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

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LONDON, UNITED KINGDOM -- (Marketwire - Nov. 14, 2012) - Orsu Metals Corporation ("Orsu" or the "Company" or the "Group"), the dual listed (TSX:OSU) (AIM:OSU) London-based base and precious metals exploration and development company today reports its unaudited results for the period ended September 30, 2012. A full Management's Discussion and Analysis of the results for the period ended September 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 September 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 FROM JULY 1, 2012

Since the start of the third quarter the Company made significant progress in two key areas in relation to its Karchiga Project; its efforts to secure finance for the construction of a mine and processing facility at the Karchinga Project and obtaining the necessary approvals required for the construction of a mine and processing facility. At the same time, in order to raise working capital to fund future exploration activities the Company entered into an agreement to potentially sell its Akdjol-Tokhtazan Project in Kyrgyzstan. In relation to aforementioned objectives the Company achieved the following significant milestones:

- The Company completed the sale of its 40% interest in the gold-copper-molybdenum project in Kyrgyzstan (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 Austria 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.

- The Company announced that it had received from the relevant Kazakh authorities an approval (the "Approval") for the Karchiga technical project ("Karchiga Technical Project") relating to the development of a mining and processing complex at the Karchiga Project. The Approval was granted by the Central Commission for Exploration and Mining of Mineral Resources at the Ministry of Industry and New Technologies of Kazakhstan (the "MINT") and is the principal document which confirms the compliance of the Karchiga Technical Project with technical, economic and environmental standards of Kazakhstan. The grant of the Approval allows for an amendment to the Karchiga Project Contract (as defined below) to permit the Company to commence construction and mining at the Karchiga Project.

- The Company announced that it had entered into an exclusivity agreement with David-Invest LLP ("David

Invest"), a Kyrgyz registered company, to fund exploration work on a non-refundable basis for a period up to September 1, 2013 (the "Exclusivity Period"), subject to the Company successfully renewing the exploration licenses expiring on December 31, 2012, in return for which the Company would grant David Invest the exclusive right during the Exclusivity Period to acquire the Akdjol-Tokhtazan Project for consideration of $4.5 million through the acquisition of its wholly owned subsidiary, Tournon Finance Limited, ("Tournon"), the 100% owner of Oriel In Kyrgyzstan LLC ("OiK LLC") which is the holder of the gold exploration licenses for the Akdjol-Tokhtazan Project (the "Exclusivity Agreement") (see "Operational Review - Akdjol-Tokhtazan Project, Kyrgyzstan").

2012 THIRD 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 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.

- August 2012 - the Company announced that it had received the Approval for the Karchiga Technical Project relating to the development of a mining and processing complex at the Karchiga Project. The Approval was granted by the Central Commission for Exploration and Mining of Mineral Resources at the MINT and is the principal document which confirms the compliance of the Karchiga Technical Project with technical, economic and environmental standards of Kazakhstan. The grant of the Approval allows for an amendment to its existing exploration and production contract to permit the Company to commence construction and mining at the Karchiga Project.

POST QUARTER HIGHLIGHTS

- November 2012 - As described above the Company announced that it had entered into the Exclusivity Agreement with David Invest to fund exploration work on a non-refundable basis during an Exclusivity Period, subject to the Company successfully renewing the exploration licenses expiring on December 31, 2012, in return for which the Company would grant David Invest the exclusive right during the Exclusivity Period to acquire the Akdjol-Tokhtazan Project for a consideration of $4.5 million.

