ORVANA MINERALS CORP.

ANNUAL INFORMATION FORM
FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2003

February 16, 2004

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Unless otherwise noted herein, information is presented in this Annual Information Form as at February 16, 2004.

All dollar amounts in this Annual Information Form are in United States dollars, unless otherwise noted.

This Annual Information Form contains forward-looking statements that are based on the Corporation's expectations, estimates and projections regarding its business as well as 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. Without limiting the generality of the foregoing, such risks and uncertainties include: risks associated with development of mineral deposits, production costs and metal prices; environmental and other regulatory requirements; financial, technical and operating risks relating to exploration, development and operations on mining properties; water supply; new operations and lack of operating history; risks relating to production estimates; risks relating to estimates of mineral reserves and resources; political, economic and social risks relating to international operations; maintenance of land titles; gold price volatility; competition; additional funding requirements; insurance; currency fluctuations; conflicts of interest; and share trading volatility. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on them. Statements speak only as of the date on which they are made, and the Corporation undertakes no obligation to publicly update them to reflect new information or the occurrence of future events or circumstances.

1. THE CORPORATION

Orvana Minerals Corp. (the "Corporation" or "Orvana") was formed by the amalgamation of Pan Orvana Resources Inc. ("Pan Orvana") and New Kelore Mines Limited ("New Kelore") pursuant to articles of amalgamation dated February 24, 1992 under the *Business Corporations Act* (Ontario) and an amalgamation agreement between such parties dated December 30, 1991. Pan Orvana was incorporated under the laws of the Province of British Columbia on March 27, 1987 under the name Orvana Resources Inc. and changed its name to Pan Orvana Resources Inc. on September 4, 1987. New Kelore was incorporated by Letters Patent pursuant to the laws of the Province of Ontario on May 9, 1945 under the name Kelwren Gold Mines Limited. In 1948 it changed its name by Supplementary Letters Patent to Kelore Mines Limited and on March 27, 1953, it further changed its name to New Kelore Mines Limited. The registered office of the Corporation is c/o Blake, Cassels & Graydon LLP, 23rd Floor, Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada M5L 1A9. Orvana's corporate office is located at Suite 113, 1801 Lakeshore Road West, Mississauga, Ontario, Canada L5J 1J6.

Intercorporate Relationships

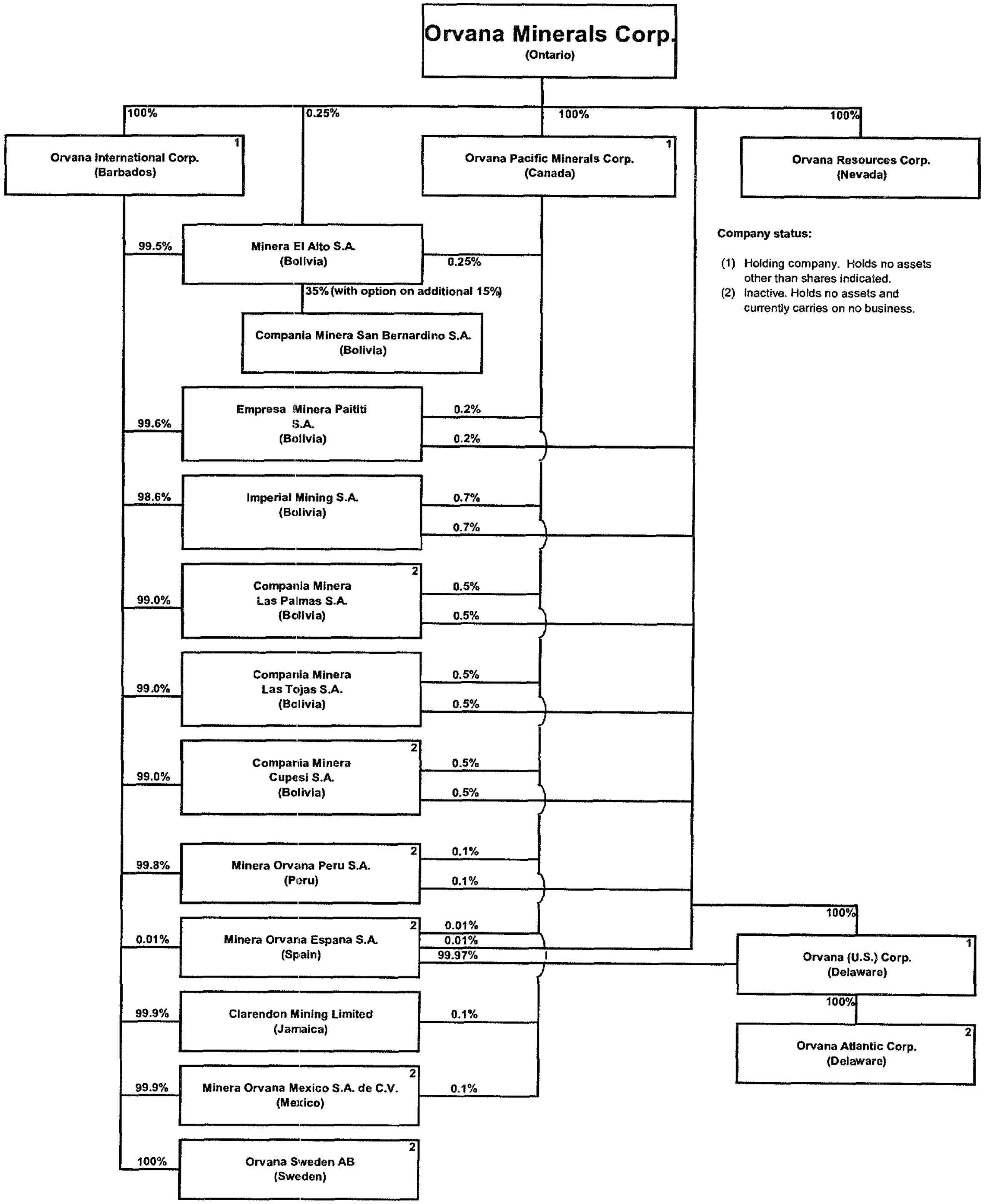
Historically, Orvana has conducted its exploration activities in foreign jurisdictions through subsidiary companies incorporated in those jurisdictions. The Corporation's active subsidiaries and holding companies, all of which are wholly-owned, are as follows:

