

Orsu Metals Corp. Interim Results for the Period Ended March 31, 2012 (Unaudited)

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LONDON, UNITED KINGDOM -- ([Marketwire](#) - May 14, 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 unaudited results for the period ended March 31, 2012.

A full Management's Discussion and Analysis of the results for the period ended March 31, 2012 ("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 period ended March 31, 2012 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.

BUSINESS REVIEW OF THE THREE MONTHS ENDED MARCH 31, 2012

During the first quarter of 2012 the Company focussed on the Karchiga Project and in particular on two significant aspects of the project:

- In February 2012, the Company announced the successful completion of the Karchiga definitive feasibility study ("DFS"), a key milestone in the development of Orsu as a Company. The Karchiga DFS 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 a 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 three years.

- The Company continues to progress the process of obtaining a mining licence, the necessary local Kazakh feasibility study and construction approvals from the Kazakh authorities. In parallel, the Company is seeking to secure separate financing for mine construction for the Karchiga Project which it expects to finalise in the third quarter of 2012, in time for the start of construction estimated to commence in the fourth quarter of 2012.

For the three months ended March 31, 2012 the Company reported a net loss of \$2.6 million.

2012 FIRST QUARTER HIGHLIGHTS

- February 2012 - the Company announced the positive results of the DFS for the Karchiga Project completed by SRK Consulting (UK) Limited ("SRK") which reported that the Karchiga Project could produce total production of 149kt (328 Mlb) of copper over a mine life of 11.5 years, and a post tax NPV of \$150 million and IRR of 30% based on a 100% equity financing and a copper price of \$3.25/lb Cu.

- March 2012 - in relation to the Karchiga DFS the Company announced the filing of a National Instrument 43-101 (or "NI 43-101") compliant technical report on www.sedar.com (the "Karchiga DFS Report").

POST YEAR QUARTER HIGHLIGHTS

- May 2012 - the Company announced the appointment of Mr Kevin Denham as Chief Financial Officer

effective May 1, 2012 replacing Mr Petro Mychalkiw who stepped down to pursue other business interests.

- May 2012 - the Company announced the expiry of 62.7 million share purchase warrants (originally issued in April 2010).

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"). The Company considers its principal mineral properties to be the Karchiga Project and the Talas Project and expects to continue to focus its resources and activities during 2012 on the development of these properties. As such, the Company considers the Akdjol-Tokhtazan Project a non-core asset which is available for sale.

The Company has been using, and will continue to use, its current working capital resources, to satisfy the its expenditure obligations in respect of its corporate costs and mineral exploration properties as described below, with the exception of expenditures relating to mine construction for the Karchiga Project.

The Company continues to progress the process of obtaining a mining licence, the necessary local Kazakh feasibility study and construction approvals from the Kazakh authorities. In parallel, the Company is seeking to secure separate financing for mine construction for the Karchiga Project which it expects to finalise in the third quarter of 2012, in time for the start of construction estimated to commence in the fourth quarter of 2012 (see "Financial review - Liquidity and capital resources" and "Risk and uncertainties" sections of the Company's MD&A).

KARCHIGA COPPER PROJECT, KAZKHSTAN

Karchiga Definitive Feasibility Study

In February 2012, SRK completed the Karchiga DFS and, in connection therewith, completed the Karchiga DFS Report dated March 28, 2012. The complete Karchiga DFS Report entitled "Karchiga Feasibility Study, NI 43-101 Technical Report", 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) can be viewed under the Company's profile on SEDAR at www.sedar.com.

The Company commenced the Karchiga DFS in September 2010, completed in February 2012, 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 DFS the Company undertook associated exploration and test work programmes which include:

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

Table 1 below shows the results of the 2012 Mineral Reserve Estimates:

Table 1. Probable Mineral Reserves Estimates as of February 18, 2012 Orebody

Ore Type	Tonnes (Mt)		Cu %	Au g/t
Cu Metal (Mlb)	Au Metal (Koz)			
Central	HL	1.5	1.43	0.00
Central	FL	3.8	1.78	0.12
North East	FL	4.7	1.64	0.14
Total		10.0	1.67	0.14

All figures are on a 100% ownership basis

Pit designs and the final NI 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 2 below.

Table 2. 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 CAPEX 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 producing 1.8 ktpa of 27.9% Cu concentrate and 2.8 ktpa of Cu cathode. 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 x ktpa of 27.9% Cu 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 DFS 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 3 below.

Table 3. Key Performance Indicators

Parameter	Units	Key Performance Indicators
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)		Mlb
Average annual copper production (FL)		Mlb
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)		Mlb
Average annual copper production (HL)		Mlb
Cash operating cost over the mine life (pre tax)		\$/lb Cu

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 4 below.

Table 4. 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 DFS Expenditure

The Company originally estimated expenditure on the Karchiga DFS 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 March 31, 2012, the Company had incurred cumulative expenditure of \$8.6 million relating to the Karchiga DFS since August 2010 with the remaining work expected to be completed in the second quarter of 2012.

