

# ORVANA

MINERALS CORP.

## ***ORVANA REPORTS RECORD PRODUCTION, CASH PROVIDED BY OPERATING ACTIVITIES AND EARNINGS FOR FISCAL 2006***

TORONTO, ONTARIO, December 15, 2006 -- Orvana Minerals Corp. (TSX symbol: ORV) announced record earnings today with net income of US\$15.7 million (US\$0.14 per share) on revenues of US\$44.9 million for the year ended September 30, 2006 ("fiscal 2006" or "2006") compared to net income of US\$8.9 million (US\$0.08 per share) on revenues of US\$29.4 million for the year ended September 30, 2005 ("fiscal 2005" or "2005").

Cash provided by operating activities amounted to US\$24.6 million in fiscal 2006 compared to US\$18.8 million in 2005.

Dollar amounts in the remainder of this news release are in United States dollars unless stated otherwise, and fine troy ounces of gold are referred to as "ounces".

The Company produced 80,028 ounces of gold and sold 79,621 ounces in the year ended September 30, 2006 compared to 68,759 ounces produced and 68,273 ounces sold in fiscal 2005.

Orvana President and Chief Executive Officer, Carlos Mirabal said, "We are obviously very pleased with the results from our third full year of commercial operation at the Don Mario Mine with gold production at 80,028 ounces, an increase of 16% over last year. Compared to last year, all key measures of financial performance showed improvement: revenues increased 53%; net income and earnings per share increased 76%; cash flow from operating activities increased 31% and we remain debt-free.

Although, like all mining companies, we have experienced cost increases, we are still among the lowest cost gold producers.

We are taking a number of steps to increase production and to extend the life of the Don Mario Mine. Recently, we announced the completion of a Pre-Feasibility Study on the Don Mario Mine Upper Mineralized Zone ("UMZ") which shows that the mine's life could be extended to 2016. We are now evaluating next steps with respect to development of the UMZ deposit and management has been authorized to enter into a contract with Kappes, Cassidy & Associates to complete a full Feasibility Study. We plan to assess our options with respect to developing this project in the most efficient and risk-effective way possible.

We have also been conducting exploration of other concessions contiguous to the Don Mario Mine and this investment spending is continuing in fiscal 2007.

Our investment strategies must also respond to the Company's need to broaden its mineral reserve base beyond Bolivia. We are actively evaluating opportunities in other countries in South America including Argentina, Chile and Peru.

Orvana is committed to the social development and well-being of the communities in which it operates. To this end we continue to support financially and otherwise local community endeavours associated with that objective."

### **Don Mario Mine Operations**

In fiscal 2006, a total of 253,930 tonnes of ore were treated in fiscal 2006 compared to 233,837 tonnes in fiscal 2005.

		Year ended Sept. 30, 2006	Quarters ended			
			Sept. 30, 2006	June 30, 2006	Mar. 31, 2006	Dec. 31, 2005
Underground mine	tonnes	203,107	59,416	54,604	42,168	46,919
	g/t	11.73	11.81	10.51	13.01	11.89
Mini-pit & stockpile	tonnes	50,823	8,567	10,765	15,129	16,362
	g/t	5.93	2.03	6.49	5.86	7.68
Total tonnes treated	tonnes	253,930	67,983	65,369	57,297	63,281
	g/t	10.57	10.57	9.85	11.12	10.80
Gold recovery rate		92.8%	93.5%	93.4%	91.9%	92.3%
Gold production – ounces		80,028	21,611	19,333	18,814	20,270

The following table shows the cash costs for the fourth quarter and fiscal year 2006. The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”). The calculations below represent non-GAAP information, which should not be construed as an alternative to GAAP reporting of operating expenses, and may not be comparable to similar measures presented by other issuers (see “non-GAAP measures” below).

