ORVANA
MINERALS CORP.

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON FEBRUARY 28, 2013

NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR

JANUARY 25, 2013

ORVANA MINERALS CORP.

Notice of Annual Meeting of Shareholders

NOTICE is hereby given that the annual meeting of the holders of common shares of Orvana Minerals Corp. (the "Company") will be held at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario on Thursday, February 28, 2013 at 2:00 p.m. (Toronto time) (the "Meeting") for the following purposes:

(a) to receive the Company's comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2012 and the auditor's report thereon;

(b) to elect directors of the Company to hold office until the close of the next annual meeting of shareholders;

(c) to appoint PricewaterhouseCoopers LLP as the Company's auditor for the ensuing year and to authorize the Board of Directors, upon the recommendation of the Audit Committee, to fix the auditor's remuneration; and

(d) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the Meeting. Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise to the Secretary of the Company c/o Equity Financial Trust Company, Proxy Dept., 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Equity Financial Trust Company not later than 2:00 p.m. (Toronto time) on February 26, 2013, or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjourned meeting.

DATED as of the 25th day of January, 2013.

By order of the Board of Directors

Robert Mitchell, C.A.
Chairman

ORVANA MINERALS CORP.

MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL MEETING OF SHAREHOLDERS

VOTING INFORMATION

Solicitation of Proxies

This Management Information Circular (the "Circular") is provided in connection with the solicitation, by or on behalf of the management of Orvana Minerals Corp. ("Orvana" or the "Company"), of proxies to be used at the Company's annual meeting of the holders of its common shares (the "Common Shares") to be held on February 28, 2013 (the "Meeting") or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Company without special compensation, or by the Company's transfer agent, Equity Financial Trust Company, at nominal cost. The cost of solicitation will be borne by the Company.

Who Can Vote

The Company's board of directors (the "Board") has fixed January 25, 2013 as the record date for the Meeting. Any holder of Common Shares of record at the close of business on the record date will be entitled to vote the Common Shares held by such shareholder as at such date on each matter to be acted upon at the Meeting.

If you are a registered holder of Common Shares, a form of proxy is enclosed that you can use to vote at the Meeting or you may attend in person and vote at the Meeting.

If you are a non-registered holder and your Common Shares are held by an intermediary (such as a broker or financial institution), you may receive either a form of proxy or voting instruction form and should follow the instructions provided with such form.

Voting Matters

At the Meeting, shareholders are voting on the following matters:

- the election of directors of the Company; and
- the appointment of the Company's auditor for the ensuing year and the authorization of the Board, upon the recommendation of the Audit Committee, to fix the auditor's remuneration.

Voting Your Common Shares

All shareholders are advised to carefully read the voting instructions below that are applicable to them.

Registered Shareholders

If you were a registered shareholder on the record date, you may vote in person at the Meeting or give another person authority to represent you and vote your shares at the Meeting, as described below under the heading "Appointment of Proxyholder".

Non-Registered Shareholders

It is possible that your Common Shares may be registered in the name of an intermediary, which is usually a trust company, securities broker or other financial institution. A substantial number of shareholders do not hold Common Shares in their own name. If your Common Shares are registered in the name of an intermediary, you are a non-registered shareholder, which is sometimes referred to as a beneficial owner. You should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

Your intermediary is entitled to vote the Common Shares held by it and beneficially owned by you on the record date. However, without specific instructions from the beneficial holder, a broker and its agents and nominees are prohibited from voting Common Shares for such beneficial holder. Therefore, if you are a beneficial shareholder rather than a registered shareholder, you should follow the instructions of your intermediary with respect to the procedures to be followed for voting. Generally, intermediaries will provide non-registered shareholders with either: (i) a voting instruction form for completion and execution by you, or (b) a proxy form, executed by the intermediary and restricted to the number of Common Shares owned by you, but otherwise uncompleted. These procedures are to permit non-registered shareholders to direct the voting of the Common Shares that they beneficially own.

Please note that if you are a non-registered shareholder and you wish to attend the Meeting, you will not be recognized at the Meeting for the purpose of voting Common Shares registered in the name of an intermediary unless you appoint yourself as a proxyholder. Accordingly, if you are a non-registered shareholder, to vote your Common Shares in person at the Meeting, you should take the following steps:

- appoint yourself as the proxyholder by writing your own name in the space provided on the voting instruction form or form of proxy; and
- follow the instructions of the intermediary for return of the executed form or other method of response.

Do not otherwise complete the form as your vote, or your designate's vote, will be taken at the Meeting.

Appointment of Proxyholder

Each shareholder has the right to appoint as proxyholder a person (who need not be a shareholder of the Company) other than the persons designated by management of the Company in the enclosed form of proxy to attend and act on the shareholder's behalf at the Meeting or at any adjournment thereof. Such right may be exercised by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. If you leave the space in the proxy form blank, the persons designated in the form, who are officers of the Company, are appointed to act as your proxyholder.

The persons designated by management of the Company in the enclosed form of proxy are officers of the Company. In the case of **registered shareholders**, the completed, dated and signed form of proxy should be sent (i) in the enclosed envelope by mail, courier or delivered in person to the Secretary of the Company c/o Equity Financial Trust Company, Proxy Dept., 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, or (ii) by facsimile to (416) 595-9593 (within North America). To be effective, a proxy must be received by Equity Financial Trust Company not later than 2:00 p.m. (Toronto time) on February 26, 2013, or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjourned meeting.

In the case of **non-registered shareholders** who receive these materials through their broker or other intermediary, the shareholder should communicate his or her voting instructions in accordance with the instructions provided by the shareholder's intermediary.

Revocation of Proxy

A shareholder who has given a proxy may revoke it at any time before it is used by doing one of the following:

- by depositing an instrument in writing or another proxy form signed by the shareholder or by the shareholder's attorney, who is authorized in writing or by electronic signature, or
- by delivering or transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing or by electronic signature,

in either case, to or at the registered office of the Company at 181 University Avenue, Suite 1901, Toronto, Ontario, M5H 3M7, by facsimile transmission to (416) 369-1402 or by electronic delivery to proxy@orvana.com, in each case, at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjourned meeting. You may also attend the Meeting and notify the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjourned meeting that you are revoking your proxy. You may also revoke your proxy in any other manner permitted by law.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Company in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the proxy. If you have not specified how to vote on a particular matter, then your proxyholder can vote your Common Shares as he or she sees fit. **If neither you nor your proxyholder gives specific instructions, your Common Shares will be voted as follows:**

- **FOR** the election of nominees as directors of the Company; and
- **FOR** the appointment of PricewaterhouseCoopers LLP as the Company's auditor for the ensuing year and the authorization of the Board, upon the recommendation of the Audit Committee, to fix the auditor's remuneration.

Additional Matters Presented at the Meeting

The enclosed proxy form or voting instruction form confers discretionary authority upon the persons named as proxies therein with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

If you sign and return the form of proxy and do not appoint a proxyholder by filling in a name, and any other matter is presented at the Meeting, or at any postponement or adjournment thereof, in addition to, or as an amendment or variation to, the matters described in the Notice of Meeting, the Orvana representatives named as proxies will vote in their best judgment. When this Circular was mailed to shareholders, management of the Company was not aware of any matters to be considered at the Meeting other than the matters described in the Notice of Meeting or any amendments or variations to the matters described in such Notice of Meeting.

Voting Shares

As at January 25, 2013, the Company had 136,573,171 Common Shares outstanding, each carrying the right to one vote per Common Share. The presence of at least two persons present in person, each being a shareholder entitled to vote at the Meeting or a duly appointed proxyholder or representative for a shareholder entitled to vote at the Meeting, is necessary for a quorum at the Meeting. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of the matters that are submitted to a vote at the Meeting.

Principal Shareholders

To the knowledge of the directors and senior officers of the Company, as at January 25, 2013, no person beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the voting rights attached to the outstanding Common Shares of the Company except as stated below:

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
Fabulosa Mines Limited (1)	70,915,027	51.9%

(1) Pursuant to an agreement dated May 16, 2011, Fabulosa Mines Limited ("Fabulosa") has a pre-emptive right with respect to the issuance of additional Common Shares or securities convertible into Common Shares to other persons, entitling Fabulosa to acquire the same number of Common Shares or convertible securities that the Company issues to such other persons on the same terms and conditions, subject to applicable requirements of The Toronto Stock Exchange (the "TSX").

Notice to United States Shareholders

The solicitation of proxies by the Company is not subject to the requirements of Section 14(a) of the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" as defined in Rule 3b-4 promulgated under the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Shareholders in the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act.

MATTERS TO BE ACTED UPON AT THE MEETING

The Meeting will address the following matters:

1. receiving the Company's comparative audited consolidated financial statements as at and for the fiscal year ended September 30, 2012 and the auditor's report thereon (the "2012 Financials");
2. electing directors who will serve until the next annual meeting of shareholders;
3. appointing the auditor of the Company that will serve until the next annual meeting of shareholders and authorizing the Board, upon the recommendation of the Audit Committee, to set the auditor's remuneration; and
4. any such other business as may properly be brought before the Meeting.

Receiving the Financial Statements

The 2012 Financials are being mailed to the Company's registered and beneficial shareholders who requested such financial statements. Management of the Company will review the financial results set out in the 2012 Financials at the Meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management of the Company. The 2012 Financials are available on the Company's website at www.orvana.com or on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Election of Directors

The Company's articles provide that the Board may consist of a minimum of three and a maximum of ten directors. The Board is currently comprised of five directors. The Board has determined to nominate each of the five persons listed below for election as a director at the Meeting and has fixed the size of the Board at five. All of the nominees are current members of the Board and have been directors of the Company since the date indicated in the table below opposite the proposed nominee's name. In addition, the Compensation and Nominating Committee has being conducting a selection process to identify and recommend to the Board additional candidates to become directors of the Company. In the event that additional nominees for election as directors are selected prior to the Meeting, the additional nominees will be recommended by the Board for election by shareholders as directors of the Company at the Meeting.

Under the by-law of the Company, directors of the Company are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-law.

The Board has adopted a majority voting policy in its Corporate Governance Guidelines pursuant to which any nominee proposed for election as a director in an uncontested election who receives, from the Common Shares voted at the Meeting in person or by proxy, a greater number of Common Shares withheld than Common Shares voted in favour of their election, must promptly tender his or her resignation to the Chair of the Board, to take effect on acceptance by the Board. The Compensation and Nominating Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board on whether to accept it. The Board will then make a final decision and announce it. See "Statement of Corporate Governance Practices" attached as Schedule A to this Circular.

Other than as described below under "Interest of Informed Persons in Material Transactions", there are no contracts, arrangements or understandings between any director or executive officer or any other person pursuant to which any of the nominees has been nominated.

The Board recommends that shareholders vote FOR the election as directors of the Company of each of the five nominees set out in the Circular. Unless authority to do so with respect to one or more directors is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of each of such nominees.

Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the persons designated by management of the Company in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each proposed nominee for election as a director of the Company, including the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at January 25, 2013:

Name, Province/State and Country of Residence	**Principal Occupation**	**Director Since**	**Common Shares Beneficially Owned or Over Which Control or Direction is Exercised (1)**
Robert Mitchell, C.A. (2)(3)(5) Ontario, Canada	Corporate director from October 2001; prior to that, Partner, Ernst & Young LLP, an accounting firm.	April 2007 and from December 2003 to June 2006	125,000
Jorge Szasz, C.A. (2)(3)(4) La Paz, Bolivia	Consultant to mining exploration and development companies since September 2009; prior to that, Vice President Commercial, Finance and Administration of Sinchi Wayra S.A., a mining company that is a subsidiary of Glencore International AG.	February 2010 and from August 2002 to November 2005	Nil
Audra Walsh, P.E. (2) Virginia, U.S.A.	President and Chief Executive Officer of Minera S.A. since September 2012; prior to that was President and CEO of A2Z Mining, Inc. since January 2011, a mining consultancy; prior to that was Senior Manager at Barrick Gold Corporation, a mining company, from November 2007 to January 2011.	October 2012	Nil
Dr. William C. Williams (4) Massachusetts, U.S.A.	President and Chief Executive Officer of the Company since December 2011; prior to that, Vice President, Corporate Development of the Company from March 2008 to December 2011; and prior to that, Vice President Americas of Freeport-McMoran Exploration.	December 2011	240,000
C. John Wilson (3) Maryland, U.S.A.	Independent project finance and economic development consultant since 2011; prior to that, Chief Credit Officer, Credit Review Department, International Finance Corporation, a member of the World Bank Group, since August 2003; prior to that, Chief Investment Officer, Mining Division, International Finance Corporation.	March 2012	Nil

(1) Information as to Common Shares beneficially owned or over which control or direction is exercised and as to employment history, not being within the knowledge of the Company, has been furnished by the respective proposed nominees. Does not include options exercisable for the purchase of Common Shares issued under the Company's Stock Option Plan or Deferred Share Units issued under the Company's Deferred Share Unit Plan for Non-Employee Directors. See "Directors' Compensation" below for this additional information.

(2) Member of the Compensation and Nominating Committee.

(3) Member of the Audit Committee.

(4) Member of the Technical, Safety, Health and Environment Committee.

(5) Chairman of the Board.

Appointment of Auditor

The auditor of the Company is currently PricewaterhouseCoopers LLP ("PwC"). At the Meeting, holders of Common Shares will be requested to re-appoint PwC as the Company's independent auditor to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the board of directors to fix the auditor's remuneration. PwC Canada has been the auditor of the Company since September 2004.

The Board recommends that you vote FOR the re-appointment of PwC Canada as independent auditor for the Company until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board, upon the recommendation of the Audit Committee, to fix the auditor's remuneration. **Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PwC as the auditor of the Company until the close of the next annual meeting of the shareholders of the Company, or until its successor is appointed, and the authorization of the Board, upon recommendation of the Audit Committee, to fix the auditor's remuneration.**

During the fiscal year ended September 30, 2012, PwC was paid $498,000 for audit services, $80,000 for audit-related services and $54,000 for other services and no fees for tax-related services. All non-audit services provided by PwC are subject to pre-approval by our Audit Committee. Additional information regarding the compensation of PwC is contained in our Annual Information Form for the fiscal year ended September 30, 2012 under the heading "Audit Committee Disclosure". Our Annual Information Form may be found on our website at www.orvana.com on SEDAR at www.sedar.com.

Other Matters

The Company knows of no other matters to be submitted to the shareholders at the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent in accordance with their judgement on such matters.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 - *Corporate Governance Guidelines* of the Canadian Securities Administrators ("CSA") sets out a series of guidelines for effective corporate governance (the "Corporate Governance Guidelines"). The Corporate Governance Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. As it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance with the Corporate Governance Guidelines, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the CSA ("NI 58-101") requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Corporate Governance Guidelines. The Company's approach to corporate governance in relation to the Corporate Governance Guidelines is set out in Schedule "A" to this Circular.

EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to include in this Circular certain information concerning the compensation earned from the Company and any of the Company's subsidiaries by the Company's Chief Executive Officer (the "CEO") and its Chief Financial Officer (the "CFO") (regardless of the amount of compensation of those individuals) and each of the Company's other three most highly compensated executive officers whose total compensation exceeded $150,000 during the Company's most recently completed fiscal year (collectively, the "NEOs" and each an "NEO").

Unless otherwise noted herein, all dollar amounts in this Circular are in U.S. dollars which is the Company's reporting currency in the 2012 Financials. As at September 28, 2012, the last business day of the Company's fiscal 2012 year, the noon rate value of one Canadian dollar was $1.0166 in U.S. dollars and the closing rate value of one Euro was $1.2930 in U.S. dollars, according to the Bank of Canada and European Central Bank, respectively.

Compensation Discussion and Analysis

Objectives of the Executive Compensation Program

The objectives of Orvana's executive compensation program are: (i) to align the interests of executive officers with the short and long-term interests of the Company's shareholders, (ii) to provide incentive compensation opportunities for executive officers that complement the Company's strategic and operational objectives and are commensurate with the level of performance achieved, (iii) to ensure that the Company is able to attract and retain skilled and experienced executive officers who can help Orvana achieve its strategic and operational objectives, and (iv) to be competitive with the companies with which Orvana competes for talent.

Orvana's compensation program is designed to take into consideration the experience, responsibility and expected performance of each individual and to ensure that the compensation packages are consistent with the compensation provided for positions of similar responsibility in mining companies of a similar size and operational complexity.

Elements of Executive Compensation

The elements of the Company's executive compensation program, which include both fixed compensation and performance-based variable compensation, are: base salary, annual performance bonus, restricted share units, stock options and a benefits program consisting of health, dental, disability and insurance plans. The sum of these compensation elements comprises the total direct compensation of the Company's executive officers. The Company does not have a pension plan.

Base Salary

Base salary is a fixed component of compensation that provides income certainty by establishing a base level of compensation of executives for fulfilling their roles and responsibilities.

Annual Performance Bonus

The annual performance bonus provides the possibility of the annual payment of an amount equal to a percentage of an executive's base salary. The purpose of the annual performance bonus is to provide annual incentive compensation that is measured against both the achievement of annually established key performance objectives of the individual executive, which are established at the commencement of the fiscal year, and a qualitative evaluation of the executive's overall effectiveness and contribution to the Company. The amount of the bonus is variable from year to year in relation to the executive's performance.

Long-term Incentives

The elements of the compensation program that are intended to provide long-term incentives are the performance-based grants of restricted share units, which may be granted annually, and stock options. These grants of equity-linked compensation are intended to better align the interests of an executive with those of shareholders by connecting the amount of the executive's compensation to the Company's share price performance. The incremental vesting of awards over a period of time is also intended to aid in executive retention as well as to mitigate the risk of undue risk-taking, the effects of which may lag annual bonus awards.

(i) Restricted Share Units

On October 1, 2008, the Company adopted the Restricted Share Unit Plan for Designated Executives (the "RSU Plan"). As described below, restricted share units ("RSUs") are used by the Company to provide certain executive officers (including the NEOs) with long-term incentive compensation that is measured against both the achievement of annually established key performance objectives of the individual executive and a qualitative evaluation of the executive's overall effectiveness and contribution to the Company. As RSUs are granted based on past performance, executives are not considered eligible to receive grants of RSUs until the end of the fiscal year in which they join the Company. The amount of the grant is variable from year to year in relation to the executive's performance.

The number of RSUs included in a grant is determined by dividing the value of the RSU award by the average closing price of the Common Shares on the TSX for the five trading days immediately prior to September 30 of the fiscal year in which the services to which the grant relates were rendered. RSUs vest on December 1 of the third calendar year following the end of the calendar year in which the executive provided the services to which the grant relates (where such services straddle two calendar years, the first calendar year in which the services to which the grant of such RSUs relate were rendered) or such other date as may be specified in the terms of the grant. Pursuant to the RSU Plan, at vesting, each RSU will have a value equal to the average closing price of one Common Share for the five trading days prior to the vesting date. Executives who continue in employment with the Company or one of its affiliates on the vesting date shall receive a payment in respect of the vested RSUs. RSUs may be forfeited in the event of cessation of the executive's employment by the Company and its affiliates prior to vesting.

The addition of RSUs as a component of compensation is intended to more effectively correlate long-term incentive compensation to the Company's performance. In addition, while the value of both stock options and RSUs are tied to the Company's share price, unlike stock options, RSUs are not dilutive to shareholders' equity. The incentive, risk mitigation and retentive value of stock options can be limited in circumstances where, notwithstanding strong corporate and/or individual performance, the Company's share price is negatively impacted by external factors such that stock options have no value. In such circumstances, RSUs continue to have value, albeit reduced, and, consequently, continue to support executive retention and provide effective long-term incentive compensation. The vesting period for RSUs is intended to ensure that they act as long-term incentive compensation and provide a significant retention incentive.

(ii) Stock Options

Prior to Orvana's adoption of the RSU Plan, the Company's long-term incentive compensation for executives was solely in the form of options to purchase Common Shares. Like RSUs, the value of stock options is directly linked to the price of the Common Shares. The Company continues to grant stock options in connection with the initial appointment of certain executives, thereby bridging the period until a significant RSU holding is established. The purpose of these awards is to assist in attracting talented executives and to align their interests with those of the Company's shareholders from the date of their initial appointment and prior to their eligibility to receive grants of RSUs. Grants of additional stock options may be made to an executive based on the recommendation of the Compensation and Nominating Committee, taking into account such factors as: an exceptional level of Company or individual performance, the number of stock options awarded to such executive in the past and other factors that might justify an additional grant.

Options are granted under the Company's Stock Option Plan adopted by the Company effective on February 16, 2006 (the "Stock Option Plan"). Stock options granted under the Stock Option Plan have an exercise price of not less than the volume-weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the trading day prior to the option grant date. Such options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the Common Shares shall be issuable under an option within 12 months of the grant date. Stock options expire not later than the fifth anniversary of the date on which they are granted.

Other Compensation

The Company's NEOs also receive benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits consist of medical, dental, long and short-term disability, accidental death and dismemberment and life insurance.

How the Company Determines Executive Compensation

The Compensation and Nominating Committee (the "Compensation Committee") reviews each component of compensation for each officer and makes a compensation recommendation to the Board. In making its recommendations, the Compensation Committee considers, among other things, recommendations made by any external compensation consultant retained by the Compensation Committee and self-evaluations completed by the executives. In addition, the Compensation Committee may seek input from the CEO with respect to the performance evaluations of the other NEOs. The Board reviews the recommendations of the Compensation Committee and provides final approval of the compensation of the Company's officers.

As at the date of the Circular, the Compensation Committee is comprised of Audra Walsh (Chair), Jorge Szasz and Robert Mitchell. Mr. Mitchell is an independent director of the Company and Ms. Walsh and Mr. Szasz are not independent directors of the Company. Richard Garnett was the Chair of the Compensation Committee until December 15, 2012. Mr. Garnett was an independent director of the Company. Each such member of the Compensation Committee have extensive experience in the mining industry, managing businesses and managing executives. In such capacities, such members have addressed compensation and performance matters. The Compensation Committee also relies on external independent compensation consultants as discussed in more detail below.

In the 2008 fiscal year, the Compensation Committee retained Towers Watson to review and make recommendations regarding the Company's executive and director compensation. At the recommendation of the Compensation Committee, the Board largely adopted the recommendations made by Towers Watson and this formed the basis of executive and director compensation until towards the end of fiscal 2012.

