

Orsu Metals Corporation Annual Results for the Year Ended December 31, 2011

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LONDON, UNITED KINGDOM -- ([Marketwire](#) - March 30, 2012) - [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 audited annual results for the year ended December 31, 2011.

A full Management's Discussion and Analysis of the results for the year ended December 31, 2011 ("MD&A") and Consolidated Financial Statements ("Financials") will soon be available on the Company's profile on SEDAR (www.sedar.com) or on the Company's website (www.orsumetals.com). Copies of the MD&A and Financials can be also be obtained upon request to the Company Secretary.

The Financials for the year ended December 31, 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All amounts are reported in United States Dollars unless otherwise indicated. Canadian Dollars are referred to herein as CAD\$ and British Pounds Sterling are referred to as GBP£.

The following information has been extracted from the MD&A and the Financials. Reference should be made to the complete text of the MD&A and the Financials.

2011 BUSINESS REVIEW

During 2011 the Company achieved key milestones in relation to the completion of the Karchiga Project Definitive Feasibility Study, continued to develop the Talas Project, and took proactive steps to improve its liquidity.

In 2011 the Company undertook an extended drilling program for the Karchiga Project with the aim of increasing the indicated mineral resource tonnage and indicated copper metal contained estimates, for the sulphide and oxide mineralization, from the amounts previously reported in the Karchiga Technical Report. In December 2011 the Company announced the successful results of the drilling program in the SRK December 2011 Pit-Constrained Mineral Resource Estimates which reported a 39% increase in the indicated mineral resource tonnage and a 30% increase of contained copper metal in the oxide and sulphide mineralization in comparison with the amounts previously reported in the Karchiga Technical Report.

Using only the indicated mineral resource estimates in the SRK December 2011 Pit-Constrained Mineral Resource Estimates, in February 2012 the Company announced the successful completion of the Karchiga Definitive Feasibility Study, a key milestone in the development of Orsu as a Company. The Karchiga Definitive Feasibility Study supports a total probable mineral reserve estimate of 10 million tonnes of sulphide and oxide ore containing a total 166.6Kt copper at an overall average grade of 1.67% copper, of which 145.2Kt is amenable to flotation and 21.4Kt amenable to heap leaching. The key economic indicators of the Karchiga Project show that with an initial capital expenditure requirement of \$115 million based on 100% equity financing and on a copper price of \$3.25/lb, a post tax net present value (or "NPV") of \$150 million, an internal rate of return (or "IRR") of 30% and payback of less than 3 years.

The Company's other major exploration project is the Talas Project, its 60:40 joint venture with Gold Fields. Work on the Talas Project in 2011 focused on local communities and environmental studies. In addition, an internal geological and technical review of the Talas Project identified and prioritized several new exploration targets in the immediate vicinity of the deposit which the Company believes could, subject to further testing, potentially result in improvements of the metal grades, via in-fill drilling, of the existing mineral resources at the Taldybulak deposit.

During 2011 the Company took proactive steps to improve its liquidity. The Company received \$5.5 million from Polymetal in final settlement of its outstanding Varvarinskoye Project deferred consideration entitlement. Furthermore, the Company received \$1.3 million in final settlement of its Tasbulat oil royalty interests. Including the aforementioned receipts, the Company's net cash outflows for the year ended December 31, 2011 were \$9.3 million reflecting corporate and exploration expenditures, the Karchiga

Acquisition and Orsu's 40% funding of the Talas Project.

For the year ended December 31, 2011 the Company reported a net loss of \$1.8 million, compared with net income of \$5.1 million for 2010. The 2011 loss of \$1.8 million was due primarily to a \$2.1 million year on year increase in exploration costs relating to the Karchiga Definitive Feasibility Study and a \$0.9 million year on year increase in administrative expenditure reflecting increased office costs at the Karchiga Project.

In 2011 the Company decided to focus its resources into the development of its remaining exploration properties, the Karchiga Project and the Talas Project, and as such considered the Akdjol-Tokhtazan Project a non-core asset which would be made available for sale.

2011 HIGHLIGHTS

- January 2011 - the Company confirmed that in relation to the Varvarinskoye Project pursuant to the terms of a sale and purchase agreement dated June 13, 2009 between the Company and Open Joint Stock Company Polymetal ("Polymetal") (or the "SPA"), it had earned deferred consideration for 2010 of \$2.7 million and, of this amount, had received \$1.5 million, with the balance of \$1.2 million being rolled over and added (with interest accruing at a rate of 2.8% per annum) to any future deferred consideration earnings, subject to a maximum total entitlement of \$12 million and a maximum annual payment of \$1.5 million.
- February 2011 - the Company announced the assay results for its 2010 infill drilling programme in the North East lode at its Karchiga Project. Please see "Operational Review - Karchiga Copper Project, Kazakhstan" of the Company's MD&A for further information.
- April 2011 - the Company announced that, pursuant to a sale and purchase agreement entered into on May 20, 2010 (the "Karchiga SPA"), it had increased its interest in the Karchiga Project to 94.75% by completing the acquisition of the remaining 26.1% interest in its indirect subsidiary, Eildon Enterprises Limited ("Eildon"), which owns 94.75 per cent of GRK MLD LLC ("GRK"), for cash consideration of \$6,187,500 (the "Karchiga Acquisition").
- April 2011 - the Company announced that it had received permission from the Ministry of Industry and New Technologies of the Republic of Kazakhstan ("MINT") to commence mineral extraction for copper at the Karchiga Project.
- April 2011 - the Company announced the results of final metallurgical test work, which was carried out by the Eastern Research Institute for Base Metals ("VNIITsvetMet") based in Ust-Kamenogorsk, Kazakhstan, under the direction of SRK Consulting (UK) Limited ("SRK") as part of the ongoing definitive feasibility study for the Karchiga Project (the "Karchiga Definitive Feasibility Study"). Please see "Operational Review - Karchiga Copper Project, Kazakhstan" of the Company's MD&A for further information.
- May 2011 - the Company announced updated pit-constrained mineral resource estimates for its Karchiga Project, prepared by SRK as part of the ongoing Karchiga Definitive Feasibility Study (the "SRK May 2011 Pit-Constrained Mineral Resource Estimates"). Please see "Operational Review - Karchiga Copper Project, Kazakhstan" of the Company's MD&A for further information.
- July 2011 - the Company announced the commencement of 1,700m infill drilling of the central oxide ("Karchiga Central Oxide") and an additional 2,000m infill drilling of the North East sulphide ("Karchiga North East Sulphide") as part of the ongoing Karchiga Definitive Feasibility Study. Please see "Operational Review - Karchiga Copper Project, Kazakhstan" of the Company's MD&A for further information.
- July 2011 - the Company announced that it had reached an agreement (the "Deferred Consideration Agreement") with Polymetal to receive \$5.5 million in cash by the end of September 2011 as early and final settlement of its outstanding deferred consideration entitlement pursuant to the SPA (see "Derivative Financial Instruments - Deferred Consideration Income" under Financial Review for further information).
- September 2011 - the Company announced the on-schedule completion of 1,786m (46 holes) infill drilling of the Karchiga Central Oxide and an additional 2,278m (26 holes) infill drilling of the Karchiga North East Sulphide.
- September 2011 - the Company announced that it had received an aggregate of \$6.83 million in cash, consisting of \$5.5 million in cash from Polymetal pursuant to the Deferred Consideration Agreement and \$1.33 million in cash following an agreement between its fifty five per cent owned subsidiary Lisburne Holdings Limited ("Lisburne") and the Tasbulat Oil Corporation LLP ("Tasbulat"), Kazakhstan, for the early and final settlement of Lisburne's oil royalty entitlement pursuant to the oil royalty agreement dated September 2, 1999 between Lisburne and Tasbulat (the "Tasbulat Oil Royalty Agreement").

