

ORVANA

MINERALS CORP.

ORVANA REPORTS EARNINGS OF US\$7.8 MILLION OR SEVEN CENTS PER SHARE FOR FISCAL 2004

TORONTO, ONTARIO, December 8, 2004 – Orvana Minerals Corp. (TSX symbol: ORV) announced today that it earned net income of US\$7.8 million or US\$0.07 per share for the twelve months ended September 30, 2004. Cash flow from operations (before changes in non-cash working capital items) totaled US\$10.4 million for the Company's first full year of commercial production at its Don Mario mine located in eastern Bolivia. The Company produced 48,227 fine troy ounces of gold and sold 47,431 ounces in fiscal 2004, generating total revenues of US\$19.1 million. All dollar amounts shown herein are expressed in United States dollars unless stated otherwise.

Orvana Chairman George Hamilton said, "Company management and the Board of Directors are pleased with the results from our first full year of commercial production at the Don Mario mine. Our timing has been opportune with a strong gold market over the past twelve months. One of Orvana's competitive advantages is its low costs of production. Total cash costs for fiscal 2004 were \$135.41 per fine troy ounce, and total costs of production, including depreciation and amortization, were \$224.88 per fine troy ounce for the twelve-month period. We continue to make good progress with the development of the lower mineralized zone, and ore grades increased in each of the last four quarters as mine development work increased the number of adits and ore faces. The plan is to complete the ramp to the bottom of the primary ore zone and commence exploratory drilling. During fiscal 2004, the Company committed \$200,000 to conduct an infill drilling program on the upper mineralized zone, a source of open pit ore. The purpose of the program is to move the ore resource from inferred to indicated status. Samples have been sent to outside laboratories for assaying. We look forward to 2005 and the opportunities to expand the Company's resource base and to sustain earnings and cash flow".

The Company also announced that it produced 5,263 fine troy ounces of gold in November 2004, in line with management's expectations for the month.

Don Mario Mine Operations

In fiscal 2004, a total of 229,000 tonnes of ore were mined from both the underground mine and the mini-pit, and 234,000 tonnes of ore were treated through the Don Mario mill. The following table shows the tonnes treated for each quarter in fiscal 2004.

		Fiscal Year 2004	Fourth Quarter 2004	Third Quarter 2004	Second Quarter 2004	First Quarter 2004
Underground mine ore treated	tonnes	126,197	36,568	30,760	26,075	32,794
	g/t		9.33	8.60	6.72	6.90
Mini-pit ore treated	tonnes	107,969	19,645	28,866	32,827	26,631
	g/t		7.30	8.46	7.09	4.13
Total tonnes of ore treated	tonnes	234,165	56,213	59,625	58,902	59,425
	g/t		8.70	8.53	6.92	5.66
Mill recovery rate			83.5%	89.5%	88.9%	81.3%
Gold produced (Fine Troy Ounces)		48,227	13,120	14,643	11,663	8,802

The following table shows the cash costs for the fourth quarter and fiscal year 2004. These calculations 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.

US dollars	Fiscal Year ended Sept.30, 2004		Three months ended Sept.30, 2004	
	Costs	Cost/FTO	Costs	Cost/FTO
Direct operating costs	\$5,004,251	\$ 103.76	\$1,303,075	\$99.32
Third-party smelting, refining and transportation costs	96,335	2.00	29,878	2.28
Cash Operating Costs	5,100,587	105.76	1,332,953	101.60
Royalties and production taxes	1,429,600	29.64	434,008	33.08
Total Cash Costs	6,530,187	135.41	1,766,961	134.68
Depreciation, depletion and reclamation costs	4,315,284	89.48	971,975	74.08
Total Production Costs	\$10,845,470	\$ 224.88	\$2,738,936	\$208.76

Fiscal Year Financial Highlights

The Don Mario mine was under construction during the first six months of 2003, and commercial production began on July 1, 2003. Consequently, the results of operations in the fiscal year ended September 30, 2004 do not provide meaningful comparisons to those of the previous fiscal period. Also, in 2003, Orvana changed its financial reporting year end from December 31 to September 30 to coincide with that of Orvana's controlling shareholder, in order to facilitate more cost-effective reporting.