In the 2012 fiscal year, the Compensation Committee retained Bedford Consulting Group ("Bedford") to review and make updated recommendations regarding the Company's executive and director compensation. Bedford received a fee of C$51,000 in connection with such compensation consulting services. At the recommendation of the Compensation Committee, the Board adopted certain recommendations made by Bedford related to executive salaries effective August 1, 2012. All other recommendations from Bedford are being considered in respect of executive compensation for the 2013 fiscal year. To evaluate its level and manner of executive compensation and establish appropriate reference points, following discussions with Bedford, the Compensation Committee established a benchmark group of comparably-sized, mid-tier mining companies. The following were the companies included in the list: Amerigo Resources Ltd., Argonaut Gold Inc., Augusta Resource Corporation, Aura Minerals Inc., Brigus Gold Corp., Claude Resources Inc., Crocodile Gold Corp., Exeter Resource Corporation, Imperial Metals Corporation, Jaguar Mining Inc., Primero Mining Corp., Richmont Mines Inc., St. Andrew Goldfields Ltd., Teranga Gold Corporation, Wesdome Gold Mines Inc.

As a guiding principle in determining executive compensation, Orvana seeks to position base salaries and target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive to earn above median total compensation for superior performance.

Base salaries are reviewed annually by the Compensation Committee following which a recommendation regarding base salary for the upcoming year is provided to the Board. In its annual review, the Committee considers the compensation levels in benchmark companies to ensure that the base salary of each NEO properly reflects Orvana's goal of setting compensation relative to benchmark companies as well as the officer's expertise and performance in fulfilling their role and responsibilities.

To determine the amounts of annual bonus and long-term incentive compensation, at the commencement of each fiscal year, the Compensation Committee establishes target amounts for the annual bonus and long-term incentive compensation of each NEO. These targets are set following consultation with the executives. As with base salaries, targets for annual bonus and long-term incentive compensation amounts are determined with reference to the benchmark companies and the guiding principle that Orvana establish target annual and long-term incentive awards near the effective median of its competitive market, with the opportunity for an executive to earn above median total compensation for superior performance. In determining the annual objectives relating to such annual bonus and long-term incentive compensation, the Compensation Committee considers major risks that face the Company such as health, safety and environment risks, and ensures that the objectives of the NEOs include managing such risks.

At the start of each fiscal year, the Compensation Committee works with each of the executives to establish individual key performance objectives for the year. The objectives are designed to reflect both the Company's short-term goals and its long-term strategic objectives. The amount of annual bonus and long-term incentive compensation granted to an executive is determined in part by the executive's success in achieving the applicable performance objectives and in part by the overall view of the Compensation Committee of the executive's effectiveness and contribution to the Company. In determining an executive's annual incentive compensation, success in achieving the performance objectives is assigned a certain weight and the overall view of the Compensation Committee of the executive's effectiveness in reaching the objectives and contribution to the Company is assigned a certain weight. For fiscal 2012, the Compensation Committee assigned a weight of 100% to the executive's effectiveness in reaching the objectives and contribution to the Company. In a given year, an executive's incentive compensation can range from 0 to 110% of the targeted amounts. The factor determined by this evaluation is applied to the target amounts of annual bonus and long-term incentive compensation to determine both an executive's annual performance bonus and the executive's annual long-term incentive award.

At the same time that the Compensation Committee establishes performance objectives for the coming year, it reviews the success of the executives in achieving the prior year's objectives and determines its recommendations regarding incentive compensation in respect of the prior year. The Compensation Committee retains full discretion with respect to any recommendation of compensation awards and the Board retains full discretion with respect to granting all compensation awarded.

The NEOs may not sell "short" or sell a "call option" on any securities of the Company or purchase a "put option" where they do not own the underlying securities.

Compensation Decisions for the Year Ended September 30, 2012

During the 2012 fiscal year, the NEOs were (i) Dr. William C. Williams, the current President and CEO; (ii) Roland Horst, the former CEO (until December 5, 2011); (iii) Daniella Dimitrov, the current CFO (effective June 1, 2012); (iv) Malcolm King, the former CFO (until May 31, 2012); (v) James Jacques, the current Chief Operating Officer ("COO") (effective August 1, 2012); (vi) Agne Ahlenius, the former COO (until August 1, 2012); and (vii) Carlos Mirabal, the former Executive Chairman of one of the subsidiaries of the Company (until May 31, 2012).

CEO

In his capacity as President and CEO of the Company, for the period from December 5, 2011 to August 1, 2012, Dr. William's annual base salary was $280,000. Effective August 1, 2012, Dr. Williams' base salary was changed to $340,000. The targeted amounts for each of the annual performance bonus and the long-term incentive compensation were established as 35% of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation was limited to 110% of his base salary.

The performance objectives established for the CEO for the 2012 fiscal year were to: (i) lead and motivate the management team to meet or exceed the Company's business plan; (ii) increase shareholder value through enhanced investor relations and Company disclosure; (iii) maintain and improve ethical, safety, health and environmental standards of the Company; (iv) strengthen relationships with all stakeholders of Orvana, including shareholders, corporate and investment bankers, mining analysts and others; (v) have an effective working relationship with the Board; and (vi) provide technical oversight as the Company's Qualified Person as defined by National Instrument 43-101. The total score for performance objectives of the executive's overall score was 111.1% of the targeted amounts.

As each of the targeted amounts was equal to 36.67% of Dr. Williams' base salary, with the total amount of each of the awards was equal to 38.9% of his base salary. Consequently, Dr. Williams received a cash bonus of US$108,864 and an award of RSUs having a value of US$108,864 as at the end of the 2012 fiscal year.

CFO

During fiscal 2012, Mr. King was the Company's Vice President and CFO until May 31, 2012 and continued as an employee of the Company until August 15. 2012. Mr. King's base salary for fiscal 2012 was $258,013 (C$253,800). Mr. King did not receive any annual performance bonus or long-term incentive compensation in respect of the 2012 fiscal year.

Ms. Dimitrov was appointed as the Company's CFO effective June 1, 2012. For the period from June 1 to July 31, 2012, her annual base salary was $243,984 (C$240,000). Effective August 1, 2012, Ms. Dimitrov's salary was changed to $254,150 (C$250,000). The targeted amounts for each of annual performance bonus and long-term incentive compensation were both established as 35% of her base salary. The combined maximum for the annual performance bonus and long-term incentive compensation was limited to 105% of her base salary.

The performance objectives established for the CFO for the 2012 fiscal year were to: (i) as part of the management group, meet or exceed key overall Company business plan production and financial performance objectives (ii) contribute finance function expertise to strategic initiatives in support of the growth of the Company, (iii) lead financing efforts in support of Company's liquidity requirements; (iv) lead finance function responsible for monitoring and managing the Company's cash resources and overall liquidity, budgeting and cash forecasting, financial and management reporting and systems; and (v) compliance with accounting and reporting requirements. The total score for performance objectives of the executive's overall score was 143% of the targeted amounts.

As each of the targeted amounts was equal to 35% of Ms. Dimitrov's base salary, the amount of each of the awards was equal to 50% of her base salary pro rata for the period of time she was the CFO. In addition, the Compensation Committee awarded a bonus of $20,000 for additional contributions during her tenure from March 1 to May 31, 2012 as a director of the Company. Consequently, Ms. Dimitrov received a cash bonus of $60,996 (C$60,000) and an award of RSUs having a value of $60,996 (C$60,000) in respect of the 2012 fiscal year.

COO

Mr. Jacques was appointed as the COO on August 1, 2012 with a base salary of $230,000 and prior to this his based salary was $200,000 in his role of Vice President, Operations. The targeted amounts for annual performance bonus and long-term incentive compensation were both established as 35% of his base salary. The combined maximum for the annual performance bonus and long-term incentive compensation is limited to 105% of his base salary.

The performance objectives established for the COO for the 2012 fiscal year were to: (i) as part of the management group, meet or exceed key overall Company business plan production and financial performance objectives, (ii) maintain or improve the fiscal year 2011 levels of safety, health, environmental and community relations practices at each of the Company's project locations; (iii) meet project-specific production and financial performance criteria and capital project management objectives on time and on budget at the Company's Bolivian and Spanish project locations; (iv) manage the advance of the Copperwood Project; and (v) maintain an effective working relationship with the management team in executing the Company's business plan. The total score for performance objectives of the executive's overall score was 128.6% of the targeted amounts.

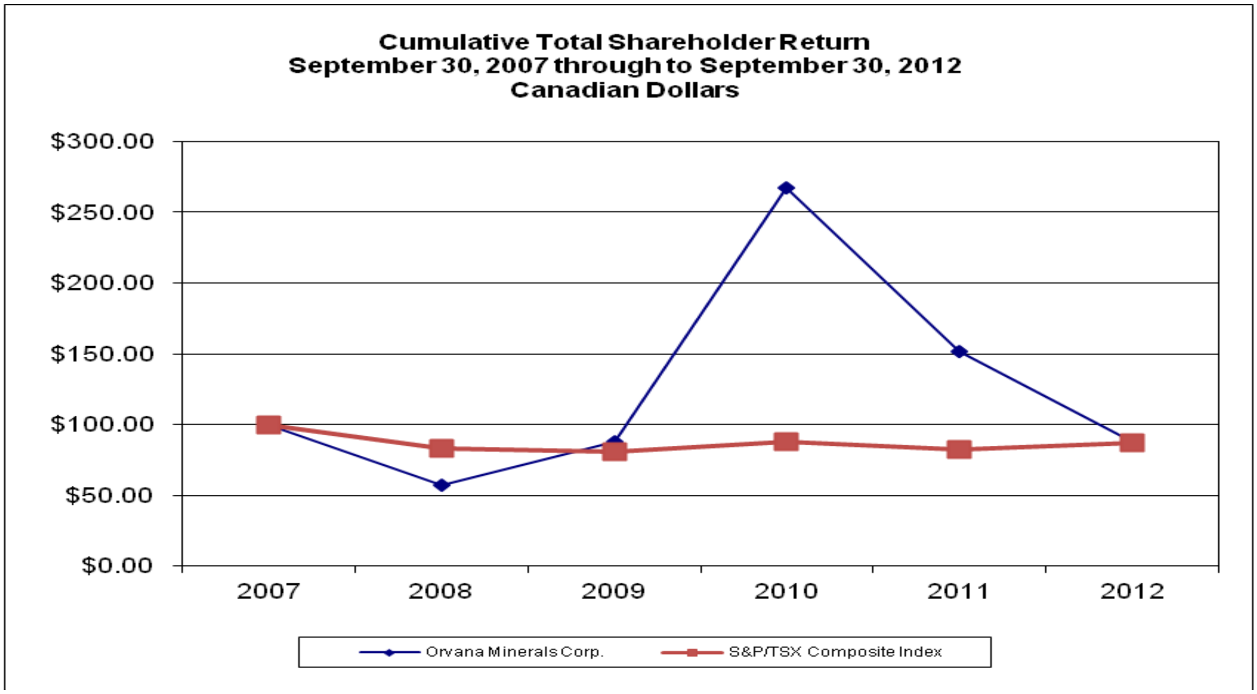
As each of the targeted amounts was equal to 35% of Mr. Jacques' base salary, the amount of each of the awards was equal to 45% of his base salary. Consequently, he received a cash bonus of $90,000 and an award of RSUs having a value of $90,000 in respect of the 2012 fiscal year.

Mr. Ahlenius was the Company's COO from December 5, 2011 until August 1, 2012. The annual base salary of Mr. Ahlenius was $226,275 (€175,000). Mr. Ahlenius did not receive any annual performance bonus or long-term incentive compensation in respect of the 2012 fiscal year.