- November 2012 - the Company announced that it had entered into an exclusivity agreement (the "Balkhash Agreement") with Asem Tas-N LLC ("Asem Tas") to jointly explore Asem Tas' licence area of approximately 6,000km2 (referred to herein as the "East Balkhash 2" licence area) in Kazakhstan, which is host to a 30km long Dzharyk-Taisogan cluster of copper-polymetallic occurrences (the "Balkhash Project"). Asem Tas is a privately owned Kazakh registered company and the owner of the subsoil use contract for the Balkhash Project. Under the terms of the Balkhash Agreement, the Company will fund exploration work for the Balkhash Project for 175 days ending in April 2013 (subject to extension by mutual agreement) in an approximate total amount of $0.9 million (the "Initial Working Programme"). In return, the Company has been granted the exclusive right to participate in the Balkhash Project during such time. The Balkhash Agreement provides that, subject to the completion of satisfactory due diligence by Orsu, Asem Tas will apply to transfer the licence for the East Balkhash 2 area to a newly formed Kazakh legal entity jointly owned by Orsu and Asem Tas (the "Balkhash Joint Venture Company"), with Orsu holding an effective 55% interest. A transfer of the exploration licence to the Balkhash Joint Venture Company will be conditional upon obtaining a formal waiver of the Kazakhstan Government's pre-emptive right. Where the approval of the relevant authorities for the transfer of the exploration licence is not received due to a breach by Asem Tas, or the Kazakh Government exercises its pre-emptive right to acquire the licence during the transfer process, Asem Tas is required to refund Orsu for its expenditures in connection with the Initial Working Programme. Further to the terms of the Balkhash Agreement, upon the successful transfer of the East Balkhash 2 licence to the Balkhash Joint Venture Company, Orsu will pay up to $1.5 million to Asem Tas to compensate Asem Tas for historical exploration costs incurred prior to 2012 (excluding any costs funded by Orsu). In addition, Orsu has agreed to pay: (a) $20 per tonne of economically extractable copper equivalent, up to a maximum of $10 million (less any amount paid by Orsu to Asem Tas to compensate Asem Tas for historical exploration costs), on completion of a positive preliminary economic assessment study; and (b) $20 per additional tonne of economically extractable copper equivalent, up to a maximum of $15 million (less any amounts paid by Orsu to Asem Tas to compensate Asem Tas for historical exploration costs and/ or pursuant to (a) above) on completion of a positive definitive feasibility study. In addition, under the terms of the Balkhash Agreement, Orsu will be responsible for funding all exploration work for the Balkhash Project up to and including the successful completion of a positive feasibility study. Under the terms of the Balkhash Agreement, Orsu will have the right to buy-out all or part of the interest of Asem Tas in the Balkhash Joint Venture Company, for cash or shares, at a price determined by an independent expert.

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 definitive feasibility study (or the "Karchiga 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.

In relation to the Karchiga project in July 2012 the Company obtained approval for the Karchiga Technical Project and local Feasibility Study from the Kazakh authorities which will allow the Company to proceed with the Karchiga Project through to construction phase. In addition the Company is currently seeking to secure financing to fund the construction, which the Company estimates to secure in the fourth quarter of 2012, so that the Company can enter into contracts to place advanced orders for mining equipment and in order to commence construction at the Karchiga Project in April 2013 (see "Risk and uncertainties" section of the Company's MD&A). In order to secure finance for the Karchiga Project the Company appointed the Mandated Lead Arrangers to secure debt finance and also intends to use a proportion of the proceeds from the Sale and, if completed, the Subscription towards this.

Until the completion of the Sale on July 23, 2012 to Gold Fields 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").

The Company's other exploration project is located approximately 100km to the south west of the Talas Project and is the Akdjol-Tokhtazan licence area comprising the Akdjol and Tokhtazan licences (the "Akdjol-Tokhtazan Project"). In the fourth quarter of 2011 the Company decided the Akdjol-Tokhtazan Project an asset which was available for sale and in November 2012 announced the potential sale to David Invest (see "Akdjol-Tokhtazan Project, Kyrgyzstan - Potential disposal of the Akdjol-Tokhtazan Project").

KARCHIGA COPPER PROJECT, KAZAKHSTAN

Karchiga DFS

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, and the Company currently estimates to start construction in April 2013. 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 Metal (Koz)
Central HL 1.5 1.43 0.06 21.4 47.2 3.0
Central FL 3.8 1.78 0.12 68.2 150.2 15.2
North East FL 4.7 1.64 0.18 77.0 169.8 27.4
Total 10.0 1.67 0.14 166.6 367.2 45.6
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

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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)
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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, producing11.8 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% bulk concentrate. As the Company aims to secure finance for the project in the fourth quarter of 2012, and the timing for the start of construction is dependent thereon to commence in April 2013 it now estimates that first production is planned for October 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 2019 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 2023.

