

NEWS RELEASE

November 28, 2001

ORVANA ANNOUNCES UPDATE ON TRANSACTION WITH COMPANIA MINERA del SUR S.A.

TORONTO, ON – (ORV-TSE) Orvana Minerals Corp. (“Orvana”) announced that Orvana’s proposed transaction with Compania Minera del Sur S.A. (“Comsur”) is currently scheduled to close on January 10, 2002, subject to closing conditions including regulatory approval.

Representatives of Orvana and Comsur met in Toronto on November 27, 2001. Certain principal documents relating to the transaction were settled and signed. It is anticipated that remaining documents and closing of the transaction will be completed by January 10, 2002.

As previously announced, under the proposed transaction with Comsur, Orvana will issue to Comsur one share more than 100% of the number of Orvana shares currently outstanding in consideration of US\$4 million and Comsur:

- financing Orvana’s purchase from Comsur of certain gold mill plant and equipment having an estimated value of US\$8 million;
- lending Orvana US\$6 million to fund the purchase of additional mining equipment, development of open pit and underground mining operations in the Lower Mineralized Zone of the Don Mario deposit, and construction of the processing plant and related infrastructure; and
- providing a commitment to place the Lower Mineralized Zone of the Don Mario ore deposits into production within 18 months of the closing of the transaction, with a mine and mill capacity of not less than 600 tones of ore per day.

It is expected that the US\$18 million of cash and financing to be provided by Comsur will be sufficient to place the Don Mario property into production. Comsur has also agreed to fund, by way of additional loans to Orvana, any cost overruns for the project above such amount. Comsur will have a first priority security interest in all plant and equipment and all other assets purchased with financing and loans provided by Comsur.

As a separate matter, Comsur has agreed to provide interim financing to Orvana to pay expenses of Orvana’s subsidiary Paititi up to January 10, 2002, up to a maximum amount of CDN\$55,000, such advance to be settled by way of the issuance of shares at \$0.075 each. Subject to regulatory approval, a maximum of 733,333 common shares may be issued to Comsur in repayment of such advance.

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