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**TSX: OSU**  
**AIM: OSU**  
**PRESS RELEASE**  
25 May 2010

## Orsu Metals Corporation

### Orsu Announces Completion of Preliminary Assessment Study for Karchiga Project, Base Case Study NPV of US\$138M and IRR of 40.5% over 10 Year Life of Mine

Orsu Metals Corporation ("Orsu" or the "Company") (TSX:OSU, AIM:OSU), the London-based precious and base metals exploration and development company, announces the results of a preliminary assessment study for its Karchiga volcanogenic massive sulphide copper project (the "Karchiga Project") in northeast Kazakhstan.

Micon International Co Limited ("Micon") was contracted by Orsu to prepare a preliminary assessment or scoping study for the Karchiga Project (the "Karchiga Scoping Study"). The Karchiga Scoping Study is based upon the previously announced Indicated and Inferred mineral resource estimates (March 22, 2010) prepared by Wardell Armstrong International Ltd. ("WAI").

The Karchiga Scoping Study including pit optimization, contemplates mining a total of 7,580,389 tonnes ("t") grading 1.94% copper, containing 146,778t of copper metal. 86% of the tonnage totaling 6,487,556t with a grade of 1.97% copper is derived from Indicated mineral resources, and 14% of the tonnage totaling 1,092,833t with a grade of 1.71% copper is derived from Inferred mineral resources. At a nominal mining and processing rate of 750,000 tpa of mineralised feed the project life exceeds ten years. For the purposes of the Karchiga Scoping Study, all oxide material was considered to be waste and assigned no economic value.

The Karchiga Scoping Study base case economic analysis indicates a discounted cash flow Net Present Value ("NPV") of US\$138.53 million and an Internal Rate of Return ("IRR") of 40.5% (refer to tables 1 & 2 below) based on a flat copper price of US\$3.00/lb. The NPV and IRR figures have been calculated pre-tax and pre-finance cost Life Of Mine ("LOM"), assuming an initial capital cost of US\$100.16 million and a discount rate of 10% per annum.

**Table 1: NPV<sup>10</sup> and IRR Sensitivity against Cu Price, MICON May 2010**

Cu Price		
Cu (\$/lb)	NPV <sub>10</sub> (US\$ million)	IRR (%)
2.40	59.2	24.2
2.60	85.6	29.9
2.80	112.1	35.3
<b>3.00 (Base Case)</b>	<b>138.5</b>	<b>40.5</b>
3.20	165.0	45.5
3.40	191.4	50.4
3.60	217.9	55.1



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**Table 2: NPV<sup>10</sup> and IRR Sensitivity against Capex, Opex and Revenue, MICON May 2010**

Variable Variance from Base Case (%)	Capex		Opex		Revenue	
	NPV <sub>10</sub> (US\$ M)	IRR (%)	NPV <sub>10</sub> (US\$ M)	IRR (%)	NPV <sub>10</sub> (US\$ M)	IRR (%)
70%	164.7	58.8	191.4	51.6	21.3	15.4
80%	156.0	51.4	173.8	47.9	60.4	24.4
90%	147.2	45.4	156.2	44.2	99.5	32.7
<b>100%</b>	<b>138.5</b>	<b>40.5</b>	<b>138.5</b>	<b>40.5</b>	<b>138.5</b>	<b>40.5</b>
110%	129.8	36.4	120.9	36.8	177.6	47.9
120%	121.1	32.9	103.3	33.0	216.7	55.0
130%	112.4	29.9	85.7	29.2	255.8	61.8

*\*Micon notes that the preliminary assessment is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative to have the economic considerations applied to them to enable them to be categorised as Ore Reserves under the guidelines of the Australian Joint Ore Reserve Committee, as amended in 2004 (JORC Code) or Mineral Reserves under the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum. As such, there is no certainty that the preliminary assessment will be realised. Mineral resources that are not Ore/Mineral Reserves do not have a demonstrated economic viability.*

*\*NPV<sub>10</sub> refers to an NPV calculated at a discount factor of 10%.*

A conventional processing route was chosen using relatively fine grinding and selective sulphide flotation to produce the final marketable concentrate product. The preliminary assessment forecasts a LOM average recovery of over 90%, resulting in a marketable concentrate with an average grade of 22% Cu containing 132,637t of copper. Further optimisation studies will be required as part of a definitive feasibility study.

Tables 3 and 4 show key cost parameters and LOM financial highlights for Karchiga operation at base case US\$3.00/lb Cu.

**Table 3: LOM Operating Cost Summary**

Area	Unit Cost (US\$/t ore)
Mining	17.04
Processing	10.10
General and Administration	3.56
Total Cash Production Cost	30.70
Concentrate Transport	5.01
Mineral Extraction Tax	7.04
Property Tax	0.99
Total Operating Cost	43.75
<b>Total Operating Cost (US\$/lb Cu)</b>	<b>1.13</b>



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**Table 4: Base Case LOM Financial Highlights**

Criteria	Unit	Value
Net Revenue	US\$ million	765.42
Net Smelter Return	%	87.3
Production Cost	US\$/t of ore	30.70
Operating Cost	US\$/t of ore	43.75
Operating Cost	US\$/lb of Cu	1.13
Initial Capital Cost	US\$ million	100.16
LOM Capital Cost	US\$ million	102.63
Net Cash Flow	US\$ million	340.34
NPV <sup>10</sup>	US\$ million	138.53
IRR	%	40.5
<b>Initial Capital Payback</b>	<b>years</b>	<b>1.98</b>

Orsu's Executive Chairman, Dr Sergey V Kurzin, commented: "The results of the study have confirmed Company's positive expectations for the project. Karchiga now demonstrates robustness and excellent economic potential and reinforces our decision to fast track the project to full feasibility study stage. Orsu is actively negotiating with a number of potential consulting groups to undertake a full feasibility study with a target start date of June this year. Orsu will commence field work shortly in order to complete all required works onsite to satisfy feasibility requirements, and we look forward to bringing this project to fruition."

