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**AIM: OSU**  
**TSX: OSU**  
**PRESS RELEASE**  
24 April 2009

## **Orsu Metals Corporation**

### **Annual Results for the Year Ended 31 December 2008 and 2007 (Unaudited)**

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Orsu Metals Corporation ("Orsu", or the "Company", or "the Group") (TSX: OSU, AIM: OSU), the London-based base and precious metal mining, development and exploration company today reports its unaudited results for the period ended 31 December 2008. All amounts are reported in United States Dollars unless otherwise indicated. Canadian Dollars are referred to herein as CAD\$.

#### **HIGHLIGHTS**

- Plant commissioning completed.
- First gold sales and cash generated from the Varvarinskoye Project.
- First copper-gold concentrate produced.
- March 2008 - EMC announced that The Supreme Court of Appeal of South Africa issued judgment in favour of EMC in relation to its action to recover South African Rand 28.3 million advanced to a former contractor and expropriated by ABSA Bank Limited of South Africa.
- May 2008 - EMC announced an increase in the mineral resources at Varvarinskoye.
- June 2008 - EMC and Lero jointly announced the issuing of a Statement of Claim in the Ontario Superior Court of Justice against EMC and two of its officers.
- June 2008 - EMC completed the acquisition of Lero.
- July 2008 - EMC announced changes to its Board of Directors.
- July 2008 - EMC changed its name to Orsu Metals Corporation.
- July 2008 - Orsu completed first sale of copper-gold concentrate from Varvarinskoye.
- September 2008 - Orsu announced plans to procure a secondary low cost screener and crusher at the Varvarinskoye plant.
- September 2008 - Orsu announced being served with the Statement of Claim.
- October 2008 - Orsu announced it had successfully repatriated South African Rand 28.3 million , \$3.65 million, of previously embargoed funds in South Africa pursuant to a legal application made by the liquidator of MDM Ferroman (Pty) Limited.
- December 2008 - Orsu announced an update regarding the Statement of Claim (that it had been effectively replaced by a new claim similar in nature, by a new plaintiff and had on that day been served on the Company).
- December 2008 - Orsu announced it signed a joint venture agreement with Gold Fields Orogen Holdings BVI Limited ("Gold Fields"), a wholly owned subsidiary of Gold Fields Limited for the further exploration and development of the Talas licence area, north west Kyrgyzstan.

#### **POST YEAR END HIGHLIGHTS**

- January 2009 - Orsu announced updated mineral reserve and mineral resource estimates for Varvarinskoye.
- January 2009 - Orsu announced the existing lending syndicate, comprised of Investec Bank Limited, Nedbank Limited and Natixis Bank had conditionally approved the extension of the deadline for the Company's principal debt payment of \$16.65 million to 31 March 2009.
- February 2009 - Orsu announced all necessary approvals have been received from Export Credit Insurance Corporation, South Africa ("ECIC") for the extension of the deadline for the Company's principal debt payment to 31 March 2009.
- March 2009 - Orsu announced the completion and SEDAR filing of a revised mine plan, including mineral reserve and mineral resource estimates, entitled "Varvarinskoye Cu/Au Open Pit Mine – Kazakhstan Mine Planning Study".
- April 2009 - Orsu announced that it had not yet reached an agreement on the restructuring of the loan repayments and hedging obligations, due by Joint Stock Company Varvarinskoye ("JSCV") under its loan and hedging facilities. Discussions are ongoing with the various Lenders.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

A full Management's Discussion and Analysis of the results for the period ended 31 December 2008 ("MD&A") and Financial Statements ("Financials") and Annual Information Form for the Company's financial year ended 31 December 2008 will soon be available on the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) or on the Company's website ([www.orsumetals.com](http://www.orsumetals.com)). These can also be obtained on application to the Company. The following information has been extracted from the MD&A and the Financials.

## FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

### Overview

For the year ended December 31, 2008, the Company incurred a net loss of \$322.6 million (compared to a loss of \$77.6 million in 2007).

The Company recognized revenues of \$27.1 million, a net gain on derivative instruments of \$3.1 million and an income tax recovery of \$42.6 million. These were offset by cost of sales of \$51.6 million, administration & employment termination costs of \$20.5 million, exploration expenditure of \$4.1 million, foreign exchange losses of \$2.5 million and other charges of \$3.6.

Finally, during the quarter the company booked impairment charges for its mineral properties of \$119.6 million and Varvarinskoye assets of \$189.0 million.

### Revenues

For the six months to December 31, 2008 the Company invoiced sales of \$38.7 million less future metal price settlement adjustments of (negative) \$10.1 million and a further deduction for refining and treatment charges of \$1.5 million, resulting in reported revenues for the year of \$27.1 million.

For the six months to December 31, 2008, the Company sold 29,530 oz of gold (gold doré and contained gold in concentrate) for a total sales value of \$22.7 million at an average realised price of \$771 per oz. Total copper sales were \$16 million less a negative settlement adjustment of \$10.1 million and refining and treatment charge of \$1.5 million, resulting in recorded copper revenues for the year of \$4.4 million.

As a by product of the copper concentrate production process, a small amount of silver was produced which generated sales totalling \$71,000. The Company recognises silver revenue as a by-product credit and records this revenue as an offset against operating expenses.

### Cost of sales

The operational costs for the year were \$51.6 million. This included operating expenses of \$35.4 million (made up of mining costs of \$15.1 million, plant costs of \$14.8 million site costs of \$1.2 million and net work in progress expensed of \$4.3 million), accretion charges of \$0.5 million, selling and distribution costs of \$3.5 million; depreciation and amortization of \$12.2 million. Included within the net work in progress expense is an recoverable inventory valuation write down (due to declining metal prices during the period) of \$5.1 million.

### Other (Expenses) Income

- **Derivative instruments**

At December 31, 2008 the Company's derivative financial instruments were comprised solely of gold forward sales contracts.

During the year ended December 31, 2008 the Company settled derivative contracts resulting in realized derivative losses of \$20.5 million. No gold hedge contracts were due for settlement during 2007.

In line with reduced spot and forward price of gold during the fourth quarter, the unrealized mark to market revaluation of the Company's forward gold hedge contracts reduced from \$140.6 million as at December, 2007 to \$117 million as at December 31, 2008, resulting in an unrealized derivative gain of \$23.6 million for the year.. Gold spot prices per ounce were \$865 at December 31, 2008, \$884.50 at September 30, 2008 and \$836.50 at December 31, 2007.

The Company had 372,468 ounces of forward gold sales remaining at a price of \$574.25 per ounce as at December 31, 2008. The mark to market revaluation of the Company's derivative instruments as at December 31, 2008 gave rise to unrealized derivative gain for year of \$23.6million (2007 - loss of \$70.9 million).

All derivative financial instruments are classified as held for trading and are measured at fair value.



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- **Impairment charges**

During the year the Company revised the Varvarinskoye mineral reserves and mineral resource estimates (refer to the "Mineral Reserve and Mineral Resource Update" section of the Operational Review).

At December 31, 2008, and based on a number of factors, including the significant decline in the Company's share price and the revisions to the expected Varvarinskoye mine cash flows, management determined that impairment indicators did exist, and completed an impairment assessment for its mineral property interests and the Company's only operating asset, the Varvarinskoye gold-copper mine in northern Kazakhstan, resulting in a charge of \$119.6 million for its mineral properties and \$189.0 million for its Varvarinskoye assets. (Refer to section "Asset Impairments" for further information).

- **Administration charges**

Administration costs for the full year period include termination and redundancy costs of \$4.3 million relating primarily to changes in senior management in connection with the business combination, head office costs and salaries of \$6.3 million and provisions for tax penalties for Varvarinskoye of \$3.0 million. Legal and professional costs relating to the Lero acquisition of \$3.0million, are included as part of the Lero purchase consideration (not included within the Statement of Operations). Administration costs year on year have risen generally as a reflection of the enlarged group's activities following the Lero acquisition and following then commencement of full production during 2008.

- **Interest expense and income**

The Company successfully repatriated South African Rand 28.2 million in contractor advances (relating to MDM) along with accrued interest of South African Rand 12.7 million on October 22 2008 at an exchange rate of South African Rand to the US(\$) of 11.21, \$3.65 million.. As a result the Company earned interest income of \$1.1 million.

The Company earned a further \$0.4 million of interest income on surplus cash balances during the year.

The interest expense of \$6.0 million for the year was primarily due to amortisation charges of deferred finance costs relating to the loan facilities for the six months to December 31, 2008 of \$3.8 million. A further \$1.8 million relates to interest paid on the Varvarinskoye debt facility and \$0.3 million other debt interest charges.

- **Foreign exchanges (losses)/ gains**

The foreign exchange loss of \$2.5 million was primarily due to the repatriation of South African Rand 28.2 million in contractor advances (relating to MDM) on October 22 2008 at an exchange rate of South African Rand to the US(\$) of 11.21, \$3.65 million as mentioned above. The advances had been previously been recorded by Company at an exchange rate of South African Rand to US (\$) 6.75. As a result the Company recorded a foreign exchange loss of \$1.7 million.

## **LIQUIDITY AND CAPITAL RESOURCES**

At December 31, 2008 the Company's main source of liquidity was unrestricted cash of \$7.8 million (2007 \$25.2 million).

