

NEWS RELEASE

August 7, 2002

ORVANA MINERALS CORP.

APPOINTMENT OF NEW DIRECTOR, PROGRESS REPORT ON CONSTRUCTION OF THE DON MARIO MINE AND FINANCIAL RESULTS FOR FIRST HALF OF 2002

TORONTO, CANADA – (ORV-TSX) Orvana Minerals Corp. (“Orvana” or the “Company”) is pleased to announce that Mr. Jorge Szasz has been appointed a director of the Company. Mr. Szasz fills the vacancy created by the resignation, effective July 31, 2002, of Mr. Gonzalo Sanchez de Lozada as a director and Chairman of the Board. Mr. Sanchez de Lozada was recently elected as President of the Republic of Bolivia, and his inauguration took place August 6th.

Mr. Szasz, a chartered accountant by profession, is Orvana’s Chief Financial Officer. He is also a Director and the Vice President Finance and Administration of Compania Minera del Sur S.A. (“Comsur”), and its parent company, Minera S.A. Mr. Szasz has been employed by Comsur for the past 16 years. He is an active participant in the Audit and Accounting Standards Committee of Bolivia, having served as its president on two occasions.

Mr. Jaime Urjel, the Company’s President and Chief Executive Officer, will assume the additional duties of Chairman of the Board.

Construction of the Don Mario gold project in eastern Bolivia is proceeding on budget, and on schedule for a startup late in the First Quarter of 2003. Site preparation for the processing plant, workshops and warehouse buildings is essentially complete, and foundations for the various buildings and other structures will be poured this month. Construction of the water reservoir will commence this month, and it is expected that construction of the tailings impoundment facilities will start next month. AMEC, a consulting engineering firm headquartered in Vancouver, B.C., is finalizing the design of the tailings dam and will provide construction supervision and quality control/quality assurance services during its construction. Construction of the camp, including expansion of the kitchen, dining and dormitory facilities, is approximately 85% complete. The camp is presently occupied by approximately 150 supervisory and engineering staff, underground miners and other employees, and approximately 135 employees of various contractors who are also working on site. The Company estimates that the project will cost approximately US \$18 million to construct.

The Company had net income of \$895,600 or \$0.01 per share for the First Half of 2002, compared with a net loss of \$226,900 or \$0.00 per share in the First Half of 2001. The profit is attributable to recognizing and recording during the Second Quarter certain accounts receivable and value added taxes recoverable on eligible expenditures made to date on the Don Mario project.