- in Canada, Orvana Pacific Minerals Corp.;
- in Barbados, Orvana International Corp.;
- in Bolivia, Empresa Minera Paititi S.A., Compañia Minera Las Tojas S.A., Imperial Mining S.A. and Minera El Alto S.A.;
- in Jamaica, Clarendon Mining Limited, and
- in the United States, Orvana Resources Corp.

The Corporation's inactive subsidiaries, all of which are wholly-owned and have no assets or mineral property holdings, are as follows:

- in Bolivia, Compañia Minera Las Palmas S.A. and Minera Cupesi, S.A.;
- in Mexico, Minera Orvana Mexico S.A. de C.V.;
- in Peru, Minera Orvana Peru S.A.;
- in Spain, Minera Orvana Espana S.A.;
- in Sweden, Orvana Sweden AB, and
- in the United States, Orvana U.S. Corp. and Orvana Atlantic Corp.

The corporate structure of Orvana and its subsidiaries is as follows:



2. BUSINESS OF THE CORPORATION

The Corporation is engaged in the mining, exploration and development of gold and other precious metal resource properties. The Corporation owns and operates the Don Mario gold mine in Eastern Bolivia, which has estimated proven and probable reserves of 1.5 million tonnes grading 8.74 grams per treated tonne, to produce an estimated 414,000 ounces of contained gold during mine life, according to an independent technical report prepared by AMEC E&C Services Limited. Commercial production at the Don Mario mine commenced on July 1, 2003.

Background

For a number of years, the Corporation's business plan had been to identify and acquire properties with exploration potential, and to use Orvana's technical and financial resources to advance such projects, with the expectation that such properties could be vended to third parties possessing the requisite resources to develop and operate such properties, with the Corporation retaining significant participating interests in those properties. The depressed state of the gold industry from 1999 through early 2002 created serious impediments to the continuation of the business plan, as it became extremely difficult to raise the additional capital needed to advance the Corporation's properties. The number of its employees was reduced during this period and, from February 28, 2001 to January 11, 2002, Orvana had no paid employees and all management duties were handled by members of the Board of Directors and the Corporate Secretary. On completion on January 11, 2002 of the transaction with Compania Minera del Sur S.A. ("Comsur") described below, Comsur acquired a controlling interest in the Corporation and began work to bring the lower mineralized zone of the Corporation's Don Mario ore deposit in Eastern Bolivia (the "Don Mario Property") into production.

Transaction with Comsur

The Corporation and certain of its subsidiaries are parties to an agreement with Comsur dated September 12, 2001, as amended (the "Definitive Agreement"). Under the terms of the Definitive Agreement, on January 11, 2002 (the "Share Purchase Closing Date"), Comsur invested $4.0 million in return for the issuance by the Corporation to Comsur of 52,995,143 Common Shares, together with the right to receive additional Common Shares, at no additional cost to Comsur, on a one-for-one basis for each Common Share issued by the Corporation either (i) as a result of the exercise of warrants, options or other convertible securities outstanding on the Share Purchase Closing Date or (ii) in settlement of liabilities and obligations owed by the Corporation on the Share Purchase Closing Date, up to a maximum of 29,154,190 additional Common Shares. Comsur is also entitled to receive Common Shares of Orvana in certain circumstances in the event that it is entitled to indemnification for a breach of a representation or warranty in the Definitive Agreement. In addition, on January 11, 2002, 668,219 Common Shares of the Corporation were issued to Comsur in settlement of a loan advanced by Comsur to the Corporation under an interim financing arrangement.

Under the Definitive Agreement Comsur also:

(i) financed the purchase by the Corporation's subsidiary, Empresa Minera Paititi S.A. ("Paititi"), from Comsur of a mining concession with its installations of gold mill plant and equipment having an estimated value of $8.0 million;

(ii) arranged for $8.0 million of financing for Paititi through a third party to fund the purchase by Paititi of additional mining equipment, development of open pit and underground mining operations at Paititi's Don Mario Property, and construction of processing plant and related infrastructure; and

(iii) agreed to undertake to place the lower mineralized zone of the Don Mario Property into production within 18 months of the Share Purchase Closing Date with a mine and mill capacity of not less than 600 tonnes of ore per day (the "Project"), subject to certain conditions including with respect to delays due to *force majeure* events or the Project being uneconomic.

