

ORVANA MINERALS CORP.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009
(UNAUDITED)
(EXPRESSED IN UNITED STATES DOLLARS)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ORVANA MINERALS CORP.

Interim Consolidated Balance Sheets

(In thousands of United States dollars)

(Unaudited)	As at June 30 2009	As at September 30 2008
Assets		
Current assets		
Cash and cash equivalents	\$ 97,989	\$ 91,041
Gold sales receivable	-	1,785
Value-added taxes receivable and prepaid expenses	4,997	4,275
Gold inventory	734	641
Supplies inventory	3,811	2,871
	107,531	100,613
Property, plant and equipment (note 4)	19,677	20,072
	\$ 127,208	\$ 120,685
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,877	\$ 6,786
Income taxes payable	5,968	7,792
Current portion of long-term debt (note 5)	1,696	1,601
	12,541	16,179
Long-term debt (note 5)	1,360	2,644
Asset retirement obligations (note 6)	2,281	2,156
Provision for statutory labour obligations	1,421	1,307
Future income tax liability	742	1,537
Long-term compensation (note 8(b))	88	-
	18,433	23,823
Shareholders' equity		
Share capital (note 7)	74,777	74,777
Contributed surplus	1,640	1,553
Retained earnings	32,358	20,532
	108,775	96,862
	\$ 127,208	\$ 120,685

Commitments and contingencies (note 9)

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Interim Consolidated Statements of Income and Comprehensive Income

(In thousands of United States dollars except per share amounts)

(Unaudited)	Three months ended June 30		Nine months ended June 30	
	2009	2008	2009	2008
Revenues				
Gold sales	\$ 11,869	\$ 18,244	\$ 42,345	\$ 53,383
Costs and expenses of mining operations				
Cost of sales	4,527	3,253	11,156	9,349
Royalties and mining rights	376	524	1,336	1,642
Mining royalty taxes	835	1,298	2,961	2,709
Depreciation and amortization	1,918	1,764	5,320	5,726
Accretion (note 6)	41	41	125	125
	7,697	6,880	20,898	19,551
	4,172	11,364	21,447	33,832
Expenses (income)				
General and administration	873	1,232	2,710	3,426
Exploration	157	411	415	1,339
Stock-based compensation (note 8(a))	20	38	87	166
Community relations	63	31	132	121
Interest on long-term debt	65	79	221	90
Interest and other income	(218)	(405)	(946)	(1,743)
Foreign exchange	64	(117)	162	108
	1,024	1,269	2,781	3,507
Income before provision for income taxes				
	3,148	10,095	18,666	30,325
Provision for income taxes				
Current income taxes	65	2,960	7,634	9,223
Future income taxes / (recovery)	(135)	-	(794)	-
	(70)	2,960	6,840	9,223
Net income and comprehensive income				
	\$ 3,218	\$ 7,135	\$ 11,826	\$ 21,102
Earnings per share				
Basic and diluted	\$ 0.03	\$ 0.06	\$ 0.10	\$ 0.18
Weighted average number of shares				
outstanding - basic (note 7(b))	115,233,173	115,233,173	115,233,173	115,233,173
Dilutive effect of stock options	66,758	43,371	-	130,731
Weighted average number of shares				
outstanding - diluted	115,299,931	115,276,544	115,233,173	115,363,904

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Interim Consolidated Statements of Cash Flows

(In thousands of United States dollars)

(Unaudited)	Three months ended June 30		Nine months ended June 30	
	2009	2008	2009	2008
Operating activities				
Net income	\$ 3,218	\$ 7,135	\$ 11,826	\$ 21,102
Depreciation and amortization	1,918	1,764	5,320	5,726
Accretion (note 6)	41	41	125	125
Stock-based compensation (note 8(a))	20	38	87	166
Future income taxes	(135)	-	(794)	-
Provision for statutory labour obligations	158	272	114	256
Long-term compensation expense (note 8(b))	7	-	88	-
Foreign exchange	64	(117)	162	108
	5,291	9,133	16,928	27,483
Changes in non-cash working capital items				
Gold sales receivable	-	-	1,785	1,462
Value-added taxes receivable and prepaid expenses	(1,141)	(319)	(722)	214
Gold inventory	(73)	(75)	(17)	104
Supplies inventory	(398)	(247)	(940)	(720)
Accounts payable and accrued liabilities	1,070	249	(1,909)	1,127
Income taxes payable	(533)	3,044	(1,824)	3,983
	4,216	11,785	13,301	33,653
Financing activities				
Issue of long-term debt	-	1,500	-	5,000
Repayment of long-term debt	(403)	(374)	(1,189)	(374)
	(403)	1,126	(1,189)	4,626
Investing activities				
Capital expenditures	(1,977)	(2,197)	(5,002)	(6,313)
Change in cash and cash equivalents	1,836	10,714	7,110	31,966
Cash and cash equivalents, beginning of period	96,217	76,694	91,041	55,667
Effect of exchange rate changes on cash held in foreign currencies	(64)	117	(162)	(108)
Cash and cash equivalents, end of period	\$ 97,989	\$ 87,525	\$ 97,989	\$ 87,525