- September 2011 - the Company announced that it had received all final assay results from its 2011 infill drilling programme in the Karchiga Central Oxide and Karchiga North East Sulphide at its Karchiga Project. Please see "Operational Review - Karchiga Copper Project, Kazakhstan" of the Company's MD&A for further information.

- December 2011 - the Company announced an increase in its pit constrained mineral resource (effective December 8, 2011) for the Karchiga Project comprising an indicated mineral resource of 10.8Mt of combined sulphide and oxide mineralisation grading 1.73% Cu for 187,200t (412.7 Mlb) of contained Cu and an inferred mineral resource of 0.02Mt of sulphide mineralisation grading 1.28% Cu for 300t (0.7 Mlb) of contained Cu (the "SRK December 2011 Pit-Constrained Mineral Resource Estimates"). Please see "Operational Review - Karchiga Copper Project, Kazakhstan" of the Company's MD&A for further information.

POST YEAR END HIGHLIGHTS

- February 2012 - the Company announced the positive results of the Karchiga Definitive Feasibility Study completed by SRK which reported for the Karchiga Project a total production of 149kt (328 Mlb) of copper over a mine life of 11.5 years, a post tax NPV of \$150 million and an IRR of 30% based on a 100% equity financing and a copper price of \$3.25/lb Cu. In addition, the Company announced 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 (the "2012 Mineral Reserve Estimates"). Please see "Operational Review - Karchiga Copper Project, Kazakhstan" for further information.

- March 2012 - the Company announced the filing of the Karchiga Definitive Feasibility Study Report.

OPERATIONAL REVIEW

The Company's principal and most advanced exploration project is the property comprising a 47.3km² licence area in eastern Kazakhstan containing the Karchiga volcanogenic massive sulphide ("VMS") deposit (the "Karchiga Project"), which is part of the Rudny Altai polymetallic belt. The Company's other principal exploration asset is its property in northwest Kyrgyzstan, which is comprised of four licence areas within the Tien Shan gold belt: the Taldybulak, Barkol, Korgontash and Kentash licences (collectively, the "Talas Project").

The Company's other exploration project is located approximately 100km to the south west of the Talas Project and is the Akdjol-Tokhtazan licence area comprising the Akdjol and Tokhtazan licences (the "Akdjol-Tokhtazan Project"). In 2011 the Company decided to focus its resources on the development of its principle exploration properties, the Karchiga Project and the Talas Project, and as such considered the Akdjol-Tokhtazan Project a non core asset which would be made available for sale.

KARCHIGA COPPER PROJECT, KAZAKHSTAN

Karchiga Definitive Feasibility Study

In September 2010, the Company commenced the Karchiga Definitive Feasibility Study with a view to potentially starting construction in the third quarter of 2012. During the process of completing and fulfilling the requirements of the Karchiga Definitive Feasibility Study the Company undertook associated exploration and test work programmes which include:

- In-fill resource drilling program 2010 (details can be viewed in the Company's MD&A);
- Metallurgical test work April 2011 (details can be viewed in the Company's MD&A);
- SRK May 2011 Pit-Constrained Mineral Resource Estimates (details can be viewed in the Company's MD&A);
- SRK December 2011 Pit-Constrained Mineral Resource Estimates (as described below); and
- Karchiga Definitive Feasibility Study and the 2012 Mineral Reserve Estimates (as described below).

In February 2012, SRK completed the Karchiga Definitive Feasibility Study and, in connection therewith, a

complete technical report entitled "Karchiga Feasibility Study, NI43-101 Technical Report", and dated March 28, 2012 was prepared by Michael Beare, Dr Michael Armitage and ms Tracey Laight of SRK (each of whom is a "qualified person" within the meaning of NI 43-101 and independent of Orsu, (the "Karchiga Definitive Feasibility Study Report"). A copy of the Karchiga Definitive Feasibility Study Report can be viewed under the Company's profile on SEDAR at www.sedar.com.

SRK December 2011 Pit-Constrained Mineral Resource Estimates

The SRK December 2011 Pit-Constrained Mineral Resource Estimates have been prepared by SRK in relation to oxide and sulphide mineralization in both the Central and North East lodes of the Karchiga deposit.

Table 1 presents the SRK December 2011 Pit-Constrained Mineral Resource Estimates which comprise an indicated mineral resource of 10.8Mt of combined sulphide and oxide mineralization with a mean grade of 1.73% Cu for 187,200t of contained Cu and inferred mineral resources of 0.02Mt of sulphide mineralization grading 1.28% Cu for 300t of contained Cu. These mineral resources have been constrained by two optimized pits and are reported at a cut-off grade of 0.3% copper for mineralization considered to be amenable to flotation ("FL") and at a cut-off grade of 0.7% copper for mineralization considered to be amenable to heap leaching ("HL").

Table 1: SRK December 2011 Pit-Constrained Mineral Resource Estimate:
Indicated Mineral Resources effective December 8, 2011

Lode	Type	Cut-off							
Cu (%)	Tonnes								
(Mt)	Grade								
Cu (%)	Metal								
Cu (Kt)	Metal								
Cu (Mlb)	Grade								
Au (g/t)	Metal								
Au (t)	Metal								
Au (koz)									
Central	Oxide HL	0.7		1.5		1.24		18.2	40.0
Central	Transition HL		0.7		0.1		3.39		3.3
Central	Sulphide HL		0.7		0.2		1.72		3.3
Central	Total HL	0.7		1.8		1.41		24.8	54.6
Central	Oxide FL	0.3		0.3		1.15		3.2	7.0
Central	Transition FL		0.3		0.1		3.19		3.3
Central	Sulphide FL	0.3		3.8		1.87		70.3	154.9
North East	Sulphide FL	0.3		4.9		1.75		85.7	188.9
Total	FL	0.3		9.1		1.80		162.5	358.1
Total	All material			10.8		1.73		187.2	412.7
Inferred Mineral Resources									
Lode	Type	Cut-off							
Cu (%)	Tonnes								
(Mt)	Grade								
Cu (%)	Metal								
Cu (Kt)	Metal								
Cu (Mlb)	Grade								
Au (g/t)	Metal								
Au (t)	Metal								
Au (Koz)									
North East	Sulphide	0.3		0.02		1.28		0.31	0.67

**Some figures may not sum exactly due to rounding.*

The above estimate reflects a 28% increase in the sulphide-hosted indicated mineral resource tonnage, and a 23% increase in the copper metal contained within this, compared to the SRK May 2011 Pit-Constrained Mineral Resource Estimates. This has been achieved not only through the upgrading of practically all previously reported inferred mineral resources to the indicated category, but also through the addition of 0.8 Mt of sulphide mineralization in the North East which had not previously been delineated. The most significant difference, however, is the increase in the oxide mineral resource. Specifically SRK reported a 137% increase in tonnage and a 109% increase in contained copper metal in comparison with the WAI 2010

Estimate.

