

Orsu Metals Corporation Interim Results for the Period Ended June 30, 2012 (Unaudited)

14.08.2012 | [Marketwired](#)

LONDON, UNITED KINGDOM -- ([Marketwire](#) - Aug. 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 June 30, 2012. A full Management's Discussion and Analysis of the results for the period ended June 30, 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 June 30, 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their applicable International Accounting Standards (or "IAS").

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 PERIOD FROM MARCH 31, 2012

Since the end of the second quarter of 2012, the Company focussed on securing finance for the construction of a mine and processing facility at the Karchinga Project and achieved two significant milestones towards the achievement of this objective:

- The Company completed the sale of its 40% interest in the Talas Project to a wholly owned subsidiary of Gold Fields Limited ("Gold Fields") for cash consideration of \$10 million (the "Sale") and additionally for the subscription of 25 million units of the Company (each a "Unit") at a price of CAD\$0.40 per Unit for gross proceeds of CAD\$10 million (the "Subscription"), with each Unit consisting of one common share (a "Common Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Completion of the Subscription is conditional on the Company obtaining formal waiver of the Kazakh Government's pre-emptive right and requirement for consent for the issuance of Common Shares pursuant to the Subscription (the "Kazakh Formal Waiver") which is expected in H2 2012. The Company intends to apply a substantial proportion of the Sale and Subscription proceeds towards the construction and development of the mine and related processing facilities for the Karchiga Project.

- The Company appointed Barclays Bank plc ("Barclays") and Unicredit Bank AG ("Unicredit") (collectively the "Mandated Lead Arrangers") to use commercially reasonable efforts to secure a project debt finance facility of up to \$90 million to finance the Karchiga Project, subject to commercially acceptable terms for the facility being agreed and the Mandated Lead Arrangers obtaining all necessary internal approvals. The Company also announced that it is continuing discussions with a number of potential debt providers to participate in the debt financing alongside the Mandated Lead Arrangers.

2012 SECOND 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 that in relation to the Talas Project it had agreed a 6,000 metre drilling programme with Gold Fields.

- June 2012 - the Company announced the extension of its financial advisory services agreement with Endeavour Financial Limited with the aim of securing debt finance for the Karchiga Project.

- For the three months ended June 30, 2012 the Company reported a net loss of \$1.7 million.

POST QUARTER HIGHLIGHTS

- July 2012 - As described above, the Company announced that it had agreed to the Sale of its 40% interest in the Talas Project for a cash consideration of \$10 million and additionally Gold Fields had agreed to the Subscription of 25 million Units of the Company at a price of CAD\$0.40 per Unit for gross proceeds of CAD\$10 million, with each Unit consisting of a Common Share and one half of one Warrant.

- July 2012 - the Company announced the completion of the Sale and receipt of \$10 million cash consideration. In addition, the Gold Fields Group had advanced into escrow the gross proceeds of the Subscription of CAD\$10 million cash. Completion of the Subscription remains conditional upon the Company obtaining the Kazakh Formal Waiver. The gross proceeds of the Subscription will remain in escrow pending the satisfaction or waiver of these conditions. Upon completion of the Subscription, the Gold Fields Group will own 26,134,919 Common Shares and 12,500,000 Warrants. All shares issued pursuant to the Subscription or any subsequent exercise of the Warrants within 4 months of the Unit issuance date will be subject to a hold restriction for four months after the date the Units are issued.

- July 2012 - the Company announced that it appointed the Mandated Lead Arrangers to use commercially reasonable efforts to arrange a project debt finance facility of up to \$90 million to finance the Karchiga Project, subject to commercially acceptable terms for the facility being agreed and the Mandated Lead Arrangers obtaining all necessary internal approvals. The Company also announced that it is continuing discussions with a number of potential debt providers to participate in the debt financing alongside the Mandated Lead Arrangers.

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. In the first quarter of 2012, the Company filed the results of the DFS for the Karchiga Project which estimated an initial capital expenditure requirement of \$115 million. Since then the Company has set out to secure finance, primarily in the form of secured debt but also from other sources, for the construction of a mine and processing facility at the Karchiga Project. To assist the Company in arranging finance for such construction the Company appointed the Mandated Lead Arrangers to use commercially reasonable efforts to secure debt finance. In order to further assist with achieving this objective as well as to secure finance for its corporate and potential future exploration activities the Company decided to make both of its then remaining Kyrgyz exploration assets available for sale.