Other matters

Following the completion of the Karchiga DFS the Company began the process of identifying companies and contractors to complete the detailed design work going forward into the start of construction expected by August 2012. In addition the Company continues to identify potential off-takers for the copper concentrate in both the People's Republic of China ("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

2012 Exploration Programme

The Company has agreed with Gold Fields a 6,000 metre infill drilling programme for the Taldybulak deposit, aimed at providing additional resource data testing priority targets in the immediate vicinity of the Taldybulak deposit. In preparation for the infill drilling programme, a partnership Agreement was signed with the community of Aral village (the "Partnership Agreement") to obtain local support for the drilling programme. The exploration programme is expected to be completed by July 2012 in advance of any decision regarding a potential pre-feasibility study. Orsu and Gold Fields have agreed exploration expenditure for the infill drilling programme of \$2.3 million in total. As per the terms of the JV Agreement the Company is required to fund its 40% pro rata share of approximately \$0.9 million.

As at March 31, 2012 the Company contributed \$152,000 of its 40% share of expenditure in 2012 (\$200,000 for the three months ended March 31, 2011) relating to the completion of the 2011 work programme and expenditure budget in connection with environmental, social, metallurgical and resource studies, as well as a ground magnetic survey at the Taldybulak licence.

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

For the three months ended March 31, 2012 the Company reported a net loss of \$2.6 million compared to net income of \$1.4 million for the three months ended March 31, 2011.

As at March 31, 2012 the Company had net assets of \$29.6 million (\$32.1 million as at December 31, 2011) of which \$8.3 million was cash and cash equivalents (\$10.3 million as at December 31, 2011).

The net loss of \$2.6 million for the three months ended March 31, 2012 consisted of: administrative costs of \$1.0 million, legal and professional costs of \$0.3 million, exploration costs of \$1.0 million, a stock-based compensation charge of \$0.1 million and the Company's share of the Talas Joint Venture losses of \$0.2 million.

The Company's cash flows, cash and cash equivalents as at March 31, 2012 were \$8.3 million compared to \$10.3 million as at December 31, 2011, representing a decrease of \$2.0 million. The decrease was due primarily to corporate and exploration expenditure of \$1.8 million and Orsu's 40% funding of the Talas Joint Venture of \$0.2 million.

FINANCIAL POSITION AS AT MARCH 31, 2012

As at March 31, 2012 the Company's net assets were \$29.6 million, compared with \$32.1 million as at December 31, 2011, of which \$8.3 million consisted of cash and cash equivalents (\$10.3 million as at December 31, 2011).

The decrease of \$2.5 million was due to corporate and exploration expenditure of \$1.8 million, a reduction in the Company's 40% share of losses in the Talas Joint Venture of \$0.2 million and lower receivables of \$0.3 million.

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.

The Company considers its principal mineral properties to be the Karchiga exploration property and the Talas exploration license will continue to focus its resources and activities during 2012 on the development of these properties. As such the Company considers the Akdjol-Tokhtazan Project a non core asset which is 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 March 31, 2012 and 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 amount of comprehensive loss attributable to non controlling interests in relation to the losses incurred by the disposal group in the period ended March 31, 2012 and December 31, 2011 is nil.

EQUITY INVESTMENT IN THE TALAS JOINT VENTURE

The Talas exploration licence area comprises the Taldybulak, Kentash, Barkol and Korgontash licences in Kyrgyzstan. The primary exploration property within the Talas exploration licence area is the Taldybulak copper-gold-molybdenum porphyry deposit. The Taldybulak licence expires on December 31, 2015 and the Barkol licence expires on December 31, 2013. The Kentash and Korgontash licenses expire on December 31, 2012.

In December 2008, the Company entered into a joint venture agreement to further develop the Talas licence area with Gold Fields Orogen Holdings BVI Limited (or "Gold Fields") (the "JV Agreement") and, under the terms of the JV Agreement, Gold Fields became the project operator.

In January 2010, Gold Fields earned a 60% interest in the JV Company and, in doing so, earned the ability

to unilaterally control the operational, financial and investment decisions of the JV Company. For this reason the Company's 40% minority interest in the Talas Project has been accounted for as an associate under the equity method.

A summary of the carrying value of the Company's equity investment in the Talas Joint Venture as at March 31, 2012 is set out below:

	\$000s
Fair value of equity investment as at January 1, 2012	10,111
Funding provided by the Company during the period	152
Less: Company's 40% share of operating losses for the period	(158)
Fair value of equity investment as at March 31, 2012	10,105

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2012 the Company's main source of liquidity was unrestricted cash of \$8.3 million, compared with \$10.3 million as at December 31, 2011.

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 March 31, 2012, the Company's consolidated working capital was \$9 million (compared with a consolidated working capital of \$11.5 million as at December 31, 2011).

The Company's working capital needs as at March 31, 2012 included the maintenance of the Company's interests in, and the further exploration and the development, of the Company's mineral properties in Kyrgyzstan, the completion of the Karchiga DFS 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 \$8.3 million as at March 31, 2012. In the Company's view, the consolidated working capital as at March 31, 2012 is sufficient to satisfy its working capital needs, other than as described below, for at least the next 12 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" of the Company's MD&A.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company's derivative instruments as at March 31, 2012 consist of derivative warrant liabilities in relation to its share purchase warrants.