As part of its work, SRK produced updated geological models for both the Central and North East lodes primarily based on a geological cut-off of 0.1% Cu and capped high grades where it considered this to be appropriate based on a statistical analysis of the available assay results.

SRK also remodeled the footwall of the oxide mineralization and in addition to this has modeled a transition zone between the sulphide and oxide mineralization based on an updated drill hole database and acid solubility data. Notwithstanding this, the resulting mineral resource estimate has been reported using a 40% acid solubility threshold which assumes that material which has an acid solubility greater than 40% will be processed using heap leaching and that which has an acid solubility of less than 40% will be processed in the flotation concentrator.

A total of four domains have been modeled in the Central lode, and two in the North East lode. 3D wireframes were created from 2D sections which were spaced at a 25m interval in the Central and North East lodes. No more than 2m of waste was included in the 2D sections used to produce the 3D wireframes. SRK and Orsu previously interpreted four post-mineralization faults which strike across the deposit but only one of these is now thought to have an effect on the mineralization, offsetting it in the northern portion of the Central lode by some 120m. Further, drilling information does not suggest that the mineralization is terminated by these faults as previously thought.

All other methodologies behind the SRK December 2011 Pit-Constrained Mineral Resource Estimates remained generally the same as in May 2011, except that 2011 drilling data was also used to enable separate density regression plots to be established for the sulphide mineralization in the Central and North East lodes.

Table 2 shows the pit optimization parameters that were used to define a pit outline which was then used to constrain the SRK December 2011 Pit-Constrained Mineral Resource Estimates to material with reasonable prospects for economic extraction. The slope angle parameters are the result of the geotechnical study undertaken by SRK. The Mining, Processing, and Operating Cost and the NSR parameters were derived based on the then on-going technical work as part of the Karchiga Definitive Feasibility Study by SRK. A long term price of \$3.25/lb Cu was assumed based on market consensus forecasts, previously a price of \$3.00/lb Cu had been used by SRK in May 2011 and in the Karchiga Scoping Study.

Table 2: Pit Optimization Parameters Parameter Value

Overall slope angle

Central Pit:

Hanging Wall

Footwall

North East Pit:

Hanging Wall

Footwall

Northern Wall

49°

47°

51°

45°

47°

Mining & Processing

Mining Recovery

Mining Dilution

Fresh Cu Processing Recovery

Oxide Cu Processing Recovery

95.0%

5.0%

94.00%

55.00%

Costs

Mining Cost

Ore

Oxide

Waste

Fresh Processing Cost

Oxide Processing Cost

General & Administrative Cost

Royalty

\$1.80/t
 \$1.30/t
 \$1.60/t
 \$9.00/t ore
 \$22.57/t ore
 \$5.00/t ore
 5.7% of RoM Metal Value (above 0.7% Cu head grade)
 Price
 Cu Selling Price
 NSR
 7,163 \$/t Cu (3.25 \$/lb)
 83%

Quality Assurance / Quality Control

The above mineral resource estimates were based on historical drilling performed in Soviet times as well as drilling undertaken by Orsu since 2007, including in-fill drilling completed in 2011 as disclosed above. Assays for the 2011 in-fill drilling program were completed for Cu, Zn, Pb, and Au in the laboratory of the Eastern Institute for Base Metals, based in Ust-Kamenogorsk, Eastern Kazakhstan, which is independent from Orsu and SRK. Standard, blank, and duplicate samples were inserted after approximately every twenty ordinary core samples. The ordinary half core samples were taken from visually mineralized intervals and 5 m of visually unmineralised material below and above the mineralized intervals. The remaining half core samples are stored at the Orsu facility in Ust-Kamenogorsk, Kazakhstan. The SRK December 2011 Pit-Constrained Mineral Resource Estimates used all data available at the end October 2011.

Comparison with Previous Estimates

Table 3 shows a comparison between the SRK December 2011 Pit-Constrained Mineral Resource Estimates and the SRK May 2011 Pit-Constrained Mineral Resource Estimates and the WAI 2010 Estimate.

Table 3: Comparison of Pit-Constrained Mineral Resource Estimates for Karchiga Project Indicated Mineral Resources

Estimate Cut-off	
Cu (%) Lode Type Tonnes	
(Mt) Grade	
Cu (%) Metal	
Cu (Kt) Metal	
Cu (Mlb)	
SRK May 2011 0.3 Central & North East Sulphide	7.1 1.85 131.86 290.69
SRK December 2011 0.3 Central & North East FL	9.1 1.80 162.5 358.1
Variance, %	28.17 -2.70 23.24 23.24
WAI 2010 0.7 Central Oxide	0.76 1.57 11.89 29.9
SRK December 2011 0.7 Central HL	1.8 1.41 24.8 54.6
Variance, %	136.84 -10.19 108.58 108.58
Inferred Mineral Resources	
Estimate Cut-off	
Cu (%) Lode Type Tonnes	
(Mt) Grade	
Cu (%) Metal	
Cu (t) Metal	
Cu (Mlb)	
SRK May 2011 0.3 North East Sulphide	1.2 1.68 19,849 43.8
SRK December 2011 0.3 North East Sulphide	0.02 1.28 300 0.7
Variance, %	-98.33 -23.81 -98.45 -98.40

** Some figures may not sum exactly due to rounding. All HL and FL recoverable material is reported here with oxide and sulphide resources, respectively, for comparison purposes.*

Karchiga Definitive Feasibility Study

Using only the indicated mineral resource estimates forming part of the SRK December 2011 Pit-Constrained Mineral Resource Estimates, the Karchiga Definitive Feasibility Study Report supports 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 FL 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 HL.

Table 4. Probable Mineral Reserves Estimates as of February 18, 2012

Orebody	Ore Type	Tonnes (Mt)	Cu %	Au g/t	Cu Metal (kt)	Au Metal (Mlb)
Central	HL	1.5	1.43	0.06	21.4	47.2
Central	FL	3.8	1.78	0.12	68.2	150.2
North East	FL	4.7	1.64	0.18	77.0	169.8
Total		10.0	1.67	0.14	166.6	367.2

All figures are on a 100% ownership basis

Pit designs and the final National Instrument 43-101 mineral reserve estimates dated February 18, 2012 were completed using two types of software; Whittle 4X optimisation software was used to generate optimal pit shells which were designed in detail using Vulcan software.

