ORVANA
MINERALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2014

This management's discussion and analysis ("MD&A") of results of operations and financial condition of Orvana Minerals Corp. and its consolidated subsidiaries ("Orvana" or the "Company") describes the operating and financial results of Orvana for the financial year ended September 30, 2014 ("FY2014").

This MD&A should be read in conjunction with the consolidated audited financial statements of Orvana for the year ended September 30, 2014 and related notes thereto (the "Audited Financials"). The Audited Financials are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company uses certain non-IFRS financial performance measures in this MD&A. For a detailed reconciliation of each of the non-IFRS measures used in this MD&A, please see the discussion under "Other - Non-IFRS Measures" below.

In this MD&A, all currency amounts (except per unit amounts) unless otherwise stated, are in United States dollars ("US dollars"). Production and sales in respect of gold and silver are in fine troy ounces referred to as "ounces" or "oz" and in respect of copper are in pounds also referred to as "lbs". References to "revenue" are to "net revenue" as defined in the notes to the table under "Overall Performance" below. The information presented in this MD&A is as of December 9, 2014, unless otherwise stated.

A cautionary note regarding forward-looking statements follows this MD&A.

Orvana

Orvana is a multi-mine gold and copper producer with organic growth opportunities. Orvana's producing properties consist of (i) El Valle-Boinás Mine (the "Boinás Mine") and Carlés Mine (collectively with the Boinás Mine "EVBC" or the "EVBC Mines"), two underground gold-copper-silver mines located in the northern part of Spain; and (ii) Upper Mineralized Zone at the Don Mario Mine (the "Don Mario Mine"), an open-pit gold-copper-silver mine located in the south-eastern part of Bolivia. Orvana's focus is currently on its operations and growth through exploration at and surrounding its operations. The Company is also considering opportunities to add value through external growth. Orvana is an Ontario company and its common shares ("Common Shares") are listed on the Toronto Stock Exchange under the symbol TSX:ORV.

2014 Annual Operating and Financial Highlights

- Continued decrease in outstanding debt balances in fiscal 2014 by 57% with repayment of $31.8 million in principal and interest under the long-term debt in respect of EVBC (the "EVBC Loan") and full repayment of the outstanding short-term debt of $6.5 million (the "Fabulosa Loan"). Full repayment of the EVBC Loan was completed on November 10, 2014, two years ahead of schedule.
- Fiscal 2014 production guidance met with production from EVBC and the Don Mario Mine of 84,084 ounces of gold, 21.1 million pounds (9,551 tonnes) of copper and 890,339 ounces of silver, an increase in gold and copper of 4% and 22%, respectively, and a decrease in silver production of 13% compared with fiscal 2013. [1]

- Sales of 79,858 ounces of gold, 18.9 million pounds (8,589 tonnes) of copper and 833,594 ounces of silver in fiscal 2014, an increase in gold and copper of 8% and 16%, respectively, and a decrease in silver sales of 22% compared with fiscal 2013.
- Gold equivalent production of 149,090 ounces. (2)
- Cash operating costs ("COC") and all-in sustaining costs ("AISC") on a by-product basis (net of copper, silver and lead by-product revenue from EVBC and the Don Mario Mine) per ounce of gold sold in fiscal 2014 of $771 and $1,015, respectively, compared with COC and AISC on a by-product basis (net of copper, silver and lead by-product revenue from EVBC and the Don Mario Mine) of $631 and $950, respectively, in fiscal 2013. (3)
- Cash flows provided by operating activities of $34.7 million in fiscal 2014 compared with $32.6 million in fiscal 2013 and cash flows provided by operating activities before changes in non-cash working capital of $37.9 million in fiscal 2014 compared with $38.9 million in fiscal 2013. (4)
- Net revenue of $142.4 million for fiscal 2014 compared with $162.2 million for fiscal 2013, a decrease of 12%.
- Net loss of $29.7 million for fiscal 2014 compared with net income of $32.6 million for fiscal 2013.
- Adjusted net income of $1.8 million for fiscal 2014 compared with $12.5 million for fiscal 2013. (4)
- Non-cash impairment charge of $25.5 million relating to the EVBC Mines (the "EVBC Impairment") as a result of updated mineral resources and reserves estimates (the "MRMR Update") for EVBC showing a year-over-year decrease in reserves and resources. The Company also received an updated life-of-mine plan (the "LOMP Update") using proven and probable mineral reserves reflecting a shortened mine life based on these updated reserves.
- Impairment charge of $3.7 million relating to the Don Mario Mine oxides inventory (the "Don Mario Impairment").
- Carlés Mine to be placed on care and maintenance early in the second quarter of fiscal 2015 to optimize production at the Boinás Mine and focus on producing only profitable ounces.
- Completion of the sale of the Copperwood project in Michigan ("Copperwood") for up to $25 million with cash received on closing of $13.0 million and a secured promissory note for $7.0 million expected to be paid in December 2014.
- Capital expenditures of $14.9 million for fiscal 2014, a decrease of 29% from fiscal 2013.
- Working capital of $19.9 million at September 30, 2014 compared with $10.3 million at September 30, 2013.
- Re-commissioned and upgraded the hoist at the Boinás Mine in the third quarter of fiscal 2014.
- Commissioned gold gravity concentrators to the processing circuit at the Don Mario Mine towards the end of the second quarter, contributing to increased gold production in the second half of fiscal 2014.
- Appointment of Neil Ringdahl as Chief Operating Officer in June 2014.

Q4 2014 Operating and Financial Highlights

- Production of 24,163 ounces of gold, 6.5 million pounds (2,951 tonnes) of copper and 148,394 ounces of silver (or 41,739 gold equivalent ounces), an increase in gold and copper production of 9% and 44%, respectively, and a decrease in silver production of 49% compared with the fourth quarter of fiscal 2013. (1) (2)
- Sales of 25,338 ounces of gold, 6.3 million pounds of copper and 236,051 ounces of silver, an increase in gold and copper sales of 18% and 43%, respectively, and a decrease in silver sales of 25% compared with the the fourth quarter of fiscal 2013.

- Net revenue of $44.0 million both in the fourth quarter of fiscal 2014 and the fourth quarter of fiscal 2013. Higher sales volumes of gold and copper in the fourth quarter of fiscal 2014 were offset by lower average realized prices.
- Mining costs of $29.8 million, or 16% higher, compared with the fourth quarter of fiscal 2013 primarily due to higher sales volume of gold and copper.
- Net loss of $2.9 million in the fourth quarter of fiscal 2014 compared with net income of $1.2 million in the fourth quarter of fiscal 2013 and adjusted net income of $2.8 million in the fourth quarter of fiscal 2014 compared with adjusted net income of $7.8 million in the fourth quarter of fiscal 2013.
- Cash flows provided by operating activities from continuing operations of $18.8 million in the fourth quarter of fiscal 2014 compared with $7.7 million in the fourth quarter of fiscal 2013 and cash flows provided by operating activities before changes in non-cash working capital of $16.9 million in the fourth quarter of fiscal 2014 compared with $15.4 million in the fourth quarter of fiscal 2013. (4)
- Capital expenditures of $0.5 million for the fourth quarter of fiscal 2014 compared with $3.9 million for the fourth quarter of fiscal 2013.
- COC and AISC on a by-product basis (net of copper, silver and lead by-product revenue from EVBC and the Don Mario Mine) per ounce of gold sold in the fourth quarter of fiscal 2014 of $699 and $855, respectively, compared with COC and AISC on a by-product basis (net of copper, silver and lead by-product revenue from EVBC and the Don Mario Mine) of $493 and $751, respectively, in the fourth quarter of fiscal 2013. (3)

(1) For a description of the EVBC Mines and the Don Mario Mine, please see "Overall Performance - EVBC Mines" and "Overall Performance - Don Mario Mine".

(2) Gold equivalent ounces include copper and silver ounces produced and converted to a gold equivalent based on a ratio of the average market price for the commodities for each period.

(3) The Company, in conjunction with initiatives undertaken within the gold mining industry, adopted COC and AISC and all-in costs ("AIC") which are non-IFRS performance measures as set out in the guidance note released by the World Gold Council in June 2013. The Company believes these performance measures more fully define the total costs associated with its metal production, however, these performance measures have no standardized meaning. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company reports these measures on a metals volumes sold basis. For further information and a detailed reconciliation of these performance measures, please see the "Other Information - Non-IFRS Measures" section of this MD&A.

(4) Adjusted net income (loss), cash flows from operating activities before changes in non-cash working capital and AISC are non-IFRS performance measures with no standard definition under IFRS. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance including the Company's ability to generate cash flows from its mining operations. Accordingly, it is intended to provide additional information and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. For further information and a detailed reconciliation, please see the "Other Information - Non-IFRS Measures" section of this MD&A.

