



**MANAGEMENT DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS**

For the six months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 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 August 22, 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

Orsu’s 2017 exploration works prioritized Zone 23, Adit 5 and Klyuchi West prospects for resource delineation at the Sergeevskoe Gold Project in Russia. The style of mineralization can be best classified as intrusion-related gold. Gold mineralization at Kozie, Peak Klyuchi, Klyuchi West, Adit 5 and Zone 23 prospects is hosted in quartz-tourmaline-sulfide veins and veinlets, forming stockwork zones. These stockwork zones are emplaced into all rock types. Logging of drill core demonstrated that mineralization is oxidized on average down to 30-40 m, with a possibility of greater depth near the Shirotnyi fault. At Zone 23, Adit 5 and Klyuchi West, the veins in stockwork are best mineralized.

At the end of the 2017 exploration works at Zone 23, the gold mineralization strikes for >400 m from the west to the east over an up to 170-m-width. At Adit 5, the gold mineralization has north-south-trending strike, forming three 250-m-long swarms in the west, centre and east in a 400-m-wide stockwork. At Klyuchi West a potential footprint is projected over a 250x200 m area.

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.

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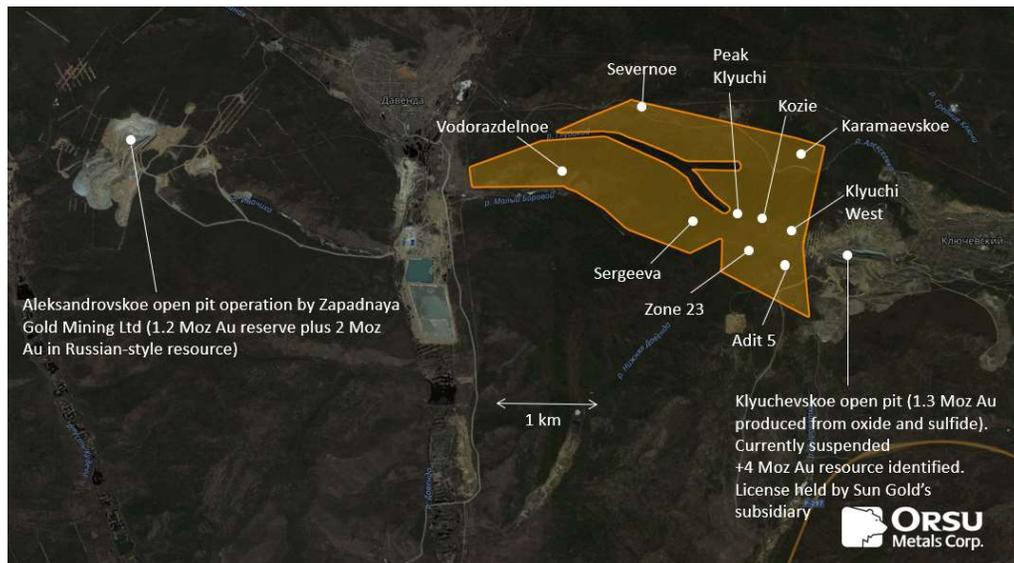


Figure 1. An outline of the 7.6 sq km Sergeevskoe license area with location of principal gold prospects and two adjacent open pits.

During 2018, Orsu is focussing its efforts on following up on the three main target areas, allocating some 10,500 m of diamond drilling and 2,500 m of trenching. These works will be accompanied by metallurgical testing of both oxide and primary sulphide mineralization. The drilling will be conducted to extend the strike length and widths of known mineralization in a series of drill fences along sections with holes approximately 80 m from each other. 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. The maiden resource target is 1.8 to 2.5 Moz AU in hypogene and oxide material contained in 30 to 36 Mt grading 1.5 to 2.0 g/t Au. The potential quantity and grade are 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 May 2, 2018, the Company announced the commencement of the 2018 exploration program.

To the date of this MD&A a total of 9,900 metres has been drilled in a total of 46 drill holes. Assays have been received and reported on 20 drill holes.

To the date of this MD&A, we have completed a total of 11 bulldozer trenches totalling 1,076.8 metres.

Zone 23 results have been reported on June 19, 2018, July 16, 2018, August 15, 2018 and August 22, 2018. The drill proven results from a total of 12 drill holes in six drill sections approximately 80 metres apart have extended the gold mineralization of Zone 23 both eastward and westward by 400 m and to a depth of 150-250 m. The average grade is 1.86 g/t Au over a combined drill width of 24.96 m in two stockworks (Main and Southern). Most spectacularly, four consecutive cross-sections, spanning a strike length of more than 320 m in the middle segment of Zone 23, returned consistent +2 g/t Au mineralized shoots in both stockworks.

