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TSX-V: OSU

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Orsu Metals completes Phase 2 drilling program and announces significant intercepts in drillhole SDH17-15 at Zone 23, Sergeevskoe Gold Project, Russia

Orsu Metals Corporation (TSX-V: OSU) (“Orsu” or the “Company”) is pleased to announce completion of a Phase 2 diamond drilling program and reports significant results at its Sergeevskoe Gold Project in Russia. The first 8 holes, 1,723.0 metres of the Phase 2 program, were announced on November 9 and November 13, 2017. The second set of 12 holes, 1921.50 metres were completed on December 24, 2017, with only the first assays being received from Phase 2. Results from the remaining holes are pending.

Highlights:

- **The results of Hole SDH17-15 in the central part of Zone 23, drilled underneath the historical hole C-222 and previously reported SDH17-1, confirm the downdip continuation of mineralization by intercepting:**
 - **0.91 g/t Au over 6.7 m from 123.2 m**
 - **3.4 g/t Au over 24.75 m from 139.4 m (including 5.83 g/t Au over 11.2 m)**
 - **2.04 g/t Au over 17.05 m from 200.45 m (including 6.87 g/t Au over 0.85 m and 2.7 g/t Au over 6.95 m)**
 - **1.19 g/t Au over 6.5 m from 223.1 m**

Dr. Alexander Yakubchuk, Director of Exploration of Orsu commented: “In the central part of the 530x120 m west-east trending Zone 23 at the Sergeevskoe Gold Project, Orsu was able to successfully reveal a downdip extension of mineralization for 125-150 m from the surface, where much better gold-mineralized intervals than previously reported were intercepted. The mineralization remains open both downdip and along strike.”

The license of the Sergeevskoe Gold Project occurs immediately east from the Alexandrovskoe open pit and gold plant owned by Zapadnaya Gold Mining Ltd and to the west from the Klyuchevskoe gold license owned by Sun Gold Mining (Figure 1). The Klyuchevskoe (Klyuchi) gold deposit represents a +6 Moz gold endowment (see Orsu press-release dated September 21, 2016). Orsu owns a 90% interest in the Sergeevskoe Gold Project (see press release December 1, 2017).