Until July 23, 2012 the Company's other principal exploration asset was its 40% interest in a property in northwest Kyrgyzstan, which is comprised of four licence areas within the Tien Shan gold belt of north western Kyrgyzstan: the Taldybulak, Barkol, Korgontash and Kentash licences (collectively, the "Talas Project"). On July 23, 2012 the Company completed the sale of its 40% interest to the Gold Fields Group.

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 property to be the Karchiga Project and expects to continue to focus its resources and activities during the remainder of 2012 on the development of this property. As stated above the Company considers the Akdjol-Tokhtazan Project a non core asset which is available for sale.

KARCHIGA COPPER PROJECT, KAZAKHSTAN

Karchiga Definitive Feasibility Study

In February 2012, SRK Consulting (UK) Limited ("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, National Instrument 43-101 ("NI 43-101") "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, the study was 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 (kt)	Cu Metal (Mlb)	Au
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 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 11.8 ktpa of 27.9% Cu concentrate and 2.8 ktpa of Cu cathode. The average mining rate of the operation is anticipated to be 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, mining will focus on 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% Cu bulk concentrate. As the Company aims to secure finance for the Karchiga Project in the third quarter of 2012 and the timing for the start of construction thereof it now estimates that first production to be scheduled for the first quarter of 2014 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 (6.22 Mlb) 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 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	11.8
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	2.8
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 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.

The figures for NPV, IRR and payback in Table 4 assume 100% equity financing for the Karchiga Project and a discount rate of 7.55% was used to derive the NPV. The ESIA for the Karchiga Project was successfully completed by WAI on January 31, 2012. In the normal course of applying for the necessary construction permitting approvals and delays in the timings thereof from of the Kazakh authorities, the Company now expects to receive the necessary construction permitting approvals from the Kazakh authorities by the end of the third quarter of 2012. As at the date of this press release the copper price (as quoted on the London Metal Exchange) was \$3.37/lb, which if used in the above scenarios may be expected to improve the economic results of the Karchiga Project.

Karchiga DFS Expenditure

The Company originally estimated expenditure on the 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 June

30, 2012, the Company had incurred cumulative expenditure of \$8.6 million relating to the DFS since August 2010. The work undertaken in the second quarter of 2012 related to the future construction of the mine expected to commence in the fourth quarter of 2012.

Other matters

Following the completion of the 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 in the fourth quarter of 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 1 million tonnes of copper, is located approximately 85 km east-southeast from the Karchiga deposit.

TALAS COPPER-GOLD-MOLYBDENUM PROJECT, KYRGYZSTAN

Licence information

Until its sale on July 23, 2012, the Company's material property in Kyrgyzstan was the Talas Project comprised of the Taldybulak, Kentash, Barkol and Korgontash licences. The Talas Project is located in the Tien Shan gold belt in north western Kyrgyzstan. The region includes copper and gold deposits such as Jerooy, Andash, and Aktash. The Talas Project is accessible year round via the Bishkek-Talas road (270km from Bishkek). A rail head is located 140km by road from the deposit and several 10 to 500kV power grid lines pass within 10km of the deposit.

The licences in the Talas Project are held by Talas Copper Gold LLC ("TCG"), which became a wholly owned indirect subsidiary of Gold Fields following the completion of the Sale on July 23, 2012, during the second quarter of 2012 and the until the Company disposed of its interest therein.

Prior to the completion of the Sale, the company had been conducting exploration and development activities with respect to the Talas Project through its interest in the JV Company (as defined below), the direct holder of the TCG.

Joint Venture with Gold Fields

Until the completion of the Sale, the Talas Project was subject to the joint venture agreement dated December 3, 2008, as amended on August 14, 2009, between the Company, Gold Fields Group, Lero, Kami Associates Limited (the "JV Company") and TCG (the "JV Agreement").

Pursuant to the terms of the JV Agreement the Gold Fields Group had earned a 60% interest in the JV Company in January 2010, with the Company then retaining a 40% interest in the JV Company.