Mr. Mirabal was the Company's COO until December 5, 2011. The annual base salary of Mr. Mirabal as the COO of the Company was $250,000. Mr. Mirabal did not receive any annual performance bonus or long-term incentive compensation in respect of the 2012 fiscal year.

Performance Graph

The following graph compares the yearly percentage change in the Company's cumulative total shareholder return on its Common Shares with the cumulative total return of the S&P/TSX Composite Index (the "S&P/TSX Index") for the five most recently completed fiscal years. The graph illustrates the cumulative return on a C$100 investment in Common Shares made on September 30, 2007 as compared with the cumulative return on a C$100 investment in the S&P/TSX Index made on the same date. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



Year ended September 30	2007	2008	2009	2010	2011	2012
Orvana Minerals Corp.	$100.00	$57.43	$88.12	$267.33	$151.49	$88.12
S&P/TSX Composite Index	$100.00	$83.36	$80.82	$87.73	$82.45	$87.37

The Compensation Committee is of the view that the trend in the Company's share price shown in the performance graph is consistent with the trend in the Company's compensation to executive officers during that period, taking into account the transition of the management team and the Company into an operational phase at two major projects, as well as incentive and retention objectives.

Summary Compensation Table

The following table sets forth information concerning the compensation earned from the Company and any of the Company's subsidiaries by each person who was an NEO during the fiscal year ended September 30, 2012. Salaries for the NEOs of the Company are paid in U.S. dollars with the exception of Messrs. Horst and King who were paid in Canadian dollars, Ms. Dimitrov who is paid in Canadian dollars and Mr. Ahlenius who was paid in Euros. For reporting purposes in the Summary Compensation Table below for the year ended September 30, 2012, Messrs. Horst and King's and Ms. Dimitrov's salaries, RSUs, annual incentive bonuses and other compensation have been converted to U.S. dollars at the exchange rate of C$1.00 = $1.0166 (based on the Bank of Canada noon rate for September 28, 2012) and Mr. Alhenius's salary, RSUs, annual incentive bonus and other compensation has been converted to U.S. dollars at the exchange rate of €1.00 = $1.2930 (based on the European Central Bank closing rate for September 28, 2012).

Name and principal position	Year	Salary ($)	Share-based awards ($) [8]	Option-based awards ($)[9]	Non-equity incentive plan compensation ($) Annual incentive plan	Non-equity incentive plan compensation ($) Long-term incentive plans	Pension Value ($)	All other Compen-sation ($)	Total Compen-sation ($)
Dr. William C. Williams [1] President and CEO	2012	280,769	108,864	Nil	108,864	Nil	Nil	30,000	528,497
	2011	225,000	96,075	131,017	96,075	Nil	Nil	30,000	578,167
	2010	205,000	101,065	171,507	101,065	Nil	Nil	30,000	608,637
Roland Horst [2] Former CEO	2012	65,232	22,545	Nil	Nil	Nil	Nil	271,941	359,718
	2011	310,050	Nil	Nil	Nil	Nil	Nil	Nil	310,050
	2010	184,237	87,392	512,035	87,392	Nil	Nil	Nil	871,056
Daniella Dimitrov [3] CFO	2012	83,023	60,996	100,137	60,996	Nil	Nil	21,390	326,542
Malcolm King [4] Former CFO	2012	225,761	Nil	Nil	Nil	Nil	Nil	8,947	234,708
	2011	224,190	56,496	Nil	56,496	Nil	Nil	5,861	343,043
	2010	214,185	94,081	Nil	94,081	Nil	Nil	5,090	407,437
James Jacques [5] COO	2012	185,865	90,000	Nil	90,000	Nil	Nil	11,152	377,017
	2011	68,750	19,474	65,509	19,474	Nil	Nil	9,900	183,107
Agne Ahlenius [6] Former COO	2012	208,810	Nil	Nil	Nil	Nil	Nil	13,469	222,279
	2011	237,862	45,577	65,509	45,577	Nil	Nil	33,758	428,283
	2010	9,564	Nil	Nil	6,752	Nil	Nil	797	17,113
Carlos Mirabal [7] Former President and COO	2012	154,762	Nil	Nil	Nil	Nil	Nil	201,880	356,642
	2011	250,000	63,125	65,509	63,125	Nil	Nil	Nil	441,759
	2010	225,000	151,875	Nil	151,875	Nil	Nil	Nil	528,750

(1) Dr. Williams was appointed as President and CEO effective December 5, 2011. The salary included in the table represents the base salary paid to Dr. Williams in his previous capacity as the Vice President, Corporate Development of the Company in respect of fiscal 2010, 2011 and 2012 until December 5, 2011 and the base salary paid to Dr. Williams as the President and CEO effective December 5, 2011. Amounts included for Dr. Williams under "All Other Compensation" are allowances to purchase benefits comparable to those provided directly by the Company to other executives. In his position as President and Chief Executive Officer of the Company, Dr. Williams' effective annual salary was $280,000 from December 5, 2011 to July 31, 2012 and $340,000 commencing on August 1, 2012.

(2) Mr. Horst resigned as the CEO and director of the Company effective December 5, 2011. The amounts included above were paid in Canadian dollars as salary of C$64,167, cash settlement of pro-rata amount of RSUs of C$22,177 and termination benefit of C$267,500 in respect of fiscal 2012; as salary of C$325,000 in respect of fiscal 2011 and as salary of C$189,583, RSUs of C$89,928 and a bonus of C$89,928 in respect of fiscal 2010.

(3) Ms. Dimitrov was a director of the Company from March 1, 2012 to May 31, 2012. Amounts included under "All Other Compensation" represent directors' fees. Ms. Dimitrov became the CFO on June 1, 2012. The amounts included above for Ms. Dimitrov were paid in Canadian dollars as salary of C$81,667, RSUs of C$60,000 and bonus of C$60,000 in respect of fiscal 2012. Ms. Dimitrov's effective annual salary during fiscal 2012 was C$240,000 in respect of June and July and C$250,000 commencing on August 1, 2012.

(4) Mr. King retired as the CFO of the Company effective May 31, 2012 and as an employee effective August 15, 2012. The amounts included above for Mr. King were paid in Canadian dollars as salary of C$222,075 and benefits of C$8,801 in respect of fiscal 2012; as salary of C$235,000, RSUs of C$59,220, bonus of C$59,220 and benefits of C$6,144 in respect of fiscal 2011; and as salary of C$220,400, RSUs of C$96,811, bonus of C$96,811 and benefits of C$5,238 in respect of fiscal 2010.

(5) Mr. Jacques became an employee of the Company on April 1, 2011 and was appointed the COO on August 1, 2012. Amounts included in the table as base salary represent the salary paid to Mr. Jacques as Vice President, Operations in respect of fiscal 2011 and 2012 until August 1, 2012 and as the COO thereafter. The amounts included for Mr. Jacques under "All Other Compensation" are allowances to purchase benefits comparable to those provided directly by the Company to other executives. Mr. Jacques effective annual salary as the COO of the Company was $230,000 commencing on August 1, 2012.

(6) Mr. Ahlenius was appointed as the COO of the Company on December 5, 2011 and resigned as the COO of the Company effective August 1, 2012. The amounts included above for Mr. Ahlenius were paid in Euros as salary of Euros 161,493 and benefits of Euros 10,417 in respect of fiscal 2012. The amounts in the table above for fiscal 2010 represent his salary and

benefits for 15 days of fiscal 2010. The amounts included for Mr. Ahlenius under “All Other Compensation” are allowances to purchase benefits comparable to those provided directly by the Company to other executives and a housing allowance.

(7) Mr. Mirabal resigned as the President and COO of the Company effective December 5, 2011, was appointed Executive Chairman of a subsidiary of the Company effective December 5, 2011 and resigned from this position on May 31, 2012. The amounts included above for Mr. Mirabal were paid in U.S. dollars as salary of $154,762 and termination benefit of $201,880 in respect of fiscal 2012.

(8) These amounts represent the amount in U.S. dollars of RSUs granted to the respective NEO.

(9) These amounts represent the U.S. dollar grant date fair value of stock options granted to the respective NEOs. The methodology used to calculate these amounts was the Black-Scholes model and the following assumptions were used: for Ms. Dimitrov in respect of (i) 125,000 options granted on March 28, 2012, volatility of 60.6%, dividend yield of nil, interest rate of 1.47%, expected life of 5 years, exercise price of C$0.88, and (ii) 100,000 options granted effective June 1, 2012, volatility of 60.6%, dividend yield of nil, interest rate of 1.27%, expected life of 5 years, exercise price of C$0.86.

Incentive Plan Awards

The following table provides information regarding all incentive plan awards for each Named Executive Officer outstanding as of September 30, 2012.

Outstanding Share-based Awards and Option-based Awards

Option-based Awards					Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($) (1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)(2)	Market or payout value of share-based awards that have vested ($) (2)
Dr. William C. Williams	50,000 100,000 250,000	C$0.75 C$3.65 C$1.03	March 3, 2013 December 10, 2015 December 20, 2016	$7,116 Nil Nil	181,349	$164,080	$32,428
Roland Horst (3)	500,000 150,000	C$1.01 C$3.65	December 5, 2012 December 5, 2012	Nil Nil	Nil	Nil	Nil
Daniella Dimitrov	125,000 100,000	C$0.88 C$0.86	March 28, 2017 June 1, 2017	$1,271 Nil	66,372	$56,543	Nil
Malcolm King	Nil	Nil	Nil	Nil	36,783	$33,280l	$30,774
James Jacques	100,000 125,000	C$3.01 C$1.03	April 1, 2016 December 20, 2016	Nil Nil	110,892	$100,332	Nil
Agne Ahlenius (4)	66,667 41,667	C$1.57 C$1.03	August 3, 2013 August 3, 2013	Nil	Nil	Nil	Nil
Carlos Mirabal	125,000	C$1.03	January 31, 2014	Nil	41,098	$37,184	$48,731

(1) Calculated using the closing price of the Common Shares on the TSX on September 28, 2012 of C$0.89 and subtracting the exercise price of the outstanding options. These options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

(2) Converted to U.S. dollars at the exchange rate of C$1.00 = $1.0166.

(3) Mr. Horst resigned effective December 5, 2011. In connection with such resignation, the vesting of 150,000 options granted to him on March 1, 2010 and originally scheduled to vest on March 1, 2012 was accelerated and such options vested on December 5, 2011. The remaining 100,000 unvested stock options then held by Mr. Horst remained unvested and were forfeited. A portion of the RSUs held by Mr. Horst were vested based on the number days from September 30, 2010 to December 5, 2011 as a percentage of the total number of days of the vesting period of these RSUs and as a result he received a payment of $21,157 (C$22,177). All of the outstanding options held by Mr. Horst expired unexercised on December 5, 2012.

(4) Mr. Ahlenius resigned effective August 1, 2012. A total of 116,666 unvested options and 28,309 RSUs were forfeited.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each NEO for the fiscal year ended September 30, 2012.

