

ORVANA MINERALS CORP.

**NOTICE OF
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON FEBRUARY 25, 2010**

AND

MANAGEMENT INFORMATION CIRCULAR

ORVANA MINERALS CORP.

**Notice of Annual Meeting and Special of Shareholders
to be held on February 25, 2010**

Notice is hereby given that the annual and special meeting of the holders of common shares of Orvana Minerals Corp. (the "Company") will be held at TSX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario on Thursday, February 25, 2010 at 10:30 a.m. (Toronto time) for the following purposes:

- (a) to receive the Company's comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2009 and the auditors' report thereon, a copy of which is enclosed herewith;
- (b) to elect directors of the Company to hold office until the close of the next annual meeting of shareholders;
- (c) to appoint PricewaterhouseCoopers LLP as the Company's auditors for the ensuing year and to authorize the board of directors to fix their remuneration;
- (d) to confirm certain amendments to By-Law B-1 of the Company that were adopted by the board of directors on October 23, 2009; and
- (e) to transact such other business as may properly come before the meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the meeting. Registered shareholders who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise to the Secretary of the Company c/o Equity Transfer & Trust Company, Proxy Dept., 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Equity Transfer & Trust Company, not later than 10:30 a.m. (Toronto time) on February 23, 2010, or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

DATED as of the 15th day of January, 2010.

By order of the board of directors



Name: C. Kent Jespersen

Title: Chairman

ORVANA MINERALS CORP.

Management Information Circular for the Annual and Special Meeting of Shareholders to be held on February 25, 2010

PROXIES

Solicitation of Proxies

This Management Information Circular (the “Circular”) is provided in connection with the solicitation, by or on behalf of the management of Orvana Minerals Corp. (the “Company”), of proxies to be used at the Company’s annual and special meeting of the holders of common shares (the “Common Shares”) to be held on February 25, 2010 (the “Meeting”) or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Company without special compensation, or by the Company’s transfer agent, Equity Transfer & Trust Company, at nominal cost. The cost of solicitation will be borne by the Company.

Appointment of Proxyholder

The persons designated by management of the Company in the enclosed form of proxy are directors of the Company. **Each shareholder has the right to appoint as proxyholder a person (who need not be a shareholder of the Company) other than the persons designated by management of the Company in the enclosed form of proxy to attend and act on the shareholder’s behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Company c/o Equity Transfer & Trust Company, Proxy Dept., 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, fax number (416) 361-0470 (within North America). In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Equity Transfer & Trust Company not later than 10:30 a.m. (Toronto time) on February 23, 2010, or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

Revocation of Proxy

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder’s attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder’s attorney, who is authorized in writing, to or at the registered office of the Company at 320 Bay Street, Suite 1530, Toronto, Ontario, M5H 4A6 at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Company in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the proxy, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Company is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Company in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

Beneficial Shareholders

The information set forth in this section is of importance to many shareholders of the Company, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (i.e. non-registered or beneficial shareholders) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can be voted (for or against resolutions) only upon the instructions of the beneficial shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting Common Shares for the broker's clients. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable securities legislation requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by beneficial shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically uses its own form of proxy, mails those forms to the beneficial shareholders and asks beneficial shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A beneficial shareholder receiving a proxy from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a beneficial

shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING SHARES

Voting Shares

As at December 31, 2009, the Company had 115,233,173 Common Shares outstanding, each carrying the right to one vote per share. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of the matters that are to be submitted to a vote at the Meeting.

Record Date

The Company's board of directors (the "board of directors" or the "Board") has fixed January 15, 2010 as the record date for the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

Principal Shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 2009, no person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting rights attached to the outstanding Common Shares of the Company except as stated below.

<u>Name</u>	<u>Aggregate Number of Common Shares</u>	<u>Percentage of Outstanding Common Shares</u>
Fabulosa Mines Limited ¹	60,445,028	52.5%
Sprott Asset Management Inc.	13,475,845	11.7%

Note:

- Pursuant to an agreement dated September 12, 2001, as amended, Fabulosa Mines Limited ("Fabulosa") has a pre-emptive right with respect to the issuance of additional Common Shares or securities convertible into Common Shares to other persons, entitling Fabulosa to acquire the same number of Common Shares or convertible securities that the Company issues to such other persons on the same terms and conditions, subject to applicable requirements of the Toronto Stock Exchange.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The board of directors has fixed the number of directors to be elected at the Meeting at seven. Under the by-laws of the Company, directors of the Company are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

The board of directors recommends a vote “for” the election of each of its proposed nominees to serve on the Company’s board of directors until the next annual meeting of shareholders. **In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated in the table below opposite the proposed nominee’s name.** Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the persons designated by management of the Company in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares of the Company beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person’s associates or affiliates as at December 31, 2009. Information as to Common Shares beneficially owned or over which control or direction is exercised and as to employment history, not being within the knowledge of the Company, has been furnished by the respective proposed nominees.

Name, Province/State and Country of Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised
Dr. Peter Bradshaw ^{(1),(2)} British Columbia, Canada	President and Chief Executive Officer of First Point Minerals Corp., a mineral exploration company.	May 2006	43,200
Dr. Richard H.T. Garnett ⁽¹⁾ Ontario, Canada	President of Valrik Enterprises Inc., a company providing consultancy services to mining companies.	February 2009	Nil
James Gilbert ^{(1),(3)} Virginia, USA	President and Chief Executive Officer of Minera S.A., a private mining and metals investment company and the parent company of Fabulosa; prior to that was the Chief Investment Officer of Gerald Metals Inc., a global commodities trading firm, from June 2007 to May 2009; prior to that was a Director of the mining and metals investment banking group at Rothschild Inc., an investment banking firm, from June 1994 to May 2007.	August 2009	Nil
C. Kent Jespersen ⁽⁴⁾ Alberta, Canada	Chairman and Chief Executive Officer of La Jolla Resources International, a business advisory and investment company.	December 2007	60,000
J. Robert Logan ^{(1),(2)} Arizona, USA	Managing Member of ShaMac Holdings, LLC, an investment management and consulting company.	December 2007	50,000
Carlos Mirabal Santa Cruz, Bolivia	President and Chief Executive Officer of the Company.	October 2006	Nil
Robert A. Mitchell, C.A. ⁽²⁾ Ontario, Canada	Corporate director.	April 2007 and from December 2003 to June 2006	15,000

1. Member of the Compensation and Nominating Committee.

2. Member of the Audit Committee.

3. Mr. Gilbert is also a director of Fabulosa Mines Limited, a wholly-owned subsidiary of Minera S.A., which held 60,445,028 Common Shares, representing 52.5% of the Company's outstanding Common Shares, as at December 31, 2009.

4. Chairman of the Board of Directors.

Appointment of Auditors

The auditor of the Company is currently PricewaterhouseCoopers LLP of Toronto, Canada ("PwC Canada"). At the Meeting, holders of Common Shares will be requested to re-appoint PwC Canada as the Company's independent auditors to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the board of directors to fix the auditors' remuneration. PwC Canada has been the auditor of the Company since September 2004.

The board of directors recommends a vote "for" the re-appointment of PwC Canada as independent

auditors for the Company until the next annual meeting of shareholders or until a successor is appointed and the authorization of the board of directors to fix the auditors' remuneration. **Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PwC Canada as the auditor of the Company until the close of the next annual meeting of the shareholders of the Company, or until its successor is appointed, and the authorization of the board of directors of the Company to fix the remuneration of the auditor of the Company.**

Amendment of By-Law

On October 23, 2009, the board of directors approved amendments to two sections of By-Law B-1 of the Company to provide greater flexibility in convening meetings of the Company's directors. While these amendments were effective from the date of their approval by the board of directors, they remain subject to confirmation by the Company's shareholders.