The Karchiga Scoping Study is based on 100% of the Karchiga deposit. On May 20, 2010 Orsu announced that it has agreed to acquire a further 24.73% of Karchiga, which would increase its total ownership to 94.75% from 70.02%, subject to receipt of necessary approvals.

Micon's complete technical report, which was prepared in accordance with the requirements of Canadian National Instrument 43-101, entitled "Preliminary Assessment of The Karchiga Copper Project, East Kazakhstan Region, Kazakhstan", dated May 25, 2010 and prepared by L S Carroll, MIMMM CGeol FGS, G Harris, MAusIMM, M L Owen, CGeol EurGeol FGS, J Steedman, MAusIMM and D T Wells, MIMMM CEng, will be available under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

WAI Indicated and Inferred mineral resource estimates (March 22, 2010) are contained in WAI's technical report entitled "Updated Report on the Karchiga Property held by Orsu Metals Corporation, Kazakhstan", dated March 22, 2010 and prepared by M L Owen and L S Carroll, a copy of which has been filed under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

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### Notes to Editors:

1. Mr Matthew Boyes, BSc, Mineral Resources Manager for Orsu and a qualified person as such term is defined in National Instrument 43-101 and for the purposes of the AIM Guidance Note for Mining, Oil & Gas Companies, has reviewed the contents of this press release.
2. Mr David Thomas Wells, MIMM CEng, Senior Metallurgist, Mr Jonathan Steedman, MAusIMM Bsc, Economic Geologist and Mr Geraint William Harris, BEng MAusIMM, Senior Mining Engineer, all currently employed by: Micon International Co Limited, Suite 10, Keswick Hall, Norwich, NR4 6TJ, United Kingdom, and qualified person's as such term is defined in National Instrument 43-101 and for the purposes of the AIM Guidance Note for Mining, Oil & Gas Companies, have reviewed and approved the contents of this press release. Mr Wells, Mr Steedman and Mr Harris are the qualified person's responsible for the Karchiga Preliminary Assessment Study.
3. Mr Mark L Owen, BSc, MSc (MCSM), CGeol, FGS, EurGeol, Technical Director with WAI, and Ms Liv S Carroll, ARSM, BSc, MSc, DIC, MIMMM, CGeol, FGS, a former employee of WAI, both qualified persons as such term is defined in National Instrument 43-101, have reviewed the contents of this press release and are the persons responsible for WAI's technical report entitled "Updated Report on the Karchiga Property held by Orsu Metals Corporation, Kazakhstan", dated March 22, 2010.



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#### **Forward-looking information**

This press release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information contained (or referred to) in this press release includes, but may not be limited to, the Karchiga Project's expected life of mine, estimated net present value and rate of return, forecasts relating to average recoveries and grades, the completion of further optimization studies, anticipated costs relating to production, operations and capital, estimates relating to the future price of copper, future revenues, cash flows, net smelter royalties, and capital payback, mineral resource estimates, management's expectations relating to the economic potential of the Karchiga Project, and the proposed commencement of field work to satisfy feasibility requirements and the completion of a full feasibility study relating to the Karchiga Project and the timing of same.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks normally incidental to exploration and development of mineral properties, uncertainties in the interpretation of drill results, the possibility that future exploration, development or mining results will not be consistent with expectations, uncertainty of mineral resources estimates, the failure by the Company to complete its proposed acquisition (the "**Proposed Acquisition**") of the remaining share capital of Eildon Enterprises Limited, the indirect holder of a 94.75% interest in the contract with the relevant Kazakh authorities governing the Karchiga Project (the "**Karchiga Project Contract**"), the Company's inability to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities, including (without limitation) the Company's inability to execute and register an amended Karchiga Project Contract providing for an extension of the exploration period and return date for the Karchiga Project (the "**Amended Karchiga Project Contract**") or obtain the relevant governmental authority's waiver of its pre-emptive right relating to the Karchiga Project and other risks relating to the regulatory and/or legal framework in Kazakhstan as well as certain other risks set out in the Company's public documents, including its annual information form dated March 24, 2010, filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking information in this press release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this press release, the Company has made certain assumptions about the Company's business, the economy and the mineral exploration industry in general, future capital costs and cost parameters, cash flow discounts, anticipated mining and processing rates, the treatment of oxide materials as waste, the regulatory framework in Kazakhstan with respect to, among other things, the Company's ability to obtain, maintain, renew and/or extend required permits, licences, authorizations and/or approvals from the appropriate regulatory authorities, including the receipt of a waiver of the relevant governmental authority's pre-emptive right relating to the Karchiga Project, the execution and registration of the Amended Karchiga Project Contract, the completion of the Proposed Acquisition, the Company's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's demand, and has also assumed that no unusual geological or technical problems occur, plant and equipment work as anticipated and no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

The mineral resource figures referred to in this press release and the Karchiga Scoping Study are estimates only and no assurances can be given that the indicated levels of minerals will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral resource estimates contained and referenced herein are well established, by their nature, mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such mineral resource estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration.

Any forward-looking information 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 information, whether as a result of new information, future events or results or otherwise.

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