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**AIM: OSU**  
**TSX: OSU**  
**PRESS RELEASE**  
May 17, 2010

## **Orsu Metals Corporation**

### **Interim Results for the Period Ended March 31, 2010 (Unaudited)**

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Orsu Metals Corporation (“Orsu” or the “Company” or the “Group”), the dual listed (TSX: OSU; AIM: OSU) London-based precious and base metals exploration and development company today reports its unaudited results for the period ended March 31, 2010. All amounts are reported in United States Dollars unless otherwise indicated. Canadian Dollars are referred to herein as CAD\$.

#### **QUARTER HIGHLIGHTS**

- February 2010 – Gold Fields Limited, through its subsidiary Gold Fields Orogen Holding BVI Limited (“Gold Fields”), completed the “First Phase” of the Talas Project joint venture in the Kyrgyz Republic, pursuant to which Gold Fields earned a 60% interest in the Talas joint venture company, Kami Associates Limited (the “Talas Joint Venture Company”), the Company’s subsidiary and the 100% owner of Talas Copper Gold LLC (“TCG LLC”), the registered owner of the Talas Project, by funding exploration expenditures of CAD\$10 million. Gold Fields subsequently notified the Company that it would not exercise the “Second Phase Option” to increase its interest in the Talas Joint Venture Company from 60% to 70% through the funding of additional exploration expenditures. As a result, the “Earning Period” under the joint venture agreement dated December 3, 2008, as amended on August 14, 2009, between the Company, Gold Fields, Lero, TCG LLC and the Talas Joint Venture Company (the “JV Agreement”) was concluded and the Company retained a 40% interest in the Talas Joint Venture Company, subject to the terms and conditions of the JV Agreement.
- February 2010 – the Ontario Superior Court of Justice approved the settlement of the class action claim commenced against EMC and two of its officers in the Ontario Superior Court of Justice in June, 2008 (the “Class Action Claim”) for CAD\$2.2 million, to be shared equally between Orsu and its insurer. The settlement became effective on March 22, 2010 following the expiry of a 30-day appeal period with no appeals having been received by the Company. The Company and the other defendants retain the right to terminate the settlement agreement if too many class members opt out during the 60-day opt out period, which commenced on April 6, 2010. However, at this time, it is not expected that this right will need to be exercised. Under the terms of the settlement agreement, the Class Action Claim (including the predecessor of the Class Action Claim) will be dismissed.
- March 2010 – Orsu provided updated National Instrument 43-101 mineral resource estimates for the Karchiga Project and for its Taldybulak copper-gold-molybdenum porphyry deposit at the Talas Project.
- March 2010 - the Company filed a preliminary short form prospectus with the securities regulatory authorities in the provinces of British Columbia, Alberta, Manitoba and Ontario, Canada in connection with the proposed offering of units of securities of the Company to be led by Canaccord Financial Limited (now called Canaccord Genuity Corp. following a change of name on May 10, 2010) (“Canaccord”) to raise gross proceeds of up to CAD\$20 million.

#### **POST QUARTER HIGHLIGHTS**

- April 2010 – Orsu announced that the Akdjol and Tokhtazan licences, comprising the Tokhtazan Project, were extended by the Ministry of Natural Resources of the Kyrgyz Republic until December 31, 2012.
- April 2010 – Orsu filed a final short form prospectus and completed a public offering of units of securities (the “Units”), pursuant to which the Company sold 112,000,000 Units at a price of CAD\$0.25 per Unit (the “Offering Price”) for gross proceeds of CAD\$28,000,000 (the “Offering”). Each Unit consisted of one common share of the Company (a “Common Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”), with each Warrant being exercisable to acquire one Common Share at a price of CAD\$0.50 for a period of two years from the closing date of the Offering. Canaccord acted as sole manager and book runner for the Offering. The net proceeds of the Offering are expected to be used towards the maintenance of the Company’s interests in, and for the further exploration and the development of, the Company’s mineral properties in the Republic of Kazakhstan and the Kyrgyz Republic, to pursue future growth opportunities (which may include



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acquiring one or more additional assets), if and when such opportunities arise, and for general corporate and working capital purposes.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

A full Management's Discussion and Analysis of the results for the period ended March 31, 2010 ("MD&A") and Financial Statements ("Financials") 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.

### **RESULTS FOR THE QUARTERS ENDED MARCH 31, 2010 AND MARCH 31, 2009**

For the three months ended March 31, 2010 the Company incurred a loss from continuing operations of \$1.6 million, compared with a loss of \$3.0 million for the three months ended March 31, 2009.

The loss of \$1.6 million for the three months ended March 31, 2010 consisted of administrative costs of \$1.0 million (compared with \$1.6 million for the three months to March 31, 2009), exploration costs of \$0.4 million (compared with \$0.2 million for the three months to March 31, 2009), a stock-based compensation charge of \$0.1 million (compared with a charge of \$0.8 million for the three months to March 31, 2009) and net foreign exchange loss of \$0.1 million.

The \$0.6 million year-on-year decrease in the Company's administrative costs was due primarily to lower staff costs of \$0.2 million, as a result of reduced head office non-operational headcount and salaries, and a \$0.4 million reduction in legal and professional charges, reflecting legal, professional and other advisory fees incurred during the quarter ended March 31, 2009 in relation to the then ongoing re-financing negotiations for discontinued operations.

All legal and professional costs incurred by the Company during the three months ended March 31, 2010 in respect of the Offering, which was completed on April 16, 2010, will per CICA section 3610, be treated as share issue costs and shall be netted against the gross proceeds of the Offering. The net amount of the Offering shall be disclosed as a movement in the share capital of the Company in the Company's financial statements for the second quarter of 2010. The net proceeds of the Offering were CAD\$25.7 million after deducting the Agent's Fee (as defined below), and all legal and professional costs in respect of the Offering.

Exploration costs for the three months to March 31, 2010 of \$0.4 million were \$0.2 million higher than for the three months to March 31, 2009. The Company expensed its 40% pro rata share of the Talas Project joint venture operating losses incurred during the three months to March 31, 2010 of \$0.2 million. For the same period in 2009 the Talas Project joint venture had been fully funded by Gold Fields and, for this reason, had no impact on the results of the Company for that period.

