ORVANA
MINERALS CORP.

Orvana Releases Financial and Operating Results for the Third Quarter of Fiscal 2014

Toronto, Ontario, August 13, 2014 - Orvana Minerals Corp. (TSX:ORV) (the "Company" or "Orvana") announced today financial and operating results for the third quarter ended June 30, 2014 ("Q3 Fiscal 2014").

The Company recorded a net loss of $25.9 million in Q3 Fiscal 2014 compared with net income of $11.3 million in the third quarter of fiscal 2013 and adjusted net income[(1)] of $0.9 million in Q3 Fiscal 2014 compared with adjusted net loss[(1)] of $0.6 million in the third quarter of fiscal 2013.

In a separate release issued today, Orvana announced that the Company has received updated mineral resources and reserves estimates (the "MRMR Update") for El Valle-Boinás/Carlés ("EVBC") gold-copper mines in northern Spain, showing a year-over-year decrease in reserves and resources. The Company also received an updated life-of-mine plan (the "LOMP Update"), using proven and probable mineral reserves, which reflects a shortened mine life. In addition, the Carlés Mine is being placed on care and maintenance by the end of 2014. As a result of the MRMR Update and in accordance with its usual policy, Orvana conducted a carrying value assessment of EVBC as at June 30, 2014 and recognized a non-cash impairment loss in respect of EVBC of $25.5 million in the third quarter of fiscal 2014. This impairment represents a reduction in the EVBC book value and has no impact on Orvana's cash flows. For further information relating to the MRMR Update and the LOMP Update please refer to the release titled *Orvana Announces Decrease in Resources and Reserves at EVBC and Updates Life-of-Mine Plan.*

The unaudited condensed interim consolidated financial statements for the third quarter of fiscal 2014 (the "Q3 2014 FS") and Management's Discussion & Analysis related thereto (the "Q3 2014 MD&A") are available on SEDAR at www.sedar.com and at www.orvana.com.

Q3 2014 Operating and Financial Highlights

- Completion of the sale of the Copperwood project in Michigan ("Copperwood") with cash received on closing of $13.0 million and a secured promissory note of $7.0 million to be paid in December 2014.
- Repayment of outstanding short-term debt of $6.5 million from Copperwood sale proceeds.
- Amendment of the maturity date of the long-term debt in respect of the EVBC Mines (the "EVBC Loan") from September 30, 2016 to November 30, 2014. Repayment of $32.6 million under the EVBC Loan in principal and interest from October 2013 to July 2014.
- Impairment charge of $25.5 million relating to the EVBC Mines as a result of the MRMR Update and the LOMP Update.
- Concluded annual union negotiations at the Don Mario Mine in July 2014.
- Production of 21,532 ounces of gold, 4.8 million pounds of copper and 211,459 ounces of silver (or 36,258 gold equivalent ounces) and sales of 18,790 ounces of gold, 4.7 million pounds of copper and 217,988 ounces of silver compared with production of 22,319 ounces of gold, 4.6 million pounds of copper and 303,704 ounces of silver and sales of 20,480 ounces of gold, 4.1 million pounds of copper and 303,733 ounces of silver in the third quarter of fiscal 2013.
- Revenue of $34.1 million in the third quarter of fiscal 2014 compared with revenue of $37.0 million in the third quarter of fiscal 2013, primarily due to lower sales volumes of gold and silver in the third quarter of fiscal 2014.
- Decrease in mining costs of $3.2 million or 12% from $27.7 million to $24.5 million, primarily due to lower sales volume in the third quarter of fiscal 2014.

- Cash flows provided by operating activities from continuing operations of $8.8 million in the third quarter of fiscal 2014 compared with $10.8 million in the third quarter of fiscal 2013 and cash flows provided by operating activities before changes in non-cash working capital of $8.9 million in the third quarter of fiscal 2014 compared with $4.6 million in the third quarter of fiscal 2013. (1)
- Working capital of $12.6 million at June 30, 2014 compared with $30.7 million at March 31, 2014 primarily due to the reclassification of the EVBC Loan as current.
- Decrease in debt net of cash, cash equivalents and restricted cash for debt repayment from $40.0 million at March 31, 2014 to $25.0 million at June 30, 2014 and $12.7 million as at the date of the MD&A.
- Capital expenditures of $14.4 million for the first nine months of fiscal 2014 consisting primarily of primary mine development at the EVBC Mines, EVBC hoist repairs and upgrades costs, the addition of gravity gold concentrators at the Don Mario Mine and tailings dam raises at both EVBC and the Don Mario Mine compared with $17.3 million for the first nine months of fiscal 2013.
- Re-commissioning of the upgraded hoisting system at the Boinás Mine.
- Reduction in cash operating costs and all-in-sustaining costs of 21% and 23%, respectively, at EVBC compared with the second quarter of fiscal 2014. All-in sustaining costs (by-product) of $1,108 per ounce of gold at EVBC compared with $1,043 in the third quarter of fiscal 2013. (1)
- All-in sustaining costs (co-product) of $884 per ounce of gold, $2.51 per pound of copper and $15.68 per ounce of silver at the Don Mario Mine compared with $1,008 per ounce of gold, $2.34 per ounce of copper and $17.43 per pound of silver in the third quarter of fiscal 2013. (1)
- Appointment of Neil Ringdahl as Chief Operating Officer in June 2014.

