

ORVANA

MINERALS CORP.

ORVANA REPORTS OPERATING RESULTS FOR THE THIRD QUARTER ENDED JUNE 30, 2009

TORONTO, ONTARIO, August 14, 2009 -- Orvana Minerals Corp. (TSX symbol: ORV) announced operating results today for the third quarter ended June 30, 2009. Dollar amounts in this news release are in thousands of United States dollars unless stated otherwise, and fine troy ounces of gold are referred to as "ounces". Highlights for the third quarter are:

- Orvana continues to maintain a strong financial position with cash and cash equivalents of \$98.0 million for the quarter ended June 30, 2009 compared to \$91.0 million at September 30, 2008;
- Increased tonnages of Las Tojas ore are being processed to replace ore from the Lower Mineralized Zone as the latter is coming to an end;
- Development of the Upper Mineralization Zone is underway;
- Orvana's all cash offer of Cdn.\$0.75 to purchase Kinbauri Gold Corp. has been extended to August 17, 2009, and if successful, will represent an excellent strategic fit;
- At Copperwood, the delineation drill program continues and an NI 43-101 compliant resource estimate is expected to be completed in the first half of 2010.

Revenues decreased by 35% to \$11.9 million on sales of 12,925 ounces in the third quarter of fiscal 2009 compared to \$18.2 million on sales of 20,453 ounces for the third quarter of fiscal 2008, with lower tonnes of gold sold contributing to most of the decline which was slightly offset by higher average gold prices realized. Production declined to 12,760 ounces from 20,877 ounces a year ago and cash costs increased to \$450.81 per ounce during the quarter compared to \$249.38 per ounce for the same period last year. Net income was \$3.2 million (\$0.03 per share) for the current quarter compared to \$7.1 million (\$0.06 per share) for the third quarter of fiscal 2008, with most of the decline resulting from the lower revenues. Cash provided by operating activities amounted to \$4.2 million this quarter compared to \$11.8 million for the same period last year.

Orvana President and Chief Executive Officer, Carlos Mirabal said, "We have stated before that revenues and production will decline year-over year in fiscal 2009 and 2010 as mining of the Lower Mineralized Zone at Don Mario comes to an end and we complete processing the lower grade Las Tojas ore through the recently expanded production facilities. At the same time, we have already begun development work and capital spending required to bring the Upper Mineralized Zone project into production in about one year's time. At Copperwood, the delineation drill program continues and an NI 43-101 compliant resource estimate is expected to be completed in the first half of fiscal 2010.

We expect to prevail soon in completing the acquisition of Kinbauri Gold Corp. and to begin the work required to bring Kinbauri's Spanish properties into production. Orvana continues to

investigate other strategic investment opportunities that will best leverage our development and operating expertise.”

Orvana Vice President and Chief Financial Officer, Malcolm King, said, “On August 4, 2009, Orvana announced an extension of its all-cash offer of Cdn.\$0.75 per share for all outstanding shares of Kinbauri Gold Corp. We believe Kinbauri’s Spanish project represents an excellent fit with our strategic growth plans and our experienced management team that has collectively brought a number of underground mines into production. We look forward to generating strong and consistent cash flows from the Spanish properties in the near future.

Our proposed offer represents a 90% premium on the pre-bid price of \$0.395 of Kinbauri’s common shares. Shareholders owning 23.6% of Kinbauri’s shares have entered into lock-up agreements in support of Orvana’s generous offer.”

Don Mario Mine Operations

The ore from the Lower Mineralized Zone of the Don Mario Mine is nearly exhausted and the processing of the Las Tojas ore has started to increase during the quarter. A total of 71,639 tonnes of ore were treated, compared to 61,097 tonnes for the same period a year ago as indicated in the table below:

		Three months ended June 30, 2009	Months ended			Three months ended June 30, 2008
			June 30, 2009	May 31, 2009	Apr. 30, 2009	
Underground mine	Tonnes	42,680	12,359	16,531	13,790	58,993
	g/t	8.51	8.95	7.32	9.54	11.44
Las Tojas, Mini pit & stockpile	Tonnes	28,959	17,415	5,003	6,541	2,104
	g/t	2.26	1.75	2.94	3.11	1.95
Total	Tonnes	71,639	29,774	21,534	20,331	61,097
	g/t	5.98	4.74	6.30	7.47	11.12
Gold recovery rate		92.6%	90.5%	93.6%	93.8%	95.6%
Gold production - ounces		12,760	4,105	4,078	4,577	20,877

Gold production for the third quarter of fiscal 2009 was lower by 39% at 12,760 ounces, compared to 20,877 ounces for the third quarter of fiscal 2008. This decline was primarily due to significantly lower head grades.

