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ORVANA SAYS NEW ATW FINANCING ADDS FURTHER CONDITIONS AND UNCERTAINTIES TO KINBAURI'S PROPOSED MERGER

Kinbauri Shareholders Urged to Tender To The Orvana Offer by 11:59 pm (Vancouver time) July 31, 2009

TORONTO: July 28, 2009: – Orvana Minerals Corp. (TSX:ORV) today stated that a new proposed US\$50 million debt financing announced yesterday by ATW Gold Corp. adds to the already significant risks and uncertainties of ATW's proposed merger with Kinbauri Gold Corp.

Orvana also reiterated that its recently enhanced all-cash offer of C\$0.75 per Kinbauri share remains open for acceptance until 11:59 pm (Vancouver time) on July 31, 2009.

"The proposed merger between Kinbauri and ATW is highly conditional and may never be completed," said Kent Jespersen, Chairman of Orvana. "The new proposed ATW financing, which was intended to satisfy one of the many merger conditions, actually creates a new set of conditions, not to mention risks and onerous costs."

"ATW is taking a bad deal and making it worse. There is no reason for Kinbauri shareholders to bear such risks when they can choose to tender their shares to Orvana's offer, which represents a 90% cash premium to Kinbauri's share price prior to announcement of our offer. The choice is clear and the time to tender shares is now."

Shares Locked Up to the Orvana Offer

As previously announced, Kinbauri shareholders holding 23.6% of Kinbauri's outstanding shares have entered into lock-up agreements in support of Orvana's enhanced offer. Kinbauri's directors, who collectively own less than 5% of the company, continue to oppose Orvana's offer and support the proposed merger with ATW Gold.

Risks of Proposed ATW Debt Financing:

- ATW notes that it will give its lender a "first charge over all of the Kinbauri assets". This means that in case of a default the lender would have the right to seize Kinbauri's El Valle gold project in Spain, leaving Kinbauri shareholders with only ATW's small producing mine and project in Australia.
- The proposed US\$50 million loan remains subject to further due diligence by the lender and is conditional on securing "additional financ[ing] to advance the El Valle project through feasibility and mine commissioning".
- Only US\$40 million of the proposed new loan is for the development of the El Valle project. Kinbauri estimates that the total development cost for its El Valle project is C\$80 million (US \$73.8 million) or perhaps C\$95 million or more if the cost of the feasibility study is included. This raises the question of how ATW will secure future financing for the balance, especially with no further Kinbauri collateral to offer.

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- The proposed new loan also requires ATW to enter into an El Valle gold loan. The specifics of this gold loan are not disclosed but shareholders can expect that they will be onerous and should look to the terms of ATW's Burnakura gold loan for guidance. Repayment of the first tranche of US\$6 million requires delivery of 475 oz per month for 24 months. At US\$1,000 per ounce of gold, this is US\$11.4 million on a US\$6 million principal for an effective compounded 23.9% rate of interest. The lender also has the option to buy more Burnakura gold at favourable prices.
- The terms of the proposed new loan are dilutive and very expensive, especially for secured, first priority debt of this nature. Although specific terms have not been disclosed, ATW has admitted that the cost is at least 14% per annum (12% cash, plus a 6% broker fee amortized over three years). This does not include the value of one million broker warrants to be issued to the agent for the new loan, nor does it include the cost of the El Valle gold loan as described above.
- Not much is known about Red Kite Explorer Fund Limited, the lender to ATW.

"The proposed ATW debt financing is a desperate measure that shouldn't satisfy Kinbauri shareholders. If the merger of ATW and Kinbauri were completed the combined company would be so saddled with debt that upside potential for shareholders would be very limited," said Mr. Jespersen.

Risks of the Proposed ATW/Kinbauri Merger:

Orvana warned Kinbauri shareholders that completion of the proposed transaction with ATW is also subject to a number of conditions, including:

- due diligence investigations by both ATW and Kinbauri;
- negotiation of definitive documents; and
- approval by shareholders of both Kinbauri and ATW at meetings to be held on or before September 25, 2009.