The Company measures its consolidated working capital as comprising free cash, inventory, and accounts receivable, other assets and prepayments, less accounts payable and accrued liabilities, current portion of the principal on long term debt and the current portion of derivative liabilities.

At December 31, 2008, the Company's consolidated working capital was a deficit of \$60.0 million compared with a working capital deficit of \$20.8 million at December 31 2007, representing an increase in the deficit of \$39.2 million. The movement during this period comprised a decrease in unrestricted cash of \$17.5 million, increase in inventories \$2.7 million, reduction in accounts receivable and prepayments \$0.5 million, an increase in VAT recoverable of \$12.6 million, an increase in accounts payable \$10.3 million and an increase in the current portion on the principle long term debt of \$21.3 million. Whilst cash balances increased year on year due to the commencement of concentrate sales, the Lero loan (pre acquisition) of \$25 million and the cash balances of \$37 million acquired as part of the Lero acquisition, this was more than off-set by the impact of falling realized copper prices on concentrate sale proceeds during the second half of the year, the operating costs during the prolonged ramp up period (commercial production was only achieved during quarter three), the \$20.5 million cash settlement of gold forward contracts, the Lero acquisition transaction costs and Varvarinskoye capital expenditure of \$21.3 million. Inventory balances increased due to increased mining resulting in higher ore stockpile levels, the commencement of concentrate production during the year and the associated end of year finished goods inventory and higher stocks of materials and supplies. The accounts payable balance increase reflects in part the recorded estimated liability of \$7.1 million payable to Trafigura for future metal price settlements. The increase in the current portion of long-term debt arose due to the classification of the entire



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Varvarinskoye debt facility liability as current, reflecting the Lenders' ability at December 31, 2008 to demand immediate repayment of all amounts owing.

At September 30, 2008, the Company's consolidated working capital was a deficit of \$21.1 million, representing a decrease between quarter four and quarter three of \$38.9 million. The main movements between the two quarters were a decrease in cash of \$10 million, an increase in VAT recoverable of \$12.6 million, an increase in the current portion of long-term debt of \$23.1 million.

For the reasons stated in the Going Concern section of the MD&A the Company's working capital as at December 31, 2008 was insufficient to meet its debt, accounts payable and derivative obligations at December 31 2008 and falling due in the first quarter of 2009. The Company's working capital for the remainder of the year will be significantly affected by, amongst other things, metal prices, the frequency of product deliveries, production levels and any amendments to the terms of the Varvarinskoye debt facility and hedge obligations arising from the ongoing discussions with the Lenders.

The ongoing debt and hedge obligation restructuring discussions with the Lenders and the potential impact upon the Company should these negotiations prove to be unsuccessful are described in the "Risks and Uncertainties" section of the MD&A.

## **GOING CONCERN**

While the Company's financial statements have been prepared using Canadian GAAP applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations, the adverse conditions below cast significant doubt as to the Company's ability to meet its obligations as they become due and, accordingly, the appropriateness of using accounting principles applicable to going concern.

At December 31, 2008, the Company had a working capital deficit of \$51.2 million, (December 31, 2007 - working capital deficit of \$20.7 million), accumulated losses of \$541541 million (December 31, 2007 - \$218 million) and shareholders' deficiency of \$109 million (2007 - shareholders' equity of \$48 million).

Following a sharp deterioration in world copper metal prices and higher than expected operating costs at Varvarinskoye, in the fourth quarter of 2008 the Company reviewed its Varvarinskoye mineral reserve and mineral resource estimates and engaged an independent expert to update the mineral reserve estimates based upon a reinterpretation of the central pit geology. Compared with the previous December 2006 Varvarinskoye Technical Report, the remaining mine life from January 1, 2009 has been reduced from 14 years to 8 years with a significant reduction in estimated contained copper and gold metals. Coupled with management's current long-term copper and gold pricing forecasts, the Company's revised mineral reserve and mineral resource estimates for Varvarinskoye create significant doubt regarding the Company's ability to generate sufficient cash flows from its mining operations to meet its obligations under the Varvarinskoye project finance debt facility with the Lenders and the unmargined gold forward sales contracts entered into as a requirement of the debt facility.

The Company was unable to meet the first repayment tranche under the long-term debt facility of \$16.65 million due on December 31, 2008, and payment of the first tranche remains outstanding. As at February 24, 2009, the Company was in breach of its permitted indebtedness covenant with respect to trade creditors, both in respect of amounts and terms ("Permitted Indebtedness"). This arose primarily due to temporary delays in shipping concentrate for sale. No waiver has been obtained from the Lenders for this breach. The Company is forecasting that, in the absence of additional waivers or modification of the debt terms, it will remain unable to meet its 2009 scheduled repayment obligations and will remain in breach of its repayment terms and its permitted indebtedness covenants. Failure to remedy such breaches and to comply with the debt repayment terms will entitle the Lenders to demand immediate repayment of all amounts owing.

At December 31, 2008, the Company had an outstanding future obligation to settle 372,478 ounces of unmargined forward gold sales contracts at a strike price of \$574.25 per ounce, of which contracts for 80,326 ounces are due for settlement in 2009. This obligation has been valued on a mark to market basis at December 31, 2008 at \$117 million. The practice of the Company has been to settle the gold forward contracts as they fell due on the settlement date. Up to December 31, 2008, the Company had settled contract amounts totalling \$20.5 million as they fell due. Subsequent to the year-end, the Company was unable to meet its gold forward contract settlement obligations of: \$2,538,000 due on January 30, 2009, \$2,675,750 due on February 27, 2009 and \$2,471,000 due on March 31, 2009. Under the cross default terms of the debt facility, a default on payments as they fall due under the gold forward contract obligations entitles the Lenders to demand immediate repayment of all amounts owing under the term debt facility and entitles the hedging counter parties to terminate any open derivative positions.



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The Company is currently negotiating with the Lenders to try to restructure the debt facility and gold forward contract obligation terms in such a manner and time period that would allow the Company to meet its obligations as they fall due, including funding of any required future capital expenditures. In the Company's view, the settlement of its future gold forward contract obligations and long-term debt repayments is uncertain until such time as metal prices, and in particular copper prices, have recovered,, Varvarinskoye operating costs have been reduced,, Varvarinskoye is operating at maximum capacity and the outcome of current refinancing discussions with the Lenders have been concluded. In connection with the breaches of its permitted indebtedness covenants, while the Company is taking all possible steps to avoid disruption to essential supplies, management believes that it is unlikely that normal supplier payments and outstanding balances can be restored unless refinancing discussions are concluded on terms favourable to the Company, and unless an additional working capital facility is granted by the Lenders as part of the refinancing. Management considers that if any restructuring or modifications are to be successful, they must include the following as a minimum: the extension of the debt repayment period, an increase in the debt facility of a minimum of \$10 million for working capital purposes and the conversion of short-term gold forward contract obligations into scheduled debt repayments. No conclusion from the Company's current discussions with the Lenders has been reached. To date, the Lenders have not taken, nor indicated that they intend to take, any action in respect of the defaults noted above, due to the ongoing discussions with the Company regarding the renegotiation of the debt facility and forward contract obligations. However, while the Company has been successful in the past in renegotiating its debt facility and modifying its debt repayment and forward contract obligation terms, there can be no assurance that it will be successful in the future.

As a separate restructuring alternative, management is also investigating the possibility of disposing of Varvarinskoye property and related debt and hedging obligations. Whilst the Company remains in discussion with potential buyers, such discussions are at a preliminary stage and no formalized terms have been agreed. There is no assurance that the Company will be successful in any efforts to restructure its current interest in the Varvarinskoye project.

The Company's financial statements do not reflect adjustments to the carrying value of assets and liabilities, the reported revenues and expenses and balance sheet classifications used that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

## COMMITMENTS

The following table summarises the commitments of the Company as at December 31, 2008:

	<b>Total</b>	<b>Less than</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>Beyond</b>	<b>3</b>
	<b>\$</b>	<b>1 year</b>	<b>\$</b>	<b>\$</b>	<b>years</b>	<b>years</b>
		<b>\$</b>			<b>\$</b>	
Current portion of long term debt	53,751	53,751	-	-	-	-
Accounts payable and accrued liabilities	24,440	24,440	-	-	-	-
Asset Retirement obligations	13,357	-	-	-	-	13,357
Derivative obligation	116,994	24,221	24,770	23,798	44,205	

The Company's capital commitments as at December 31, 2008 were a total of £1.7 million payable during 2009 only.

## RELATED PARTY TRANSACTIONS

During the year ended December 31, 2008 and 2007, the Company was party to the following transactions involving related parties, all of which have been recorded at the exchange amount:

Dragon Management International Services Limited ("DIS") charged the Company a total of \$295,628 (2007 - \$603,000) in respect of the provision of office facilities, general office overheads and re-charged costs incurred on behalf of the Company. A former Chairman and director of the Company, beneficially owns DIS.

Endeavour Financial Corp ("EFC") charged the Company a total of \$3,814,973 (2007 - \$144,000) in respect of the provision of consulting services and related expenses of which \$2,422,391 has been recognised in the Lero acquisition purchase consideration. A former Chairman and director of the Company, is a shareholder of EFC. In addition, on April 17, 2008, EFC made a bridging loan of \$5 million to the Company for working capital purposes, which was then subsequently repaid to EFC on May 14 2008. An arrangement fee of \$150,000, and a total of 254,479 shares were issued to EFC as part of the fee for providing the bridging loan. EFC were also issued 500,000 purchase warrants, at an exercise price of CAD\$1.20, for advisory work on the Varvarinskoye debt renegotiation in May 2008.