The Sale

On July 23, 2012, the Company completed the Sale to the Gold Fields Group for \$10 million cash. The Company was also refunded its aggregate contributions of \$240,089 to the current Talas Project exploration programme. Following the completion of the Sale, the Gold Fields Group now owns a 100% interest in the Talas Project. In addition, the Company's joint venture with Gold Fields in relation to the Talas Project terminated upon completion of the Sale.

In addition to acquiring Orsu's 40% interest in the Talas Project, the Gold Fields Group also agreed to the Subscription by subscribing for 25 million Units at a price of CAD\$0.40 per Unit for gross proceeds of CAD\$10 million. Each Unit is to consist of one Common Share and one half of one Warrant. Each Warrant will be exercisable for a period of three years from the date of issue to acquire one Common Share at a price of CAD\$0.50. The gross proceeds of CAD\$10 million cash are being held in escrow pending the Company's receipt of the Kazakh Formal Waiver or Gold Fields waiver of such condition which is expected in H2 2012. The Units will not be issued to the Gold Fields Group until such condition has been satisfied or waived by the Gold Fields Group. Upon completion of the Subscription, the Gold Fields Group will own 26,134,919 Common Shares and 12,500,000 Warrants. All shares issued pursuant to the Subscription or any subsequent exercise of the Warrants (within 4 months of the Unit issuance date) will be subject to a hold restriction for 4 months after the date the units are issued.

2012 Exploration Programme

The Company had previously agreed with the Gold Fields Group a 6,000 meter infill drilling programme in 2012 for the Taldybulak deposit, which had been postponed from 2011, and its related exploration expenditure for the 6,000 meter infill drilling programme as being \$2.3 million in total. As per the terms of the JV Agreement the Company was required to fund its 40% pro rata share of approximately \$0.9 million.

As at June 30, 2012 the Company had contributed \$528,000 of its 40% share of expenditure in 2012 (\$364,000 for the six months ended June 30, 2011) which consisted of \$287,911 relating to the completion of a 2011 expenditure budget in connection with environmental, social, metallurgical and resource studies, and \$240,089 in connection to the aforementioned 2012 drilling programme at the Taldybulak licence. As of June 30, 2012 the JV completed approximately 3,000 m of the aforementioned infill drilling programme.

As a result of the Sale the Company was refunded \$240,089 of the \$528,000 contribution made up to June 30, 2012.

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2012

For the three months ended June 30, 2012 the Company reported a net loss of \$1.7 million compared to net income of \$2.0 million for the three months ended June 30, 2011.

As at June 30, 2012 the Company had net assets of \$27.9 million of which \$5.8 million was cash and cash equivalents.

The net loss of \$1.7 million for the three months ended June 30, 2012 consisted of administrative costs of \$1.1 million, legal and professional costs of \$0.2 million and the Company's share of the Talas Joint Venture losses of \$0.4 million.

The Company's cash flows, cash and cash equivalents as at June 30, 2012 were \$5.8 million compared to \$10.3 million as at December 31, 2011, representing a decrease of \$4.5 million. The decrease was due primarily to corporate and exploration expenditure of \$3.2 million, capital expenditure of \$0.7 million, Orsu's 40% funding of the Talas Joint Venture of \$0.5 million and deferred finance costs of \$0.1 million in relation to the Karchiga Project.

In relation to the Karchiga Project, during the quarter ended June 30, 2012, the Company began the process of seeking to secure financing and incurred associated costs of \$0.1 million and also incurred expenditure in preparation for the construction of a mining and processing facility of \$0.6 million. Both the finance costs and project expenditure were capitalised in the interim financial statements as at June 30, 2012 (see section "Karchiga Project Pre-Production and Deferred Finance Costs" below).

Post the end of the period, in July 2012, the Company received \$10 million following the completion of the Sale to the Gold Fields Group. The Company also received \$240,089, being the Company's aggregate contribution in 2012 to a previously agreed 2012 exploration programme with the Gold Fields Group. In addition, the Gold Fields Group agreed to the Subscription for gross proceeds of CAD\$10 million which is currently being held in escrow (see section "Equity Investment in Talas Joint Venture" below for further details). In the interim financial statements as at June 30, 2012 the net investment in the Talas Joint Venture has been re-classified as an "asset held for sale".