Outlook

Orvana continues to focus on improving operating performance, strengthening its asset base and its balance sheet to deliver shareholder value. The Company continues to make notable progress on key elements of its strategy, with the following achievements:

- **Improved operating performance and asset upgrades**
  - Management has focused on operational optimization in 2014 across all business areas, which has led to more efficient operations, higher grade production and the achievement of fiscal 2014 guidance.
  - Year-over-year mining costs at the Don Mario Mine have been reduced by 23% and production has increased by 45% in gold and 45% in copper.
  - EVBC continued a focus on the optimization of head grade implemented in the second half of fiscal 2014 resulting in an escalating average gold grade processed through the EVBC plant. In the fourth quarter of fiscal 2014, the average gold grade through the mill was 4.02 grams per tonne compared with 2.62 grams per tonne in the first quarter of fiscal 2014, an increase of 53%.

- Capital expenditures have decreased by approximately 29% in fiscal 2014 compared with fiscal 2013. Asset upgrades include hoisting capacity at EVBC and the gold gravity concentrators at the Don Mario Mine.
- The focus on improved execution and grade optimization has contributed to stronger EVBC operating results in recent months, with gold production of 17,124 ounces in the fourth quarter of fiscal 2014 compared with 13,988 ounces produced in the first quarter of fiscal 2014.

- **Streamlined asset base**
  - Copperwood was sold in June 2014 as it was a non-core asset outside of Orvana's principal jurisdictions of Europe and Latin America, for up to $25.0 million.

- **Focus on the balance sheet**
  - Orvana completed the repayment of the $63.8 million EVBC Loan with final payment of $12.6 million on November 10, 2014, two years ahead of schedule, saving approximately $1.4 million in interest costs.
  - The Fabulosa Loan of $6.5 million was repaid in June 2014 from the Copperwood sale proceeds and will not be renewed following December 2014.
  - The repayment of debt now puts Orvana in a positive free cash flow generation position even at current metals prices and provides greater strength to Orvana's balance sheet.

Orvana's long-term focus is to utilize increasing free cash flows and mining capabilities to build long-term value for its shareholders. Management believes that a focus on grade optimization at EVBC and the suspension of the operations of the Carlés Mine position Orvana to optimize production at the Boinás Mine. Producing only profitable ounces will allow the Company to maximize free cash flow. The Company continues to investigate optimization opportunities at its operations in order to further reduce cash costs for fiscal 2015. The following table sets out Orvana's production for fiscal 2014 as well as its fiscal 2015 production guidance:

	FY2014 Guidance	FY2014 Production	FY2015 Guidance
EVBC Mines			
Gold (oz)	60,000 - 65,000 (1)	**62,957**	63,000 - 72,000
Copper (million lbs)	5.5 - 6.0 (1)	**5.6**	6.0 - 7.0
Silver (oz)	160,000 - 180,000 (1)	**156,977**	150,000 - 180,000
Don Mario Mine			
Gold (oz)	20,000 - 21,000 (1)	**21,127**	19,000 - 22,000
Copper (million lbs)	13.5 - 15.0 (1)	**15.4**	14.0 - 16.0
Silver (oz)	680,000 - 720,000 (2)	**733,362**	400,000 - 500,000
Total			
Gold (oz)	80,000 - 86,000 (1)	**84,084**	82,000 - 94,000
Copper (million lbs)	19.0 - 21.0 (1)	**21.1**	20.0 - 23.0
Silver (oz)	840,000 - 900,000 (2)	**890,339**	550,000 - 680,000

(1) Revised in the second quarter of fiscal 2014.

(2) Revised in the third quarter of fiscal 2014.

In fiscal 2015, the Company plans to make further investments in the growth of its business including the increase of its reserves and resource estimates at EVBC through the potential to upgrade inferred mineral resources to mineral reserves and the potential to identify new resources at EVBC and surrounding areas. To date, while lower cash flows from operations and significant debt repayments limited exploration spending in fiscal 2014, certain fieldwork, permitting procedures and drilling was undertaken during the fiscal year and will be ramped up in fiscal 2015. Diamond drill exploration started at the La Brueva property, located eight kilometers from the Boinás Mine, in September 2014. This property was previously mined by the Romans and has a mineralized zone intersected by a few historic diamond holes. An additional 20,000 metres of exploration and reserve definition/infill drilling is planned in and around EVBC in fiscal 2015.

During fiscal 2014, the Company completed a review of its opportunities to increase its resource estimates at its existing Don Mario Mine through the potential to identify new mineral resources in the surrounding area that previously had some geochemical, trenching and drilling results indicating gold mineralization. During the first quarter of fiscal 2014 drilling targets were reviewed and an exploration-drilling plan was prepared. Drilling commenced mid-2014 and continued throughout the year. Although gold mineralization has been encountered, to date, there are no new defined resources. In fiscal 2015, exploration drilling will concentrate around mineralized zones north-west and south-east of the current open pit. Optimization studies will also be carried out to determine the potential of open pit mining of a pushback that would include the crown pillar area of the former lower mineralized zone mined by the Company as an underground mine until 2009 as well as other mineralized areas at higher elevation. The reduction in total mining costs by 23% in fiscal 2014 compared with fiscal 2013, with the elimination of the LPF processing, will facilitate this future mine optimization opportunity.

With the full repayment of the EVBC Loan, at current metals prices assuming production guidance is met and sustaining capital expenditures of approximately $17 million to $20 million for fiscal 2015, the Company expects to generate free cash flows in fiscal 2015.

Orvana has initiated a comprehensive strategic review of the Company and its assets and is considering a number of possible outcomes for Orvana and its shareholders that may include organic growth, asset transactions or a corporate transaction.

OVERALL PERFORMANCE

The key factors affecting Orvana's operating and financial performance are tonnages mined and treated, metal grade and recoveries, quantities of metals produced and sold, realized metals prices, costs including labour, energy and other supplies and material, mine development and other capital expenditures, foreign exchange rates, derivative instruments and tax rates.

The following table includes consolidated operating and financial performance data for the Company for the periods set out below:

	Q3 2014	Q4 2014	Q4 2013	FY 2014	FY 2013	FY2012
Operating Performance (1)						
Gold						
Production (oz)	21,532	**24,163**	22,250	**84,084**	80,541	55,929
Sales (oz) (2)	18,790	**25,338**	21,462	**79,858**	74,087	55,052
Average realized price / oz (2)	$1,293	**$1,283**	$1,329	**$1,287**	$1,504	$1,659
Copper						
Production ('000 lbs)	4,785	**6,505**	4,509	**21,056**	17,304	15,366
Sales ('000 lbs) (2)	4,724	**6,317**	4,427	**18,935**	16,312	14,730
Average realized price / lb (2)	$3.05	**$3.16**	$3.20	**$3.15**	$3.33	$3.54
Silver						
Production (oz)	211,459	**148,394**	289,335	**890,339**	1,017,811	716,280
Sales (oz) (2)	217,988	**236,051**	314,011	**833,594**	1,073,394	669,810
Average realized price / oz (2)	$19.52	**$20.01**	$21.05	**$20.15**	$25.01	$29.43
Financial Performance						
(in 000's, except per share amounts)						
Revenue (3)	$34,064	**$43,998**	$43,975	**$142,407**	$162,199	$145,574
Mining costs (4)	$24,506	**$29,798**	$25,643	**$102,231**	$101,063	$88,231
Impairment charge	$29,228	**$-**	($150)	**$29,228**	$6,273	$-
(Loss) gain from discontinued operations	$135	**($20)**	($136)	**($886)**	($215)	$-
Gross margin	($27,150)	**$4,855**	$12,303	**($19,960)**	$30,998	$42,326
Derivative instruments (loss) gain	($3,786)	**($496)**	($9,853)	**$1,859**	$42,140	$26,095
Net (loss) income	($25,902)	**($2,896)**	$1,174	**($29,743)**	$32,623	($2,353)
Net (loss) income per share (basic/diluted)	($0.19)	**($0.02)**	$0.01	**($0.22)**	$0.24	($0.02)
Adjusted net (loss) income (5)	$941	**$2,766**	$7,814	**$1,779**	$12,499	$15,474
Adjusted net (loss) income per share (basic/	$0.01	**$0.02**	$0.06	**$0.01**	$0.09	$0.11

	Q3 2014	Q4 2014	Q4 2013	FY 2014	FY 2013	FY2012
diluted) (5)						
Operating cash flows before non-cash working capital changes (5)	$8,912	**$16,906**	$15,401	**$37,923**	$38,900	$33,276
Operating cash flows (6)	$8,750	**$18,861**	$7,769	**$35,382**	$32,879	$41,705
Ending cash and cash equivalents	$11,029	**$16,545**	$13,039	**$16,545**	$13,039	$13,200
Restricted cash (including long-term)	$17,457	**$11,735**	$17,839	**$11,735**	$17,839	$18,399
Capital expenditures (7)	$6,571	**$477**	$3,892	**$14,925**	$21,157	$37,718

(1) Metals production and sales are from the EVBC Mines and the Don Mario Mine.