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During the period ended December 31, 2008 Lero was charged \$820,530 (nil 2007) for rent and service charges from Oriel PLC a company related through a common director (whom resigned September 19 2008).

Mining Assets Corp ("MAC") charged the Company a total of \$132,780 (2007 - \$67,000) in respect of the provision of the consulting services and related expenses of a director of a company, who provides services to the Company on an ad-hoc basis. The director of the Company, beneficially owns MAC.

As at December 31, 2008, a total of \$325,177 (2007 - \$151,000) for related parties has been included in accounts payable.

The Company entered into a related party transaction, not in the normal course of business, with Oriel Resources Corp, related through a director in common. During the year, it received furniture and office equipment with a book value of \$573,000 in exchange for making Oriel's lease payments from June to December 2008 of \$100,000 in the period and assuming a dilapidation liability.

## REVIEW OF CURRENT OPERATIONS

### VARVARINSKOYE GOLD-COPPER MINE, KAZAKHSTAN

The Varvarinskoye Project is located 130km southwest of Kostanai in northern Kazakhstan. The mine produces for sale gold doré and copper-gold concentrate. Orsu's main focus has been the ramp-up of mining operations at Varvarinskoye. The mine commenced production of gold doré in December 2007 and copper-gold concentrate in March 2008.

#### Mineral Reserve and Mineral Resource Update

Since assuming management control of the Varvarinskoye Project in June 2008, Orsu's new management established that operating costs at the mine were significantly higher than those previously estimated in the November 2004 (amended March 2005) feasibility study and subsequent pit optimisations and mine designs completed in December 2006. Since December 2006, consumables, labour and other inputs have increased mining and processing costs at the Varvarinskoye Project. As such, the previous mining and operating cost estimates are significantly below current costs. In addition, the geological grade model does not correlate well with the achieved mining grades. These factors led to management initiating an update and revision of the Varvarinskoye Project's mineral reserves and mineral resources, which were released in January 2009.

In November 2008, Orsu contracted Orelogy Pty Ltd., Australia ("Orelogy") to complete a detailed two year mine plan together with a life-of-mine plan. Orsu supplied Orelogy with both current mining and processing costs and updated process recoveries. Based on these inputs and the new geological resource, a programme of re-optimisation and mine design was completed. Prior to Orelogy being contracted, Orsu completed a re-interpretation of the ore bodies within the Varvarinskoye Central Pit, based on both current mining results and historical exploration drilling.

All operational cost information including mining, processing and general and administrative costs were supplied by Orsu. Optimisation work was carried out by Orelogy in conjunction with Orsu's mining and geology departments. The new pit optimisations were based on mining costs of \$1.30 per tonne which were factored to increase with depth (cost adjustment factor of 1.14) and processing costs of \$7.00 per tonne and \$9.25 per tonne for flotation and leach processing respectively. These revised cost estimates represent an increase in operating costs of \$0.11 per tonne mined and \$4.12 per tonne processed in respect to the previously quoted costs utilised in the December 2006 pit optimisation and design work completed by Orelogy in February 2007 (\$1.19 mining cost and \$4.58 processing cost).

Pit designs and the final National Instrument 43-101 mineral reserve estimate dated 1 January 2009 were completed using \$700/oz Au and \$1.50/lb Cu optimised pit shells.

**Table 1: Mineral Reserve estimate calculated at \$700/oz Au and \$1.50/lb Cu at 1 January 2009**

Ore Type/ Circuit	Category	Tonnes (Mt)	Au g/t	Cu %	Cu Metal (Mlb)	Au Metal (Koz)
Float	Probable	10.43	1.43	0.66	151	480
Leach	Probable	25.99	1.02	N/A	N/A	855
<b>Total</b>		<b>36.42</b>	<b>1.14</b>	<b>0.66*</b>	<b>151</b>	<b>1,335</b>

\*Represents only float circuit feed  
Cut-off grade: 0.41g/t Au



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For purposes of comparison, the mineral reserve estimate for the 2006 mine design is tabled below.

**Table 2: 2006 Mineral Reserve estimate depleted for mining to 31 December 2008**  
 (Reserves calculated at \$525/oz Au and \$1.30/lb Cu)

Ore Type/ Circuit	Category	Tonnes (Mt)	Au g/t	Cu %	Cu Metal (Mlb)	Au Metal (Koz)
Float	Proven	15.7	1.60	0.66	230	813
Leach	Proven	39.7	1.01	N/A	N/A	1,285
<b>Total</b>		<b>55.5</b>	<b>1.17</b>	<b>0.66*</b>	<b>230</b>	<b>2,098</b>

\*Represents only float circuit feed  
 Cut-off grade: 0.29g/t Au

The updated National Instrument 43-101 mineral reserve estimate dated 1 January 2009 for the Varvarinskoye Project represents a reduction of 763Kozs Au and 79Mlb Cu from the previously reported mineral reserve estimate dated December 2006.

Below is tabled the Indicated and Inferred Resources for Varvarinskoye as per the updated January 2009 mineral resource and reserve estimates.

**Table 3: NI 43-101 Indicated and Inferred Resources for Varvarinskoye, Hybrid Model, January 2009**

Category	Ore Type	Tonnes (Mt)	Au g/t	Au Metal (Koz)	Cu %	Cu Metal (Mlb)
Indicated	Float – HGCF	19.3	1.3	805	0.57	242
Indicated	Leach – LGCF	56.7	0.92	1,678		
Indicated	Float – HGCP	3.8	1.28	157	0.48	40.2
Indicated	Leach – LGCP	2.1	1.08	74		
<b>Total Indicated</b>		<b>81.9</b>	<b>1.03</b>	<b>2,714</b>	<b>0.56*</b>	<b>282.2</b>
Inferred	Float – HGCF	3.0	1.21	117	0.44	29.2
Inferred	Leach – LGCF	6.8	1.18	259		
Inferred	Float – HGCP	0.3	0.82	7	0.24	1.4
Inferred	Leach – LGCP	0.2	0.78	6		
<b>Total Inferred</b>		<b>10.3</b>	<b>1.17</b>	<b>389</b>	<b>0.30*</b>	<b>30.6</b>

Cut-off grade: 0.29g/t Au and 0.20% Cu

\*Cu grade only represents average grade of Float feed  
 Au g/t and Cu % is averaged for respective total categories  
 Reserves are reported as part of the reported resources

The "qualified person" (as such term is defined in National Instrument 43-101) who supervised the preparation of and is responsible for the 2009 updated mineral reserve and mineral resource estimates for the Varvarinskoye Project disclosed in this press release is Mr Stephen Craig, Managing Director of Orelogy, Australia. The complete technical report respecting the 2009 updated mineral reserve and mineral resource estimates (entitled "Varvarinskoye Cu/Au Open Pit Mine, Mine Planning Study" and dated 30 January 2009) can be viewed on [www.sedar.com](http://www.sedar.com).

### Mining Operations

The 2009 updated Varvarinskoye mine plan envisages the extraction of 252.3Mt of both ore (34.04Mt) and waste (218.27Mt) resulting in a waste to ore stripping ratio of 6.4:1. The mine is being developed to deliver an average of 4.2Mt of ore per year to the processing facility over an 8 year life of mine ("LOM") remaining. The schedule is based on achieving up to 1.3Mtpa of float ore and 3.4Mtpa of CIP ore. Material movement will increase due to the increased strip ratio now being implemented subsequent to the revised and updated mineral reserve and mineral resource estimate. To ensure undisrupted ore delivery, total material movement will have to increase from 26Mtpa to an average of 35.5Mtpa over a five year period (2011 to 2015). At these mining rates, mining is expected to be completed by 2016, with a minor amount of Float ore processed from stockpiles in 2017.

Over the LOM, seven open pits will be developed with the bulk of the ore (58%) mined from the Central pit. From pre-production years through production year five, the primary region of active mining will be the Central pit.

Mining is conducted using conventional open pit truck/excavator technology to mine five metre high benches in both ore and waste. Additional mining capacity is expected due to the increased strip ratio now being implemented. Primary mining and support equipment comprise 14 haul trucks (91t capacity), two excavators (13.7m<sup>3</sup> capacity), one excavator (6m<sup>3</sup> capacity), three drill rigs (165mm hole diameter), four dozers, two graders, one bore hole de-watering drill rig, one water truck and 6 lighting masts. The delivery of four new Caterpillar 777 haul trucks during the 4<sup>th</sup> quarter 2008 was instrumental in increasing Varvarinskoye's capacity from 1.3Mt/month to the targeted 2.0Mt/month, an increase of approximately 44%. An additional two Atlas Copco DM30 drill rigs have been ordered for delivery by mid-2009.

## 2008 Production

During 2008, the plant processed a total of 2,326,003 tonnes of ore. The plant was under construction during 2007, hence no production occurred.