The share based compensation charge of \$0.1 million was \$0.7 million lower than for the three months to March 31, 2009. The charge for the three months ended March 31, 2009 of \$0.8 million related to 0.2 million options that were unvested in the period compared to only 50,000 unvested options during the same period in 2010.

In respect of the Company's cash flows, the decrease in cash and cash equivalents for the three months to March 31, 2010 was \$1.3 million, compared with a decrease of \$2.9 million for the three months to March 31, 2009. The decrease in cash and cash equivalents for the three months to March 31, 2009 was higher due to higher head office salary costs, higher legal and professional costs incurred in respect of the Varvarinskoye Project and the absence of royalty income in respect of the Company's investment in the Tasbulat Oil Corporation.

### **FINANCIAL POSITION AS AT MARCH 31, 2010 AND DECEMBER 31, 2009**

As at March 31, 2010 the Company held net assets of \$23.3 million, compared with \$24.8 million as at December 31, 2009, representing a reduction of \$1.5 million during the first quarter of 2010.

The above-mentioned reduction in net assets of \$1.5 million during the quarter ended March 31, 2010 was primarily due to a reduction in cash and cash equivalents of \$1.3 million; this reduction in cash and cash equivalents reflected: (a) the Company's administrative costs, legal and professional costs and funding of its exploration projects totalling \$1.5 million and (b) oil royalty cash income of \$0.2 million received during the quarter in respect of the Company's remaining investment in Tasbulat Oil Corporation.

The Company's ongoing funding requirements are for its corporate overheads and the continuation of its mineral property and project licence obligations, including funding its 40% pro-rata share of the Talas Project exploration budget requirements.



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As at December 31, 2009 the Company held a 100% interest in the Talas Project and had included the carrying value of the Talas exploration property of \$13 million, within its "Exploration Properties" assets. As at March 31, 2010, the Company reclassified the carrying value of the Talas exploration property investment as part of its "Equity investment in the Talas Joint Venture" (see "Equity investment in the Talas Joint Venture" below).

#### **EQUITY INVESTMENT IN THE TALAS JOINT VENTURE**

As at December 31, 2009, the Company held a 100% interest in the Talas Joint Venture Company and as such had fully consolidated the results of the Talas Joint Venture Company in the Company's financial statements as at that date.

In February 2010, Gold Fields earned a 60% interest in the Talas Joint Venture Company and, in doing so, gained the ability to unilaterally control the operational, financial and investment decisions of the Talas Joint Venture Company. For this reason the Company's 40% interest in the Talas Joint Venture Company met the criteria of a "Variable Interest Entity", as defined by the Accounting Standards Board in Accounting Guideline 15, Consolidation of Variable Interest Entities, and has been accounted for under the equity method for the period ended March 31, 2010 (further information relating to this accounting treatment can be found under the heading "Equity Investment in the Talas Joint Venture" in the financial statements of the Company).

A summary of the carrying value of the Company's investment in the Talas Joint Venture as at March 31, 2010 is set out below:

|   |                    |
|---|--------------------|
|   | \$                 |
| Value of investment at beginning of period                                | 13,384             |
| Funding provided by the Company during the period                         | 338                |
| Less: Company's 40% share of Talas Joint Venture losses during the period | (214)              |
|   | <hr/> <hr/> 13,508 |

#### **LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2010 the Company's main source of liquidity was unrestricted cash of \$2.1 million, compared with \$3.4 million as at December 31, 2009.

The Company measures its consolidated working capital as comprising free cash, prepayments and other receivables, less accounts payable and accrued liabilities. As at March 31, 2010, the Company's consolidated working capital was \$1.4 million compared with a consolidated working capital of \$2.8 million as at December 31, 2009.

As a result of the completion by the Company of the Offering on April 16, 2010, pursuant to which gross proceeds of CAD\$28 million were raised, the Company's liquidity has been significantly improved. The net proceeds of the Offering were CAD\$25.7 million and are expected to be used towards the maintenance of the Company's interests in, and for the further exploration and the development of, the Company's mineral properties in the Republic of Kazakhstan and the Kyrgyz Republic, to pursue future growth opportunities (which may include acquiring one or more additional assets), if and when such opportunities arise, and for general corporate and working capital purposes.

The Company holds its available cash in short-term (less than 3 months) and medium-term (less than 6 months) interest-bearing bank deposit accounts in various currencies and manages such deposits in light of its forecast cash needs and available market interest rates. The majority of the Company's expenditures are in United States Dollars, Canadian Dollars, Kazakh Tenge, Kyrgyz Som and British Pounds Sterling. The Company's liquidity may, therefore, be adversely affected by, amongst other things, the ability of the Company to accurately forecast its operating cash needs in the other aforementioned currencies, the Company's ability to convert its cash funds from Canadian Dollars into the aforementioned currencies, as may be impacted by unfavourable movements in the Canadian Dollar exchange rate relative to the aforementioned currencies and the Company's ability to earn interest on its cash deposits. Further information regarding the Company's liquidity risk, currency risk and interest rate risk may be found in the Company's financial statements for the period ended March 31, 2010.

While the Company's present liquidity has improved since the end of Q1 2010, due to the completion by the Company of the Offering on April 16, 2010, the advancement, exploration and development of the Company's properties, including continuing exploration and development projects, and the construction of mining facilities and commencement of mining operations, if any, will require substantial additional financing in the future. To the extent that such funding is required in the future, the Company expects that it would try to raise such funding through equity financing if and when required. Whilst the Company has been



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successful in raising equity financing in the past, the Company's ability to raise additional equity financing may be affected by numerous factors beyond the Company's control, including, but not limited to, adverse market conditions and/or commodity price changes and economic downturn and those other factors that are listed under "Risks and Uncertainties" in the Company's MD&A.