(2) Sales volumes represented in the table above and in the tables below with respect to the EVBC Mines and the Don Mario Mine include volume adjustments relating to final settlement of prior period sales. Average realized metal prices are calculated by dividing gross revenue recorded for the period from metals sales, before deduction of treatment and refinement charges and deductions for payable metals, by ounces of gold or silver or pounds of copper actually sold during the period. Sales volumes used to calculate average realized metal prices and unit cash costs do not include volume adjustments relating to final settlement of prior period sales.

(3) Revenue represents (i) gross revenue derived from the sales of metals in the applicable period less treatment, refining, penalties and payable metals deductions associated with such sales, (ii) plus or minus realized final payment amounts relating to metals sold in prior periods, (iii) plus or minus mark-to-market adjustments based on unrealized price fluctuations at period end relating to metals sold in the current or prior reporting periods prior to receipt of final payment for such sales.

(4) Mining costs represents all costs associated with the production of the metals sold in the period including personnel costs; energy cost (principally diesel fuel and electricity); maintenance and repair costs; operating supplies; external services; costs associated with delivery of the concentrate and doré to the point of sale; an allocation of site general and administrative costs; royalties and, in respect of the Don Mario Mine, mining royalty taxes payable to the Bolivian government.

(5) Adjusted net income (loss), adjusted net income (loss) per share and operating cash flows before non-cash working capital changes are non-IFRS performance measures with no standard definition under IFRS. For further information and a detailed reconciliation, please see the “Other Information - Non-IFRS Measures” section of this MD&A.

(6) Operating cash flows is cash provided by operating activities from continuing operations.

(7) These amounts are presented in the consolidated cash flows in the Audited Financials on a cash basis. Each reported period excludes capital expenditures incurred in the period which will be paid in subsequent periods and includes capital expenditures incurred in prior periods and paid for in the applicable reporting period. See “Cash Flows, Commitments and Liquidity - Capital Expenditures”.

Fiscal Year Ended September 30, 2014 Compared with Fiscal Year Ended September 30, 2013

The Company recorded a net loss for fiscal 2014 of $29.7 million or $0.22 per share, lower by $62.4 million compared with net income for fiscal 2013 of $32.6 million or $0.24 per share, impacted significantly by the following factors:

- Revenue for fiscal 2014 decreased by $19.8 million or 12% to $142.4 million on sales of 79,858 ounces of gold, 18.9 million pounds of copper and 833,594 ounces of silver from the EVBC Mines and the Don Mario Mine as compared with revenue of $162.2 million on sales of 74,087 ounces of gold, 16.3 million pounds of copper and 1,073,394 ounces of silver for fiscal 2013. Average gold, copper and silver prices realized during fiscal 2014 were $1,287 per ounce, $3.15 per pound and $20.15 per ounce, respectively. The decrease in revenue resulted mainly from lower realized prices of gold, copper and silver by 14%, 5%, and 19%, respectively, offset by an increase in sales volumes of gold and copper.
- Mining costs had a minor increase of $1.1 million or 1% from $101.1 million to $102.2 million primarily due to higher sales volume for fiscal 2014 compared with fiscal 2013 offset by a decrease in costs at the Don Mario Mine. Gross margin decreased by $51.0 million to negative $20.0 million for fiscal 2014 compared with $31.0 million for fiscal 2013 primarily due to (i) lower realized metal prices, and (ii) the EVBC Impairment of $25.5 million and the Don Mario Impairment of $3.7 million.
- Expenses before derivative instruments gain decreased by $5.5 million or 26% from $21.1 million in fiscal 2013 to $15.6 million in fiscal 2014. This decrease is primarily due to the non-recurrence of expenses recorded in fiscal 2013 comprised of (i) a non-cash expense for the de-recognition of assets related to the Boinás Mine hoist of $2.2 million, (ii) the provision for and subsequent one-

time payment to EMIPA union employees of $1.4 million, and (iii) a non-cash provision for potentially uncollectible value-added tax (“VAT”) of $1.4 million at the Don Mario Mine.

- The Company recorded a derivative instruments gain of $1.9 million for fiscal 2014 compared with $42.1 million for fiscal 2013. The gains resulted from (i) an unrealized fair value loss relating to the Company’s outstanding derivative instruments in fiscal 2014 of $10.0 million compared with unrealized fair value gains of $43.3 million in fiscal 2013, and (ii) cash settlement gains of $11.8 million in fiscal 2014 compared with cash settlement losses of $1.2 million in respect of the derivative instruments that matured during fiscal 2013. The outstanding derivatives were closed on July 16, 2014 and a $7.1 million realized gain on settlement of the derivatives was applied as a repayment of principal under the EVBC Loan. The related deferred income tax expense recorded was $0.6 million compared with $12.6 million in fiscal 2013. Of the Company’s total gold and copper sales in fiscal 2014, 27% and 12%, respectively, were hedged under the Company’s outstanding derivative instruments as required under the EVBC Loan. See “Financial Condition Review - Derivative Instruments”.
- The income tax recovery for fiscal 2014 was $4.9 million compared with an income tax expense for fiscal 2013 of $19.2 million due primarily to the derivatives gains of $42.1 million recorded in fiscal 2013 compared with $1.9 million in fiscal 2014.

The Company recorded adjusted net income of $1.8 million for fiscal 2014 or $0.01 per share, a decrease of 86% compared with $12.5 million for fiscal 2013 or $0.09 per share in fiscal 2013. For further information and a detailed reconciliation of adjusted net income, please see the “Other Information - Non-IFRS Measures” section of this MD&A.

Three Months Ended September 30, 2014 Compared with Three Months Ended June 30, 2014

The Company recorded a net loss for the fourth quarter of fiscal 2014 of $2.9 million or $0.02 per share compared with a net loss of $25.9 million or $0.19 per share for the third quarter of fiscal 2014. The Company’s net loss for the fourth quarter of fiscal 2014 was affected by the following factors:

- Revenue for the fourth quarter of fiscal 2014 increased by $9.9 million or 29% to $44.0 million on sales of 25,338 ounces of gold, 6.3 million pounds of copper and 236,051 ounces of silver compared with revenue of $34.1 million on sales of 18,790 ounces of gold, 4.7 million pounds of copper and 217,988 ounces of silver in the third quarter of fiscal 2014. The increase in revenue resulted primarily from higher volumes of gold and silver sold at EVBC and higher volumes of all metals sold at the Don Mario Mine.
- Total mining costs increased by $5.3 million or 22% from $24.5 million in the third quarter of fiscal 2014 to $29.8 million in the fourth quarter of fiscal 2014 primarily due to higher metals volumes sold.
- Gross margin increased by $32.0 million to $4.9 million compared with negative $27.1 million in the third quarter of fiscal 2014 primarily due to higher revenue from higher metals sales in the fourth quarter of fiscal 2014 and the EVBC Impairment and the Don Mario Impairment recorded in the third quarter of fiscal 2014.
- The Company recorded a realized derivative instruments gain of $7.1 million for the fourth quarter of fiscal 2014 from the closure of the outstanding derivatives on July 16, 2014 compared with $5.5 million in the third quarter of fiscal 2014. At September 30, 2014, there were no derivatives outstanding.
- The income tax expense in the fourth quarter of fiscal 2014 was $3.6 million compared with an income tax recovery of $9.4 million in the third quarter of fiscal 2014 primarily due to (i) the deferred income tax expense of $2.1 million relating to the realized gain on the closure of the outstanding derivatives in the fourth quarter of fiscal 2014 compared with deferred income tax recovery of $0.5 million in the third quarter of fiscal 2014, and (ii) the deferred income tax recovery of $7.6 million relating to the EVBC Impairment recorded in the third quarter of fiscal 2014.

The Company recorded an adjusted net income of $2.8 million or $0.02 per share in the fourth quarter of fiscal 2014 compared with an adjusted net loss of $0.9 million or $0.01 per share in the third quarter of fiscal 2014. For further information and a detailed reconciliation of the adjusted net income (loss), please see the “Other Information - Non-IFRS Measures” section of this MD&A.

EVBC Mines

Through its wholly-owned subsidiary, Kinbauri España S.L.U. (“Kinbauri”), the Company owns and operates the EVBC Mines located in the Rio Narcea Gold Belt in northern Spain. The EVBC Mines comprise the Boinás Mine, where skarns and oxides are being mined underground, and the Carlés Mine, where skarns are being mined underground. The EVBC Mines commenced commercial production in August 2011. The Carlés Mine is scheduled to be placed on care and maintenance in early 2015.

The following table includes consolidated operating and financial performance data for EVBC for the periods set out below.