Incentive Plan Awards Vested or Earned During Fiscal Year ended September 30, 2012

Name	Option-based awards – value vested during year ($) (6)	Share-based awards – value vested during year ($) (5)(6)	Non-equity incentive plan compensation - value earned during year ($)
Dr. William C. Williams	$847 (1)(2)	$32,428	$108,864
Roland Horst	Nil	$22,545	Nil
Daniella Dimitrov	$1,017 (3)	Nil	$60,996 (6)
Malcolm King	Nil	$30,774	Nil
James Jacques	$424 (1)(2(4)	Nil	$90,000
Agne Ahlenius	$424 (1)	Nil	Nil
Carlos Mirabal	$635 (1)	$48,731	Nil

(1) Calculated using the closing price of the Common Shares on the TSX on December 20, 2011 of C$1.06 (the vesting date of Dr. Williams' 83,334 options, Mr. Mirabal' s 62,500 options and Messrs.' Jacques and Ahlenius' 41,667 options) and subtracting the exercise price of C$1.05. These options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

(2) Dr. Williams and Mr. Jacques each had 33,333 options vest on December 10, 2011 and April 1, 2012, respectively, but the closing price of the Common Shares on this date was below the exercise price of C$3.65 and C$3.01, respectively, thus these options were out-of-the-money

(3) Calculated using the closing price of the Common Shares on the TSX on June 1, 2012, the vesting date of Ms. Dimitrov's 33,334 options, subtracting the exercise price of C$0.87. In addition, Ms. Dimitrov also had 33,333 options vest during fiscal 2012 but the closing price on such vesting date was the same as the exercise price of C$0.89 and, therefore, such options were out-of-the-money.

(4) Mr. Jacques had 33,333 stock options vest on December 10, 2011 but the closing price of the Common Shares on this date was below the exercise price of C$3.65 and thus these options were out-of-the-money.

(5) RSU awards vest on December 1 of the second year after the end of the fiscal year in which they are granted. Calculated using the five day average price of the Common Shares prior to December 1, 2012 of C$0.838. Details regarding the RSU Plan, RSUs, the process for awarding RSUs and RSU awards for the fiscal year ended September 30, 2012 are provided above under "Executive Compensation – Compensation Discussion and Analysis".

(6) Converted to U.S. dollars at the September 30, 2012 using the Bank of Canada noon exchange rate of C$1.00 = $1.0166.

Termination and Change of Control Benefits

The Company or one of its affiliates has entered into an agreement with certain of the NEOs that sets out the terms of his or her employment, including the executive's entitlements in the event of the cessation of such employment.

Dr. Williams, who was previously the Company's Vice President, Corporate Development and became the Company's President and CEO effective December 5, 2011, has an employment agreement with Orvana Resources US Corp. ("Orvana US"), a wholly-owned subsidiary of the Company. Under the terms of this agreement, in the event of the termination of Dr. Williams's employment by Orvana US without cause, Dr. Williams is entitled to receive a payment equal to 12 months' base salary. In the event that Dr. Williams is unable to perform his duties for 180 days out of any consecutive 12-month period, Orvana US may choose to terminate his employment. In the event of such a termination, Orvana US will be required to pay Dr. Williams an amount equal to four months' base salary. Based on his base salary for the 2012 fiscal year, at September 30, 2012, Dr. Williams was entitled to receive a payment of $280,000 in the event of the termination of his employment without cause and a payment of $93,333 in the event of the termination of his employment due to disability. In connection with his appointment as the CEO, Dr. Williams's employment agreement was revised to also provide that, in the event that, prior to the second anniversary following a "change of control" of the Company, Dr. Williams's employment is terminated by the Company without cause, Dr. Williams shall be entitled to receive an amount equal to (i) 24 months' salary, based on his then current monthly base salary rate, plus (ii) two years' annual bonus compensation, based on the amount of bonus compensation awarded to him for the most recently completed financial year for which bonus compensation has been awarded with such payment to be made in 12 monthly instalments over the 12-month period following termination. For the purposes of such agreement, a "change of control" arises where: (i) any person (other than Fabulosa or any affiliate thereof) becomes the beneficial owner, directly or indirectly, of more than 50% of Orvana's then outstanding voting securities; (ii) an amalgamation or arrangement of Orvana with or into any person, or any other corporate reorganization takes place which results in the shareholders of Orvana prior to such transaction owning less than 50% of the voting securities of the entity resulting from the transaction or (iii) Orvana sells, leases or otherwise disposes of all or substantially all of its assets, other than to an affiliated entity. The Compensation Committee is currently updating the form and terms of Dr. Williams' employment agreement.

Mr. Horst, the Company's CEO during the 2011 fiscal year, had an employment agreement with the Company. Mr. Horst ceased to be the CEO effective December 5, 2011 and under the terms of his agreement, he was entitled to receive a payment following resignation equal to twelve months' base salary, being $310,050 (C$325,000). The RSUs then held by Mr. Horst were vested and he received a payment in the amount of C$22,177, which was based on the proportion that the period between the date on which the RSUs were granted and the date on which he resigned was of the period between the grant date and the original vesting date of the RSUs. In addition, the Company accelerated the vesting of 150,000 stock options granted to Mr. Horst on March 1, 2010 and which were originally scheduled to vest on March 1, 2012, such that all such options became fully vested on December 5, 2011. All outstanding options held by Mr. Horst expired on December 5, 2012.

Ms. Dimitrov currently does not have an employment agreement. Pursuant to an employment letter (i) in the event of Ms. Dimitrov's termination without cause, she is entitled to receive a payment equal to 12 months' base salary; and (ii) in the event of a change of control, as defined above, Ms. Dimitrov is entitled to a payment equal to 12 months' base salary plus an amount equal to one year's annual bonus compensation, based on the amount of bonus compensation awarded to her for the most recently completed financial year for which bonus compensation has been awarded. Based on her base salary effective as of August 1, 2012, at September 30, 2012, Ms. Dimitrov was entitled to receive a payment of C$250,000 in the event of the termination of her employment without cause

The Compensation Committee is currently working towards an employment agreement with Ms. Dimitrov incorporating, among other things, such terms.

Mr. King, the Company's Vice President and CFO until May 31, 2012, had an employment agreement with the Company. The RSUs then held by Mr. King as a result of his retirement will continue to vest on the vesting date and he will receive payment in respect of these units on suchdate.

Mr. Jacques, the Company's COO effective August 1, 2102, has an employment agreement with Orvana US effective April 1, 2011. Under the terms of this agreement, in the event of the termination of Mr. Jacques' employment by Orvana US without cause, Mr. Jacques is entitled to receive a payment equal to 6 months' base salary. Based on his base salary effective as of August 1, 2012, at September 30, 2012, Mr. Jacques was entitled to receive a payment of $115,000 in the event of the termination of his employment without cause. The Compensation Committee is currently updating the form and terms of Mr. Jacques' employment agreement.

Mr. Ahlenius, the Company's COO until August 1, 2012, had an employment agreement with the Company. Mr. Ahlenius options that were vested as of his resignation date expire on August 1, 2013. Mr. Ahlenius' unvested options and RSUs were forfeited as of the resignation date.

Mr. Mirabal was the Company's President and COO of the Company and was then the Executive Chairman of a subsidiary of the Company until May 31, 2012 when he retired. Mr. Mirabal had an employment agreement with this subsidiary. Based on his employment agreement, Mr. Mirabal received a termination payment of $201,880, which includes statutory payments under Bolivian law. In addition, his unvested options and RSUs vest on January 31, 2013.

Subject to the discretion of the Board to determine otherwise in a specific instance, the following terms apply to the treatment of options held by each of the NEO. In the event of termination of employment for cause, all vested and unvested options are terminated. In the event of termination of employment without cause, due to the executive's death or disability or as a result of the executive's resignation, all unvested options are terminated and all options vested at or prior to termination (including termination due to disability) may be exercised at any time prior to the earlier of (i) 12 months following termination, and (ii) the scheduled expiry date.

Subject to the discretion of the Compensating Committee to determine otherwise in a specific instance, the following terms apply to the treatment of RSUs held by each of the NEO. In the event of termination of employment for cause, all vested and unvested RSUs are forfeited. In the event of an executive's resignation or the termination of an executive's employment due to disability or retirement, all RSUs that remain unvested as at the date of termination of employment shall be forfeited and cancelled. In the event of the termination of an executive's employment without cause or upon the executive's death, all unvested RSUs shall vest and the executive, or the executive's estate, shall be entitled to a payment in respect of the vested RSUs that reflects the proportion that the period between the grant date and the date of termination of employment is of the period between the grant date and the scheduled vesting date.

DIRECTORS COMPENSATION

Fees and Expenses

From October 1, 2011 to September 30, 2012, non-management directors received annual fees of $15,249 (C$15,000), with the exception of the Chairman of the Board. Mr. Jespersen was Chairman of the Board from October 1, 2011 to February 29, 2012 and was paid a fee of $50,830 (C$50,000) (annual fee of $121,992 (C$120,000)). Mr. Simkus was Chairman of the Board from March 1, 2012 to August 17, 2012 and was paid a fee of $26,033 (C$25,608) (annual fee of $55,913 (C$55,000)). Mr. Mitchell was appointed Chairman of the Board effective August 18, 2012 and was paid a fee of $8,702 (C$8,560) in fiscal 2012 in this capacity (annual fee of $71,162 (C$70,000)).

In addition to the annual fees, each non-management director was paid a fee of $1,525 (C$1,500) for each Board or committee meeting attended in person and a fee of $762 (C$750) for each meeting attended by telephone. The Chair of each of the Audit Committee, the Compensation and Nominating Committee and the Technical, Safety, Health and Environment Committee was paid an additional annual fee of $5,083 (C$5,000) for serving in such capacity.

All reasonable expenses incurred by directors in attending meetings of the Board, committees or shareholders' meetings, together with all expenses reasonably incurred by directors in the conduct of the Company's business or in the discharge of directors' duties, are paid by the Company. Where round trip travel to attend meetings exceeded six hours these directors were paid an additional fee of $1,525 (C$1,500) per trip.

On October 1, 2012, following a review by Bedford of directors' compensation a new fee structure was implemented for fiscal 2013. Non-management directors will receive annual fees of $25,415 (C$25,000). In addition, the Chair of the Board will receive an annual fee of $35,581 (C$35,000). The Chair of the Audit Committee will receive an annual fee of $15,249 (C$15,000) and the Chair of each of the Compensation and Nominating Committee and the Technical, Safety, Health and Environment Committees will receive an annual fee of $10,166 (C$10,000). In addition, Members of the Audit Committee will receive an annual fee of $7,625 (C$7,500) and members of the Compensation and Nominating Committee and the Technical, Safety, Health and Environment Committee will receive an annual fee of $5,083 (C$5,000). In addition to the annual fees, each non-management director will receive a fee of $1,525 (C$1,500) for each board or Committee meeting attended in person, and a fee of $1,017 (C$1,000) for each meeting attended by telephone.

The directors of the Company may not sell "short" or sell a "call option" on any securities of the Company or purchase a "put option" where they do not own the underlying securities.

Deferred Share Units

The Company adopted its Deferred Share Unit Plan for Directors ("DSU Plan") with effect from October 1, 2008, and amended the DSU Plan as of October 23, 2009. The purposes of the DSU Plan are: (i) to promote a greater alignment of interests between directors of the Company and the shareholders of the Company; (ii) to provide a compensation system for directors that, together with the other director compensation mechanisms of the Company, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board; (iii) to assist the Company to attract and retain individuals with experience and ability to act as directors; and (iv) to allow directors of the Company to participate in the long-term success of the Company.

