

ORVANA

MINERALS CORP.

ORVANA REPORTS RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 2011

TORONTO, ONTARIO, December 12, 2011 -- Orvana Minerals Corp. (TSX symbol: ORV) announced operating results today for the year ended September 30, 2011. Dollar amounts (other than per share amounts) are in thousands of U.S. dollars unless stated otherwise, and fine troy ounces of gold are referred to as "ounces".

HIGHLIGHTS:

- El Valle-Boinás/Carlés ("EVBC") Mine in Spain has been in production since August 2011. Cash costs were \$1,181 per ounce of gold net of by-products for August and September, the last two months of fiscal 2011;
- Commissioning of the Upper Mineralized Zone ("UMZ") of the Don Mario Mine continues toward production;
- For fiscal 2011, Orvana's total metals production was 20,892 ounces of gold, 2,726,000 pounds of copper and 69,416 ounces of silver;
- In the fourth quarter production from the two months of August and September (during which EVBC began commercial production) was 5,439 ounces of gold, 469,000 pounds of copper and 11,691 ounces of silver;
- Revenue for the year ended September 30, 2011 was \$25,085 and was generated from the sale of concentrate and gold/silver doré containing 16,179 ounces of gold, 13,270 ounces of silver, and 504,000 pounds of copper;
- Operating profit for the year ended September 30, 2011 was \$2,113;
- Fourth quarter operating profit was \$202;
- Net loss for the year end September 30, 2011 was \$20,653 resulting primarily from the loss on the settlement and mark-to-market revaluation of derivative contracts, the consideration for shares issued to the Company's majority shareholder and lower revenues; and
- Cash and cash equivalents, excluding restricted cash, amounted to \$12,244 at September 30, 2011 compared to \$11,947 at September 30, 2010.

"During the last quarter we completed commissioning of the EVBC Mine in Spain and commenced normal operations on August 1, 2011. Construction of the shaft is on target with the completion expected in April 2012. The shaft will increase operating efficiency and mill throughput and mineral production at EVBC. We continue to work on improving the head grades from the current two grams per tonne level. We continue to commission the Don Mario UMZ Mine in Bolivia and have been encouraged by the operating results since the end of fiscal year. Recoveries are improving and are in the 60% range for copper. At Copperwood we submitted the mine permit application and have had our first public hearing, and are advancing a feasibility study. In fiscal 2012, Orvana expects total annual gold production to increase to approximately 75,000 ounces, annual copper production to increase to over 17,000,000 pounds; and annual silver production to increase to over 525,000 ounces." said Bill Williams, Orvana's President and Chief Executive Officer.

On August 11, 2011, the Company completed an offering of 8,500,000 common shares at a price of C\$2.00 per common share for aggregate gross proceeds of C\$17,000 (the "Offering").

Concurrent with the closing of the Offering, the Company repaid in full the outstanding amount of a \$15,225 convertible bridge loan, including accrued interest, by issuing 7,319,969 common shares to the Company's majority shareholder at the same price and on the same terms as those issued under the Offering. The majority shareholder also acquired 1,180,031 common shares, on a private placement basis at a price of C\$2.00 per common share. As a result, the majority shareholder acquired 8,500,000 common shares in total concurrent with the closing of the Offering.

OPERATIONS:

1. EVBC Mine, Spain

The EVBC Mine began commissioning on June 1, 2011 and advanced to commercial production on August 1, 2011. Sales for the months of August and September 2011 are reflected as revenue. EVBC sales prior to August 1, 2011 are credited against capitalized commissioning costs. The production from EVBC is summarized below:

	Commissioning Period June-July 2011	Production Period Aug-Sept 2011	Year ended September 30, 2011
Operating Data			
Ore mined (tonnes)	135,226	68,595	203,821
Ore milled (tonnes)	83,268	94,658	177,926
Gold			
Grade (g/t)	1.79	2.04	1.92
Recovery (%)	81.3	87.5	87.0
Production (ounces)	3,897	5,439	9,336
Sales (ounces)	1,050	5,520	6,570
Copper			
Grade (%)	0.49	0.33	0.41
Recovery (%)	65.0	67.8	66.1
Production (thousand pounds)	587	469	1,056
Sales (thousand pounds)	490	504	994
Silver			
Grade (g/t)	10.44	7.06	8.64
Recovery (%)	60.0	54.5	57.8
Production (ounces)	16,765	11,691	28,456
Sales (ounces)	11,618	13,270	24,888