One of the amendments provides that no notice of a directors' meeting shall be necessary if all of the directors in office are present or if those absent waive notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

The other amendment provides that, in addition to personal delivery or by prepaid mail, any notice, communication or document to be given, sent, delivered or served pursuant to the *Business Corporations Act* (Ontario) (the "OBCA"), the regulations under the OBCA, the Company's articles or by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if transmitted by telephone facsimile or other electronic means in accordance with the *Electronic Commerce Act* (Ontario). The amendment also provides that a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered by dispatch.

The full text of the amended sections of By-Law B-1 of the Company is set out in Schedule "A" to this Circular.

The board of directors recommends a vote "for" confirmation of the amendments to By-Law B-1 of the Company that were adopted by the board of directors on October 23, 2009. **Unless the shareholder has directed in the proxy that such Common Shares be voted against confirmation of the amendments, the persons named in the enclosed form of proxy intend to vote FOR confirmation of the amendments to By-Law B-1 of the Company that were adopted by the board of directors on October 23, 2009.**

Other Matters

The Company knows of no other matters to be submitted to the shareholders at the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent in accordance with their judgement on such matters.

EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to include in this Circular certain information concerning the compensation earned from the Company and any of the Company's subsidiaries by the Company's Chief Executive Officer and its Chief Financial Officer (regardless of the amount of compensation of those individuals) and each of the Company's other three most highly compensated executive officers whose total salary and bonus exceeded \$150,000 during the Company's most recently completed financial year (collectively, the "Named Executive Officers").

Compensation Discussion and Analysis

Objectives of the Executive Compensation Program

The objectives of Orvana's executive compensation program are: (i) to align the interests of executive officers with the short and long-term interests of the Company's shareholders, (ii) to provide incentive compensation opportunities for executive officers that complement the Company's strategic and operational objectives and are commensurate with the level of performance achieved, (iii) to ensure that the Company is able to attract and retain skilled and experienced executive officers who can help Orvana achieve its strategic and operational objectives, and (iv) to be competitive with the companies with which Orvana competes for talent.

Orvana's compensation program is designed to take into consideration the experience, responsibility and expected performance of each individual and to ensure that the compensation packages are consistent with the compensation provided for positions of similar responsibility in mining companies of a similar size and operational complexity.

Elements of Executive Compensation

The elements of the Company's executive compensation program, which include both fixed compensation and performance-based variable compensation, are: base salary, annual performance bonus, restricted share units, stock options, which are provided only in a single grant at the time that an executive joins Orvana, and a benefits program consisting of health, dental, disability and insurance plans. The sum of these compensation elements comprises the total direct compensation of the Company's executive officers. The Company does not have a pension plan.

Base Salary

Base salary is a fixed component of compensation that provides income certainty by establishing a base level of compensation of executives for fulfilling their roles and responsibilities.

Annual Performance Bonus

The annual performance bonus provides the possibility of the annual payment of an amount equal to a percentage of an executive's base salary. The purpose of the annual performance bonus is to provide annual incentive compensation that is measured against both the achievement of annually established key performance objectives of the individual executive, which are established at the commencement of the fiscal year, and a qualitative evaluation of the executive's overall effectiveness and contribution to the Company. The amount of the bonus is variable from year to year in relation to the executive's performance.

Long-term Incentives

The elements of the compensation program that are intended to provide long-term incentives are the performance-based grants of restricted share units, which may be granted annually, and stock options, which are provided only in a single grant at the time that an executive joins Orvana. These grants of equity-linked compensation are intended to better align the interests of an executive with those of shareholders by connecting the amount of the executive's compensation to the Company's share price performance. The incremental vesting of awards over a period of several years is also intended to aid in executive retention as well as to mitigate the risk of undue risk-taking, the effects of which may lag annual bonus awards.

Restricted Share Units

On October 1, 2008, the Company adopted a Restricted Share Unit Plan for Designated Executives (the "RSU Plan"). As described below, restricted share units ("RSUs") are used by the Company to provide long-term incentive compensation to certain executive officers that is measured against both the achievement of annually established key performance objectives of the individual executive and a qualitative evaluation of the executive's overall effectiveness and contribution to the Company. As RSUs are granted based on past performance, executives are not considered eligible to receive grants of RSUs until the end of the fiscal year in which they join the Company. The amount of the grant is variable from year to year in relation to the executive's performance.

Each RSU has a value equal to one Common Share. The number of RSUs included in a grant is determined by dividing the value of the RSU award by the volume weighted average closing price of the Common Shares for the five trading days immediately prior to September 30 of the fiscal year in which the services to which the grant relates were rendered. RSUs vest on December 1 of the third calendar year following the end of the calendar year in which the executive provided the services to which the grant relates (or where such services straddle two calendar years, the first calendar year in which the services to which the grant of such RSUs relate were rendered) or such other date as may be specified in the terms of the grant. Pursuant to the RSU Plan, at vesting, each RSU will have a value equal to the volume weighted average closing price of one Common Share for the five trading days prior to the vesting date. Executives who continue in employment with the Company or one of its affiliates on the vesting date shall receive a payment in respect of the vested RSUs. RSUs may be forfeited in the event of cessation of the executive's employment by the Company and its affiliates prior to vesting.

The addition of RSUs as a component of compensation is intended to more effectively correlate long-term incentive compensation to the Company's performance. In addition, while the value of both stock options and RSUs are tied to the Company's share price, unlike stock options, RSUs are not dilutive to shareholders' equity. The incentive, risk mitigation and retentive value of stock options can be limited in circumstances where, notwithstanding strong corporate and/or individual performance, the Company's share price is negatively impacted by external factors such that stock options have no value. In such circumstances, RSUs continue to have value, albeit reduced, and, consequently, continue to support executive retention and provide effective long-term incentive compensation. The three-year vesting period for RSUs is intended to ensure that they act as long-term incentive compensation and provide a significant retention incentive.

Stock Options

Prior to Orvana's adoption of the RSU Plan, the Company's long-term incentive compensation for executives was solely in the form of options to acquire Common Shares. Like RSUs, the value of stock options is directly linked to the price of the Common Shares. The Company continues to grant stock

options in connection with the initial appointment of certain executives, thereby bridging the period until a significant RSU holding is established. The purpose of these awards is to assist in attracting talented executives and to align their interests with those of the Company's shareholders from the date of their initial appointment and prior to their eligibility to receive grants of RSUs.

To the extent that the Company continues to provide stock options to executives, the options are granted under the Company's 2006 Stock Option Plan, adopted by the Company effective February 16, 2006 (the "2006 Stock Option Plan"). Stock options granted under the plan are granted with an exercise price of not less than the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("TSX") for the five trading days immediately preceding the trading day prior to the option grant date. Such options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the shares shall be issuable under an option within 12 months of the grant date. Options expire not later than the fifth anniversary of the date on which they are granted.

Other Compensation

The Company's Named Executive Officers also receive benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits consist of medical, dental, long and short-term disability, accidental death and dismemberment and life insurance. In the case of the Company's Vice-President, Corporate Development, he is provided with an allowance of US\$30,000 per year to be used to purchase benefits comparable to those provided directly by the Company. Prior to September 1, 2009, the amount of such allowance was US\$20,000 per year. Any further prerequisites are outlined in the discussion following the Summary Compensation Table (below).

How the Corporation Determines Executive Compensation

The Compensation and Nominating Committee reviews each component of compensation for each officer and makes a compensation recommendation to the Company's board of directors. In making its recommendations, the committee considers, among other things, recommendations made by any external compensation consultant retained by the committee and the executives' self-evaluations. In addition, the committee may seek input from the Chief Executive Officer with respect to the performance evaluations of the other Named Executive Officers. The board of directors reviews the committee's recommendations and provides final approval of the compensation of the Company's officers. The board of directors has complete discretion over the amount and composition of each officer's compensation.