## COMMITMENTS

The following table summarises the commitments of the Company as at March 31, 2010:

|                   | 2010  | 2011  | 2012  | 2013  | 2014 + | Total |
|-------------------|-------|-------|-------|-------|--------|-------|
|                   | \$000 | \$000 | \$000 | \$000 | \$000  | \$000 |
| Lease obligations | 352   | 352   | 352   | 352   | 1,056  | 2,464 |

The Company's lease obligations are for its London head office property rents payable under a lease agreement expiring in 2016. The rent is subject to a review in 2011 which may affect the future lease obligations from 2011 onwards. There have been no defaults in any of the Company's lease commitments.

## DISCONTINUED OPERATIONS

On October 30, 2009 the Company completed the sale of the Varvarinskoye Project to Polymetal. The Company has, in accordance with Canadian GAAP CICA 3475, reported the net loss of \$25.3 million incurred during the three months ended March 31, 2009 associated with the Varvarinskoye Project as discontinued operations.

Following the disposition of the Varvarinskoye Project, the Company's operations no longer include commercial production and the Company has focused its resources on the exploration of its exploration properties and projects in Kyrgyzstan and Kazakhstan, which include the Talas Project.

The key effects of the disposal of the Varvarinskoye Project on the Company's current operations can be summarized as follows:

- The Company is no longer subject to the operating profits and losses and cashflows arising from the extraction and processing of ores and the sale of gold and copper metal;
- The Company is no longer exposed to the risk of further impairment write offs relating to the Varvarinskoye assets;
- The Company is no longer exposed to the gains and losses arising from the mark to market revaluation of the derivative (gold forward sale) contracts;
- The Company and its remaining subsidiaries no longer have any outstanding long-term debt or hedging liabilities and obligations; and
- The Company's operations no longer include commercial production and the Company has focused its resources on its exploration properties and projects in Kyrgyzstan and Kazakhstan.

## TRANSACTIONS WITH RELATED PARTIES

Mr. Massimo Carello, a member of the board of directors of the Company, is also a director of Canaccord. In connection with providing its services as sole manager and book runner for the Offering, which closed on April 16, 2010, Canaccord received a fee equal to CAD\$1,680,000 (the "Agent's Fee"), being equal to 6% of the gross proceeds of the Offering, was reimbursed for expenses of the Offering related to legal and other professional service in the amount of CAD\$303,094 (the "Agent's Expenses"), and received 6,720,000 non-transferable broker warrants (each, a "Broker Warrant"), equal in number to 6% of the number of Units sold pursuant to the Offering (the Agent's Fee, Agent's Expenses and Broker Warrants, collectively, the "Canaccord Payment"). Each Broker Warrant entitles Canaccord to acquire one Common Share at the Offering Price for a period of two years following the closing date of the Offering. The Canaccord Payment was considered to be based on normal commercial terms.

## OPERATIONAL REVIEW

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

The Company is exploring several advanced stage gold and copper deposits in the Tien Shan metallogenic belt in Kyrgyzstan and the Rudny Altai metallogenic belt in Kazakhstan. These exploration projects are held by Orsu through its wholly-owned subsidiary, Lero, and its direct and indirect subsidiaries.

The Company shall use its current working capital resources, including the funds raised from the Offering, which was completed on April 16, 2010, in order to satisfy the Company's commitments in respect of its mineral exploration properties.

### TALAS EXPLORATION LICENCES, KYRGYZSTAN

The Talas Project is the Company's material property in Kyrgyzstan, and includes the Taldybulak, Kentash, Barkol and Korgontash licences. The Talas Project is located in the Tien Shan gold belt, host to some of the world's largest copper-gold porphyries.

**Table 1**

| Licence No | Name of Licence | Licence Holder | Area (km <sup>2</sup> ) | Date Granted | Expiry Date | Extension Granted until |
|------------|-----------------|----------------|-------------------------|--------------|-------------|-------------------------|
| АП-1005    | Barkol          | TCG LLC        | 209.5                   | 16/03/2007   | 31/12/2010  |                         |
| AP-24      | Taldybulak      | TCG LLC        | 42                      | 14/06/2005   | 31/12/2010  |                         |
| АП-23      | Kentash         | TCG LLC        | 46                      | 14/06/2005   | 31/12/2009  | 31/12/2012              |
| АП-61      | Korgontash      | TCG LLC        | 66                      | 02/09/2005   | 31/12/2009  | 31/12/2012              |

For avoidance of doubt;

1. The Taldybulak copper-gold-molybdenum porphyry deposit 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. TCG LLC, the registered owner of the Talas Project, is a separate company from Talas Gold Mining Company, which was the owner of the Jerooy Gold Project.
3. Of the Barkol licence area of 209.5 km<sup>2</sup>, 2 km<sup>2</sup> is covered by the Chonur licence which is not controlled by TCG LLC.

### 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. The region includes deposits such as Andash, Aktash, Jerooy, Taldybulak Levoberezhny and Centerra's world class Kumtor deposit. The Talas Project is accessible year round via the Bishkek-Talas road (270km from Bishkek). A rail head is located 140km by road from the deposit and several 10 to 500kV power grid lines pass within 10km of the deposit.

The Taldybulak deposit is the main focus of exploration activity within the Taldybulak licence that covers an area of 42km<sup>2</sup>. The Kentash licence is situated immediately east of Taldybulak and covers an area of 46km<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 209.5km<sup>2</sup>.

### Gold Fields Exploration Partnership

Pursuant to the JV Agreement, Gold Fields is the project operator for the Talas Project. Under the JV Agreement, following the completion of a bankable feasibility study relating to the Talas Project and if the board of directors of the Talas Joint Venture Company so determines, Gold Fields is to act as the lead arranger to obtain any further project financing for development and mining operations, 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.

In February 2010, Gold Fields earned a 60% interest in the Talas Joint Venture Company, which is the 100% owner of TCG LLC, the registered owner of the Taldybulak, Barkol, Kentash and Korgontash properties in the Talas region of the Kyrgyz Republic.

Gold Fields has advised the Company that it intends to continue developing the Talas Project in accordance with the JV Agreement. Under the terms of the JV Agreement, both parties are required to fund on a pro-rata basis further project expenditures required to continue exploration activities, complete a feasibility study and

complete the project development in accordance with programmes and budgets approved by Gold Fields. Dilution provisions apply under the terms of the JV Agreement if either party decides not to contribute to expenditures in accordance with its pro-rata share.