	Q3 2014	Q4 2014	Q4 2013	FY2014	FY2013
Operating Performance					
Ore mined (tonnes) (wmt)	151,692	**145,637**	204,859	**671,564**	752,572
Ore milled (tonnes) (dmt)	145,169	**139,619**	181,763	**651,612**	685,697
Gold					
Grade (g/t)	3.76	**4.02**	3.26	**3.22**	3.24
Recovery (%)	93.6	**95.0**	93.4	**93.3**	92.5
Production (oz)	16,405	**17,124**	17,823	**62,957**	65,992
Sales (oz)	16,418	**17,747**	17,411	**63,464**	59,802
Copper					
Grade (%)	0.51	**0.64**	0.54	**0.48**	0.52
Recovery (%)	86.4	**83.8**	86.2	**82.0**	84.4
Production (‘000 lbs)	1,404	**1,642**	1,880	**5,626**	6,658
Sales (‘000 lbs)	1,408	**1,600**	1,990	**5,876**	6,085
Silver					
Grade (g/t)	11.52	**11.59**	11.30	**9.38**	11.24
Recovery (%)	79.5	**79.8**	81.8	**79.9**	79.8
Production (oz)	42,755	**41,538**	54,241	**156,977**	197,768
Sales (oz)	42,999	**42,357**	62,447	**163,513**	190,843
Financial Performance					
(in 000’s, except per share amounts)					
Revenue	$24,310	**$25,622**	$27,904	**$93,553**	$102,309
Mining costs	$18,222	**$18,302**	$18,017	**$72,735**	$62,867
Impairment charge	$25,485	**$-**	$-	**$25,485**	$-
Derivative instruments gain (loss)	($3,786)	**($496)**	($9,853)	**$1,859**	$42,140
Income (loss) before tax	($30,111)	**$1,917**	$6,994	**($27,549)**	$55,270
Capital expenditures (1)	$3,000	**$1,442**	$3,748	**$12,603**	$13,248
Cash operating costs (by-product) ($/oz) gold (2)	$916	**$869**	$759	**$952**	$803
All-in sustaining costs (by-product) ($/oz) gold (2)	$1,108	**$1,024**	$1,035	**$1,160**	$1,086
All-in costs (by-product) ($/oz) gold (2)	$1,166	**$1,024**	$1,035	**$1,228**	$1,086

(1) See “Cash Flows, Commitments and Liquidity - Capital Expenditures” section of this MD&A.

(2) For further information and a detailed reconciliation of COC, AISC and AIC, please see the “Other Information - Non-IFRS Measures” section of this MD&A.

EVBC Mines Operating Performance

EVBC achieved production of 62,957 ounces of gold, 5.6 million pounds of copper and 156,977 ounces of silver in fiscal 2014 compared with 65,992 ounces of gold, 6.7 million pounds of copper and 197,768 ounces of silver in fiscal 2013.

A mid-year strategy of focus on grade optimization at EVBC led to a gold grade increase from 2.7 grams per tonne in the first half of fiscal 2014 to 3.9 grams per tonne in the second half of 2014. Changes were made in both engineering and operational execution to drive for increased margins. Production in fiscal 2014 was also impacted by work completed in the first half of fiscal 2014 to recover a failed zone in the San Martin skarns area in the Boinás Mine, which occurred in the third quarter of fiscal 2012. Completion of work in the third quarter of fiscal 2014 granted access to higher grade mineralization from other nearby stopes increasing head grades of gold, copper and silver processed in the second half of fiscal 2014 with fewer tonnes processed.

The hoist damaged as a result of the hoisting accident at the Boinás Mine in June 2013 became fully operational in the third quarter of fiscal 2014. With the completion of the hoist repair and upgrades, management implemented a production schedule which optimized the usage of both the hoisting and ramp systems for ore, waste and backfill. Mine performance had been negatively impacted by continued reliance on ramp access at the Boinás Mine for ore and waste in the first half of fiscal 2014.

During the fourth quarter of fiscal 2014, the EVBC Mines produced 17,124 ounces of gold, 1.6 million pounds of copper and 41,538 ounces of silver compared with (i) 16,405 ounces of gold, 1.4 million pounds of copper, 42,755 ounces of silver during the third quarter of fiscal 2014, and (ii) 17,823 ounces of gold, 1.9 million pounds of copper and 54,241 ounces of silver during the fourth quarter of fiscal 2013. The (i) increase in production of gold and copper compared with the third quarter of fiscal 2014 is primarily due to an increase in gold and copper head grades of 7% and 25%, respectively, and (ii) decrease in production compared with the fourth quarter of fiscal 2013 is primarily due to a 23% decrease in tonnes milled.

During the fourth quarter of fiscal 2014, EVBC continued with grade optimization measures initiated in the second half of fiscal 2014. While EVBC achieved record monthly production with 7,332 ounces of gold in July of 2014, the production level was not maintained due to (i) unanticipated mechanical issues which reduced the availability of main mobile equipment in the latter months, and (ii) reduced mining flexibility as lower grade stopes are no longer being mined.

In the fourth quarter of fiscal 2014, the Company announced that after December 2014, the Carlés Mine will be placed on care and maintenance (the "Carlés Mine Suspension"). Production at the Boinás Mine will ramp up by the equivalent amount. The suspension will provide optionality value pending an improved economic mining plan or higher metal prices. The decision was taken after drilling results indicated lower grades in the future mining blocks (below current activities). Management determined that the Carlés mechanized crew would provide greater value in ramping up production in the higher grade Boinás Mine. Development crews were moved to Boinás in September 2014. Production activities are continuing at Carlés from developed areas until early 2015. At that time, production and maintenance crews will be transferred to Boinás to increase production or replace existing contractors. EVBC will continue to work closely with local communities and collaborate with government authorities during this process.

EVBC Financial Performance

Revenue for EVBC for fiscal 2014 decreased by $8.8 million or 9% to $93.6 million on sales of 63,464 ounces of gold, 5.9 million pounds of copper and 163,513 ounces of silver from $102.3 million on sales of 59,802 ounces of gold, 6.1 million pounds of copper and 190,843 ounces of silver in fiscal 2013 primarily as a result of a decrease in average realized sales prices by 14%, 5% and 19%, respectively, offset by an increase in gold sales volumes of 6%.

Mining costs increased by $9.9 million or 16% from $62.9 million in fiscal 2013 to $72.7 million in fiscal 2014 primarily due to (i) higher sales of gold and therefore higher associated costs, (ii) costs associated with the recovery of the San Martin skarns area in the Boinás Mine, (iii) the impact of an unfavorable foreign exchange rate with a 3% percent appreciation of the Euro against the US dollar in fiscal 2014 compared with fiscal 2013, and (iv) additional general and administrative costs.

The total costs of the basic recovery of and upgrades to the hoist were $5.4 million. The basic recovery and upgrades costs were capitalized to property, plant and equipment. As the estimated cost of the basic recovery of $3.5 million exceeded the estimated amount de-recognized of $2.5 million, the Company de-recognized the difference of $1.0 million during the third quarter of fiscal 2014. Management continues to work on the insurance claim for the basic recovery costs.

As a result of the MRMR Update and the suspension of the Carlés Mine and in accordance with its usual policy, Orvana conducted a carrying value assessment of EVBC as at June 30, 2014. Management estimated cash flows reflected in the Company's updated mine plan available at that time using estimated production levels, operating costs and capital expenditures as well as long-term commodity prices, foreign exchange rates and discount rates. Based on this assessment, it was determined that EVBC's net recoverable amount was lower than its carrying amount. As a result, Orvana recorded the non-cash EVBC Impairment of $25.5 million in the third quarter of fiscal 2014. The EVBC Impairment represented a non-cash reduction in the EVBC carrying value and had no impact on Orvana's cash flows.

Loss before tax for fiscal 2014 was $27.6 million compared with income before tax of $55.3 million in fiscal 2013. The decrease is due mainly to (i) lower revenue of $19.8 million in fiscal 2014 while mining costs increased by $1.2 million, (ii) the derivative instrument gain of $1.9 million recorded on the revaluation of the Company's outstanding derivative instruments during fiscal 2014 compared with $42.1 million recorded in fiscal 2013, and (iii) the EVBC Impairment of $25.5 million recorded in the third quarter of fiscal 2014. Of the total sales of gold and copper in fiscal 2014 from EVBC, 34% and 39%, respectively, were hedged as required under the EVBC Loan. In the fourth quarter of fiscal 2014, the Company's outstanding derivative instruments were closed. Please see the "Financial Condition Review - Derivative Instruments" section of this MD&A.

Total capital expenditures at EVBC for fiscal 2014 were $12.6 million compared with $13.2 million in fiscal 2013. Capital expenditures in fiscal 2014 consisted primarily of mine development and non-recurring hoist repairs and upgrades expenditures. This excludes $0.3 million and $2.0 million in accounts payable adjustments for fiscal 2014 and fiscal 2013, respectively. Please see the "Financial Condition Review - Capital Expenditures" section of this MD&A.

Total COC (by-product) of $952 per ounce of gold sold in fiscal 2014 were $149 or 19% higher than in 2013 and total AISC of $1,160 per ounce of gold sold in fiscal 2014 were $74 or 7% higher than in fiscal 2013 due to lower by-product revenue and higher mining costs due to the factors set out above. Costs decreased every quarter through fiscal 2014.

