

ORVANA MINERALS CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

THREE AND NINE MONTHS ENDED JUNE 30, 2007

NOTICE TO SHAREHOLDERS

Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements for Orvana Minerals Corp. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the September 30, 2006 audited consolidated financial statements. Only changes in accounting information have been disclosed in these consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented.

The independent auditors of Orvana Minerals Corp. have not performed a review of the unaudited consolidated financial statements for the three and nine months ended June 30, 2007 and June 30, 2006.

ORVANA MINERALS CORP.
Consolidated Balance Sheets
(In thousands of United States dollars)

(Unaudited)	June 30 2007	September 30 2006
Assets		
Current assets		
Cash and cash equivalents	\$ 49,104	\$ 26,850
Value-added taxes receivable and prepaid expenses	2,964	3,279
Gold inventory	830	581
Supplies inventory	2,342	2,547
	55,240	33,257
Property, plant and equipment (note 2)	18,619	21,603
	\$ 73,859	\$ 54,860
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,715	\$ 2,986
Income taxes payable	3,145	4,156
	6,860	7,142
Asset retirement obligations (note 3)	1,948	1,828
Provision for statutory labour obligations	757	567
Future income tax liability	311	234
	9,876	9,771
Shareholders' equity		
Share capital (note 4(b))	74,777	74,777
Contributed surplus (note 4(c))	1,325	1,510
Deficit	(12,119)	(31,198)
	63,983	45,089
	\$ 73,859	\$ 54,860

Commitments and contingencies (note 6)

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

Approved by the Board of Directors:

(signed) Carlos Mirabal Director

(signed) Robert Mitchell Director

ORVANA MINERALS CORP.

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

(Unaudited)	Three months ended June 30		Nine months ended June 30	
	2007	2006	2007	2006
Revenues				
Gold sales	\$ 15,623	\$ 11,092	\$ 41,737	\$ 31,656
Costs and expenses of mining operations				
Cost of sales	3,196	2,364	8,462	6,779
Royalties, mining rights and other	497	464	1,357	1,257
Depreciation and amortization	1,679	1,371	5,052	4,151
Accretion (note 3)	40	36	120	110
	5,412	4,235	14,991	12,297
Income from mining operations	10,211	6,857	26,746	19,359
Expenses (recoveries) and other income				
General and administration	499	787	1,633	2,682
Stock-based compensation (note 4(d))	(351)	163	(185)	416
Exploration	446	301	951	795
Business development	36	-	36	475
Community relations	49	1	285	143
Interest and other income	(466)	(113)	(893)	(271)
Foreign exchange	(16)	37	(69)	106
	197	1,176	1,758	4,346
Income before provision for income taxes and provision (recovery) of future income taxes	10,014	5,681	24,988	15,013
Provision for income taxes				
Current income taxes	2,362	1,838	5,832	4,758
Future income taxes (recovery)	43	(71)	77	(159)
	2,405	1,767	5,909	4,599
Net income and other comprehensive income	7,609	3,914	19,079	10,414
Earnings per share				
Basic and fully diluted	\$ 0.07	\$ 0.03	\$ 0.17	\$ 0.09

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

ORVANA MINERALS CORP.

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

(Unaudited)	Three months ended June 30		Nine months ended June 30	
	2007	2006	2007	2006
Share capital				
Balance at beginning of period	\$ 74,777	\$ 74,741	\$ 74,777	\$ 74,731
Exercise of stock options	-	36	-	46
Balance at end of period	\$ 74,777	\$ 74,777	\$ 74,777	\$ 74,777
Contributed surplus				
Balance at beginning of period	\$ 1,676	\$ 1,261	\$ 1,510	\$ 1,008
Grant of stock options during the period	12	-	70	-
Vesting of previously issued stock options	12	163	120	416
Forfeiture of previously issued stock options	(375)	-	(375)	-
Balance at end of period	\$ 1,325	\$ 1,424	\$ 1,325	\$ 1,424
Deficit				
Balance at beginning of period	\$ (19,728)	\$ (40,380)	\$ (31,198)	\$ (46,880)
Net income for the period	7,609	3,914	19,079	10,414
Balance at end of period	\$ (12,119)	\$ (36,466)	\$ (12,119)	\$ (36,466)

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

ORVANA MINERALS CORP.
Consolidated Statements of Cash Flows
(In thousands of United States dollars)

(Unaudited)	Three months ended June 30		Nine months ended June 30	
	2007	2006	2007	2006
Operating activities				
Net income	\$ 7,609	\$ 3,914	\$ 19,079	\$ 10,414
Depreciation and amortization	1,679	1,371	5,052	4,151
Accretion (note 3)	40	36	120	110
Stock-based compensation (note 4(d))	(351)	163	(185)	416
Future income taxes (recovery)	43	(71)	77	(159)
Provision for statutory labour obligations	55	46	190	125
	9,075	5,459	24,333	15,057
Changes in non-cash working capital items				
Value-added taxes receivable and prepaid expenses	869	729	315	(669)
Gold inventory	(15)	(161)	(125)	13
Supplies inventory	912	(439)	205	(824)
Accounts payable and accrued liabilities	116	274	729	(414)
Income taxes payable	1,298	1,060	(1,011)	2,405
	12,255	6,922	24,446	15,568
Financing activities				
Proceeds from issue of shares	-	36	-	46
Investing activities				
Capital expenditures	(1,052)	(660)	(2,192)	(2,350)
Change in cash and cash equivalents	11,203	6,298	22,254	13,264
Cash and cash equivalents, beginning of period	37,901	12,276	26,850	5,310
Cash and cash equivalents, end of period	\$ 49,104	\$ 18,574	\$ 49,104	\$ 18,574