US dollars	12 month fiscal year ended Sept. 30, 2004	9 month fiscal period ended Sept. 30, 2003
Revenue	\$19,158,473	\$ 2,992,834
Operating expenses	12,455,463	3,042,141
Operating income (loss)	6,703,010	(49,307)
Net income (loss)	7,842,036	(257,770)
Net income (loss) per share	0.07	(0.00)
Cash and cash equivalents, end of period	3,920,752	228,472
Assets	35,300,472	30,643,067
Shareholders' equity	18,896,571	10,975,072

Quarterly Financial Highlights

The following table compares financial results for the four quarters of fiscal 2004. Net income for the fourth quarter of fiscal 2004 was \$2.4 million and cash flow from operating activities (before changes in non-cash working capital items) amounted to \$3.9 million. Net income was higher than operating income in the fourth quarter due primarily to recognition of the value of income tax losses in Bolivia of \$1.9 million. Orvana had cash and cash equivalents of \$3.9 million at September 30, 2004.

US dollars	Fourth Quarter Fiscal 2004	Third Quarter Fiscal 2004	Second Quarter Fiscal 2004	First Quarter Fiscal 2004
Revenue	\$5,833,438	\$ 5,522,965	\$ 4,693,412	\$ 3,108,658
Operating expenses	3,272,637	3,141,432	3,287,055	2,754,339
Operating income (loss)	2,560,801	2,381,533	1,406,357	354,319
Net income (loss)	4,273,817	2,140,472	1,207,017	220,730
Net income (loss) per share	0.04	0.02	0.01	0.00
Cash and cash equivalents, end of period	3,920,752	3,397,876	2,045,529	1,051,011
Assets	35,300,472	31,452,690	29,960,483	29,384,955
Shareholders' equity	18,896,571	13,924,292	11,966,967	10,825,835

Consolidated audited financial statements and Management's Discussion & Analysis for fiscal 2004 are available on SEDAR and at www.orvana.com.

About Orvana

Orvana Minerals is a gold mining and exploration company involved in the evaluation, development and mining of precious metal deposits in Latin America. The Company owns the Don Mario gold mine in eastern Bolivia. Orvana's long-term goal is to become a multi-mine producer in Latin America. Orvana's shares have been listed on the Toronto Stock Exchange since 1992 under the trading symbol ORV.

For further information, please contact George Hamilton, Chairman and Director, Orvana Minerals Corp., (905) 822-1463, ghamilton@orvana.com

Forward Looking Statements

This news release may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the precious metals market and economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances.

ORVANA MINERALS CORP.

Consolidated Balance Sheets

(Expressed in United States Dollars)

	September 30, 2004	September 30, 2003 (Restated - see note 8)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,920,752	\$ 228,472
Receivables and prepaid expenses	4,309,228	3,182,822
Gold and ore inventories	322,330	360,876
Supplies	1,922,922	1,182,759
	10,475,232	4,954,929
Mineral properties and deferred development costs (Note 3)	6,146,849	7,351,435
Mining operations (Note 4)	16,765,100	18,336,703
Future income tax asset (Note 12)	1,913,291	-
	\$ 35,300,472	\$ 30,643,067
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,184,431	\$ 2,650,219
Current portion of loans payable	3,600,000	2,800,000
Current portion of notes payable	114,402	159,653
	5,898,833	5,609,872
Loan payable - Banco de Credito de Bolivia (Note 5)	4,000,000	6,000,000
Loan payable - Compania Minera del Sur S.A. (Note 6)	5,466,667	7,200,000
Notes payable (Note 14)	182,227	158,313
Debenture - Compania Minera del Sur S.A. (Note 7)	92,488	92,488
Provision for statutory workers' settlements	219,328	107,911
Asset retirement obligations (Note 8)	544,358	499,411
	16,403,901	19,667,995
SHAREHOLDERS' EQUITY		
Capital stock (Note 9)	74,696,915	74,617,452
Deficit	(55,800,344)	(63,642,380)
	18,896,571	10,975,072
	\$ 35,300,472	\$ 30,643,067

Approved by the Board of Directors:

(signed) George Hamilton _____ Director

(signed) Jeffrey Lloyd _____ Director

ORVANA MINERALS CORP.