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Interim Consolidated Statements of Changes in Shareholders' Equity

(In thousands of United States dollars)

(Unaudited)	Share capital	Contributed Surplus	Retained Earnings (Deficit)	Total
Balance, September 30, 2007	\$ 74,777	\$ 1,354	\$ (5,175)	\$ 70,956
Grant of stock options	-	151	-	151
Vesting of previously issued stock options	-	48	-	48
Net income	-	-	25,707	25,707
Balance, September 30, 2008	\$ 74,777	\$ 1,553	\$ 20,532	\$ 96,862
Grant of stock options (note 8(a))	-	34	-	34
Vesting of previously issued stock options (note 8(a))	-	53	-	53
Net income	-	-	11,826	11,826
Balance, June 30, 2009	\$ 74,777	\$ 1,640	\$ 32,358	\$ 108,775

Interim Consolidated Statements of Retained Earnings

(In thousands of United States dollars)

(Unaudited)	Three months ended June 30		Nine months ended June 30	
	2009	2008	2009	2008
Retained earnings (deficit), beginning of period	\$ 29,140	\$ 8,792	\$ 20,532	\$ (5,175)
Net income	3,218	7,135	11,826	21,102
Retained earnings, end of period	\$ 32,358	\$ 15,927	\$ 32,358	\$ 15,927

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

1. Nature of operations

Orvana Minerals Corp. (the "Company" or "Orvana") is a Canadian mining and exploration company based in Toronto, Ontario involved in the evaluation, development and mining of precious and base metal deposits. The Company owns and operates the Don Mario Mine and property in eastern Bolivia which is held indirectly through its wholly-owned subsidiary, Empresa Minera Paititi S.A. ("EMIPA"). In addition, in fiscal 2008, the Company acquired the Copperwood Project in the United States, which is held indirectly through its wholly-owned subsidiary, Orvana Resources US Corp. ("Orvana Resources"). The Company's shares are listed on the Toronto Stock Exchange.

2. Basis of presentation and new accounting policies

(a) Basis of presentation

The unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements except as noted below. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended September 30, 2008, since they do not contain all disclosures required by GAAP for annual financial statements. These unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

(b) New accounting policies

Deferred Share Unit ("DSU") Plan

The Company established a DSU plan, effective October 1, 2008. The initial fair value of units issued is recognised as directors' fees within general and administration in the consolidated statement of income and comprehensive income. The fair value of the DSUs is marked to the quoted market price of the Company's shares at each reporting date and changes in their fair value are recorded in general and administrative expense.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee of the Canadian Institute of Chartered Accountants ("CICA") issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on the Company's presentation of its financial position or results of operations as at June 30, 2009 and for the three and nine-month periods then ended.

Mining Exploration Costs

In March 2009, the Emerging Issues Committee issued EIC-174, "Mining Exploration Costs", which provides guidance on the capitalization of exploration costs related to mining properties and the impairment review of such capitalized exploration costs. The adoption of this abstract had no impact on the Company's presentation of its financial position or results of operations as at June 30, 2009 and for the three and nine-month periods then ended.

ORVANA MINERALS CORP.

Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

2. Basis of presentation and new accounting policies (continued)

(c) Future accounting changes

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. IFRS will be required for Orvana's interim and annual financial statements for the fiscal year beginning October 1, 2011.

The Company is currently assessing the impact of IFRS on its consolidated financial statements.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, "Business Combinations". Sections 1601 and 1602 together replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS-27, "Consolidated and Separate Financial Statements". The Company is in the process of evaluating the requirements of the new standards.

3. Offer to acquire Kinbauri Gold Corp. ("Kinbauri")

On May 25, 2009, the Company mailed to the shareholders of Kinbauri an unsolicited offer to purchase, at a price per share payable in cash of Cdn. \$0.55, subject to certain terms and conditions, all outstanding common shares of Kinbauri. The offer price per share was subsequently increased to Cdn. \$0.75 in cash and the period during which the offer is open for acceptance was extended to August 17, 2009 at 8:00 pm (Toronto time).