Under the Definitive Agreement, Comsur has a pre-emptive right with respect to the issuance of additional Common Shares or securities convertible into Common Shares of the Corporation to other persons after the Share Purchase Closing Date, entitling Comsur to acquire Common Shares or convertible securities on the same terms and conditions as those so issued by the Corporation, subject to applicable requirements of the Toronto Stock Exchange.

The Definitive Agreement also provides that until the fifth anniversary following the Share Purchase Closing Date, Comsur is entitled to select four nominees for election as directors and that Comsur will vote its shares of the Corporation in favour of three nominees (at least two of whom shall be resident Canadians as defined in the *Business Corporations Act* (Ontario) unless otherwise agreed by Comsur) who are not selected by Comsur and its affiliates.

As a result of the transactions effected pursuant to the Definitive Agreement, Comsur became the majority shareholder of the Corporation and owns approximately 52.5% of the outstanding Common Shares. Both the Definitive Agreement and the interim financing arrangement were negotiated and agreed by the parties at arm's length prior to Comsur becoming the majority shareholder of the Corporation or having any nominees on its Board of Directors.

Development of the Don Mario Project

As at April 30, 2003, the Corporation had substantially completed construction of facilities at the Don Mario mine site. Mill start-up and commissioning took place in May and June 2003. The mill had an initial design capacity to process 600 tonnes of ore per day and milling throughput was increased to 700 tonnes of ore per day in October 2003 (or 245,000 tonnes per year). The mill went into commercial production on July 1, 2003 and has produced 17,210 troy ounces of gold during its first six months of operations to December 31, 2003.

Mine development work continues and as at December 31, 2003 the Corporation had constructed 173.3 metres of the vertical shaft, 1,196.1 metres in drifts and crosscuts and 624.7 metres in open cut and ventilation raises. As at December 31, 2003, 179 full-time employees and 114 contractors worked in operation of the mine.

Since achieving commercial production on July 1, 2003, mine management has focused on mine development work including the implementation of programs to improve head grade and mill recoveries. Work also continues on mine development to complete the vertical shaft and to provide access to additional ore faces.

Technical Report on the Don Mario Property

In April 2003, Orvana engaged AMEC (Peru) S.A., a division of AMEC E&C Services Limited ("AMEC") to prepare an independent technical report on the Don Mario Property in compliance with the requirements of National Instrument 43-101 of the Canadian Securities Administrators, entitled "Standards of Disclosure for Mineral Projects". AMEC delivered its report dated July 25, 2003 entitled "Technical Report on the Don Mario Gold Property, Chiquitos Province, Bolivia" (the "Technical Report") to Orvana, and the Technical Report was filed with applicable Canadian securities regulatory authorities. The Technical Report was prepared by AMEC personnel Miron Berezowsky, P. Eng., Ken Brisebois, P. Eng. and John Kiernan, P. Eng., each of whom is a “qualified person” independent of Orvana within the meaning of National Instrument 43-101. The Technical Report is available along with the Corporation’s other public disclosure documents at www.SEDAR.com, as well as at the Corporation’s website at www.orvana.com.

3. PROPERTIES

Don Mario Property, Bolivia

The Don Mario Property is the only property that is currently material to the Corporation. The Technical Report is incorporated by reference in this Annual Information Form in its entirety. Specific information about the Don Mario Property and references to relevant portions of the Technical Report are set out below.

(1) Property Description and Location

(a) Area and Location of the Property

The Don Mario Property consists of eight contiguous mineral concessions covering approximately 53,900 hectares and is located within the San Juan Canton of the Province of Chiquitos in Eastern Bolivia. The Don Mario Property is located at a geographical position of 59°47’ W longitude and 17°15’ S latitude, which is 380 kilometres east of the provincial capital of Santa Cruz de la Sierra.

(b) Nature and Extent of Orvana’s Title to or Interest in the Property

Ownership of the Don Mario mineral concession is held by Paititi, a Bolivian subsidiary of the Corporation. The Superintendent of Mines for the Department of Santa Cruz has granted Paititi a 100% interest in the Don Mario mineral concession and as a result, Paititi has all the required rights to develop, mine and market the minerals and metals within its boundaries. All mineral substances in Bolivia belong to the State. The mineral concession conveys to its owner the exclusive rights to carry out any or all of the following mining activities: prospecting and exploration, exploitation (mining), beneficiation of ores, smelting and refining, and marketing of minerals and metals.

(c) Royalties and Other Payment Obligations

The Don Mario mineral concession is subject to a 3% net smelter royalty interest granted by Orvana in favour of Repadre International Corporation (“Repadre”) pursuant to a Royalty Agreement dated February 2, 1996, as amended. Repadre also holds a right of first refusal on any additional royalties that might be granted on the Don Mario Property.

The government of Bolivia charges a royalty commonly referred to as the Complementary Mining Tax (“CMT” or “ICM”) on gold, silver and base metals produced from mines located within Bolivia. At a gold price of $400 per ounce or less, the CMT royalty rate is 4% of the gold price. At a gold price of more than $700 per ounce, the CMT royalty rate is 7% of the gold price. At prices between $400 and $700 per ounce, the CMT rate is the gold price in US dollars, divided by 100. Amounts paid as CMT royalties are a credit against income taxes otherwise payable for the year in which the royalties are paid.

