

## NEWS RELEASE

May 30, 2002

### ORVANA MINERALS CORP.

#### **PROGRESS REPORT ON CONSTRUCTION OF THE DON MARIO MINE AND FINANCIAL RESULTS FOR FIRST QUARTER, 2002**

TORONTO, CANADA – (ORV-TSX) Orvana Minerals Corp. (“Orvana”, or the “Company”), is pleased to provide an update on the progress of development of the Don Mario mine, now under construction on site in eastern Bolivia.

The Don Mario Project will mine gold ore from underground to feed a 600 tonne per day process plant with crushing, milling and agitated leach systems and an activated carbon and electrowinning circuit to recover gold from the process solution. The Project will be supported by a closed-circuit tailings disposal facility and water storage and by office, camp and warehouse buildings. Power will be generated on-site by a natural gas-fired plant. Completion and commissioning is expected in early 2003.

Currently, there are 94 personnel on site, including over 40 involved with shaft sinking and underground preparation, with the balance spread among concentrator, maintenance, engineering, safety and environment, administration and civil work.

Progress in various areas of the Project is summarized below:

#### Administration:

A communications system has been installed for voice and data transmission between the site and La Paz.

The design of the camp facilities was completed and a contract awarded for construction, with completion expected to occur within the next three months

The location for the warehouse and workshop has been finalized and foundation work is expected to start early in June.

#### Mine:

Construction of the main shaft collar and site preparation for the hoist area is complete.

45 meters of the total 284 meters of the production shaft has been advanced.

Most of the mining equipment is now on site.

#### Process Plant:

The plant area was selected and cleared and topographically surveyed and mapped for engineering design. The general layout and the process and instrumentation diagrams have been completed and civil work has started.

#### Power Generation:

The engineering design for the 5 kilometer natural gas pipeline and an environmental update to the current license have been completed and submitted to regulatory authorities in anticipation of receiving gas from the main Chaco S.A.

pipeline as supply for a power generating unit at site. The general drawings for electrical power distribution have been completed.

**Tailings Dam and Fresh Water:**

Project design is underway by AMEC, a Vancouver-based engineering design firm. Geotechnical work and final design are expected to be completed in June, with construction following.

**Safety and Environmental:**

Safety programs and training have been initiated for all personnel. The environmental department has been organized and sampling of the monitoring locations began in May.

The Company also announces that it had a net loss of \$69,500 or \$0.001 per share for the First Quarter of 2002, compared with a net loss of \$180,400 or \$0.003 per share in the First Quarter of 2001. The unaudited consolidated financial statements for the First Quarter of 2002 should be available on the SEDAR website by June 1, 2002.

As a result of the investment on January 11, 2002 of \$6,402,100 (U.S. \$4,000,000) by Compañia Minera del Sur S.A. ("Comsur"), in connection with Comsur's purchase of a controlling interest in the Company, the Company's financial situation is much improved. At March 31, 2002, the Company had a working capital position of \$3,423,400, as compared to a working capital deficit of \$2,169,200 at December 31, 2001, and \$669,300 at March 31, 2001.

The construction program is within budget and on time for this stage of the development. During the First Quarter of 2002, a total of \$481,000 was incurred for construction in progress, \$306,600 was incurred to purchase equipment still in transit to the Don Mario Project, and \$206,200 was incurred in property maintenance and deferred exploration costs. All of such costs were capitalized during the quarter.

Orvana is well positioned to benefit from recent improvements in gold prices. The financing arrangements negotiated with Comsur contemplate that the Don Mario Project will be placed into production without any requirement for additional equity financing by Orvana. Moreover, since the financing provided by Comsur is repayable over a 60-month period, a higher proportion of the Project's cash flows will accrue to the Company during periods of high gold prices than would have been the case had the Project been financed using conventional commercial lending arrangements.

The Company's Annual and Special Meeting of Shareholders will be held in Toronto, Ontario at 3:00 o'clock in the afternoon on Tuesday, June 25, 2002, at the offices of Blake, Cassels & Graydon LLP, 23<sup>rd</sup> Floor, Commerce Court West, 199 Bay Street.