

Highlights

- Orsu has conditionally agreed to sell its 94.75% interest in its Karchiga Project
 - an initial consideration of US\$7.75 million, plus
 - deferred consideration of up to US\$2 million based on recovery of VAT and relief obtained from accumulated tax losses
- The sale of Karchiga will be conditional upon, among other things, approval of a resolution to dispose of the Karchiga Project by shareholders at an annual and special meeting and obtaining the formal consent from the Kazakh authorities for the change in ownership.
- It is expected that the shareholder meeting to approve the disposal of Karchiga will take place during the second half of June 2016
- The Company has also conditionally agreed to sell its effective 51% interest in its Kogodai Project to the same party for \$10,000, conditional on the formal consent from the Kazakh authorities for the change in ownership.
- In addition, with a view to saving costs, the Company will apply for cancellation of admission of its common shares to trading on AIM, with effect from May 11, 2016. The Company will maintain its listing on the TSX Main Board.

Conditional Sale of Karchiga Project

[Orsu Metals Corp.](#), the London-based dual listed (TSX:OSU) (AIM:OSU) company, today announces that it has entered into an agreement (the "Sale and Purchase Agreement") with an arm's length party, Karasat Trading FZE (the "Purchaser"), a company registered in the United Arab Emirates with other mining interests in Kazakhstan, to sell its 94.75% interest in GRK MLD LLP ("MLD"), which owns the Company's Karchiga Project in the Republic of Kazakhstan ("Karchiga Project") for an initial US\$7.75 million, plus deferred consideration of up to US\$2 million based on recovery of VAT and losses accumulated in MLD (the "Karchiga Transaction").

The key terms of the Sale and Purchase Agreement, which will be filed on SEDAR, are as follows.

- A deposit of \$100,000, payable within 14 business days of signing the Sale and Purchase Agreement.
- Initial consideration of \$7.75 million (less the deposit) payable on completion.
- The initial consideration is to be allocated as follows:
 - \$4,438,268 for the purchase of intercompany debt owed by MLD to Orsu
 - \$3,311,502 for the purchase of intercompany debt owed by MLD to [Lero Gold Corp.](#) ("Lero", the intermediate holding company for the Karchiga Project);
 - \$230 for the 94.75% interest in MLD held by Eildon Enterprises Limited ("Eildon", the immediate parent undertaking of MLD).

(Together Orsu, Lero and Eildon are referred to as the "Sellers").

- Deferred consideration of up to US\$2 million based on 67% of relief obtained for corporate tax losses or recovery of VAT accumulated to the completion date by MLD
- The Transaction is subject to various significant conditions, including:
 - Approval of the Transaction by shareholders by way of a resolution for the sale, to be proposed at an annual and special meeting.
 - The Purchaser obtaining the requisite antimonopoly approval from the relevant Kazakh authorities (the "Antimonopoly Approval")
 - The Company obtaining the formal consent to the change in ownership from the Ministry of Industry and Development (the "MID", the relevant Kazakh authority) which is required under Kazakh law (the "Consent");
 - The Company obtaining an amendment to the licences to delay commencement of production to the first quarter of 2019 (the "Amendment")
 - the issuance or renewal (extension) of Technical Conditions for connection to the electricity grid and to procure the sufficient water supply for the facilities of the Project (including Technical Conditions for water conduit)
- If any of the Amendment, the Consent or the Antimonopoly Approval are outstanding and the Purchaser does not agree to extend the longstop date, the Sellers will repay the deposit to the Purchaser.
- The longstop date is October 8, 2016, but will automatically roll forward by a further three months if the only conditions not satisfied at that time are one or more of the Consent, the Amendment or the Antimonopoly Approval; the longstop date may also otherwise be extended by the mutual agreement of the parties.
- The Company will pay a termination fee of US\$400,000 plus costs of the Purchaser up to an additional US\$150,000 in the event that it terminates the agreement before Completion.
- The Sale and Purchase Agreement contains commercial warranties and indemnities from the Sellers.

The Company will apply for the Consent as required under Kazakh law. Whilst the Directors are confident that the Company will receive the Consent and has obtained these in the past for previous transactions, the timing of the granting of such Consent is

unknown and there can be no assurance that the Company will be successful in obtaining the Consent. Consequently, the Company will seek shareholder approval for the Transaction at its Annual and Special Shareholder Meeting to be scheduled for the second half of June 2016. Formal notice of the shareholder meeting to approve the Transaction will be provided in due course together with related shareholder documents including an information circular setting out the matters to be considered at the meeting.