(d) Environmental Liabilities

Reference is made to the information under the subheading “4.1 – Environmental Liabilities” at pages 4-6 to 4-7 of the Technical Report.

(e) Location of Mineralized Zones, Mineral Resources, Mineral Reserves, etc.

Reference is made to the information set out below in this Annual Information Form under the headings "(4) Geological Setting", "(6) Mineralization", "(10) Mineral Resource and Mineral Reserve Estimates" and "(11) Mining Operations, Exploration and Development".

(f) Permits

Reference is made to the information under the subheading "4.2 – Other Permits" at pages 4-7 to 4-8 of the Technical Report.

(g) Additional Information

Additional information may be found under the heading "4.0 – Property Description and Location" at pages 4-1 to 4-8 of the Technical Report.

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Don Mario Property is easily accessible from Santa Cruz de la Sierra either by air, a distance of 380 kilometres, or by road, or a combination of rail and road, a distance of 458 kilometres. Santa Cruz de la Sierra is the provincial capital with a population of approximately one million and is serviced by an international airport.

The property is located near the central point of South America, and at the northern limit of the Paragua Platte River drainage basin near the watershed divide with the Amazon River system to the north. The region is characterized by gently undulating terrain at an elevation range of 300 metres to 450 metres above sea level with a few local peaks including Cerro Don Mario. With the exception of Cerro Don Mario, the area is thickly forested with deciduous trees. In contrast, Cerro Don Mario (whose official name is Cerro Pelado) is essentially bare of trees and vegetated with only scattered scrub and copper-tolerant grasses.

The climate is sub-humid tropical. Average monthly maximum temperatures range from 29°C in July to 34°C in October. Minimum average temperatures range from 16°C in June to 25°C in November. Annual rainfall is approximately 1,200 millimetres, mostly falling in sharp downpours during the wet season between November and March. Access roads may become impassable in the rainy season.

The nearest settlement is the village of San Juan (population 350), 76 kilometres away. The largest settlement in the region is the local administrative center of San Jose de Chiquitos (population 8,000 – 10,000). Local employees are hired from these and other nearby communities, and constitute half of the permanent work force of approximately 200.

In March 2003, the Don Mario Project was connected to the Cuiaba-Bolivia Natural Gas Pipeline. Natural gas has two main purposes for the project: electrical power generation, and for use in the process plant for smelting dore. Power is generated by four 875 KVA, 3300 V, 50 Hz Waukesha gensets, for a total rated capacity of 3500 KVA.

As there are no perennial streams, water is derived from two main sources: bore holes and surface water collected in dams. Water is recycled from the tailings impoundment. Fresh water is captured by a small dam in another catchment area to the southwest of the tailings pond and is pumped to the site. An alternate source of fresh water is from two boreholes drilled for this purpose.

Additional information regarding the accessibility, climate, local resources, infrastructure and physiography of the Don Mario Property can be found under the heading "5.0 – Accessibility, Climate, Local Resources, Infrastructure and Physiography” at pages 5-1 to 5-5 of the Technical Report.

(3) History

Following the discovery of gold at the site in 1991 the Don Mario Property was subsequently explored by four companies. Exploration work includes a combined 33,000 metres of drilling, 148 metres of drifting and a small open pit. This work has resulted in the discovery and delineation of the Lower Mineralized Zone (LMZ) and Upper Mineralized Zone (UMZ), the two principal zones of mineralization, and several prospects along strike and elsewhere on the Property. The LMZ is the most economically significant, and has been evaluated by a series of feasibility studies, as described in the Technical Report.

Additional information regarding the history of the Don Mario Property, including prior ownership and development of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, to the extent known, may be found under the headings “6.0 – History” and “10.0 – Exploration” at pages 6-1 to 6-15 and 10-1 to 10-17, respectively, of the Technical Report.

(4) Geological Setting

The Don Mario Property is located within one of approximately 20 Lower to Middle Proterozoic schist belts in the Bolivian Shield. The Bolivian Shield forms the south-western edge of the Brazilian Precambrian Shield and has been subdivided into a Middle Proterozoic Paragua Craton, which is up to 270 kilometres wide and is bordered by two parallel orogenic belts of Middle to Upper Proterozoic age: the Sunsas Mobile Belt along its western edge and the Aguapei Mobile Belt along its eastern margin.

The Don Mario Property lies within the southeast margin of the Sunsas Mobile Belt of the Bolivian Shield, in a region characterized by highly deformed and metamorphosed Lower Proterozoic rocks of the Aventura Complex. The Property covers a series of northwest trending schist belts (Cristal Sequence), orthogneiss (Patuju Domain) and a granite intrusive body within an area of approximately 25 kilometres east-west by 25 kilometres north-south.

Additional information regarding the regional, local and property geology of the Don Mario Property may be found under the headings “7.0 – Geological Setting” and “8.0 – Deposit Types” at pages 7-1 to 7-7 and 8-1 to 8-2, respectively, of the Technical Report.

(5) Exploration

Reference is made to the information under the heading “10.0 – Exploration” at pages 10-1 to 10-17 of the Technical Report.

(6) Mineralization

Reference is made to the information under the heading “9.0 – Mineralization” at pages 9-1 to 9-12 of the Technical Report.