	Year ended Sept.30, 2006		Quarter ended Sept.30, 2006	
	Costs (US\$'000)	Cost/oz.	Costs (US\$'000)	Cost/oz
Direct mine operating costs	\$9,415	\$117.65	\$2,650	\$122.60
Third-party smelting, refining and transportation costs	208	2.60	54	2.51
Cash operating costs	9,623	120.25	2,704	125.11
Royalties and mining rights	1,535	19.18	342	15.85
Total cash costs	11,158	139.43	3,046	140.96
Depreciation and amortization	5,723	71.51	1,476	68.30
Total production costs	\$16,881	\$210.94	\$4,522	\$209.26

### Fiscal Year Financial Highlights

Orvana’s operating results and financial position for the two latest fiscal years are summarized below:

	Year ended September 30 (US\$'000 except per share amounts)	
	2006	2005
Revenue	\$44,875	\$29,350
Net income	15,682	8,920
Net income per share – basic and diluted	\$0.14	\$0.08
Cash provided by operating activities	\$24,566	\$18,810
Cash and cash equivalents	26,850	5,310
Total assets	54,860	35,163
Long-term debt, including current portion	-	-

### Quarterly Financial Highlights

Orvana's financial highlights for the fourth quarter ended September 30, 2006 compared to the fourth quarter ended September 30, 2005 are summarized below:

	Fourth quarter ended September 30 (US\$'000 except per share amounts)	
	2006	2005
Revenue	\$13,219	\$10,437
Net income	5,268	4,484
Net income per share – basic and diluted	\$0.05	\$0.04
Cash provided by operating activities	\$8,998	\$7,203

Consolidated audited financial statements and Management's Discussion & Analysis for fiscal 2006 are available on SEDAR and at [www.orvana.com](http://www.orvana.com).

### About Orvana

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

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### Forward-Looking Statements

Certain statements in this press release constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", or "intends" or stating that certain actions, events or

results “may”, “could”, “would”, “might” or “will” be taken or achieved) are not statements of historical fact, but are “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Orvana, or developments in Orvana’s business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that are based on assumptions about future conditions, courses of action and consequences. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. Orvana cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things, mineral resource and mineable reserve estimates, production forecasts, future transactions, the successful completion of reclamation projects, future gold prices, the ability to achieve additional growth and geographic diversification, future production costs, accounting estimates and assumptions, future tax benefits, the renewal or renegotiation of agreements, future financial performance, including the ability to increase cash flow and profits, future financing requirements, mine development plans, and possible changes in the regulatory, political, social and economic environment in Bolivia. A variety of inherent risks, uncertainties and factors, many of which are beyond the Company’s control, affect the operations, performance and results of the Company and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. Some of these risks, uncertainties and factors include the impact or unanticipated impact of: the need to recalculate estimates of reserves and resources based on actual production experience; the failure to achieve production estimates; variations in the grade of ore mined; variations in the cost of operations; fluctuations in the price of gold; the availability of qualified personnel; risks generally associated with mineral exploration and development, including the Company’s ability to acquire and develop mineral properties; the Company’s ability to obtain additional financing when required on terms that are acceptable to the Company; challenges to the Company’s interests in its property and mineral rights; current, pending and proposed legislative or regulatory developments or changes in political, social or economic conditions in Bolivia; general economic conditions worldwide and the risks identified in Orvana’s Management’s Discussion and Analysis for the third quarter 2006 under the heading “Risks and Uncertainties”. This list is not exhaustive of the factors that may affect any of the Company’s forward-looking statements and reference should also be made to the Company’s Annual Information Form for a description of additional risk factors. Forward-looking statements are based on management’s current plans, estimates, projections, beliefs and opinions, and the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Readers are cautioned not to put undue reliance on forward-looking statements.

### **Non-GAAP Measures**

The Company has used Non-GAAP measures including direct mine operating costs, cash operating costs, total cash costs and total production costs, and related unit cost information, because it understands that certain investors use this information to determine the Company’s ability to generate earnings as cash flow for use in investing and other activities. The Company believes that conventional measures of performance prepared in accordance with GAAP do not fully illustrate the ability of its operating mine to generate cash flow. Non-GAAP measures do not have any standardized meaning prescribed under Canadian GAAP, should not be construed as an alternative to GAAP reporting of operating expenses, and may not be comparable to similar measures presented by other companies. The measures are not necessarily indicative of cost of sales as determined under Canadian GAAP. Cash costs are determined in accordance with the former Gold Institute’s Production Cost Standard. For a reconciliation of the non-GAAP costs and unit costs provided above with the Company’s GAAP-based statement of operations, please see the Company’s Management’s Discussion & Analysis for the third quarter 2006.