Revenue from EVBC for the fourth quarter of fiscal 2014 was $25.6 million on sales of 17,747 ounces of gold, 1.6 million pounds of copper and 42,357 ounces of silver compared with $24.3 million on sales of 16,418 ounces of gold, 1.4 million pounds of copper and 42,999 ounces of silver in the third quarter of fiscal 2014 as a result of higher volumes sold of gold and copper by 8% and 14%, respectively. Mining costs remained largely consistent at $18.3 million in the fourth quarter of fiscal 2014 as higher volumes sold were offset by lower tonnes mined and milled, while management focused on head grade optimization.

Income before tax for the fourth quarter of fiscal 2014 was $1.9 million compared with a loss before tax of $30.1 million in the third quarter of fiscal 2014. This is due mainly to the EVBC Impairment of $25.5 million recorded in the third quarter of fiscal 2014 and a derivative loss of $0.5 million recorded in the fourth quarter of fiscal 2014 compared with a derivative instrument loss of $3.8 million recorded in the third quarter of fiscal 2014.

Total capital expenditures at EVBC during the fourth quarter of fiscal 2014 were $1.4 million compared with $3.0 million in the third quarter of fiscal 2014. Please see the "Financial Condition Review - Capital Expenditures" section of this MD&A.

Total COC (by-product) of $869 per ounce of gold sold in the fourth quarter of fiscal 2014 were $47 or 5% lower than in the third quarter of fiscal 2014. Total AISC (by-product) of $1,024 per ounce of gold sold in the fourth quarter of fiscal 2014 were $84 or 8% lower than in the third quarter of 2014. Unit costs in the fourth quarter of fiscal 2014 were lower compared with the third quarter of 2014 due to higher sales of gold and higher by-product revenue due to management's focus on head grade optimization while mining costs remained fairly consistent.

Growth Exploration

In the fourth quarter of fiscal 2013, the Company completed a review of its opportunities to increase its reserves and resource estimates at EVBC through the potential to upgrade inferred mineral resources to mineral reserves and the potential to identify new resources at EVBC and surrounding areas. To date, while lower cash flows from operations and significant debt repayments limited exploration spending in fiscal 2014, certain fieldwork, permitting procedures and drilling was undertaken in fiscal 2014 and will now continue into fiscal 2015. Diamond drill exploration started at the La Brueva property, eight kilometers from the Boinás Mine, in September 2014. This property was previously mined by the Romans and has a mineralized zone intersected by a few historic diamond holes. Additionally, over 20,000 meters of diamond drilling is planned as infill reserve definition drilling and internal exploration drilling in 2015.

Reserves and Resources Estimates and LOMP

On September 29, 2014, the Company filed an updated mineral resources and reserves estimate for EVBC (the "EVBC Technical Report") prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). The updated estimate was prepared by qualified persons within the meaning of NI 43-101 at Roscoe Postle Associates Inc. ("RPA"), an independent mining consulting firm. The EVBC Technical Report disclosed that effective at September 30, 2014, the EVBC Mines contained (i) proven and probable reserves of 2.2 million tonnes at 4.3 grams per tonne gold and 0.7% copper, (ii) measured and indicated resources of 6.0 million tonnes at 4.4 grams per tonne gold and 0.7% copper, and (iii) inferred resources of 6.0 million tonnes at 5.0 grams per tonne gold and 0.5 copper.

Don Mario Mine

Through its wholly-owned subsidiary, Empresa Minera Paititi S.A. ("EMIPA"), the Company owns and operates the Don Mario Mine located in south-eastern Bolivia. Fiscal 2009 marked the last year of six years of production from the Company's Lower Mineralized Zone ("LMZ") underground gold mine at Don Mario with some gold production from a lower-grade open pit satellite deposit continuing into fiscal 2010 and 2011. The Company is now mining the Upper Mineralized Zone ("UMZ") as an open-pit mine. The Don Mario UMZ Mine reached commercial production in January 2012.

The following table includes operating and financial performance data for the Don Mario Mine for the periods set out below.

	Q3 2014	Q4 2014	Q4 2013	FY2014	FY2013
Operating Performance					
Ore mined (tonnes) (dmt) (1)	312,551	**257,585**	245,976	**916,961**	1,013,646
Ore milled (tonnes) (dmt)	199,313	**225,870**	206,431	**831,124**	788,149
Gold					
Grade (g/t)	1.88	**1.99**	1.44	**1.71**	1.26
Recovery (%)	42.5	**48.7**	46.5	**46.3**	45.6
Production (oz)	5,127	**7,039**	4,427	**21,127**	14,549
Sales (oz)	1,979	**7,591**	4,051	**16,394**	14,285
Copper					
Grade (%)	1.50	**1.50**	1.43	**1.47**	1.39
Recovery (%)	51.4	**62.6**	40.3	**56.0**	44.2
Production ('000 lbs)	3,381	**4,864**	2,630	**15,430**	10,646
Sales ('000 lbs)	3,265	**4,717**	2,437	**13,059**	10,228
Silver					
Grade (g/t)	49.66	**27.08**	54.57	**48.01**	52.67
Recovery (%)	53.0	**54.3**	64.9	**57.2**	61.5

	Q3 2014	Q4 2014	Q4 2013	FY2014	FY2013
Production (oz)	168,704	**106,856**	235,094	**733,362**	820,043
Sales (oz)	169,663	**193,694**	251,564	**670,081**	882,551
Financial Performance					
(in 000's, except per share amounts)					
Revenue	$9,754	**$18,376**	$16,072	**$48,854**	$59,890
Mining costs	$6,284	**$11,496**	$7,627	**$29,496**	$38,196
Impairment	$3,743	**$-**	($150)	**$3,743**	$9,044
Income (loss) before tax	($3,662)	**$3,006**	$8,463	**$3,699**	$4,545
Capital expenditures	$33	**$355**	$581	**$2,152**	$2,691
Cash operating costs (co-product) ($/oz) gold (2)	$1,121	**$843**	$803	**$862**	$1,050
Cash operating costs (co-product) ($/lb) copper (2) (3)	$2.47	**$2.19**	$2.05	**$2.28**	$2.31
Cash operating costs (co-product) ($/oz) silver (2)	$16.16	**$15.59**	$13.41	**$15.87**	$18.04
All-in sustaining costs (co-product) ($/oz) gold (2)	$1,193	**$887**	$893	**$955**	$1,159
All-in sustaining costs (co-product) ($/lb) copper (2)	$2.61	**$2.32**	$2.26	**$2.50**	$2.55
All-in sustaining costs (co-product) ($/oz) silver (2)	$17.05	**$16.53**	$14.76	**$17.31**	$19.71
All-in costs (co-product) ($/oz) gold (2)	$1,227	**$892**	$893	**$964**	$1,161
All-in costs (co-product) ($/lb) copper (2)	$2.67	**$2.33**	$2.26	**$2.52**	$2.55
All-in costs (co-product) ($/oz) silver (2)	$17.46	**$16.61**	$14.76	**$17.45**	$19.74

(1) Ore mined includes oxides mined and stockpiled prior to the oxides impairment discussed below.

(2) For further information and a detailed reconciliation of COC, AISC and AIC, please see the "Other Information - Non-IFRS Measures" section of this MD&A.

(3) COC per pound of copper sold represent C1 costs plus royalties.

Don Mario Mine Operating Performance

During fiscal 2014, the Don Mario Mine produced 21,127 ounces of gold, 15.4 million pounds of copper, and 733,362 ounces of silver compared with 14,549 ounces of gold, 10.6 million pounds of copper and 820,043 ounces of silver in fiscal 2013.

Production in fiscal 2014 compared with fiscal 2013 of (i) gold increased by 45% primarily as a result of a 36% increase in head grade, (ii) copper increased by 45% as a result of 6% higher grade and a 27% increase in recoveries, and (iii) silver decreased by 11% as a result of a 9% decrease in grade and 7% decrease in recoveries. Mill throughput was increased by 5% to approximately 2,400 tonnes per day in fiscal 2014.

During the fourth quarter of fiscal 2014, the Don Mario Mine produced 7,039 ounces of gold, 4.9 million pounds of copper and 106,856 ounces of silver compared with (i) 5,127 ounces of gold, 3.4 million pounds of copper and 168,704 ounces of silver in the third quarter of fiscal 2014, and (ii) 4,427 ounces of gold, 2.6 million pounds of copper and 235,094 ounces of silver in the fourth quarter of fiscal 2013. The (i) increase in gold and copper production compared with the third quarter of fiscal 2014 is primarily due to an increase in gold head grade of 6% and an increase in gold and copper recovery by 15% and 22%, respectively, and (ii) increase in gold and copper production compared with the fourth quarter of fiscal 2013 is primarily due to an increase in gold and copper head grades of 38% and 5%, respectively, and an increase in gold and copper recovery by 5% and 55%, respectively.