The following table shows the cash costs for the third quarters of the fiscal years 2009 and 2008. 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).

Higher total production costs per ounce at \$604.02 for the third quarter of fiscal 2009 were largely due to lower production of 12,760 ounces when compared to the production of 20,877 ounces for the third quarter of 2008. Increases in the cost of labour and supplies also contributed to higher unit costs. Finally, depreciation and amortization expense on an absolute and per tonne basis has increased as remaining property, plant and equipment are written off over a smaller remaining ore base.

	Three months ended June 30, 2009		Three months ended June 30, 2008	
	Costs	Cost/oz.	Costs	Cost/oz.
Direct mine operating costs	\$4,491	\$352.00	\$3,325	\$159.28
Third-party smelting, refining and transportation costs	51	3.98	59	2.83
Cash operating costs	4,542	355.98	3,384	162.11
Royalties and mining rights	375	29.41	524	25.11
Mining royalty tax	835	65.42	1,298	62.16
Total cash costs	5,752	450.81	5,206	249.38
Depreciation and amortization	1,955	153.21	1,800	86.21
Total production costs	\$7,707	\$604.02	\$7,006	\$335.59

	Nine months ended June 30, 2009		Nine months ended June 30, 2008	
	Costs	Cost/oz.	Costs	Cost/oz.
Direct mine operating costs	\$11,237	\$229.92	\$9,248	\$149.29
Third-party smelting, refining and transportation costs	226	4.61	174	2.81
Cash operating costs	11,463	234.53	9,422	152.10
Royalties and mining rights	1,307	26.73	1,642	26.50
Mining royalty tax	2,961	60.59	2,709	43.73
Total cash costs	15,731	321.85	13,773	222.33
Depreciation and amortization	5,430	111.10	5,835	94.19
Total production costs	\$21,161	\$432.95	\$19,608	\$316.52

Quarterly Financial Highlights

Financial highlights for the three and nine-month periods ended June 30, 2009 and 2008 are summarized below:

	Three months ended June 30		Nine months ended June 30	
	2009	2008	2009	2008
Revenue	\$11,869	\$18,244	\$42,345	\$53,383
Net income	3,218	7,135	11,826	21,102
Net income per share – basic and diluted	\$0.03	\$0.06	\$0.10	\$0.18
Cash provided by operating activities	\$4,216	\$11,785	\$13,301	\$33,653
Cash and cash equivalents	97,989	87,525	97,989	87,525
Total assets	127,208	112,538	127,208	112,538
Long-term debt	3,056	4,626	3,056	4,626
Shareholders' equity	\$108,775	\$92,224	\$108,775	\$92,224

Unaudited consolidated financial statements and Management's Discussion & Analysis for the period ended June 30, 2009 are available on SEDAR and at www.orvana.com.

About Orvana

Orvana Minerals Corp. is a Canadian mining and exploration company based in Toronto, Canada involved in the evaluation, development and mining of precious and base metal deposits. The Company owns and operates the Don Mario Mine in eastern Bolivia. The Company's goal is to become a low cost, long-life, diversified producer primarily focused on precious metals and base metals. Orvana's shares have been listed on the Toronto Stock Exchange since 1992 under the trading symbol ORV.

For further information, please contact Malcolm King at 416-369-1629.

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

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, all aspects of the development of the Upper Mineralized Zone ("UMZ") deposit at Don Mario and of its potential operation and production; the possible development of the Copperwood Project in the State of Michigan; mineral resource and mineral reserve estimates; the realization of mineral reserve estimates; estimates of future capital expenditures and timing of development and production and estimates of the outcome and timing of decisions with respect to whether and how to proceed with such development and production; permitting time lines; statements and information regarding future feasibility studies and their results; 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 liabilities and 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 fluctuations in the price of gold; 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; the availability of qualified personnel; risks generally associated with mineral exploration and development, including the Company's ability to develop the UMZ deposit or the Copperwood Project if it determines to do so and 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 period ended June 30, 2009 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 except as required by law, 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 period ended June 30, 2009.