

## NEWS RELEASE

January 14, 2002

### **ORVANA ANNOUNCES CLOSING OF TRANSACTION WITH COMPANIA MINERA del SUR S.A.**

TORONTO, ON – (ORV-TSE) Orvana Minerals Corp. (“Orvana”) announced that Orvana’s transaction with Compania Minera del Sur S.A. (“Comsur”) closed on January 11, 2002.

Under the transaction with Comsur, Orvana has issued to Comsur 52,995,143 common shares (being one share more than 100% of the number of Orvana shares outstanding prior to closing) in consideration of US\$4 million. Comsur has also agreed to:

- finance Orvana’s purchase from Comsur of a mining concession with its installations of gold mill plant and equipment having an estimated value of US\$8 million which purchase is scheduled to close February 15, 2002;
- lend Orvana US\$6 million to fund the purchase of additional mining equipment, development of open pit and underground mining operations in the Lower Mineralized Zone of the Don Mario deposit, and construction of the processing plant and related infrastructure; and
- undertake to place the Lower Mineralized Zone of the Don Mario ore deposits into production within 18 months with a mine and mill capacity of not less than 600 tonnes of ore per day, subject to certain conditions.

It is expected that the US\$4 million of cash provided and the US\$14 million of financing to be provided by Comsur will be sufficient to place the Don Mario property into production. Comsur has also agreed to fund, by way of additional loans to Orvana, any cost overruns for the project above such amount. Comsur will have a first priority security interest in all plant and equipment and all other assets purchased with financing and loans provided by Comsur.

As a separate matter, 668,219 common shares of Orvana were issued to Comsur on January 11, 2002, in settlement of a loan of CDN\$50,116.45 advanced by Comsur to Orvana under the terms of an interim financing arrangement between the two companies.

For further information contact:

Donald R. French

Tel: (409) 737-3762