A total of 416,175 grams (13,380 troy oz) of gold was produced during the fourth quarter compared to 375,022 grams (12,059 troy oz) in the third quarter. Gold grade of feed to the flotation circuit was 1.09g/t compared to 1.11g/t in the third quarter. Copper production during the fourth quarter was 1,962 tonnes compared to 1,106 tonnes in the third quarter. Copper feed grade to the flotation circuit was 0.84% during the quarter compared to 0.72% in the third quarter. Gold feed grade to the leach circuit was 0.83g/t in the quarter compared to 0.61 in the third quarter.

**Table 4: Varvarinskoye 2008 Production**

Varvarinskoye Production	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total 2008
	Actual	Actual	Actual	Actual	Actual
<b>Mining</b>					
Total mined tonnes	2,738,400	2,319,200	3,930,900	4,281,200	13,269,700
<b>Processing</b>					
<b>Flotation</b>					
Processed tonnes	62,698	184,948	187,603	295,663	730,933
Grade Cu %	0.46	0.99	0.72	0.84	0.82
Grade Au g/t	0.66	1.64	1.11	1.09	1.20
Recovery Cu to concentrate %	57.6%	68.9%	82.0%	79.3	75.7
Recovery Au to concentrate %	49.9%	51.3%	59.0%	49.5	52.5
<b>Leach</b>					
Processed tonnes	173,308	449,537	581,060	391,164	1,595,070
Grade Au g/t	0.79	0.60	0.61	0.83	0.68
Recovery Au (onto carbon) %	68.6	66.3	69.5	74.3	70.0
<b>Metal Produced</b>					
Concentrate tonnes	1,105	6,497	6,036	10,334	23,972
Cu recovered to concentrate tonnes	166	1259	1,106	1,962	4,494
Total gold produced grams	122,979	349,522	375,022	416,175	1,263,697

In November and December 2008, the grinding circuits were switched to maximise copper-gold concentrate production in light of metals prices during those months. Copper-gold ore was fed through the large grinding circuit whereas gold leach ore was fed through the small grinding circuit. Gold grade to the leach circuit was maximised by reducing the amount of lower-grade leach ore. Throughout 2008, the average ore hardness varied as mining operations encountered areas of either fresh un-weathered ore or softer near-surface ore. The ore hardness during the second half of 2008 was significantly higher than the first half of 2008 as production came primarily from un-weathered ore.

## Low Cost Project Upgrade

The Company intends to expand the Varvarinskoye processing plant during 2009 with the addition of a secondary low cost screening and crushing plant which is expected to significantly increase throughput in the leach and flotation grinding circuits. Orway Mineral Consultants Pty Ltd (Australia) ("Orway") is working with Varvarinskoye engineers in making improvements to the grinding circuits. With the assistance of Orway, Orsu has determined that both grinding circuits are highly dependent on the size distribution of feed ore. Ore originating from the mine lacks in fineness over the middle fraction and the intention is to screen the coarse ore from the jaw-crusher into three sizes and further crush the middle fraction of the screened product.

The additional crushing of the feed to the leach grinding circuit could increase throughput to 3.6 million tonnes per annum ("mtpa") or 120% of design capacity. This would represent a 30% increase over what the grinding circuit is currently achieving.

Throughput of the flotation grinding circuit could be increased to 1.3mtpa, or 108% of design capacity. This would represent a 50% increase over what the flotation grinding circuit is currently achieving. Overall capacity of the mill is expected to increase to 4.9mtpa or an increase of 17% over original design capacity. The cost of the proposed upgrade will total approximately \$5 million and is expected to be completed during Q2 2009.



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During LOM planning in December 2008, the total throughput in the LOM was kept to 4.7mtpa with the flotation and leach circuits at 1.3mtpa and 3.4mtpa respectively in order to better match the production from the mine without significant additional capital costs.

This low cost project upgrade is expected to significantly increase throughput of the grinding circuits and in one step solves the current flotation grinding-circuit problems, providing the Company with a mill expansion. The Company does not anticipate having to significantly change the leach or flotation circuits post-grinding to accommodate the increased throughput and the mine is expected to meet production based on the sustaining capital costs already built into the LOM model. An initial scoping study outlined two options for mill expansion; installation of an additional grinding circuit or modification of existing circuits to achieve capacities of 6mtpa and 5mtpa respectively. Management feels this second option provides an optimum increase.

#### **ORSU'S COPPER-GOLD EXPLORATION LICENCES IN KYRGYZSTAN & KAZAKHSTAN**

The Company is also exploring and developing several advanced stage gold and copper deposits in the Tien Shan metallogenic belt in Kyrgyzstan and the Rudny Altai metallogenic belt in Kazakhstan. The Tien Shan gold belt is host to some of the world's largest copper-gold porphyries. These exploration projects are held by Orsu through its wholly-owned subsidiary, Lero.

#### **TALAS EXPLORATION LICENCES, KYRGYZSTAN**

The Talas exploration area comprises the core assets of the Company in Kyrgyzstan including the Taldybulak, Kentash, Barkol and Korgontash licences. The primary exploration property is the Taldybulak-Talas copper-gold porphyry licence.

**Table 5**

<b>Licence Areas</b>	<b>Area (km<sup>2</sup>)</b>	<b>Date Granted</b>	<b>Expiry Date</b>
Barkol	223	16 March 2007	31 December 2010
Taldybulak	42	14 February 2005	31 December 2010
Kentash	46	14 February 2005	31 December 2009
Korgontash	66	30 March 2005	31 December 2009

For avoidance of confusion;

1. The Taldybulak copper-gold porphyry prospect within the Taldybulak exploration licence area is a separate asset from the Taldybulak Levoberezhny gold deposit previously owned by Central Asia Gold Limited, and
2. The Talas Copper Gold Limited Liability Company, holder of the Taldybulak licence, is a separate company from Talas Gold Mining Company, which was the owner of the Jerooy Gold Project.

#### **Licence Locations**

The Talas exploration area is located in the Western Kyrgyz Range on the north slope of the Talas Valley, in the Talas Oblast, north western Kyrgyzstan at elevations of 1,800-3,000m. Orsu's Taldybulak and Tokhtonnisai projects are located within this area. The region includes deposits such as Andash, Aktash, Jerooy, Taldybulak Levoberezhny and Centerra's world class Kumtor deposit. Lero's Talas projects are accessible year round via the Bishkek-Talas road (270km from Bishkek). A rail head is located 140km by road from the deposit and a 500kV power grid passes within 10km of the deposit.

The Taldybulak prospect is the main focus of exploration activity within the Taldybulak licence that covers an area of 43km<sup>2</sup>. The Kentash licence is situated immediately east of Taldybulak and covers an area of 42km<sup>2</sup>. The Korgontash licence which covers an area of 66km<sup>2</sup> is located approximately 25km east of Taldybulak. The Barkol licence is the westernmost licence, located immediately west of Taldybulak and covers an area of 223km<sup>2</sup>.

#### **Gold Fields Exploration Partnership**

On 3 December 2008 Orsu announced the signing of a joint venture agreement (the "JV agreement") with Gold Fields for the further exploration and development of the Talas licence area, north west Kyrgyzstan.

Gold Fields has become the project operator and Gold Fields has reimbursed Orsu for all exploration expenditures incurred since March 2008 (approximately \$3.5 million), as part of the agreed program and budget.



Under the JV agreement Gold Fields has the right to:

- During Phase One: Earn up to a 60% interest in the joint venture company which is the indirect owner of the Taldybulak, Barkol, Kentash and Korgontash properties in the Talas region by funding exploration expenditures of CAD\$10 million;
- During Phase Two: Increase its effective interest in the project by a further 10% (to a total of 70%) by funding the lesser of (i) exploration expenditures of up to a further CAD\$10 million, or (ii) exploration expenditures required to complete a feasibility study, pursuant to approved programmes and budgets; and
- After Phase Two: act as lead arranger to obtain any further project financing for the project development, for which Gold Fields will receive a 1.5% arrangement fee. Gold Fields and Orsu will otherwise contribute to the project requirements on a pro-rata basis through to project development.

Phase One will conclude no later than 13 August 2010. During Phase One, the funding will be focused on exploration work in all Talas licence areas with an emphasis on further defining known mineralised systems and their strike extensions. In addition, a scoping study for the Taldybulak-Talas deposit in the Taldybulak licence is due to be completed during 2009. Phase Two will continue for an additional period of up to three years after completion of Phase One and will include the provision to include additional mineral resources in the case of further exploration success in the Talas project area.

Prior to signing the JV Agreement (and prior to the Company's acquisition of Lero), Gold Fields participated in three private placement financings with Lero, contributing a total of CAD\$7,733,420 to Lero. Gold Fields currently holds a total of 11,349,195 common shares of Orsu, or 2.5% of the total issued common shares of Orsu.

## TALDYBULAK, KYRGYZSTAN

### Project History

In September 2006, Lero acquired 100% of the Taldybulak licence which hosts the Taldybulak copper-gold porphyry. Taldybulak was discovered during 1976 from a regional geochemical survey and a subsequent trenching programme over gold-copper-silver-molybdenum anomalies outlined an elliptical gold-copper mineralisation zone with dimensions of 1,200m by 700m. The anomalies were tested at depth where 10 of the drill holes intersected gold-copper mineralisation. Two of the drill holes terminated in strong mineralisation at a depth of over 400m. Four additional holes were drilled to test additional targets, located 2km to 3km to the east of the prospect. No further work was conducted on the deposit until the late 1990's when a British company drilled 11 shallow reverse circulation holes near the centre of the deposit. The Taldybulak copper-gold porphyry is the most advanced project at present in Orsu's exploration portfolio.