## EXPLORATION LICENCES WITHIN THE TALAS EXPLORATION AREA

### TALDYBULAK, KYRGYZSTAN

#### Project History

In September 2006, Lero acquired 100% of the Taldybulak licence which hosts the Taldybulak copper-gold porphyry deposit. Taldybulak was discovered in 1976 from a regional geochemical survey and a subsequent trenching programme over gold-copper-silver-molybdenum anomalies which 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 British Commonwealth Minerals drilled 11 shallow reverse circulation holes near the centre of the deposit.

The Taldybulak copper-gold porphyry deposit is currently the Company's most advanced project.

#### 2010 Mineral Resource Estimates

WAI was contracted by Orsu in early 2010 to review and audit an updated mineral resource estimate in relation to the Talas Project, from which WAI completed its own mineral resource estimate. A National Instrument 43-101 mineral resource estimate for the Taldybulak-Talas licence area of the Talas Project was reported during March 2010 (Table 2) in the report titled "Updated Technical Report on the Taldybulak property held by Orsu Metals Corporation, Kyrgyzstan", dated March 22, 2010 and prepared by J C Osmond and M L Owen, a copy of which has been filed and is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Indicated Resources reported at 0.3 g/t Au Cut-off are **141Mt @ 0.66 g/t Au, 0.17% Cu and 0.01% Mo** and Inferred Resources reported at 0.3 g/t Au Cut-off are **153Mt @ 0.66 g/t Au, 0.15% Cu and 0.012% Mo**

**Table 2: Taldybulak-Talas Project, Mineral Resource Estimate (WAI) March 22, 2010**

| WAI Indicated Resources across all domains (WAI March 22, 2010) |             |          |                    |        |                    |          |                    |  |
|---|-------------|----------|--------------------|--------|--------------------|----------|--------------------|--|
| Cut Off (Au g/t)  | Tonnes (Mt) | Au (g/t) | Contained Au (Moz) | Cu (%) | Contained Cu (Mlb) | Mo (ppm) | Contained Mo (Mlb) |  |
| 0.0   | 446         | 0.31     | 4.45               | 0.15   | 1474               | 81       | 80                 |  |
| 0.3   | 141         | 0.66     | 2.99               | 0.17   | 527                | 96       | 30                 |  |

| WAI Inferred Resources across all domains (WAI March 22, 2010) |             |          |                    |        |                    |          |                    |  |
|--|-------------|----------|--------------------|--------|--------------------|----------|--------------------|--|
| Cut Off (Au g/t)   | Tonnes (Mt) | Au (g/t) | Contained Au (Moz) | Cu (%) | Contained Cu (Mlb) | Mo (ppm) | Contained Mo (Mlb) |  |
| 0.0  | 384         | 0.35     | 4.32               | 0.13   | 1100               | 99       | 84                 |  |
| 0.3  | 153         | 0.66     | 3.24               | 0.15   | 506                | 120      | 40                 |  |

*\*All inferred mineral resources are reported exclusive of indicated mineral resources. Mineral resources are shown at a 0.0 g/t Au cut-off for comparison purposes only, Orsu does not expect the mineral resources to be economically extractable at this cut-off grade. Mineral resources are shown at a 0.3 g/t Au as this is a possible economic cut-off grade for this deposit; although, economic and mining studies are required to determine the actual cut-off grade. Mineral resources are reported without mining constraints other than the cut-off grade, no pit shell, mine design, or minimum mining width, which have been used to restrict the reported mineral resources.*

The audit, review and classification of the updated Indicated and Inferred mineral resource estimates were carried out under the supervision J C Osmond, BSc, MSc (MCSM), ProfGradIMMM, CGeol, FGS, EurGeol, Principal Geologist with WAI and M L Owen, BSc, MSc, MCSM, CGeol, EurGeol, FGS, Technical Director of WAI, each a qualified person as such term is defined in National Instrument 43-101. J C Osmond and M L Owen are responsible for the preparation of the report titled "Updated Technical Report on the Taldybulak



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Property held by Orsu Metals Corporation, Kyrgyzstan" dated March 22, 2010. J C Osmond and M L Owen are employees of WAI.

Gold and copper estimates are based upon an ordinary kriged 20m east by 20m north by 10m elevation block model which has been constrained by geological and grade threshold wireframes created in section from interpretation of all available drillhole and channel sampling data. A total of 36,988m of diamond drilling, 1,326m of reverse circulation drilling and 12,615m of surface trenching data was used when constructing geological and grade boundaries. Subsequently the surface trenching and reverse circulation drilling results were not utilised for the grade interpolation process. WAI verified the location of all drill holes with respect to wireframe models and surface topography. The drill hole data was audited with checks carried out for duplicate results, errors in sample position downhole, hole surveys and collar positions with respect to topography. Variography and geostatistical modelling was completed to quantify the spatial variability for copper and gold within the mineralised area.

The results of this latest mineral resource estimation represent an increase to the previously reported mineral resource estimate from May 2008, at 0.30g/t Au cut-off, in terms of contained gold ounces for the Indicated category of 1.38 Moz or an 86% increase, and in terms of contained copper the increase was 226Mlb or 57%.

#### **Exploration Update**

Orsu and Gold Fields have finalised an exploration programme and budget for the Talas Project for 2010. Total expenditure for the year is estimated at \$2.5million, of which Orsu's 40% pro rata share is approximately \$979,000, as per the terms of the JV Agreement. The bulk of the expenditure has been earmarked for infill drilling in the western area of the Taldybulak deposit with the 5,500m of HQ size diamond drilling designed. The objective of the proposed infill programme is to better delineate the known extents on the mineralisation and to gain a more detailed understanding of the spatial variability of the Au and Cu grades by closing the overall spacing of the drill holes down to 40m by 40m.

The budget also includes further metallurgical testwork and a detailed geotechnical study of the hanging wall and footwall rock material immediately adjacent to the deposit.