(1) For further information regarding adjusted net income (loss), cash flows from operating activities before changes in non-cash working capital, cash operating costs and all-in sustaining costs ("AISC") and detailed reconciliations of such non-IFRS measures, please see the "Other Information - Non-IFRS Measures" section of the Q3 2014 MD&A filed on SEDAR and posted to Orvana's website at www.orvana.com.

Outlook

In recent months, the Company has achieved the following:

- **Improved operating performance**
  - Management has focused on operational optimization in 2014 across all business areas, which has led to more efficient operations with improving margins and higher grade production.
  - Year-over-year costs at the Don Mario Mine have been reduced and production has increased 39% in gold and 32% in copper.
  - Capital expenditures have decreased by approximately 16% in the first nine months of fiscal 2014 compared with the first nine months of fiscal 2013. Asset upgrades include hoisting capacity at EVBC and the gold gravity concentrators at the Don Mario Mine.
  - Led by a new senior management team at EVBC, optimization of head grades resulted in an average gold grade processed through the EVBC plant in June of 4.66 grams per tonne, the highest monthly average since the start of commercial production, and in July of 4.41 grams per tonne.
  - The focus on improved execution and grade optimization has contributed to stronger EVBC operating results in recent months, with gold production of 6,391 ounces in June and 7,332 ounces in July, a record in the history of EVBC. While this level of production is likely to be unsustainable over the next five months with the transition from the Carlés Mine to the Boinás Mine, this strategy is proving profitable even as the new LOMP was being developed.
- **Streamlined asset base**
  - Copperwood sold in June 2014 as it was a non-core asset outside of Orvana's principal jurisdictions of Europe and Latin America.
- **Focus on the balance sheet**
  - Short-term debt of $6.5 million was repaid in June 2014 from Copperwood sale proceeds.

- The maturity date of the EVBC Loan has been amended to November 30, 2014 from September 30, 2016. Orvana expects to repay the remainder $17.6 million in principal currently outstanding by November 30, 2014.
- The Company's debt net of cash, cash equivalents and restricted cash for debt repayment has decreased to $12.7 million currently, increasing financial flexibility.

We would like to remind readers that the Company will hold a conference call on August 13, 2014 at 11:00 a.m. (Eastern Time) to discuss its financial and operational results for the third quarter of fiscal 2014. Following the presentation there will be a question and answer period for analysts and investors. The conference call can be accessed in Canada & the US at 1-800-319-4610. Outside of Canada & USA please call +1-604-638-5340.

About Orvana

Orvana Minerals is a multi-mine gold and copper producer. Orvana's primary asset is El Valle-Boinás/Carlés gold-copper mines in northern Spain. Orvana also owns and operates the Don Mario Mine in Bolivia, processing its copper-gold-silver Upper Mineralized Zone deposit. Additional information is available at Orvana's website (www.orvana.com).

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Forward Looking Disclaimer

Certain statements in this press release constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might", "will" or "are projected to" be taken or achieved) are not statements of historical fact, but are forward-looking statements.

The forward-looking statements herein relate to, among other things, Orvana's ability to optimize its assets to deliver shareholder value; Orvana's ability to repay currently outstanding debt; estimates of future production, operating costs and capital expenditures; mineral resource and reserve estimates; future financial performance, including the ability to increase cash flow and profits; future financing requirements; and mine development plans.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Orvana as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Orvana contained or incorporated by reference in this news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the Company's most recently filed Management's Discussion & Analysis and Annual Information Form in respect of the Company's most recently completed fiscal year (the "Annual Disclosures"), or as otherwise expressly incorporated herein by reference as well as: there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisitions at the EVBC and Don Mario Mines being consistent with the Company's current expectations; political developments in any jurisdiction in which the Company operates being consistent with its current expectations; certain price assumptions for gold, copper and silver; prices for key supplies being approximately consistent with current levels; production and cost of sales forecasts meeting expectations; the accuracy of the Company's current mineral reserve and mineral resource estimates; and labour and materials costs increasing on a basis consistent with Orvana's current expectations.

A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual events or results to differ materially from estimated or anticipated events or results expressed or implied by forward looking statements. Some of these risks, uncertainties and factors include fluctuations in the price of gold, silver and copper; the need to recalculate estimates of resources based on actual production experience; the failure to achieve production estimates; variations in the grade of ore mined; variations in the cost of operations; variations in the costs associated with the suspension of mining at Carlés; the availability of qualified personnel; the Company's ability to obtain and maintain all necessary regulatory approvals and licenses; the Company's ability to use cyanide in its mining operations; risks generally associated with mineral exploration and development, including the Company's ability to continue to operate the EVBC Mines and/or the Don Mario Mine; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to obtain financing when required on terms that are acceptable to the Company; the Company's ability to execute on its strategy; challenges to the Company's interests in its property and mineral rights; current, pending and proposed legislative or regulatory developments or changes in political, social or economic conditions in the countries in which the Company operates; general economic conditions worldwide; and the risks identified in the Annual Disclosures under the heading "Risks and Uncertainties". This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements and reference should also be made to the Company's Annual Disclosures for a description of additional risk factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Readers are cautioned not to put undue reliance on forward-looking statements.

Cautionary Notes to Investors - Reserve and Resource Estimates

In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates of the Company disclosed in this news release have been prepared as at September 30, 2014 in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" (the "CIM Guidelines").

Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral Reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and 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. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral Reserve, or is or will ever be economically or legally mineable or recovered.