

White Rock, BC (FSCwire) - [Orsu Metals Corp.](#) (TSX-V: OSU) (“Orsu” or the “Company”) is pleased to announce that it has closed the purchase of the initial 30% interest in Sibzoloto Investments Limited (“Sibzoloto”), the indirect holder of the Sergeevskoe gold project in Russia on the terms as amended and announced on March 23, 2017.

On May 18, 2017, the Company issued a total of 165,591,520 common shares to the four arm’s length selling shareholders (the “Sellers”) of Sibzoloto in exchange for 30% of the shares of Sibzoloto. Concurrent with closing, Sergei Stefanovich was appointed a director and to the newly created office of Managing Director and Vladimir Pakhomov was appointed as a non-executive director of the Company. Dr Sergey V. Kurzin continues in his role as a director and Executive Chairman and Mark Corra and David Rhodes as non-executive directors. Alexander Yakubchuk stepped down as a Board Member and was appointed Director of Exploration.

Sergei Stefanovich is a lawyer by initial training and received an MBA from IMD (Institute for Management Development), Lausanne, Switzerland. He has over 16 years of corporate finance, strategy & business development experience principally focused on Russia and larger FSU area. He has managed a public equity mining fund that invested into junior mining companies and was Director (Strategy and M&A) for Norilsk Nickel and a past Board member of [Gold Fields Ltd.](#) He served as a legal counsel for Sputnik private equity funds, AT&T & McKenna & Co. He resides in Moscow and is fluent in Russian and English.

Vladimir Pakhomov is a Managing Partner of Olympia Capital, an asset management and merchant banking firm specializing in investment opportunities primarily in Russia and CIS (2011 – present). He was the Investment Director with Onexim Group (2007 – 2010). He graduated Moscow Institute of International Relations and is CFA Charterholder. Mr. Pakhomov resides in Moscow and is fluent in Russian and English.

The Sergeevskoe Project is owned by Sibzoloto, a Cyprus registered company which in turn is the sole owner of both LLC GK Alexandrovskoe, holder of the Sergeevskoe license, and LLC Invest Realty, the owner of a work camp and infrastructure to support the nearby Sergeevskoe Project. As announced on March 23, 2017, the initial payment of US\$180,000 at closing will be deferred and will bear interest at the rate of 8% per annum until paid with payment due the earlier of Orsu being funded by equity or the sale of the Karchiga Project in Kazakhstan. Orsu has agreed to fund a US\$1,500,000 (US\$460,000 already funded) exploration program on the Sergeevskoe Project before the first anniversary of closing.

If the sale of Karchiga completes prior to September 30, 2017, then within 10 days, the Sellers will sell and Orsu will purchase the remaining 700 (70%) of the shares of Sibzoloto for consideration of 700 and US\$420,000 cash.

In the event the sale of Karchiga does not close before September 30, 2017, Orsu and the Sellers will own a 30% and 70% participating interest in Sibzoloto respectively. Orsu and the Sellers will negotiate the terms of a shareholder’s agreement at that time to govern the operations of Sibzoloto and to provide for an option for Orsu to acquire or earn, and the Sellers to sell or transfer, the remaining 70% of the shares of Sibzoloto. The prior approval of the Exchange will be obtained in the event the parties determine that the consideration for the second sale shares will be paid and settled in shares of the Issuer.

Orsu announced on March 15, 2017 the filing of the report titled “NI 43-101 Technical Report for the Sergeevskoe Property, Zabaikalskiy Krai, Russian Federation” dated March 10, 2017 with an effective date of November 18, 2016, on the Company’s profile on [www.sedar.com](#).

Orsu has been conducting, and funding, an exploration program on the Sergeevskoe Project since receiving the necessary government approvals in mid-November 2016. The program was funded by Orsu. The Phase 1 program will include an environmental baseline study, a ground magnetic survey, a 1314 m trenching programme and an initial 800 m confirmation drilling program in 3 holes.

- The environmental base line report was completed in mid-February 2017 by the Laboratory of Environmental Problems (“LEP”). LEP concluded that the surface waters chemical and physical properties are similar to natural concentrations with some soil and stream bed samples containing elevated concentrations of copper, zinc, arsenic and sulphur due to an influence of the historical mining works.
- In November-December 2016, Geoekspert completed a ground magnetic survey. The entire license area was covered by north-south traverses spacing 50 m. Orsu then contracted Reid Geophysics, a UK based geophysical company, to undertake all necessary processing, which required significant levelling of the sampling noise possibly accumulated due to data collection at cold temperatures. A set of acceptable magnetic maps was then generated. These maps (Figure 1) will be used during the ongoing exploration works.

Figure 1. Final TMI map by Reid Geophysics

To view the graphic in its original size, please [click here](#)

- Orsu completed all trenching works, which comprised 1,314 m in 9 trenches. This consisted of four long trenches across Zone 23, two long trenches across Kozie, one short trench at Kozie and two short trenches (K-1042 and K-1025) near the eastern boundary of the Sergeevskoe license. This completes our winter trenching programme.

To view the graphic in its original size, please click [here](#)

The assays for the trenching are undergoing QAQC before any results can be relied upon and announced. Orsu is working through the QAQC protocols with the SGS assay laboratory in Chita, Russia.

Qualified Person

This release and the technical data reported has been reviewed and approved by Alexander Yakubchuk, Director of Exploration of the Company, also a Qualified Person as defined in NI 43-101.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement:

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the timing of, the sale of Karchiga. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement 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 statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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