### **BARKOL, KYRGYZSTAN**

#### **Licence Information**

In March 2007, the 209.5km<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 vein deposit occurring within a 2km<sup>2</sup> excision (the Chonur licence). The estimated annual expenditure commitment on the Barkol licence for 2010 is \$200,000.

#### **Exploration Update**

The Company undertook some limited drill testing and further geophysical investigations on the licence area. Significant thicknesses of post-mineral Devonian volcanics overly the north eastern part of the license. Scout core drilling was performed in 2009 with no significant results received and the Company will not follow up exploration in these already tested areas.

### **KORGONTASH, KYRGYZSTAN**

#### **Licence Information**

The 66km<sup>2</sup> Korgontash licence area hosts the Tokhtonnisai copper-gold skarn prospect, 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 the Aktash licence, controlled by Turan Metals Ltd, a Kyrgyz-Kazakh joint-venture company.

#### **Exploration Update**

In 2009, TCG LLC drilled one hole at the Tokhtonnisai prospect to test the extent of Cu-Au mineralization to depth. Results have been received and considered not to be of material value as no intervals of potentially economically extractable grade material were intersected.

### **KENTASH, KYRGYZSTAN**

#### **Exploration Update**

Limited work has been performed on the Kentash licence to date. The works included soil and chip geochemical sampling and assessment of anomalies. As part of the regional programme, the Kentash license, as well as all other Talas licenses, was covered by the ground gravity survey.



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## **TOKHTAZAN GROUP OF LICENCES, KYRGYZSTAN**

### **Licence Information**

The Tokhtazan exploration licence area contains the Akdjol (108km<sup>2</sup>) and Tokhtazan (4km<sup>2</sup>) licences, both of which are held by Oriel in Kyrgyzstan LLC (“Oriel”), the Company’s indirect subsidiary. The licences and related agreements and land rights expired on December 31, 2009 and were extended for 2 months until February 20, 2010 to allow the Company to prepare a progress report. On February 19, 2010, Orsu filed progress reports with the Ministry of Natural Resources of the Kyrgyz Republic with respect to exploration works at both of the Tokhtazan and Akdjol licences. In April 2010, the Akdjol and Tokhtazan licences, comprising the Tokhtazan Project, were extended by the Ministry of Natural Resources of the Kyrgyz Republic until 31 December 2012.

### **Exploration Update**

No additional exploration activities have been carried out at the Tokhtazan licence in Q1 2010. Orsu is currently finalising a 2010 exploration budget for both the Akdjol and Tokhtazan licence areas.

## **KARCHIGA, KAZAKHSTAN**

### **Licence Information**

The Karchiga Project is located in the extreme 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.

The Company’s interest (through its indirect subsidiary GRK MLD LLP (“GRK”)) in the Karchiga Project is governed by an exploration and production contract (the “Karchiga Project Contract”) granted to GRK by the former Ministry of Energy and Mineral Resources of the Republic of Kazakhstan (the “Former MEMR”) until February 28, 2022. Pursuant to the Karchiga Project Contract, GRK was granted the right to explore and produce copper within the boundary of the contract area.

The original exploration period under the Karchiga Project Contract was for a period of three years until February 28, 2010 (the “Exploration Period”). However, the Karchiga Project Contract provides that the Exploration Period may be further extended for two additional two year periods if GRK can prove that extra time is required to fully evaluate the mineral prospectivity before mining can commence.

On September 23, 2008, GRK made an application to the Former MEMR (the “First Application”) to: (i) approve an increase to the work program under the Karchiga Project Contract; and (ii) delay the obligation to return the contract area until the expiration of the Exploration Period (the “Return Date”). On November 25, 2008, the Former MEMR approved the First Application and ordered that the Karchiga Project Contract be amended (the “First Amendment”) and registered with the Former MEMR before February 20, 2009 (the “Initial Deadline”) in order to give effect to the First Amendment.

On November 26, 2009, prior to the expiration of the Exploration Period, GRK made a further application to the Former MEMR to approve an extension of the Exploration Period for two years until February 28, 2012 (the “Second Application”). In February 2010, GRK was notified by the Former MEMR that the Second Application had been approved, that an extension of the Exploration Period had been granted until February 28, 2012 and that the execution and registration of the relevant amendment to the Karchiga Project Contract (the “Second Amendment”) was to occur before May 29, 2010. As of the date hereof, the Second Amendment has not been executed or registered with the Ministry of Industry and New Technologies of the Republic of Kazakhstan (the “MINT”), the successor to the Former MEMR’s responsibilities over the mining industry in Kazakhstan.

On April 20, 2010, the First Amendment was executed and registered with the MINT despite the Initial Deadline having passed. GRK is continuing to negotiate with MINT the execution and registration of the Second Amendment, including an extension of the Return Date to February 28, 2012. GRK expects that an extension of the Return Date will be provided in the final terms of the Second Amendment.

Reference should be made to the heading “Risks relating to the Karchiga Project Contract” under “Risks and Uncertainties” for a discussion of the potential implications of the Company’s failure to execute and register the Second Amendment.

Anticipated expenditure obligations of GRK on the Karchiga Project are outlined below:

**Table 3: Anticipated Karchiga Project Contract Expenditure Obligations**

| Year                | Expenditure |
|---------------------|-------------|
| 2007                | \$700,000   |
| 2008                | \$800,000   |
| 2009                | \$1,000,000 |
| 2010 <sup>(1)</sup> | \$425,000   |
| 2011 <sup>(1)</sup> | \$425,000   |

<sup>(1)</sup> The payment during 2010 and 2011 of an aggregate of \$850,000 is a condition to the Second Amendment, which has not yet been executed or registered with the Competent Authority.

In addition, under the Karchiga Project Contract, GRK is required to submit a year-end report on an annual basis outlining the works completed and expenditure made during the year. Before exploration work can commence for the following year, a work program is required to be submitted and approved by the Competent Authority. As a result of the delay in the registration of the First Amendment, GRK has not yet obtained from the Competent Authority the formal annual approvals required for its work programs for 2009 and 2010. Reference should be made to the heading "Risks relating to the Karchiga Project Contract" under "Risks and Uncertainties" for a discussion of the potential implications of the Company's failure to obtain formally approved work programs for 2009 and 2010.