In the fiscal year ended September 30, 2008, the Compensation and Nominating Committee retained Towers Watson to review and make recommendations regarding the Company's executive and director compensation. In connection with this evaluation, the Company paid a total of \$86,830 to Towers Watson for consulting fees relating to executive compensation (\$57,680) and director compensation (\$29,150). At the recommendation of the Compensation and Nominating Committee, the board of directors largely adopted the recommendations made by Towers Watson.

In order to evaluate its current level and manner of executive compensation and establish appropriate reference points for use in future years, following discussions with Towers Watson, the Compensation and Nominating Committee established a benchmark group of comparably-sized, publicly traded companies in the mining sector. The following are the companies included in the list: ADF Group Inc., Alamos Gold Inc., Amerigo Resources Ltd., Apex Silver Mines Ltd., Breakwater Resources Ltd., Claude Resources Inc., Coeur d'Alene Mines Corp., Crew Gold Corp., Crystallex International Corp., Eldorado Gold Corp., European Goldfields Ltd., First Nickel Inc., Frontera Copper Corp., Gammon Lake Resources Inc., Glencairn Gold Corp., Hecla Mining Co., Ivernia Inc., Jaguar Mining Inc., Kinross Gold

Corp., Kirkland Lake Gold Inc., Labrador Iron Ore Royalty Income Fund, La Mancha Resources Inc., Red Back Mining Ltd., Richmond Mines Inc., Semafo Inc., Silvercorp Metals Inc. and Yamana Gold Inc.

As a guiding principle in determining executive compensation, Orvana seeks to position base salaries and target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive to earn above median total compensation for superior performance.

Base salaries are reviewed annually by the Compensation and Nominating Committee following which a recommendation regarding base salary for the upcoming year is provided to the board of directors. In its annual review, the Committee considers the compensation levels in benchmark companies to ensure that the base salary of each Named Executive Officer properly reflects Orvana's goal of setting compensation relative to benchmark companies as well as the officer's expertise and performance in fulfilling their role and responsibilities.

In the past, bonus awards were recommended to the board of directors at the discretion of the Compensation and Nominating Committee following an annual review of each executive's performance and taking into consideration the Company's financial performance for the year. Commencing in the fiscal year ended September 30, 2009, the Company adopted a new process for determining the amounts of annual bonus and long-term incentive compensation. At the commencement of each financial year, the committee establishes target amounts for the annual bonus and long-term incentive compensation of each executive officer. These targets are set following consultation with the executive. As with base salaries, targets for annual bonus and long-term incentive compensation amounts are determined with reference to the benchmark companies and the guiding principle that Orvana establish target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive to earn above median total compensation for superior performance.

At the start of each fiscal year, the committee works with each of the executives to establish individual key performance objectives for the year. The objectives are designed to reflect both the Company's short-term goals and its long-term strategic objectives. The amount of annual bonus and long-term incentive compensation granted to an executive is determined in part by the executive's success in achieving the applicable performance objectives and in part by the committee's overall view of the executive's effectiveness and contribution to the Company. In determining an executive's annual incentive compensation, success in achieving the performance objectives is assigned a weight of 70% and the committee's overall view of the executive's effectiveness in reaching the objectives and contribution to the Company is assigned a weight of 30%. In a given year, an executive's incentive compensation can range from 0 to 150% of the targeted amounts. This evaluation is applied to determine both an executive's annual performance bonus and the executive's annual long-term incentive award.

At the same time that the committee establishes performance objectives for the coming year, it reviews the success of the executives in achieving the prior year's objectives and determines its recommendations regarding incentive compensation in respect of the prior year. The specific objectives of each of the Named Executive Officers for the fiscal year ended September 30, 2009, the success of each of the executives in achieving these objectives, the committee's overall evaluation of the executive's effectiveness and contribution to the Company and the amount of incentive compensation awarded is discussed below under the heading "-- Compensation Decisions for the Year Ended September 30, 2009."

The Compensation and Nominating Committee retains full discretion with respect to any recommendation on compensation awards and the board of directors retains full discretion with respect to granting all compensation awarded.

Compensation Decisions for the Year Ended September 30, 2009

President and Chief Executive Officer

The base salary of the President and Chief Executive Officer for the 2009 fiscal year was US\$225,000. The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 50% of his base salary.

The performance objectives established for the President and Chief Executive Officer for the 2009 fiscal year were: (i) meet or exceed actual budgeted net income approved by the board of directors, adjusted to metals prices; (ii) improve or maintain the fiscal year 2008 levels of safety, health, environmental and community relations practices; (iii) meet capital project management objectives on time and on budget; and (iv) present at least three business opportunities for investment diversification to the board of directors, at least one of which becomes a committed investment project. The total score for performance objectives, which represents 70% of the executive's overall score, was 87.7%.

The overall evaluation of the executive's effectiveness and contribution to the Company considered many factors, including the success of the Kinbauri acquisition, the development of the Upper Mineralized Zone of the Don Mario mine and Copperwood project and the effectiveness of the executive's working relationship with the board of directors. The score, which represents 30% of the overall score, was 135%.

The executive's overall score was 101.9%, resulting in an award of 101.9% of his targeted amount of annual performance bonus and an award of 101.9% of his targeted amount of long-term incentive compensation. As each of the targeted amounts was equal to 50% of Mr. Mirabal's base salary, the amount of each of the awards was equal to 50.95% of his base salary. Consequently, Mr. Mirabal received a cash bonus of US\$114,638 and an award of RSUs having a value of US\$114,638 as at the end of the most recently completed fiscal year.

Vice President and Chief Financial Officer

The base salary of the Vice President and Chief Financial Officer for the 2009 fiscal year was US\$199,870 (C\$214,000). The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 35% of his base salary.

The performance objectives established for the Vice President and Chief Financial Officer for the 2009 fiscal year were: (i) advance implementation of new regulatory and accounting requirements by completing the evaluation of effectiveness of internal controls over financial reporting and completing the transition plan and diagnosis for the Company's adoption of International Financial Reporting Standards; (ii) provide complete and timely Audit Committee and board of directors information and tax filings; (iii) lead the financial, tax, and legal structuring analyses for the Company's strategic growth initiatives, including presenting to the board of directors at least two acquisition proposals for investments outside of Bolivia and at least one of which results in a completed acquisition; and (iv) complete financing arrangements for at least one project. The total score for performance objectives, which represents 70% of the overall score, was 95%.

The overall evaluation of the executive's effectiveness and contribution to the Company considered many factors, including the success of the Kinbauri acquisition. The score, which represents 30% of the overall score, was 110%.

The executive's overall score was 99.5%, resulting in an award of 99.5% of his targeted amount of annual performance bonus and an award of 99.5% of his targeted amount of long-term incentive compensation.

As each of the targeted amounts was equal to 35% of Mr. King's base salary, the amount of each of the awards was equal to 34.83% of his base salary. Consequently, Mr. King received a cash bonus of US\$69,605 (C\$74,526) and an award of RSUs having a value of US\$69,605 (C\$74,526) as at the end of the most recently completed fiscal year.

Vice President, Corporate Development

The base salary of the Vice President, Corporate Development for the 2009 fiscal year was US\$183,750. The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 35% of his base salary.

