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FOR IMMEDIATE RELEASE

TSX-V: OSU

**May 24 2022**

## **Orsu Metals to Complete Transformative Transaction to Become a Global Helium Explorer**

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**Orsu Metals Corporation (TSX-V: OSU) (“Orsu” or the “Company”)** is pleased to announce that it has entered into a non-binding letter of intent dated as of May 23, 2022 (the “**LOI**”) with Invenir Ltd. (“**Invenir**”) and Skyfire Ltd. (“**Skyfire**”, collectively with Invenir, the “**Target Companies**”), pursuant to which Orsu and the Target Companies will complete a business combination that will result in a reverse takeover and change of business of Orsu (the “**Proposed Transaction**”). The Target Companies are arm’s length’s parties to the Company.

The entity resulting from the Proposed Transaction (the “**Resulting Issuer**”) will be a global helium explorer and developer with exclusive rights to the Topaz helium project in the USA, which has been drilled and flowed 10.5% helium, and a 100% interest in the Tunu helium project in Greenland.

### **Terms of the LOI**

Subject to satisfactory tax, corporate and securities law advice for both Orsu and the Target Companies, the Proposed Transaction will be structured as a share purchase or other form of transaction or a series of transactions that have a similar effect, and pursuant to which:

- I. Orsu shall complete a share consolidation (the “**Consolidation**”);
- II. Orsu will acquire all voting securities of the Target Companies from the shareholders of the Target Companies (the “**Target Company Shareholders**”) in consideration for the issuance to the Target Company Shareholders of post-Consolidation common shares of Orsu (“**Post-Consolidation Shares**”);
- III. the existing shareholders of Orsu as of immediately prior to the completion of the Proposed Transaction will hold approximately 14% of the Post-Consolidation Shares of the Resulting Issuer;
- IV. the former shareholders of the Target Companies will hold approximately 64.5% of the Post-Consolidation Shares of the Resulting Issuer; and
- V. Orsu will conduct a concurrent private placement offering (the “**Concurrent Financing**”) of Subscription Receipts (described below) to raise proceeds of at least \$5 million, at a price to be determined in the context of the market.

The ratio of the Consolidation and the percentage holdings of the Post-Consolidation Shares set out above may be adjusted based on the final pricing of the Concurrent



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Financing. Certain of the Post-Consolidation Shares will be subject to escrow and resale restrictions pursuant to the policies of the TSX Venture Exchange (the “**Exchange**”).

The LOI also provides that effective on closing of the Proposed Transaction, the Company will, among other things: (i) change its name to a name requested by the Target Companies and acceptable to applicable regulatory authorities; (ii) reconstitute its board of directors with nominees of the Target Companies; (iii) replace certain officers of the Company on closing of the Proposed Transaction with nominees of the Target Companies; and (iv) immediately following closing of the Proposed Transaction complete the sale of the Company’s existing assets (as described below).

The proceeds of the Concurrent Financing will be placed in escrow until the Proposed Transaction closes, at which time the proceeds will be released to the Company and the subscription receipts will automatically be converted into Post-Consolidation Shares. If the Proposed Transaction does not close the escrow funds will be returned to the subscribers.

Completion of the Proposed Transaction is subject to a number of conditions, including receipt of all necessary regulatory approvals, including shareholder approval if required, execution of related transaction documents, approval of the Exchange, disposition of the Company’s existing assets, there being no adverse material change in the affairs of the parties and completion of satisfactory due diligence by each of the parties.

Pursuant to the LOI, each of the Target Companies and Orsu agreed to (i) use commercially reasonable efforts to negotiate the terms of a definitive agreement reflecting the terms of the LOI and other representations and warranties, covenants and conditions that are customary for a transaction of this nature for execution as soon as practicable; (ii) conduct their respective businesses in the ordinary course; and (iii) not enter into negotiations or solicit any expressions of interest for any transaction competitive to the Proposed Transaction.

The LOI shall terminate upon any party notifying the others that it is not satisfied with the results of its due diligence investigation by June 30, 2022.

Further details of the Proposed Transaction will be included in subsequent news releases and disclosure documents (which will include business and financial information in respect of the Target Companies) to be filed by the Company in connection with the Proposed Transaction.

### **Board and Management**

Invenir and Skyfire were created and are managed by the founders of Helium One Global Ltd. (LSE:HE1). As the first dedicated explorers for helium, their global database and knowledge led to the formation of Invenir and Skyfire.

