ORVANA MINERALS CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

THREE AND SIX MONTHS ENDED MARCH 31, 2007

NOTICE TO SHAREHOLDERS

Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements for Orvana Minerals Corp. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the September 30, 2006 audited consolidated financial statements. Only changes in accounting information have been disclosed in these consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented.

The independent auditors of Orvana Minerals Corp. have not performed a review of the unaudited consolidated financial statements for the three and six months ended March 31, 2007 and March 31, 2006.

ORVANA MINERALS CORP.
Consolidated Balance Sheets
(In thousands of United States dollars)

(Unaudited)	March 31 2007	September 30 2006
Assets		
Current assets		
Cash and cash equivalents	$ 37,901	$ 26,850
Value-added taxes receivable and prepaid expenses	3,833	3,279
Gold inventory	818	581
Supplies inventory	3,254	2,547
	45,806	33,257
Property, plant and equipment (note 2)	19,243	21,603
	$ 65,049	$ 54,860
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 3,599	$ 2,986
Income taxes payable	1,847	4,156
	5,446	7,142
Asset retirement obligations (note 3)	1,908	1,828
Provision for statutory labour obligations	702	567
Future income tax liability	268	234
	8,324	9,771
Shareholders' equity		
Share capital (note 4(b))	74,777	74,777
Contributed surplus (note 4(c))	1,676	1,510
Deficit	(19,728)	(31,198)
	56,725	45,089
	$ 65,049	$ 54,860

Commitments and contingencies (note 6)

The notes to consolidated financial statements are an integral part of these statements.

Approved by the Board of Directors:

(signed) Carlos Mirabal Director

(signed) Robert Mitchell Director

ORVANA MINERALS CORP.

Consolidated Statements of Income, Deficit and Other Comprehensive Income
(In thousands of United States dollars except per share amounts)

	Three months ended March 31		Six months ended March 31	
(Unaudited)	2007	2006	2007	2006
Revenues				
Gold sales	$ 14,984	$ 12,045	$ 26,114	$ 20,564
Costs and expenses of mining operations				
Cost of sales	2,637	2,507	5,266	4,415
Royalties, mining rights and other	510	454	860	793
Depreciation and amortization	1,507	1,560	3,373	2,780
Accretion (note 3)	40	37	80	74
	4,694	4,558	9,579	8,062
Income from mining operations	10,290	7,487	16,535	12,502
Expenses and other income				
General and administration	593	1,248	1,134	1,895
Stock-based compensation (note 4(d))	59	127	166	253
Exploration	213	298	505	494
Business development	-	48	-	475
Community relations	131	2	236	142
Interest and other income	(207)	(150)	(427)	(158)
Foreign exchange	(54)	46	(53)	69
	735	1,619	1,561	3,170
Income before provision for income taxes and recovery of future income taxes	9,555	5,868	14,974	9,332
Provision for income taxes				
Current income taxes	1,828	2,142	3,470	2,920
Future income taxes (recovery)	48	(75)	34	(88)
	1,876	2,067	3,504	2,832
Net income and other comprehensive income	7,679	3,801	11,470	6,500
Deficit, beginning of period	(27,407)	(44,181)	(31,198)	(46,880)
Deficit, end of period	(19,728)	(40,380)	$ (19,728)	$ (40,380)
Earnings per share				
Basic and diluted	$ 0.07	$ 0.03	$ 0.10	$ 0.06

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Consolidated Statements of Changes in Shareholders' Equity
(In thousands of United States dollars)

(Unaudited)	Three months ended March 31 2007	Three months ended March 31 2006	Six months ended March 31 2007	Six months ended March 31 2006
Share capital				
Balance at beginning of period	$ 74,777	$ 74,741	$ 74,777	$ 74,731
Exercise of stock options	-	-	-	10
Balance at end of period	$ 74,777	$ 74,741	$ 74,777	$ 74,741
Contributed surplus				
Balance at beginning of period	$ 1,617	$ 1,134	$ 1,510	$ 1,008
Grant of stock options	13	-	58	-
Vesting of previously issued stock options	46	127	108	253
Balance at end of period	1,676	1,261	1,676	1,261
Deficit				
Balance at beginning of period	$ (27,407)	$ (44,181)	$ (31,198)	$ (46,880)
Net income for the period	7,679	3,801	11,470	6,500
Balance at end of period	$ (19,728)	$ (40,380)	$ (19,728)	$ (40,380)