Key optimisation parameters are presented in Table 5 below.

Table 5. Whittle Input Parameters

OVERALL	SLOPE ANGLES	PARAMETER
	CENTRAL PIT	
	HANGING WALL	49°
	FOOTWALL	47°
	NORTH-EASTERN PIT	
	HANGING WALL	51°
	FOOTWALL	45°
	NORTHERN WALL	47°
MINING & PROCESSING		
	MINING RECOVERY	95%
	MINING DILUTION	5%
	FRESH CU PROCESSING RECOVERY	94.0%
	OXIDE CU PROCESSING RECOVERY	55.0%
COSTS		
	MINING COST	
	ORE	1.80 \$/t
	OXIDE	1.30 \$/t
	WASTE	1.60 \$/t
	FRESH PROCESSING COST	9.00 \$/t ore
	OXIDE PROCESSING COST	22.57 \$/t ore
	GENERAL & ADMINISTRATIVE COST	5.00 \$/t ore
	ROYALTY	5.7% of RoM Metal Value (above 0.7% Cu head grade)
PRICE		
	CU SELLING PRICE	6,600 \$/t Cu
	NSR	83% (For Fresh Rock only)

Capital Expenditure

The estimated total project capital expenditure ("CAPEX") over the mine life of \$147 million, including the solvent extraction with electro winning ("SXEW") plant to treat the oxide ores, is made up as follows:

\$21.5 million for mining equipment

\$40.1 million for copper in concentrate processing plant and equipment
\$26.3 million for SXEW plant
\$21.7 million for mine site facilities and infrastructure
\$26.3 million for sustaining capital & closure costs
\$11.3 million for contingency

The estimated initial CAPEX is \$115 million, which excludes the SXEW plant, sustaining capital & closure costs but includes pre-production development costs.

The initial Capital Expenditure estimate is comparable to the initial capital cost estimate of \$100 million contained in the Karchiga Scoping Study. The Company estimates that a 12 to 15 month period is sufficient for the construction of the processing facilities and pre-production development at the Karchiga Project.

Mine Plan

The open pit mining schedule produced by SRK calculated a producing mine life of 11.5 years. The mining schedule envisages the mining of 10 Mt of sulphide and oxide ore and 124 Mt of waste with a stripping ratio of 1:12.4 over the mine life. The average mining rate of the operation is 750kt per annum.

For the first 2.25 years of the mine life, the mining schedule includes open pit mining of the Central sulphide ore body alone in order to maximise the sulphide copper grade and hence sulphide copper recovery. The optimised mine schedule has been developed to minimise the stripping ratio in the initial three years of the mine life. In addition, the use of stockpiling has enabled the Company to increase the processed ore grade. From Year 4 until Year 7, sulphide ore will be mined from both the Central and North East open pits. From Year 8 until the end of mine life in Year 12, all mining will continue in the North East pit.

The average mining cost over the mine life is \$1.7 per tonne of material moved.

Processing Plan and Economic Model

The plant is designed to process approximately 750,000 tonnes per annum of sulphide ore. A conventional processing route was chosen using relatively fine grinding and selective sulphide flotation to produce a 27.9% bulk concentrate. The first production has been scheduled for the fourth quarter of 2013 through to final production in 2025.

Copper from the oxide ore will be extracted using SXEW process. The oxides will be treated over a period of 4.5 years starting in 2018 at an annual production rate of 360,000 tonnes and is expected to produce an average of 2.8kt (6.22Mlb) of copper cathode per annum over that period. Production of cathode copper will continue until 2022.

In order to reduce the initial Capital Expenditure, the SXEW plant construction has been delayed until after the initial Capital Expenditure payback period (which is anticipated to be 2.75 years). The plant has been designed to treat an average of 30,000 tonnes of leachable oxide ore per month.

The results of the Karchiga Definitive Feasibility Study demonstrate that economically the best option is to delay the SXEW construction until 2017, allowing the cost of construction to be financed from the revenue generated by the sulphide ore treatment.

The project key performance indicators are shown in Table 6 below.

Table 6. Key Performance Indicators

Parameter	Units	Key Performance Indicator	
Average annual mining rate		Tonnes	750,000
Average mining cost	\$/t of ore		22.99
Annual processing rate (FL)		Tonnes	750,000
Mine life (FL)	Years	11.5	
Processing cost (FL)	\$/t of ore		8.91
Metallurgical recovery (FL)	%		93.4
Average annual copper production, over 11.5 years (FL)			'000 tonnes
Average annual copper production (FL)		Mlb	26.1
Annual processing rate (HL)		Tonnes	360,000
Mine life (HL)	Years	4.5	
Processing cost (HL)	\$/t of ore		18.7
Metallurgical recovery (HL)	%		61.1
Average annual copper production, over 4.5 years (HL)			'000 tonnes
Average annual copper production (HL)		Mlb	6.2
Cash operating cost over the mine life (pre tax)		\$/lb Cu	1.47

The mine is expected to produce a total of 149kt (328 Mlb) of payable copper, with an average of 12,957t (28.57 Mlb) of copper production per annum.

The Karchiga Project site is located 10 km from the main road and a 110 kV national power grid and is expected to be connected to the same as part of construction. An adequate supply of water can be sourced from the River Kalzhir as well as from aquifers in the immediate vicinity of the designed project facilities.

The project key economic indicators are shown in Table 7 below.

Table 7. Key Economic Indicators

Parameter	Units	Key Economic Indicator	
Total project CAPEX		\$m	147
Initial CAPEX	\$m		115
Total Net Smelter Revenue		\$m	971
Sulphide and Oxide Case @ \$3.25/lb Cu:			
- Post-Tax NPV7.5	\$m		150
- Post-Tax IRR	%		30
- Payback period	Years		2.75
Sulphide and Oxide Case @ \$3.00/lb Cu:			
- Post-Tax NPV7.5	\$m		113
- Post-Tax IRR	%		25
- Payback period	Years		3.0

All figures are on a 100% ownership basis

The ESIA for the Karchiga Project was successfully completed by WAI on January 31, 2012. The Company expects to receive the necessary construction permitting approvals from the Kazakh authorities by the end of the second quarter of 2012.

Karchiga Definitive Feasibility Study Expenditure

The Company originally estimated expenditure on the Karchiga Definitive Feasibility Study of \$6.6 million, but due to increased resource drilling work covering the additional oxide and sulphide drilling programme mentioned above, the Company now expects to incur expenditure of \$9.2 million, which it expects to fund from its available cash. As at December 31, 2011, the Company had incurred expenditure of \$8.0 million relating to the Karchiga Definitive Feasibility Study since August 2010.