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 Presentation 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 March 31, 2012 the Company calculated a fair value for its warrant derivative liabilities of nil (\$nil as at December 31, 2011).

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

(Prepared in accordance with IFRS)

Three months ended March 31,
2012

\$000 2011

\$000

(Expenses)/ income

Administration (1,091) (770)

Legal and professional (277) (291)

Exploration (968) (539)

Stock based compensation (90) (142)

Stock based compensation - non employees (7) (20)

Derivative gains - 3,346

Foreign exchange gains/ (losses) 19 97

Net (loss)/ income from continuing operations (2,414) 1,681

Company's share of Talas Joint Venture losses (158) (310)

Finance income 10 17

Net (loss)/ income and comprehensive (loss)/ income for the period (2,562) 1,388

Net (losses)/ income attributable to:

Shareholders of the Company (2,498) 1,581

Non-controlling interest (64) (193)

(2,562) 1,388

(Loss)/ earnings per share

Basic \$ (0.02) \$ 0.01

Diluted \$ (0.02) \$ 0.01

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

Consolidated Balance Sheets (Unaudited)

(Prepared in accordance with IFRS)

Assets March 31

2012

\$000 December 31

2011

\$000

Current assets

Cash and cash equivalents 8,332 10,319

Prepaid and receivables 1,301 1,394

Assets classified as held for sale 5,873 6,116

15,506 17,829

Non-current assets

Exploration properties 4,404 4,404

Property, plant and equipment 328 353

Equity investment in Talas Joint Venture 10,105 10,111

14,837 14,868

Total assets 30,343 32,697

Liabilities

Current liabilities

Accounts payable and accrued liabilities 560 448

Liabilities classified as held for sale 65 66

625 514

Non-current liabilities

Other liabilities 120 120

745 634

Equity

Share capital 380,145 380,145
 Share purchase warrants 1,131 1,131
 Share purchase options 6,159 6,062
 Contributed surplus 26,828 26,828
 Non-controlling interest (318) (254)
 Deficit (384,347) (381,849)

29,598 32,063

Total equity and liabilities 30,343 32,697
 Consolidated Statements of Cash Flows (Unaudited)
 (Prepared in accordance with IFRS)

Three months ended March 31,
 2012 2011

\$000 \$000

Cash flows (used by)/ from operating activities

Net (loss)/ income for the period (2,562) 1,388

Items not affecting cash:

Company share of Talas Joint Venture losses 158 310

Depreciation and amortization 35 33

Share-based payments 97 162

Foreign exchange losses 18 74

Derivative gains - (3,346)

(2,254) (1,379)

Changes in non-cash working capital

Accounts receivable and other assets 313 (251)

Accounts payable and accrued liabilities 98 (52)

Net cash used by the operating activities (1,843) (1,682)

Cash flows (used by)/ from investing activities

Expenditures on property, plant and equipment (9) (2)

Proceeds from net investment in residual oil and gas interests - 251

Deferred consideration received - 1,500

Funding of investment in Talas Joint Venture (152) (200)

Net cash generated (used by)/ from investing activities (161) 1,549

Effects of exchange rate changes on cash and cash equivalents - (95)

Net decrease in cash and cash equivalents (2,004) (228)

Cash and cash equivalents - Beginning of the period 10,341 19,596

Cash and cash equivalents - End of the period 8,337 19,368

Cash and cash equivalents per the consolidated balance sheet 8,332 19,368

Included in the assets held for sale 5 -

Consolidated Statements of changes in Equity (Unaudited)

(Prepared in accordance with IFRS)

Consolidated statements of changes to equity as at March 31, 2012 and December 31, 2011:

Share capital

Number of shares

(000s') Share capital

\$000 Share purchase warrants \$000 Share purchase options \$000 Contributed surplus

\$000 Non-controlling interest

\$000 Deficit

\$000 Total equity \$000

Balance as at January 1, 2011 157,696 380,145 4,897 5,904 22,483 (773) (372,268) 40,388

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

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

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

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

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

Net (loss)/ income 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

Share-based payments - - - 97 - - - 97

Net loss for the period - - - - (64) (2,498) (2,562)

Balance as at March 31, 2012 157,696 380,145 1,131 6,159 26,828 (318) (384,347) 29,598

FORWARD-LOOKING INFORMATION

This press release and 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 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 DFS 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 design and 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 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 in this press release and under the "Operational Review" of the Company's MD&A), the parameters and assumptions employed in the Karchiga DFS 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 DFS 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 DFS, 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 DFS 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 DFS 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 or 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.

Contact Information

Orsu Metals Corporation
Kevin Denham
CFO
+44 (0) 20 7518 3999

Orsu Metals Corporation
Tania Tchedaeva
Company Secretary
+44 (0) 20 7518 3999
www.orsumetals.com

Canaccord Genuity Limited
Andrew Chubb
+44 (0) 20 7523 8000

Vanguard Shareholder Solutions
+1 604 608 0824

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