The carrying value of net assets attributable to the Karchiga Project in the Company's audited consolidated financial statements as at December 31, 2015 was US\$7.9 million (net of the amount attributable to the non-controlling interest). The losses attributable to the Karchiga Project (including impairments and exchange losses) were US\$1.6 million for the year ended December 31, 2015 (US\$1.2 million for the year ended December 31, 2014).

Dr Sergey Kurzin, Executive Chairman of Orsu, commented: *'Although management believe in the long term prospects for copper, it cannot ignore the current economic reality of a sustained period of depressed commodity prices and of negative investor sentiment towards the resources sector generally and junior resource companies in particular, which have affected the Company's ability to finance the Karchiga Project both to date and in the foreseeable future. The sale of Karchiga, if completed, will provide the Company with a platform to identify new potential opportunities to seek to create value for shareholders.'*

Conditional sale of Kogodai Project

In addition, the Company has conditionally agreed to sell its effective 51% interest in its Kogodai Project in the Republic of Kazakhstan to the same party for \$10,000 (the "Kogodai Transaction", together with the Karchiga Transaction, the "Transactions"). The sale will be effected by the sale of the Company's 63.75% interest in Harssin Management B.V. which in turn owns a 100% interest in Orsu Metals Kazakhstan LLP which holds an 80% interest in Kogodai JV LLP. Kogodai JV LLP is the holder of the Kogodai Project licences.

The Kogodai Transaction is conditional upon the Company obtaining the formal consent to the change in ownership from the MID which is required under Kazakh law. The Kogodai Transaction is not interconditional on the completion of the Karchiga Transaction.

Management of the Company has concluded that, in the light of the proposed sale of the Karchiga Project, and the continuing uncertain economic environment facing the Company and the resources sector as a whole, the Kogodai Transaction would be beneficial to the Company because, if completed, it would release the Company from its ongoing exploration and related financial obligations for the Kogodai Project.

As an early stage project, the carrying value of the Company's interest in the Kogodai Project as at December 31, 2015 was \$38,000 (net of the non-controlling interests). The losses attributable to the Kogodai Project were US\$0.3 million for the year ended December 31, 2015 (US\$0.5 million for the year ended December 31, 2014)

Cancellation of AIM admission

In view of the current economic situation and the depressed levels of commodity prices, management has considered the relative merits of maintaining the listing of its shares on both AIM and TSX, and today announces the cancellation of the admission of its shares to trading on AIM which will be effective from May 11, 2016, subject to submission of the requisite notices prior to that date.

In deciding to effect the cancellation of the admission of the Company's shares to trading on AIM, the following factors were considered significant in reaching this conclusion by the Board:

- de-listing from AIM results in clearly identifiable cost savings, such as the fees for retaining a Nominated Adviser and the annual fees payable to the London Stock Exchange;
- in contrast de-listing from TSX does not preclude the Company from continuing to be a reporting issuer for Canadian securities law purposes and so cost savings, if any, are likely to be far more limited;
- the existing listing of the Company's shares on TSX will continue to provide all shareholders with a comparable dealing facilities to enable trading in the future.

FORWARD-LOOKING INFORMATION

This press release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information contained in this press release includes, but may not be limited to, the anticipated completion of the Transactions and the terms and timing related thereto, the Company's use of the proceeds from the Transactions, and the expected effect of the Transactions on the Company, the application for and obtaining of the Consent, the anticipated timing of the Company's Annual and Special Meeting and the anticipated consequences of de-listing from AIM.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, the ability of the parties to satisfy any conditions to the completion of the Transactions disclosed herein, the inability to obtain, maintain, renew, amend 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), among other things, the Amendment, and/or the Consent and/or the Purchaser's inability (or a delay in obtaining) the Antimonopoly Approval, and other risks relating to the regulatory framework in Kazakhstan, adverse changes in the laws or political environment in Kazakhstan, adverse changes in commodities prices, as well as certain other risks set out in the Company's public documents, including its annual information form dated March 30, 2016, filed under the Company's profile on SEDAR at www.sedar.com.

The forward-looking information in this press release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this press release, the Company has made assumptions about; the satisfaction or waiver, as applicable, of any conditions to the completion of the Transactions disclosed herein; the Company's business, the economy and the mineral resources development and extraction industry in general; the Company's ability to obtain the Amendment and the Consent; and the Purchaser's ability to obtain the Antimonopoly Approval. The Company has also assumed that no significant events occur outside of the Company's normal course of business. 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.

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.

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