

# ORVANA

## MINERALS CORP.

1801 Lakeshore Road West, Suite 113, Mississauga, Ontario, L5J 1J6  
[www.orvana.com](http://www.orvana.com), Tel: 905-822-1463

### **ORVANA REPORTS FINANCIAL RESULTS FOR FIRST QUARTER 2004 AND CONTINUES TO INCREASE PRODUCTION**

TORONTO, ONTARIO, February 20, 2004 -- Orvana Minerals Corp. (TSX Symbol: ORV) announced today that it sold 7,867 fine troy ounces of gold in the three months ended December 31, 2003 – the Company's first quarter of fiscal 2004. This generated net income of \$43,762 from mining operations for the quarter. In January, the Company produced 3,524 ounces of gold and achieved a mill recovery of 90%. The Company began commercial production seven months ago at its Don Mario mine in eastern Bolivia.

Orvana President and Chief Executive Officer Jaime Urjel said, "We are continuing to fine-tune our operations and saw significant improvement in mill productivity in January. Mine development work is progressing according to plan with the opening of additional ore faces in the lower mineralized zone, including 119 metres of ramp development at sublevel 290. We are confident that the access to additional stopes will lead to improved head grades over the next several months."

#### **Mine Production**

The Don Mario mine began commercial production on July 1, 2003, and the mill continues to process ore at the rate of 700 tonnes per day. The mill produced 8,802 ounces during the first quarter of 2004 and an additional 3,524 ounces in January 2004. Ore head grade averaged 5.67 grams per tonne during the first quarter of 2004 and 5.89 grams per tonne in January. Mill recovery averaged 81.3% in the first quarter of 2004 and improved to 90.4% for the month of January. The direct cash cost was approximately \$24 per treated tonne and \$138 per ounce for the month of January.

#### **Financial Results**

The Don Mario mine was in commercial production in the first quarter ended December 31, 2003, whereas it was under construction during the three months ended December 31, 2002. Consequently, the results of the three months ended December 31, 2003 are not comparable to those of the same period a year ago. The table below compares results for the first quarter of 2004 to those of the period of July to September 2003 during which the Don Mario was in production.

	Three months ended Dec.31, 2003	Three months ended Sept.30, 2003
Ounces sold	7,867	7,924
Revenues	\$3,108,658	\$2,989,946
Cost and expenses	\$2,942,544	\$3,049,529
Operating income (loss)	\$166,114	\$(59,583)
Net Income	\$43,762	\$(175,558)
Net income (loss)/ share	\$0.00	\$(0.00)

The Company reduced costs and expenses by \$107,000 in the first quarter of 2004 compared to the three months period ended September 30, 2003 through improved operating efficiencies. Operating income for the first quarter 2004 amounted to \$166,114, which represented an increase of \$226,000 over the previous three months ended September 30, 2003.

### **Board Appointments**

Orvana made two new appointments recently to its Board of Directors. One is Robert Mitchell - a Chartered Accountant and former Partner of Ernst & Young LLP - who has significant financial and public sector experience. Mr Mitchell has been appointed Chairman of the Audit Committee. The other appointment is Chris Mitchell - a registered professional engineer with a Master's degree in metallurgy - who has over 30 years experience in the minerals business and was Executive Vice President, Chief Financial Officer and Secretary of Orvana from 1996 to 2000.

Consolidated financial statements and Management's Discussion & Analysis for the three months ended December 31, 2003 are available on Orvana's website at [www.orvana.com](http://www.orvana.com).

### **About Orvana**

Orvana Minerals is a gold mining and exploration company involved in the evaluation, development and mining of precious metal deposits in South America. The Company's primary operation is the Don Mario gold mine in eastern Bolivia. Orvana's long-term goal is to become a multi-mine producer in South America. Orvana's shares have been listed on the Toronto Stock Exchange since 1992 under the trading symbol ORV.

For further information, please contact George Hamilton, Director, Orvana Minerals, 905-822-1463, [gghamilton@orvana.com](mailto:gghamilton@orvana.com)

### **Forward Looking Statements**

This news release may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the precious metals market and economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances.