



**MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS**

For the nine months ended September 30, 2018

(Expressed in US dollars)

ORSU METALS CORPORATION

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Introduction

The following is management's discussion and analysis – quarterly highlights ("MD&A") of the results of operations and financial condition of Orsu Metals Corporation (the "Company" or "Orsu") for the nine months ended September 30, 2018 and up to the date of this MD&A. The MD&A has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended December 31, 2017 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended December 31, 2017, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the nine months ended September 30, 2018 (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in United States dollars unless otherwise indicated.

The effective date of this MD&A is November 26, 2018.

Description of the Business

Orsu is a publicly-traded company incorporated in the British Virgin Islands. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol OSU. The corporate office of the Company is located at Unit 1 - 15782 Marine Drive, White Rock, B.C., Canada, V4B 1E6.

Orsu is led by an experienced management team that has worked on various exploration projects in Russia and internationally. Management also notably holds approximately 35 percent of the Company's shares.

Orsu owns 90 percent of the Sergeevskoe gold exploration project in Russia's Transbaikalian Region. The property is leased from the Russian Government until 2031 when it can be extended for an additional 10 years when the mine starts producing.

The Sergeevskoe license area is comprised of 7.6 square kilometers and has excellent access to the infrastructure needed to develop the property. The licensed area is in proximity to the Trans-Siberian railway and the Chita-Khabarovsk motorway. The Russian government has also installed various cell towers along the highway and access to water and power is not an issue.

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

At the 14th Russian Mining and Exploration forum Minex Russia 2018 that took place in Moscow on the 2-4th October 2018, the Sergeevskoe gold project presented by Orsu won a Gold Prize at the MineVenture competition for the best mining investment projects. The 1st Mining Projects Accelerator competition was judged by a jury that included top management of the leading Russian gold mining companies and the industry bodies. Alexander Yakubchuk, Director of Exploration, presented the Sergeevskoe gold project and took the top prize and received excellent advice from the experts.

¹ Business Standard, a leading Indian daily newspaper, reported on 21 September 2018 that "Chinese company China National Gold will invest about \$420 million in the development of the Klyuchevskoe gold deposit in Russia, while another \$65 million will be invested by India's SUN Gold. The annual production volume is expected at about 6.5 metric tons of gold per year, the Russian Industry and Trade Ministry reported."

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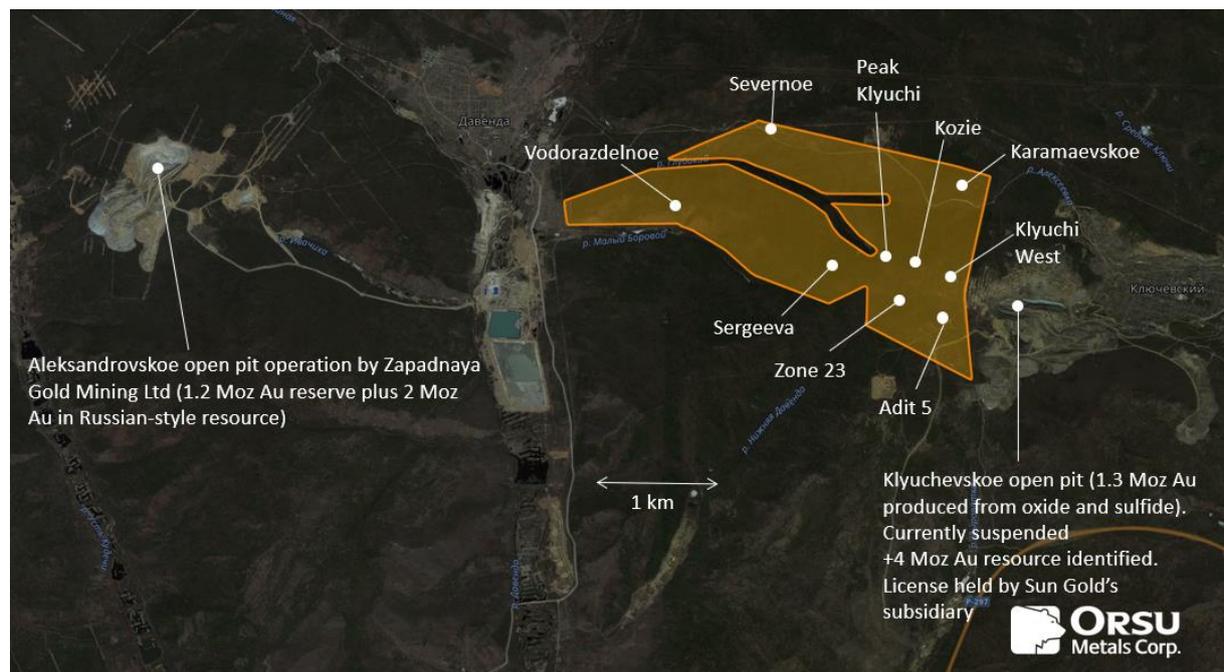