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

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

1. Nature of operations, accounting policies and basis of presentation

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

The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian GAAP for annual consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine-month periods ended June 30, 2007 may not necessarily be indicative of the results that may be expected for the year ending September 30, 2007.

The balance sheet at September 30, 2006 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian GAAP for annual consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the notes to the Company's annual audited consolidated financial statements for the year ended September 30, 2006, except as noted below. For further information, refer to those statements.

(a) Financial Instruments, Comprehensive Income and Hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective October 1, 2006.

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- all financial assets be measured at fair value on initial recognition and certain financial assets are measured at fair value subsequent to initial recognition;
- all financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method;
- all derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

1. Nature of operations, accounting policies and basis of presentation (continued)

(a) Financial Instruments, Comprehensive Income and Hedges (continued)

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Under adoption of these new standards, the Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Value-added taxes receivable is classified as loans and receivables, which is measured at amortized cost. Accounts payable and accrued liabilities, income taxes payable and provision for statutory labour obligations are classified as other financial liabilities, which are measured at amortized cost.

The Company has evaluated the impact of these new standards on its consolidated financial statements and determined that no adjustments are currently required.

(b) Future accounting changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on October 1, 2007.

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 complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new 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 is currently assessing the impact of these new accounting standards on its consolidated financial statements.

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

2. Property, plant and equipment

	June 30 2007	June 30 2006	September 30 2006
Plant and equipment	\$ 30,616	\$ 28,213	\$ 28,935
Mineral properties and deferred development costs	8,112	7,601	7,601
Less: accumulated depreciation and amortization	(20,109)	(13,489)	(14,933)
	\$ 18,619	\$ 22,325	\$ 21,603

3. Asset retirement obligations

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

	Nine months ended		Year ended
	June 30 2007	June 30 2006	September 30 2006
Balance, beginning of period	\$ 1,828	\$ 1,681	\$ 1,681
Accretion expense	120	110	147
Balance, end of period	\$ 1,948	\$ 1,791	\$ 1,828

4. Share capital

(a) Authorized - unlimited number of common shares

(b) Common shares issued

	Number of common shares	Stated value
Balance, September 30, 2006 and June 30, 2007	115,233,173	\$ 74,777

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

4. Share capital (continued)

(c) Contributed surplus

The following table summarizes the changes in contributed surplus during the periods presented:

	Nine months ended		Year ended
	June 30	June 30	September 30
	2007	2006	2006
Balance, beginning of period	\$ 1,510	\$ 1,008	\$ 1,008
Grant of stock options (note 4(d))	70	-	164
Vesting of previously issued stock options (note 4(d))	120	416	338
Forfeiture of previously issued stock options	(375)	-	-
Balance, end of period	\$ 1,325	\$ 1,424	\$ 1,510

(d) Stock options

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

	Stock options	Weighted average exercise price
Balance, September 30, 2006	4,383,332	Cdn \$1.72
Granted (1)	350,000	0.60
Forfeited	(583,333)	0.97
Expired	(873,333)	4.21
Balance, June 30, 2007	3,276,666	Cdn \$1.07

(1) During the period ended June 30, 2007, 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%
Expected life in years:	4
Expected volatility:	70%
Expected dividend yield:	0%

The weighted-average grant date fair value of these options was \$99 or Cdn. \$0.33 per share and this amount is expensed over the vesting periods.

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

4. Share capital (continued)

(d) Stock options (continued)

As at June 30, 2007, outstanding and exercisable stock options granted were as follows:

	Black-Scholes Values (\$)	Number of non-vested options	Number of vested options	Exercise price Cdn \$	Expiry date
		-	50,000	4.10	August 14, 2007
(1)	253	-	566,666	1.00	December 4, 2007
(2)	20	-	50,000	0.89	March 20, 2008
		-	294,999	1.75	March 31, 2008
(3)	19	-	41,667	1.05	April 5, 2008
(4)	24	-	58,334	0.91	May 9, 2008
		-	65,000	1.00	December 8, 2008
(5)	471	-	1,025,000	1.03	April 1, 2010
(6)	210	-	470,000	1.00	June 30, 2010
(7)	16	10,000	20,000	1.20	September 26, 2010
(8)	109	91,666	183,334	0.89	June 23, 2011
(9)	99	233,333	116,667	0.60	December 14, 2011
	1,221	334,999	2,941,667		

Total vested and non-vested stock options 3,276,666

Stock options have been expensed as follows:

