



Dear Shareholders,

2018 was another significant year for Orsu Metals as it continued its exploration focus at Sergeevskoe gold project located in Zabaikalsky Region, Russia.

In 2017 the Company spent US\$1.6M on its technical program at the property and completed an environmental baseline study, geophysical surveys, 3,700 m trenching and 3,600 m drilling. In 2018 the Company spent an additional US\$2.4M and completed an additional 13,300 m drilling, 1,700 m of trenching and two metallurgy tests.

For a combined expense of only US\$4M and less than two years of exploration, on April 17, 2019 Orsu Metals announced an independently prepared estimate of a maiden inferred resource of 25.09 million tonnes at a grade of 1.47 gold per tonne for a total of 1.19 million ounces of gold. This equates to a discovery cost of only \$3.36 per ounce of gold, roughly a third of industry norm. This is a very good start by any standard in this industry.

It is only a start, but a good one. Orsu Metals now has a robust understanding of the gold grade distribution at Sergeevskoe and will specifically target higher grade areas in order to improve the geostatistical parameters in the higher grade shoots and therefore the average gold grade of the system. There is a strong potential to grow the mineralization envelope at the Sergeevskoe project beyond that identified in the maiden resource estimate. In 2019, the primary attention will be paid to the mineralization where it remains open both along the westward strike and downdip. Potential additional veins to the north of the resource envelope also warrants drill testing. Some holes will be drilled into previously identified higher grade portions aiming to better shape them and to test a possibility of raising an average grade of the mineralized system via limited infill drilling.

Our objective in 2019 will be to greatly increase, ambitiously double, the size of the mineralized envelope while increasing the overall gold grade. We will start the 2019 exploration season with a limited Stage 1 program (to be completed in September 2019) to demonstrate (1) the enlarged footprint of the deposit and (2) extension of the mineralization at a deeper level under the existing resource. Information obtained in Stage 1 will feed into detailed planning of drilling at Stage 2 later this year. Stage 2 will aim to deliver the upgraded resource by Q1 2020. We are funded for Stage 1 and remain confident of our ability to raise money for Stage 2.

We plan to achieve these targets with a minimal dilution to our shareholders and to grow the number of ounces per each share of Orsu Metals.

We have stepped up the market awareness efforts with a view towards telling our story to the capital markets and increasing trading in shares of the Company. We will continue to keep you and the markets abreast as the story keeps developing. We do believe that the issue of insufficient liquidity in trading is transitory and are working to resolve this. Please visit the Company's web site – [www.orsumetals.com](http://www.orsumetals.com) – and sign up to receive notifications of press releases.

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 24, 2019