Figure 1. An outline of the 7.6 sq km Sergeevskoe license area with location of principal gold prospects and two adjacent open pits.

Operational Highlights

On October 22, 2018, the Company announced the completion of its extended 2018 exploration program designed to deliver an estimation of a maiden resource in Q4 2018.

On October 17, 2018, the Company completed its 2018 exploration program, with all equipment demobilized by contractors. In total, Orsu completed 13,463.8 m in 62 diamond drill holes (including 2 holes re-drilled in oxide) and 1577.8 m in 14 bulldozer trenches from May to October 2018. The program was done on time and on budget. For resource estimation purposes, results from the 2018 work will be supplemented by the diamond drill holes and trenches of the 2017 exploration program. During 2017 and 2018, the Company collectively drilled 17,107.9 m in 82 holes and trenched 5293.5 m in 44 trenches (Figure 2). All drill holes and trenches were completed within a 1 sq km area in the southeast of the Sergeevskoe license at Zone 23, Adit 5, Klyuchi West and Kozie prospects, with scout holes drilled at the Sergeeva and Peak Klyuchi prospects.

Holes were drilled in fences spaced 80 m. Within them, the vertical distance between the mineralized intervals in individual holes was designed to achieve 80 m. All holes were angled holes, with dip varying from 50 to 70 degrees. The average drill depth was approximately 220 m, with individual depths varying from 18 to 421 m. This drill density is expected to qualify for an Inferred resource category. In addition, five drill fences at Zone 23 and three fences at Klyuchi West were drilled 40 m apart. Orsu expects that these areas will be classified at higher resource categories.

The maiden resource target is 1.8 to 2.5 Moz AU in hypogene and oxide material contained in 30 to 36 Mt grading 1.5 to 2.0 g/t Au. The potential quantity and grade are 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.

