



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

For the three months ended March 31, 2020

(Expressed in US dollars)

ORSU METALS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2020
(Expressed in US dollars)

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 three months ended March 31, 2020 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, 2019 (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, 2019, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the three months ended March 31, 2020 (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 May 28, 2020.

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 44 percent of the Company's shares.

Orsu owns 90 percent of the Sergeevskoe gold exploration project located in the Zabaikalskiy Region of eastern Russia. The property is leased from the Russian Government until 2031.

COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse impacts of the outbreak and its effects on the Company's business or ability to raise funds.

The COVID-19 pandemic has not affected the progress of the ongoing exploration campaign on the Sergeevskoe Project as the Company is able to conduct its ongoing exploration in this remote area of Russia.

Operational Highlights

The results of the 2019 trenching and drilling results doubled the footprint of the mineralized deposit to 2x1 kilometers and increased the Inferred Resource by 19.3%. The updated Inferred Mineral Resource is 30.42 million tonnes, grading 1.45 g/t gold and containing 1.417 million oz gold at a 0.5 g/t gold cut-off grade and US\$1450 per Troy ounce of gold, optimized into an open pit constrained by the license boundaries at Sergeevskoe.

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The Mineral Resource estimate was independently prepared by Wardell Armstrong International Ltd. ("WAI") in accordance with the guidelines of the JORC Code (2012)/CIM Definitions Standards and NI 43-101 requirements. On February 18, 2020, the Company filed a technical report titled: "NI 43-101 Technical Report on the Updated Mineral Resource Estimate for the Sergeevskoe Property, Zabaikalskiy Krai, Russian Federation" dated effective January 17, 2020 (the "Sergeevskoe Report") on the Company's profile on www.sedar.com.

Potential Growth

Orsu once again confirmed that the full potential of the Sergeevskoe gold system remains unconstrained. Together with the adjacent Klyuchevskoe gold deposit to the east, the Company is dealing with part of the world-class gold system, collectively containing in excess of 8 Moz gold. The mineralization envelope can be expanded as the deposit remains open both along the strike to the northwest and in subparallel veins to the north. It also remains open downdip in all domains.

In addition, there are numerous occurrences of gold mineralization and geochemical/geophysical anomalies not yet tested by Orsu beyond the area of detailed works within the Company's 7.6 square km license area of the Sergeevskoe project (see press release dated September 21, 2016).

Strategy and objectives for 2020

Subject to receipt of permits the Company expects to be able to begin pilot mining in August 2020.

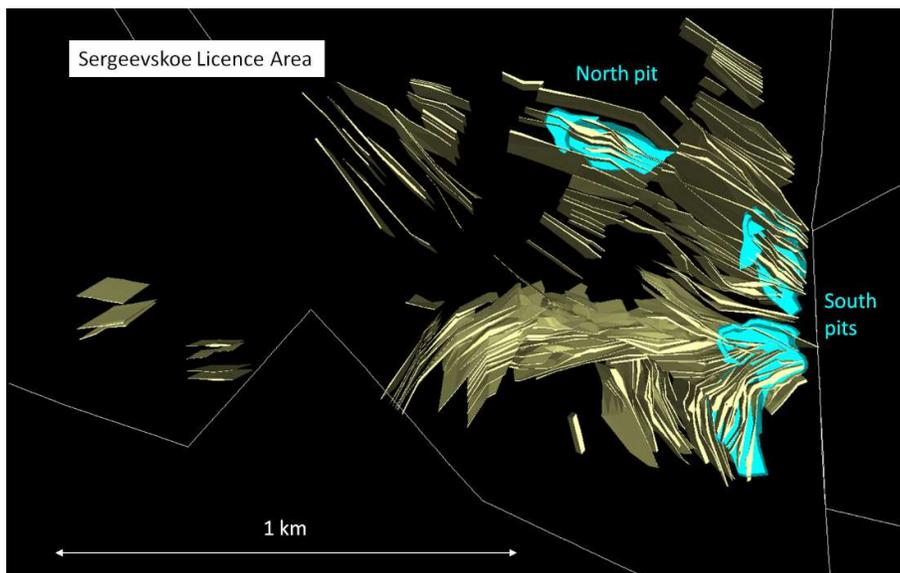


Figure 1. A plan view of the North and South open pits against the Sergeevskoe mineralization wireframes as per updated NI 43-101 Inferred Mineral Resource (see press release January 20, 2020).

As the first step the Company intends to do a bulk test by mining and milling 50,000 tons of mineralized material to establish the achievable recoveries of gold and optimize such recoveries within the constraints of the existing flow-sheet of the neighbor's gold mill located approximately 8 kilometers away that will process the extracted mineralization on a toll milling arrangement;

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The owner of the neighboring mill is funding and conducting the RC program leading up to a toll-milling contract. The results of the bulk test will determine whether the Company proceeds with pilot mining. Orsu has applied for and expects to be issued a permit in July 2020 to mine and process up to 1,050,000 tonnes of mineralized material within a 36-month period. The grade is approximately 1.6 g/t gold.

To prepare the project for the bulk test the Company:

- has cleared the vegetation over the areas of the two planned open pits and a waste dump pad to a total of 8 hectares;
- both pits, one in the North and one in the South (Fig. 1), will be down to 35 meters in depth;
- the mining and processing contractor completed 1721 meters of third-party verification RC drilling in 18 drill holes. The results of the RC confirmation drilling will be announced when analyzed; and
- as of 19 May 2020, 2539 meters in 244 holes of grade control drilling spacing 10 x 2.5 meters have been completed. The grade control drilling is designed to outline the mining blocks for blasting and excavation within the planned pilot pits at 10-meter depth intervals.

The bulk test and subsequent pilot mining aim to:

- improve our understanding of the project; and
- establish or confirm on a bulk-minable scale the key parameters of the project such as the strip ratio, dilution, extent of oxide, gold grades in minable material, metallurgy and, most importantly, recoveries at the mill.

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 – three months ended March 31, 2020

The consolidated loss for the three months ended March 31, 2020 was \$454,590 compared to \$376,414 for the three months ended March 31, 2019.

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

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Exploration and evaluation expenditures totalled \$177,272 for the current period compared to \$141,418 in the comparative period and all relate to exploration work on the Sergeevskoe project.

Investor relations and travel totalled \$33,421 for the current period compared to \$117,224 in the comparative period. In the prior period, various market awareness programs were carried out. Investor relations activities are expected to be significantly reduced in fiscal 2020.

Salaries and benefits totalled \$96,568 for the current period and are comparable to the comparative period of \$98,052 and relate to the fees of the Company's officers and directors.

Non-cash share-based compensation expense was \$117,684 (2019 - \$Nil) and relates to stock options granted during the period.

Liquidity and Capital Resources

Orsu began the 2020 fiscal year with \$1,069,051 in cash. During the three months ended March 31, 2020, the Company spent \$270,540 on operating activities, net of working capital changes, to end at March 31, 2020 with \$798,511 in cash.

As at March 31, 2020, the Company had working capital of \$803,144. Management estimates that these funds may not provide the Company with sufficient financial resources to carry out currently planned exploration and operations over the next twelve months. Accordingly, the Company may need to seek additional sources of financing. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

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.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration and evaluation assets and property, plant and equipment are described in Notes 7 and 8 to the Financial Report.

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	Share Purchase Warrants	Stock Options
Balance as at March 31, 2020	42,478,367	1,400,000	4,214,000
Balance as at the date of this MD&A	42,478,367	1,400,000	4,214,000

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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.