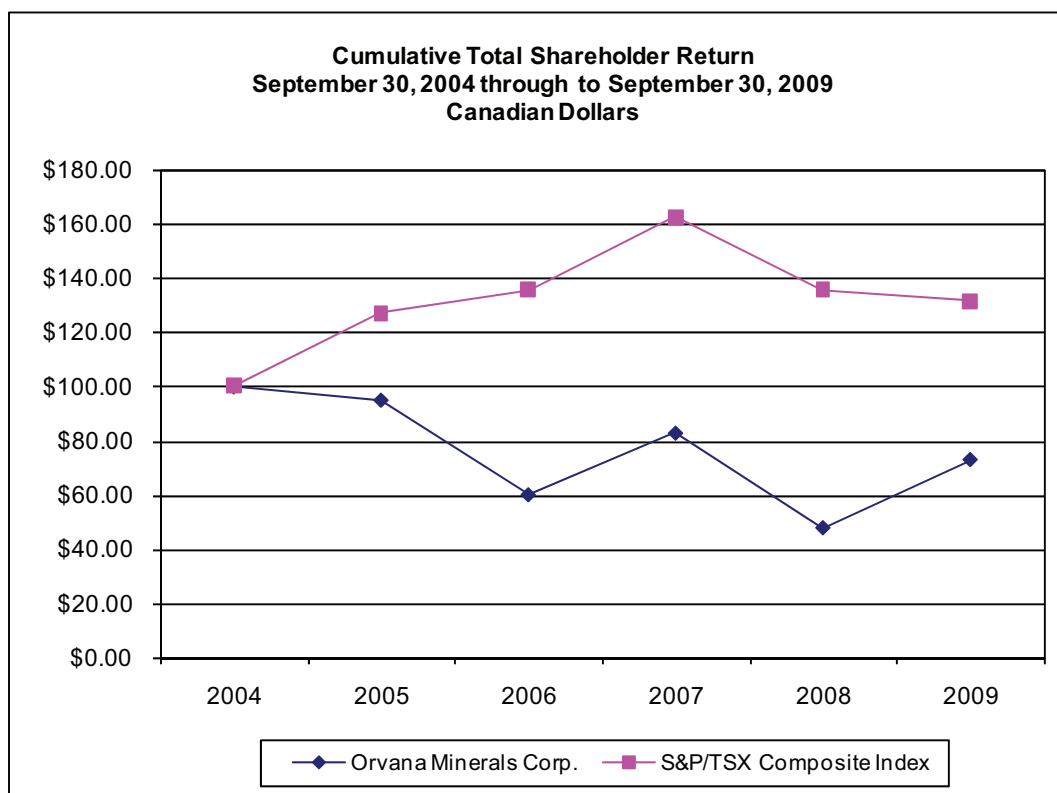
The performance objectives established for the Vice President, Corporate Development for the 2009 fiscal year ended were: (i) meet or exceed actual budgets for the Copperwood project; (ii) present at least three business opportunities for investment diversification to the President and Chief Financial Officer, at least one of which becomes a committed investment project; (iii) adequate and timely reporting of business plan, or its execution, to the board of directors, including monthly reports and summaries; and (iv) project management of committed investment projects including appropriate staffing, supply chain contracts, data and information quality assurance and quality control and public relations. The total score for performance objectives, which represents 70% of the overall score, was 109.5%.

The overall evaluation of the executive's effectiveness and contribution to the Company considered many factors, including the success of the Kinbauri acquisition and the development of the Copperwood project. The score, which represents 30% of the overall score, was 150%.

The executive's overall score was 121.65%, resulting in an award of 121.65% of his targeted amount of annual performance bonus and an award of 121.65% of his targeted amount of long-term incentive compensation. As each of the targeted amounts was equal to 35% of Mr. Williams' base salary, the amount of each of the awards was equal to 42.58% of his base salary. Consequently, Mr. Williams received a cash bonus of US\$78,236 and an award of RSUs having a value of US\$78,236 as at the end of the most recently completed fiscal year.

Performance Graph

The following graph compares the yearly percentage change in the Company's cumulative total shareholder return on its Common Shares with the cumulative total return of the S&P/TSX Composite Index (the "S&P/TSX Index") for the five most recently completed financial years. The graph illustrates the cumulative return on a C\$100 investment in Common Shares made on September 30, 2004 as compared with the cumulative return on a C\$100 investment in the S&P/TSX Index made on the same date. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



Year ended September 30	2004	2005	2006	2007	2008	2009
Orvana Minerals Corp.	C\$100.00	C\$95.08	C\$59.84	C\$82.79	C\$47.54	C\$72.95
S&P/TSX Composite Index	C\$100.00	C\$127.04	C\$135.68	C\$162.65	C\$135.59	C\$131.46

The Compensation and Nominating Committee is of the view that a comparison of the changes in the Company's share price shown in the performance graph and trends in the compensation paid to Named Executive Officers over the past five years does not materially assist in the evaluation of the Company's compensation of Named Executive Officers due to the significant changes to the Company's operations and changes in management over that period and the significant impact of external factors on the Company's share price that were beyond management's control, such as changes in metals prices and changes made by the Bolivian government to the taxation structure and political uncertainties in Bolivia, where the Don Mario mine is located.

Summary Compensation Table

The following table sets forth information concerning the compensation earned from the Company and any of the Company's subsidiaries by each person who was a Named Executive Officer of the Company during the financial year ended September 30, 2009. Salaries for the Named Executive Officers of the Company are paid in United States dollars with the exception of Mr. King who is paid in Canadian dollars. For reporting purposes in the Summary Compensation Table for the year ended September 30, 2009, Mr. King's salary, RSUs, annual incentive bonus and other compensation have been converted to United States dollars at the exchange rate of C\$1.00 = US\$0.93397 (based on the Bank of Canada closing rate for September 30, 2009).

Name and principal position	Year	Salary (\$)	Share-based award (\$) ⁽²⁾	Option-based awards (\$)	Non-equity Incentive plan compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plan ⁽⁴⁾	Long-term incentive plans			
Carlos Mirabal President and Chief Executive Officer	2009	225,000	114,638	Nil	114,638	Nil	Nil	4,693	458,969
Malcolm King Vice President and Chief Financial Officer	2009	199,870 ⁽¹⁾	69,605 ⁽¹⁾	Nil	69,605 ⁽¹⁾	Nil	Nil	9,127 ⁽¹⁾	348,207
Bill Williams Vice President, Corporate Development	2009	183,750	78,236	Nil	78,236	Nil	Nil	20,833	361,055

(1) These amount are paid as salary of C\$214,000, RSU of C\$74,526, bonus of C\$74,526 and benefits of C\$9,773

(2) These amounts represent the amount in US\$ of RSUs granted to the respective Named Executive Officers

Incentive Plan Awards

The following table provides information regarding all incentive plan awards for each Named Executive Officer outstanding as of September 30, 2009.

Outstanding Share-based Awards and Option-based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Carlos Mirabal	125,000	C\$1.03	April 1, 2010	Nil	Nil	Nil
	300,000	C\$0.60	December 14, 2011	81,255	Nil	Nil
Malcolm King	300,000	C\$1.00	June 30, 2010	Nil	Nil	Nil
	150,000	C\$0.89	June 23, 2011	Nil	Nil	Nil
	50,000	C\$0.60	December 14, 2011	13,543	Nil	Nil
Bill Williams	150,000	C\$0.75	March 3, 2013	19,613	Nil	Nil

- (1) Calculated using the closing price of the Common Shares on the TSX on September 30, 2009 of C\$0.89 and subtracting the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Converted to United States dollars at the exchange rate of C\$1.00 = US\$0.93397.

The following Table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the financial year ended September 30, 2009.