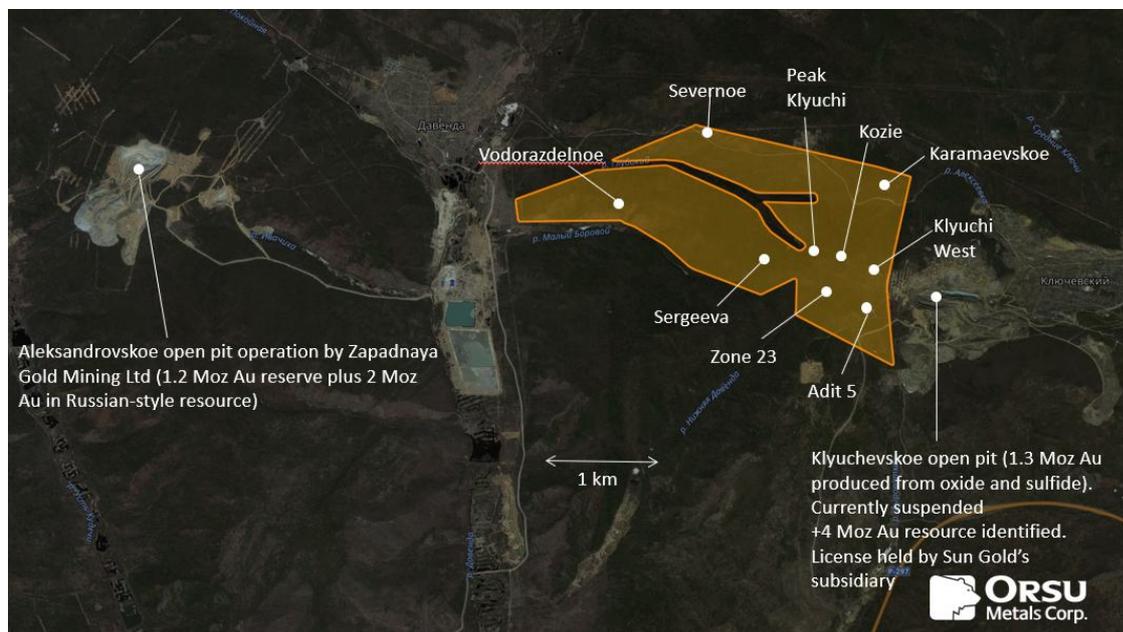


Figure 1. An outline of the 7.6 sq km Sergeevskoe license area with location of principal gold prospects and two adjacent open pits.

The 1,921.50 metres completed on December 24, 2017 focussed on testing four target areas:

- | | |
|-----------------|---------------|
| 1. Kozie | 521.50 metres |
| 2. Peak Klyuchi | 260.10 metres |
| 3. Klyuchi West | 414.40 metres |
| 4. Zone 23 | 736.10 metres |

The first assays from the program were from Zone 23, where the Company previously reported encouraging intercepts in the 114-m-deep drillhole SDH17-1 (see press release November 13, 2017). Additional Phase 2 works at Zone 23 consisted of four drillholes, totaling 735.65 m. These drillholes tested its strike length for 200 m out of total surface footprint length of at least 500 m. They primarily attempted to test the downdip and along strike extension of mineralization intercepted in drillhole SDH17-1.

The mineralization at Zone 23 is limited in the north along the Shirotnyi fault (Figure 2), extending from the Klyuchevskoe open pit. This fault is interpreted as a strike-slip fault with dextral offset for some 1 km relative to the mineralization in the Klyuchevskoe open pit. It separates the granodiorite stock to the north from the hosting granite intrusions to the south. The latter is a host to best mineralized quartz-tourmaline-sulfide veins and veinlets, forming stockwork zones. At Zone 23, the stockwork strikes from the west to the east, as confirmed by historical and Orsu trenches. The style of mineralization can be best classified as intrusion-hosted gold.

Selection of mineralized intervals, presented below, is based on a 0.5 g/t Au cut-off for compositing, with maximum 2 m length of 0.3-0.5 g/t Au mineralization included into mineralized interval. Compositated intervals in drillholes are presented uncapped.