#### 2010 Mineral Resource Estimates

WAI was contracted by Orsu in early 2010 to review and audit Orsu's updated mineral resource estimate in relation to the Karchiga Project, from which WAI completed its own mineral resource estimate. A National Instrument 43-101 mineral resource estimate for Karchiga was reported during March 2010 (Table 4) in the report titled "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 and is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). At a 0.50% copper cut-off, the Indicated Sulphide mineral resource is 7.56Mt @ 2.02% Cu, at a 0.50% copper cut-off, the Indicated Oxide mineral resource is 0.93Mt @ 1.39% Cu and at a 0.50% copper cut-off, the Inferred mineral resources total 1.79Mt @ 1.62% Cu. The "qualified persons" (as such term is defined in National Instrument 43-101) responsible for these updated mineral resource estimates are Mr. M L Owen and L S Carroll (who are both employees of WAI).

**Table 4: Karchiga Project, Mineral Resource Estimates (WAI) March 22, 2010**

| WAI Indicated Mineral Resources for Karchiga Cu VMS Project |                      |          |             |              |              |                |
|---|----------------------|----------|-------------|--------------|--------------|----------------|
| Cut-off Cu (%)  | Area                 | Type     | Tonnes (Mt) | Grade Cu (%) | Metal Cu (t) | Metal Cu (Mlb) |
| 0.3   | Central + North East | Sulphide | 8.05        | 1.93         | 154,958      | 342            |
| 0.5   | Central + North East | Sulphide | 7.56        | 2.02         | 153,000      | 337            |
| 0.3   | Central              | Oxide    | 1.09        | 1.25         | 13,545       | 30             |
| 0.5   | Central              | Oxide    | 0.93        | 1.39         | 12,868       | 28             |

| WAI Inferred Mineral Resources for Karchiga Cu VMS Project * |            |         |             |              |              |                |
|--|------------|---------|-------------|--------------|--------------|----------------|
| Cut-off Cu (%)   | Area       | Type    | Tonnes (Mt) | Grade Cu (%) | Metal Cu (t) | Metal Cu (Mlb) |
| 0.3  | North East | Sulphid | 1.83        | 1.60         | 29,260       | 65             |
| 0.5  | North East | Sulphid | 1.79        | 1.62         | 29,120       | 64             |

*\*All Inferred resources are quoted completely exclusive of the Indicated resources. Mineral resources are shown at a 0.3% Cu and 0.5% Cu as these are considered to be possible economic cut-off grade for this deposit; although, economic and mining studies are required to determine the actual cut-off grade. Mineral resources are reported without mining constraints other than the cut-off grade, no pit shell, mine design, or minimum mining width, which have been used to restrict the reported mineral resources.*

The mineral resource estimates use all data available at the end of December 2009. Indicated and inferred resources were categorized based upon a block model utilising 5m by 10m by 5m blocks respectively.



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Grades were estimated utilising the Inverse Distance cubed algorithm with interpolation parameters based upon the results of Geostatistical modelling completed for the relevant oxide and sulphide data sets. WAI carried out database verification and a review of the orebody modelling and domaining for each individual mineralised zone. WAI was provided with solid models (wireframes), surface topography, drillhole databases including Lithology, assay and density data, location plans and all internal and external quality control data collected since the commencement of the project.

The estimation was completed using 2m downhole composite drillhole samples selected within a hard boundary Cu grade wireframe. All wireframe models were constructed from sectional interpretation of geological and grade boundaries with each of the 12 individual wireframe models utilised to domain the blocks within the grade estimation model. Material types and samples data were subsequently extracted and subset within these discrete domains and grade interpolation was constrained to each individual domain separately. Specific gravity measurements were carried out for the different material types collected from Karchiga diamond drill core and an in-situ bulk density value assigned to the block model based upon observed grade to bulk density relationship.

#### **Exploration Update**

Due to adverse weather conditions, no exploration works have been carried out during Q1, 2010. Orsu is currently finalising an exploration budget for the 2010-2011 field exploration seasons and shall, as a minimum, perform the work program recommended for 2010-2011 in the report titled "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.

Orsu is in the process of completing a scoping study for the Karchiga Project, as provided for in the work program recommended in the above-mentioned technical report.

#### **COMPANY'S NOMAD NAME CHANGE**

The Company's Nominated Adviser and Broker has undertaken a change of name from Canaccord Adams Limited to Canaccord Genuity Limited following the acquisition by its parent company, Canaccord Financial Inc., of Genuity Capital Markets, the leading independent advisory and restructuring firm in Canada.



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**For The Periods Ended March 31, 2010 (unaudited) and December 31, 2009**  
**Consolidated Balance Sheets**  
(Prepared in accordance with Canadian GAAP)

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|   | March 31, 2010<br>\$000 | December 31, 2009<br>\$000 |
|---|-------------------------|----------------------------|
| <b>Assets</b>   |                         |                            |
| <b>Current assets</b>                                   |                         |                            |
| Cash and cash equivalents                               | 2,057                   | 3,386                      |
| Prepaid and receivables                                 | 1,538                   | 1,860                      |
|   | <hr/> 3,595             | <hr/> 5,246                |
| <b>Exploration properties</b>                           | 14,191                  | 27,198                     |
| <b>Office, furniture and equipment</b>                  | 510                     | 1,078                      |
| <b>Net investment in oil and gas residual interests</b> | 643                     | 643                        |
| <b>Equity investment in Talas Joint Venture</b>         | 13,508                  | -                          |
|   | <hr/> 32,447            | <hr/> 34,165               |
| <b>Liabilities</b>                                      |                         |                            |
| <b>Current liabilities</b>                              |                         |                            |
| Accounts payable and accrued liabilities                | 2,243                   | 2,455                      |
|   | <hr/> 2,243             | <hr/> 2,455                |
| <b>Future income tax</b>                                | 6,877                   | 6,877                      |
|   | <hr/> 9,120             | <hr/> 9,332                |
| <b>Shareholder Equity</b>                               |                         |                            |
| <b>Share capital</b>                                    | 361,440                 | 361,440                    |
| <b>Share purchase warrants</b>                          | 48,650                  | 48,650                     |
| <b>Share purchase options</b>                           | 10,485                  | 12,550                     |
| <b>Contributed surplus</b>                              | 13,347                  | 11,177                     |
| <b>Deficit</b>  | (410,595)               | (408,984)                  |
|   | <hr/> 23,327            | <hr/> 24,833               |
|   | <hr/> 32,447            | <hr/> 34,165               |