Annually, each director who is not an executive of the Company shall receive a grant of deferred share units ("DSUs") under the DSU Plan. The number of DSUs to be credited to a director shall be the result of multiplying (i) the number determined by dividing (A) C$15,000 (or such other amount as may be determined by the Board) by (B) the average closing price for Common Shares on the TSX on the five trading days immediately prior to October 1, by (ii) the number determined by dividing (A) the number of days the director has served on the Board since the immediately preceding October 1 and up to the applicable October 1 by (B) 365 or, in the case of a leap year, 366, which fraction, for greater certainty, cannot be greater than one. Grants of DSUs are effective on October 1 of each year and are fully vested upon being credited to a director's account.

A director may elect up to two separate dates as of which either a portion (specified in whole percentages or number of DSUs on any one date) or all of the DSUs credited to the director's account shall be redeemed by the director (or if the director is deceased, by his or her beneficiary), provided that no redemption date shall be prior to the date on which the director ceases to be a director of the Company or later than December 15 of the first calendar year commencing immediately after the date on which the director ceases to act as a director of the Company. Where a director does not elect a particular date or dates for redemption of his or her DSUs, there shall be a single redemption date six months after the date on which the director ceases to act as a director of the Company. The value of each DSU redeemed by or in respect of a director shall be the average closing price for Common Shares on the TSX on the five trading days immediately prior to such redemption date and shall be paid by the Company to the director (or if the director is deceased, to the director's beneficiary) in the form of a lump sum cash payment, less any applicable withholding taxes, as soon as practicable after such redemption date.

Options

It is the Company's policy to grant stock options to directors in connection with their initial appointment to the Board. The purpose of these awards is to assist in attracting talented directors to the Board. Stock options are granted under the 2006 Stock Option Plan and have an exercise price of not less than the volume-weighted average trading price of Common Shares on the TSX for the five trading days immediately preceding the trading day prior to the option grant date. Such options become fully-vested not later than three years following the date on which they are granted, provided that not more than 50% of the shares shall be issuable under a stock option within 12 months of the grant date. Stock options expire not later than the fifth anniversary of the date on which they are granted. Additional stock options may be granted to directors after the expiry or exercise of their initial stock options granted upon joining the Board, in recognition of (i) longevity of service to the Board and (ii) an important component of ongoing director compensation to enhance their alignment with maximizing shareholder value.

During the 2012 fiscal year, the Company granted directors options to acquire an aggregate of Common Shares in connection with their appointment to the Board. Mr. Simkus was granted options to acquire 250,000 Common Shares (subsequently forfeited), Mr. Logan was granted options to acquire 41,667 Common Shares, Mr. Wilson was granted options to acquire 125,000 Common Shares and Ms. Dimitrov was granted options to acquire 125,000 Common Shares. In addition, on August 30, 2012, Mr. Garnett was granted options to acquire 25,000 Common Shares in connection with his appointment as Chair of the Technical, Safety, Health and Environment Committee.

Summary of Directors' Compensation

The following table provides information regarding compensation paid all individuals who were directors of the Company during the fiscal year ended September 30, 2012 (other than directors who are NEOs who received no compensation for acting as a director of the Company). All directors fees are paid in Canadian dollars and have been converted to U.S. dollars for reporting purposes using the exchange rate set out above:

Directors' Compensation Table [13]

Name	Fees earned ($)	Share-based awards ($) [1]	Option-based awards ($)	All other compensation ($) [2]	Total ($)
Robert Mitchell, C.A. [3]	$61,057	$15,249	Nil	Nil	$76,306
Jorge Szasz, C.A. [4]	$69,383	$15,249	Nil	$13,500	$98,132
C. John Wilson [5]	$24,934	$8,916	$53,720	Nil	$87,570
Dr. Peter Bradshaw [6]	$28,973	Nil	Nil	Nil	$28,973
Brent Cochrane [7]	Nil	Nil	Nil	Nil	Nil
Dr. Richard H.T. Garnett [8]	$67,529	$15,249	$10,258	$49,559	$142,595
James Gilbert [9]	$22,921	Nil	Nil	Nil	$22,921
C. Kent Jespersen [10]	$61,504	Nil	Nil	$50,438	$111,942
J. Robert Logan [11]	$28,973	Nil	Nil	$4,500	$51,095
Ronald Simkus [12]	$50,272	Nil	Nil	$22,874	$73,146

(1) These amounts represent the U.S. dollar value for DSUs granted to directors.

(2) These amounts paid related to additional consulting work with respect to the technical start-up of mines and financing. Mr. Jespersen was paid $50,438 (C$49,614) for his vested 56,897 DSUs based on the five day average closing price of Common Shares of C$0.87 on April 1, 2012.

(3) Mr. Mitchell is Chairman of the Board since August 15, 2012, Chair of the Audit Committee and a member of the Compensation Committee since October 5, 2012.

(4) Mr. Szasz is a director, a member of the Technical, Safety, Health and Environment Committee, a member of the Compensation Committee and became a member of the Audit Committee subsequent to the end of fiscal 2012.

(5) Mr. Wilson is a director and a member of the Audit Committee since March 1, 2012.

(6) Mr. Bradshaw was a director, a member of the Audit Committee and a member of the Technical, Safety, Health and Environment of the Company until February 29, 2012.

(7) Mr. Cochrane was a director and a member of the Audit Committee of the Company from July 5, 2012 to August 17, 2012 and received no fees for his services.

(8) Mr. Garnett was a director, a member of the Compensation and Nominating Committee, Chair of the Compensation and Nominating Committee from March 1, 2012 and Chair of the Technical, Safety, Health and Environment Committee of the Company until December 15, 2012.

(9) Mr. Gilbert was a director of Fabulosa. Pursuant to arrangements between Mr. Gilbert and Fabulosa, any payments in respect of director's fees or share-based awards (but not option-based awards) that Mr. Gilbert earned in connection with his service as a director of the Company were for the benefit of Fabulosa and not for Mr. Gilbert's personal benefit. As such, Mr. Gilbert had directed the Company to pay to Fabulosa all fees earned by him as a director and all payments due to him from the Company relating to share-based awards. Mr. Gilbert was a director, Chair of the Compensation and Nominating Committee and a member of the Compensation and Nominating Committee of the Company until February 29, 2012.

(10) Mr. Jespersen was Chairman of the Board of the Company until February 29, 2012.

(11) Mr. Logan was a director, a member of the Compensation and Nominating Committee and a member of the Audit Committee of the Company until February 29, 2012.

(12) Mr. Simkus was a director from December 23, 2011 and Chairman of the Board from March 1, 2012 until August 17, 2012.

(13) Ms. Audra Walsh, a nominee for election as director of the Company, was appointed as director after the end of fiscal 2012 and, therefore, has not been included in this table.

Share-based Awards and Option-based Awards

The following table provides information regarding all share-based awards and option-based awards grated to all individuals who were directors of the Company during the fiscal year ended September 30, 2012 and outstanding as of September 30, 2012 (other than awards granted to directors who are also NEOs):

Outstanding Share-based Awards and Option-based Awards

Option-based Awards					Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)(3)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested ($)(2)(3)	Market or payout value of share based awards that have vested ($)(2)(3)
Robert Mitchell, C.A.	150,000	C$3.65	Dec. 10, 2015	Nil	Nil	Nil	$66,492
Jorge Szasz, C.A.	125,000	C$1.01	Feb. 26, 2015	Nil	Nil	Nil	26,645
C. John Wilson	125,000	C$0.88	Mar. 28, 2017	1,271	Nil	Nil	8,777
Dr. Peter Bradshaw	Nil	Nil	Nil	Nil	Nil	Nil	$51,479
Brent Cochrane	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jim Gilbert (4)	150,000	C$0.88	Oct. 23, 2014	1,575	Nil	Nil	15,393
C. Kent Jespersen	175,000	C$0.81	Dec. 3, 2012	14,232	Nil	Nil	Nil
J. Robert Logan	Nil	Nil	Nil	Nil	Nil	Nil	51,479
Ronald Simkus	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Calculated using the closing price of the Common Shares on the TSX on September 28, 2012 of C$0.89 and subtracting the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

(2) Calculated using the closing price of the Common Shares on the TSX on September 28, 2012 of C$0.89. These DSUs have not been redeemed and the value on redemption will depend on the applicable value of these units determined on the redemption date.

(3) Converted to U.S. dollars at the exchange rate of C$1.00 = $1.0166.

(4) Mr. Gilbert was a director of Fabulosa. Pursuant to arrangement between Mr. Gilbert and Fabulosa, any payments in respect of share-based awards (but not option awards) that Mr. Gilbert earned in connection with his service as a director of the Company were for the benefit of Fabulosa and not for Mr. Gilbert's personal benefit. As such, Mr. Gilbert directed the Company to pay to Fabulosa all payments due to him from the Company relating to share-based awards.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each of the Company's directors (other than directors who are NEOs) for the fiscal year ended September 30, 2012:

Incentive Plan Awards Vested or Earned During Fiscal Year ended September 30, 2012

Name	Option-based awards – Value vested during the year (1)(2)	Share-based awards – Value vested during the year (1)(3)
Robert Mitchell, C.A.	Nil	$15,249
Jorge Szasz, C.A.	$1,694 (6)	$15,249
C. John Wilson	Nil	$8,916
Dr. Peter Bradshaw	Nil	Nil
Brent Cochrane	Nil	Nil
Dr. Richard Garnett	Nil	$15,249
Jim Gilbert (4)	$39,139 (5)	Nil
C. Kent Jespersen	Nil	Nil
J. Robert Logan	Nil	Nil
Ronald Simkus	Nil	Nil

(1) Converted to U.S. dollars at the exchange rate of C$1.00 = $1.0166.

(2) Calculated using the closing price of the Common Shares on the TSX on the vesting date for these options and subtracting the exercise price these vested options. If the exercise price is higher than the price on the vesting date, the options are out-of-the-money and no value has been assigned. These options have not been, and may ever be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

(3) These amounts represent the U.S. dollar value for DSUs granted to directors of C$15,000 at their grant date of October 1, 2010 and are pro-rated based on the number of days the director had served as a director during year.

(4) Mr. Gilbert was a director of Fabulosa. Pursuant to arrangements between Mr. Gilbert and Fabulosa, any payments in respect of share-based awards (but not option-based awards) that Mr. Gilbert earned in connection with his service as a director of the Company were for the benefit of Fabulosa and not for Mr. Gilbert's personal benefit. As such, Mr. Gilbert directed the Company to pay to Fabulosa all payments due to him from the Company relating to share-based awards.

(5) Calculated using the closing price of the Common Shares on the TSX on October 24, 2011 of C$1.65 (which is the next trading day after the vesting date for these options of October 23, 2011) and subtracting the exercise price of C$0.88 of these vested options. These options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

(6) Calculated using the closing price of the Common Shares on the TSX on February 27, 2012 of C$0.1.05 (which is the next trading date after the vesting date for these options of February 26, 2012) and subtracting the exercise price of C$1.01 of these vested stock options. These options were not "in-the-money" on their vesting date. These options have not been, and may never be, exercised and actual gains, if any on exercise will depend on the value of the Common Shares on the date of exercise.