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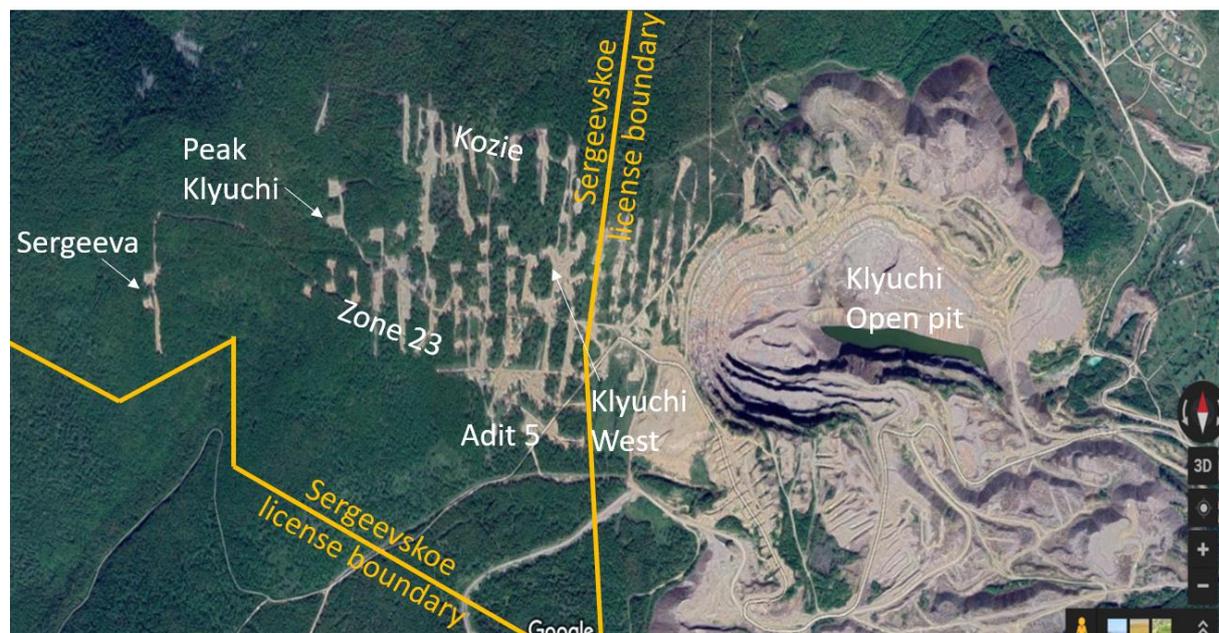


Figure 2. A satellite image showing position of drill holes and trenches completed by Orsu in 2017 and 2018 in the southeast of the Sergeevskoe license area.

Zone 23 results have been reported on June 19, 2018, July 16, 2018, August 15, 2018, August 22, 2018, October 1, 2018 and October 16, 2018. The drill proven results from a total of 12 drill holes in six drill sections approximately 80 metres apart have extended the gold mineralization of Zone 23 both eastward and westward by 400 m and to a depth of 150-250 m. The average grade is 1.86 g/t Au over a combined drill width of 24.96 m in two stockworks (Main and Southern). Most spectacularly, four consecutive cross-sections, spanning a strike length of more than 320 m in the middle segment of Zone 23, returned consistent +2 g/t Au mineralized shoots in both stockworks.

Klyuchi West results have been reported on August 8, 2018 where drilling identified a 200 m width of steeply dipping gold stockwork in the north of Klyuchi West. Although Orsu identified a gold-mineralized stockwork at Klyuchi West in 2017, its extent remained unknown. New drilling (8 holes) in 2018 intercepted a 200-m-wide envelope with voluminous disseminated porphyry-like gold mineralization, superimposed by a linear 75-m-wide stockwork of northwest-trending gold-quartz veins. The highest gold grades tend to appear near the contact between granite and granodiorite porphyry intrusions. The stockwork trends towards the central part of the Kozie prospect, located some 250 m northwest from Klyuchi West. The area in between was never drilled or trenched in the past, and Orsu is currently drill-testing this area.

Adit 5 results have been reported on October 15, 2018. Instead of finding the historically anticipated presence of 4 to 5 northwest-trending gold-quartz-sulfide veins at Adit 5, Orsu identified gold in 15 closely-spaced fan-shaped northwest to northeast-striking mineralized zones within a 450x250 m area. The vein swarms in the west and east of Adit 5 are grading on average between **0.52 g/t Au** and **3.07 g/t Au** over a variable drill width of **2 to 21.8 m** to a depth of 100-200 m. The combined drill width of some closely spaced gold-mineralized veins, intercepted in individual drill holes varies from 4 to 61 m. In the north, mineralization at Adit 5 almost orthogonally joins the eastern part of Zone 23, therefore occurring on the southeastern flank of Zone 23.

On March 12, 2018, Orsu announced the results of cyanidation tests on oxide samples from Adit 5 and Kozie prospects where recoveries of gold varying from 85% to 95%, depending on rock fractions, and amenability of oxide to heap leaching were achieved.

