



To: Our Shareholders

I would like to start this letter by thanking you for your continued support. 2017 was a transformative year for Orsu and a very exciting one.

In October 2017, the Company sold its 94.75% interest in the Karchiga project located in Kazakhstan for net proceeds of US\$5,908,000. By November 30, 2017, the Company completed the acquisition of a 90% interest in the Sergeevskoe gold project located in eastern Russia.

Starting in November 2016, the Company first completed an environmental baseline study, a magnetic survey and 1,500 m of trenching on the Sergeevskoe Project to verify historic results prior to drilling. The results of the initial drill program identified three areas or zones on the project (Zone 23, Adit 5 and Klyuchi West), that are targeted to produce a maiden gold resource in oxide and sulfide material of between 1.8 to 2.5 Moz gold in hypogene and oxide material contained in 30 to 36 Mt grading 1.5 to 2.0 g/t gold. *The potential quantity and grade is conceptual in nature based on new and historical data and estimates as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.* On March 12, 2018, the Company announced positive cyanidation test results for oxide samples from two zones on the Sergeevskoe project. The cyanidation tests for samples with oxide mineralization collected from Adit 5 and Kozie prospects achieved excellent recoveries of gold varying from 85% to 95%, depending on rock fractions, and amenability of oxide to heap leaching.

Funded by the proceeds of the sale of Karchiga, during 2018, Orsu will focus its efforts on three main target areas (Zone 23, Adit 5 and Klyuchi West), allocating some 6,500-7,000 m of drilling and 2,000 m of trenching. These works will be accompanied by metallurgical testing of the primary sulphide mineralization. As a result, Orsu aims to outline a maiden Inferred resource by the end of Q3 2018, to be followed by a preliminary economic assessment before the end of 2018.

The Company is also planning to test new targets (Sergeeva, Karamaevskoe) via 3,000-3,500 m of diamond drilling and some 500 m of trenching. These targets were tested in the 1950-60s, when the presence of gold mineralization was identified, but remain underexplored. The Sergeeva Prospect occurs at the immediate western strike extension of Zone 23, with potentially the same style of mineralization. The Karamaevskoe prospect hosts a swarm of quartz veins in the granite, which were historically drilled and trenched for molybdenum mineralization, with gold assayed in collective samples. These works are planned during Q3 2018 upon completion of resource drilling at Zone 23, Adit 5 and Klyuchi West.

Orsu has achieved significant exploration success in only 18 months since acquiring the Sergeevskoe Project and expects to continue the exploration pace for the remainder of 2018.

I encourage you to view the corporate presentation of Orsu on the Company's website. I also suggest that you sign up to receive Orsu's news releases and notifications <https://www.orsumetals.com/#subscribe-form> to keep yourself informed.

From all of us at Orsu Metals, we thank you for your continued support and dedicate ourselves towards making the Company a success.

/s/ Sergey Kurzin  
Dr. Sergey Kurzin  
Executive Chairman  
May 25, 2018