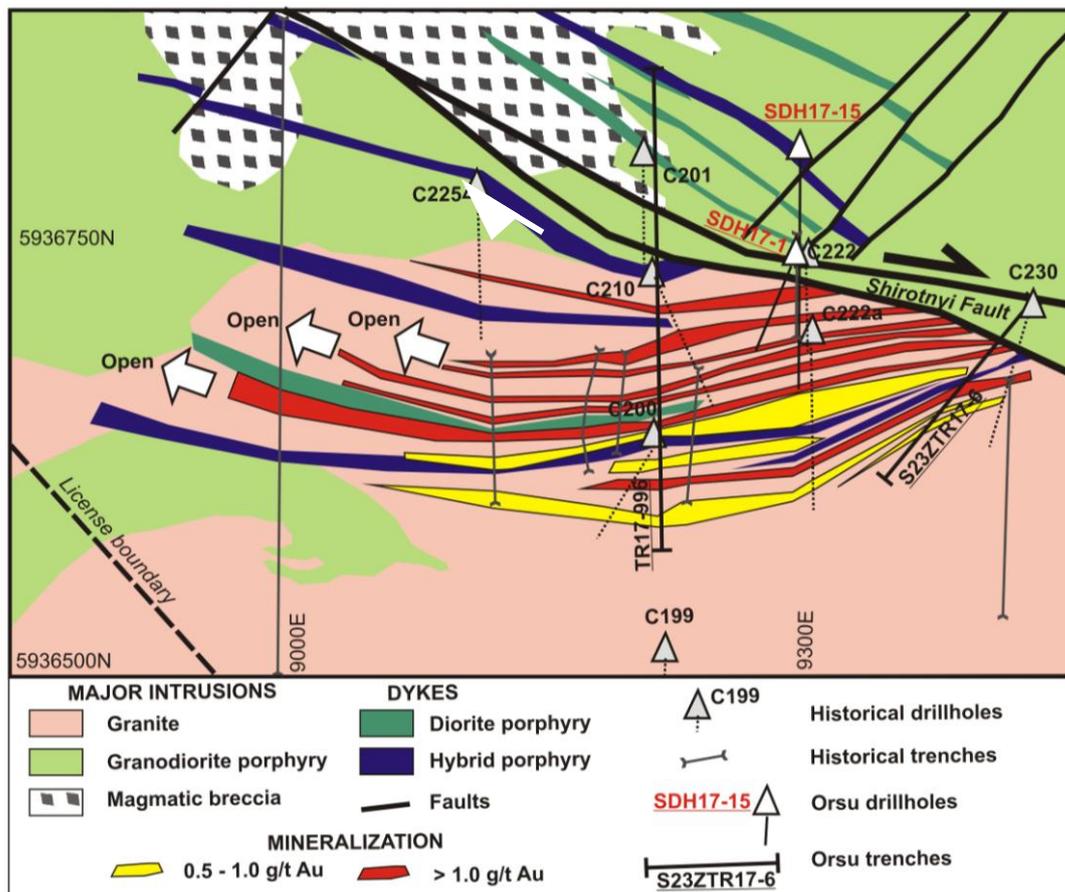


Figure 2. The surface expression of multiple west-east-trending gold-mineralized intervals at Zone 23, Sergeevskoe Gold Project constrained by historical and Orsu trench data. Drillhole SDH17-15 is shown in the central eastern part of Zone 23.

To date, Orsu received assays only for the drillhole SDH17-15 (Table 1). SDH17-15 was drilled to a depth of 245.8 m southward at approximately 60 degrees underneath the historical hole C-222 and the previously reported SDH17-1 (Figure 3). SDH17-15 intercepted multiple mineralized intervals, corresponding to quartz-tourmaline veins and hydrothermal breccia, some of which appear to be much wider than their narrow expression at surface as shown in Figure 2. The most significant intercepts are **0.91 g/t Au** over **6.7 m** from **123.2 m**, **3.4 g/t Au** over **24.75 m** from **139.4 m** (including **5.83 g/t Au** over **11.2 m**), **2.04 g/t Au** over **17.05 m** from **200.45 m** (including **6.87 g/t Au** over **0.85 m** and **2.7 g/t Au** over **6.95 m**), and **1.19 g/t Au** over **6.5 m** from **223.1 m**. The quality of new intercepts appears to be much better than in nearby historical hole C-222 and SDH17-1, demonstrating a substantial increase in gold grade downdip (Figure 3).

Table 1. Mineralized intercepts in drillhole SDH17-15 at Zone 23 (above 0.5 g/t Au cut-off).

Drillhole Number	From (m)	To (m)	Interval (m)	True Width (m)	Gold (g/t)
SDH17-15 (245.8 m)	6.2	8.2	2.0	1.4	0.62
	46.5	47.9	1.4	1.0	0.75
	78.05	78.8	0.85	0.6	0.53
	97.05	98.1	1.05	0.7	1.18
	123.2	129.9	6.7	5.0	0.91
	133.6	134.8	1.2	0.8	0.89
	139.4	164.15	24.75	18.6	3.4
	151.8	163.0	11.2	8.4	5.83
	172.65	174.0	1.35	0.9	0.72
	180.95	182.3	1.35	0.9	0.77
	192.6	194.55	1.95	1.4	0.85
	200.45	217.5	17.05	11.2	2.04
	206.85	207.7	0.85	0.5	6.87
	210.55	217.5	6.95	4.6	2.7
	223.1	229.6	6.5	4.2	1.19
	232.6	233.6	1.0	0.66	2.01
	236.6	238.05	2.45	1.6	0.57
	241.45	242.9	1.45	1.0	0.58