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**For The Periods Ended March 31, 2010 (unaudited) and March 31, 2009 (unaudited)**  
**Consolidated Statements of Cash Flows**  
 (Prepared in accordance with Canadian GAAP)

|  | <b>Three months ended March 31,</b> |                |
|--|-------------------------------------|----------------|
|  | <b>2010</b>                         | <b>2009</b>    |
|  | <b>\$000</b>                        | <b>\$000</b>   |
| <b>Cash flows from operating activities</b>                                |                                     |                |
| Net loss for the period from operating activities                          | (1,611)                             | (3,030)        |
| Items not affecting cash:  |                                     |                |
| Company share of Talas Joint Venture loss                                  | 214                                 | -              |
| Depreciation and amortization charges                                      | 39                                  | 42             |
| Stock-based compensation   | 105                                 | 780            |
| Unrealized foreign exchange gain   | 53                                  | -              |
|  | <u>(1,200)</u>                      | <u>(2,208)</u> |
| Change in non-cash working capital   |                                     |                |
| Increase in accounts receivable and other assets                           | (1,114)                             | (616)          |
| Increase/ (decrease) in accounts payable and accrued liabilities           | 746                                 | (115)          |
| Cash flows used by the operating activities of the continuing operations   | <u>(1,568)</u>                      | <u>(2,939)</u> |
| Cash flows used by the operating activities of the discontinued operations | -                                   | (492)          |
|  | <u>(1,568)</u>                      | <u>(3,431)</u> |
| <b>Cash flows from investing activities</b>                                |                                     |                |
| Expenditures on property, plant and equipment                              | (2)                                 | -              |
| Proceeds from net investment in residual oil and gas interests             | 241                                 | -              |
| Cash flows from the investing activities of the continuing operations      | <u>239</u>                          | <u>-</u>       |
| Cash flows from the investing activities of the discontinued operations    | -                                   | 57             |
|  | <u>239</u>                          | <u>57</u>      |
| <b>Cash flows from financing activities</b>                                |                                     |                |
| Cash flows from the financing activities of discontinued operations        | -                                   | 435            |
|  | <u>-</u>                            | <u>435</u>     |
| <b>Decrease in cash and cash equivalents</b>                               | <u>(1,329)</u>                      | <u>(2,939)</u> |
| <b>Cash and cash equivalents - Beginning of period</b>                     | 3,386                               | 6,200          |
| <b>Cash and cash equivalents - End of period</b>                           | <u>2,057</u>                        | <u>3,261</u>   |



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**For The Periods Ended March 31, 2010 (unaudited) and March 31, 2009 (unaudited)**  
**Consolidated Statements of Operations**  
 (Prepared in accordance with Canadian GAAP)

|   | <b>Three months to March 31,</b> |              |
|---|----------------------------------|--------------|
|   | <b>2010</b>                      | <b>2009</b>  |
|   | <b>\$000</b>                     | <b>\$000</b> |
| <b>(Expenses) / income</b>                            |                                  |              |
| General and administrative                            | (1,041)                          | (1,559)      |
| Exploration   | (413)                            | (215)        |
| Stock-based compensation                              | (105)                            | (780)        |
| Interest expense                                      | (8)                              | (67)         |
| Interest income                                       | 11                               | 6            |
| Foreign exchange losses                               | (55)                             | (415)        |
| <b>Loss from operating activities</b>                 | (1,611)                          | (3,030)      |
| <b>Loss from discontinued operations</b>              | -                                | (25,255)     |
| <b>Net loss and comprehensive loss for the period</b> | (1,611)                          | (28,285)     |
| Deficit - Beginning of period                         | (408,984)                        | (508,024)    |
| <b>Deficit - End of period</b>                        | (410,595)                        | (536,309)    |
| <b>Loss per common share</b>                          |                                  |              |
| Loss per common share from continuing operations      | \$(0.04)                         | \$(0.07)     |
| Loss per common share from discontinued operations    | -                                | \$(0.55)     |
| Net loss per common share                             | \$(0.04)                         | \$(0.62)     |
| <b>Weighted average number of common shares</b>       |                                  |              |
| Basic and diluted (in thousands)                      | 45,696                           | 45,696       |



**Summary of the Quarterly Results of Operations (unaudited)**  
**(Selected Quarterly Information)**  
 (Prepared in accordance with Canadian GAAP)

**FOR THE QUARTER ENDED MARCH 31, 2010 AND SUMMARY OF QUARTERLY RESULTS**

| Expressed in US\$000s except where indicated                                   | March 31<br>2010<br>(unaudited) | December 31<br>2009<br>(unaudited) | September 30<br>2009<br>(unaudited) | June 30<br>2009<br>(unaudited) |
|--|---------------------------------|------------------------------------|-------------------------------------|--------------------------------|
| Loss from continuing operations  | (1,611)                         | (1,871)                            | (2,661)                             | (3,050)                        |
| (Loss)/ profit from discontinued operations                                    | -                               | (10,584)                           | (21,076)                            | 5,755                          |
| Net gain on disposal of discontinued operations                                | -                               | 160,812                            | -                                   | -                              |
| <b>(Loss) / Income and comprehensive (loss) /<br/>income for the period</b>    | <b>(1,611)</b>                  | <b>148,357</b>                     | <b>(23,737)</b>                     | <b>2,705</b>                   |
| <b>Sales revenues (included within results of<br/>discontinued operations)</b> | -                               | 6,867                              | 22,632                              | 32,495                         |
| <b>(Loss)/ income per common share<br/>(in US\$/share) (see note 1)</b>        |                                 |                                    |                                     |                                |
| (Loss) per common share from continuing operations                             | \$(0.04)                        | \$(0.04)                           | \$(0.06)                            | \$(0.07)                       |
| (Loss) / income per common share   | \$(0.04)                        | \$3.25                             | \$(0.52)                            | \$0.06                         |
| Weighted average number of common shares<br>– basic and diluted (in thousands) | 45,696                          | 45,696                             | 45,696                              | 45,696                         |

