



**MANAGEMENT DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS**

For the three months ended March 31, 2018

(Expressed in US dollars)

ORSU METALS CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

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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, 2018 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, 2017 (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, 2017, 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, 2018 (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 25, 2018.

Description of the Business

Orsu is a publicly-traded company incorporated in the British Virgin Islands. The Company’s shares are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol OSU. The corporate office of the Company is located at Unit 1 - 15782 Marine Drive, White Rock, B.C., Canada, V4B 1E6.

The Company is engaged in the exploration and, if warranted, development of a mineral resource project in eastern Russia. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production nor has it generated any revenues from operations.

Operational Highlights

In 2018, the Company will follow up on its exploration successes achieved in 2017 with a trenching and drill program at the Sergeevskoe gold project located in eastern Russia.

In 2017, the Company first completed an environmental baseline study, a magnetic survey and 1500m of trenching on the Sergeevskoe Project to verify historic results prior to drilling. The results of the initial drill program identified three areas or zones on the project (Zone 23, Adit 5 and Klyuchi West), that are targeted to produce a maiden Inferred Resource in oxide and sulfide material of between 1.8 to 2.5 Moz gold in hypogene and oxide material contained in 30 to 36 Mt grading 1.5 to 2.0 g/t gold. The potential quantity and grade is conceptual in nature based on new and historical data and estimates as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. On March 12, 2018, the Company announced positive cyanidation test results for oxide samples from two zones on the Sergeevskoe project. The cyanidation tests for samples with oxide mineralization collected from Adit 5 and Kozie prospects achieved excellent recoveries of gold varying from 85% to 95%, depending on rock fractions, and amenability of oxide to heap leaching.

During 2018, Orsu will focus its efforts on three main target areas (Zone 23, Adit 5 and Klyuchi West), allocating some 6,500-7,000 m of drilling and 2,000 m of trenching. These works will be accompanied by metallurgical testing of the primary sulphide mineralization. As a result, Orsu aims to outline a maiden Inferred Resource by the end of Q3 2018, to be followed by a preliminary economic assessment before the end of 2018.

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The Company is also planning to test new targets (Sergeeva, Karamaevskoe) via 3,000-3,500 m of diamond drilling and some 500 m of trenching. These targets were tested in the 1950-60s, when the presence of gold mineralization was identified, but remain underexplored. The Sergeeva Prospect occurs at the immediate western strike extension of Zone 23, with potentially the same style of mineralization. The Karamaevskoe prospect hosts a swarm of quartz veins in the granite, which were historically drilled and trenched for molybdenum mineralization, with gold assayed in collective samples. These works are planned during Q3 2018 upon completion of resource drilling at Zone 23, Adit 5 and Klyuchi West.

Orsu has achieved significant exploration success in only 18 months since acquiring the Sergeevskoe Project and will continue the exploration pace for the remainder of 2018.

The license of the Sergeevskoe Gold Project occurs immediately east from the Alexandrovskoe open pit and gold plant owned by Zapadnaya Gold Mining Ltd and to the west from the Klyuchevskoe gold license owned by Sun Gold Mining (Figure 1). The Klyuchevskoe (Klyuchi) gold deposit represents a +6 Moz gold endowment (see Orsu press-release dated September 21, 2016). Orsu owns a 90% interest in the Sergeevskoe Gold Project.

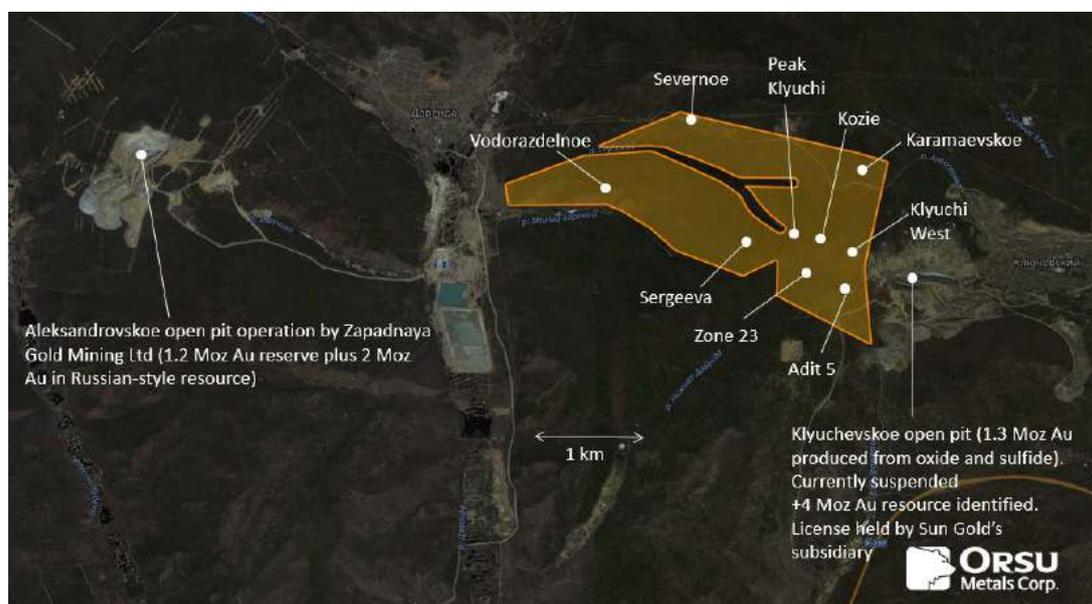


Figure 1. An outline of the 7.6 sq km Sergeevskoe license area with location of principal gold prospects and two adjacent open pits.

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.

Trends

The Company is an exploration company. 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.

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Results of Operations – three months ended March 31, 2018

The consolidated loss for the three months ended March 31, 2018 is \$290,679 (2017 - \$588,239).

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

Administration totalled \$21,181 for the three months ended March 31, 2018 compared to \$72,452 in the comparative period. The decrease in administration is primarily due to the Company's move of its corporate offices from the UK to Canada in December 2016.

Exploration and evaluation expenditures totalled \$148,149 for the three months ended March 31, 2018 and all relates to exploration work on the Sergeevskoe project. The Company began funding exploration at the Sergeevskoe project prior to acquiring its initial 30% interest in May 2017 and accordingly advanced \$220,000 towards the project during the three months ended March 31, 2017 which was recorded as project investigation costs.

Professional fees totalled \$9,810 for the three months ended March 31, 2018 compared to \$115,911 in the comparative period. Professional fees were higher in prior period as costs included consulting and legal fees related to the ultimate sale of the Company's Karchiga Project in October 2017.

Salaries and benefits totalled \$101,522 for the three months ended March 31, 2018 compared to \$162,263 in the comparative period. In December 2016 and March 2017, the Company made certain management changes and renegotiated certain contracts with the officers of the Company to reduce costs for the coming years.

Liquidity and Capital Resources

Orsu began the 2018 fiscal period with \$4,976,892 cash. During the three months ended March 31, 2018, the Company spent \$296,713 on operating activities net of working capital changes, to end at March 31, 2018 with \$4,680,179 cash.

As at March 31, 2018, the Company had working capital of \$4,691,849. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations the next twelve months.

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 exploration and evaluation assets and property, plant and equipment are described in Notes 6 and 7 to the Financial Report.

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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 Options
Balance at March 31, 2018	36,072,771	3,325,000
Balance as at the date of this MD&A	36,072,771	3,325,000

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 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.

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.