### 2008 Taldybulak-Talas Mineral Resource Estimate

Results from geological modelling and mineral resource evaluation studies confirm the potential for a large open-pit copper-gold porphyry target at Taldybulak Central. These results provide Orsu with a solid foundation from which to calculate a National Instrument 43-101 mineral resource estimate for Taldybulak Central and to further expand and advance exploration activities during 2009.

The mineral resource estimate (Table 6) has been calculated at various gold cut-off grades and incorporates all drilling data obtained for the Taldybulak-Talas copper-gold project by the end of the 1<sup>st</sup> quarter 2008. At a 0.30g/t gold cut-off, the Indicated mineral resource is 79Mt @ 0.63g/t Au and 0.17% Cu with the Inferred mineral resources totalling 163Mt @ 0.58g/t Au and 0.14% Cu.

**Table 6: Taldybulak-Talas Copper-Gold Project, Mineral Resource Estimate**

Cut-off Au g/t	Indicated				
	Mt	Au g/t	Au Moz	Cu %	Cu Mlb
0.20	107	0.53	1.83	0.17	388
0.30	79	0.63	1.61	0.17	301
0.40	61	0.72	1.40	0.18	238
0.50	45	0.81	1.18	0.18	181

Cut-off Au g/t	Inferred				
	Mt	Au g/t	Au Moz	Cu %	Cu Mlb
0.20	286	0.43	3.99	0.14	876
0.30	163	0.58	3.03	0.14	492
0.40	115	0.68	2.50	0.13	336
0.50	87	0.75	2.10	0.13	247



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The mineral resource estimates at Taldybulak were prepared by Julian Woodcock (Chief Geologist, Orsu) and under the supervision of Matthew Boyes (Mineral Resources Manager, Orsu), a 'qualified person' (as defined by National Instrument 43-101). These results were also reviewed and approved by Wardell Armstrong International ("WAI"). However, WAI has relied upon the data presented by Lero in formulating its opinion. WAI's complete technical report respecting the mineral resource estimates at Taldybulak (entitled "Technical Report on the Exploration Licences Held by Lero Gold Corporation In Kyrgyzstan & Kazakhstan, Central Asia" and dated May 2008) can be viewed on [www.sedar.com](http://www.sedar.com).

### 2008 / 2009 Drilling Programme

Orsu recommenced exploration activities in May 2008. Exploration activities were designed to satisfy the expenditure commitments as required to maintain the licences in good standing.

A 2008/2009 drilling programme was completed to better delineate the extent and geometry at Taldybulak Central and assess the additional tonnage potential through the testing of peripheral targets along strike to the east, north west and south of the central high grade core. An overall exploration expenditure of CAD\$7.8 million is budgeted for the Talas Project in 2009, all of which will be covered by Gold Fields.

2008 saw Orsu finalise local drilling contracts which enabled, as of 6 April 2009, for the completion of approximately 10,890m drilling, representing 64% of the planned 17,000m.

As at 30 November 2008 and prior to entering into the JV Agreement with Gold Fields, the Company completed a planned programme of 6,334m (part of 9,080 m) of infill diamond drilling at the Taldybulak-Talas copper-gold porphyry project, covering a continuous combined zone of significant copper-gold mineralisation hosted in a quartz dacite porphyry with dimensions of 1,000m (strike) by 350m (width) and over 650m (depth, proven by drilling). The infill diamond-drilling programme at Taldybulak was prepared by Andy Wurst (Principal Geologist, Gold Fields) a 'qualified person' (as defined by National Instrument 43-101).

New, more densely spaced drilling results from the Taldybulak Central area reveal the presence of two mineralised porphyries at Taldybulak Central East and Taldybulak Central West. These porphyries are separated by the less well-mineralised, later-stage magmatic breccias at Taldybulak Central, containing on average a gold content of between 0.3 to 0.5 g/t Au.

**Table 7: Proposed 2008-2009 Drilling Within the Talas Exploration Licences**

Licence Area	Purpose	Target	Proposed Metres
Taldybulak	Drill out	Taldybulak Central	7,000m
	Exploration	Taldybulak west extension & Taldybulak Central deeps	2,000m
	Exploration	Taldybulak East	2,000m
Barkol	Exploration	Taldybulak West IP Anomaly	3,000m
Kentash	Exploration	Taldybulak East extension in to Mag & IP Anomaly	800m
	Exploration	Lower Kentash (Dzhangiturmish SE extension) SW Soils & IP Anomaly	1,000m
	Exploration	Kokkiya	400m
Korgontash	Exploration	Tokhtonnisai	800m
<b>TOTAL</b>			<b>17,000m</b>

WAI has been commissioned to conduct a locked cycle test work on sulphide and transitional ores and bottle roll leach tests on oxide ores of Taldybulak. The test work on sulphide and transitional ores has returned positive preliminary results with recoveries from sulphide ores reaching 89-90% of both Au (head grade 0.6g/t) and Cu (head grade 0.18%).

Two main mineral material types were tested: primary sulphide and transitional. The primary sulphide responded very well to the flotation test, including locked cycle test. The primary sulphide sample was made up of core obtained from three separate drill holes in the Eastern, Central, and Western parts of Taldybulak with a final head grade of 0.17% Cu, 0.01% Mo, and 1.02 g/t Au. It was demonstrated that a concentrate grading 18.31% Cu, 0.27% Mo, 83.8 g/t Au and 92.64 g/t Ag can be produced with 70% to 90% recovery for Au and Cu. The transitional ore grading 0.28% Cu, 0.005% Mo, and 0.25 g/t Au reported poorer results to the floatation test, as expected. However, a concentrate grading 18.17% Cu, 0.16% Mo, and 28.12 g/t Au at recoveries of 50% to 80% was achieved. No penalty elements such as Cadmium or Arsenic were reported to be contained in the concentrate.



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The Company is continuing test work on the oxide material from the system, which will involve bottle-roll acid leach test work.

### **Exploration Licences within the Talas Exploration Area BARKOL, KYRGYZSTAN**

#### **Licence Information**

In March 2007, the 223km<sup>2</sup> Barkol exploration licence was granted to the Company. Located immediately to the west of the Taldybulak licence, it was acquired at no cost to the Company. The Barkol licence contains numerous occurrences of known mineralisation, with one small copper-gold-molybdenum deposit occurring within a 2km<sup>2</sup> excision from the Chonur licence. Orsu has undertaken an estimated annual expenditure commitment on the Barkol licence of \$200,000.

#### **2008 / 2009 Drilling Programme**

The Company expects to undertake some limited drill testing and further geophysical investigations on the licence area. Significant thicknesses of Devonian volcanics overly the north eastern section and possibly overly the continuation of the already known Taldybulak mineralisation.

During 2007, Lero completed soil geochemical sampling over areas of historically mapped alteration. This returned some anomalous results for gold, copper and other base metals. These areas were also covered by widely-spaced induced polarisation ("IP") geophysical survey, which returned some chargeability anomalism in the areas west of Chonur exclusion licence and in the central western part of the Barkol licence. These anomalisms will be followed up during 2009.

A total of 49.2 line km of DD-IP geophysics was completed on the Barkol licence during the third quarter 2007. Approximately half of this volume was used to identify Ordovician copper-gold mineralisation masked by Devonian volcanics in the east of the licence with the remainder conducted over the Barkol and Chonur prospects in western section of the licence.

All results from the geochemical programme completed in the fourth quarter 2007 have been received and outlined several anomalies, which were investigated during the fourth quarter 2008. An orientation Mobile Metal ions geochemical sampling programme, aiming to identify concealed targets, was completed in June 2008. Results showed some weak to moderate anomalism over previously mapped alteration and along some fault zones in the overlapping Devonian volcanic rocks.

Core drilling is planned for 2009.

### **Exploration Licences within the Talas Exploration Area KORGONTASH, KYRGYZSTAN**

#### **Licence Information**

The 66km<sup>2</sup> Korgontash licence area hosts the Tokhtonnisai copper-gold skarn project, Talas Oblast, north-west Kyrgyzstan. The Korgontash licence is located in the easternmost part of the copper-gold metallogenic trend on the southern slope of the Kyrgyz ridge. In the central part of the licence is the 2km<sup>2</sup> exclusion zone covered by Aktash licence, controlled by Turan Metals Ltd, a Kyrgyz-Kazakh joint-venture company.

A trenching programme was completed in 2006 with the objective of validating the width and grade of a copper-gold anomaly outlined at the Tokhtonnisai project during the Soviet era. A total of 10 trenches twinning Soviet era trenches were sampled. Some very encouraging results were obtained from the trenching programme. During June 2006, four lines of DD-IP geophysics were completed across the prospect. Drilling in 2006 failed to adequately test the targets as it appears that the mineralisation dips at a shallower angle than had been interpreted, however, broad widths of low grade mineralisation were intersected in hole TTDD-01.

