



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

For the six months ended June 30, 2021

(Expressed in US dollars)

ORSU METALS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

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(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 six months ended June 30, 2021 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, 2020 (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, 2020, together with the notes thereto, and the accompanying unaudited condensed interim consolidated financial statements and related notes thereto for the six months ended June 30, 2021 (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 August 27, 2021.

Description of the Business

Orsu is a publicly traded company incorporated under the laws of the Province of British Columbia. 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 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.

The Company is led by an experienced management team that has worked on exploration projects both in Russia and Internationally. Management also notably holds approximately 43 percent of the Company's shares.

Operational Highlights

Inferred resource update

On February 18, 2020 the Company 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 updated resource announced on January 20, 2020.

An Inferred Mineral Resource of 30.42 million tonnes, grading 1.45 g/t gold and containing 1.417 Moz gold at a 0.5 g/t gold cut-off grade and \$1450 per Troy ounce of gold, was optimized into an open pit constrained by the license boundaries at Sergeevskoe.

Based on the results of the 2019 exploration programme, Orsu was able to not only double the mineralized footprint to 2x1 km at Sergeevskoe but the Company also succeeded in increasing by 19.3% its previously announced maiden Mineral Resource. Due to the size of the limited drilling programme, obvious gaps were left along the strike of mineral wireframes. In addition, the system remains widely open to the west and north.

The Sergeevskoe Report 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 and is filed on the Company's profile on www.sedar.com and is also available on the Company's website.

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Pilot mining program

In 2020, the Company completed a bulk test and pilot mining program at the Sergeevskoe project and processed gold-mineralized material at the neighbouring Alexandrovskoye mine and gold plant. The program was a success in that grade control drilling and subsequent mining confirmed the integrity of our geological model. While gold grades received after more than 35,000 m of grade control drilling provided further support to the grades as per the geological model based on widely-spaced exploration drilling, the width of some mineralized bodies appeared to be wider than modelled and resulted in larger tonnage of oxidized mineralized material.

While the Pilot mining did not generate the income hoped for, the pilot mining proved particularly useful to determine the metallurgical qualities of different types of mineralized material that we find at the Sergeevskoe property. While the Contractor employed a traditional gravitation-flotation-cyanidation processing, we now also believe that direct cyanidation and heap leach approaches are to be investigated as an alternative and, likely, more efficient flow-sheet to extract gold.

The Company's proportion of the gold proceeds net of the Contractor's cost of processing and the mineral extraction tax netted to 129 million Russian Rubles (approximately \$1.7 million), all which has now been received by the Company.

Orsu and the Contractor mutually decided to suspend pilot mining temporarily given the need for the Contractor to revert to mining and processing its own ores (see press releases February 3, 2021 and April 6, 2021).

2021 Exploration

As announced in July 2021, the Company is conducting a geochemical sampling survey to collect 2800 soil samples, covering approximately 5.5 square kilometres of the entire license area outside of the resource envelope located in the southeast of the Sergeevskoe licence area. The geochemical survey is designed to generate new exploration targets and opportunity for significant expansion of the mineralized envelope, remaining open to the west and north.

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.

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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 – six months ended June 30, 2021

The consolidated loss for the six months ended June 30, 2021 was \$115,419 compared to \$819,447 for the six months ended June 30, 2020.

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

Exploration and evaluation expenditures totalled \$393,250 for the current period compared to \$328,529 in the comparative period and relates to exploration work on the Sergeevskoe project.

Salaries and benefits totalled \$208,296 for the current period and are comparable to the prior period of \$193,358. Salaries and benefits relate primarily to the fees of the Company's officers and directors.

Non-cash share-based compensation expense was \$Nil for the period compared to \$117,684 in the comparative period and relates to stock options granted during the period.

During the six months ended June 30, 2021, the Company recorded a gain of bulk test and pilot mining recoveries receivable of \$511,050. This relates to amounts received during the period that were subject to a provision recorded in 2020 due to the uncertainty over collection of amounts generated from the Company's bulk test and pilot mining.

Liquidity and Capital Resources

Orsu began the 2021 fiscal year with \$75,088 in cash. During the six months ended June 30, 2021, the Company received \$639,212 from operating activities, net of working capital changes, to end at June 30, 2021 with \$714,300 in cash.

As at June 30, 2021, the Company had working capital of \$952,822. 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.

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. To date, 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.

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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 June 30, 2021	43,529,898	1,400,000	3,734,000
Balance as at the date of this MD&A	43,529,898	1,400,000	3,734,000

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.

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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.