(7) Drilling

Reference is made to the information under the heading “11.0 – Drilling” at pages 11-1 to 11-6 of the Technical Report.

(8) Sampling and Analysis

Reference is made to the information under the headings "12.0 – Sampling Method and Approach", "13.0 – Sample Preparation, Analyses and Security" and "14.0 – Data Verification" at pages 12-1 to 12-9, 13-1 to 13-17 and 14-1 to 14-12, respectively, of the Technical Report.

(9) Security of Samples

Reference is made to the information under the heading "13.0 – Sample Preparation, Analyses and Security" at pages 13-1 to 13-17 of the Technical Report.

(10) Mineral Resource and Mineral Reserve Estimates

The Technical Report contains mineral resource and reserve estimates for the LMZ of the Don Mario Property prepared by AMEC. The following is a summary of the resource and reserve information set forth in the Technical Report. For a complete description of the mineral resource and mineral reserve estimates, reference is made to the information contained in the Technical Report, particularly the information under the heading "17.0 – Mineral Resource and Mineral Reserve Estimates" at pages 17-1 to 17-38 of the Technical Report.

Resource Summaries

Table 1 summarizes the Measured + Indicated Resources on gold cutoffs. Table 2 summarizes all the resources within the 1-g/t and 3-g/t LMZ zones by resource classification.

Table 1: Don Mario LMZ - Measured + Indicated Resources

Cutoff	Ktonnes	Au(g/t)
0.0	1548	9.21
0.5	1548	9.21
1.0	1540	9.26
1.5	1493	9.51
2.0	1388	10.10
2.5	1297	10.65
3.0	1197	11.31
3.5	1102	12.01
4.0	1014	12.73
4.5	928	13.51
5.0	850	14.31
5.5	796	14.93
6.0	756	15.42

Table 2: Don Mario LMZ - All Resources

Au Cutoff	Measured		Indicated		Inferred	
Grade (g/t)	KTonnes	Au(g/t)	KTonnes	Au(g/t)	KTonnes	Au(g/t)
0.0	105	8.66	1443	9.26	112	6.6
0.5	105	8.66	1443	9.26	112	6.6
1.0	105	8.69	1435	9.30	112	6.6
1.5	101	8.96	1392	9.55	110	6.7
2.0	96	9.39	1292	10.15	106	6.9
2.5	91	9.75	1206	10.72	98	7.2
3.0	85	10.28	1112	11.39	89	7.7
3.5	76	11.07	1026	12.08	78	8.3
4.0	68	11.95	946	12.78	67	9.0
4.5	63	12.60	865	13.58	62	9.4
5.0	57	13.35	793	14.38	56	9.9
5.5	54	13.87	742	15.01	54	10.1
6.0	51	14.37	705	15.50	53	10.2

Mineral Reserve Estimate for the LMZ

The existing stope outlines were modified slightly to encompass the measured and indicated resources and suitable dilution and recovery factors were applied to produce a Proven and Probable reserve. AMEC’s new resource and its conversion into a reserve are shown in Table 3 below.

Table 3: Don Mario Reserve Estimate - June 30, 2003

	Tonnes	Grade
Mining Resources		
Measured	105,000	8.66
Indicated	1,443,000	9.26
Subtotal Measured + Indicated	**1,548,000**	**9.21**
Less tonnage outside stope boundaries		
Measured	9,000	5.18
Indicated	180,000	4.33
Subtotal losses	**189,000**	**4.37**
Remaining resource		
Measured	97,000	8.98
Indicated	1,263,000	9.96
Total Mineable Measured + Indicated	**1,360,000**	**9.89**
Mining Dilution	174,000	-
Diluted Resource	1,534,000	8.77
Recovered Resource	**1,473,000**	**8.74**
Reserve		
Open Pit		
Proven	32,000	4.27
Probable	286,000	6.05
Subtotal	**318,000**	**5.87**
Underground		
Proven	73,000	9.58
Probable	1,082,000	9.52
Subtotal	**1,155,000**	**9.52**
Mine		
Proven	105,000	7.97
Probable	1,368,000	8.79
Total	**1,473,000**	**8.74**

A small portion of the new resource in the LMZ is currently not expected to be recoverable primarily due to its position above the pit walls adjacent to the UMZ, and below the current economic pit bottom. This may change with experience and dependent on local conditions.

Initial stope mining has generated dilution of approximately 20% due to local ground conditions and lack of experience with the ore body. The mine's operators expect that as their experience increases and drilling and blasting patterns are modified for local conditions they will be able to reduce this to approximately 10%. For the purposes of estimating the reserve shown in Table 3, AMEC has assumed 15% external dilution to reflect unplanned sloughing as well as the inclusion of backfill that will inevitably be incorporated from the mucking floor. As a conservative measure AMEC has assumed that the unplanned external dilution will be at zero grade, but there is likelihood that some of the dilution will be at minimal grades below the 3 g/t cutoff and above zero. A 5% dilution at zero grade was assumed for the open pit material.

After excluding the previously mentioned tonnage outside of planned underground stopes and the open pit, a 95% recovery factor was applied to underground tonnages, while 100% ore recovery was assumed for the open pit.