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	
Average annual copper production (FL)	Mlb	26.1
Annual processing rate (HL)	Tonnes	360,000
Mine life (HL)	Years	4.5
Processing cost (HL)	$/t of ore	18.7
Metallurgical recovery (HL)	%	61.1
Average annual copper production, over 4.5 years (HL)	'000 tonnes	
Average annual copper production (HL)	Mlb	6.2
Cash operating cost over the mine life (pre tax)	$/lb Cu	

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 figures for NPV, IRR and payback in Table 14 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 Wardell Armstrong International ("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 local Kazakh authorities by the end of the fourth quarter of 2012 having obtained the approval from the MINT in the third quarter of 2012. As at the date of this MD&A the copper price (as quoted on the London Metal Exchange) was $3.46/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 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. The work undertaken since April 2012 relates to the future construction of the mine at the Karchiga Project with the start of construction expected to commence in April 2013 subject to financing.

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 in the April 2013). 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 1million tonnes of copper, is located approximately 85 km east-southeast from the Karchiga deposit.

TALAS COPPER-GOLD-MOLYBDENUM PROJECT, KYRGYZSTAN

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.

AKDJOL-TOKHTAZAN PROJECT, KYRGYZSTAN

Potential disposal of the Akdjol-Tokhtazan Project

On November 1, 2012 the Company announced that it had entered into the Exclusivity Agreement with David-Invest the key terms of which are:

- David Invest has been granted the exclusive right to purchase Tournon until 1 September 2013, subject to the renewal of the Licences which are due to expire on 31 December 2012;

- in return for being granted exclusivity David-Invest will fund the exploration programme for the Akdjol and Tokhtazan licences on a non-refundable basis for the remainder of 2012, and, if the licences are renewed, during the remainder of the Exclusivity Period and,

- David-Invest has the option to purchase the entire share capital of Tournon at any time on or before the expiry of the Exclusivity Period for consideration of $4.5 million.

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

For the three months ended September 30, 2012 the Company reported net income of $3.8 million compared to net loss of $2.7 million for the three months ended September 30, 2011.

In July 2012, the Company completed the Sale of the Talas Project to the Gold Fields Group for total consideration of $10 million and the Gold Fields Group entered into the agreement for the Subscription for which the Company measured an initial fair value of $7.6 million, being the excess of the gross proceeds from the Subscription, CAD$10 million over the fair value of the Common Shares and Warrants, and as a result the Company recorded a net gain on disposal of $7.8 million for the period ended September 30, 2012 (see section "Sale of equity investment in Talas Joint Venture" below). In relation to the Subscription the Company considers this to be a derivative asset and subsequently re-measured the fair value of the Subscription as at September 30, 2012 resulting in a derivative loss of $1.3 million for the period ended September 30, 2012.

On November 1, 2012 the Company announced that it had entered into the Exclusivity Agreement with David Invest to fund exploration work on a non-refundable basis during the Exclusivity Period, subject to the Company successfully renewing the exploration licenses expiring on December 31, 2012, in return for which the Company would grant David Invest the exclusive right during the Exclusivity Period to acquire the Akdjol-Tokhtazan Project for a consideration of $4.5 million. As at September 30, 2012 the Company considered that this asset continued to meet the criteria to be classified as "held for sale" and as a result of re-measuring the fair value less costs to sell of the disposal group, recognized an impairment loss of $1.3 million to net income as at September 30, 2012 (see section "Asset held for sale" below).