Value Vested or Earned under Incentive Plan Awards during Financial Year ended September 30, 2009

Name	Option-based awards – Value vested during the year (\$) ⁽⁴⁾	Share-based awards – Value vested during the years (\$) ⁽³⁾⁽⁴⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽⁴⁾
Carlos Mirabal	Nil ⁽¹⁾	Nil	114,638
Malcolm King	Nil ⁽¹⁾	Nil	69,605 ⁽⁴⁾
Bill Williams	Nil ⁽²⁾	Nil	78,236

- (1) Calculated using the closing price of the Common Shares on the TSX on December 15, 2008 (the vesting date of these stock options was December 14, 2008 which was a Sunday) of C\$0.55 and subtracting the exercise price of C\$0.60 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using the closing price of the Common Shares on the TSX on March 3, 2009 of C\$0.62 (the vesting date of these stock options) and subtracting the exercise price of C\$0.75 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Calculated using the closing price of the Common Shares on the TSX on September 30, 2009 of C\$0.89
- (4) Converted to United States dollars at the exchange rate of C\$1.00 = US\$0.93397

Details regarding the RSU Plan, RSUs, the process for awarding RSUs and RSU awards for the fiscal year ended September 30, 2009 are provided above under the heading “— Executive Compensation —

Compensation Discussion and Analysis — Elements of Executive Compensation — Restricted Share Units”, “— How the Corporation Determines Executive Compensation” and “— Compensation Decisions for the Year Ended September 30, 2009” and below under the heading “— Termination and Change of Control Benefits”.

Termination and Change of Control Benefits

The Company or one of its affiliates has entered into an agreement with each of the Named Executive Officers that sets out the terms of his employment, including the executive’s entitlements in the event of the cessation of such employment.

Mr. Mirabal, the Company’s President and Chief Executive Officer, has an employment agreement with Empresa Minera Paititi S.A. (“EMIPA”), a wholly-owned subsidiary of the Company. Under the terms of this agreement, in the event of the termination of Mr. Mirabal’s employment by EMIPA without cause, Mr. Mirabal is entitled to receive a payment equal to three months’ base salary. Under Bolivian law, Mr. Mirabal would also be entitled to receive a payment equal to six months’ base salary. Based on his base salary for the 2009 fiscal year, at September 30, 2009, Mr. Mirabal was entitled to receive a total payment of \$168,750 in the event of the termination of his employment without cause. In the event that Mr. Mirabal resigns from his employment, under Bolivian law, he would be entitled to receive a payment equal to three months’ base salary. Based on his base salary for the 2009 fiscal year, at September 30, 2009, Mr. Mirabal was entitled to receive a payment of \$56,250 in the event that he resigns.

Mr. King, the Company’s Vice President and Chief Financial Officer, has an employment agreement with the Company. Under the terms of this agreement, in the event of the termination of Mr. King’s employment by the Company without cause, or if Mr. King terminates his employment with the Company within six months following either a change of control of the Company or an event constituting good reason under the terms of his employment agreement, Mr. King is entitled to receive a payment equal to 18 months’ base salary. In the event that Mr. King is unable to perform his duties for 180 days out of any consecutive 12-month period, the Company may choose to terminate his employment. In the event of such a termination, the Company will be required to pay Mr. King an amount equal to six months’ base salary. Based on his base salary for the 2009 fiscal year, at September 30, 2009, Mr. King was entitled to receive a payment of \$299,804 (C\$321,000) in the event of the termination of his employment by the Company without cause or by Mr. King following a change of control or for good reason and a payment of \$99,935 (C\$107,000) in the event of the termination of his employment due to disability.

Mr. Williams, the Company’s Vice President, Corporate Development, has an employment agreement with Orvana Resources US Corp., a wholly-owned subsidiary of the Company. Under the terms of this agreement, in the event of the termination of Mr. Williams’ employment by Orvana Resources US Corp. without cause, Mr. Williams is entitled to receive a payment equal to 12 months’ base salary. In the event that Mr. Williams is unable to perform his duties for 180 days out of any consecutive 12-month period, Orvana Resources US Corp. may choose to terminate his employment. In the event of such a termination, Orvana Resources US Corp. will be required to pay Mr. Williams an amount equal to four months’ base salary. Based on his base salary for the 2009 fiscal year, at September 30, 2009, Mr. Williams was entitled to receive a payment of \$187,250 in the event of the termination of his employment without cause and a payment of \$62,417 in the event of the termination of his employment due to disability.

The following terms apply to the treatment of stock options held by each of the Named Executive Officers. In the event of termination of employment for cause, all vested and unvested stock options are terminated. In the event of termination of employment without cause, due to the executive’s death or disability or as a result of the executive’s resignation, options vested at or prior to termination (including

termination due to disability) may be exercised at any time prior to the earlier of (i) 12 months following termination, and (ii) the scheduled expiry date.

The following terms apply to the treatment of RSUs held by each of the Named Executive Officers. In the event of termination of employment for cause, all vested and unvested RSUs are forfeited. In the event of an executive's resignation or the termination of an executive's employment due to disability or retirement, all RSUs that remain unvested as at the date of termination of employment shall be forfeited and cancelled. In the event of the termination of an executive's employment without cause or upon the executive's death, all unvested RSUs shall vest and the executive, or the executive's estate, shall be entitled to a payment in respect of the vested RSUs that reflects the proportion that the period between the grant date and the date of termination of employment is of the period between the grant date and the scheduled vesting date. As no RSUs were granted on or before September 30, 2009, as at that date, no Named Executive Officer was entitled to an incremental payment in respect of RSUs as a result of termination of employment without cause or upon the executive's death.

DIRECTOR COMPENSATION

Fees and Expenses

From October 1, 2008 to September 30, 2009, non-management directors received annual fees of \$14,010 (C\$15,000), with the exception of the Chairman of the Board who received an annual fee of \$112,076 (C\$120,000). In addition to the annual fees, each non-management director received a fee of \$1,401 (C\$1,500) for each board or committee meeting attended in person, and a fee of \$700 (C\$750) for each meeting attended by telephone. The chairmen of the Audit Committee and the Compensation and Nominating Committee each received an additional annual fee of \$4,670 (C\$5,000) for serving in such capacity. All reasonable expenses incurred by directors in attending meetings of the board of directors, committee meetings or shareholder's meetings, together with all expenses properly and reasonably incurred by directors in the conduct of the Company's business or in the discharge of directors' duties, were paid by the Company. Where round trip travel to attend meetings exceeds six hours these directors are entitled to an additional fee of \$1,401 (C\$1,500) per trip.

Deferred Share Units

The Company adopted its Deferred Share Unit Plan for Directors ("DSU Plan") with effect from October 1, 2008, and amended the DSU Plan as of October 23, 2009. The purposes of the DSU Plan are: (i) to promote a greater alignment of interests between directors of the Company and the shareholders of the Company; (ii) to provide a compensation system for directors that, together with the other director compensation mechanisms of the Company, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board; (iii) to assist the Company to attract and retain individuals with experience and ability to act as directors; and (iv) to allow directors of the Company to participate in the long-term success of the Company.

Annually, each director who is not an executive of the Company shall receive a grant of deferred share units ("DSUs") under the DSU Plan. The number of DSUs to be credited to a director shall be the result of multiplying (i) the number determined by dividing (A) C\$15,000 (or such other amount as may be determined by the Board) by (B) the average closing price for Common Shares on the TSX on the five trading days immediately prior to October 1, by (ii) the number determined by dividing (A) the number of days the director has served on the Board since the immediately preceding October 1 and up to the applicable October 1 by (ii) 365 or, in the case of a leap year, 366, which fraction, for greater certainty,

cannot be greater than one. Grants of DSUs are effective on October 1 of each year and are fully vested upon being credited to a director's account.