The 3 g/t shell was used for this analysis on the basis of a $330/oz gold price and the less than $30/t expected operating costs as outlined in Section 19.0 of the Technical Report.

(11) Mining Operations, Exploration and Development

Reference is made to the information under the headings “16.0 – Mineral Processing and Metallurgical Testing” and “19.0 – Requirements for Technical Reports on Production Properties” at pages 16-1 to 16-7 and 19-1 to 19-13, respectively, of the Technical Report.

Other Properties

In February 2002, Paititi completed the purchase from Comsur of the Las Palmeras concession in Bolivia, with its installations of gold mill plant and equipment, having an estimated value of $8 million. This purchase was provided for in the Definitive Agreement and the transaction was financed by Comsur. The concession, which covers approximately 7,100 hectares, is located in the Canton of San Ramon, Santa Rosa de la Mina and San Javier, in the Province of Ñuflo de Chavez. The Puquio Norte open pit gold mine owned by Comsur operated within this concession until late 2001, when the ore body was exhausted and the operation was closed. Very little exploration has been conducted on the Las Palmeras concession, except within the immediate vicinity of the Puquio Norte operation.

The Corporation holds a 35% interest in Compania Minera San Bernardino, S.A. (“Cominsab”), and has an option to purchase an additional 15% interest in Cominsab. This option may be exercised by Orvana issuing 200,000 Common Shares of the Corporation plus additional Common Shares that are worth $1,500,000 at the time the option is exercised. Cominsab holds title to a number of mineral concessions in Bolivia that compose the Pederson property, which cover approximately 7,800 hectares. The Pederson property is located in the Canton of Challapatta, in the Province of Abaroa. The Pederson project has been on a care and maintenance status since May 1999. Development of the Pederson property could be commercially feasible with gold prices in excess of $400 per ounce. The Corporation has no immediate plans to further explore or develop this property.

The Corporation has a small net smelter return (“NSR”) royalty interest in the Central Inlier property in Jamaica. The Corporation held an interest in this gold property until June, 2000, when it sold its interest in the property to Ausjam Pty Ltd and Ausjam Mining Pty Ltd. (respectively, a private Australian junior mining company and its Jamaican subsidiary) for the sum of $22,500 plus a 2% NSR royalty, payable to a maximum of $60,109 plus accrued interest. The accrued interest is to be calculated at the rate of 6% per annum compounded annually on said $60,109 beginning October 1, 1996 through to and including the day that is one day prior to the date the first royalty payment is made. Once the sum of $60,109 plus accrued interest is paid, the NSR royalty will be extinguished.

4. RISK FACTORS

The following discussion summarizes the principal risk factors that apply to the Corporation’s business and that may have a material adverse effect on the Corporation’s business, financial condition and results of operations, or the trading price of the Corporation’s Common Shares:

Development of Mineral Deposits, Production Costs and Metal Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of the Corporation’s mineral properties is heavily influenced by metal prices, particularly the price of gold. Metal prices can and do change significantly over short periods of time, and are affected by numerous factors beyond the control of the Corporation, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Corporation’s properties can be mined profitably. Depending on the price received for minerals produced, the Corporation may determine that it is impractical to commence or continue commercial production. The grade of any ore ultimately mined from a mineral deposit may differ from that predicted from drilling results. Production volumes and costs can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that any minerals recovered in small scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Environmental and other Regulatory Requirements

The current or future operations of the Corporation, including exploration and development activities and commencement of production on its properties, require approvals, permits or licenses from various levels of government. Such approvals, licenses and permits are or may be, as a practical matter, subject to the discretion of the applicable governments or governmental officials. The Corporation’s operations are and will be governed by laws and regulations concerning prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Corporation believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all approvals, licenses and permits which the Corporation may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtained or obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Corporation might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of mining properties.

Exploration and Development Risks

Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. With the exception of the Don Mario Property, the Corporation's properties are without known bodies of commercial ore. It is impossible to ensure that the exploration programs conducted by the Corporation will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or land slides, floods, power outages, water or fuel shortages, labour disruptions, fires, explosions, and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines. In addition, social unrest in areas adjacent to the Corporation's properties could have a material adverse effect on the Corporation's activities. The Corporation has relied and may continue to rely upon consultants and outside contractors, including Comsur, for construction and operating expertise.

Water Supply

The amount of ore processed at the Don Mario mine is dependent on the volume of water available in nearby reservoirs, which depends on the amount and timing of seasonal rainfall. If a sufficient amount of water is not accumulated and maintained, the Don Mario mine may not be able to operate at full capacity or may be able to do so only on an intermittent basis.

New Operation

Since the Don Mario mine is a new operation, located in a remote location, the Corporation has no operating history on the site. The operating performance of new facilities and infrastructure, and certain operating factors and conditions, can be uncertain.

Production Estimates

No assurance can be given that production estimates will be achieved. The Corporation's actual production may vary from estimates for a variety of reasons including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics, short-term operating factors relating to ore reserves, risks and hazards associated with mining, natural phenomena, such as inclement weather conditions, floods, drought and earthquakes and unexpected labour shortages or disruptions.

Mineral Reserves and Resources

Mineral reserve and resource figures provided by the Corporation are estimates, and no assurances can be given that the indicated amount will be produced. Estimated reserves may have to be recalculated based on actual production experience.