During October and November, the first two months of fiscal 2012, mill throughput averaged 1,656 tonnes per day with head grades of 0.30% copper, 2.17 grams per tonne of gold and 6.16 grams per tonne of silver. Concentrate production during this period was 467,338 pounds of copper, 6,092 ounces of gold, and 14,326 ounces of silver. Recoveries for copper, gold and silver were 78.2%, 89.0% and 67.6% respectively. The concentrate grades averaged 20.1% copper, 89.3 grams per tonne of gold and 336.2 grams per tonne of silver.

To date, approximately 3,500 tonnes of concentrate have been shipped to port and multiple doré shipments have been made as well. Provisional payments have been received for these shipments.

Gold head grades are expected to steadily increase over the next few months and gold production for the fiscal year ending September 30, 2012 is targeted to be about 60,000 ounces annually.

2. Don Mario Mine – UMZ and Las Tojas Operations

Don Mario Mine - UMZ

Start-up at the Don Mario UMZ began in April 2011. The commissioning stage has been slower than planned due, in part, to initial operating issues with the sulphuric acid plant. These initial issues have been resolved and the plant is now running at 100% of its design capacity. Metallurgical recoveries have also been significantly lower than planned, primarily due to the complexity of the ore and host rock, which has affected the leaching circuit and has resulted in periodic instability of the flotation process. These issues are being addressed by improving agitation as well as more precisely blending mill feedstock and fine tuning reagents. Copper recoveries, are currently approximately 60% and progress continues to be made toward a target of 70%. Until these recoveries improve, silver/gold doré cannot be produced and this problem is currently under technical evaluation.

"We have made important changes to the leach-precipitation-flotation circuit as well as to the feedstock that have improved recoveries," said Carlos Mirabal, Executive Chairman of Empresa Minera Paititi S.A., Orvana's Bolivia subsidiary. "We continue to work on all aspects of the process and mine plan in order to increase copper recoveries towards a target of 70%"

To date, four concentrate shipments of 1,000-tonne lots have been transported to the port in Arica, Chile and payments have been received.

During the first two months of fiscal 2012 production averaged 1,717 tonnes per day with head grades of 1.67 grams per tonne of gold, 1.76% of copper, and 71.74 grams per tonne of silver. Concentrate production during this period was 1,869 dry tonnes containing 1,520 ounces of gold, 1,652,462 pounds of copper and 38,865 ounces of silver. Recoveries for copper, gold and silver were 53.9%, 35.8% and 21.3% respectively. The concentrate averaged 40% of copper, 25.3 grams per tonne of gold and 646.3 grams per tonne of silver. Tailings will continue to be stockpiled for future re-processing, either to blend with feed to mill or to produce doré.

Las Tojas Operations

The ore from the Las Tojas deposit of the Don Mario Mine was depleted at the end of the second quarter of fiscal 2011 and gold production ceased during the second quarter after producing almost 50,000 ounces of gold.

FINANCIAL HIGHLIGHTS:

Orvana's financial highlights for the fourth quarter and the year ended September 30, 2011 are summarized below:

	Three months ended September 30 2011 ⁽²⁾	Year ended September 30 2011 ⁽²⁾
Revenue	\$10,576	\$25,085
Operating profit	202	2,113
Net loss before derivatives mark-to-market adjustment, net-of-tax ⁽¹⁾	(926)	(11,125)
Gain (loss) on derivatives settlements and mark-to-market adjustment, net-of-tax ⁽¹⁾	11,997	(9,528)
Net earnings (loss)	11,071	(20,653)
Net earnings (loss) per share – basic and diluted	\$0.09	\$(0.17)
Net loss per share before derivatives settlements and mark-to-market adjustment, net-of-tax– basic and diluted ⁽¹⁾	\$(0.01)	\$(0.09)
Cash used in operating activities	(4,405)	(12,623)
Cash and cash equivalents	12,244	12,244
Total assets	239,902	239,902
Long-term debt, net of financing fees	47,817	47,817
Obligations under capital leases	4,179	4,179
Shareholders' equity	\$129,426	\$129,426

(1) These amounts are non-GAAP measures and are derived from the following amounts in the income statement: net derivatives loss of \$13,611 less future income tax recoveries of \$4,083 for the year ended September 30, 2011.