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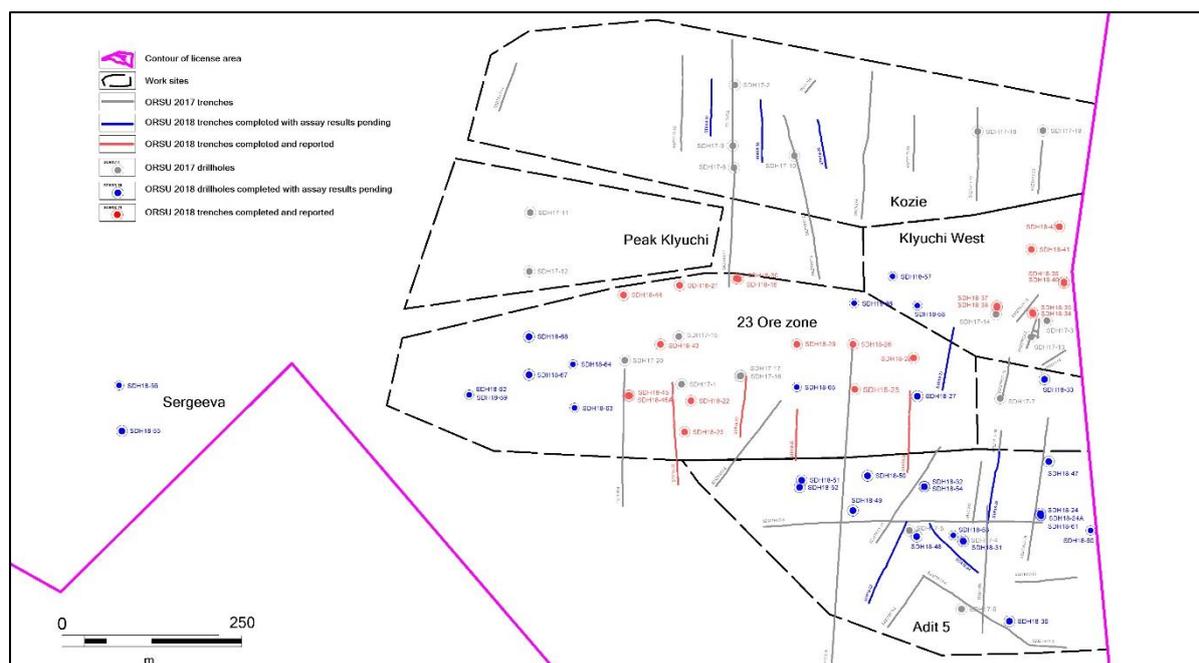


Figure 3. Location of the completed 2018 drillholes and trenches. These are spaced 80 m at Zone 23, with 40 m spacing at Klyuchi West and Adit 5.

The testing of new targets (Sergeeva, Karamaevskoe – Figure 1) via 3,000-3,500 m of diamond drilling and some 500 m of trenching has been partly deferred pending receipt of forestry permits. These targets were tested in the 1950-60s, when the presence of gold mineralization was identified, but remain underexplored. The Company drilled two holes within the existing forestry permit at the Sergeeva Prospect that occurs at the immediate western strike extension of Zone 23, with potentially the same style of mineralization. The drilling at the Karamaevskoe prospect is deferred. The 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.

Qualified Person

The Company's Director of Exploration, Alexander Yakubchuk, a Qualified Person as defined in NI 43-101, has reviewed and approved the exploration information and resource disclosures contained in this MD&A.

Trends

The Company is an exploration company. Issues of seasonality or market fluctuations have had a minor impact on the expenditure patterns. The Company expenses its exploration, project investigation and general and administration costs, and these amounts are included in the net loss for each quarter. The Company's treasury, in part, determines the levels of exploration.

The level of the Company's exploration expenditures is largely determined by the strength of the resource capital and commodity markets and its ability to obtain investor support for its projects.