Other matters

Two key issues which the Company is currently reviewing separately to the Karchiga Definitive Feasibility Study are the use of high quality equipment sourced from the People's Republic of China (or "China") in order to minimise the project capital costs and identify potential off-takers for the copper concentrate in both China and Kazakhstan. The Karchiga Project is favourably located approximately 220 km south east of the

regional centre, Ust-Kamenogorsk, and approximately 40 km from the Chinese border to the east. The nearest copper mining operation in China at the Ashele VMS deposit, containing 1Mt of copper, is located approximately 85 km east-southeast from the Karchiga deposit.

TALAS COPPER-GOLD-MOLYBDENUM PROJECT, KYRGYZSTAN

2011 Exploration Programme

In January 2011, the Kyrgyz Government reviewed all exploration licences in the country to improve transparency and accountability in natural resource exploration, which led to a temporary suspension of all exploration activities in the country. The Ministry of Natural Resources of the Kyrgyz Republic reviewed the Talas Project on 24 April 2011 and recognised that TCG had fully complied with all licence requirements and approved the TCG's request for a three month suspension of the 2011 exploration requirements to allow TCG time to win support from the local communities for the Talas Joint Venture's long term exploration goals and undertake environmental studies.

In May 2011, Gold Fields and Orsu completed an internal geological and technical review of the Talas Project, which identified and prioritized several new exploration targets in the immediate vicinity of the deposit (falling within a three kilometre radius as well as at deeper levels of the deposit itself). The Company believes that the testing of these targets could potentially further enlarge the mineral endowment of the Taldybulak mineral resources and that there could be further improvements in metal grades via in-fill drilling of the existing resources at the Taldybulak deposit.

From August to September 2011, TCG renewed its exploration activity and collected 864 Mobile Metal Ion ("MMI") samples and completed 54km of a high resolution ground magnetic survey programme. The samples were sent to SGS Australia Pty Limited in Perth, Australia (which is independent of Orsu) for analysis and conceptual targets were outlined. The previously planned infill drilling programme of 6,000m for 2011 has been postponed until the second quarter of 2012.

In October 2011, Orsu and Gold Fields decided to undertake a complete review of the previously reported mineral resource estimates for Taldybulak. This included partial relogging of the Taldybulak drill core. In total, approximately 11,000 m of core out of total 30,000 m core drilled since 2005 was relogged by Orsu and TCG in November 2011. The principal goal of this study was to identify additional geological controls of copper, molybdenum and gold mineralization. Primary attention was paid to the identification of porphyry phases and alteration, particularly potassic alteration, which usually controls higher grades of copper.

By the end of December 2011, Orsu had produced all necessary geological data in order to proceed with an updated mineral resource estimate for Taldybulak. It is expected that Gold Fields will complete a study in the second quarter of 2012 and which will result in updated mineral resource estimates for Taldybulak.

For the Talas Project, the Company contributed \$838,000 of its 40% share of expenditure in 2011 (\$951,000 for 2010). The majority of the 2011 licence expenditures were incurred in connection with environmental, social, metallurgical and resource studies, as well as a ground magnetic survey at the Taldybulak licence. For 2012 Orsu and Gold Fields have agreed a budget of \$0.6 million of which Orsu's 40% share will be \$0.2 million.

AKDJOL-TOKHTAZAN PROJECT, KYRGYZSTAN

2011 update

In July 2011, the Company initiated a ground magnetic survey programme at the Akdjol-Tokhtazan Project. The programme is designed to complete mapping of the magnetic anomalies in both the Akdjol and Tokhtazan licenses. In September 2011, the Company received preliminary results of the ground magnetic survey, which are currently being processed. The results are expected to help in interpretation of structural controls of gold mineralisation in the project area.

In 2011 the Company decided to focus its resources on the development of its principle exploration properties, the Karchiga Project and the Talas Project, and as such considered the Akdjol-Tokhtazan Project a non core asset which would be made available for sale.

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2011

For the year ended December 31, 2011 the Company reported an IFRS net loss of \$1.8 million.

The 2011 net loss of \$1.8 million consisted of: administrative costs of \$3.8 million, legal and professional costs of \$1.3 million, exploration costs of \$5.0 million, a stock-based compensation charge of \$0.7 million, the Company's share of the Talas Joint Venture losses of \$0.9 and impairment losses of \$0.3 million for an asset held for sale. These losses were partially offset by unrealized derivative gains of \$6.2 million, a net gain on the settlement of the Company's oil interests of \$2.0 million, deferred consideration income of \$1.9 million and interest income of \$0.1 million.

As at December 31, 2011 the Company had net assets of \$32.1 million (\$40.4 million as at December 31, 2010) of which \$10.3 million was cash and cash equivalents compared to \$19.6 million as at December 31, 2010 representing a decrease of \$9.3 million in cash and cash equivalents. The decrease in cash and cash equivalents was due primarily to corporate and exploration expenditure of \$10.8 million, the Karchiga Acquisition of \$6.2 million and Orsu's 40% funding of the Talas Joint Venture of \$0.8 million partially offset by deferred consideration receipts of \$7.0 million (see note "Derivative financial instruments - Deferred consideration income" below) and royalty income from the Company's oil interest of \$1.6 million (see "Net investment in oil interests" below).

In 2011 the Company decided to make its Akdjol-Tokhtazan Project available for sale, subject to standard conditions of sale (see note on "Asset held for sale" below) and recognised an impairment loss of \$0.3 million for the year ended December 31, 2011 for the fair value of the assets held for sale. Under IFRS 5, "Non-current assets held for sale and discontinued operations", the Company has disclosed the assets and liabilities, measured at fair value less costs to sell, on the balance sheet and in the notes net losses of the Akdjol-Tokhtazan Project as "Asset Held for Sale".

FINANCIAL POSITION AS AT DECEMBER 31, 2011 AND DECEMBER 31, 2010

As at December 31, 2011, the Company's net assets were \$32.1 million, compared with \$40.4 million as at December 31, 2010, of which \$10.3 million consisted of cash and cash equivalents (\$19.6 million as at December 31, 2010).

The decrease of \$8.3 million was due to the payment of \$6.2 million for the Karchiga Acquisition, the Company's 40% share of losses in the Talas Joint Venture of \$0.9 million and corporate and exploration expenditure of \$10.6 million partially offset by a \$6.2 million decrease in derivative warrant liabilities, deferred consideration income of \$1.9 million and income relating to the Tasbulat Oil Royalty Agreement of \$1.3 million.

In accordance with IAS 27, the Company has accounted for the Karchiga Acquisition as a change in a non-controlling interest and as such has attributed the cost, \$6,187,500, to the shareholders of the Company (see "Consolidated Statements of Changes in Equity" of the Company's audited financial statements as at December 31, 2011).

A summary of the carrying value of the Company's equity investment in the Talas Joint Venture as at December 31, 2011 is set out below:

	\$000
Fair value of equity investment as at January 1, 2011	10,221
Funding provided by the Company during year	838
Less: Company's 40% share of operating losses for the year	(948)
Fair value of equity investment as at December 31, 2011	10,111

ASSET HELD FOR SALE

The exploration license area for the Akdjol-Tokhtazan Project is located in the Jalal-Abad Oblast, western Kyrgyzstan and comprises the Akdjol license and Tokhtazan license. During 2010, the company identified the Akdjol license area as a gold-silver epithermal prospect and the Tokhtazan license area as a gold prospect. The Akdjol and Tokhtazan licenses expire on December 31, 2012.