## **Description of the Target Companies**

### ***Invenir Ltd.***

Invenir Ltd. is registered in England and Wales and is the indirect holder of an option to lease agreement of the Topaz helium project in Minnesota, USA. There is a royalty of 0.5% on production, which can be reduced to 0.25% upon payment of US\$100,000.

### **Invenir's Topaz Project**

#### **Discovery**

- In 2011, gas flow was encountered while drilling for base metals in Minnesota. The well was sealed, and samples of the gas sent for analysis.
  - Gas analysis confirmed 10.5% helium
  - Gas flowed for 4-5 days with no apparent reduction in pressure
  - All casing removed and well cemented
  - Gas analysis indicated CO<sub>2</sub>, N<sub>2</sub> and helium as main constituents



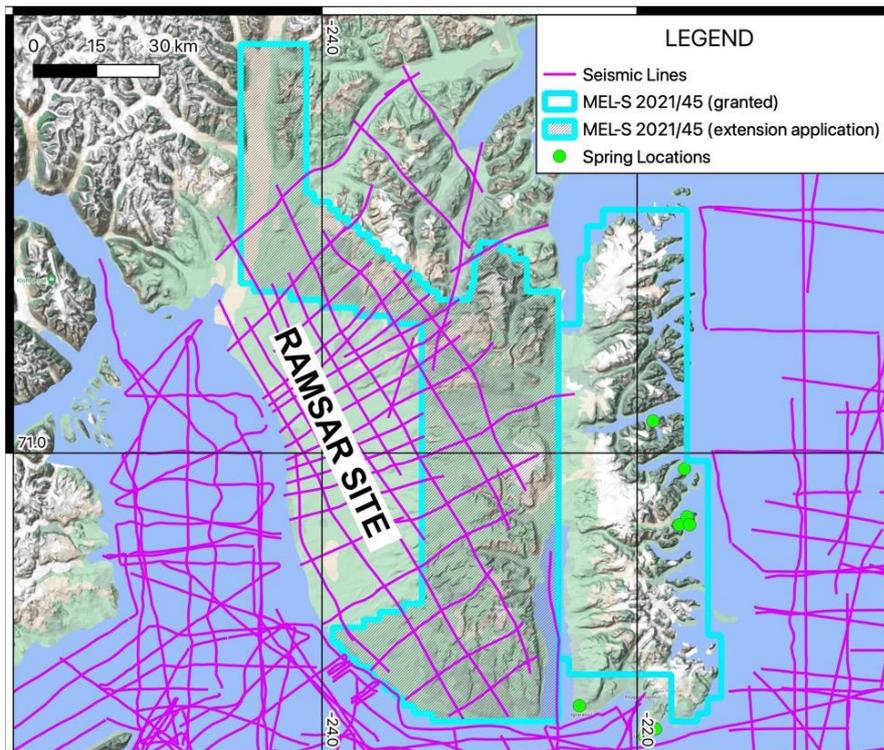
Figure 1 Location of the Topaz Project discovery well site in Minnesota.

- Discovery well in the exclusive option area
  - A total of 3,065 acres
- Applications lodged for Federal (BLM) blocks
  - A total of 1,748 acres
- Permitting in place for drilling in 2022

### **Skyfire Ltd.**

Skyfire Ltd is registered in England and Wales and is the direct 100% owner of exclusive Mineral Exploration License 2021/45 on the Tunu helium and hydrogen project in Greenland.

### Skyfire's Tunu Project



**Figure 2** Location map, showing existing seismic lines, for the Tunu Project in Greenland.

- First mover for helium and hydrogen in Greenland
  - On track to be a top three licence holder in the country (7,447km<sup>2</sup> combined granted + application)
- Government support as Greenland pivots away from hydrocarbon exploration
- Licences specify helium + hydrogen rights, plus all other minerals (excluding hydrocarbons and radioactive elements)
- Access to abundant existing data
  - Incl. gas geochemistry, extensive 2D seismic & airborne geophysics
- Experience
  - Management team with significant Greenland experience in place
- 1,799 line km onshore (shot in 1985-1989 by ARCO) (Plus airborne surveys)
- Historic (1925) measurements from these thermal springs indicated predominately nitrogen plus noble gases composition (no hydrocarbons).
- Within the licence area are peridotites (ultramafic rock) which are excellent natural hydrogen source rocks – in proximity to thermal springs.