The Company does not have a non-equity incentive compensation plan for its directors.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out certain information as at September 30, 2012 regarding the Company's Option Plan and the options to purchase Common Shares issued thereunder as well as certain inducement options to purchase Common Shares issued outside of these shareholder-approved plans:

Equity Compensation Plan Information

Plan Category	Number of Common Shares to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Common Shares Available for Future Issuance Under Equity Compensation Plans (Excluding Outstanding Options, Warrants and Rights)
Equity Compensation Plans Approved by Shareholders	3,401,669[(1)]	C$1.65	2,598,331[(1)]
Equity Compensation Plans not Approved by Shareholders	50,000	C$0.75	Nil
Total	3,401,669	C$1.63	2,598,331

(1) As at the date of the Circular, options to purchase 2,713,345 Common Shares were outstanding resulting in options to purchase 3,286,655 being available for issuance under the Option Plan.

In connection with Dr. Williams joining the Company on March 3, 2008, he was awarded options to purchase 150,000 Common Shares as an inducement to become an employee of the Company. These options were awarded outside of the Option Plan. Dr. Williams exercised options to purchase 100,000 of these Common Shares during the 2011 fiscal year and the remaining options to purchase 50,000 Common Shares expire on March 3, 2013. Additional information about the termination and change of control terms of these options is described above under the heading "Executive Compensation - Termination and Change of Control Benefits".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our current or former directors, executive officers or employees or those of any of our subsidiaries had any indebtedness outstanding to the Company or any of our subsidiaries during the fiscal year ended September 30, 2012 or as at the date hereof. Additionally, the Company has not provided any guarantee, support agreement, letter of credit or other similar arrangement or undertaking in respect of any indebtedness of any such person to any other person or entity.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and executive officers of the Company, no "informed person", any proposed nominee or any associate or affiliate of any informed person or proposed nominee, has had any material interest, direct or indirect, in any transaction since October 1, 2011 or has had any such interest in any proposed transaction that has materially affected us or would materially affect us or any of our subsidiaries other than as follows:

1. The Company obtained a secured loan facility (the "Fabulosa Loan") from Fabulosa in the amount of $11,500,000 (the "Fabulosa Loan"). The Fabulosa Loan is available for draw down until June 30, 2013 and matures on December 31, 2013. In the event that, prior to March 1, 2013, Fabulosa requests that Orvana add an additional Orvana director nominated by Fabulosa and Orvana does not do so within ten business days, the Fabulosa Loan will become a demand loan. Concurrent with the Fabulosa Loan, the Company entered into an agreement with Fabulosa pursuant to which, for so long as it owns at least 10% of the outstanding Common Shares, Fabulosa has the right to designate, at any shareholders' meeting at which directors are to be elected, that number of management's nominees for election as directors of the Company that is the same proportion as its ownership interest is of the Common Shares.

"Informed Person" means (a) a director or executive officer of the Company, (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, Common Shares or a combination of both carrying more than 10% of the voting rights attached to all of the Common Shares, and (d) the Company, if we have purchased, redeemed or otherwise acquired any of our securities, for so long as we hold any of our securities.

INSURANCE COVERAGE

We have purchased insurance for the benefit of the directors and officers of the Company and its subsidiaries against any liability incurred by them in their capacity as directors and officers, subject to certain limitations contained in the *Business Corporations Act* (Ontario). During fiscal 2012, the directors and officers of the Company were covered under a directors' and officers' insurance policy that provided aggregate coverage of C$50,000,000, subject to a deductible of C$50,000, for the policy year from December 10, 2011 to December 9, 2012. The annual premium for this policy was $106,255 (C$104,520). This policy was renewed on December 9, 2012 for one year on similar terms and at a similar annual premium.

In accordance with the provisions of the *Ontario Business Corporations Act*, our by-law provides that we will indemnify a director or officer, a former director or officer, or another individual who acts or acted at our request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or to satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding to which the individual is involved because of the association with us or other entity, if: (i) the individual acted honestly and in good faith with a view to our best interests or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at our request; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual has reasonable grounds for believing that the individual's conduct was lawful.

We have entered into indemnification agreements with each of our directors and officers, which agreements provide that we undertake and agree to indemnify the director or officer to the fullest extent permitted by law, against any reasonable expense that the director may suffer or incur in respect of any claim, action, suit or proceeding (including, without limitation, any claim, demand, suit, proceeding, inquiry, hearing, discovery or investigation whether civil, criminal, administrative or investigative and whether brought by or on behalf of us or otherwise) involving the director or officer or to which the director or officer is made party and which arises as a direct or indirect result of the director or officer being or having been a director or officer of the Company or having acted, at the Company's request, as a director or officer or in a similar capacity of another entity, including any act or thing done or not done in the director's capacity as director or officer provided the director has acted as set out above in accordance with the Company's by-law.

If we become liable under the terms of our by-law or the indemnification agreements, the insurance coverage will extend to such liability; however, each claim will be subject to a deductible of $50,000.

ADDITIONAL INFORMATION

Additional information regarding the Company is available under the Company's profile on SEDAR at www.sedar.com or on the Company's website at www.orvana.com. Financial information regarding the Company is contained in the Company's audited consolidated financial statements for the fiscal year ended September 30, 2012 (the "2012 Financials") and the related management's discussion and analysis of results of operations and financial condition ("MD&A"). The Company will provide the 2012 Financials and MD&A to any shareholder, upon request to Natalie Frame, Investor Relations, who may be contacted at (289) 200-7640 or ask_us@orvana.com.

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the board of directors of the Company.

DATED as of January 25, 2013.

By Order of the Board of Directors

Robert Mitchell, C.A.
Chairman

SCHEDULE “A”

ORVANA MINERALS CORP.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

AND BOARD OF DIRECTORS MANDATE

SCHEDULE A – ORVANA MIMERALS CORP.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company has adopted these corporate governance guidelines to promote the effective functioning of the Board of Directors and its committees, to promote the interests of shareholders and to establish a common set of expectations as to how the Board, its various committees, individual directors and senior management should perform their functions. The following sets out the Company's approach to corporate governance in relation to the Corporate Governance Guidelines (terms not otherwise defined herein are defined in the Circular):

Board of Directors

***Responsibilities of the Board**:* The business and affairs of the Company are managed by or under the supervision of the Board in accordance with applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators. The responsibility of the Board is to provide direction and oversight. The Board approves the strategic direction of the Company and oversees the performance of the Company's business and senior management. The senior management of the Company is responsible for presenting strategic plans to the Board for review and approval and for implementing the Company's strategic direction.

In performing their duties, the primary responsibility of the directors is to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In discharging that obligation, directors should be entitled to rely on the honesty and the integrity of the Company's senior management and outside advisors and auditors. In fulfilling its statutory mandate and discharging its duty of stewardship of the Company, the Board assumes responsibility for those matters set forth in its mandate, a copy of which is attached as Appendix 1 hereto.

***Size of the Board**:* The current Board consists of five members. Consequently, there are five proposed nominees for election as directors of the Company at the Meeting set out in the Circular and the Board has fixed the number of directors to be elected at the Meeting at five. It is the current view of the Board that the Board should consist of seven members to facilitate its effective functioning. As at the date of the Circular, the Compensation and Nominating Committee is undergoing a process to identify and recommend to the Board additional nominees as directors of the Company. In the event that additional nominees for election as directors of the Company are selected prior to the Meeting, the additional nominees will be recommended by the Board for election by shareholders as directors of the Company at the Meeting.

***Composition of the Board**:* NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgement. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of the Corporate Governance Guidelines.

The following sets out all of the individuals who were directors of the Company during fiscal 2012 and whether each of them was or is "independent" within the meaning of NI 58-101 during the time each of them served as a director of the Company: (i) Dr. Peter Bradshaw (independent); (ii) Brent Cochrane (independent); (iii) Daniella Dimitrov (independent); (iv) Richard Garnett (independent); (v) Jim Gilbert (not independent); (vi) Roland Horst (not independent); (vii) C. Kent Jespersen (independent); (viii) J. Robert Logan (independent); (ix) Robert A. Mitchell (independent); (x) Ronald Simkus (independent); (xi) Jorge Sasz (not independent); (xii) Dr. William C. Williams (not independent); and (xiii) C. John Wilson (independent). During fiscal 2012 and until December 15, 2012, a majority of the members of the Board were independent.

The Board is currently comprised of five members (Messrs. Mitchell, Sasz, Williams and Wilson and Ms. Walsh), only two of which are "independent directors" within the meaning of NI 58-101. The two independent directors are Messrs. Mitchell (Chairman) and Wilson. Dr. Williams is the Company's President and Chief Executive Officer and therefore, is not independent. Ms. Walsh is considered to have a material relationship with the Company by virtue of her position as the President and Chief

Executive Officer of Minera S.A., an affiliate of Fabulosa, the Company's major shareholder, and, therefore, is not considered to be independent. Until November 2012, Mr. Sasz was a consultant to an affiliate of Fabulosa and, therefore, is not currently considered to be independent.

Various individuals who were directors during fiscal 2012 also served as directors of certain other public companies. The nominees for election as directors of the Company at the Meeting listed below serve as directors of the following other public companies:

Director	Director of Other Public Company
Robert A. Mitchell, C.A.	Home Capital Group Inc.

Selection of Directors*:* The Compensation and Nominating Committee is responsible for identifying and recommending to the Board potential candidates to become directors of the Company. There are no specific written criteria for Board membership, however, the Company attempts to attract and retain directors with an understanding of the Company's business and a particular knowledge of mineral exploration and development or other areas (such as accounting and finance) which provide knowledge which would assist in guiding management of the Company. The Board, taking into consideration the recommendations of the Compensation and Nominating Committee, will be responsible for selecting the nominees for election to the Board, for appointing directors to fill vacancies, and determining whether a nominee or appointee is independent.

Election of Directors*:* Each director should be elected by the vote of a majority of the Common Shares represented in person or proxy at any meeting for the election of directors. If any nominee for election as director receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the director will be expected to tender his or her resignation to the Chairman of the Board following the meeting, to take effect upon acceptance by the Board. The Nominating Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept such offer. Within 90 days of the meeting of shareholders, the Board will make a final decision concerning the acceptance of the director's resignation. This process applies only in circumstances involving an "uncontested" election of directors - where the number of director nominees does not exceed the number of directors to be elected and where no proxy materials are circulated in support of one or more nominees who are not part of the slate supported by the Board for election at the meeting. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

Chairman of the Board*:* The Chairman should be a director who is independent and not a member of senior management who is appointed by the Board. The current Chairman of the Board, Mr. Mitchell is an independent director. The role of the Chairman is to assume the leadership of the Board and, with the committees of the Board, to foster and preserve the independence of the Board. The Chairman's responsibilities include chairing all meetings of directors, providing leadership to the Board, managing the Board, acting as a liaison between the Board and management of the Company and representing the Company.

Meetings of the Board*:* The Board's written mandate requires the Board to hold at least two meetings per year (either regularly scheduled or unscheduled) at which management of the Company is not present, and, at any time that the Chairman of the Board is not independent, to consider other possible steps and processes to ensure that leadership is provided to the Board's independent directors. The Board generally holds an in camera session at its meetings without the presence of management of the Company and, on several other occasions, the independent directors have held informal discussions among themselves in the absence of non-independent directors and members of management. Since October 1, 2011, the Company has held 26 directors' meetings. All of the members of the Board who were directors at the time of such meetings attended all of such meetings, except for the following: Richard Garnett was absent from three meetings; Kent Jespersen was absent from one meeting; Robert Mitchell was absent from one meeting and John Wilson was absent from one meeting.