(2) Comparative amounts are not meaningful due to the start up in the current year of the EVBC mine and the depletion of the Don Mario Mine Las Tojas deposit at the end of the second quarter of the current year.

Fiscal 2011 revenues were \$25,085 on sales of 16,179 ounces of gold, 13,270 ounces of silver, and 504,000 pounds of copper for the year ended September 30, 2011. Lower revenues resulted from the depletion of the Las Tojas gold deposit at the end of the second quarter of the year and only two months revenue from the EVBC Mine.

Revenues for the fourth quarter ended September 30, 2011 were \$10,576 on sales of 5,520 ounces of gold, 13,270 ounces of silver, and 504,000 pounds of copper. The fourth quarter results included the gold-copper-silver sales from EVBC for the months of August and September 2011 and no revenue from the Don Mario UMZ Mine or the Las Tojas gold deposit.

For fiscal 2011 operating profit was \$2,113. In the fourth quarter, operating profit was \$200. The net loss for the year ended September 30, 2011 was \$20,653 (\$0.17 loss per share). The 2011 fiscal year's loss was primarily due the net loss on settlement and revaluation of derivative contracts at September 30, 2011 of \$9,528 (net of tax), stock-based consideration expense of \$5,214 reflecting the fair value of shares issued to the Company's majority shareholder and lower revenues as new mines were started.

The net income for the fourth quarter ended September 30, 2011 was \$11,071 (\$0.09 earnings per share). The gain on the revaluation of derivative contracts in the fourth quarter of fiscal 2011 contributed \$11,997 (net of tax) to net income.

Cash used in operating activities was \$12,623 for the year ended September 30, 2011.

Capital expenditures were \$59,819 for the year ended September 30, 2011. Expenditures included \$16,139 on the development of the Don Mario UMZ, \$37,492 on the development of the EVBC Mine, \$5,686 on the Copperwood Project and \$502 for other capital expenditures..

Cash and cash equivalents, excluding restricted cash, amounted to \$12,244 at September 30, 2011 compared to \$11,947 at September 30, 2010.

The consolidated financial statements and Management's Discussion & Analysis for the period ended September 30, 2011 are available on SEDAR and at www.orvana.com.

OUTLOOK:

The forward looking statements made in this section are intended to provide an overview of management's expectations with respect to certain future operating activities of the Company and may not be appropriate for other purposes.

Orvana is focused on its operations at the EVBC gold-copper-silver mine in northern Spain and its Don Mario UMZ copper-gold-silver mine in eastern Bolivia as well as advancing its Copperwood copper project in Michigan.

In Spain, the Company began commissioning at the EVBC Mine in May 2011 and advanced to commercial production on August 1, 2011. During fiscal 2012, the Company expects gold production from EVBC to be approximately 60,000 ounces per annum, copper production to be approximately 2,000 tonnes per annum, and silver production to be approximately 125,000 ounces per annum. As head grades improve, cash cost per ounce of gold produced is expected to decrease. The updated NI 43-101 reserve and resources report is in progress and the updated report will provide details of the revised mine plan. Completion of the shaft is expected in April, 2012 and will allow better access to the ore bodies, resulting in improved flexibility, increased mine production, and reduced costs. Additionally, Orvana will continue to work on improving head grade, increasing gold production and reducing cost per ounce of gold produced. Beyond 2012, Orvana will also investigate alternatives to maximize the mill output and enhance recoveries, including a possible expansion of the mill.

In Bolivia at the Don Mario UMZ Mine, commissioning and start up of the leach-precipitation-flotation mill and acid plant continued during the last half fiscal 2011. The mine is expected to move into production in the second quarter of fiscal 2012. An updated 43-101 reserve and resource report for the UMZ is in progress and is expected to be released in the near future. During fiscal 2012, the focus will be on improving recoveries for copper, gold and silver. Orvana expects recoveries to reach 65% to 70% for copper in fiscal 2012. As copper recoveries improve, Orvana will examine the feasibility of producing doré. Should doré production not be achievable in fiscal 2012, gold and silver production is expected to be about 11,000 ounces and 400,000 ounces respectively.