As at September 30, 2012 the Company had net assets of $33.0 million ($32.1 million as at December 31, 2011) of which $13.5 million was cash and cash equivalents ($10.3 million as at December 31, 2011) and a $6.4 million receivable asset representing the fair value of the CAD$10 million Subscription entered into by Gold Fields which is subject to the Company obtaining the Formal Kazakh Waiver, as described in section "Disposal of equity investment in the Talas Joint Venture" below.

The net income of $3.8 million for the three months ended September 30, 2012 consisted of: a net gain in relation to the Sale to the Gold Fields Group of $7.9 million which was partially offset by administrative costs of $0.8 million, legal and professional costs of $0.3 million, a derivative loss of $1.3 million in relation to the Subscription, the Company's share of the Talas Joint Venture losses of $0.2 million up to the completion of the Sale on July 23, 2012, an impairment loss of $1.3 million in relation to the asset held for sale and a net foreign exchange loss of $0.1 million.

The Company's cash flows, cash and cash equivalents as at September 30, 2012 were $13.4 million compared to $10.3 million as at December 31, 2011, representing an increase of $3.1 million. The increase was due primarily to the net receipt of $9.8 million from the completion of the Sale partially offset by corporate and exploration expenditure of $4.7 million, capital expenditure of $1.3 million, Orsu's 40% funding of the Talas Joint Venture of $0.3 million and deferred finance costs of $0.4 million in relation to the Karchiga Project.

In relation to the Karchiga Project, during the nine months ended September 30, 2012, the Company began the process of seeking to secure financing and incurred associated costs of $0.4 million and also incurred expenditure in preparation for the construction of a mining and processing facility of $1.2 million. Both the finance costs and project expenditure were capitalised in the interim financial statements as at September 30, 2012 (see section "Karchiga Project Pre-Production and Deferred Finance Costs" below).

FINANCIAL POSITION AS AT SEPTEMBER 30, 2012

As at September 30, 2012 the Company's net assets were $31.7 million, compared with $32.1 million as at December 31, 2011, of which $13.5 million consisted of cash and cash equivalents ($10.3 million as at December 31, 2011).

The decrease in net assets of $0.4 million was due primarily corporate and exploration expenditure of $4.7 million, the derivative loss of $1.3 million, the impairment of the asset held for sale of $1.3 million, and the Company's 40% share of the Talas Joint Venture losses of $0.8 million. This was partially offset by the a net gain on disposal of the Talas Joint venture of $7.8 million and a stock based compensation charge of $0.1 million.

KARCHIGA PROJECT PRE-PRODUCTION AND DEFERED FINANCE COSTS

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 September 30, 2012 the Company incurred $1.2 million of Pre-Production expenditure which it capitalised.

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 September 30, 2012 the company incurred $400,000 of advisory fees which are treated as transaction costs.

ASSET HELD FOR SALE

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

In the fourth quarter of 2011, the Company decided to focus its resources and activities on the development of its Karchiga property and as such, considered the Akdjol-Tokhtazan Project a non core asset which would be 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 as at September 30, 2012 and December 31, 2011.

In November 2012, the Company announced that it had entered into the Exclusivity Agreement with David Invest to fund exploration work on a non-refundable basis during the Exclusivity Period, subject to the Company successfully renewing the exploration licenses expiring on December 31, 2012, in return for which the Company would grant David Invest the exclusive right during the Exclusivity Period to acquire the Akdjol-Tokhtazan Project for a consideration of $4.5 million. As at September 30, 2012 the Company considers that this asset continued to meet the criteria to be classified as "held for sale" and as a result of re-measuring the fair value less costs to sell of the disposal group, recognized an impairment loss of $1.3 million to net income in the period ended September 30, 2012.

The amount of comprehensive loss attributable to non-controlling interests in relation to the losses incurred by the disposal group in the period ended September 30, 2012 and December 31, 2011 is nil.

SALE OF 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 license area is the Taldybulak gold-copper-molybdenum porphyry deposit.