A director may elect up to two separate dates as of which either a portion (specified in whole percentages or number of DSUs on any one date) or all of the DSUs credited to the director's account shall be redeemed by the director (or if the director is deceased, by his or her beneficiary), provided that no redemption date shall be prior to the date on which the director ceases to be a director of the Company or later than December 15 of the first calendar year commencing immediately after the date on which the director ceases to act as a director of the Company. Where a director does not elect a particular date or dates for redemption of his or her DSUs, there shall be a single redemption date six months after the date on which the director ceases to act as a director of the Company. The value of each DSU redeemed by or in respect of a director shall be the average closing price for Common Shares on the TSX on the five trading days immediately prior to such redemption date and shall be paid by the Company to the director (or if the director is deceased, to the director's beneficiary) in the form of a lump sum cash payment, less any applicable withholding taxes, as soon as practicable after such redemption date.

Stock Options

It is the Company's policy to grant stock options to directors in connection with their initial appointment to the Board. The purpose of these awards is to assist in attracting talented directors to the Board. Stock options are granted under the 2006 Stock Option Plan and have an exercise price of not less than the volume weighted average trading price of Common Shares on the TSX for the five trading days immediately preceding the trading day prior to the option grant date. Such options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the shares shall be issuable under an option within 12 months of the grant date. Options expire not later than the fifth anniversary of the date on which they are granted.

During the fiscal year ended September 30, 2009, the Company granted directors options to acquire an aggregate of 275,000 Common Shares. Dr. Richard Garnett was granted options to acquire 150,000 Common Shares and Mr. James Komadina was granted options to acquire 125,000 Common Shares. Upon his resignation from the Board, Mr. Komadina forfeited his 83,333 unvested options. Consequently, at September 30, 2009, Mr. Komadina continued to hold 41,667 options and, in the aggregate, 191,667 of the options granted by the Company in the 2009 fiscal year remained outstanding

Director Compensation Table

The following table provides information regarding compensation paid to the Company's directors (other than directors who are Named Executive Officers) during the financial year ended September 30, 2009. All directors fees are paid in Canadian dollars and have been converted to United States dollars for reporting purposes at September 30, 2009 using the exchange rate of C\$1.00 = US\$0.93397 (based on the Bank of Canada closing rate at September 30, 2009).

Name	Fees earned (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	All other compensation (\$) ⁽³⁾	Total (\$)
Dr. Peter Bradshaw	51,459	14,010	Nil	Nil	Nil	65,4568
Dr. Richard H.T. Garnett	29,991	Nil	47,913	Nil	7,005	84,908
James Gilbert	Nil	Nil	Nil	Nil	Nil	Nil
Enrique Herrera Soria ⁽⁴⁾	12,181	14,010	Nil	Nil	Nil	26,190
C. Kent Jespersen	137,994	14,010	Nil	Nil	Nil	152,004
James Komadina ⁽⁴⁾	Nil	Nil	13,309	Nil	Nil	13,309
J. Robert Logan	47,632	14,010	Nil	Nil	Nil	61,642
J. Christopher Mitchell ⁽⁴⁾	19,886	14,010	Nil	Nil	7,145	41,041
Robert A. Mitchell, C.A	45,298	14,010	Nil	Nil	Nil	59,307

(1) These amounts represent the US\$ value for DSUs granted to directors at their grant date of October 1, 2008.

(2) These amounts represent the grant date fair value of stock options granted to the respective directors upon joining the board. The methodology used to calculate these amounts was the Black-Scholes model. This is consistent with the accounting values used in the Company's financial statements for the year ended September 30, 2009.

(3) These amounts were paid to Mr. Garnett and Mr. Mitchell related to additional consulting work with respect to executive succession planning and acquisition due diligence.

(4) Mr. Soria and Mr. J.C. Mitchell ceased to be directors effective February 12, 2009 and Mr. Komadina resigned as a director effective August 21, 2009.

Share-based Awards and Option-based Awards

The following table provides information regarding all share-based awards and option-based awards to each of the Company's directors (other than directors who are Named Executive Officers) outstanding as of September 30, 2009. The Company does not have a non-equity incentive compensation plan for its directors.

Outstanding Share-based Awards and Option-based Awards

Option-based Awards					Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Dr. Peter Bradshaw	125,000	C\$0.89	June 23, 2011	Nil	Nil	Nil
	25,000	C\$0.69	August 8, 2012	\$4,670	Nil	Nil
Dr. Richard H.T. Garnett	150,000	C\$0.64	March 5, 2014	\$35,024	Nil	Nil
James Gilbert	Nil	Nil	Nil	Nil	Nil	Nil
Enrique Herrera Soria	83,333	C\$0.69	August 8, 2012	\$15,566	Nil	Nil
C. Kent Jespersen	175,000	C\$0.81	December 3, 2012	\$13,076	Nil	Nil
James Komadina	41,667	C\$0.64	March 5, 2014	\$9,729	Nil	Nil
J. Robert Logan	150,000	C\$0.81	December 3, 2012	\$11,208	Nil	Nil
J. Christopher Mitchell	150,000	C\$1.03	April 1, 2010	Nil	Nil	Nil
Robert A. Mitchell, C.A	150,000	C\$1.03	April 1, 2010	Nil	Nil	Nil

(1) Calculated using the closing price of the Common Shares on the TSX on September 30, 2009 of C\$0.89 and subtracting the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

(2) Converted to United States dollars at the exchange rate of C\$1.00 = US\$0.93397.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each of the Company's directors (other than directors who are Named Executive Officers) for the financial year ended September 30, 2009.

**Value Vested or Earned under Incentive Plan Awards during
Financial Year ended September 30, 2009**

Name	Option-based awards – Value vested during the year (\$) ⁽⁴⁾	Share-based awards – Value vested during the years (\$) ⁽³⁾⁽⁴⁾	Non-equity Incentive plan compensation – Value earned during the year (\$)
Dr. Peter Bradshaw	Nil	\$14,010	Nil
Dr. Richard H.T. Garnett	\$467 ⁽¹⁾	Nil	Nil
James Gilbert	Nil	Nil	Nil
Enrique Herrera Soria	Nil	\$14,010	Nil
C. Kent Jespersen	Nil ⁽²⁾	\$14,010	Nil
James Komadina	\$389 ⁽¹⁾	Nil	Nil
J. Robert Logan	Nil ⁽²⁾	\$14,010	Nil
J. Christopher Mitchell	Nil	\$14,010	Nil
Robert A. Mitchell, C.A	Nil	\$14,010	Nil

- (1) Calculated using the closing price of the Common Shares on the TSX on March 5, 2009 of C\$0.65 (the vesting date of these stock options) and subtracting the exercise price of C\$0.64 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using the closing price of the Common Shares on the TSX on December 3, 2008 of C\$0.45 (the vesting date of these stock options) and subtracting the exercise price of C\$0.81 of these vested stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) These amounts represent the US\$ value for DSUs granted to directors of C\$15,000 at their grant date of October 1, 2008.
- (4) Converted to United States dollars at the exchange rate of C\$1.00 = US\$0.93397

The number of DSUs held at September 30, 2009 by each of Peter Bradshaw, Kent Jespersen, Robert Logan, Christopher Mitchell and Robert Mitchell were 24,753 units. These units were valued at \$20,576 (C\$22,031) based on the closing price of the Common Shares of C\$0.89 at September 30, 2009. In connection with his departure from the Board, Enrique Herrera Soria was paid in full for his units on August 12, 2009 for a total of \$17,485 (C\$18,882).

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out certain information as at September 30, 2009 regarding the Company's 1996 Stock Option Plan and 2006 Stock Option Plan and the options issued thereunder as well as inducement options issued outside of these shareholder-approved plans.

Equity Compensation Plan Information

Plan Category	Number of Common Shares to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans (excluding Common Shares reflected in column (a)) (c)
Equity Compensation Plans Approved by Shareholders	2,891,667	C\$0.88	3,108,333
Equity Compensation Plans Not Approved by Shareholders	300,000	C\$1.00	Nil
Total	3,191,667	C\$0.89	3,108,333

Following shareholder approval of the adoption of the 2006 Option Plan at the Company's 2005 Annual and Special Meeting of Shareholders, no further options have been, or will be, granted under the 1996 Stock Option Plan.

