ORVANA MINERALS CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2008

(UNAUDITED)

(EXPRESSED IN UNITED STATES DOLLARS)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ORVANA MINERALS CORP.

Interim Consolidated Balance Sheets
(In thousands of United States dollars)

(Unaudited)	As at March 31 2008	As at September 30 2007
Assets		
Current assets		
Cash and cash equivalents	$ 76,694	$ 55,667
Gold sales receivable	-	1,462
Value-added taxes receivable and prepaid expenses	3,052	3,585
Gold inventory	712	949
Supplies inventory	2,393	1,920
	82,851	63,583
Property, plant and equipment (note 5)	17,782	17,570
	$ 100,633	$ 81,153
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 3,790	$ 2,912
Income taxes payable	5,290	4,351
Current portion of long-term debt (note 6)	1,079	-
	10,159	7,263
Long-term debt (note 6)	2,421	-
Asset retirement obligations (note 7)	2,072	1,988
Provision for statutory labour obligations	930	946
	15,582	10,197
Shareholders' equity		
Share capital	74,777	74,777
Contributed surplus	1,482	1,354
Retained earnings (deficit)	8,792	(5,175)
	85,051	70,956
	$ 100,633	$ 81,153

Commitments and contingencies (note 9)

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Interim Consolidated Statements of Income and Comprehensive Income
(In thousands of United States dollars except per share amounts)

(Unaudited)	Three months ended March 31 2008	Three months ended March 31 2007	Six months ended March 31 2008	Six months ended March 31 2007
Revenues				
Gold sales	$ 19,062	$ 14,984	$ 35,139	$ 26,114
Costs and expenses of mining operations				
Cost of sales	3,078	2,637	6,096	5,266
Royalties and mining rights	607	510	1,118	860
Mining royalty taxes (note 11)	1,294	-	1,411	-
Depreciation and amortization	1,850	1,507	3,962	3,373
Accretion (note 7)	42	40	84	80
	6,871	4,694	12,671	9,579
	12,191	10,290	22,468	16,535
Expenses (other income)				
General and administration	1,276	593	2,170	1,134
Stock-based compensation (note 8)	56	59	128	166
Exploration	622	213	928	505
Business development	5	-	24	-
Community relations	36	131	90	236
Interest on long-term debt	11	-	11	-
Interest and other income	(660)	(207)	(1,338)	(427)
Foreign exchange loss (gain)	161	(54)	225	(53)
	1,507	735	2,238	1,561
Income before provision for income taxes and provision for future income taxes	10,684	9,555	20,230	14,974
Provision for income taxes				
Current income taxes	3,582	1,828	6,263	3,470
Future income taxes	-	48	-	34
	3,582	1,876	6,263	3,504
Net income and comprehensive income	$ 7,102	$ 7,679	$ 13,967	$ 11,470
Earnings per share				
Basic and diluted	$ 0.06	$ 0.07	$ 0.12	$ 0.10
Weighted average number of shares outstanding - basic	115,233,173	115,233,173	115,233,173	115,233,173
Dilutive effect of stock options	88,107	7,933	151,472	1,974
Weighted average number of shares outstanding - diluted	115,321,280	115,241,106	115,384,645	115,235,144

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Interim Consolidated Statements of Cash Flows
(In thousands of United States dollars)

(Unaudited)	Three months ended March 31 2008	Three months ended March 31 2007	Six months ended March 31 2008	Six months ended March 31 2007
Operating activities				
Net income	$ 7,102	$ 7,679	$ 13,967	$ 11,470
Depreciation and amortization	1,850	1,507	3,962	3,373
Accretion (note 7)	42	40	84	80
Stock-based compensation (note 8)	56	59	128	166
Future income taxes	-	48	-	34
Provision for statutory labour obligations	(7)	50	(16)	135
Foreign exchange gain (loss)	161	(54)	225	(53)
	9,204	9,329	18,350	15,205
Changes in non-cash working capital items				
Gold sales receivable	-	-	1,462	-
Value-added taxes receivable and prepaid expenses	429	(532)	533	(554)
Gold inventory	147	(13)	179	(110)
Supplies inventory	(315)	(385)	(473)	(707)
Accounts payable and accrued liabilities	599	431	878	613
Income taxes payable	(786)	(3,280)	939	(2,309)
	9,278	5,550	21,868	12,138
Financing activities				
Issue of long-term debt	3,500	-	3,500	-
Investing activities				
Capital expenditures	(3,230)	(727)	(4,116)	(1,140)
Change in cash and cash equivalents	9,548	4,823	21,252	10,998
Cash and cash equivalents, beginning of period	67,307	33,024	55,667	26,850
Effect of exchange rate changes on cash held in foreign currencies	(161)	54	(225)	53
Cash and cash equivalents, end of period	$ 76,694	$ 37,901	$ 76,694	$ 37,901

The notes to consolidated financial statements are an integral part of these statements.