Under the terms of the JV Agreement with Gold Fields in which Gold Fields became the project operator for the Talas Project and the Gold Fields Group earned a 60% interest in the Talas JV Company in the first quarter of 2010. In doing so the Gold Fields Group earned the ability to unilaterally control the operational, financial and investment decisions of the Talas Joint Venture Company. For this reason the Company's 40% minority interest in the Talas Joint Venture Company was accounted for as an associate under the equity method until its Sale in an agreement dated July 13, 2012 with Gold Fields.

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. The $240,089 received for Orsu's 40% pro rata funding contribution to the Talas Joint Venture was recorded against Orsu's equity investment in the Talas Joint Venture up to July 13, 2012. 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 the Gold Fields Group agreed to the Subscription 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. The Units will not be issued to the Gold Fields Group until such condition has been satisfied or waived by Gold Fields Group. In the financial statements as at September 30, 2012 the Company measured the fair value of this receivable as at July 13, 2012 and recorded net income of $7,638,000, being the expected gross value of the Subscription, $9,862,000 (CAD $10 million), net of the fair value of the Common Shares ($1,972,000) and Warrants ($252,000) to be issued in connection with the Subscription. This derivative asset is re-measured at fair value at each reporting date until the conditions for release from escrow are met and the Subscription is completed. See the financial statements as at September 30, 2012 for further details.

The net gain on the Sale of the Talas Joint Venture is shown below:

July 13, 2012
$000

Cash proceeds received 10,000
Fair value of Subscription proceeds held in escrow 7,638
Total sale consideration 17,638

Less:
Equity investment in Talas Project as at January 1, 2012 10,111
Funding provided by the Company during the period, net of recovery of $240,089 288
Less: Company's 40% share of operating losses to date of disposal (812)

Equity investment in Talas Project written off (9,587)

Legal and professional fees (184)

Net gain on disposal of Talas Project as at July 13, 2012 7,867

The change in the fair value of the derivative receivable from the date of the sale to September 30, 2012, is as follows:

September 30, 2012
$000

Derivative receivable as at July 13, 2012 7,638
Derivative loss on fair value measurement (1,254)
Derivative receivable as at September 30, 2012 6,384

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2012 the Company's main source of liquidity was unrestricted cash and cash equivalents of $13.5 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 September 30, 2012, the Company's consolidated working capital was $14.5 million (compared with a consolidated working capital of $11.5 million as at December 31, 2011).

The Company's working capital needs as at September 30, 2012 included the maintenance of the Company's interests in, and the further exploration and the development of, the Company's mineral properties, 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 $13.5 million as at September 30, 2012 and potential consideration of $4.5 million from the sale of the Akdjol-Tokhtazan Project per the Exclusivity Agreement (as discussed above). In the Company's view, the consolidated working capital as at September 30, 2012 is sufficient to satisfy its working capital needs including the Initial Working Programme for the Balkhash Project, other than as described below, for at least the next twelve months.

The construction of mining facilities and commencement of mining operations at the Karchiga Project, if any, will require an estimated initial capital expenditure of $115 million (see "Operational review - Karchiga copper project, Kazakhstan") 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 and other financing in the past, the Company's ability to raise additional debt and other 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" in the Company's MD&A.

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

(Prepared in accordance with IFRS)

Three months ended September 30, Nine months ended September 30,
2012
$000 2011
$000 2012
$000 2011
$000
Operating expenses
Administration (843) (1,074) (3,007) (2,708)
Legal and professional (326) (315) (787) (899)
Exploration (20) (1,767) (1,015) (3,446)
Stock based compensation (13) (289) (122) (481)
Stock based compensation - non employees - (2) (7) (37)
Company's share of Talas Joint Venture losses (216) (269) (812) (712)
Foreign exchange losses (100) (141) (68) (6)
(1,518) (3,857) (5,818) (8,289)

Gain on sale of Talas Joint Venture 7,867 - 7,867 -
Loss on derivative receivable (1,254) - (1,254) -
Impairment loss for asset held for sale (1,331) - (1,331) -
Derivative gains share purchase warrants - 155 - 6,071
Deferred consideration income - - - 1,908
Net gain on settlement of oil interests - 942 - 942
Finance income 4 22 28 53
Net income/ (loss) and comprehensive income/ (loss) 3,768 (2,738) (508) 685

