



**MANAGEMENT DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS**

For the three months ended March 31, 2017

(Expressed in US dollars)

ORSU METALS CORPORATION

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Introduction

The following management discussion and analysis – quarterly highlights (“MD&A”) of the results of operations and financial condition of Orsu Metals Corporation (the “Company” or “Orsu”) for the three months ended March 31, 2017 and up to the date of this MD&A, has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the fiscal year ended December 31, 2016 (the “Annual MD&A”).

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended December 31, 2016, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the three months ended March 31, 2017 (the “Financial Report”).

All financial information in this MD&A is derived from the Company’s financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and all dollar amounts are expressed in United States dollars unless otherwise indicated.

The effective date of this MD&A is May 26, 2017.

Description of the Business

Orsu is a publicly-traded company incorporated in the British Virgin Islands. The corporate office of the Company is located at Unit 1 - 15782 Marine Drive, White Rock, B.C., Canada, V4B 1E6.

The Company’s shares are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol OSU. Prior to February 1, 2017, the Company’s shares traded on the Toronto Stock Exchange (“TSX”) under the same symbol. The Board of Directors of the Company felt that as the majority of the Company’s peers trade on the TSX-V that the TSX-V would be a better fit for the Company at this stage of its development.

The Company has been primarily engaged in the exploration and development of mineral properties in Kazakhstan. However, beginning in 2016, the Company has been in the process of trying to sell its 94.75% interest in the Karchiga project located in Kazakhstan.

On May 18, 2017, the Company completed the acquisition of the initial 30% interest in the Sergeevskoe gold project located in eastern Russia. Concurrent with closing, Sergei Stefanovich was appointed a director and to the newly created office of Managing Director and Vladimir Pakhomov was appointed as a non-executive director of the Company. Dr Sergey V. Kurzin continues in his role as a director and Executive Chairman and Mark Corra and David Rhodes as non-executive directors. Alexander Yakubchuk stepped down as a Board Member and was appointed Director of Exploration.

Mineral and Exploration Properties

Sergeevskoe Project (Russia)

In September 2016, the Company entered into an exclusive and binding heads of agreement which was superseded by a share purchase agreement (“SPA”) in January 2017, as amended, for the acquisition of the Sergeevskoe gold project located in eastern Russia. The Sergeevskoe project licence is owned by Sibzoloto Investments Limited (“Sibzoloto”), a Cyprus registered company, which in turn is the sole owner of both LLC GK Alexandrovskoe, holder of the Sergeevskoe licence, and LLC Invest Realty, the owner of a work camp and infrastructure to support the nearby Sergeevskoe project. The shares of Sibzoloto are owned by four arm’s length parties (“the Sellers”).

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On May 18, 2017, the Company completed the acquisition of an initial 30% interest in Sibzoloto through the issue of 165,591,520 common shares of the Company to the Sellers and an initial payment of \$180,000 which was deferred and will bear interest at the rate of 8% per annum until paid with payment due the earlier of Orsu being funded by equity or the sale of the Karchiga Project in Kazakhstan.

Orsu has agreed to fund a \$1,500,000 exploration program on the Sergeevskoe Project before the first anniversary of closing. To date, the Company has funded \$564,871 (\$130,000 advanced prior to December 31, 2016, \$220,000 advanced during the three months ended March 31, 2017, and \$214,871 advanced subsequent to March 31, 2017). These amounts have been recorded as advances for exploration on the statement loss and comprehensive loss.

If a sale of Karchiga completes prior to September 30, 2017, then within 10 days, the Sellers will sell and Orsu will purchase the remaining 70% of the shares of Sibzoloto for consideration of €700 and \$420,000 cash.

In the event the sale of Karchiga does not close before September 30, 2017, Orsu and the Sellers will own a 30% and 70% participating interest in Sibzoloto respectively. Orsu and the Sellers will negotiate the terms of a shareholder's agreement at that time to govern the operations of Sibzoloto and to provide for an option for Orsu to acquire or earn, and the Sellers to sell or transfer, the remaining 70% of the shares of Sibzoloto. The prior approval of the TSX-V will be obtained in the event the parties determine that the consideration for the second sale shares will be paid and settled in shares of the Issuer.