Risks of International Operations

The Corporation has significant assets and operations in Bolivia, and may in future have significant assets and operations in other nations outside North America. Such international assets and operations are or may be subject to various political, economic and other uncertainties, including, among other things, the risks of political instability and changing political conditions, conflict and civil unrest, acts of terrorism, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, adverse changes in taxation policies, foreign exchange and repatriation restrictions, restrictions on foreign investment in or ownership of resources and trade barriers or restrictions. The Corporation also may be hindered or prevented from claiming against or enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Corporation to accurately predict political or social conditions or developments or changes in laws or policy or to what extent, if any, such conditions, developments or changes may have a material adverse effect on the Corporation's operations.

Title Matters

The Corporation's interests in mineral tenures grant it exclusive rights to the minerals discovered in the course of exploration. Maintenance of the Corporation's property and mineral rights is subject to ongoing compliance with the laws and regulations promulgated with respect to such rights. While the Corporation believes that title to all of its properties and mineral claims and concessions is in good standing, this should not be construed as a guarantee of title. Title to the Corporation's properties may be challenged or impugned, and properties may be subject to prior unregistered agreements or transfers, or local land claims, and title may be affected by undetected defects.

Gold Price Volatility

Gold prices are subject to volatile fluctuations and are affected by a number of factors, such as central bank lending, sales and purchases of gold, levels of gold production, industrial and jewellery demand and macroeconomic factors such as currency fluctuations, interest rates and political or economic events.

Competition

The Corporation faces considerable competition in acquiring promising mineral properties, engaging joint venture partners and obtaining funding support. As a result of this competition, some of which is against companies with substantial capabilities and greater financial and technical resources than the Corporation, it may be unable to acquire mineral properties, engage joint venture partners or obtain funding on terms it considers acceptable.

Additional Funding Requirements

The Corporation's operations have not historically generated cash flow, and there can be no assurance that the Corporation will generate profits in the future. In the past, the Corporation has relied primarily on sales of equity securities, contributions by joint venture partners, and borrowings from third parties to meet its cash requirements. Future development of the Corporation's properties will depend upon its ability to generate earnings and cash flow from its operations and to obtain financing through the joint venturing of projects, private placement financing, public financing, bank credit facilities or other means. While the Corporation has obtained financing from Comsur, and from other parties with the assistance of Comsur, in respect of the Don Mario Project, as described herein, there is no assurance that the Corporation will be successful in obtaining any additional financing that may be required in the future.

Bolivia's status as a developing country may make it more difficult or expensive for the Corporation to obtain any required financing for its properties due to the actual or perceived increased investment risk. Moreover, it is possible that deterioration in economic conditions or other factors could result in a change in government policies respecting the presently unrestricted repatriation of capital investments and earnings.

Insurance

There is no assurance that in the event of a claim, the amount of the Corporation's insurance coverage, if any, will be adequate to cover the full amount of the loss.

Currency Fluctuations

The Corporation's functional currency was changed to U.S. dollars as of December 31, 2002 and its financial statements are presented in U.S. dollars. The Corporation may be exposed to foreign currency fluctuations to the extent it incurs expenses or earns revenues in other currencies. A large proportion of the Corporation's revenues, costs and assets are denominated in U.S. dollars, with the remainder primarily denominated in Bolivian currency. Therefore, at this time the Corporation does not expect currency fluctuations to have a significant impact on its financial position or results, however, there can be no assurance that future fluctuations in currency values will not materially affect the Corporation's financial position and results. Given the global nature of capital markets and the minerals business, disruptions in the economies of other regions can adversely impact economic conditions in Latin America, as that region is particularly dependent on other countries for sources of investment and for markets for its products.

Conflicts of Interest

Directors of the Corporation are or may become directors or officers of other mineral resource companies or have significant shareholdings in such other companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, its directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors of the Corporation, a director who has such a conflict will declare such interest and abstain from voting for or against the approval of such participation or such terms. In accordance with applicable law, the directors of the Corporation are required to act honestly, in good faith and in its best interests.

Share Trading Volatility

The securities of many mineral exploration and development companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or the prospects of such companies. There can be no assurance that continued fluctuations in price will not occur.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Selected Annual Information

The Corporation changed its financial reporting year end in 2003 from December 31 to September 30 to coincide with that of Orvana's controlling shareholder, Comsur, in order to facilitate more cost-effective reporting. The following table sets forth selected consolidated financial information for the Corporation for the last three fiscal periods and is based upon, and should be read in conjunction with, the more detailed financial information appearing in its consolidated financial statements and notes thereto as at and for the fiscal period ended September 30, 2003 and the years ended December 31, 2002 and 2001.

In the fiscal years of 2001 and 2002, exploration, development and administrative expenses exceeded revenues and the Corporation recorded operating losses. During 2001, the Corporation was unable to obtain sufficient financing to continue operations or develop its properties. As a result, the Corporation closed its offices, terminated employees and virtually ceased operations.

With the investment in the Corporation by Comsur and the implementation of the Definitive Agreement beginning in January 2002, the Corporation began development of its Don Mario Property and completed construction of the mill and facilities in April/May 2003.Mill start-up and commissioning work was carried out and commercial production commenced July 1, 2003. The Corporation recorded an operating profit in the last three months of fiscal 2003.