In Michigan, USA, at Copperwood, a pre-feasibility study based on increased resources was completed in August 2011 and a mine plan permit was submitted to the state of Michigan in the fourth quarter of fiscal 2011. Orvana expects permitting to occur as early as the third quarter of fiscal 2012, subject to the Michigan Department of Environmental Quality review. Orvana is also completing a feasibility study, in respect of Copperwood, which is expected to be completed in mid-fiscal 2012. During fiscal 2012, Orvana will continue to investigate a variety of financing options for the estimated \$200,000 capital expenditure required to bring Copperwood into production. The Copperwood project, based on the pre-feasibility NI-43-101 report of August 2011, is expected to have a 14-year mine life, producing an average

of approximately 25,000 tonnes of copper in concentrate per annum at a cost of less than US\$1.20 per pound net of by-products. First production is targeted for 2014.

Orvana expects total annual gold production to increase to approximately 75,000 ounces, annual copper production to increase to over 17 million pounds and annual silver production to increase to over 525,000 ounces for fiscal 2012.

The Company will hold a conference call on Tuesday December 13, 2011 at 10:00 a.m. (Eastern Time) to discuss the fiscal 2011 results. Following the presentation there will be a question and answer period for analysts and investors.

The conference call can be accessed at 1-416-695-7806 or the North American toll-free number at 1-888-789-9572, using the pass code 7100 584 followed by the number sign.

ABOUT ORVANA:

Orvana Minerals is a multi-mine gold and copper producer. Orvana's primary asset is the El Valle-Boinás/Carlés ("EVBC") gold-copper project in northern Spain, which is now in production. Orvana also owns and operates the Don Mario Mine in Bolivia where a newly completed leaching-precipitation-flotation ("LPF") plant is processing its copper-gold-silver Upper Mineralized Zone ("UMZ") deposit while working through its commissioning stage. Orvana is also advancing its major Copperwood copper project in Michigan, USA. Additional information is available at Orvana's website (www.orvana.com).

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Forward Looking Disclaimer

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", "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might", "will" or "are projected to" be taken or achieved) are not statements of historical fact, but are forward-looking statements.

Forward-looking statements relate to, among other things, all aspects of the development of the Upper Mineralized Zone ("UMZ") deposit at the Don Mario Mine in Bolivia, the El Valle-Boinás/Carlés project in Spain and the Copperwood project in Michigan and their potential operations and production; the outcome and timing of decisions with respect to whether and how to proceed with such development and production; the timing and outcome of any such development and production; estimates of future capital expenditures; mineral resource estimates; estimates of permitting time lines; statements and information

regarding future feasibility studies and their results; production forecasts; future transactions; future metal prices; the ability to achieve additional growth and geographic diversification; future production costs; future financial performance, including the ability to increase cash flow and profits; future financing requirements; and mine development plans.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Orvana as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Orvana contained or incorporated by reference in this news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the Company's most recently filed Annual Information Form, or as otherwise expressly incorporated herein by reference as well as: there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisitions at the UMZ deposit, El Valle-Boinás/Carlés and the Copperwood projects being consistent with the Company's current expectations; political developments in any jurisdiction in which the Company operates being consistent with its current expectations; certain price assumptions for gold, copper and silver; prices for key supplies being approximately consistent with current levels; production and cost of sales forecasts meeting expectations; the accuracy of the Company's current mineral reserve and mineral resource estimates; and labour and materials costs increasing on a basis consistent with Orvana's current expectations.

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 events or results to differ materially from estimated or anticipated events or results expressed or implied by forward looking statements. Some of these risks, uncertainties and factors include fluctuations in the price of gold, silver and copper; the need to recalculate estimates of 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; the Company's ability to obtain and maintain all necessary regulatory approvals and licenses; the Company's ability to use cyanide in its mining operations; risks generally associated with mineral exploration and development, including the Company's ability to develop the UMZ deposit, the Copperwood project or the El Valle-Boinás/Carlés project; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to obtain 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 the countries in which the Company operates; general economic conditions worldwide; and the risks identified in Orvana's Management's Discussion and Analysis for the period ended September 30, 2011 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 year ended September 30, 2011.