ORVANA MINERALS CORP.

Interim Consolidated Statements of Changes in Shareholders' Equity
(In thousands of United States dollars)

(Unaudited)	Number of common shares	Six months ended March 31 2008	Number of common shares	Year ended September 30 2007
Share capital				
Authorized				
Unlimited number of common shares				
Issued				
Common shares				
Balance, at beginning and end of period	115,233,173	$ 74,777	115,233,173	$ 74,777
Contributed surplus				
Balance at beginning of period		$ 1,354		$ 1,510
Stock-based compensation (note 8)		128		(156)
Balance at end of period		$ 1,482		$ 1,354
Retained earnings (deficit)				
Balance at beginning of period		$ (5,175)		$ (31,198)
Net income		13,967		26,023
Balance at end of period		$ 8,792		$ (5,175)
Shareholders' equity at the end of the period		$ 85,051		$ 70,956

The notes to consolidated financial statements are an integral part of these statements.

1. Nature of operations

Orvana Minerals Corp. (the "Company" or "Orvana") is a Canadian mining and exploration company based in Toronto, Ontario, involved in the evaluation, development and mining of precious and base metal deposits in the Americas. The Company owns and operates the Don Mario Gold Mine and property in eastern Bolivia which is held indirectly through its wholly-owned subsidiary, Empresa Minera Paititi S.A. ("EMIPA"). The Company's shares are listed on the Toronto Stock Exchange.

2. Basis of presentation and new accounting policies

(a) Basis of presentation

The unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements except as noted below. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended September 30, 2007, since they do not contain all disclosures required by GAAP for annual financial statements. These unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

(b) New accounting policies

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on October 1, 2007.

Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has not complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook sections in note 3 to these interim financial statements.

Financial Instruments

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook sections in note 4 to these interim financial statements.

2. Basis of presentation and new accounting policies (continued)

(c) Future accounting changes

International Financial Reporting Standards (“IFRS”)

In January 2006, the CICA’s Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company is currently assessing the impact of IFRS on its consolidated financial statements.

3. Capital management

Orvana's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to support continued production and maintenance at the Don Mario Gold Mine and to acquire, explore and develop other precious and base metal deposits in the Americas.

Orvana manages its capital structure and makes adjustments to it, based on the level of funds available to the Company to manage its operations. In order to maintain or adjust the capital structure, Orvana expects that it will be able to obtain long-term debt, equipment-based financing and/or project-based financing sufficient to maintain and expand its operations. There are no assurances that these initiatives will be successful.

In order to achieve these objectives, the Company invests its capital in highly liquid, highly rated financial instruments.

4. Risk factors affecting financial instruments

The Don Mario Gold Mine is the only property that is currently material to the Company. Unless the Company acquires or develops additional material properties, the Company will be solely dependent upon the Don Mario Gold Mine. If no additional mineral properties are acquired by Orvana, any adverse development affecting the Don Mario Gold Mine would have a material adverse effect on Orvana’s financial condition and results of operations.

4. Risk factors affecting financial instruments (continued)

Other risk factors and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to gold sales and value-added taxes receivable. The Company has a concentration of credit risk with one customer which is closely monitored by management. Value-added taxes receivable are collectable from the Bolivian government. Management believes that the credit risk concentration with respect to financial instruments attributable to gold sales and value-added taxes receivable is remote.

In addition, the majority of the Company's cash and cash equivalents are on deposit with two highly-rated banks in Sweden and Canada. A lesser amount is held in local banks in Bolivia.

Liquidity risk

The Company has sufficient funds (March 31, 2008 - $76,694 and September 30, 2007 - $55,667) to settle current and long-term liabilities. All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company's subsidiary's long-term debt is based on contractual terms between the subsidiary and an unrelated unrelated third party.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and gold prices.

(a) Interest rate risk

Orvana has significant cash balances and long-term debt, with the latter having a fixed rate of interest of 7.75% (refer to note 6). The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banks with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

Orvana's functional currency is primarily the US dollar. Gold sales and major purchases are transacted in US dollars. The Company maintains US dollar bank accounts in Canada, Bolivia, Cyprus, Sweden and the United States. The Company maintains and funds some operating and administrative expenses in the local currencies from its US dollar bank accounts.