Consolidated Statements of Operations and Deficit (Expressed in United States Dollars)

	For the year ended September 30, 2004	For the nine months ended September 30, 2003 (Restated - see note 8)
Revenue		
Gold sales	\$ 19,121,002	\$ 2,984,933
Interest and other income	37,471	7,901
	<hr/> 19,158,473	<hr/> 2,992,834
Operating expenses		
Cost of sales	5,084,217	1,359,416
Depreciation and amortization	4,319,956	896,083
Corporate, general and administration	1,067,460	360,137
Production royalties	655,335	101,960
Exploration costs	268,780	-
Foreign exchange loss	85,383	23,714
Interest on long term debt	929,385	259,595
Accretion related to asset retirement obligation (Note 8)	44,947	41,236
	<hr/> 12,455,463	<hr/> 3,042,141
Income (loss) before restructuring costs and provision for (recovery of) income taxes	<hr/> 6,703,010	<hr/> (49,307)
Restructuring costs (Note 7)	-	92,488
Income (loss) before provision for (recovery of) income taxes	<hr/> 6,703,010	<hr/> (141,795)
Income tax provision (Note 12)	(774,265)	(115,975)
Future income tax recovery (Note 12)	1,913,291	-
Net income (loss) for the year	<hr/> 7,842,036	<hr/> (257,770)
DEFICIT, beginning of year	(63,642,380)	(63,384,610)
DEFICIT, end of year	<hr/> \$ (55,800,344)	<hr/> \$ (63,642,380)
Earnings per share (Note 13)		
Basic	\$ 0.07	\$ 0.00
Diluted	\$ 0.07	\$ 0.00

ORVANA MINERALS CORP.

Consolidated Statements of Cash Flows (Expressed in United States Dollars)

	For the year ended September 30, 2004	For the nine months ended September 30, 2003 (Restated - see note 8)
Cash provided by (used in)		
OPERATING ACTIVITIES		
Income (loss) for the period	\$ 7,842,036	\$ (257,770)
Depreciation and amortization	4,319,956	896,083
Accretion of asset retirement obligations (Note 8)	44,947	41,236
Future income tax recovery (Note 12)	(1,913,291)	-
Provision for statutory workers' settlements	111,417	107,911
	10,405,065	787,460
Changes in non-cash working capital items		
Receivables and prepaid expenses	(1,126,407)	(1,774,623)
Gold and ore inventories	38,546	(360,876)
Accounts payable and accrued liabilities	(465,788)	1,472,288
Supplies	(740,163)	(39,677)
	8,111,253	84,572
FINANCING ACTIVITIES		
Proceeds from share issues	79,463	192,961
Debenture payable to Compania Minera del Sur S.A.	-	96,650
Issue of and (repayment of) loan payable - Banco de Credito de Bolivia	(2,000,000)	4,000,000
Repayment of loan payable - Compania Minera del Sur S.A.	(933,333)	-
Notes payable	(21,337)	(9,874)
	(2,875,207)	4,279,737
INVESTING ACTIVITIES		
Mineral properties	-	(40,274)
Purchase of equipment	(1,543,766)	(5,601,502)
	(1,543,766)	(5,641,776)
CHANGE IN CASH AND CASH EQUIVALENTS		
	3,692,280	(1,277,467)
CASH AND CASH EQUIVALENTS, beginning of period	228,472	1,505,939
CASH AND CASH EQUIVALENTS, end of period	\$ 3,920,752	\$ 228,472
OTHER INFORMATION		
Income taxes paid	\$ 774,265	\$ 115,975
Interest paid	\$ 1,103,778	\$ 324,161