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Consolidated Statements of Cash Flows
(In thousands of United States dollars)

(Unaudited)	Three months ended March 31 2007	2006	Six months ended March 31 2007	2006
Operating activities				
Net income	$ 7,679	$ 3,801	$ 11,470	$ 6,500
Depreciation and amortization	1,507	1,560	3,373	2,780
Accretion (note 3)	40	37	80	74
Stock-based compensation (note 4(d))	59	127	166	253
Future income taxes (recovery)	48	(75)	34	(88)
Provision for statutory labour obligations	50	39	135	79
	9,383	5,489	15,258	9,598
Changes in non-cash working capital items				
Value-added taxes receivable and prepaid expenses	(532)	(990)	(554)	(1,398)
Gold inventory	(13)	314	(110)	174
Supplies inventory	(385)	(571)	(707)	(385)
Accounts payable and accrued liabilities	431	224	613	(688)
Income taxes payable	(3,280)	975	(2,309)	1,345
	5,604	5,441	12,191	8,646
Financing activities				
Proceeds from issue of shares	-	-	-	10
Investing activities				
Capital expenditures	(727)	(1,050)	(1,140)	(1,690)
Change in cash and cash equivalents	4,877	4,391	11,051	6,966
Cash and cash equivalents, beginning of period	33,024	7,885	26,850	5,310
Cash and cash equivalents, end of period	$ 37,901	$ 12,276	$ 37,901	$ 12,276

The notes to consolidated financial statements are an integral part of these statements.

1. Nature of operations

Orvana Minerals Corp. (the "Company" or "Orvana") is a Canadian gold mining and exploration company based in Toronto, Ontario, involved in the evaluation, development and mining of precious metal deposits in the Americas. The Company's shares are listed on the Toronto Stock Exchange. The Company's principal asset is the Don Mario gold mine and property in eastern Bolivia which is held indirectly through its wholly-owned subsidiary, Empresa Minera Paititi S.A.

The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian GAAP for annual consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six month periods ended March 31, 2007 may not necessarily be indicative of the results that may be expected for the year ended September 30, 2007.

The balance sheet at September 30, 2006 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian GAAP for annual consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the notes to the Company's annual audited consolidated financial statements for the year ended September 30, 2006. For further information, refer to those statements.

(a) Financial Instruments, Comprehensive Income and Hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, “Financial Instruments – Recognition and Measurement”, 1530, “Comprehensive Income”, and 3865, “Hedges”. These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective October 1, 2006.

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets are measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method;
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(In thousands of United States Dollars unless otherwise noted)

1. Nature of operations (continued)

(a) Financial Instruments, Comprehensive Income and Hedges (continued)

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

The Company has evaluated the impact of these new standards on its consolidated financial statements and determined that no adjustments are currently required.

(b) Future accounting changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on October 1, 2007.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments — Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

2. Property, plant and equipment

	March 31 2007	March 31 2006	September 30 2006
Plant and equipment	$ 29,815	$ 27,553	$ 28,935
Mineral properties and deferred development costs (1)	7,861	7,601	7,601
Less: accumulated depreciation and amortization	(18,433)	(12,090)	(14,933)
	$ 19,243	$ 23,064	$ 21,603

(1) Refer to Note 3 to the audited consolidated financial statements for the year ended September 30, 2006 for a description of the mineral properties and deferred development costs.

(In thousands of United States Dollars unless otherwise noted)

3. Asset retirement obligations

Refer to Note 4 to the audited consolidated financial statements for the year ended September 30, 2006 for further details regarding asset retirement obligations. The following table summarizes the changes in asset retirement obligations during the periods presented:

	Six months ended March 31 2007	Six months ended March 31 2006	Year ended September 30 2006
Balance, beginning of period	$ 1,828	$ 1,681	$ 1,681
Accretion expense	80	74	147
Balance, end of period	$ 1,908	$ 1,755	$ 1,828

4. Share capital

(a) Authorized - unlimited number of common shares

(b) Common shares issued

	Number of common shares	Stated value
Balance, September 30, 2006 and March 31, 2007	115,233,173	$ 74,777

(c) Contributed surplus

The following table summarizes the changes in contributed surplus during the periods presented:

	Six months ended March 31 2007	Six months ended March 31 2006	Year ended September 30 2006
Balance, beginning of period	$ 1,510	$ 1,008	$ 1,008
Grant of stock options (note 4(d))	58	-	164
Vesting of previously issued stock options (note 4(d))	108	253	338
Balance, end of period	$ 1,676	$ 1,261	$ 1,510

