



Orsu Metals Corporation
1 Red Place
London, W1K 6PL
United Kingdom

Tel :+44 (0)20 7518 3999
Fax :+44 (0)20 7513 3998
info@orsumetals.com
www.orsumetals.com

AIM: OSU
TSX: OSU
PRESS RELEASE
15 June 2009

Orsu Metals Corporation

Sale of Varvarinskoye Project

Orsu Metals Corporation (“Orsu” or the “Company”) (TSX: OSU, AIM: OSU) announces the signing of a definitive sale and purchase agreement (the “SPA”) to sell its Varvarinskoye Gold-Copper Project in Kazakhstan (the “Varvarinskoye Project”) to OJSC Polymetal (“Polymetal”). The total consideration for the sale of the Varvarinskoye Project is approximately US\$235 million, comprising US\$8 million in cash payable on closing plus deferred consideration of up to a maximum of US\$12 million in cash which is contingent on and calculable by reference to the future price of both gold and copper plus the assumption or transfer of over US\$215 million in debt and hedging obligations related to the financing of the Varvarinskoye Project.

The sale is not conditional on financing but is subject to certain conditions (outlined further below) being satisfied. Assuming the satisfaction or waiver of such conditions, the Company anticipates completing the sale during Q3 2009. Upon completion Orsu will have no outstanding long-term debt and intends to use the proceeds from the sale of the Varvarinskoye Project to fund the Company's operating costs and to fund ongoing exploration activities on its existing properties, as well as any new properties acquired by it.

Commenting on the sale, Dr Sergey V Kurzin, Executive Chairman of Orsu stated: “Proceeds from this sale will allow Orsu to focus on developing its exploration and growth assets with renewed vigour with a substantially stronger balance sheet. After extended negotiations with the banks to re-finance the Varvarinskoye debt and hedging facilities, the Board believes that the sale will release the Company from its current financial and legal burdens, enabling directors and management to focus on providing Orsu shareholders with the exploration, growth and development opportunities the Company is capable of delivering.”

Under the terms of the SPA, 100% of the shares in Three K Exploration and Mining Limited (“ThreeK”), a wholly-owned subsidiary of the Company, will be sold to Polymetal. ThreeK currently owns (directly and indirectly) JSC Varvarinskoye and will on completion hold (directly and indirectly) all debt and hedging obligations relating to the Varvarinskoye Project.

As set out in the Company's financial statements of 31 March 2009, the Company had a working capital deficit of US\$162 million, accumulated losses of US\$536 million, shareholders' deficiency of US\$103 million and had written down the value of the Varvarinskoye Project by approximately US\$189 million to a book value of approximately US\$72 million. A loss of US\$221.5 million was attributable to the Varvarinskoye Project in 2008 and US\$25.9 million in Q1 2009. The Company currently has over US\$215 million in debt and hedging obligations relating to the Varvarinskoye Project. The Company was unable to meet the debt repayment tranche under the Varvarinskoye facilities of US\$16.65 million originally due on 31 December 2008. In addition, the Company has been unable to meet its gold forward contract settlement obligations (in the aggregate amount of US\$11.82 million) as they have fallen due between January and May 2009. On completion of the sale, Orsu will no longer be responsible for any debt, hedging and guarantee obligations relating to the Varvarinskoye Project. The Board of Directors of the Company has determined that the sale of the Varvarinskoye Project is in the best interests of the Company.



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Completion of the sale is subject to various significant conditions, including: approval by a majority of Orsu shareholders; receipt of all necessary regulatory consents including from the Kazakhstan authorities; approval of all lenders and hedge counterparties to the Varvarinskoye Project (the "Bank Approvals"); and definitive documentation being entered into in respect of the refinancing arrangements required between Polymetal and the lenders in connection with the Bank Approvals. Polymetal and the lenders have agreed to a heads of terms in respect of the refinancing arrangements.

The annual and special meeting of shareholders of Orsu, at which shareholders will be asked to consider and approve (among other matters) the sale of the Varvarinskoye Project, is anticipated to be held at 10am in Orsu's London offices on 10 July 2009. A shareholder's circular summarising the material provisions of the SPA and providing further background and information in relation to the transaction is expected to be mailed to all Orsu shareholders shortly and will be made available at www.sedar.com and on the Company's website.

Orsu's financial adviser in relation to this transaction is Endeavour Financial and its legal advisors are Norton Rose LLP in the UK and Macleod Dixon LLP in Canada.

ABOUT ORSU

In addition to the Varvarinskoye Project, Orsu's other (exploration and development) projects include the Karchiga Volcanogenic Massive Sulphide ("VMS") deposit in Kazakhstan and the Talas and Tokhtazan exploration licence areas in Kyrgyzstan. The business acquisition of Lero Gold Corp. ("Lero") in 2008 positioned Orsu as a premier growth company aggressively continuing the exploration and development of its copper-gold projects in Kyrgyzstan and Kazakhstan and pursuing new opportunities and acquisitions in countries of the Former Soviet Union.

