by the Company 2010 (the "Claim"); 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 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 to meet its future expected obligations and planned activities (including, with respect to financing for the Karchiga Project, the ability of the Company to obtain such financing on terms acceptable to the Company or otherwise), the Company's business (including the continued exploration and development of, as applicable, the Karchiga Project and the Kogodai Project and the timing and methods to be employed with respect to same), the estimation of mineral resources and mineral reserves, the parameters and assumptions employed in the Karchiga Definitive Feasibility Study Report, 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 Ministry of Investments and Development's of Kazakhstan (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, the Company's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner, assumptions relating to the Company's critical accounting policies, and has also assumed that no unusual geological or technical problems occur, and that equipment works as anticipated, 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: risks normally incidental to exploration and development of mineral properties and operating hazards; uncertainties in the interpretation of results from drilling and metallurgical test work; the possibility that future exploration, development or mining results will not be consistent with expectations; uncertainty of mineral resource and mineral reserve estimates; technical and design factors; uncertainty of capital and operating costs, production and economic returns; uncertainties relating to the estimates and assumptions used, and risks in the methodologies employed, in the Karchiga Definitive Feasibility Study Report; adverse changes in commodity prices; the inability of the Company to obtain required financing on favourable terms at all or arrange for the disposition of 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, including (without limitation) the Company's inability to obtain (or a delay in obtaining) the necessary construction and development permits for the Karchiga Project and other risks relating to the regulatory frameworks in Kazakhstan and Kyrgyzstan; 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 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 "Risks and Uncertainties" in the Company's MD&A for the financial year ended December 31, 2014.

Any mineral resource and mineral reserve figures referred to in this MD&A are estimates and no assurances can be given that the indicated levels of minerals will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral resource and mineral reserve estimates in respect of its properties are well established, by their nature mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such mineral resource and mineral reserve estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company is reported within the time periods specified under securities laws and ensure that information is communicated to management of Orsu, including the Chief Operating Officer (acting as Chief Executive Officer) and Chief Financial Officer, to allow timely decisions regarding required disclosure. The Company has performed an evaluation of the effectiveness of the Company’s disclosure controls and procedures (as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings). Based on that evaluation, the Chief Operating Officer (acting as Chief Executive Officer) and the Chief Financial Officer of Orsu have concluded that the design and operation of the Company's disclosure controls and procedures were effective as at the date of this MD&A.

Internal Controls over Financial Reporting (“ICFR”)
The Chief Operating Officer (acting as Chief Executive Officer) and Chief Financial Officer of Orsu are responsible for establishing and maintaining adequate ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports and/or statements for external purposes in accordance with IFRS. The Chief Operating Officer (acting as Chief Executive Officer) and Chief Financial Officer of Orsu directed the assessment of the design and operating effectiveness of the Company’s ICFR as at the date of this MD&A and based on that assessment determined that the Company’s ICFR, no matter how well designed, has inherent limitations. Therefore, the ICFR can only provide reasonable assurance with respect to financial statement preparation and may not prevent all misstatements, errors or fraud.

Material weakness relating to design and operation of ICFR
During the assessment of the design and operating effectiveness of the Company's ICFR, it was noted that, due to the limited number of financial staff at some of the Company’s locations, it was not feasible to achieve complete segregation of duties with respect to all internal control functions and processes. This failure to achieve complete segregation of duties combined with the decentralised nature of the Company’s operations increases the risk of misstatement. This risk is proactively managed and mitigated through regular internal reporting of financial transactions, maximum use of system-generated transaction audit reports, stringent staff selection policies and employer references and by the Chief Financial Officer continuing to regularly visit and review the activities of the Company’s overseas finance departments.

While management of the Company has put in place certain plans and procedures to mitigate the risk of a material misstatement in the Company’s financial reporting, a system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well conceived or operated. There were no changes made to the Company’s ICFR during the three months ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, the Company’s ICFR.

OTHER INFORMATION

Additional information:
Additional information relating to the Company, including the Company’s Annual Information Form dated March 27, 2015 may be accessed through SEDAR on the internet at www.sedar.com or on the Company’s website at www.orsumetals.com.

Disclosure of Outstanding Share Data
The following table sets forth information concerning the outstanding securities of the Company as at August 12, 2015:

Outstanding Securities	Number in issue	Number of new shares if exercised in full
Common Shares	182,696,049	N/A
Old share purchase options[1]	300,000	30,000
New share purchase options[2]	575,000	575,000
		605,000
New share purchase warrants[3]	12,500,000	12,500,000

Notes:
1. For share purchase options granted prior to the 10:1 share consolidation on November 24, 2009, up to 30,000 Common Shares are issuable upon the exercise of such share purchase options. If not exercised, these options are due to expire on September 25, 2015.
2. For share purchase options granted after November 24, 2009, up to 575,000 Common Shares are issuable on exercise of such share purchase options. 500,000 of these options are due to expire on December 7, 2015 and the remainder will expire on February 22, 2016.
3. For the share purchase warrants granted to Gold Fields on July 24, 2013, up to 12,500,000 Common Shares are issuable on exercise of such share purchase warrants.

END