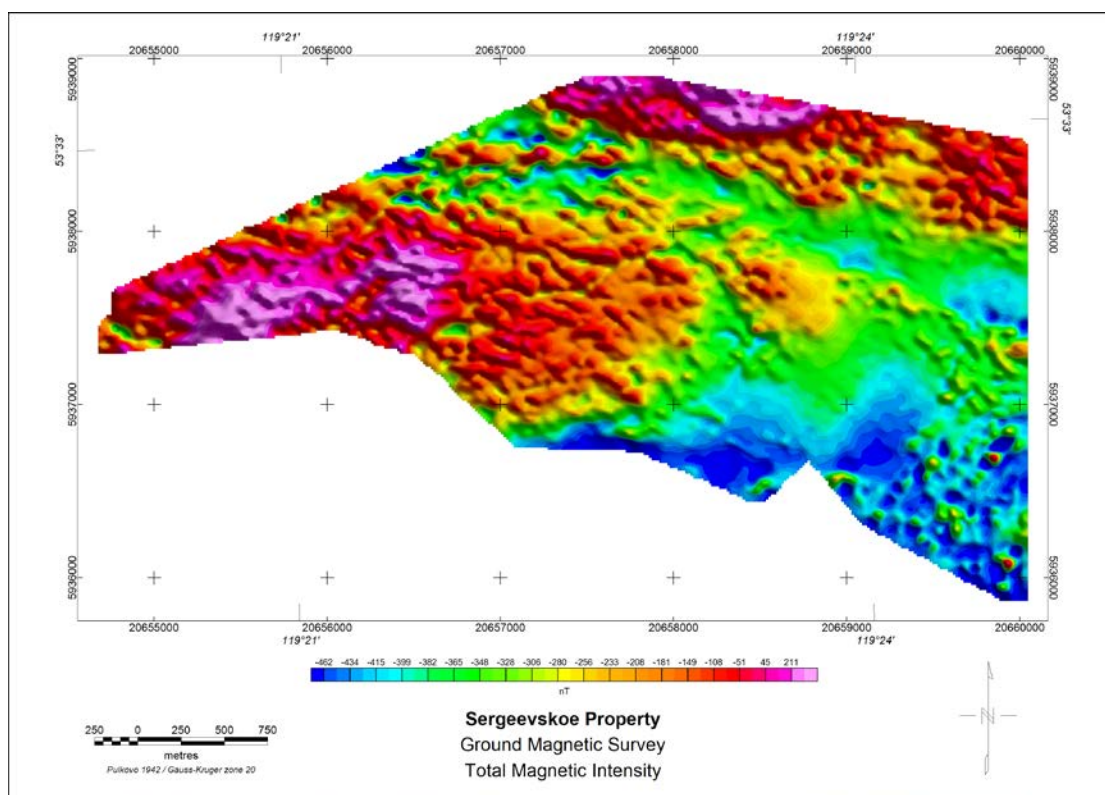
On March 15, 2017, the Company filed a technical report regarding the Sergeevskoe gold project, Russia (the "Sergeevskoe Report") to support the above acquisition. The Sergeevskoe Report was authored by Phil Newall of Wardell Armstrong International Ltd. ("WAI") an independent Qualified Person as defined by NI 43-101. The Sergeevskoe Report titled "NI 43-101 Technical Report for the Sergeevskoe Property, Zabaikalskiy Krai, Russian Federation" is dated March 10, 2017 with an effective date of November 18, 2016, is filed on the Company's profile on www.sedar.com.

Orsu has been conducting, and funding, an exploration program on the Sergeevskoe Project since receiving the necessary government approvals in mid-November 2016. The Phase 1 program will include an environmental baseline study, a ground magnetic survey, a 1314 m trenching programme and an initial 800 m confirmation drilling program in 3 holes.