During the third quarter of fiscal 2013, the Company suspended the processing of oxides through the leach-precipitation-floatation ("LPF") process. It was no longer economical to process oxides through this process as costs were significantly higher than flotation-only processing costs and throughput of the LPF circuit was approximately half that of the flotation-only circuit. This decision has contributed to the significant cost reduction achieved in fiscal 2014 of 23% compared with fiscal 2013 and contributed to copper and gold production increases of 45% and 45%, respectively.

During fiscal 2014, the Company undertook a process to evaluate reagents to process oxides through its flotation-only circuit and completed other metallurgical testing. It has been determined that a cost effective means to recover the economic minerals in the oxides has not yet been defined. Accordingly, in the third quarter of fiscal 2014, the Company wrote off the carrying value of the oxides ore inventory resulting in the Don Mario Impairment of $3.7 million. Costs associated with mining and stockpiling oxides have been expensed as mining costs since July 1, 2014. Further evaluation of the oxides process is continuing and if deemed economical in the future, the Don Mario Impairment will be reversed at that time.

The Don Mario Mine commissioned three new gravity concentrators towards the end of March 2014. Due to initial commissioning challenges and complex mineralogy requiring adjustments to the gravity circuit increased recoveries and sales were not achieved until the fourth quarter of fiscal 2014. Accordingly, the Company recorded the highest quarterly ounces of gold produced and sold since commencement of production in the second quarter of fiscal 2012. The Company will continue to work on optimizing recoveries of gold and silver from the new gold gravity concentrators in fiscal 2015.

EMIPA completed regular annual union wage negotiations as mandated under Bolivian law in July 2014. A “no strike” clause was negotiated for the coming year to May 2015.

Don Mario Mine Financial Performance

Revenue from the Don Mario Mine for fiscal 2014 was $48.9 million on sales of 16,394 ounces of gold, 13.1 million pounds of copper and 670,081 ounces of silver compared with $59.9 million on sales of 14,285 ounces of gold, 10.2 million pounds of copper and 882,551 ounces of silver in fiscal 2013. The decrease in revenue is primarily a result of a decrease in the realized average sales prices by 14%, 5% and 19%, respectively, offset by an increase in sales volumes of gold and copper of 15% and 28%, respectively, in fiscal 2014 due to strong mining and processing performance.

Mining costs decreased by $8.7 million or 23% from $38.2 million in fiscal 2013 to $29.5 million in fiscal 2014 primarily due to lower costs in fiscal 2014 as a result of the suspension of the LPF process in fiscal 2013 and a labour reduction of 13%.

Income before tax for fiscal 2014 was $3.7 million compared with $4.6 million in fiscal 2013. The decrease resulted mainly from (i) lower revenue in fiscal 2014, (ii) higher depreciation in fiscal 2014 of $2.4 million as a result of a shortened life of mine with the suspension of the LPF process for oxides, and (iii) the Don Mario Impairment of $3.7 million compared with an impairment of $6.4 million recorded in fiscal 2013 as a result of the suspension of the LPF process.

For fiscal 2014, COC (co-product) were $862 per ounce of gold or 18% lower, $2.28 per pound of copper or 1% lower and $15.87 or 12% lower compared with $1,050 per ounce of gold, $2.31 per pound of copper and $18.04 per ounce of silver for fiscal 2013. AISC (co-product) in fiscal 2014 were $955 per ounce of gold or 18% lower, $2.50 per pound of copper or 2% lower and $17.31 per ounce of silver or 12% lower compared with $1,159 per ounce of gold, $2.55 per pound of copper and $19.71 per ounce of silver for fiscal 2013. These decreases are generally due to (i) lower costs in fiscal 2014 as a result of the suspension of the LPF process and higher sales as a result of higher production.

Total capital expenditures at the Don Mario Mine during fiscal 2014 were $2.2 million compared with $2.7 million in fiscal 2013, primarily relating to the completion of the tailings dam raise and the addition of the gold gravity concentrators.

Revenue from Don Mario for the fourth quarter of fiscal 2014 increased by 88% from $9.8 million in the third quarter of fiscal 2014 to $18.4 million on sales of 7,591 ounces of gold, 4.7 million pounds of copper and 193,694 ounces of silver compared with sales of 2,372 ounces of gold, 3.3 million pounds of copper and 174,989 ounces of silver in the third quarter of fiscal 2014, an increase in sales of gold, copper and silver by 220%, 42% and 11%, respectively. The increase in revenue is primarily due to the sale of copper concentrate inventory which had accumulated in the third quarter of fiscal 2014 on transition to a new copper concentrate off-taker and the first sales of the gold concentrate.

Mining costs of $11.5 million for the fourth quarter of fiscal 2014 increased by $5.2 million or 83% compared with $6.3 million during the third quarter of 2014 primarily due to higher sales during the fourth quarter and, therefore, higher associated production and marketing costs.

Income before tax for the fourth quarter of fiscal 2014 was $3.0 million compared with a loss before tax of $3.7 million for third quarter of fiscal 2014 primarily as a result of (i) higher revenue in the fourth quarter of fiscal 2014, and (ii) the Don Mario Impairment of $3.7 million and a write-down of fixed assets of $0.9 million recorded in the third quarter of fiscal 2014.

Total capital expenditures at the Don Mario Mine during the fourth quarter of fiscal 2014 were $0.4 million compared with $0.03 million in the third quarter of fiscal 2014. Capital expenditures in the fourth quarter of fiscal 2014 consisted primarily of the tailings dam raise currently underway.

For the fourth quarter of fiscal 2014, COC (co-product) were $843 per ounce of gold or 25% lower, $2.19 per pound of copper or 11% lower and $15.59 per ounce of silver or 4% lower compared with $1,121 per ounce of gold, $2.47 per pound of copper and $16.16 per ounce of silver in the third quarter of fiscal 2014. Total AISC (co-product) were $887 per ounce of gold or 26% lower, $2.32 per pound of copper or 11% lower and $16.53 per ounce of silver or 3% lower compared with $1,193 per ounce of gold, $2.61 per pound of copper and $17.05 per ounce of silver for the third quarter of fiscal 2014. The decrease in costs for gold and copper is primarily due to an increase in metals volumes sold with lower associated mining costs.

Growth Exploration

In the fourth quarter of fiscal 2013, the Company completed a review of its opportunities to increase its resource estimates at its existing Don Mario Mine through the potential to identify new mineral resources in the surrounding area that previously had some geochemical, trenching and drilling results indicating gold mineralization. During the first quarter of fiscal 2014 drilling targets were reviewed and an exploration drilling plan was prepared. Drilling commenced during the second quarter of fiscal 2014 and continued in the third and fourth quarters of fiscal 2014. Although gold mineralization has been encountered, to date, there are no new defined resources. In fiscal 2015, exploration drilling will concentrate around mineralized zones north-west and south-east of the UMZ. Pit optimization studies will also be carried out to determine the potential of mining the LMZ crown pillar area.

Reserves and Resources Estimates

The Company updated its mineral resource and mineral reserve estimates to reflect fiscal 2014 production. This estimate was prepared under the supervision of Gino Zandonai of DGCS Exploration & Mining Consulting in Santiago, Chile, who is a qualified person for the purposes of NI 43-101 and is independent of Orvana. Effective at September 30, 2014, the Don Mario Mine contained an estimated (i) in-situ proven and probable reserves of 1.3 million tonnes at 1.1 grams per tonne gold, 1.2% copper and 34.5 grams per tonne silver, (ii) in-situ measured and indicated resource (inclusive of reserves) of 1.4 million tonnes at 1.2 grams per tonne gold, 1.3% copper and 36.9 grams per tonne silver, and (iii) in-situ inferred resources of 60 thousand tonnes at 1.0 grams per tonne gold, 1.3% copper and 44.7 grams per tonne silver, in the UMZ. Additional information regarding the mineral reserve and mineral resource estimates will be included in the Company's 2014 Annual Information Form ("AIF") to be filed prior to December 29, 2014.

Sale of Copperwood

Through its wholly-owned subsidiary, Orvana Resources US Corp. ("Orvana US"), Orvana owned Copperwood which was comprised of, among others, certain long-term mineral lease agreements, surface rights and mineral rights option agreements in the Upper Peninsula of the State of Michigan, USA. The Company had previously completed a feasibility study and obtained all major permits in respect of the development of Copperwood.