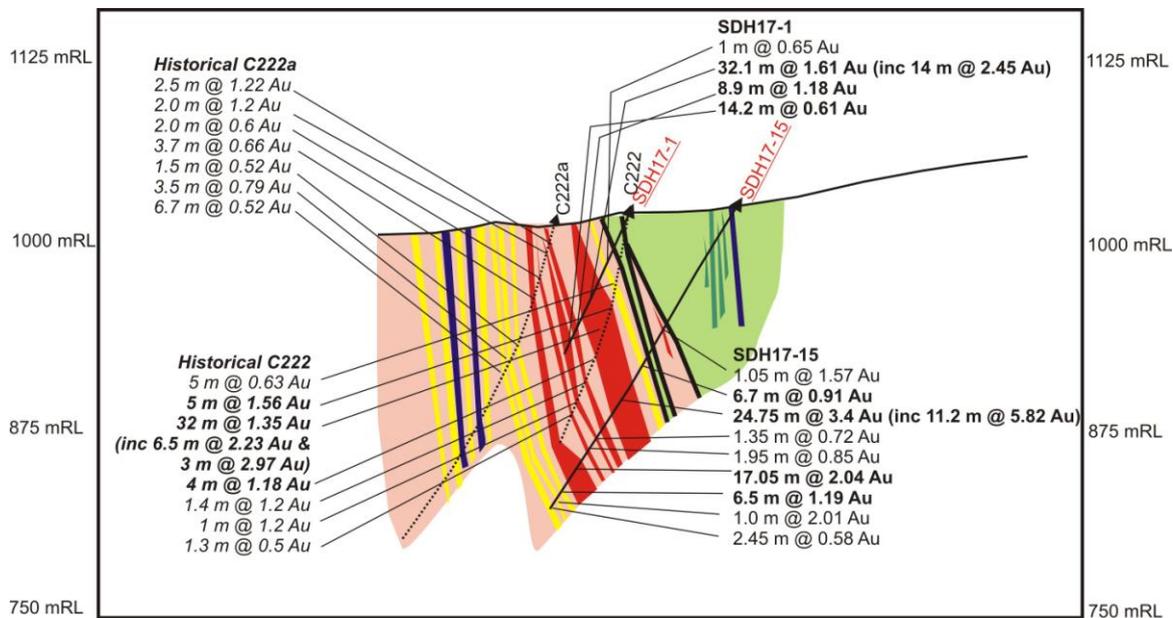


Figure 3. Gold mineralization in SDH17-15 and adjacent historical holes (C222 and C222a) and Orsu's drillhole SDH17-1 on cross-section 9300E (looking west). Note increase in width of some mineralized zones with depth in comparison with the surface footprint. For legend see Figure 2.

Quality Assurance - Quality Control ("QA/QC")

Thorough QA/QC protocols are followed on the project including insertion of duplicate, blank and standard samples in all trenches. Duplicate samples were inserted after every 20 samples. All standard samples were inserted once per 20 samples. Blanks were also inserted once per 20 samples and consisted of the previously assayed barren granitoid rocks.

Drillcore samples were submitted directly to the ALS Limited laboratories in Chita, Russia, which are independent from Orsu, for sample preparation and analysis. Analysis for Au is performed using fire assay method with atomic absorption ("AA") finish and with a gravimetric finish for samples exceeding 10 g/t Au. Results published are from the gravimetric finish if above 10 g/t Au and from the AA finish if lower than 10 g/t Au.

Qualified Person

This release and the technical data reported have been reviewed and approved by Alexander Yakubchuk, Director of Exploration of the Company, also a Qualified Person as defined in NI 43-101.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement 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 statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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