In 2011 the Company decided to focus its resources on the development of its principal exploration and development projects, the Karchiga Project and the Talas Project and as such considered the Akdjol-Tokhtazan Project a non core asset which would be made available for sale.

Under IFRS 5, "Non-current assets held for sale and discontinued operations", the Company classified the assets and liabilities related to the Akdjol-Tokhtazan Project (the disposal group) as held for sale on the balance sheet as at December 31, 2011 and anticipates that after negotiations with potential buyers, a

disposal of the Akdjol-Tokhtazan Project will be completed before the expiry of the licences.

The Company derived a fair value, less costs to sell, for the Akdjol-Tokhtazan Project and as a result, an impairment loss of \$331,000 was recognized on initial classification of the disposal group as held for sale in the consolidated statement of net loss and comprehensive loss for the year ended December 31, 2011. The amount of comprehensive loss attributable to non controlling interests in relation to the losses incurred by the disposal group in the period ended December 31, 2011 is nil.

NET INVESTMENT IN OIL INTERESTS

Pursuant to the terms of the Tasbulat Oil Royalty Agreement the Company had an entitlement to a 1% gross overriding royalty (based on gross sales proceeds less certain sales related costs and taxes) which would be payable to the Company from all oil produced from Tasbulat exceeding 2.0 million barrels of oil equivalent. As at December 31, 2010 the Company had a net outstanding oil interest in Tasbulat of \$392,000 recorded as a long term other asset. In the first quarter of 2011, the Company received net income of \$0.3 million in relation to its 2010 oil interest entitlement. Thereafter, in September 2011, the Company received a total of \$2.4 million cash in early and final settlement of all its outstanding oil interests in the Tasbulat Oil Royalty Agreement. The Company netted off the \$2.4 million against the \$392,000 long term other asset, as mentioned above, and as a result recognised a gain on settlement as other income of \$2.0 million for the year ended December 31, 2011.

The \$2.4 million total cash received by the Company was reduced to \$1.3 million after the payment of \$1.1 million to the non controlling interests of Tasbulat (see Consolidated statements of changes in equity of the Company's financial statements).

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2011 the Company's main source of liquidity was unrestricted cash of \$10.3 million, compared with \$19.6 million as at December 31, 2010.

The Company measures its consolidated working capital as comprising free cash, accounts receivable, prepayments and other receivables, less accounts payable and accrued liabilities. As at December 31, 2011, the Company's consolidated working capital was \$11.5 million (compared with a consolidated working capital of \$21.5 million as at December 31, 2010).

The Company's working capital needs as at December 31, 2011 included the maintenance of the Company's interests in, and the further exploration and development of, the Company's mineral properties in Kyrgyzstan, the completion of the Karchiga Definitive Feasibility Study and the funding of general corporate, legal and professional expenses. The Company expects to fund its working capital requirements for 2012, other than as set out below, and be able to contribute towards the pursuit of future growth opportunities (which may include acquiring one or more additional assets), if and when such opportunities arise, from its unrestricted cash of \$10.3 million as at December 31, 2011. In the Company's view, the consolidated working capital as at December 31, 2011 is sufficient to satisfy its working capital needs, other than as described below, for at least the next twelve months.

The construction of mining facilities and commencement of mining operations at the Karchiga Project, if any, will require an estimated initial capital expenditure of \$115 million (see "Operational review - Karchiga copper project, Kazakhstan" of the Company's MD&A) for which the Company will be required to raise additional financing in the future. The Company is currently in discussions with potential lenders to raise debt financing but will also need to raise financing from other sources, which may include equity financing and/ or the sale of the Akdjol-Tokhtazan Project. Whilst the Company has been successful in raising debt and equity financing in the past, the Company's ability to raise additional debt and 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" section of the Company's MD&A.

CONVERSION TO IFRS FROM CANADIAN GAAP

Effective January 1, 2011, the Canadian Accounting Standards Board required all publicly listed companies to prepare their financial statements in accordance with IFRS from the previous Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The Company has prepared in the financial statements as at December 31, 2011 a restated consolidated balance sheet as at December 31, 2010, and statements of net income and comprehensive income for the year ended December 31, 2010 (details can be found in

note 6. "Transition to IFRS" of the Company's consolidated financial statements as at December 31, 2011).

Impact on the consolidated balance sheet and equity

The following table summarises the impact of conversion to IFRS on the Company's consolidated equity, as previously reported under Canadian GAAP for the year ended December 31, 2010:

2010	\$000
Equity as previously reported under Canadian GAAP as at January 1, 2010	24,833
Reclassification of share purchase warrants to derivative liabilities	(42,041)
Expense of share issue costs prior to January 1, 2009	(4,598)
Re-measurement of fair value of derivative warrant liabilities	35,411
Re-stated Equity under IFRS as at January 1, 2010	13,605
Share issue (net of share issue and broker warrant issue costs)	18,705
Share purchase warrants issued	1,131
Share based payments	1,817
Net loss as previously reported under Canadian GAAP for the period	(4,622)
Re-measurement of fair value of derivative warrant liabilities in period	11,184
Expense of share issue costs from 2010	(793)
Reversal of future income tax adjustments	(639)
Equity under IFRS	40,388

Details and further discussion of the impact of the significant accounting policy changes on transition to IFRS can be found both in the Company's MD&A under "Financial Review - Conversion to IFRS from Canadian GAAP" and the Company's consolidated financial statements note 6. "Transition to IFRS" as at December 31, 2011.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company's derivative instruments as at December 31, 2011 consist of derivative assets in the form of deferred consideration relating to the sale of the Varvarinskoye Project and derivative warrant liabilities in relation to its share purchase warrants.

Deferred consideration income

On October 30, 2009, the Company completed the sale of its Varvarinskoye Project to Polymetal for an initial consideration of \$8 million with deferred consideration of up to \$12 million and, as a result, the Company was released from all of its financial and guarantor obligations relating to the Varvarinskoye Project.

As at December 31, 2010, the Company recognized a deferred consideration receivable asset of \$5.1 million, representing the net present value of the Company's estimated future deferred consideration earnings, based upon the Company's forecast of future gold and copper metal prices and adjusted for counterparty credit risk.

For the year ended December 31, 2011 the Company received total cash of \$7.0 million relating to deferred consideration for the Varvarinskoye Project. In January 2011 the Company received, pursuant to the terms of the SPA, \$1.5 million of deferred consideration entitlement in relation to earnings for 2010. Thereafter in July 2011, the Company entered into the Deferred Consideration Agreement with Polymetal to receive \$5.5 million as early and final settlement of its outstanding deferred consideration entitlement pursuant to the SPA relating to the sale of the Varvarinskoye Project. The Company received \$5.5 million in September 2011, and as a result recorded net deferred consideration income of \$1.9 million for the year ended December 31, 2011.