	Number of options	Cumulative expense at June 30, 2007	Remainder to be expensed	Total stock option compensation
(1)	566,666	\$ 253	\$ -	\$ 253
(2)	50,000	20	-	20
(3)	41,667	19	-	19
(4)	58,334	24	-	24
(5)	1,025,000	471	-	471
(6)	470,000	210	-	210
(7)	30,000	16	-	16
(8)	275,000	95	14	109
(9)	350,000	70	29	99
	2,866,667	1,178	43	1,221
Expired options	-	147	-	147
	2,866,667	\$ 1,325	\$ 43	\$ 1,368

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

4. Share capital (continued)

(d) Stock options (continued)

The Company uses the fair value method of accounting for stock options and for the nine months ended June 30, 2007 recognized stock-based compensation expense of \$190 (June 30, 2006 - \$416). This policy was effective on October 1, 2003 and has been applied on a prospective basis. In addition, accrued stock-based compensation of \$375 (June 30, 2006 - \$nil) for forfeited stock options was taken into income and charged to contributed surplus during the period. The fair value of each option grant was estimated using the Black-Scholes option-pricing model. The assumptions used in the Black-Scholes option-pricing model are described in note 6 to the audited consolidated financial statements for the year ended September 30, 2006 and above in this note.

5. Related party transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Refer to note 5(e) of the audited consolidated financial statements for the year ended September 30, 2006 for further details.

For the three and nine months ended June 30, 2007, general and administration expenses include directors' fees of \$43 and \$200 (three months ended June 30, 2006 - \$54 and nine months ended June 30, 2006 - \$141) and consulting fees of \$nil and \$nil (three months ended June 30, 2006 - \$13 and nine months ended June 30, 2006 - \$49) paid and/or accrued to directors of Orvana. These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Officers and directors of Orvana were also reimbursed for out-of-pocket expenses incurred on behalf of the Company.

6. Commitments and contingencies

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.

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

7. Segmented information

(a) Segmented assets

June 30, 2007

	Canada	Sweden	Bolivia	Consolidated
Current assets	\$ 1,834	\$ 44,123	\$ 9,283	\$ 55,240
Long-term assets	83	-	18,536	18,619
	\$ 1,917	\$ 44,123	\$ 27,819	\$ 73,859

September 30, 2006

	Canada	Sweden	Bolivia	Consolidated
Current assets	\$ 1,624	\$ 22,918	\$ 8,715	\$ 33,257
Long-term assets	50	-	21,553	21,603
	\$ 1,674	\$ 22,918	\$ 30,268	\$ 54,860

(b) Segmented income

Nine Months Ended June 30, 2007

	Canada	Sweden	Bolivia	Consolidated
Revenues - gold sales	\$ -	\$ -	\$ 41,737	\$ 41,737
Interest and other income	8	885	-	893
	8	885	41,737	42,630
General and administration	1,201	47	385	1,633
Depreciation and amortization	14	-	5,038	5,052
Accretion expense	-	-	120	120
Provision for income taxes	-	167	5,742	5,909
Segmented net income (loss)	\$ (1,009)	\$ 766	\$ 19,322	\$ 19,079

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

7. Segmented information (continued)

(b) Segmented income (continued)

Three Months Ended June 30, 2007

	Canada	Sweden	Bolivia	Consolidated
Revenues - gold sales	\$ -	\$ -	\$ 15,623	\$ 15,623
Interest and other income	4	462	-	466
	4	462	15,623	16,089
General and administration	285	31	183	499
Depreciation and amortization	8	-	1,671	1,679
Accretion expense	-	-	40	40
Provision for income taxes	-	167	2,238	2,405
Segmented net income (loss)	\$ 48	\$ 255	\$ 7,306	\$ 7,609

Nine Months Ended June 30, 2006

	Canada	Sweden	Bolivia	Consolidated
Revenues - gold sales	\$ -	\$ -	\$ 31,656	\$ 31,656
Interest and other income	252	-	19	271
	252	-	31,675	31,927
General and administration	2,497	50	135	2,682
Depreciation and amortization	10	-	4,141	4,151
Accretion expense	-	-	110	110
Provision for income taxes	-	-	4,599	4,599
Segmented net income (loss)	\$ (3,159)	\$ (50)	\$ 13,623	\$ 10,414

ORVANA MINERALS CORP.

Notes to Consolidated Financial Statements

(Unaudited)

(In thousands of United States Dollars unless otherwise noted)

June 30, 2007

7. Segmented information (continued)

(b) Segmented income (continued)

Three Months Ended June 30, 2006

	Canada	Sweden	Bolivia	Consolidated
Revenues - gold sales	\$ -	\$ -	\$ 11,092	\$ 11,092
Interest and other income	111	-	2	113
	111	-	11,094	11,205
General and administration	692	50	45	787
Depreciation and amortization	5	-	1,366	1,371
Accretion expense	-	-	36	36
Provision for income taxes	-	-	1,767	1,767
Segmented net income (loss)	\$ (750)	\$ (50)	\$ 4,714	\$ 3,914