The estimated total consideration, including transaction costs in connection with the offer, if all Kinbauri shares and "in the-money" options and warrants are exercised, is estimated to be approximately Cdn. \$49 million. Transaction costs amounting to \$1,105 incurred to June 30, 2009 are included in value added taxes receivable and prepaid expenses.

There is no guarantee that this transaction will be accepted by Kinbauri shareholders.

ORVANA MINERALS CORP.

Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

4. Property, plant and equipment

June 30, 2009	Cost	Accumulated amortization	Net carrying value
Plant and equipment	\$ 36,443	\$ 26,720	\$ 9,723
Construction in process (a)	3,306	-	3,306
Mineral properties and deferred development costs (a)	10,134	6,452	3,682
Asset retirement costs	1,499	1,140	359
Furniture and equipment	126	79	47
Mineral properties - Copperwood Project	2,560	-	2,560
	\$ 54,068	\$ 34,391	\$ 19,677

(a) On May 14, 2009, the Board approved management's proposal to develop the UMZ copper-gold project.

September 30, 2008	Cost	Accumulated amortization	Net carrying value
Plant and equipment	\$ 33,693	\$ 21,975	\$ 11,718
Construction in process	3,957	-	3,957
Mineral properties and deferred development costs	9,627	5,902	3,725
Asset retirement costs	1,499	1,054	445
Furniture and equipment	121	63	58
Mineral properties - Copperwood Project	169	-	169
	\$ 49,066	\$ 28,994	\$ 20,072

ORVANA MINERALS CORP.

Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

5. Long-term debt

On March 4, 2008, EMIPA entered into a term credit facility agreement of \$5,000 with a Bolivian Bank. This facility bears interest at 7.75% per annum and is payable in equal quarterly installments over a three-year period as set out in the repayment table of this note. The Company has the option of prepaying the loan prior to the end of its term without penalties. For the three and nine month periods ended June 30, 2009, payment amounts of \$403 (2008 - \$374) and \$1,189 (2008 - \$374), respectively, were made. At June 30, 2009, \$3,056 was outstanding under this facility.

There are no specific covenants related to this facility.

Long-term debt repayments are as follows:

Fiscal 2009	\$	413
2010		1,728
2011		915
		3,056
Less: current portion		(1,696)
	\$	1,360

6. Asset retirement obligations

The following table summarizes the changes in asset retirement obligations during the periods presented:

	Nine months ended June 30 2009	Year ended September 30 2008
Balance, beginning of period	\$ 2,156	\$ 1,988
Accretion expense	125	168
Balance, end of period	\$ 2,281	\$ 2,156

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Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

7. Share capital

(a) Authorized - unlimited number of common shares

(b) Common shares issued

	Number of common shares	Stated value
Balance, June 30, 2009 and September 30, 2008	115,233,173	\$ 74,777

8. Stock options and long-term compensation

(a) Stock options

A summary of the stock option transactions for the nine-month period is as follows:

	Number of Stock options	Weighted average exercise price
Balance, September 30, 2008	2,990,001	Cdn \$0.90
Granted ⁽¹⁾	275,000	0.64
Expired	(65,000)	1.00
Balance, June 30, 2009	3,200,001	\$0.88

Stock options have been expensed as follows:

	Cumulative expense to June 30 2009	Remainder to be expensed	Total stock option compensation
Stock option expense	\$ 1,640	\$ 58	\$ 1,698

ORVANA MINERALS CORP.

Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

8. Stock options and long-term compensation (continued)

(a) Stock options (continued)

(1) During the period ended June 30, 2009, the fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate:	1.53%
Expected life in years:	5
Expected volatility:	61%
Expected dividend yield:	0%

The weighted-average grant date fair value of these options was \$73 or Cdn. \$0.34 per share and this amount is expensed over the vesting periods.

The Company uses the fair value method of accounting and, during the three and nine months ended June 30, 2009 recognized stock-based compensation expense of \$20 and \$87, respectively (three and nine months ended June 30, 2008 - \$38 and \$166).