Derivative warrant liabilities

In prior years the Company has issued listed share purchase warrants in conjunction with public offerings for the purchase of common shares of the Company. These share purchase warrants were issued with an exercise price in Canadian dollars, rather than U.S. dollars (the Presentational and Functional Currency (as

defined in "Critical accounting policies and estimates" in the Company's MD&A) of the Company), were only issued to participants in these public share offerings, are not able to be tracked by the Company and are transferable by the warrant holder. Such share purchase warrants are considered to be derivative instruments and the Company is required to re-measure the fair value of these at the reporting date. The fair value of these listed share purchase warrants are re-measured at each balance sheet date using the Black Scholes model using the exchange rates at the balance sheet date and measured over their remaining life. Adjustments to the fair value of the share purchase warrants as at the balance sheet date are recorded to the income statement. Share purchase warrants that have expired or have been forfeited are adjusted to the net income statement. As at December 31, 2011 the Company calculated a fair value for its warrant derivative liabilities of nil (\$6.2 million as at December 31, 2010).

Consolidated Statements of Net (loss)/ income, and Comprehensive (loss)/ income

For the years ended December 31, 2011 and December 31, 2010

(Prepared in accordance with IFRS)

2011

\$000 2010

\$000

(Expenses)/ income

Administration (3,746) (2,910)

Legal and professional (1,328) (2,429)

Exploration (4,991) (2,907)

Stock based compensation (701) (1,785)

Stock based compensation - non employees (36) (32)

Derivative gains 6,246 11,184

Foreign exchange gains/ (losses) 49 (229)

Impairment loss on asset held for sale (331) -

Net (loss)/ income from continuing operations (4,838) 892

Deferred consideration income 1,908 5,092

Net gain on settlement of oil interests 2,028 -

Company's share of Talas Joint Venture losses (948) (970)

Finance income 62 116

Net (loss)/ income for the year before income tax (1,788) 5,130

Income tax - -

Net (loss)/ income and comprehensive (loss)/ income for the year (1,788) 5,130

Net (losses)/ income attributable to:

Shareholders of the Company (2,458) 5,903

Non-controlling interest 670 (773)

(1,788) 5,130

(Loss)/ earnings per share

Basic \$(0.01) \$0.04

Diluted \$(0.01) \$0.04

Weighted average number of common shares (in thousands) 157,696 125,170

Consolidated Balance Sheets

(Prepared in accordance with IFRS)

Assets December 31

2011

\$000 December 31

2010

\$000 January 1

2010

\$000

Current assets

Cash and cash equivalents 10,319 19,596 3,386

Current deferred consideration receivable - 1,500 -

Prepaid and receivables 1,394 1,217 1,860

Assets classified as held for sale 6,116 - -

17,829 22,313 5,246

Non-current assets

Deferred consideration receivable - 3,592 -

Exploration properties 4,404 10,458 20,321

Property, plant and equipment 353 449 1,078

Equity investment in Talas Joint Venture 10,111 10,221 -

Other assets - 392 643

14,868 25,112 22,042

Total assets 32,697 47,425 27,288

Liabilities

Current liabilities

Accounts payable and accrued liabilities 448 672 1,941

Current portion of derivative warrant liabilities - - 2,676

Liabilities classified as held for sale 66 - -

514 672 4,617

Non-current liabilities

Derivative warrant liabilities - 6,245 8,552

Other liabilities 120 120 514

634 7,037 13,683

Equity

Share capital 380,145 380,145 361,440

Share purchase warrants 1,131 4,897 6,609

Share purchase options 6,062 5,904 12,550

Contributed surplus 26,828 22,483 11,177

Non-controlling interest (254) (773) -

Deficit (381,849) (372,268) (378,171)

32,063 40,388 13,605

Total equity and liabilities 32,697 47,425 27,288

Consolidated Statements of Cash Flows

For the years ended December 31, 2011 and December 31, 2010

(Prepared in accordance with IFRS)

2011 2010

\$000 \$000

Cash flows from operating activities

Net (loss)/ income for the year (1,788) 5,130

Items not affecting cash:

Company share of Talas Joint Venture losses 948 970

Gain on settlement of oil interests (2,028) -

Depreciation and amortization 123 148

Deferred consideration (1,908) (5,092)

Impairment of mineral properties 331 -

Share-based payments 737 1,817

Foreign exchange losses/ (gains) 23 47

Derivative gains (6,246) (11,184)

(9,808) (8,164)

Changes in non-cash working capital

Accounts receivable and other assets (758) (119)

Accounts payable and accrued liabilities (171) (784)

Net cash used by the operating activities (10,737) (9,067)

Cash flows from/ (used by) investing activities

Expenditures on property, plant and equipment (74) (50)

Proceeds from settlement of oil interests 2,668 241

Deferred consideration received 7,000 -

Funding of investment in Talas Joint Venture (838) (951)

Acquisition of Eildon minority interest (6,188) -

Net cash generated from/ (used by) investing activities 2,568 (760)

Cash flows (used by)/ from financing activities

Gross proceeds of share issue - 27,646

Share issue costs - (1,609)

Distribution to non-controlling interest (1,086) -

Cash flows (used by)/ from financing activities (1,086) 26,037

Net (decrease)/ increase in cash and cash equivalents (9,255) 16,210

Cash and cash equivalents - Beginning of the year 19,596 3,386

Cash and cash equivalents - End of the year 10,341 19,596

Cash and cash equivalents per the consolidated balance sheet 10,319 19,596

Included in the assets held for sale 22 -

Consolidated Statements of changes in Equity

For the years ended December 31, 2011 and December 31, 2010

(Prepared in accordance with IFRS)

Consolidated statements of changes to equity as at December 31, 2010 and December 31, 2011:

Share capital

Number of

shares

(000s') Share

capital

\$000 Share

purchase

warrants

\$000 Share

purchase

options

\$000 Contri-

buted

surplus

\$000 Non-

controlling

interest

\$000 Deficit

\$000 Total

equity

\$000

Balance as at January 1, 2010 45,696 361,440 6,609 12,550 11,177 - (378,171) 13,605

Share issue 112,000 21,445 - - - - - 21,445

Share issue costs - (1,862) - - - - - (1,862)

Broker Warrant issue costs - (878) - - - - - (878)

Share-based payments - - - 1,817 - - - 1,817

Share purchase warrants issued - - 1,131 - - - - 1,131

Share purchase warrants lapsed - - (2,843) - 2,843 - - -

Share options forfeited or lapsed - - - (8,463) 8,463 - - -

Net income/ (loss) for the year - - - - - (773) 5,903 5,130

Balance as at December 31, 2010 157,696 380,145 4,897 5,904 22,483 (773) (372,268) 40,388

Share-based payments - - - 737 - - - 737

Share options forfeited or lapsed - - - (579) 579 - - -

Share purchase warrants lapsed - - (3,766) - 3,766 - - -

Eildon minority interest acquisition - - - - - 935 (7,123) (6,188)