**FOR THE QUARTER ENDED MARCH 31, 2009 AND SUMMARY OF QUARTERLY RESULTS**

| Expressed in US\$000s except where indicated                                   | March 31<br>2009<br>(unaudited) | December 31<br>2008<br>(unaudited) | September 30<br>2008<br>(unaudited) | June 30<br>2008<br>(unaudited) |
|--|---------------------------------|------------------------------------|-------------------------------------|--------------------------------|
| Loss from continuing operations  | (3,030)                         | (88,681)                           | (5,753)                             | (5,986)                        |
| (Loss)/ profit from discontinued operations                                    | (25,255)                        | (174,911)                          | 1,720                               | (10,937)                       |
| <b>Net loss and comprehensive loss for the<br/>period</b>                      | <b>(28,285)</b>                 | <b>(263,592)</b>                   | <b>(4,033)</b>                      | <b>(16,923)</b>                |
| <b>Sales revenues (included within results of<br/>discontinued operations)</b> | 9,796                           | 11,622                             | 15,512                              | 13,225                         |
| <b>(Loss) per common share<br/>(in US\$/share) (see note 1)</b>                |                                 |                                    |                                     |                                |
| Loss per common share from continuing operations                               | \$(0.07)                        | \$(2.30)                           | \$(0.19)                            | \$(0.19)                       |
| Loss per common share  | \$(0.62)                        | \$(6.83)                           | \$(0.13)                            | \$(0.54)                       |
| Weighted average number of common shares<br>– basic and diluted (in thousands) | 45,696                          | 38,598                             | 31,015                              | 31,383                         |

**Note 1:** Per share information has been retroactively restated to give effect to the 10 for 1 share consolidation which occurred in November, 2009.



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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 amount and receipt of deferred consideration that may be payable to the Company by Polymetal pursuant to the sale of the Varvarinskoye Project; the expected effect of the sale of the Varvarinskoye Project on the Company's current operations; the Company's expectations with respect to obtaining a waiver of the Competent Authority's pre-emptive right with respect to the current trading of the Common Shares on the TSX and AIM; the execution and registration of the Second Amendment and the extension of the Return Date; the continued maintenance, exploration and the development of the Company's properties and the costs related thereto; development and operational plans, objectives and budgets; continued financial support from, and development efforts by, Gold Fields with respect to the Barkol, Kentash, Taldybulak and Korgontash licences; the completion of a feasibility study on the Talas Project; the completion of a scoping study on the Karchiga Project; mineral resource estimates; the proposed work programs for the Company's exploration properties and their respective timing; estimates relating to critical accounting policies; the Company's plans with respect to the conversion to IFRS, including the Company's expected timing for completing the phases of its plan and the development of an effective plan; the continuation of assessments relating to resource and training requirements and the impact of IFRS on, amongst other things, the Company's accounting policies, information technology and data systems; the Company's plans for adopting and/or implementing changes to accounting policies and the impact of same on the Company's financial statements; the future political and legal regime in Kyrgyzstan; the regulatory environment in Kazakhstan relating to the mining industry; the expected use of the net proceeds from the Offering; that the Company and the other defendants will not need to terminate the settlement agreement as a result of class members opting out of the settlement, the significance of any claims by members who opt out and the dismissal of the Class Action Claim (and its predecessor); the Company's expectations with respect to pursuing new opportunities and acquisitions and its future growth; and the Company's ability to raise new funding.

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 treatment of the Varvarinskoye Project as discontinued operations, the Company's ability to generate sufficient funds from capital markets to meet its future obligations, the effectiveness of the Company's design relating to the implementation of IFRS, assumptions relating to the Company's critical accounting policies, the Company's business, the economy and the mineral exploration industry in general, the political environments and the regulatory frameworks in Kazakhstan and Kyrgyzstan with respect to, among other things, the mining industry generally, royalties, taxes, environmental matters and the Company's ability to obtain, maintain, renew and/or extend required permits, licences, authorisations and/or approvals from the appropriate regulatory authorities (including the Company's ability to: (i) execute and register the Second Amendment and/or receive an extension of the Return Date; (ii) obtain an extension of the Taldybulak and Barkol licences beyond December 31, 2010; and (iii) obtain a waiver of the Competent Authority's pre-emptive right relating to the Karchiga Project); 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, no material adverse change in the price of copper or gold occurs 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.

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: 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 Company's inability to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the regulatory frameworks in Kazakhstan and Kyrgyzstan (including the failure to execute and register the Second Amendment and/or receive an extension of the Return Date or obtain the Competent Authority's waiver of its pre-emptive right relating to the Karchiga Project or the Company's inability to obtain the necessary extensions relating to its Taldybulak and Barkol licences and the agreements and rights, as applicable, related thereto); adverse changes in the political environments in Kazakhstan and Kyrgyzstan and the laws governing the Company, its subsidiaries and their respective



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business activities; capital and operating costs varying significantly from estimates; inflation; changes in exchange and interest rates; adverse changes in commodity prices; the inability of the Company to obtain required financing; adverse changes with respect to the Talas Project joint venture; adverse general market conditions; the possibility of class members opting out of the settlement in respect of the Class Action Claim; the Company's inability to delineate additional mineral resources and delineate mineral reserves; future unforeseen liabilities and other factors including, but not limited to, those listed under "Risk and Uncertainties" in the Company's MD&A and in the Company's other disclosure materials, including the Company's Annual Information Form (the "Annual Information Form") available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Any mineral resource 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 mineral resource estimates in respect of its properties 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.

## **ENDS**

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