On June 17, 2014, the Company closed the sale of Copperwood to Highland Copper Company Inc. ("Highland") through the sale of all of the outstanding shares of Orvana US for total consideration of up to $25.0 million consisting of base consideration of $20.0 million and additional consideration of up to $5.0 million. On closing, Orvana received cash of $13.0 million and a secured promissory note in the amount of $7.0 million (the "Copperwood Note") in respect of the remainder of the base consideration which is included as a current asset on the Company's balance sheet at September 30, 2014. Amounts outstanding under the Copperwood Note bear interest at an annualized rate of 13.5% until September 30, 2014 and thereafter at an annualized rate of 17.5%, may be prepaid at any time and must be repaid no later than December 15, 2014, subject to certain mandatory prepayments. The full amount of the outstanding balance of the Copperwood Note, and the interest accrued thereon, are immediately due and payable upon a change of control of Highland. The Copperwood Note is secured by, among other things, a first priority security interest over all of the assets of Orvana US, a pledge by Highland of all of the shares of Orvana US and a guarantee from Highland. The additional consideration of up to $5.0 million will be paid by Highland in cash or shares of Highland, at Orvana's option, upon occurrence of the events described below:

- $1.3 million upon the earliest of (i) commencement of commercial production of Copperwood and (ii) the date that is 36 months after closing; and an additional $1.3 million on the first anniversary of the first additional payment; and
- $1.3 million if the average copper price for any 60 calendar day period following the first anniversary and preceding the second anniversary of commencement of commercial production is greater than $4.25/lb; and an additional $1.3 million if the average copper price for any 60 calendar day period following the second anniversary and preceding the third anniversary of the commencement of commercial production is greater than $4.50/lb.

The results from operations have been presented separately as loss from discontinued operations on the statement of income. Based on consideration to be received from the Copperwood sale, the assets and liabilities of Copperwood were written down to their fair value less costs to sell, resulting in a loss of $0.4 million for fiscal 2014.

Orvana used the proceeds from the Copperwood sale to repay the $6.5 million Fabulosa Loan, $2.0 million under the EVBC Loan and will use the remainder of the net proceeds for general corporate purposes.

Market Review and Trends

Metal Prices

The market prices of gold and copper are one of the primary drivers of Orvana's earnings and ability to generate free cash flows. During the fourth quarter of fiscal 2014, the gold price remained volatile, with the price ranging from $1,210 to $1,343 per ounce and an average quarterly market price of $1,282 per ounce compared with $1,288 in the third quarter of fiscal 2014. Orvana's average gold realized price for the fourth quarter of fiscal 2014 was $1,283 per ounce. The Company derived approximately 57% of its revenue from sales of gold in the fourth quarter of fiscal 2014.

The strengthening of the US dollar as a result of an improvement to the US economy and US treasury policy and a decrease in geopolitical concerns were the main factors which lead to a decline in the price of gold during and subsequent to the fourth quarter of fiscal 2014. The Company believes that continued improvement in the US economy with an expectation of increased interest rates in the future will continue to have a negative impact to the price of gold as investors shift towards higher yielding assets. An uncertain macroeconomic environment in certain jurisdictions such as Europe and China and continued geopolitical concerns, together with the limited choice of alternative safe haven investments, may offset further declines and is supportive of continued demand for gold although at prices closer to the current ranges.

Copper prices during the fourth quarter of fiscal 2014 traded in a range of $3.06 to $3.26 per pound with an average quarterly price of $3.17 per pound compared with $3.08 per pound in the third quarter of fiscal 2014. Orvana's average copper realized price for the fourth quarter of fiscal 2014 was $3.16 per pound. Copper's strength lies mainly in strong physical demand from emerging markets, especially China. In the near term, the Company believes copper prices should continue to be influenced by demand from emerging markets, the availability of scrap and production levels of mines and smelters in the future. The Company derived approximately 25% of its revenue from sales of copper in the fourth quarter of fiscal 2014.

In the fourth quarter of fiscal 2014, silver prices traded in a range from $17.11 per ounce to $21.50 per ounce with an average quarterly price of $19.71 per ounce compared with $20.01 in the third quarter of fiscal 2014. The Company derived approximately 18% of its revenue from sales of silver in the fourth quarter of fiscal 2014.

Currency Exchange Rates

The results of Orvana's operations are affected by US dollar exchange rates. Orvana's largest exposure is to the US dollar/Euro exchange rate which impacts operating and administration costs at EVBC incurred in Euros while revenue is earned in US dollars. While Orvana's cost of sales and expenses were positively affected by historical lows reached by the Euro of $1.22 against the US dollar, the Euro has appreciated since fiscal 2012 reaching a high of $1.37 in the fourth quarter of fiscal 2014. As a result, mining costs at EVBC were higher in fiscal 2014 compared with fiscal 2013. A decline in the US dollar/Euro exchange rate to $1.27 at the end of the fourth quarter resulted in an average US dollar/Euro exchange rate of $1.33 in the fourth quarter of fiscal 2014 compared with $1.37 in the third quarter of fiscal 2014, and consequently, a reduction in mining costs at EVBC in the fourth quarter of fiscal 2014 compared with the third quarter of fiscal 2014.

Orvana also has a minor exposure to the Canadian dollar through corporate administration costs. Orvana's exposure to the USD/Bolivianos exchange rate is limited as this exchange rate has not fluctuated significantly during previous reporting periods.

Environment, Health, Safety and Sustainability

The Board of Directors of the Company has a Technical, Safety, Health, Environment and Sustainability Committee. The purpose of this Committee is to provide support for the Company's safety, health, environmental and sustainability programs, and to assist in reviewing the technical, safety, health, environmental and sustainability performance of the Company. The Company maintains health and workplace safety programs at each of its operations. In order to ensure that safety goals and optimal safety standards are achieved, comprehensive training programs for mine and mill operations take place on an ongoing basis. Orvana maintains various industry metrics to track its environment, health and safety performance over time such as lost-time injury frequency rates and lost-time injury severity rates.

Orvana is committed to developing and operating its mines and projects, including reclamation efforts, in full compliance with local environmental regulations and recognized international environmental standards. In furtherance of this commitment, Orvana regularly implements programs to protect and enhance natural habitats and sensitive species, including reclamation and reforestation efforts and the establishment of water sources for wildlife. The Company monitors the water and air quality on a frequent basis at EVBC and the Don Mario Mine and these operations are also periodically inspected by environmental regulatory authorities. Third parties sample and analyze both surface and ground water following protocols established by the applicable regulatory authorities. Any regulated elements whose values are not in compliance in the subject jurisdictions, when detected, are quickly located and evaluated. To date, although certain parameters have not always been in compliance at the Company's operations, evaluations have been provided to the respective regulatory authorities and remedial actions have or are being implemented. The Company is currently working through one such matter in Spain with a local regulatory authority in respect of which it has received and may receive certain monetary sanctions. The Company has been working to remediate this matter. The construction of a reverse osmosis water treatment plant was completed in the fourth quarter of fiscal 2014. In addition, the Company has filed applications for amendments to certain of its permits as a result thereof.

Orvana is committed to the social development and well-being of the communities in which it operates. To this end, Orvana continues to support, financially and otherwise, local community endeavors associated with these objectives. In fiscal 2013, Orvana corporate leaders were active in visiting and participating in sustainability initiatives in Spain and Bolivia and continued these initiatives in fiscal 2014. The Company has supported the communities surrounding EVBC by donating funds to the local municipalities. In addition, the Company has funded the re-stocking of fish species into the local rivers surrounding EVBC. In fiscal 2014, EVBC sponsored the Rio Narcea Salmon fair and provided mining educational materials and donations to the elementary school in Salas.

In the Chiquitos Province of Bolivia where the Don Mario Mine is located, the Company is actively involved in the areas of education, sanitation, purchasing of local goods and services and generally working with communities to contribute to the improvement of their standard of living. In 2011, Orvana renewed its support of investing $1.8 million in the local communities over a five year period. Projects supported by Orvana include supervision of and financial support for community development projects such as utilities and parks, education and information technology, cultural events and sporting initiatives, community business development initiatives, agricultural projects and maintenance of community roads. In fiscal 2014, the Company funded $0.3 million (fiscal 2013 - $0.3 million) of such commitment for a total of $1.5 million funded since 2011. In addition, outside of Orvana's committed support, the Company funded $0.2 million in fiscal 2014 (fiscal 2013 - $0.2 million). Projects are jointly monitored by the Company and community boards and funds are paid directly to contractors based on project work completed.

FINANCIAL CONDITION REVIEW

Balance Sheet Review

The following table provides a comparison of key elements of Orvana's balance sheet at September 30, 2014 and September 30, 2013:

(in 000's)	**September 30, 2014**	September 30, 2013
Cash and cash equivalents	**$16,545**	$13,039
Restricted cash (short term)	**$9,897**	$16,095
Non-cash working capital (1)	**$18,761**	$9,933
Total assets	**$221,118**	$288,339
EVBC Loan (net of financing fees) (2)	**$15,900**	$46,055
Obligations under finance leases	**$-**	$627
Total liabilities	**$91,918**	$129,571
Shareholders' equity	**$129,200**	$158,768

(1) Working capital represents current assets of $76.3 million less cash and cash equivalents and short-term restricted cash totaling $26.4 million and less $31.1 million in current liabilities composed of accounts payable and accrued liabilities and income taxes payable (not including bank debt, the Fabulosa Loan, the EVBC Loan, obligations under finance leases and derivative instruments).