Board Committees

The Board has established the Audit Committee, the Compensation and Nominating Committee and the Technical, Safety, Health and Environment Committee. Each such committee will be composed of no fewer than three members, each of whom will satisfy the membership criteria set out in the relevant committee charter. Members of committees will be appointed by the Board. The Board generally will designate one member of each committee as chair of that committee.

Audit Committee*:* The Board has established the Audit Committee currently comprised of three directors of the Company, Robert Mitchell (Chairman), Jorge Szasz and C. John Wilson. All of the members of the Audit Committee are financially literate for purposes of National Instrument 52-110 - *Audit Committees* ("NI 52-110"). Messrs. Mitchell and Wilson are independent for the purposes of NI 52-110. Although Mr. Sasz is not independent for the purposes of NI 52-110, he is a member of the Audit Committee only on an interim basis until the appointment or election of an additional independent director to Board and the subsequent appointment of such independent director as a member of the Audit Committee. During fiscal 2012, all of the directors who were members of the Audit Committee were financially literate and independent for the purposes of NI-52-110. The responsibilities and operation of the Audit Committee are described in the Company's Annual Information Form dated December 28, 2012 on page 24 under the heading "Audit Committee Disclosure" and in the copy of the Audit Committee Charter attached to such Annual Information Form as Appendix A. A copy of such Annual Information Form is available under the Company's profile on SEDAR at www.sedar.com. During fiscal 2012, the Audit Committee held six meetings. Each of the current members of the Audit Committee has attended all of the meetings of the Audit Committee while such individual was a member of such committee.

Compensation and Nominating Committee: The Compensation and Nominating Committee is currently comprised of Audra Walsh (Chair), Jorge Szasz and Robert Mitchell. Ms. Walsh and Mr. Szasz are not independent directors of the Company. In general terms, the Committee's responsibilities include (i) reviewing the compensation and performance of the Chief Executive Officer, (ii) determining compensation of directors and other officers, (iii) identifying potential candidates to become Board members, and (iv) evaluating the performance of the Board, committees of the Board and individual directors. During fiscal 2012, the Compensation and Nominating Committee held thirteen meetings. Each of the current members of the Compensation and Nominating Committee has attended all of the meetings of such committee while such individual was a member of such committee.

Technical, Safety, Health and Environment Committee: The Board has established the Technical, Safety, Health and Environment Committee currently comprised of two directors of the Company, Dr. William C. Williams and Jorge Szasz. The purpose of the Technical, Safety, Health and Environment Committee is to provide support for the Company's safety, health and environmental programmes and to assist in reviewing the technical, safety, health and environmental performance of the Company. During fiscal 2012, the Technical, Safety, Health and Environment Committee held four meetings. Each of the current members of the Technical, Safety, Health and Environment Committee has attended all of the meetings of such committee while such individual was a member of such committee.

Position Descriptions

The Board has developed written position descriptions and corporate objectives for the Chairman of the Board and the President and Chief Executive Officer in order to delineate their respective roles and responsibilities. The Board has not to date developed formal position descriptions for the Chair of each of the committees of the Board as the responsibilities of those positions are generally delineated in the charters of such committees.

Orientation and Continuing Education

While the Company currently has no formal program to orient new directors to the role of the Board, its committees and its directors and the nature and operation of the Company's business, it has been the Company's practice for new directors to be thoroughly briefed by management of the Company and to be provided the opportunity to discuss with management, both formally and informally, the Company's activities. New directors are provided with copies of relevant policies and similar materials to ensure that they are familiarized with the Company and its business as well as the procedures of the Board. The

Board actively encourages each director to attend at least one industry trade show and associated educational program each year. The Compensation and Nominating Committee has responsibility for overseeing development of any orientation programs for new directors. That Committee also oversees the development of any director development programs. Although the Company does not have a formal program for the continuing education of directors, the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors of the Company by scheduling presentations to the Board from time to time to educate directors and keep them informed of developments within the Company and of disclosure and governance requirements and standards.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics for the Company's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Company (the "Code"). A copy of the Code is available under the Company's profile on SEDAR at www.sedar.com. The Board has established confidential reporting procedures in order to encourage employees, directors and officers to raise concerns regarding matters addressed by the Code on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the Code may face disciplinary actions, including dismissal.

Subject to certain exceptions prescribed under the *Business Corporations Act* (Ontario) (the "OBCA"), a director who is a party to a material contract or proposed material contract with the Company or who is a director or officer of a party to such a contract or otherwise has a material interest in a party to such a contract must disclose the nature and extent of the director's interest to the Company and any material change in that interest. The Code and the OBCA also provides that, subject to certain exceptions prescribed under the OBCA, the interested director shall not attend any part of a meeting of directors during which the matter in which the director has a material interest is discussed and shall not vote on any resolution to approve such matter.

Compensation

The Compensation and Nominating Committee is responsible for, among other things, periodically reviewing and recommending for approval by the Board the appropriate levels of compensation for directors and senior management of the Company. The process by which executive compensation is established is described above under the heading "Executive Compensation - Compensation Discussion and Analysis". The Compensation and Nominating Committee reviews periodically the form and amount of compensation of directors, including in relation to directors of similar companies, to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director of the Company.

Assessments

The responsibilities of the Compensation and Nominating Committee include assessing, on a periodic basis, the contributions of the Board as a whole and each of the committees of the Board and each of the individual directors, in order to determine their effectiveness and contribution to the Company. The Board adopted a formal process in 2008 for annually evaluating the effectiveness of the Board, its committees, and the Chairman of the Board. This process includes the completion of evaluation questionnaires by each member of the Board.

APPENDIX 1 - ORVANA MINERALS CORP. - BOARD OF DIRECTORS MANDATE

1. Purpose

The Board of Directors (the "Board") of Orvana Minerals Corp. (the "Corporation") has a duty to supervise the management of the business and affairs of the Corporation. The Board, directly and through its Boards and its Chair, shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

2. Membership

All matters concerning the membership and organization of the Board (including: the number, qualifications and remuneration of directors; the number of Board meetings; residency requirements; quorum requirements; meeting procedures; appointment of a chair; and notices of meetings) are as established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.

At least annually, the Board shall, with the assistance of the Compensation and Nominating Committee, determine the independence of each director based on the definition of independence contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and the independence of each Audit Committee member based on the definition of independence in National Instrument 52-110 – *Audit Committees*. It shall be an objective that at least a majority of the directors shall be independent as determined in accordance with NI 58-101, and if at any time less than a majority of directors are independent, the Board shall consider possible steps and processes to facilitate its exercise of independent judgement in carrying out its responsibilities.

If at any time the Chair of the Board is not independent, the Board shall consider possible steps and processes to ensure that leadership is provided for the Board's independent directors.

3. Functions and Responsibilities

The Board shall have the functions and responsibilities set out below. In addition to these functions and responsibilities, the Board shall perform such duties as may be required by the binding requirements of any stock exchanges on which the Corporation's securities are listed and all other applicable laws.

(a) **Strategic Planning** — The Board shall periodically review and, if advisable, approve the Corporation's strategic planning process and short- and long-term strategic and business plans prepared by management. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, risk issues, and significant business practices and products. At least annually, the Board shall review management's implementation of the Corporation's strategic and business plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

(b) **Risk Management** — The Board shall, with the assistance of the Audit Committee, periodically: (i) identify the risks inherent in the business of the Corporation and review and approve management's risk philosophy and risk management policies necessary to address, as much as reasonably possible, those identified risks and (ii) review management reports demonstrating compliance with risk management policies and confirm that management has taken reasonable steps to ensure compliance with standards.

(c) **Controls and Systems** — The Board shall, with the assistance of the Audit Committee, verify that internal, financial, non-financial and business control, information systems and data security procedures have been established by management and that the Corporation is applying appropriate standards of corporate conduct for these controls.

(d) **Human Resources** — The Board shall, with the assistance of the Compensation and Nominating Committee, periodically: (i) review the Corporation's approach to human resource management and executive compensation and (ii) review succession plans for the Chairman of the Board, the Chief Executive Officer and senior management of the Corporation.

(e) **Corporate Governance** — The Board shall, with the assistance of the Compensation and Nominating Committee, periodically: (i) review the Corporation's approach to corporate governance; (ii) evaluate the Board's ability to act independently from management in fulfilling its duties; (iii) review reports provided by management relating to compliance with, or material deficiencies of, the Corporation's Code of Business Conduct and Ethics; and (iv) satisfy itself as to the culture of integrity within the Corporation and of the executive officers of the Corporation.

(f) **Financial Information** — The Board shall, with the assistance of the Audit Committee, periodically: (i) review the Corporation's internal controls relating to financial information and reports provided by management on material deficiencies in, or material changes to, these controls and (ii) review the integrity of the Corporation's financial information and systems, the effectiveness of internal controls and management's assertions on internal control and disclosure control procedures.

(g) **Communications** — The Board in conjunction with the Chief Executive Officer shall periodically review the Corporation's overall communications strategy, including measures for receiving feedback from the Corporation's shareholders.

(h) **Disclosure** — The Board shall periodically review management's compliance with the Corporation's disclosure policies and procedures. The Board shall, if advisable, approve material changes to the Corporation's disclosure policies and procedures.

4. Committees of the Board

(a) **Committees Established** — The Board has established an Audit Committee, a Compensation and Nominating Committee and a Technical, Safety, Health and Environment Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committees.

(b) **Committee Charters** — The Board has approved charters for each Board committee and shall approve the charter for any new Board committee. Each charter shall be reviewed periodically, and, based on recommendations of the relevant committee and the Chairman of the Board, any changes will be approved by the Board.

(c) **Delegation to Committees** — The Board has delegated for approval or review the matters set out in each Board committee's charter and may further delegate matters to such committees from time to time. As required, the Board shall consider for approval the specific matters delegated for review to Board committees.

(d) **Committee Reporting to Board** — To facilitate communication between the Board and its committees, each committee Chair shall provide a report to the Board on material matters considered by the committee at the next Board meeting after each meeting of the committee.

5. Meetings

(a) **General** — The rules and regulations relating to the calling and holding of and proceedings at meetings of the Board shall be those established by the Ontario *Business Corporations Act* and the by-laws and resolutions of the Corporation.

(b) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Board requests, shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

(c) **Meetings Without Management** — The Board shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present at least twice per year.

(d) **Attendance and Preparedness** — Directors are expected to attend regularly scheduled Board meetings and to have prepared for the meetings by, at a minimum, reviewing in advance of the meeting the materials delivered in connection with the meeting. The attendance record of individual directors will be disclosed in the Corporation's proxy circular as required by NI 58-101.

6. Director Development and Evaluation

New directors shall be provided with such orientation sessions, including site visits, as the Board determines are appropriate from time to time. With the assistance of the Compensation and Nominating Committee, the Board shall periodically consider how directors may maintain the skill and knowledge necessary to meet their obligations as directors, including through continuing education programs, and evaluate and review the performance of the Board, each of its committees and each of the directors.

7. Access to Information

In its discharge of the foregoing duties and responsibilities, the Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to officers of the Corporation and to the relevant books, records and systems of the Corporation as considered appropriate.

8. Independent Advisors

The Board shall have the authority to engage and terminate such independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes and to set and cause to be paid by the Corporation the compensation of any such counsel or advisors.

9. Board Review of Mandate

The Board shall periodically review the adequacy of the Board's mandate. In accordance with NI 58-101, the text of this mandate shall be included in the Corporation's management information circular.