(c) Price risk

Gold price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Company closely monitors gold prices to determine the appropriate course of action to be taken by the Company. Orvana does not hedge any of its gold sales.

Orvana marks its unsettled transactions to market.

(In thousands of United States Dollars unless otherwise noted)

4. Risk factors affecting financial instruments (continued)

Sensitivity analysis

The Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value.

As of March 31, 2008, the carrying amount of the financial instruments equals fair market value.

Based on management's knowledge and experience of the financial markets, Orvana believes the following movements are "reasonably possible" over a six-month period.

Cash and cash equivalents include deposits at call which are at floating interest rates. Sensitivity to a plus or minus change in rates of one percentage point would affect net income by $259 for the six months ended March 31, 2008.

The Company does not hold significant balances in foreign currencies that would give rise to exposure to foreign exchange risk.

Net income would be impacted by changes in average realized gold prices. A 10% decrease in average realized gold prices would affect net income by a decrease of approximately $2,181 for the six months ended March 31, 2008 and a 10% increase in average realized gold prices would affect net income by a increase of approximately $2,115 for such period.

5. Property, plant and equipment

March 31, 2008	Cost	Accumulated amortization	Net carrying value
Plant and equipment	$ 31,868	$ 18,575	$ 13,293
Construction in process	513	-	513
Mineral properties and deferred development costs	9,208	5,863	3,345
Asset retirement costs	1,499	929	570
Furniture, equipment and leasehold improvements	112	51	61
	$ 43,200	$ 25,418	$ 17,782

(In thousands of United States Dollars unless otherwise noted)

5. Property, plant and equipment (continued)

September 30, 2007		Cost		Accumulated amortization		Net carrying value
Plant and equipment	$	29,136	$	15,894	$	13,242
Construction in process		164		-		164
Mineral properties and deferred development costs		8,174		4,813		3,361
Asset retirement costs		1,499		766		733
Furniture, equipment and leasehold improvements		111		41		70
	$	39,084	$	21,514	$	17,570

6. Long-term debt

On March 4, 2008, the Company's wholly-owned subsidiary in Bolivia signed a term credit facility agreement of $5.0 million with Banco Bisa S.A. This facility bears interest at 7.75% and is payable in equal quarterly installments over a three-year period from the dates amounts are advanced. The Company has the option of prepaying the loan prior to the end of its term without penalties.

At March 31, 2008, $3.5 million had been drawn under this facility. The Company is using the proceeds of this new credit facility to purchase additional electrical generation equipment and a ball mill to increase ore treatment capacity including ore from the Los Tojas concession. The electrical generating equipment acquired and certain mobile equipment are pledged as security for this facility.

There are no specific covenants related to this facility.

7. Asset retirement obligations

The following table summarizes the changes in asset retirement obligations during the periods presented:

		Six months ended March 31 2008		Year ended September 30 2007
Balance, beginning of period	$	1,988	$	1,828
Accretion expense		84		160
Balance, end of period	$	2,072	$	1,988

(In thousands of United States Dollars unless otherwise noted)

8. Stock options

A summary of the stock option transactions for the six-month period is as follows:

	Stock options	Weighted average exercise price
Balance, September 30, 2007	3,376,666	Cdn $1.01
Granted [1]	475,000	0.79
Expired	(861,665)	1.26
Balance, March 31, 2008	2,990,001	Cdn $0.90

[1] During the period ended March 31, 2008, the fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Risk-free interest rate:	4.135%
Expected life in years:	4
Expected volatility:	73%
Expected dividend yield:	0%

The weighted-average grant date fair value of these options was $214 or Cdn. $0.45 per share and this amount is expensed over the vesting periods.

As at March 31, 2008, outstanding and exercisable stock options granted were as follows:

Grant Date	Fair Value	Number of non-vested options	Number of vested options	Exercise price	Expiry date
December 8, 1998	$ -	-	65,000	Cdn $1.00	December 8, 2008
April 1, 2005	471	-	1,025,000	1.03	April 1, 2010
June 30, 2005	210	-	470,000	1.00	June 30, 2010
September 26, 2005	16	-	30,000	1.20	September 26, 2010
May 12, 2006	19	-	41,667	1.05	May 12, 2011
June 23, 2006	129	91,666	233,334	0.89	June 23, 2011
July 5, 2006	24	-	58,334	0.91	July 5, 2011
December 14, 2006	99	116,667	233,333	0.60	December 14, 2011
August 9, 2007	55	100,000	50,000	0.69	August 8, 2012
December 3, 2007	150	216,667	108,333	0.81	December 3, 2012
March 3, 2008	65	100,000	50,000	0.75	March 3, 2013
	$1,238	625,000	2,365,001		
Total vested and non-vested stock options			2,990,001		

(In thousands of United States Dollars unless otherwise noted)

8. Stock options (continued)

Stock options have been expensed as follows:

	Cumulative expense to March 31, 2008	Remainder to be expensed	Total stock option compensation
Stock option expense	$ 1,482	$ 143	$ 1,625

As at March 31, 2008, the fair value associated with non-vested stock options is $249 (March 31, 2007 - $339).