FINANCIAL POSITION AS AT JUNE 30, 2012

As at June 30, 2012 the Company's net assets were \$27.9 million, compared with \$32.1 million as at December 31, 2011, of which \$5.8 million consisted of cash and cash equivalents (\$10.3 million as at December 31, 2011).

The decrease in net assets of \$4.2 million was due to corporate and exploration expenditure of \$3.2 million, the Company's 40% funding of the Talas Joint Venture of \$0.5 million, capital expenditure of \$0.7 million and deferred financing costs incurred of \$0.1 million. These were partially offset by a reduction in the carrying value of the Akdjol-Tokhtazan Asset Held For Sale of \$0.3 million.

KARCHIGA PROJECT PRE-PRODUCTION AND DEFERED FINANCE COSTS

a) Karchiga Pre-Production Costs

In March 2012, the Company successfully completed a Karchiga DFS for the Karchiga Project. At the same time and subsequently the Company incurred costs related to the construction of a mining and processing facility at the Karchiga Project. Under IFRS, IAS 16 "Property, Plant and Equipment", costs are capitalized during the development phase, defined as being from the date that an economic study is completed and the date the asset is deemed to be available for use (or the "pre-production costs") and are those that can be directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by the Company. Under IAS 16, these pre production costs are capitalized, as they meet the criteria for the capitalization for a basic asset.

These and future costs will be recorded as "Property Plant and Equipment" until such time when the asset is "available for use" (defined as when commercial levels of production are capable of being achieved). As at June 30, 2012 the Company incurred \$658,000 of Pre-Production expenditure which it capitalised.

b) Karchiga Finance Costs

In relation to the Karchiga Project, following the successful completion of the Karchiga DFS in March 2012 the Company is in the process of seeking to secure debt financing for the construction of a mining and processing facility. As a result under IFRS, IAS 39 Financial Instruments: Recognition and Measurement, these legal and professional fees incurred in the process of securing the debt finance have been capitalised. These capitalised costs along with future financing costs capitalised, in relation to the Karchiga Project, will be amortised over the term of any proposed debt. For the six months ended June 30, 2012 the company incurred \$80,000 of advisory fees which are treated as transaction costs.

ASSETS HELD FOR SALE

a) Akdjol-Tokhtazan Project

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

The Company considers its principal mineral property to be the Karchiga Project and expects to continue to focus its resources and activities during 2012 on the development of this property. 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 June 30, 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 June 30, 2012 and December 31, 2011 is nil.

b) Equity Investment in the Talas Joint Venture

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

In December 2008 the Company entered into the JV Agreement to further develop the Talas licence area with Gold Fields and, under the terms of the JV Agreement, Gold Fields became the project operator.

In January 2010, the Gold Fields Group 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 was accounted for as an associate under the equity method.

In 2012 the Company undertook to secure finance for the Karchiga Project and as a result decided to make the Talas Project available for sale. Subsequently in July 2012, the Company received \$10 million following

the completion of the Sale to the Gold Fields Group. The Company also received \$240,089 cash, being the Company's aggregate contribution in 2012 to an exploration programme previously agreed with the Gold Fields Group. As the Sale resulted in the Gold Fields Group owning a 100% interest in the Talas Project, the Company's joint venture in relation to the Talas Project was terminated upon completion of the Sale.

In addition to the above the Gold Fields Group also agreed to the Subscription by subscribing for 25 million Units at a price of CAD\$0.40 per Unit for gross proceeds of CAD\$10 million, with each Unit consisting of a Common Share and one half of one Warrant. Each Warrant will be exercisable for a period of three years from the date of issue to acquire one Common Share at a price of CAD\$0.50. The gross proceeds of CAD\$10 million cash are being held in escrow pending the Company obtaining the Formal Kazakh Waiver or Gold Fields waiver of such condition which is expected in H2 2012. The Units will not be issued to the Gold Fields Group until such condition has been satisfied or waived by Gold Fields Group. Upon completion of the Subscription, the Gold Fields Group will own 26,134,919 Common Shares and 12,500,000 Warrants. All shares issued pursuant to the Subscription or any subsequent exercise of the Warrants (within four months of the Unit issuance date) will be subject to a hold restriction for four months after the date the Units are issued.