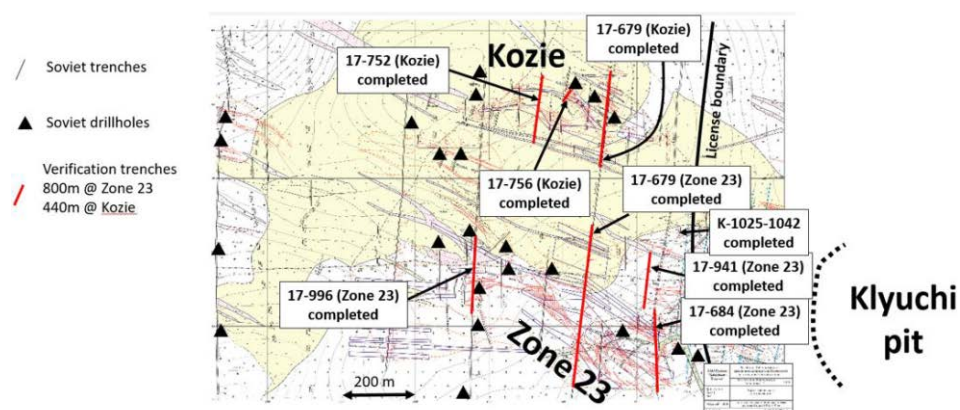
- The environmental base line report was completed in mid-February 2017 by the Laboratory of Environmental Problems ("LEP"). LEP concluded that the surface waters chemical and physical properties are similar to natural concentrations with some soil and stream bed samples containing elevated concentrations of copper, zinc, arsenic and sulphur due to an influence of the historical mining works.
- In November-December 2016, Geoekspert completed a ground magnetic survey. The entire license area was covered by north-south traverses spacing 50 m. Orsu then contracted Reid Geophysics, a UK based geophysical company, to undertake all necessary processing, which required significant levelling of the sampling noise possibly accumulated due to data collection at cold temperatures. A set of acceptable magnetic maps was then generated. These maps (Figure 1) will be used during the ongoing exploration works.

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Figure 1. Final TMI map by Reid Geophysics



- Orsu completed all trenching works, which comprised 1,314 m in 9 trenches. This consisted of four long trenches across Zone 23, two long trenches across Kozie, one short trench at Kozie and two short trenches (K-1042 and K-1025) near the eastern boundary of the Sergeevskoe license. This completes our winter trenching programme.



The assays for the trenching are undergoing QAQC before any results can be relied upon and announced. Orsu is working through the QAQC protocols with the SGS assay laboratory in Chita, Russia.

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Karchiga Project (Kazakhstan)

The Company's principal and most advanced project is the property comprising a licence area in eastern Kazakhstan containing the copper bearing Karchiga volcanogenic massive sulphide deposit which is part of the Rudny Altai polymetallic belt (the "Karchiga Project"). The Company indirectly holds a 94.75% interest in the Karchiga Project via its 100% interest in Lero Gold Corp. ("Lero") which in turn owns 100% of Eildon Enterprises Limited ("Eildon"), the immediate parent of GRK MLD LLP ("MLD") and the holder of the exploration licence for the Karchiga exploration property.

The Karchiga Project is governed by an exploration and production contract until February 28, 2024 and the Company has obtained approval to commence mineral extraction within the Karchiga exploration licence area for copper as well as approval for the construction of a mining and processing complex within the Karchiga exploration licence area from the relevant Kazakh authority.

From 2012 to early 2016, the Company tried to secure the funding required for the construction of a mine and processing facilities. However, due to the continuing adverse economic environment during this period, the Company was unable to secure the necessary funding required and the Company looked for alternative solutions.

On April 11, 2016, the Company entered into an agreement (as amended) to sell its 94.75% interest in MLD to Karasat Trading FZE ("Karasat"), a company registered in the United Arab Emirates, for \$7.75 million (\$100,000 non-refundable deposit received in May 2016). The Company obtained shareholder approval for the sale at its annual and special shareholder meeting held on June 23, 2016. On January 25, 2017, the Company conditionally transferred its participation interest in MLD to Karasat and the remainder of the purchase price was to be paid after the registration of the transfer with the Kazakhstan authorities, not later than February 15, 2017. On February 17, 2017, Karasat informed the Company that it was unable to obtain the necessary financing to pay the purchase price and therefore the shares of MLD were re-registered back to Eildon.

Karchiga Definitive Feasibility Study

In March 2012, the Company filed the Karchiga Definitive Feasibility Study with an effective date of March 27, 2012. A copy of which is available on SEDAR at www.sedar.com. Using only the indicated mineral resource estimates forming part of the December 2011 Pit-Constrained Mineral Resource Estimates, the Karchiga Definitive Feasibility Study Report reported a probable mineral reserve estimate of 8.5 million tonnes of sulphide ore in the central and north east pits containing 145,227t (320 Mlb) of copper at an average grade of 1.71% Cu to be amenable to flotation and additional 1.5 million tonnes of ore in the central pit containing 21,399t (47.2 Mlb) of copper at an average grade of 1.43% Cu to be amenable to heap leaching (see Orsu News Release February 29, 2012).