The Company uses the fair value method of accounting for stock options and for the three and six months ended March 31, 2008 recognized stock-based compensation expense of $56 and $128 (three and six months ended March 31, 2007 - $59 and $166). This policy was effective on October 1, 2003 and has been applied on a prospective basis. The fair value of each option grant was estimated using the Black-Scholes option-pricing model.

9. Commitments and contingencies

On April 8, 2008, the Company entered into a commitment to purchase a ball mill from a manufacturer in China at a cost of approximately $1,400 including freight, insurance, customs and installation costs.

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. The Company records provisions for asset retirement obligations based on management's estimate of such costs. These estimates are, however, subject to changes in laws and regulations.

The mining concessions on which the Company is actively pursuing its exploration and development activities are all located in eastern Bolivia. As a result, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability in Bolivia, which may result in the impairment or loss of mining concessions or other mineral rights. Any changes in laws or regulations, including changes to the Bolivian Mining Code and taxation of mining companies or shifts in political attitudes, are beyond the control of the Company and may adversely affect its business.

(In thousands of United States Dollars unless otherwise noted)

10. Segmented information

The Company operates primarily in one reportable operating segment, being the exploration, development and commercial production of mineral properties in Bolivia. The Company has administrative offices in Toronto, Canada, Stockholm, Sweden and Nicosia, Cyprus. Geographical information is as follows:

As at March 31, 2008 and for the six-months then ended:

	Gold Sales	Cash and cash equivalents	Property, plant and equipment	Other assets	Total assets
Bolivia	$ 35,139	$ 3,811	$ 17,690	$ 5,391	$ 26,892
United States	-	4,964	-	-	4,964
Canada	-	38,035	92	766	38,893
Sweden	-	29,821	-	-	29,821
Cyprus	-	63	-	-	63
	$ 35,139	$ 76,694	$ 17,782	$ 6,157	$ 100,633

As at March 31, 2007 and for the six months then ended:

	Gold Sales	Cash and cash equivalents	Property, plant and equipment	Other assets	Total assets
Bolivia	$ 26,114	$ 1,285	$ 19,200	$ 7,277	$ 27,762
United States		3,170			3,170
Canada	-	431	43	628	1,102
Sweden	-	32,917	-	-	32,917
Cyprus	-	98	-	-	98
	$ 26,114	$ 37,901	$ 19,243	$ 7,905	$ 65,049

As at September 30, 2007 and for the year then ended:

	Gold Sales	Cash and cash equivalents	Property, plant and equipment	Other assets	Total assets
Bolivia	$ 55,920	$ 1,724	$ 17,470	$ 7,493	$ 26,687
United States		1,583			1,583
Canada	-	14,868	100	412	15,380
Sweden	-	37,409	-	11	37,420
Cyprus	-	83	-	-	83
	$ 55,920	$ 55,667	$ 17,570	$ 7,916	$ 81,153

11. Income tax information

On November 23, 2007, the Bolivian Congress approved legislation amending the country's mining and income tax laws. Under Bolivia's constitution, the tax changes become effective on a prospective basis from the date of their enactment, which was December 14, 2007. The tax increases take two forms:

(a) A new tax on net income of 12.5%, resulting in an effective income tax rate of 34.4%.

(b) A new mining royalty tax, calculated as a percentage of the gross invoice value of metals exported, which is payable in addition to income tax. The mining royalty tax rate will be a function of the particular metal and its market price. For gold, the rate will range from a minimum of 4%, at a gold price of $400 or less, to a maximum of 7%, at a gold price of $700 or more. The new mining royalty tax is deductible in determining income taxes.

The combined effect of the increase in the income tax rate and the new mining royalty tax was a reduction in net income of $1,848 and $2,304 for the three and six-month periods ended March 31, 2008, respectively.

12. Comparative information

Certain comparative figures have been reclassified to conform with current year end financial statement presentations.