Under IFRS 5, "Non-current assets held for sale and discontinued operations", the Company re-classified its net investment in the Talas Project as held for sale as at June 30, 2012.

As at June 30, 2012 the total consideration for the sale of the Company's 40% interest in the Talas Joint Venture to Gold Fields exceeds the carrying value and hence no fair value adjustment was required.

The carrying value of the investment held for sale as at June 30, 2012 and the equity investment as at December 31, 2011 are shown below:

	June 30, 2012
	\$000
Reclassification of investment in Talas Project as held for sale	10,111
Funding provided by the Company during the period	528
Less: Company's 40% share of operating losses for the period	(596)
Investment in Talas Project held for sale - end of period	10,043
	December 31, 2011
	\$000
Equity investment - brought forward January 1, 2011	10,221
Funding provided by the Company during the period	838
Less: Company's 40% share of operating losses in the period	(948)
Equity investment - carried forward December 31, 2011	10,111
Re-classification as held for sale	(10,111)

-

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2012 the Company's main source of liquidity was unrestricted cash and cash equivalents of \$5.8 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 June 30, 2012, the Company's consolidated working capital was \$6.6 million (compared with a consolidated working capital of \$11.5 million as at December 31, 2011).

The Company's working capital needs as at June 30, 2012 included the maintenance of the Company's interests in, and the further exploration and the development of, the Company's mineral properties, ongoing work related to the completed 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 \$5.8 million as at June 30, 2012. In the Company's view, the consolidated working capital as at June 30, 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 for which the Company will be required to

raise additional financing in the future. In July 2012, the Company appointed Barclays and Unicredit as the Mandated Lead Arrangers to use commercially reasonable efforts to secure project debt financing. If the Company secures the required debt financing on acceptable commercial terms, and receives the final regulatory approvals for the Karchiga Project, the Company intends to apply a substantial proportion of the Sale proceeds and, if released from escrow, Subscription proceeds towards the construction and development of the mine and related processing facilities for the Karchiga Project. Whilst the Company has been successful in raising debt financing in the past, the Company's ability to raise additional debt financing as well as receiving the Formal Kazakh Waiver for the Subscription 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.

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

(Prepared in accordance with IFRS)

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
	\$000	\$000	\$000	\$000
Operating expenses				
Administration	(1,100)	(829)	(2,164)	(1,599)
Legal and professional		(184)	(327)	(461)
Exploration	(33)	(1,140)	(1,003)	(1,680)
Stock based compensation		(19)	(55)	(108)
Stock based compensation - non employees				(13)
Company's share of Talas Joint Venture losses			(438)	(133)
Foreign exchange gains	11	38		32
	(1,763)	(2,459)	(4,307)	(4,432)
Deferred consideration income		-	1,908	-
Derivative gains	-	2,572		-
Finance income	49	14	31	
Net (loss)/ income and comprehensive (loss)/ income			(1,714)	2,035
Net (losses)/ income attributable to:				
Shareholders of the Company		(1,704)	2,374	(4,200)
Non-controlling interest		(10)	(339)	(74)
	(1,714)	2,035	(4,276)	3,423
(Loss)/ earnings per share				
Basic	\$(0.01)	\$0.01	\$(0.03)	\$0.02
Diluted	\$(0.01)	\$0.01	\$(0.03)	\$0.02
Weighted average number of common shares (in thousands)	157,696	157,696	157,696	157,696

Consolidated Balance Sheets (Unaudited)

(Prepared in accordance with IFRS)

	June 30	December 31
	2012	2011
	\$000	\$000
Assets		
Current assets		
Cash and cash equivalents		5,800
Prepaid and receivables		1,422
Assets of Akdjol-Tokhtazan Project held for sale		
Investment in Talas Joint Venture held for sale		
	23,149	17,829
Non-current assets		
Exploration properties		4,404
Deferred finance costs		80
Property, plant and equipment		963
Equity investment in Talas Joint Venture		
	5,447	14,868

Total assets	28,596	32,697	
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		515	448
Liabilities of Akdjol-Tokhtazan Project held for sale			59
	574	514	
Non-current liabilities			
Other liabilities	120	120	
	694	634	
Equity			
Share capital	380,145	380,145	
Share purchase warrants	-	1,131	
Share purchase options	6,090	6,062	
Contributed surplus	28,046	26,828	
Non-controlling interest	(328)	(254)	
Deficit	(386,051)	(381,849)	
	27,902	32,063	
Total equity and liabilities	28,596	32,697	

Consolidated Statements of Cash Flows (Unaudited)
(Prepared in accordance with IFRS)

	Six months ended June 30, 2012 \$000	2011 \$000	
Cash flows (used by)/ from operating activities			
Net (loss)/ income for the period		(4,276)	3,423
Items not affecting cash:			
Company share of Talas Joint Venture losses			596
Depreciation and amortization		62	63
Deferred consideration		-	(1,908)
Share-based payments	115		227
Foreign exchange (gains)/ losses		(28)	9
Derivative gains		-	(5,916)
	(3,531)	(3,659)	
Changes in non-cash working capital:			
Accounts receivable and other assets		200	(128)
Accounts payable and accrued liabilities		92	(119)
Net cash used by operating activities		(3,239)	(3,902)
Cash flows (used by)/ from investing activities			
Expenditures on property, plant and equipment		(672)	(46)
Proceeds from net investment in residual oil and gas interests			-
Deferred consideration received		-	1,500
Funding of investment in Talas Joint Venture		(528)	(364)
Acquisition of Eildon minority interest		-	(6,188)
Net cash used for investing activities		(1,200)	(4,847)
Cash flows used for financing activities			
Deferred finance costs	(80)	-	
Net cash used for financing activities		(80)	-
Net decrease in cash and cash equivalents		(4,519)	(8,749)
Cash and cash equivalents - Beginning of the period			10,341
Cash and cash equivalents - End of the period		5,822	10,800
Cash and cash equivalents per the consolidated balance sheets			5,800

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, as applicable, of the Company's properties 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 satisfy certain future expenditure obligations; mineral resource and mineral reserve estimates; 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 anticipated arranging of a debt facility by the Mandated Lead Arrangers and the potential participation by other subordinated debt providers; the anticipated receipt by the Company of the proceeds of the Subscription and the Company's expected uses thereof and the proceeds from the Sale; the estimated mine life, NPV and IRR for, and forecasts relating to tonnages and amounts to be mined from, and processing and expected recoveries and grades at, the Karchiga Project 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 and the SRK December 2011 Pit-Constrained Mineral Resource Estimates; future prices and trends relating to copper, gold and molybdenum and the expected effect thereof on the economic results of the Karchiga Project; 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 estimated holdings of the Gold Fields Group in the Common Shares and Warrants following the completion of the Subscription; 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 Company's application for, and receipt of, the Formal Kazakh Waiver or the waiver thereof by Gold Fields as a condition to the completion of the Subscription; 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 (including the ability of the Mandated Lead Arrangers to secure for a project debt finance facility on terms acceptable to the Company), the Company's business (including the continued development of the Karchiga Project 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"), the parameters and assumptions employed in the Karchiga DFS Report, the Karchiga Scoping Study, the SRK May 2011 Pit-Constrained Mineral Resource Estimates and the SRK December 2011 Pit-Constrained Mineral Resource Estimates, 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 as well as the Kazakh Formal Waiver, that the previously 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, assumptions relating to the Company's critical accounting policies, 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 and the SRK December 2011 Pit-Constrained Mineral Resource Estimates, and that the completion of additional work on the Karchiga Project 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 and the SRK December 2011 Pit-Constrained Mineral Resource Estimates, 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 or the Formal Kazakh Waiver, 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 (including with respect to the debt financing expected to be secured by the Mandated Lead Arrangers) or to complete the Subscription or the disposition of the Akdjol-Tokhtazan Project; adverse general market conditions; lack of availability at a reasonable cost or at all, of equipment or labour; the 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 is preliminary in nature, and includes 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 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

Orsu Metals Corporation
Kevin Denham, Chief Financial Officer and Company Secretary
+44 (0) 20 7518 3999
www.orsumetals.com

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

Canaccord Genuity Limited
Ryan Gaffney
+44 (0) 20 7523 8000

Vanguard Shareholder Solutions
+1 604 608 0824

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/131218--Orsu-Metals-Corporation-Interim-Results-for-the-Period-Ended-June-30-2012-Unaudited.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).