Kogodai Project (Kazakhstan)

The Company held an exploration licence for a prospect 70 km northwest of the Karchiga Project (the "Kogodai Project"). The Company held an effective 51% interest in the Kogodai Project through its 63.75% owned subsidiary, Harssin Management B.V. ("Harssin"), which in turn holds a 100% interest in Orsu Metals Kazakhstan, which has a majority 80% interest in Kogodai JV LLP. In March 2017, the Company completed the sale of its effective 51% interest in the Kogodai Project for \$10,000 through the sale of the Company's 63.75% interest in Harssin.

Qualified Person

The Company's Director of Exploration, Alexander Yakubchuk, a Qualified Person as defined in NI 43-101, has reviewed and approved the exploration information and resource disclosures contained in this MD&A.

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Results of Operations – three months ended March 31, 2017

Continuing operations

The consolidated loss from continuing operations for the three months ended March 31, 2017 was \$588,000 (2016 - \$407,000).

The significant changes between the current period and the comparative period are discussed below.

Administration totalled \$97,000 (2016 - \$121,000) for the three months ended March 31, 2017. The decrease in administration was primarily due to reductions in head office costs as the Company gave up its London head office in December 2016 and moved it to Canada.

Professional fees totalled \$116,000 (2016 - \$76,000) for the three months ended March 31, 2017. Current and prior period expenses relate primarily to legal and technical expenses related to the failed sale of the Company's Karchiga Project.

Salaries and benefits totalled \$162,000 (2016 - \$247,000) for the three months ended March 31, 2017. In December 2016, the Company made certain management changes and renegotiated certain contracts with the officers of the Company in order to reduce costs for the coming years.

In addition to the above, the Company recorded the following items during the three months ended March 31, 2017:

- Loss from assets held for sale of \$41,000 (2016 - \$111,000) related to the ongoing administration costs of the Company's Karchiga Project which has been classified as held for sale;
- Gain on disposal of assets held for sale of \$12,000 related to the sale of the Company's Kogodai Project in Kazakhstan;
- Advances for exploration of \$220,000 related to amounts advanced to Sibzoloto for funding of the Company now acquired 30% interest in the Sergeevskoe Project in eastern Russia; and
- Gain on amounts receivable from Equus of \$72,000 related to £60,000 received from Equus Petroleum plc for previously rented office space in London.

Trends

The Company is an exploration company. At this time, issues of seasonality or market fluctuations have had a minor impact on the expenditure patterns. The Company expenses its exploration, project investigation and general and administration costs, and these amounts are included in the net loss for each quarter. The Company's treasury, in part, determines the levels of exploration.

The level of the Company's exploration expenditures is largely determined by the strength of the resource capital and commodity markets and its ability to obtain investor support for its projects.

Liquidity and Capital Resources

Orsu began the fiscal period with \$2,350,000 cash. During the three months ended March 31, 2017, the Company spent \$555,000 on operating activities net of working capital changes, received \$10,000 from the sale of its Kogodai Project, and received \$111,000 from the exercise of options to end at March 31, 2017 with \$1,876,000 cash, net of \$40,000 cash that was held for sale.

As at March 31, 2017, the Company had working capital of \$1,702,000. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations through to December 31, 2017. Beyond December 31, 2017, the Company will need to seek additional sources of financing to carry on future operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to

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the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Related Party Transactions

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of assets held for sale and exploration and evaluation assets are described in Notes 6 and 7 to the Financial Report.

Outstanding Share Data as at the date of this MD&A

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance March 31, 2017	190,096,049	-	6,800,000
Acquisition of Sibzoloto	165,591,520	-	-
Balance as at the date of this MD&A	355,687,569	-	6,800,000

Cautionary Note Regarding Forward-looking Statements

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that Orsu or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by Orsu and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although Orsu believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of Orsu is subject to a number of risks and uncertainties, including those risk factors discussed under "Risk Management" in the above documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations, and the predictions based on them, of Orsu may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by Orsu will be realized or, even if substantially realized, that they will have the expected consequences for Orsu.

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Forward-looking statements are based on the beliefs, estimates and opinions of Orsu's management on the date the statements are made. Unless otherwise required by law, Orsu expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Orsu does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.orsumetals.com.