(In thousands of United States Dollars unless otherwise noted)

4. Share capital (continued)

(d) Stock options

A summary of the stock option transactions for the six-month period is as follows:

	Stock options	Weighted average price
Balance, September 30, 2006	4,383,332	Cdn $1.72
Granted (1)	350,000	0.60
Cancelled	(283,334)	1.00
Balance, March 31, 2007	4,449,998	Cdn $1.68

(1) During the period ended March 31, 2007, the fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Risk-free interest rate:	4%
Expected life in years:	4
Expected volatility:	70%
Expected dividend yield:	0%

The weighted-average grant date fair value of these options was $99 or Cdn. $0.33 per share and this amount is expensed over the vesting periods.

As at March 31, 2007, outstanding and exercisable stock options granted were as follows:

	Black-Scholes Values ($)	Number of non-vested options	Number of vested options	Exercise price Cdn $	Expiry date
(1)	338	-	333,334	0.91	May 31, 2007
		-	539,999	6.25	June 9, 2007
		-	50,000	4.10	August 14, 2007
(2)	306	-	566,666	1.00	December 4, 2007
		-	294,999	1.75	March 31, 2008
		-	65,000	1.00	December 8, 2008
(3)	471	-	1,025,000	1.03	April 1, 2010
(4)	253	156,666	313,334	1.00	June 30, 2010
(5)	16	10,000	20,000	1.20	September 26, 2010
(6)	58	83,333	41,667	1.05	May 12, 2011
(7)	168	283,333	141,667	0.89	June 23, 2011
(8)	71	116,666	58,334	0.91	July 5, 2011
(9)	99	233,333	116,667	0.60	December 14, 2011
	1,780	883,331	3,566,667		
Total vested and non-vested stock options			4,449,998		

(In thousands of United States Dollars unless otherwise noted)

4. Share capital (continued)

(d) Stock options (continued)

Stock options have been expensed as follows:

	Number of options	Cumulative expense at March 31, 2007	Remainder to be expensed	Total stock option compensation
(1)	333,334	$ 338	$ -	$ 338
(2)	566,666	306	-	306
(3)	1,025,000	471	-	471
(4)	470,000	246	7	253
(5)	30,000	16	-	16
(6)	125,000	51	7	58
(7)	425,000	138	30	168
(8)	175,000	51	20	71
(9)	350,000	59	40	99
	3,500,000	$ 1,676	$ 104	$ 1,780

The Company uses the fair value method of accounting for stock options and for the six months ended March 31, 2007, recognized stock-based compensation expense of $166 (March 31, 2006 - $253). This policy was effective on October 1, 2003 and has been applied on a prospective basis. The fair value of each option grant was estimated using the Black-Scholes option-pricing model. The assumptions used in the Black-Scholes option-pricing model are described in note 6 to the audited consolidated financial statements for the year ended September 30, 2006 and above in this note.

5. Related party transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Refer to note 5(e) of the audited consolidated financial statements for the year ended September 30, 2006 for further details.

General and administration expenses include directors' fees of $157 (March 31, 2006 - $87) and consulting fees of $nil (March 31, 2006 - $36) paid and/or accrued to directors of Orvana. These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Officers and directors of Orvana were also reimbursed for out-of-pocket expenses incurred on behalf of the Company.

6. Commitments and contingencies

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. The Company records provisions for asset retirement obligations based on management's estimate of such costs. These estimates are, however, subject to changes in laws and regulations.

The mining concessions on which the Company is actively pursuing its exploration and development activities are all located in eastern Bolivia. As a result, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability in Bolivia, which may result in the impairment or loss of mining concessions or other mineral rights. Any changes in laws or regulations, including possible changes to the Bolivian Mining Code, or shifts in political attitudes are beyond the control of the Company and may adversely affect its business.

7. Financial instruments

(a) Net fair value of financial assets and liabilities

The Company's financial instruments comprise cash and cash equivalents, value-added taxes receivable, accounts payable and accrued liabilities, income taxes payable and provision for statutory labour obligations, all of which approximate their fair values due to their short-term nature.

(b) Credit risk exposures

The credit risk on financial assets of the Company, which have been recognised on the balance sheet, is the carrying amount, net of any provisions for doubtful debts.