Selected Financial Information

Expressed in United States dollars

	Nine-month Period ended September 30, 2003	**Year ended December 31, 2002**	**Year ended December 31, 2001**[1]
Total revenues	$2,992,834	$16,896	$105,134
Net operating (loss)	(262,017)	(271,064)	947,556
Net income (loss)[(1)]	(470,480)	537,506	(947,556)
Total assets	29,966,233	24,522,465	7,584,663
Long term debt	16,414,616	12,145,240	0
Per share amounts:			
Basic income (loss)	(0.00)	0.00	(0.02)
Cash dividends	0.00	0.00	0.00

Note:

1. The Corporation's functional currency changed to the United States dollar as of December 31, 2002. The financial information for the 2001 fiscal year has been presented in United States dollars in accordance with the translation of convenience method whereby the balance sheet information has been translated at the rate applicable at December 31, 2001. Income statement information has been translated using the average rate of exchange for the 2001 fiscal year, as applicable.

Dividends

The Corporation has not declared nor paid any dividends to date. The payment of any future dividends by the Corporation will be considered by the board of directors having regard to its earnings, financial requirements and other conditions at such future time.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis was filed with the Corporation's consolidated financial statements for the nine-month fiscal period ended September 30, 2003, and is incorporated herein by reference.

7. MARKET FOR SECURITIES

The Corporation's Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "ORV".

8. DIRECTORS AND OFFICERS

The names and municipalities of residence of the directors and officers of the Corporation as at February 16, 2004, the positions and offices held by them with the Corporation and their principal occupations for the past five years are set forth below.

Name / Municipality of Residence	Position with the Corporation	Principal Occupation For Past Five Years
French, Donald R.[(1)] Galveston, Texas	Director since June 2002	Private Investor. Director of the Corporation from July 1999 to January 2002, and President and CEO of the Corporation from September 2001 to January 2002.
Hamilton, George S Mississauga, Ontario	Chairman since November 2003; Corporate Secretary and Director since January 2002	Retired Associate (until April, 2003) Cap Gemini Ernst & Young Canada Inc., a consulting firm.
Lloyd, Jeffrey R. Toronto, Ontario	Director since June 2002	Partner, Blake, Cassels & Graydon LLP, a law firm.
Mirabal, Carlos [(2)] La Paz, Bolivia	Vice President and Chief Operating Officer since January 2002	Vice President – Operations, Boliva for Comsur, an integrated mining and smelting company based in La Paz, Bolivia, and its parent company, Minera S.A., a private Panamanian holding company.
Mitchell, J. Christopher [(1)] Surrey, British Columbia	Director since January 2004	Chief Financial Officer of Constellation Copper Corp., First Point Minerals Corp. and Diamondex Resources Ltd. (all mining companies) since July 2003; Mr. Mitchell was Executive Vice President and Chief Financial Officer of Constellation Copper Corp. from October 2000 to June 2003 and Executive Vice President and Chief Financial Officer of the Corporation from September 1996 to September 2000.
Mitchell, Robert A., C.A.[(1)] Oakville, Ontario	Director since December 2003	Corporate director; retired Partner, Ernst & Young LLP, an accounting firm.
Szasz, Jorge [(2)] La Paz, Bolivia	Vice President – Finance and Chief Financial Officer since January, 2002 and Director since August 2002	Finance and Commercial Director, Comsur and Minera S.A.

Name / Municipality of Residence	Position with the Corporation	Principal Occupation For Past Five Years
Urjel, Jaime [(2)] La Paz, Bolivia	Director, President and Chief Executive Officer since January 2002; Chairman from August 2002 to November 2003	President and Chief Executive Officer of Comsur and Minera S.A.

Notes:
(1) Member of the Audit Committee. The Corporation does not have an Executive Committee of the Board.
(2) Messrs. Mirabal, Szasz and Urjel are directors and/or officers of Comsur, which owns approximately 52.5% of the issued and outstanding common shares of the Corporation.

As at February 16, 2004, to the knowledge of the Corporation, the directors and officers of the Corporation beneficially owned, directly or indirectly, or exercised control over or direction over, an aggregate of 1,758,442 common shares, representing approximately 1.54% of the issued and outstanding common shares of the Corporation (not including 59,459,195 common shares held by Comsur as at such date, as described in Note 2, above).

9. ADDITIONAL INFORMATION

The Corporation will provide to any person, upon request to the Secretary of the Corporation, at Suite 113, 1801 Lakeshore Rd. W., Mississauga, Ontario, Canada L5J 1J6:

(a) when the securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:

  (i) one copy of the Annual Information Form of the Corporation, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;

  (ii) one copy of the financial statements of the Corporation for its most recently completed financial year, together with the accompanying report of the auditor, and one copy of any interim financial statements of the Corporation subsequent to the financial statements for its most recently completed financial year;

  (iii) one copy of the Management Information Circular dated January 27, 2004; and

  (iv) one copy of any other documents that are incorporated by reference into any preliminary short form prospectus or short form prospectus filed by the Corporation that is not required to be provided under (i) to (iii) above, or

(b) at any other time, one copy of any other documents referred to in (i), (ii) and (iii) above, provided that the Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Corporation's Management Information Circular dated January 27, 2004, and additional financial information is provided in the Corporation's financial statements for the fiscal period ended September 30, 2003.