**Table 8: Significant Tokhtonnisai historic results**

ID	Type	From (m)	To (m)	Length (m)	Au (g/t)	Cu (%)
TTTR-30	Trench	8	34	26	0.63	0.97
TTTR-31	Trench	4	20	16	3.08	1.55
<i>including</i>		16	17	1	18.2	4.69
TTTR-31	Trench	35	39	4	1.82	3.34
TTTR-32	Trench	1	6	5	1.06	1.35
TTTR-32	Trench	29	31	2	0.98	0.78
TTTR-32	Trench	38	43	5	0.07	1.08
TTTR-36	Trench	0	21	21	3.80	1.49
<i>including</i>		9	12	3	18.66	0.52
TTTR-37	Trench	8	18	10	0.28	0.67
TTTR-37	Trench	22	24	2	0.44	0.93
TTTR-37	Trench	59	68	9	0.52	0.75
TTTR-37	Trench	87	89	2	0.98	1.86
TTTR-38	Trench	101	125	24	0.39	0.43
TTTR-39	Trench	4	31	27	0.84	1.46
TTTR-39	Trench	53	84	31	0.24	1.07
TTDD-01	Drill hole	1.0	49.5	48.5	0.53	0.75
TTDD-02	Drill hole	114.5	121.5	7.0	1.14	1.65

In 2007, the area north of the contact with granitoid batholiths was covered with a widely spaced soil geochemical survey. This survey revealed gold and copper anomalism east of Tokhtonnisai and west of the Aktash exclusion licence. Due to late completion of the survey in November 2007 these targets were not followed up, but they were thoroughly assessed in 2008.

In 2007, Lero drilled three additional diamond drill holes at the Tokhtonnisai prospect, which returned some good intercepts, generally in line with the previous Soviet data.

**Table 9: Significant Tokhtonnisai drill results in 2007**

ID	Type	From (m)	To (m)	Length (m)	Au (g/t)	Cu (%)
TTDD07-03	Drill hole	158.8	196.6	38	0.57	1.2

In the third quarter 2008, a 15km<sup>2</sup> ground magnetic survey over the north west extents of the Korgontash licence was completed. The presence of magnetic highs to the west of the Aktash exclusion zone indicates potential for additional skarn type mineralisation as well as a potential deeper seated magnetic intrusive. Follow up work with additional IP lines mainly focused on the area west of the Aktash exclusion zone is planned.

### Exploration Licences within the Talas Exploration Area KENTASH, KYRGYZSTAN

Limited work has been performed on the Kentash licence to date however stream sediment geochemistry completed during 2006 returned high copper and gold values, indicating potential for further occurrences of mineralisation along the corridor linking Andash and Taldybulak.

In 2007, Lero completed a widely-spaced soil geochemical survey over the entire Kentash licence. This returned some gold, copper and molybdenum anomalism in three areas, in which exploration is continuing. In 2007, a widely-spaced IP survey revealed chargeability anomalies in the central part of the licence which will be further assessed in 2009.

During the third quarter 2008 three PD-IP lines totalling 9.55km were completed in the Kentash licence over the south west anomaly. At the end of the fourth quarter 2008 assays were received for Kentash soil sampling programme. A comprehensive review will be undertaken during 2009 to ascertain if any new geochemical targets have been identified.



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## TOKHTAZAN GROUP OF LICENCES, KYRGYZSTAN

### Licence Information

The Tokhtazan group of licences contains the Akdjol (4km<sup>2</sup>) and Tokhtazan (108km<sup>2</sup>) licences.

### 2008 / 2009 Exploration Works

In 2008, the works were focused on the Buldarek occurrence located 3.5km south south-west from the Tokhtazan prospect. The works included prospecting, trenching and geophysical exploration: 12.8km DD-IP, 41.45km magnetic survey and 43.3km gamma-ray spectrometry.

Within the Akdjol licence the Company performed 3,140m<sup>3</sup> of trenching and road cut sampling, with some 2,532 samples collected. At Akdjol, access road construction was conducted during the third quarter 2008.

Within the Tokhtazan licence, 1,540 cubic metres of trenching and road cutting were performed, with 640 samples collected. At Tokhtazan, access road construction was conducted during the third quarter 2008. A 642.5 m drilling programme was performed at Tokhtazan during 2008, with results expected during the second quarter 2009.

Table 10 below summarises the quantities of drilling completed in this exploration phase as of 31 January 2009.

**Table 10: Drilling Works Completed on the Tokhtazan Licences (as of 31<sup>st</sup> January 2009)**

BHID	Hole Depth	Samples*
TBDD08-01	153.40	177
TBDD0801B	37.40	24
TBDD08-03	25.55	16
TBDD08-07	150.80	124
TTR08-07	125.00	149
TTR08-08	125.00	149
<b>Total</b>	<b>617.5</b>	<b>639</b>

\*includes standards and blanks

Table 11 below summarises the quantities of trenching completed in this exploration phase.

**Table 11: Trenching Works Completed on the Tokhtazan and Akdjol Licenses (as of 31<sup>st</sup> January 2009)**

Licence	Project	No of Samples	M <sup>3</sup>	Length
Tokhtazan	Tokhtazan	265	955	394
Akdjol	Bulderek	2,265	3,740	2,158
<b>Total</b>		<b>2,530</b>	<b>4,695</b>	<b>2,552</b>

In total, 3,102 samples have been delivered to the laboratory for analysis. All core drilled has been sampled and all results received for diamond drilling. Results from RC samples have been received only for hole TTR08-07.

Core drill hole results returned 16.0m at 1.0g/t Au from 6.0m down hole for hole TDD08-01. RC hole TTR08-07 returned 18m @ 2.09 g/t Au (from 81 to 99 m) and 11m @ 1.03 g/t Au (from 114 to 125 m).

## KARCHIGA, KAZAKHSTAN

### Licence Information

The Karchiga copper-gold VMS is located in the extreme north east of the Republic of Kazakhstan, within 40km of the Chinese border. The deposit is situated within the north west striking, mid-Palaeozoic, Rudny Altai VMS terrain, the host of numerous world class VMS deposits, including the Leninogorsk (also known as Ridder-Sokolnoye), Zyryanovsk, and Maleevskoye deposits. The Rudny Altai is ranked in the top four VMS belts of the world.

The Karchiga deposit was originally exploited by ancient artisans and was re-discovered and explored by Soviet geologists during the 1940's and 50's. The Soviet era exploration included more than 100 cored drill holes and an exploration shaft into the ore body.

### 2008 Karchiga Mineral Resource Estimate

The mineral resource estimate incorporates 1,879m of confirmation diamond drilling completed in 2007, 86 historical Soviet diamond drill holes and a trenching programme totalling 10,330m. At a 0.50% copper cut-off, the Indicated mineral resource is 4.75Mt @ 2.46% Cu while the Inferred mineral resources total 2.81Mt @ 1.81% Cu.

**Table 12: Karchiga Copper Project, Mineral Resource estimate April 2008**

Cut-off (%) Cu	Indicated Sulphide			Inferred Oxide			Inferred Sulphide		
	Tonnes (Mt)	Cu (%)	Copper (Mlb)	Tonnes (Mt)	Cu (%)	Copper (Mlb)	Tonnes (Mt)	Cu (%)	Copper (Mlb)
0.3	5.10	2.32	261	0.86	1.30	26.9	2.21	1.77	86.5
0.5	4.75	2.46	258	0.71	1.49	26.3	2.10	1.85	86.3

Karchiga Central lodes contain 4.75Mt @ 2.46% Cu of the resource within sulphide (Indicated) and 0.71Mt @ 1.49% Cu within oxide (Inferred) material at a 0.50% Cu cut-off. The balance of the resource is contained within an Inferred sulphide resource at Karchiga North East. The North East lodes, which are blind to surface, are located some 200m across strike and lie 150m stratigraphically above the Karchiga Central mineralised zone.

The mineralisation is located within a series of stacked shallow-dipping massive and disseminated sulphide bodies, primarily consisting of chalcopyrite-pyrrhotite and pyrite mineralisation. The lodes have a strike of in excess of 1km and are intersected at depths reaching 200m. The majority of the high grade sulphide mineralisation is concentrated within 100m from surface. Indication of the presence of easterly-plunging higher grade copper shoots is evident from the modelling completed to date and follow-up drilling is planned to evaluate the down dip potential during the 2008 field season.

The mineral resource estimate at Karchiga was prepared by Matthew Boyes (Mineral Resources Manager, Orsu), a "qualified person" (as defined by National Instrument 43-101). The mineral resource estimation methodology was reviewed by WAI. Assays were conducted at the internationally certified Alex Stewart Lab in Bishkek, Kyrgyzstan. Orsu operates a stringent QA/QC policy that includes external certified standard samples and blanks in each individual batch sent for analysis. WAI's complete technical report respecting the mineral resource estimates at Karchiga (entitled "Technical Report on the Exploration Licences Held by Lero Gold Corporation In Kyrgyzstan & Kazakhstan, Central Asia" and dated May 2008) can be viewed on [www.sedar.com](http://www.sedar.com).

#### 2008 / 2009 Drilling Programme

Drilling works during the period focused on the Central and North East lodes of Karchiga. The primary scope of the 2008 / 2009 programme is designed to upgrade the previously reported mineral resource estimate at the Karchiga project to Measured and Indicated categories under National Instrument 43-101.

