



ir@orsumetals.com
www.orsumetals.com

FOR IMMEDIATE RELEASE

TSX-V: OSU

September 29, 2020

Orsu Metals reports the completion of the bulk test at its Sergeevskoe project in Russia

Orsu Metals Corporation (TSX-V: OSU) (“Orsu” or the “Company”) is pleased to update on the results of the bulk test at its Sergeevskoe project:

Bulk Test:

Since September 7, 2020 and as of September 24, 2020 the Company and its primary contractor the Alexandrovskoe gold mine (“Contractor”) extracted 102 583 tons of mineralized material, or approximately 5 700 tons of mineralized material per day. Of that tonnage 58 384 tons represent mineralized material that has been processed or stockpiled for processing. The remaining 44 199 of lower-grade mineralized material was stockpiled on site for later processing. The Company notes that it mined only 37 000 tons of barren material producing an excellent low strip ratio of 0.35 of overburden to one ton of mineralized material.

Processing:

As of September 24, 2020, the Contractor has processed 41 561 tons of mineralized material at a daily run-rate of approximately 2 300 tons at its gold-extracting plant.

Grade and Recoveries:

The average grade of the feed mineralized material over this period has been 1.45 g/t gold, consistent with the geological model of the deposit and subsequent grade control drilling (see press release August 25, 2020).

The gold plant of the Alexandrovskoe mine uses gravity-flotation-cyanidation with carbon-in-leach to recover gold, which was not originally designed to treat the Sergeevskoe mineralization. As of September 25, 2020, gold recoveries averaged 71%. The recoveries into gravity concentrate exceeded our expectations while we continue to work to improve recoveries into flotation concentrate to better overall recoveries going forward.

Gold produced:

As of September 25, 2020, the total gold extracted into Dore bars and delivered to the refinery was 38.2 kilograms of gold or 1 230 ounces of gold. The Company and the Contractor will share in the proceeds of this sale.



ir@orsumetals.com
www.orsumetals.com

Dr. Sergey V Kurzin, the Executive Chairman commented: “We are pleased with the results of the bulk test program. The mining contractor has been able to ramp-up to a daily production of 2 300 tons per day within several days after we commenced the bulk test. We expect that the mining and processing rates will stabilize in the immediate future at a planned 2 400 tons per day. Given that the plant was not designed and built to process the mineralization from Sergeevskoe and that we are in early stages of processing, we are equally pleased with achieving a recovery of 71% of gold and are working hard to bring recovery higher into 75%-80% range. We now move to negotiate and execute the pilot mining agreement with Alexandrovskoe mine, the Company’s mining and processing contractor. The pilot mining will further de-risk the project and, it is expected, will generate cash to begin a robust exploration program later this year at the Sergeevskoe property. We clearly see massive exploration upside and internally generated cash will work towards unlocking the value of the property at no dilution to the Company’s shareholders.”

Notes:

The Company made the decision to proceed with the bulk sample test followed by pilot mining production without first establishing mineral reserves supported by preliminary feasibility study, and is instead advancing to pilot mining production using drilling, metallurgy data alongside market evaluation. The Company understands that such projects are typically associated with higher risk of economic or technical failure.

Disclosure: Companies typically rely on comprehensive feasibility reports on mineral reserve estimates to reduce the risks and uncertainties associated with a production decision. Some industrial mineral ventures are relatively simple operations with low levels of investment and risk, where the operating entity has determined that a formal prefeasibility or feasibility study in conformance with NI 43-101 and 43-101 CP is not required for a production decision.. The Company has not completed a feasibility study on, nor has the Company completed a mineral reserve or resource estimate at the Sergeevskoe project and as such the financial and technical viability of the project is at higher risk than if this work had been completed. Based on geological data, metallurgy and current engineering work completed or in process by Orsu Metals, the Company intends to move forward with the development of this asset beginning with a bulk test followed by pilot mining from two outer perimeter areas of the project. The Company further cautions that it is not basing any production decision on a feasibility study of mineral reserves demonstrating economic and technical viability, and therefore there is a much greater risk of failure associated with its production decision. In addition, readers are cautioned that inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. The development of a mining operation typically involves large capital expenditures and a high degree of risk and uncertainty. To reduce this risk and uncertainty, the issuer typically makes its production decision based on a comprehensive feasibility study of



ir@orsumetals.com
www.orsumetals.com

established mineral reserves. The Company has decided to proceed without established mineral reserves, basing decision on internal projections.

Qualified Person

Alexander Yakubchuk, the Company's Director of Exploration, Ph.D., MIMMM, a Qualified Person as defined by NI 43-101, has reviewed, verified and approved the exploration information disclosures contained in this press release.

About Orsu Metals Corporation

Orsu Metals Corporation is a mineral exploration and development company. The 90% owned Sergeevskoe gold project located in the Mogocho District of the Zabaikal'skiy Region of the Russian Federation is the focus of Orsu's activities. Orsu has filed a technical report titled: "NI43-101 Technical Report on the Updated Mineral Resource Estimate for the Sergeevskoe Property, Zabaikalskiy Krai, Russian Federation" dated effective January 9, 2020 (the "Sergeevskoe Report") to support the Inferred Mineral Resource of 30.42 million tons, grading 1.45 g/t gold and containing 1.417 Moz gold at a 0.5 g/t gold cut-off grade and US\$1,450 per troy ounce of gold, optimized into an open pit constrained by the license boundaries at Sergeevskoe.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement:

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such information or statements may include, but are not limited to, statements with respect to the results the bulk-test pilot mining program, the economics of the bulk-test pilot mining program, the mineralized material being amenable to being processed at the gold plant, the terms of the toll-milling contract being acceptable, the cash flow from the pilot mining operation being sufficient to fund a significant exploration effort in the latter half of 2020. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not a guarantee of future



ir@orsumetals.com
www.orsumetals.com

performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

ENDS

For further information, please contact:

Sergei Stefanovich, Managing Director, Orsu Metals Corporation

Doris Meyer, Corporate Secretary, Orsu Metals Corporation

E: doris@gocs.ca