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## **Helium**

Helium is a rare and vital element in many critical applications in the medical, science, aerospace, and high-tech manufacturing sectors around the world. The dynamics of the helium market in North America and around the world are changing quickly as North American supplies are falling, demand is expected to increase, and the world is looking for new sources of helium. Helium is abundant in the universe however is extremely rare on earth. With numerous industrial and technological applications, helium combines a unique blend of characteristics which cannot be substituted by any other element making it a high-value commodity. The last auction of crude helium from the USA Bureau of Land Management (BLM) occurred in FY2019 with an average price of USD\$280 per thousand cubic feet, an increase of 135% from the previous year's result. Since then, the BLM has ceased public auctions, instead limiting what helium remains to Federal use, due to the shortage. New applications for helium are expected to further intensify demand, further highlighting the strategic value of the resulting issuer's assets, which have demonstrated potential to host large volumes of helium, without being reliant on natural gas production.

## **Planned Disposition of the Company's Existing Assets**

Since the Company's March 8, 2022, press release regarding the effects on the Company of the Russian invasion of Ukraine, the Company has been monitoring the evolving situation and assessing the risks associated with these sanctions and their impact on the Company's operations in Russia.

After considering the anticipated risks and benefits of alternatives to the Proposed Transaction, including continuing maintaining the Company's existing interest in the Sergeevskoe gold project in Russia, it was determined by a special committee of independent directors of Orsu (the "**Special Committee**") that given the sanctions made against Russia and Russia's invasion of Ukraine, neither of which are expected to be resolved soon, and the Company's limited cash treasury and inability to raise additional equity financing as a result of the Russia sanctions, continuing with the development of the Sergeevskoe project is not an option.

The Special Committee negotiated the sale (the "**Disposition**") of Orsu's 90% interest in the Sergeevskoe gold project (the "**Majority Interest**") to the holders of the other 10% interest in the project (the "**Buyers**") pursuant to a share purchase agreement (the "**SPA**"). The SPA provides that the Buyer's will acquire the Majority Interest from Orsu for nominal consideration on closing, but will pay contingent consideration of up to a maximum US\$4.5 million to Orsu in the event that the Buyers sell the Russian Asset within five years from closing to a non-sanctioned third-party buyer. The Disposition will be completed immediately following the completion of the Proposed Transaction.

The Buyers include Sergei Stefanovich and Vladimir Pakhomov, both of whom are directors of the Company, and therefore the Disposition will constitute a related party transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* ("MI 61-101"). The Disposition and the SPA were reviewed and approved by the Special Committee, all of whom are independent of the Buyers.



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Because the Disposition will be a related party transaction pursuant to MI 61-101, certain shareholder approval and valuation requirements would apply to the Disposition pursuant to MI 61-101, unless an exemption is available therefrom under the terms of MI 61-101. The Company intends to rely on the exemptions from the formal valuation and minority approval requirements in Sections 5.5(b) (*Issuer Not Listed on Specified Markets*) and 5.7(1)(e) (*Financial Hardship*) of MI 61-101.

It is anticipated that the common shares of Orsu will remain halted until all necessary filings in respect of the Proposed Transaction have been accepted by applicable regulatory authorities.

### **ON BEHALF OF THE BOARD**

Sergei Stefanovich  
Managing Director

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#### **For further information, please contact:**

Doris Meyer, at 1-604-536-2711 ext 3 or email: [doris@gocs.ca](mailto:doris@gocs.ca).

*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.*

All information contained in this news release with respect to the Target Companies was supplied by the Target Companies for inclusion herein and the Company has relied on the accuracy of such information without independent verification.

As noted above, completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance of the Proposed Transaction. The Proposed Transaction cannot close until the required regulatory approval is obtained in respect of the applicable matters. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement of the Company to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Orsu should be considered highly speculative.

The Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither the Exchange nor the Market Regulator (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

#### **Forward-Looking Information:**

This press release may include "forward-looking information" (as that term is defined by Canadian securities legislation), concerning the Company's business. Forward-looking information in this news release includes, but is not limited to, statements regarding the Proposed Transaction, the Disposition, the description of the Target Companies and information regarding the management, business and operations of the Resulting Issuer. Forward-looking information is based on certain



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key expectations and assumptions made by the Company's management, including future plans for the exploration and development of its mineral properties. Although the Company believes that such expectations and assumptions are reasonable, investors should not rely unduly on such forward-looking information as the Company can give no assurance they will prove to be correct. Forward-looking statements in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to publicly update any forward-looking information (whether as a result of new information, future events or results, or otherwise) other than as required by applicable securities laws.