- **Varvarinskoye Gold-Copper Mine, Kazakhstan** – Located in north west Kazakhstan, Orsu's 100% owned Varvarinskoye Project commenced production of gold doré in December 2007 and copper-gold concentrate in March 2008. During the year ended 31 December 2008, the Varvarinskoye Project produced a total of 1,263,697 grams (40,629 troy oz) of gold and 4,494 tonnes of copper recovered to concentrate. Production during the first quarter of 2009 was reported as 423,627 grams (13,599 troy oz) of gold and 1,743 tonnes of copper recovered to concentrate. In January 2009, the Company completed an updated mine plan, including updated mineral reserve and mineral resource estimates, for the Varvarinskoye Project.
- **Talas Exploration Licence Area, Kyrgyzstan** – The Taldybulak copper-gold porphyry deposit is the primary exploration property within the Taldybulak-Talas licence which comprises core assets of the Company in Kyrgyzstan including the Taldybulak, Kentash, Barkol and Korgontash licences. In April 2008, the Company completed a National Instrument 43-101 mineral resource estimate. At a 0.30g/t gold cut-off, the Indicated resource is 79Mt @ 0.63g/t Au and 0.17% Cu with the Inferred resources totalling 163Mt @ 0.58g/t Au and 0.14% Cu. In December 2008, Orsu announced it had signed a joint venture agreement with Gold Fields for the further exploration and development of the Talas licence area. The recently-completed 2008 to 2009 drilling programme was designed 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.
- **Tokhtazan Exploration Licence Area, Kyrgyzstan** - The Tokhtazan exploration licence area is located in the Jalal-Abad Oblast, western Kyrgyzstan approximately 100 km south from the Taldybulak deposit and is covered by two exploration licences, Akdjol and Tokhtazan. The Tokhtazan prospect of intrusion-related and shear-zone hosted gold was drilled by Cameco Inc in 1996-1998. Orsu's work of 2005-2008 confirmed the gold tenor identified by Cameco using diamond and RC drilling, with a possibility to extend the mineralization. The 2009 exploration programme is underway incorporating trenching, reverse circulation and diamond drilling as well as samples collection and analysis.



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- **Karchiga Copper Project, Kazakhstan** – The 47.3km² Karchiga exploration and mining licence contains the Karchiga VMS deposit. The Karchiga copper-gold deposit is located in the extreme north east of the Republic of Kazakhstan, within 40km of the Chinese border and within the Rudny Altai belt which is ranked in the top four VMS belts in the world. In April 2008, the Company released a National Instrument 43-101 mineral resource estimate. 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. The primary scope of the on-going 2008 to 2009 exploration programme is designed to upgrade the previously reported mineral resource estimate to Measured and Indicated categories under National Instrument 43-101.

ENDS

Qualified Persons and Technical Reports

Mr Matthew Boyes, who is Mineral Resources Manager for Orsu, and a “qualified person” (as such term is defined in National Instrument 43-101), has reviewed and approved the technical information in this press release in respect of Orsu’s mineral properties. Mr Boyes has verified the data disclosed in this press release in respect of exploration results, including sampling and analytical data underlying the information.

The mineral resource estimates at Taldybulak referred to in this press release were prepared 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 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.

The mineral resource estimate at Karchiga referred to in this press release 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.

Forward-looking Information

This press release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this press release includes, but is not limited to, the total estimated value of the transaction, the Company’s intended use of proceeds from the sale, the expected effect of the sale on the Company’s ability to continue the exploration and development of its other (exploration) properties, the expected terms and conditions of the sale, the anticipated timing for the annual and special meeting of the shareholders of Orsu, the anticipated timing for completing the sale, the Company’s intentions and expectations to continue discussions with Polymetal and the banks, its ability to reach a satisfactory arrangement with respect to the sale of the Varvarinskoye Project and/or the restructuring of the payments due under the loan facility, including the hedging payments due under the facility, mineral resource estimates and statements regarding potential mineral resources. Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, the parties’ respective ability to satisfy all conditions precedent to the completion of the sale, including (but not limited to) the parties’ respective ability to obtain all required regulatory approvals, the shareholders of Orsu approving the sale, adverse general market conditions, adverse changes in commodity prices, the inability to enter into a definite arrangement with the banks with respect to the restructuring payments under the loan facility, including hedging obligations, failure to establish estimated mineral resources (the 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) and those other risks set out in the Company’s public documents filed on SEDAR. If the sale is not completed for any reason, including as a result of the Company, Polymetal and the banks failing to reach an arrangement regarding restructuring of payments under the loan facility and its hedging obligations, there is a risk that, unless the Company raises additional financing in order to meet its immediate loan facility and hedging obligations, or negotiates the terms of repayment with the banks, the banks may demand immediate payment of the amounts owing and enforce their security (which may result in the Company losing its interest in the Varvarinskoye Project).



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Although the Company believes that the assumptions and factors used in preparing the forward-looking information are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this press release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Additional information about the risks and uncertainties of the Company's business is provided in its disclosure materials, including its Annual Information Form, dated 24 April 2009 (the "Annual Information Form") available under the Company's profile on SEDAR at www.sedar.com.

For further information please contact:

Dr Sergey Kurzin, Executive Chairman, Orsu Metals Corporation
Tel: +44 (0) 20 7518 3999

Tania Tchedaeva, Company Secretary, Orsu Metals Corporation
Tel: +44 (0) 20 7518 3999

Gavin Dallas, Investor Relations, Orsu Metals Corporation
Tel: +44 (0) 20 7518 3999

Ryan Gaffney, Canaccord Adams Limited
Tel: +44 (0) 20 7050 6500

Keith Schaefer, Vanguard Shareholder Solutions
Tel: +1 604 608 0824
www.orsumetals.com