The total drilling programme consisted of 10,559m, of which 9,804m was drilled at Karchiga's Central and North East lodes, with an additional 785m to test new exploration targets. By the end of 2008, Orsu completed 8,000m of diamond drilling within the Central lode of Karchiga by the end of the third quarter 2008. Within the Central lode, data from 60 diamond drill holes has confirmed the continuity of the mineralised zone as delineated for the 2008 mineral resource. The new drilling works demonstrated that the total strike length of the North East lode is continuous for 2,768m, which was only partly included into the April 2008 mineral resource model.

Trenching work to sample the oxide mineralisation in the Central lode at Karchiga was completed in the fourth quarter 2008. Early results demonstrate that an oxidized zone was locally worked by ancient miners to a depth of 18 meters. Sampling of surface trenches has been completed with 571 rock chip samples sent for analysis to Alex Stewart's Karabalta lab (Kyrgyzstan), while geochemical samples were sent to Ultratrace laboratories Perth, Australia.

A soil geochemistry survey has been completed over the entire licence area on soils on 100x20m grid. Samples have been sent to the Ultratrace lab in Australia. An IP and resistivity survey was completed on 18 profiles, totalling 63.55km. A preliminary interpretation was received in the third quarter 2008 and was used for positioning the exploration drill holes in two anomalous zones, similar to Karchiga, where a non-outcropping area of mineralisation is being targeted.

The identification of these new targets is based on historical work plus recently acquired geochemical and IP geophysical data carried out by Orsu since obtaining the licence in 2006. The target areas lie approximately 5km east along strike from the Central zone with the area exhibiting very similar geological terrain and structural characteristics. The Company drilled some of the new anomalies in the fourth quarter 2008.

Metallurgical test work on Karchiga sulphide ores was also completed by the VNIITsvetMet Institute in Ust-Kamenogorsk with positive results suggesting that a 15.9% Cu concentrate can be produced from the Karchiga ores at 98% recovery. This result requires optimisation of concentrate grade versus recovery. For the purposes of a feasibility study, three 400kg metallurgical samples are due to be collected.

These samples will represent the three types of Karchiga ore (oxidized, primary disseminated and massive). The analysis of primary ores at Karchiga showed that 18% of ores are massive (1m average) and 82% of ores is disseminated (4.5 m average). It is also planned to study a variability of these ore types throughout the deposit. Metallurgical sampling was completed in the fourth quarter 2008 with results of metallurgical test-work due approximately in the second quarter 2009.



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In September 2008, Micon International Co Limited was contracted to carry out a preliminary assessment (scoping study) of the Karchiga massive sulphide copper project. The scoping study is targeted to provide a preliminary estimate of mineral resource/reserve conversion, an estimate of costs including capital costs, as well as preliminary appraisal of the environmental aspects of the project. As at the date of this press release, the scoping study report was pending.

**Qualified Person**

Mr Matthew Boyes, who is Mineral Resources Manager for Orsu, is the “qualified person” (as such term is defined in National Instrument 43-101) responsible for the technical information respecting Orsu’s projects included in this press release.

**Filing Of Annual Financial Statements, MD&A and Annual Information Form**

Orsu failed to complete and file the MD&A within the time required by Canadian National Instrument 51-102 Continuous Disclosure Obligations.

The delay was caused by the following factors:

- unprecedented market volatility which has required the Company to review the carrying value of its producing assets and mineral properties, and select and implement appropriate valuation methodologies;
- significant management time and effort dedicated to discussions with the Company’s Lenders in relation to restructuring of the payments due under the loan facility, including hedging payments due under the facility; and
- finalisation of the mineral property valuations and subsequent purchase price allocation following the Company’s acquisition of Lero on 19 June 2008.



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**Orsu Metals Corporation**  
**For The Years Ended 31 December 2008 (Unaudited) and 2007 Consolidated Balance Sheet**

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	2008 \$	2007 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,774	25,250
Inventory	21,461	18,738
Accounts receivable	507	-
Other assets	4,034	1,032
	<hr/>	<hr/>
	33,776	45,020
<b>Other assets</b>	19,688	-
<b>Inventory</b>	6,419	-
<b>Restricted cash</b>	142	127
<b>Contractor advances</b>	-	4,180
<b>Property, plant and equipment</b>	45,748	220,476
<b>Net investment in oil and gas residual interests</b>	884	1,364
	<hr/>	<hr/>
	106,657	271,167
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	24,440	14,140
Current portion of long-term debt	53,751	32,475
Current portion of derivative liabilities	24,221	19,185
	<hr/>	<hr/>
	102,412	65,800
<b>Long-term debt</b>	-	17,645
<b>Derivative liabilities</b>	92,773	121,436
<b>Future income tax</b>	6,877	6,705
<b>Asset retirement obligations</b>	13,357	11,388
	<hr/>	<hr/>
	215,419	222,974
<b>Shareholders' (Deficiency) Equity</b>		
<b>Share capital</b>	361,440	204,553
<b>Share purchase warrants</b>	48,650	46,629
<b>Share purchase options</b>	19,000	13,567
<b>Contributed surplus</b>	2,715	1,399
<b>Deficit</b>	(540,567)	(217,955)
	<hr/>	<hr/>
	(108,762)	48,193
	<hr/>	<hr/>
	106,657	271,167



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**Orsu Metals Corporation**  
**For The Years Ended 31 December 2008 (Unaudited) and 2007 Consolidated Statements Of Cash Flow**

	<b>2008</b>	<b>2007</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the year	(322,612)	(77,590)
Items not affecting cash		
Depreciation, amortization and deferred finance charges	16,520	-
Unrealized derivative (gains) losses	(23,627)	70,980
Stock-based compensation	3,095	2,913
Unrealized foreign exchange loss	(2,271)	(177)
Inventory write-downs	5,139	-
Future income tax recovery	(41,825)	(1,820)
Warrants issued to agents	311	-
Impairment of mineral properties	119,550	-
Impairment of Varvarinskoye assets	189,013	-
	<hr/>	<hr/>
	(56,707)	(5,694)
Change in non-cash working capital		
Increase in inventories	(15,117)	(18,738)
Decrease in contractor advances	4,180	-
Increase in accounts receivable and other assets	(5,443)	(476)
Increase in accounts payable and accrued liabilities	31,189	4,916
	<hr/>	<hr/>
	(41,898)	(19,992)
<b>Cash flows from investing activities</b>		
Expenditures on property, plant and equipment	(33,414)	(61,222)
Restricted cash	(15)	16,122
Net cash acquired on acquisition of Lero	34,051	-
Recovery of net investment in oil and gas residual interests	329	246
	<hr/>	<hr/>
	951	(44,854)
<b>Cash flows from financing activities</b>		
Common shares issued - net of issue costs	-	21,275
Proceeds from exercise of stock options	1,331	672
Proceeds from exercise of warrants	-	1,036
Proceeds from exercise of units	-	4,045
Proceeds from debt	5,000	-
Proceeds from long-term debt	-	46,367
Proceeds from Lero loan	25,000	-
Repayment of debt	(5,000)	-
Deferred financing costs	(2,860)	(2,853)
	<hr/>	<hr/>
	23,471	70,542
<b>(Decrease) increase in cash and cash equivalents</b>	<hr/>	<hr/>
	(17,476)	5,696
<b>Cash and cash equivalents - Beginning of year</b>	<hr/>	<hr/>
	25,250	19,554
<b>Cash and cash equivalents - End of year</b>	<hr/>	<hr/>
	7,774	25,250



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**Orsu Metals Corporation**  
**For The Years Ended 31 December 2008 (Unaudited), 2007 and 2006 Consolidated Statements Of**  
**Operations, Comprehensive Loss And Deficit**

Expressed in US \$'000 except where indicated	<b>2008</b> <b>\$000</b>	<b>2007</b> <b>\$000</b>	<b>2006</b> <b>\$000</b>
<b>Sales revenues</b>			
Gold	22,768	-	-
Copper	4,366	-	-
	<b>27,134</b>	-	-
<b>Cost of sales</b>			
Operating expenses	(35,412)	-	-
Selling and distribution costs	(3,515)	-	-
Depreciation, depletion and amortization	(12,234)	-	-
Accretion	(460)	-	-
	<b>(51,621)</b>	-	-
<b>Other (expenses) income</b>			
Impairment of mineral properties	(119,550)	-	-
Impairment of Varvarinskoye assets	(189,013)	-	-
Unrealised derivative gains/ (loss)	23,627	(70,980)	-
Realised derivative (losses)/gains	(20,512)	-	-
General and administrative	(16,591)	(7,310)	(3,371)
Termination costs	(3,880)	-	-
Exploration costs	(4,072)	(668)	(1,091)
Stock based compensation	(3,095)	(2,913)	(5,698)
Interest expense	(5,963)	-	-
Interest income	1,584	1,341	1,794
Foreign exchange (losses)/ gains	(2,485)	720	440
Write off of property, plant and equipment	-	-	(1,001)
Gain/(loss) on disposal of mineral properties	-	400	-
	<b>(339,950)</b>	<b>(79,410)</b>	<b>(8,927)</b>
<b>Net loss before income tax</b>	<b>(364,437)</b>	<b>(79,410)</b>	<b>(8,927)</b>
Recovery of income taxes	41,825	1,820	328
<b>Net loss and comprehensive loss for the period</b>	<b>(322,612)</b>	<b>(77,590)</b>	<b>(8,599)</b>
<b>Retained loss – Beginning of period</b>	<b>(217,955)</b>	<b>(70,724)</b>	<b>(62,125)</b>
Transitional Adjustment	-	(69,641)	-
<b>Retained loss - End of period</b>	<b>(540,567)</b>	<b>(217,955)</b>	<b>(70,724)</b>
<b>Loss per share per common share</b>	<b>\$(0.84)</b>	<b>\$(0.28)</b>	<b>\$(0.03)</b>
<b>Weighted average number of common shares (000's) – Basic &amp; diluted</b>	<b>385,820</b>	<b>281,732</b>	<b>259,837</b>