Klyuchi West results have been reported on August 8, 2018 where drilling identified a 200 m width of steeply dipping gold stockwork in the north of Klyuchi West. Although Orsu identified a gold-mineralized stockwork at Klyuchi West in 2017, its extent remained unknown. New drilling (8 holes) in 2018 intercepted a 200-m-wide envelope with voluminous disseminated porphyry-like gold mineralization, superimposed by a linear 75-m-wide stockwork of northwest-trending gold-quartz veins. The highest gold grades tend to appear near the contact between granite and granodiorite porphyry intrusions. The stockwork trends towards the central part of the Kozie prospect, located some 250 m northwest from

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Klyuchi West. The area in between was never drilled or trenched in the past, and Orsu is currently drill-testing this area.

Adit 5 drilling has been significantly advanced and will be completed in September-October 2018. All assays pending.

On March 12, 2018, Orsu announced the results of cyanidation tests on oxide samples from Adit 5 and Kozie prospects where recoveries of gold varying from 85% to 95%, depending on rock fractions, and amenability of oxide to heap leaching were achieved.

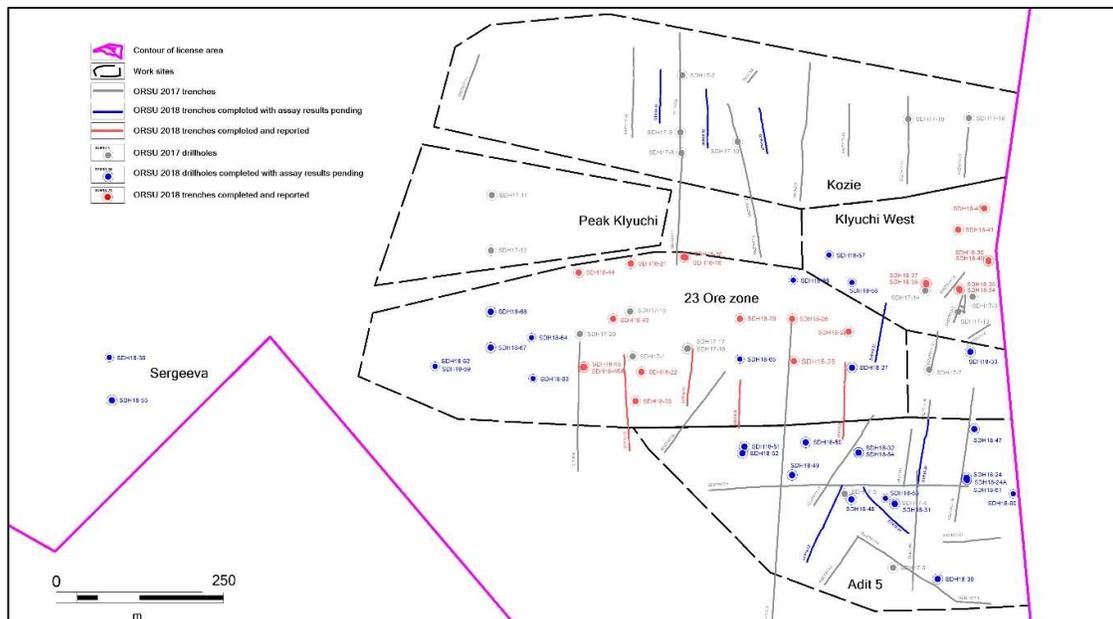


Figure 2. Location of the completed 2018 drillholes and trenches. These are spaced 80 m at Zone 23, with 40 m spacing at Klyuchi West and Adit 5.

The testing of new targets (Sergeeva, Karamaevskoe – Figure 1) via 3,000-3,500 m of diamond drilling and some 500 m of trenching has been partly deferred pending receipt of forestry permits. These targets were tested in the 1950-60s, when the presence of gold mineralization was identified, but remain underexplored. The Company drilled two holes within the existing forestry permit at the Sergeeva Prospect that occurs at the immediate western strike extension of Zone 23, with potentially the same style of mineralization. The drilling at the Karamaevskoe prospect is deferred. The 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

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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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.

Results of Operations – six months ended June 30, 2018

The consolidated loss for the six months ended June 30, 2018 was \$1,441,995 (2017 - \$971,353).

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

Administration totalled \$66,021 for the six months ended June 30, 2018 compared to \$199,082 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 \$1,112,309 for the six months ended June 30, 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 \$332,871 towards the project during the six months ended June 30, 2017 which was recorded as project investigation costs.

Professional fees totalled \$16,005 for the six months ended June 30, 2018 compared to \$126,373 in the comparative period. Professional fees were higher in the 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 \$200,750 for the six months ended June 30, 2018 compared to \$269,722 in the comparative period. During the six months ended June 30, 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 in cash. During the six months ended June 30, 2018, the Company spent \$1,3540,654 on operating activities net of working capital changes, to end at June 30, 2018 with \$3,626,238 in cash.

As at June 30, 2018, the Company had working capital of \$3,559,408. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations over 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.

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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.

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 June 30, 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.

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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.