Orvana cautioned Kinbauri shareholders to consider the risks of a merger with ATW given that:

- the two companies today would have a combined total of C\$18.5 million in debt and just C\$5.5 million in cash. Assuming ATW's new US\$50 million loan is completed, the debt of the combined companies would be C\$73.5 million;
- the combined company's shares will likely experience significant dilution and a stock overhang in the future as the company issues shares to finance both its continuing operations and the development of its projects;.
- dissatisfied shareholders may put downward pressure on the combined company's share price as they seek opportunities to sell their shares;
- the combined company will need to raise significant equity to fund the development of the El Valle project, which Kinbauri estimates will cost

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approximately €51 million (approximately C\$80 million), and ATW's Gullewa project;

- a feasibility study completed in November 2006 concluded that ATW's Gullewa project would be cash flow negative and a technical report prepared by S. Godden & Associates Ltd in June 2008 concluded that improvements in metal prices would not have a significant impact on the economic feasibility of the project, yet ATW is seeking to finance a dilutive and costly new scoping study and is basing future production estimates on this project; and
- ATW's current production profile from the Burnakura Mine is just 3,000 ounces of gold a month, which is subject to a government royalty, income taxes and existing gold loan restrictions. ATW has been producing at this rate for less than five months and there can be no certainty that this level of production will be maintained, much less increase by 43% next year, as ATW management forecasts. ATW's projected production profile of 130,000 ounces per year is highly speculative and relies on production estimates at Gullewa, even though ATW has not yet produced a positive feasibility study or positive scoping study.

Kinbauri's Troublesome Track Record

Orvana also urged Kinbauri shareholders to think carefully about whether they should rely on the Kinbauri Board of Directors' recommendation to reject Orvana's all-cash offer and instead approve the proposed ATW transaction, noting specifically that:

- it appears that Kinbauri conducted inadequate due diligence and exercised poor business judgment in its decision to enter into its previously proposed transaction with Glen Eagle Resources Inc., failures which have exposed the company to litigation;
- Kinbauri's Board was willing to sell half of its primary asset to Glen Eagle without shareholder approval; and
- Brian McEwen, a member of Kinbauri's "independent" Special Committee, is conflicted because he stands to benefit personally from the ATW transaction. If the transaction proceeds Mr. McEwen would become President of the combined company.

Orvana's Chairman, Kent Jespersen, concluded, "We are offering Kinbauri shareholders the opportunity to avoid a risky future with ATW and Kinbauri and instead receive a full and fair cash price for their shares."

"In order to receive a 90% premium in cash within ten days of our offer's expiry, Kinbauri shareholders should tender their shares without delay and no later than 11:59 p.m. (Vancouver time) on July 31, 2009."

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Kinbauri's Rights Plan Waived Effective July 30, 2009

As previously disclosed, Orvana has received notification from Kinbauri's legal counsel that Kinbauri will waive the application of its shareholder rights plan to Orvana's offer effective July 30, 2009, which will permit Orvana to acquire Kinbauri shares deposited under its offer without adverse impact under the rights plan.

How to Tender Kinbauri Shares

Kinbauri shareholders who have questions regarding the offer should contact Kingsdale Shareholder Services Inc., the information agent in connection with the offer, at 1-800-749-9052 (toll-free) or 416-867-2272 (outside North America).

About Orvana

Orvana is a well-established mine operator with an experienced management team that has collectively brought a number of underground mines into production. Orvana had cash of approximately US \$96.2 million (C\$110.6 million) as at March 31, 2009, which is sufficient to complete the acquisition of Kinbauri and develop Kinbauri's Spanish mineral project. Orvana expects the project will create up to 200 new jobs in Spain.

Forward-looking disclaimer

This press release contains only summary information about Orvana's offer and does not constitute an offer to purchase any securities. Complete information about the offer is available by referring to the offer to purchase and take-over bid circular, as amended, that has been filed with Canadian securities regulators. Certain statements contained in this press release concerning Orvana's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of Kinbauri are forward-looking statements. The words "believe", "expect", "intend", "may", "anticipate", "will", "would" and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events. While Orvana considers these factors and assumptions to be reasonable based on information currently available, they may be proven to be incorrect. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to; any of the terms and conditions of the offer not being satisfied; general economic conditions; dependence on key personnel; and variations in required capital expenditures. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

For More Information

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