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**Orsu Metals Corporation**  
**Summary of The Quarterly Results For The Period Ended 31 December 2008 and 2007 (Unaudited)**

Expressed in US \$'000 except where indicated	December 31 2008 (unaudited)	September 30 2008 (unaudited)	June 30 2008 (unaudited)	March 31 2008 (unaudited)
<b>Sales revenues</b>				
Gold	10,813	11,955	-	-
Copper	809	3,557	-	-
	<b>11,600</b>	15,512	-	-
<b>Cost of Sales</b>				
Operating expenses	(14,809)	(20,603)	-	-
Selling and distribution costs	(1,300)	(2,215)	-	-
Depreciation, depletion and amortization	(7,674)	(4,560)	-	-
Accretion	(149)	(311)	-	-
	<b>(23,911)</b>	(27,689)	-	-
<b>Other (expenses) income</b>				
Impairment of mineral properties	(119,550)	-	-	-
Impairment of Varvarinskoye assets	(189,013)	-	-	-
Unrealized derivative gains/ (losses)	18,176	28,271	(567)	(22,265)
Realized derivative (losses)	-	(9,219)	(5,081)	(6,200)
General & administration	(6,033)	(4,885)	(4,170)	(1,503)
Termination costs	-	-	(3,880)	-
Exploration costs	(378)	(2,770)	(492)	(432)
Stock based compensation	(1,268)	(1,580)	(109)	(138)
Interest expense	(4,432)	(1,094)	818	(1,255)
Interest income	197	1,132	52	204
Foreign exchange (losses) / gains	(422)	(1,678)	541	(926)
Gain on disposal of mineral properties	-	-	-	-
<b>Net loss before income tax</b>	<b>(315,034)</b>	<b>(4,000)</b>	<b>(12,888)</b>	<b>(32,515)</b>
Recovery of income taxes	41,869	(3)	(41)	-
<b>Net loss for the period</b>	<b>(273,165)</b>	<b>(4,003)</b>	<b>(12,929)</b>	<b>(32,515)</b>
Basic and diluted loss per common share	\$(0.71)	\$(0.01)	\$(0.04)	\$(0.11)
Weighted average number of common shares ('000) – Basic and diluted	385,820	310,152	313,829	303,329
Total assets	106,657	440,109	464,374	264,579
Total long-term debt	53,751	52,974	52,289	51,700
Shareholders' equity	(108,762)	164,518	165,851	16,921



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**Orsu Metals Corporation**  
**Summary of The Quarterly Results For The Period Ended 31 December 2008 and 2007 (Unaudited)**

<b>Expressed in US \$000s' except where indicated</b>	December 31 2007 (unaudited)	September 30 2007 (unaudited) (as restated)	June 30 2007 (unaudited) (as restated)	March 31 2007 (unaudited) (as restated)
<b>Sales revenues</b>				
Gold				
Copper				
<b>Cost of Sales</b>				
Operating expenses				
Selling and distribution costs				
Depreciation, depletion and amortization				
Accretion				
<b>Other (expenses) income</b>				
Impairment of mineral properties	-	-	-	-
Impairment of Varvarinskoye assets	-	-	-	-
Unrealized derivative gains / (losses)	(32,523)	(34,779)	5,554	(9,232)
General & administration	(2,580)	(1,626)	(1,768)	(1,336)
Termination costs	-	-	-	-
Exploration costs	(315)	(74)	(69)	(210)
Stock based compensation	(52)	(417)	(2,232)	(212)
Interest expense	-	-	-	-
Interest income	218	429	463	231
Foreign exchange gains / (losses)	288	723	(201)	(90)
Gain on disposal of mineral properties	400	-	-	-
<b>Net gain/(loss) before income tax</b>	<b>(34,564)</b>	<b>(35,744)</b>	<b>1,747</b>	<b>(10,849)</b>
Recovery of income taxes	1,820	-	-	-
<b>Net gain/(loss) for the period</b>	<b>(32,744)</b>	<b>(35,744)</b>	<b>1,747</b>	<b>(10,849)</b>
Basic and diluted loss per common share	\$(0.12)	\$(0.13)	\$0.01	\$(0.04)
Weighted average number of common shares ('000) – Basic and diluted	281,732	279,674	279,672	279,254
Total assets	271,167	227,717	210,270	195,414
Total long-term debt	50,120	44,293	33,691	15,287
Shareholders' equity	48,193	58,136	89,333	83,592



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## **FORWARD-LOOKING INFORMATION**

This press release contains or refers to forward-looking information. All information, other than information regarding historical fact that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information includes, without limitation the Company's anticipated rates of production and extraction and revenue therefrom, including expected levels of operating profits and costs; the Company's planned implementation of a second low cost screener and crusher at Varvarinskoye and the resulting increase in throughput expected (including the anticipated levels of increase); the estimated costs associated with the proposed upgrade of the screener and crusher; management's expectations of increased grades of mined ore at Varvarinskoye during 2009; the estimated life of mine at Varvarinskoye; estimates relating to the proportion of total gold production the Varvarinskoye Hedge will represent during the term of the Hedging Facility and of current estimates of probable reserves; the Company's intended efforts with respect to avoiding disruptions to essential supplies at Varvarinskoye; the Company's expectations that an additional working capital facility will be granted by the Lenders as part of the refinancing; the expected volumes of ore that will be treated at the Varvarinskoye mine; expectations regarding additional mining capacity at Varvarinskoye; the Company's expectations with respect to its planned operations at Varvarinskoye and its other projects; the anticipated contributions of Gold Fields to the Taldybulak project and the development of the Taldybulak project into a world-class resource; the anticipated timing for completion of the Taldybulak-Talas and Karchiga scoping studies and expectations regarding the upgrading of the mineral resource categories of these properties to Measured and Indicated; the ability to collect samples at the Karchiga property and the timing of the results of the metallurgical test work completed in the fourth quarter of 2008;; completion of the follow-up work at Korgontash being planned; the expected timing of the commencement of investigations of the anomalies identified at Barkol and the Barkol core drilling programme; development and operational plans and objectives; the Company's intentions with respect to completing a comprehensive review and assessment of its Kentash property; the Company's expectation of financial support, increased mineral resources, future growth prospects and proposed drilling metres subsequent to the joint venture agreement Gold Fields, with respect to the Barkol, Kentash, Taldybulak and Korgontash licences; estimates relating to future income tax recoveries; the proposed work programs for the Company's exploration properties and their respective costs (including the Company's ability to contain its mining and exploration costs) and timing; the Company's expectations with respect to pursuing new opportunities and acquisitions in countries of the former Soviet Union; the Company's ability to enhance its technical and competitive advantages; the Company's plans with respect to the change to IFRS, including the Company's expected timing for implementing same and the anticipated impact IFRS will have on the Company's accounting policies, information technology and data systems, internal control over financial reporting, disclosure controls and procedures, and business activities such as foreign currency, certain contractual arrangements, debt covenants and compensation arrangements; the Company's plans for adopting and/or implementing changes to accounting policies and the impact on the Company's consolidated financial statements; estimated amounts of additional working capital required; estimates and assumptions affecting reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the Company's intention to continue attempts to reach a satisfactory arrangement with the Lenders

The forward-looking information in this press release reflects the current expectations, assumptions or beliefs of the Company based on information currently available to the Company. With respect to forward looking information contained in this press release, the Company has made assumptions regarding, among other things, the Company's ability to generate sufficient cash flow from operations and capital markets to meet its future obligations, long-term metal prices and a WACC of 19% and the assumptions underlying the Company's calculation of WACC set out under "Asset Impairments"; the regulatory framework in Kazakhstan and Kyrgyzstan with respect to, among other things, permits, licences, authorisations, royalties, taxes and environmental matters, the ability of management to continue commercial mining operation at Varvarinskoye, and 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.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on, the Company.

Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; the nature of mineral exploration and mining (including the ability to obtain necessary licences); capital and operating costs varying significantly from estimates; inflation; changes in exchange and interest rates; fluctuations in commodity prices; production delays at Varvarinskoye caused by unavailability of equipment, labour or supplies, climatic conditions, delays in the delivery and installation of plant and equipment or otherwise; the Company's inability to restructure the loan repayments and hedging obligations due by the Company's wholly-owned subsidiary JSCV, under its loan and hedging facilities; the Lenders enforcing their security over the shares of JSCV; uncertainty of the outcome of any litigation; inability to delineate additional mineral resources or reserves; and other factors listed in this press release.



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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. 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.

Any mineral resource and mineral reserve figures referred to in this press release are estimates 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 resource and reserve estimates referred to in this press release are well established, by their nature resource and reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such 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.

Additional information about the risks and uncertainties of the Company's business is provided in its disclosure materials, including its Annual Information Form, available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**ENDS**

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