Results of Operations – nine months ended September 30, 2018

The consolidated loss for the nine months ended September 30, 2018 was \$2,476,538 (2017 – \$4,287,535).

The significant changes between the current period and the comparative period are discussed below.

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Administration totalled \$112,070 for the current period compared to \$221,617 in the comparative period. The decrease in administration is primarily due to the Company's move of its corporate offices from the UK to Canada in December 2016.

Exploration and evaluation expenditures totalled \$2,009,582 for the current period compared to \$487,748 in the comparative period and all relates to exploration work on the Sergeevskoe project. As discussed above, the Company completed a significant drill program in fiscal 2018. The Company began funding exploration at the Sergeevskoe project prior to acquiring its initial 30% interest in May 2017 and accordingly advanced \$332,871 towards the project during the nine months ended September 30, 2017 which was recorded as project investigation costs.

Professional fees totalled \$35,536 for the current period compared to \$188,684 in the comparative period. Professional fees were higher in the comparative period as costs included consulting and legal fees related to the ultimate sale of the Company's Karchiga Project in October 2017.

Salaries and benefits totalled \$300,006 for the current period compared to \$402,316 in the comparative period. During the comparative period, the Company made certain management changes and renegotiated certain contracts with the officers of the Company to reduce costs for the coming years.

Liquidity and Capital Resources

Orsu began the 2018 fiscal period with \$4,976,892 in cash. During the nine months ended September 30, 2018, the Company spent \$2,562,590 on operating activities net of working capital changes, to end at September 30, 2018 with \$2,414,302 in cash.

As at September 30, 2018, the Company had working capital of \$2,543,740. Included in working capital is \$233,874 due from the Government of Russia as a recovery of value added tax. The amount is higher than normal due to the amount of drilling and related costs conducted in the year and is expected to be fully recovered in due course.

Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations over the next twelve months.

Related Party Transactions

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

On November 8, 2018, the Company issued 168,282 common shares to Sergei Stefanovich, the Company's Managing Director at a price of \$0.165 being the closing share price on December 29, 2017 (see Orsu press release dated January 10, 2018) to settle \$21,883 fees owed from 2017. The Company's disinterested shareholders approved the issue of these shares on June 29, 2018 and the TSX-V approved the issue on November 8, 2018. The issue of these common shares increases the number of common shares under the control of Mr. Stefanovich from 7,103,876 to 7,272,158 which results in Mr. Stefanovich being a new control person of the Company as he now owns or controls 20.1% of the common shares of the Company. Mr. Stefanovich has acquired the shares for investment shares and neither he, nor the companies he controls, have any present intention to acquire further securities of the Company although Mr. Stefanovich may acquire or dispose of common shares of the Company in the market, privately or otherwise, as circumstances or market conditions warrant. Copies of the early warning report filed by Mr. Stefanovich may be found under the Company's profile at www.sedar.com.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration and evaluation assets and property, plant and equipment are described in Notes 6 and 7 to the Financial Report.

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Outstanding Share Data as at the date of this MD&A

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Common Share Purchase Options
Balance as at September 30, 2018	36,072,771	3,325,000
Issuance of shares for trade and other payables	168,282	-
Balance as at the date of this MD&A	36,241,053	3,325,000

Cautionary Note Regarding Forward-looking Statements

This MD&A may include or incorporate by reference certain statements or disclosures that constitute “forward-looking information” under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that Orsu or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur or continue. These forward-looking statements are based on certain assumptions and analyses made by Orsu and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although Orsu believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of Orsu is subject to a number of risks and uncertainties, including those risk factors discussed under “Risk Management” in the above documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations and the predictions based on them may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by Orsu will be realized or, even if substantially realized, that they will have the expected consequences for Orsu.

Forward-looking statements are based on the beliefs, estimates and opinions of Orsu’s management on the date the statements are made. Unless otherwise required by law, Orsu expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Orsu does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company’s web site www.orsumetals.com.