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Orsu Metals encounters gold in Siberia

BY NORTHERN MINER STAFF

Orsu Metals (TSXV: OSU) has identified a 200 metre-wide, steeply-dipping gold stockwork in the Klyuchi West zone at its Sergeevskoe gold project in Russia. Drill results from that zone are highlighted by the intersection of 2.0 grams gold per tonne over 10.1 metres from 45 metres depth and 5.8 grams gold per tonne over 5.5 metres from 90 metres depth. At the adjacent Zone 23, drill highlights include the intersection of 2.6 grams gold per tonne over 22.2 metres from 150 metres depth including 5.6 grams gold per tonne over 6 metres.

The existence of the gold stockwork was identified in 2017, but its width remained unknown. The stockwork of disseminated porphyry-like gold mineralization is superimposed by a linear 75 metre-wide stockwork of gold-quartz veins that trends northwest towards the Klyuchi West zone.

The Sergeevskoe licence covers an area of 7.6 sq. km and is located approximately 40 km southwest of the town of Mogocho in Siberia. It

was sporadically explored from the 1950s until 1980s. In 2013 a Cypriot investment company purchased it from the Russian government in a public auction and began development. Last November, Orsu sold out of the Karchiga copper development project in northeastern Kazakhstan to purchase the Sergeevskoe license from the Cypriot firm for \$450,000 and a 0.75% royalty fee, which is capped at US\$7,500,000.

No historic Soviet-style resource estimate exists for Sergeevskoe. According to Orsu, several reports – none of which meet Canadian NI 43-101 standards, and all based on data prepared between 40 and 60 years ago – estimate resources to be between 2 and 4 million oz. gold grading 1.7 grams gold per tonne.

Orsu says it is on track to produce a maiden inferred resource estimate later this year. It will outline a preliminary economic assessment shortly thereafter.

The Sergeevskoe project lies immediately west of the Klyuchevskoye gold deposit. An existing open pit mine on the Klyuchevskoye

gold deposit produced 1.3 million oz. gold in the past, but production was halted 20 years ago due to escalating development costs caused by the existence of refractory ores. Reserves stand at 2.6 million oz. gold with a grade of 1.8 grams gold per tonne.

India's SUN Gold sat on the Klyuchevskoye license until Russia's Federal Antimonopoly Service urged it to resume activity. That led to the sale of a 70% stake in the mine to Chinese state-owned mining firm China National Gold, continuing a trend of Chinese companies purchasing Russian gold mining assets. The two companies and the Russian Far East Development Fund will jointly develop the Klyuchevskoye gold deposit. US\$500 million will be spent to build an open pit mine that will produce approximately 230,000 oz. gold per year beginning in 2019 for 11 to 12 years.

Shares of Orsu are currently valued at 19¢ within a 52-week range of 14¢ and 29¢. The company has a \$7.5 million market capitalization. TNM