Distribution to non-controlling interest - - - - - (1,086) - (1,086)

Net loss for the year - - - - - 670 (2,458) (1,788)

Balance as at December 31, 2011 157,696 380,145 1,131 6,062 26,828 (254) (381,849) 32,063

FORWARD-LOOKING INFORMATION

This press release and along with the Company's MD&A 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, statements relating to: the continued and future maintenance, exploration and development of the Company's properties, including the proposed work programs, and the timing related thereto; development and operational plans and objectives, including the Company's expectations relating to the development of the Karchiga Project; the Company's ability to realize the future potential of, and satisfy certain future expenditure obligations with respect to, the mineral properties in which it has an interest; mineral resource and mineral reserve estimates; upgrades and updates relating to mineral resource estimates as well as to metal grades and the timing thereof; estimated project economics, cash flow, costs, expenditures, revenue, capital payback, performance and economic indicators and sources of funding; the use and sufficiency of the Company's working capital for the next twelve months; the estimated mine life, net present value and rate of return for, and forecasts relating to tonnages and amounts to be mined from, and processing and expected recoveries and grades at, the Karchiga Project and/or Taldybulak as well as the other forecasts, estimates and expectations relating to the Karchiga Definitive Feasibility Study Report, the Karchiga Scoping Study, the SRK May 2011 Pit-Constrained Mineral Resource Estimates, the SRK December 2011 Pit-Constrained Mineral Resource Estimates, the NI 43-101 Taldybulak Scoping Study Report and the Taldybulak Scoping Study; future prices and trends relating to copper, gold and molybdenum; the mine plan for the Karchiga Project, including the potential start of construction at, and production from, the Karchiga Project as well as the expected timing of same and the Company's ability to receive the necessary permits and approvals in connection therewith; the potential for further enlarging the mineral endowment and improving metal grades at, and completion of a pre-feasibility study for, the Taldybulak deposit; the anticipated sale of the Akdjol-Tokhtazan Project and the timing with respect thereto; the Company's belief that the results from the mineralogical study relating to the Akdjol-Tokhtazan Project suggest that gold should be metallurgically accessible; the future political and legal regimes and regulatory environments relating to the mining industry in Kyrgyzstan and/or Kazakhstan; the Company's expectations and beliefs with respect to the waiver of the State's pre-emptive right with respect to the Karchiga Project and the past placements of the common shares being covered thereby; the significance of any individual claims by non-Ontario residents with respect to the Claim; and the Company's future growth (including new opportunities and acquisitions) and its ability to raise or secure new funding (including for construction at the Karchiga Project).

The forward-looking information in this press release and the Company's MD&A 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 and the Company's MD&A, the Company has made assumptions regarding, among other things, the Company's ability to generate sufficient funds from capital markets and/or debt sources to meet its future expected obligations and planned activities, the Company's business (including the continued exploration and development of its properties and the timing and methods to be employed with respect to same), the estimation of mineral resources and mineral reserves (as set out above under "Operational Review" of the Company's MD&A), the parameters and assumptions employed in the Karchiga Definitive Feasibility Study Report, the Karchiga Scoping Study, the SRK May 2011 Pit-Constrained Mineral Resource Estimates, the SRK December 2011 Pit-Constrained Mineral Resource Estimates, the NI 43-101 Taldybulak Scoping Study Report and the Taldybulak Scoping Study, the economy and the mineral exploration and extraction 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/MPTs, 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 necessary construction and development permits and approvals required to develop the Karchiga Project as anticipated, that the waiver granted by the Competent Authority covers any pre-emptive right that the Competent Authority or State has in respect of any past placements, future capital, operating and production costs and cash flow discounts, anticipated mining and processing rates, the Company's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner and to engage international and Kazakh companies to carry out additional studies for the Karchiga Definitive Feasibility Study and to obtain Kazakh Feasibility Study approval, the treatment of the Varvarinskoye Project as discontinued operations, assumptions relating to the Company's critical accounting policies, that the Company has identified all of the key issues to be investigated in connection with the Karchiga Definitive Feasibility Study, and has also assumed that no unusual geological or technical problems occur, and that equipment works as anticipated, no material adverse change in the price of copper, gold or molybdenum occurs and no significant events occur outside of the Company's normal course of business.

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 and operating hazards; uncertainties in the interpretation of results from drilling and metallurgical test work; the possibility that future exploration, development or mining results will not be consistent with expectations; uncertainty of mineral resource and mineral reserve estimates; technical and design factors; uncertainty of capital and operating costs, production and economic returns;

uncertainties relating to the estimates and assumptions used, and risks in the methodologies employed, in the Karchiga Definitive Feasibility Study Report, the Karchiga Scoping Study, the SRK May 2011 Pit-Constrained Mineral Resource Estimates, the SRK December 2011 Pit-Constrained Mineral Resource Estimates, the NI 43-101 Taldybulak Scoping Study Report and/or the Taldybulak Scoping Study and that the completion of additional work on the Karchiga Project and/or Taldybulak, as the case may be, could result in changes to the estimates relating to the Karchiga Definitive Feasibility Study Report, the Karchiga Scoping Study, the SRK May 2011 Pit-Constrained Mineral Resource Estimates, the SRK December 2011 Pit-Constrained Mineral Resource Estimates, the NI 43-101 Taldybulak Scoping Study Report and/or the Taldybulak Scoping Study as applicable; the Company's inability to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities, including (without limitation) the Company's inability to obtain (or a delay in obtaining) the necessary construction and development permits and approvals for the Karchiga Project, and other risks relating to the regulatory frameworks in Kazakhstan and Kyrgyzstan; adverse changes in the political environments in Kazakhstan and Kyrgyzstan and the laws governing the Company, its subsidiaries and their respective business activities; inflation; changes in exchange and interest rates; adverse changes in commodity prices; the inability of the Company to obtain required financing on favourable terms or at all or to complete the disposition of the Akdjol-Tokhtazan Project; adverse changes with respect to the Talas Joint Venture; adverse general market conditions; lack of availability at a reasonable cost or at all, of equipment or labour; inability to attract and retain key management and personnel; the possibility of non-resident class members commencing individual claims in connection with the Claim; the Company's inability to delineate additional mineral resources and mineral reserves; and future unforeseen liabilities and other factors including, but not limited to, those listed under "Risk and Uncertainties" in the Company's MD&A.

Any mineral resource and mineral reserve figures referred to in this press release and the Company's MD&A 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 and mineral reserve estimates in respect of its properties are well established, by their nature mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such mineral resource and mineral reserve 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. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Karchiga Scoping Study, the NI 43-101 Taldybulak Scoping Study Report and the Taldybulak Scoping Study are preliminary in nature, and include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions of the Karchiga Scoping Study, the NI 43-101 Taldybulak Scoping Study Report and/or the Taldybulak Scoping Study will be realized.

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. 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.

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