INSURANCE COVERAGE

The directors and officers of the Company are covered under a directors' and officers' insurance policy that provides aggregate coverage of C\$50 million, subject to a deductible of C\$50,000, for the policy year that commenced December 10, 2008 through December 9, 2009, with an annual premium of C\$142,720.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. As it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance with the Guidelines, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines. Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

The Board of Directors

The National Instrument defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of

a member's independent judgement. In determining whether a particular director is an "independent director" or a "non-independent director", the board of directors considers the factual circumstances of each director in the context of the Guidelines.

The Board is currently comprised of seven members, a majority of whom are "independent directors" within the meaning of the National Instrument. The five independent directors are C. Kent Jespersen (Chairman), Dr. Peter Bradshaw, Dr. Richard Garnett, J. Robert Logan, and Robert Mitchell. Carlos Mirabal is the Company's President and Chief Executive Officer and, therefore, is not independent. James Gilbert is considered to have a material relationship with the Company by virtue of his position as the President and Chief Executive Officer of Minera S.A. and, therefore, is not independent.

The Chairman of the Board, C. Kent Jespersen, is an independent director. The role of the Chairman is to assume the leadership of the Board and, with the Compensation and Nominating Committee and the Audit Committee, foster and preserve the independence of the Board. The Chairman's responsibilities include chairing all meetings of directors, providing leadership to the Board, managing the Board, acting as a liaison between the Board and management of the Company, and representing the Company. The Board's written mandate requires the Board to hold at least two meetings per year (either regularly scheduled or unscheduled) at which management of the Company is not present, and, at any time that the Chairman of the Board is not independent, to consider other possible steps and processes to ensure that leadership is provided to the Board's independent directors. A meeting of the independent directors in the absence of non-independent directors and members of management was held on December 3, 2008, February 3, 2009, May 14, 2009 and August 13, 2009. In addition, on several other occasions, the independent directors have held informal discussions among themselves in the absence of non-independent directors and members of management.

Since October 1, 2008, the Company has held 25 directors' meetings. All directors attended all 25 meetings, except that: Dr. Peter Bradshaw was absent from the meeting held on January 15, 2009; Richard Garnett was absent from the meetings held on March 13, 2009 and April 22, 2009; Enrique Herrera Soria was absent from the meetings held on October 24, 2008 and December 23, 2008; James Komadina was absent from the meetings held on February 17, 2009, June 3, 2009 and July 10, 2009; J. Robert Logan was absent from the meetings held on July 10, 2009 and July 15, 2009; Carlos Mirabal was absent from the meetings held on April 14, 2009, April 16, 2009, April 22, 2009, April 30, 2009, May 22, 2009, June 3, 2009, June 6, 2009, July 15, 2009 and July 28, 2009; and Robert Mitchell was absent from the meeting held on December 23, 2008.

Currently, the directors listed below serve as directors on the boards of directors of other public companies.

<u>Director</u>	<u>Public Company</u>
Dr. Peter Bradshaw	Aquila Resources Inc. First Point Minerals Corp.
C. Kent Jespersen	Axia Net Media Corporation CCR Technologies Ltd. CanElson Drilling Inc. Matrikon Inc. Orion Oil & Gas Corporation TransAlta Corporation
J. Robert Logan	Carmanah Technologies Corp.
Robert Mitchell	Home Capital Group Inc. Acuity Funds Inc. (as manager of exchange listed funds)

Board Mandate

The Board has a written mandate to set the strategic direction of the Company and to oversee its implementation by management of the Company. A copy of the Board mandate is set forth in Schedule “B” to this Circular.

Position Descriptions

The board of directors has developed written position descriptions and corporate objectives for the Chairman of the Board and the President and Chief Executive Officer in order to delineate their respective roles and responsibilities. The board of directors has not to date developed formal position descriptions for the Chairmen of committees of the board of directors, as the responsibilities of those positions are generally delineated in the charters of such committees.

Orientation and Continuing Education

While the Company currently has no formal program to orient new directors to the role of the Board, its committees and its directors and the nature and operation of the Company’s business, it has been the Company’s practice for new directors to be thoroughly briefed by management and to be provided the opportunity to discuss with management, both formally and informally, the Company’s activities. New directors are provided with copies of relevant policies and similar materials to ensure that they are familiarized with the procedures of the Board. The Board actively encourages each director to attend at least one industry trade show and associated educational program each year. The Compensation and Nominating Committee has responsibility for overseeing development of any orientation programs for new directors. That committee also oversees the development of any director development programs. Although the Company does not have a formal program for the continuing education of directors, the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors of the Company by scheduling presentations to the Board from time to time to educate directors and keep them informed of developments within the Company and of disclosure and governance requirements and standards.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics for the Company's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Company. A copy of the code may be obtained at www.orvana.com. The Board has established confidential reporting procedures in order to encourage employees, directors and officers to raise concerns regarding matters addressed by the code on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the code of business conduct and ethics may face disciplinary actions, including dismissal.

Subject to certain exceptions prescribed under the *Business Corporations Act* (Ontario) (the "OBCA"), a director who is a party to a material contract or proposed material contract with the Company or who is a director or officer of a party to such a contract or otherwise has a material interest in a party to such a contract must disclose the nature and extent of the director's interest to the Company and any material change in that interest. The Company's code of business conduct and ethics and the OBCA also provides that, subject to certain exceptions prescribed under the OBCA, the interested director shall not attend any part of a meeting of directors during which the matter in which the director has a material interest is discussed and shall not vote on any resolution to approve such matter.

Audit Committee

The board of directors has established an Audit Committee comprised of three directors of the Company, Robert Mitchell (Chairman), Peter Bradshaw and J. Robert Logan, all of whom are independent and financially literate for purposes of Multilateral Instrument 52-110 – *Audit Committees*. The responsibilities and operation of the Audit Committee are described in the Company's Annual Information Form dated December 21, 2009 on pages 41 and 42 under the heading "Audit Committee Disclosure" and in the copy of the Audit Committee Charter attached thereto as Appendix A, a copy of which is available on SEDAR at www.sedar.com.

Nomination of Directors

The Compensation and Nominating Committee is comprised of James Gilbert (Chairman), Dr. Peter Bradshaw, Dr. Richard Garnett and J. Robert Logan each of whom is an independent director of the Company, with the exception of James Gilbert. In general terms, the committee's responsibilities include (i) reviewing the compensation and performance of the Chief Executive Officer, (ii) determining compensation of directors and other officers, (iii) identifying potential candidates to become Board members, and (iv) evaluating the performance of the Board, committees of the Board and individual directors.

There are no specific criteria for Board membership, however, the Company attempts to attract and retain directors with an understanding of the Company's business and a particular knowledge of mineral exploration and development or other areas (such as accounting and finance) which provide knowledge which would assist in guiding the officers of the Company. Nominations are put forward to the Board by the Compensation and Nominating Committee, together with the relevant information for the Board's consideration.

Compensation

The Compensation and Nominating Committee is responsible for, among other things, periodically reviewing and recommending to the directors appropriate levels of compensation for directors and senior

management. The process by which executive compensation is established is described above under the heading “*Executive Compensation – Compensation Discussion and Analysis*”.

The Compensation and Nominating Committee reviews periodically the adequacy and form of compensation of directors, including in relation to directors of similar companies, to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director.