As at June 30, 2009, outstanding and exercisable stock options granted were as follows:

Grant Date	Fair Value	Number of Non-Vested Options	Weighted Average Contractual Life of Non-Vested and Vested Options (in years)	Number of Vested Options	Exercise Price	Expiry Date
April 1, 2005	\$ 471	-	0.75	1,025,000	Cdn \$1.03	April 1, 2010
June 30, 2005	210	-	1.00	470,000	1.00	June 30, 2010
September 26, 2005	16	-	1.24	30,000	1.20	September 26, 2010
May 12, 2006	19	-	1.87	41,667	1.05	May 12, 2011
June 23, 2006	129	-	1.98	325,000	0.89	June 23, 2011
July 5, 2006	24	-	2.01	58,334	0.91	July 5, 2011
December 14, 2006	99	-	2.46	350,000	0.60	December 14, 2011
August 9, 2007	55	50,000	3.11	100,000	0.69	August 8, 2012
December 3, 2007	150	108,334	3.43	216,666	0.81	December 3, 2012
March 3, 2008	65	50,000	3.68	100,000	0.75	March 3, 2013
March 5, 2009	73	183,333	4.68	91,667	0.64	March 5, 2014
	\$1,311	391,667	2.00	2,808,334		
Total vested and non-vested stock options				3,200,001		

As at June 30, 2009, the original fair value of the non-vested stock options is estimated at \$139 (June 30, 2008 - \$213).

ORVANA MINERALS CORP.

Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

8. Stock options and long-term compensation (continued)

(b) Long-term compensation

Effective October 1, 2008, the Company established a DSU plan for its non-employee directors with each DSU having the same value as an Orvana common share. Under the DSU Plan, non-employee directors receive a portion of their annual compensation in the form of DSUs. The DSUs vest immediately and are redeemable in cash after the date on which the individual ceases to be a director and they are redeemable in one or two tranches at the election of the individual. Full payment must be made no later than December 15th of the first calendar year immediately after the director ceases to be a director. The DSUs are recorded at fair value based on the average value of Orvana's common shares for the five days immediately preceding the date of grant and the DSUs are adjusted for changes in fair value. The fair value of amounts granted each period together with the changes in fair value are expensed in the period.

As at June 30, 2009

	DSUs		Fair value
Granted October 1, 2008	148,518	\$	71
Change in fair value	-		17
	148,518	\$	88

9. Commitments and contingencies

(a) Refer to note 3

(b) The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations can change and generally become more restrictive. The Company records provisions for asset retirement obligations based on management's estimate of such costs. These estimates are, however, subject to changes in laws and regulations.

(c) Certain of the mining concessions on which the Company is actively pursuing its exploration and development activities are largely located in eastern Bolivia. As a result, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability in Bolivia, which may result in the impairment or loss of mineral concessions or other mineral rights. Any changes in laws or regulations, including possible changes to the Bolivian Mining Code, or shifts in political attitudes, are beyond the control of the Company and may adversely affect its business.

10. Comparative Information

Certain comparative figures have been reclassified to conform with current period financial statement presentation.

ORVANA MINERALS CORP.

Notes to Interim Consolidated Financial Statements

June 30, 2009

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

11. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration, development and commercial production of mineral properties in Bolivia and the United States. The Company has administrative offices in Toronto, Canada; Stockholm, Sweden; and Nicosia, Cyprus. Geographical information is as follows:

As at June 30, 2009 and for the nine months then ended:

	Gold Sales	Cash and cash equivalents	Property, plant and equipment	Other assets	Total assets
Bolivia	\$ 42,345	\$ 2,313	\$ 17,070	\$ 8,329	\$ 27,712
United States	-	-	2,560	-	2,560
Canada	-	53,522	47	1,151	54,720
Sweden	-	42,061	-	-	42,061
Cyprus	-	93	-	62	155
	\$ 42,345	\$ 97,989	\$ 19,677	\$ 9,542	\$ 127,208

As at June 30, 2008 and for the nine months then ended:

	Gold Sales	Cash and cash equivalents	Property, plant and equipment	Other assets	Total assets
Bolivia	\$ 53,383	\$ 1,166	\$ 18,117	\$ 6,246	\$ 25,529
United States	-	868	-	-	868
Canada	-	37,497	63	587	38,147
Sweden	-	47,934	-	-	47,934
Cyprus	-	60	-	-	60
	\$ 53,383	\$ 87,525	\$ 18,180	\$ 6,833	\$ 112,538

As at September 30, 2008 and for the year then ended:

	Gold Sales	Cash and cash equivalents	Property, plant and equipment	Other assets	Total assets
Bolivia	\$ 69,064	\$ 757	\$ 19,846	\$ 9,142	\$ 29,745
United States	-	-	169	-	169
Canada	-	37,037	57	359	37,453
Sweden	-	53,200	-	66	53,266
Cyprus	-	47	-	5	52
	\$ 69,064	\$ 91,041	\$ 20,072	\$ 9,572	\$ 120,685