Net income/ (loss) attributable to:
Shareholders of the Company 3,764 (2,653) (438) 1,302
Non-controlling interest 4 (85) (70) (617)
3,768 (2,738) (508) 685

Earnings/ (losses) per share:
Basic $ 0.02 $ (0.02) $ 0.00 $ 0.01
Diluted $ 0.02 $ (0.02) $ 0.00 $ 0.01

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)

Assets September 30,
2012
$000 December 31,
2011
$000

Current assets
Cash and cash equivalents 13,455 10,319
Prepaid and receivables 1,683 1,394
Assets of Akdjol-Tokhtazan Project held for sale 4,534 6,116

Derivative receivable 6,384 -
26,056 17,829

Non-current assets
Deferred finance costs 400 -
Property, plant and equipment 5,982 353
Exploration properties - 4,404
Equity investment in Talas Joint Venture - 10,111
6,382 14,868
Total assets 32,438 32,697

Liabilities

Current liabilities
Accounts payable and accrued liabilities 570 448
Liabilities of Akdjol-Tokhtazan Project held for sale 64 66
634 514

Non-current liabilities
Other liabilities 120 120
754 634

Equity
Share capital 380,145 380,145
Share purchase warrants - 1,131
Share purchase options 6,054 6,062
Contributed surplus 28,096 26,828
Non-controlling interest (324) (254)
Deficit (382,287) (381,849)
31,684 32,063
Total equity and liabilities 32,438 32,697

Consolidated Statements of Cash Flows (Unaudited)

(Prepared in accordance with IFRS)

Nine months ended September 30,
2012 2011
$000 $000
Cash flows used by operating activities
Net (loss)/ income for the period (508) 685
Items not affecting cash:
Company share of Talas Joint Venture losses 812 712
Gain on sale of investment in Talas Joint Venture (7,867) -
Depreciation and amortization 93 94
Impairment of asset held for sale 1,331 -
Loss on derivative receivable 1,254 -
Share-based payments 129 518
Foreign exchange (gains)/ losses (5) 13
Gain on settlement of oil interests - (942)
Deferred consideration - (1,908)
Derivative gains share purchase warrants - (6,071)
(4,761) (6,899)
Changes in non-cash working capital:
Accounts receivable and other assets (57) (373)
Accounts payable and accrued liabilities 123 (15)
Net cash used by operating activities (4,695) (7,287)

Cash flows from/ (used by) investing activities
Expenditures on property, plant and equipment (1,315) (61)
Funding of investment in Talas Joint Venture (288) (611)
Cash proceeds from sale of Talas Joint Venture, net of legal and professional fees 9,816 -
Deferred consideration received - 7,000
Proceeds from net investment in residual oil and gas interests - 1,582
Acquisition of Eildon minority interest - (6,188)
Net cash from investing activities 8,213 1,722

Cash flows used for financing activities
Deferred finance costs (400) -
Net cash used for financing activities (400) -

Net increase/ (decrease) in cash and cash equivalents 3,118 (5,565)

Cash and cash equivalents - Beginning of the period 10,341 19,596
Cash and cash equivalents - End of the period 13,459 14,031

Cash and cash equivalents per the consolidated balance sheets 13,455 14,031
Included in the Akdjol-Tokhtazan Project classified held for sale 4 -

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 debt providers; the anticipated receipt by the Company of the proceeds of the Subscription and the value attributed thereto 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 and potential proceeds (including the uses thereof and valuation attributed thereto) 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; 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 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 local regulatory authorities, including the receipt of the necessary construction and development permits and approvals required to develop the Karchiga Project as anticipated as well as the Kazakh Formal Waiver and the renewal of the Akdjol-Tokhtazan exploration licenses, 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 local regulatory approvals for the Karchiga Project or the Formal Kazakh Waiver and/ or the renewal of the Akdjol-Tokhtazan exploration licenses, 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 this 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.

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