Assessments

The responsibilities of the Compensation and Nominating Committee include assessing, on a periodic basis, the contributions of the Board as a whole, the Audit Committee, the Compensation and Nominating Committee, and each of the individual directors, in order to determine their effectiveness and contribution to the Company. The Board adopted a formal process in 2008 for annually evaluating the effectiveness of the Board, its Committees, and the Chairman of the Board. This process includes the completion of questionnaires by each member of the board of directors.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on www.sedar.com. Financial information regarding the Company is contained in the Company’s comparative audited consolidated financial statements for the year ended September 30, 2009 and management’s discussion and analysis of results of operations and financial condition (“MD&A”). The Company will provide the Company’s audited consolidated financial statements and MD&A to any shareholder, upon request to the Secretary of the Company, who may be contacted at (416) 369-1629.

DIRECTORS' APPROVAL

The contents and the sending of this Management Information Circular have been approved by the board of directors of the Company.

Dated as of January 15, 2010.

By order of the board of directors

A handwritten signature in black ink, appearing to read "Kent Jespersen", with a long horizontal flourish extending to the right.

Name: C. Kent Jespersen
Title: Chairman

SCHEDULE "A"

AMENDED SECTIONS OF ORVANA'S BY-LAW B-1

Section Four Directors

- **4.11 Notice of Meeting.** Notice of the time and place of each meeting of the board shall be given in the manner provided in Section Eleven to each director not less than 48 hours before the time when the meeting is to be held. No notice of a meeting shall be necessary if all the directors in office are present or if those absent waive notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business or the general nature thereof to be specified.

Section Eleven Notices

- **11.01 Method of Giving Notices.** Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given, if mailed to him at his recorded address by prepaid mail, or if transmitted by telephone facsimile or other electronic means in accordance with the *Electronic Commerce Act* (Ontario). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered by dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.

SCHEDULE "B"

BOARD OF DIRECTORS MANDATE

ORVANA MINERALS CORP.

BOARD OF DIRECTORS MANDATE

ADOPTED BY THE BOARD OF DIRECTORS

November 11, 2005

ORVANA MINERALS CORP.

BOARD OF DIRECTORS MANDATE

1. Purpose

The Board of Directors (the “**Board**”) of Orvana Minerals Corp. (the “**Corporation**”) has a duty to supervise the management of the business and affairs of the Corporation. The Board, directly and through its Boards and its Chair, shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

2. Membership

All matters concerning the membership and organization of the Board (including: the number, qualifications and remuneration of directors; the number of Board meetings; residency requirements; quorum requirements; meeting procedures; appointment of a chair; and notices of meetings) are as established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.

At least annually, the Board shall, with the assistance of the Compensation and Nominating Committee, determine the independence of each director based on the definition of independence contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and the independence of each Audit Committee member based on the definition of independence in National Instrument 52-110 – *Audit Committees*. It shall be an objective that at least a majority of the directors shall be independent as determined in accordance with NI 58-101, and if at any time less than a majority of directors are independent, the Board shall consider possible steps and processes to facilitate its exercise of independent judgement in carrying out its responsibilities.

If at any time the Chair of the Board is not independent, the Board shall consider possible steps and processes to ensure that leadership is provided for the Board’s independent directors.

3. Functions and Responsibilities

The Board shall have the functions and responsibilities set out below. In addition to these functions and responsibilities, the Board shall perform such duties as may be required by the binding requirements of any stock exchanges on which the Corporation’s securities are listed and all other applicable laws.

- (a) **Strategic Planning** — The Board shall periodically review and, if advisable, approve the Corporation’s strategic planning process and short- and long-term strategic and business plans prepared by management. In discharging this responsibility, the Board shall review the plan in light of management’s assessment of emerging trends, the competitive environment, risk issues, and significant business practices and products. At least annually, the Board shall review management’s implementation of the Corporation’s strategic and business plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.
- (b) **Risk Management** — The Board shall, with the assistance of the Audit Committee, periodically:
 - (i) identify the risks inherent in the business of the Corporation and review and approve management’s risk philosophy and risk management policies necessary to address, as much as reasonably possible, those identified risks and
 - (ii) review management reports demonstrating compliance with risk management policies and confirm that management has taken reasonable steps to ensure compliance with standards.

- (c) **Controls and Systems** — The Board shall, with the assistance of the Audit Committee, verify that internal, financial, non-financial and business control, information systems and data security procedures have been established by management and that the Corporation is applying appropriate standards of corporate conduct for these controls.
- (d) **Human Resources** — The Board shall, with the assistance of the Compensation and Nominating Committee, periodically: (i) review the Corporation’s approach to human resource management and executive compensation and (ii) review succession plans for the Chairman of the Board, the Chief Executive Officer and senior management of the Corporation.
- (e) **Corporate Governance** — The Board shall, with the assistance of the Compensation and Nominating Committee, periodically: (i) review the Corporation’s approach to corporate governance; (ii) evaluate the Board’s ability to act independently from management in fulfilling its duties; (iii) review reports provided by management relating to compliance with, or material deficiencies of, the Corporation’s Code of Business Conduct and Ethics; and (iv) satisfy itself as to the culture of integrity within the Corporation and of the executive officers of the Corporation.
- (f) **Financial Information** — The Board shall, with the assistance of the Audit Committee, periodically: (i) review the Corporation’s internal controls relating to financial information and reports provided by management on material deficiencies in, or material changes to, these controls and (ii) review the integrity of the Corporation’s financial information and systems, the effectiveness of internal controls and management’s assertions on internal control and disclosure control procedures.
- (g) **Communications** — The Board in conjunction with the Chief Executive Officer shall periodically review the Corporation’s overall communications strategy, including measures for receiving feedback from the Corporation’s shareholders.
- (h) **Disclosure** — The Board shall periodically review management’s compliance with the Corporation’s disclosure policies and procedures. The Board shall, if advisable, approve material changes to the Corporation’s disclosure policies and procedures.

4. **Committees of the Board**

- (a) **Committees Established** — The Board has established an Audit Committee and a Compensation and Nominating Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.
- (b) **Committee Charters** — The Board has approved charters for each Board committee and shall approve charters for any new Board Committee. Each charter shall be reviewed periodically, and, based on recommendations of the relevant committee and the Chairman of the Board, be approved by the Board.
- (c) **Delegation to Committees** — The Board has delegated for approval or review the matters set out in each Board committee’s charter and may further delegate matters to such committees from time to time. As required, the Board shall consider for approval the specific matters delegated for review to Board committees.
- (d) **Committee Reporting to Board** — To facilitate communication between the Board and its committees, each committee Chair shall provide a report to the Board on material matters considered by the committee at the next Board meeting after each meeting of the committee.

5. Meetings

- (a) **General** — The rules and regulations relating to the calling and holding of and proceedings at meetings of the Board shall be those established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.
- (b) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Board requests, shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.
- (c) **Meetings Without Management** — The Board shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present at least twice per year.
- (d) **Attendance and Preparedness** — Directors are expected to attend regularly scheduled Board meetings and to have prepared for the meetings by, at a minimum, reviewing in advance of the meeting the materials delivered in connection with the meeting. The attendance record of individual directors will be disclosed in the Corporation's proxy circular as required by NI 58-101.

6. Director Development and Evaluation

New directors shall be provided with such orientation sessions, including site visits, as the Board determines are appropriate from time to time. With the assistance of the Compensation and Nominating Committee, the Board shall periodically consider how directors may maintain the skill and knowledge necessary to meet their obligations as directors, including through continuing education programs, and evaluate and review the performance of the Board, each of its committees and each of the directors.

7. Access to Information

In its discharge of the foregoing duties and responsibilities, the Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to officers of the Corporation and to the relevant books, records and systems of the Corporation as considered appropriate.

8. Independent Advisors

The Board shall have the authority to engage and terminate such independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes and to set and cause to be paid by the Corporation the compensation of any such counsel or advisors.

9. Board Review of Mandate

The Board shall periodically review the adequacy of the Board's mandate. In accordance with NI 58-101, the text of this mandate shall be included in the Corporation's management information circular.