(2) The amount of Orvana's outstanding EVBC Loan at September 30, 2014 and September 30, 2013 was $16.6 million and $48.4 million, respectively, less financing fees of $0.7 million and $2.4 million, respectively. Information relating to Orvana's outstanding credit facilities is set out below. The EVBC Loan was repaid in full on November 10, 2014.

Total assets decreased by $67.2 million or 23% from $288.3 million to $221.1 million primarily as a result of the decrease in (i) derivative instruments of $11.7 million, and (ii) property, plant and equipment of $63.5 million due to the EVBC Impairment and the Don Mario Impairment, the sale of Copperwood and depreciation offset by an increase in (i) accounts receivable as a result of the Copperwood Note of $7.3 million, and (ii) current value added taxes and other receivables and prepaid expenses of $7.4 million.

Total liabilities decreased by $37.7 million or 29% to $91.9 million at September 30, 2014 from $129.6 million at September 30, 2013 primarily as a result of a decrease in total debt of $33.4 million.

Orvana's outstanding credit facilities are set out below:

	Limit	Balance Outstanding at September 30, 2014 (1)	Balance Outstanding at December 9, 2014 (1)
(in 000's)			
EVBC Loan	$16,614	**$16,614**	**$-**
EMIPA short-term credit facilities (1)	$10,000	**$9,364**	**$7,392**
Fabulosa Loan	$6,500	**$-**	**$-**

(1) EMIPA short term credit facilities are with two Bolivian banks and are payable in 120 to 180 days with annual interest ranging from 6.0% to 7.5% with certain of EMIPA's assets pledged as security against these loans. The credit facilities are not guaranteed by Orvana. The proceeds are used to finance EMIPA's working capital needs. The foregoing excludes bank guarantees of $2,345 (September 30, 2013 - $465) related to refunded value-added taxes and chemical and natural gas purchases. The Company expects to maintain a level of short-term debt of approximately $6.0 million to $8.0 million in Bolivia.

EVBC Loan

In October 2010, Kinbauri, a subsidiary of the Company, entered into the EVBC Loan, a $50 million five-year term corporate credit facility. The funds were primarily used to complete the construction of EVBC. In February 2012, the EVBC Loan was extended by one year to September 30, 2016 and increased by $13.8 million including approximately $6.5 million (€5,000) to fund an environmental bond that may be required to be posted with governmental authorities in Spain. On June 30, 2014, the Company announced an amendment of the EVBC Loan, which became effective on July 11, 2014, resulting in a new maturity date of November 30, 2014 (the "New Maturity Date") and a number of principal repayments from (i) restricted cash, Copperwood proceeds and working capital, (ii) required quarterly principal repayments, and (iii) the closure of outstanding derivative instruments. Accordingly, the Company reclassified the EVBC Loan and outstanding derivative instruments as current on the Company's balance sheet at June 30, 2014. As a condition to the amendments of the EVBC Loan, Orvana had to establish a line of credit in the minimum amount of $6.5 million until the New Maturity Date. See "Fabulosa Loan - Related Party Transactions" below. The Company's first principal and interest payment was made on July 2, 2012.

Orvana was required to maintain certain financial ratios. During fiscal 2014 and as part of the amendments to the EVBC Loan, certain financial covenants and non-compliance matters were waived until the New Maturity Date including one financial covenant in respect of which the Company had obtained waivers in prior quarters.

The EVBC Loan required gold, copper and US dollars/EUR derivative instruments that were previously put in place. The security for the EVBC Loan included a fixed and floating charge over the assets of Kinbauri and a pledge by Orvana of all of the shares of Kinbauri. Kinbauri's obligations under the EVBC Loan were guaranteed by Orvana. See "Financial Condition Review - Derivative Instruments" below. Subsequent to the end of the third quarter of fiscal 2014, all outstanding derivative instruments were closed for net proceeds of $7.1 million with the proceeds applied as a repayment of principal under the EVBC Loan.

Orvana completed repayment of the EVBC Loan on November 10, 2014, two years ahead of schedule. As of the date of the MD&A, the associated guarantees have been released and security has been or is in the process of being discharged.

The EVBC Loan details are set out below:

EVBC Loan	*(in 000's)*
Interest Rate	4% plus LIBOR
Commencement of quarterly principal repayments of original loan	July 2, 2012
Maturity date	November 30, 2014
Principal balance outstanding – September 30 , 2014	$16,614
Less:	

EVBC Loan	*(in 000's)*
Repayment on October 2 (included in restricted cash at September 30)	($3,990)
Repayment on November 10 included in restricted cash at September 30	($4,549)
Outstanding balance repaid on November 10	($8,075)
Balance outstanding on December 9, 2014	**$-**

Fabulosa Loan - Related Party Transactions

The Company entered into the Fabulosa Loan with Fabulosa Mines Limited ("Fabulosa"), the Company's 51.9% shareholder, in the amount of $11.5 million in 2011. The Company used proceeds drawn under the Fabulosa Loan for working capital purposes. Interest on the outstanding principal was 12% per annum and the stand-by fee was 1.5% on undrawn amounts and both amounts are payable monthly. The Company pays withholding taxes imposed by applicable taxing authorities. During the third quarter of fiscal 2014, the outstanding balance of $6.5 million was repaid with the proceeds from the sale of Copperwood. The Fabulosa Loan was secured by Copperwood.

The amendment of the EVBC Loan was conditional on the establishment of a $6.5 million line of credit. Accordingly, the Fabulosa Loan was amended effective July 11, 2014. The maturity period was extended from September 30, 2014 to December 31, 2014 and the amount which may be drawn under the Fabulosa Loan was amended to $6.5 million. In connection with such amendment, the Company issued warrants to Fabulosa to purchase 100,000 common shares of the Company ("Common Shares") exercisable at a price of $0.54 until July 11, 2019. The Company also paid a structuring fee of 2% for a total of $0.1 million. As of the date of the MD&A, the outstanding balance under the Fabulosa Loan was nil and no amounts have been drawn and no amounts are intended to be drawn before the maturity date. The Fabulosa Loan will not be renewed.

The Fabulosa Loan is secured by, among other things, an assignment of the Copperwood Note, a general security assignment over present and future assets of Orvana, excluding Kinbauri, and a pledge of the shares of certain subsidiaries of Orvana.

Concurrent with the initial 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.

Shareholders' Equity

Shareholders' equity at September 30, 2014 decreased by $29.6 million or 19% to $129.2 million compared with $158.8 million at September 30, 2013 primarily as a result of the net loss of $29.7 million recorded during fiscal 2014. The table below sets out the number of each class of securities of the Company outstanding at September 30, 2014 and as at the date hereof:

(in 000's)	**At September 30, 2014**
Common Shares	136,623,171
Warrants (1)	1,795,000
Options (2)	2,553,335

(1) All of the outstanding warrants are held by Fabulosa. Warrants to purchase up to 1,300,000 Common Shares were issued on September 6, 2011 with an exercise price of C$1.90. Warrants to purchase up to 1,425,000 Common Shares were issued on March 5, 2012 with an exercise price of C$0.97. As a result of the forfeiture or expiration of certain options, warrants to purchase up to 1,045,000 Common Shares were outstanding as of the date of the MD&A of which 450,000 were exercisable, in respect of the 2011 and 2012 warrants issued. In connection with a July 2013 Fabulosa Loan amendment, warrants to purchase 500,000 Common Shares were issued on August 22, 2013 with an exercise price of C$0.49. The expiry dates of these warrants range from 2016 and 2019. In connection with the July 2014 Fabulosa Loan amendment, the Company issued warrants to purchase 100,000 Common Shares at an exercise price of C$0.53 until July 11, 2019.

(2) The options have a weighted average exercise price of $1.32 and expiry dates ranging from 2015 to 2019.

Derivative Instruments

As a result of the amendment of the EVBC Loan, during the fourth quarter of fiscal 2014, the Company's outstanding derivative instruments were closed. The net cash received on such settlement of $7.1 million was used for the repayment of outstanding principal under the EVBC Loan. The Company recorded a tax recovery associated with such settlement of approximately $2.1 million.

Changes in the fair value of the Company's outstanding derivative instruments were recognized through the Company's income statement as non-cash derivative instruments gains or losses. At maturity of each contract, a cash settlement took place resulting in a corresponding reduction in the carrying value of the derivative instruments. The mark-to-market fair value of the Company's outstanding derivative instruments was based on independently provided market rates and determined using standard valuation techniques, including the impact of counterparty credit risk. The asset associated with the Company's outstanding derivative instruments at September 30, 2014 was nil compared with an asset of $11.7 million at September 30, 2013. The liability associated with the Company's outstanding derivative instruments at September 30, 2014 was nil compared with a liability of $1.7 million at September 30, 2013.

The EVBC Loan was repaid in full on November 10, 2014. The Company recorded unrealized and realized adjustments on its outstanding derivative instruments for the three and twelve months ended September 30, 2014 and during the 2013 fiscal year as follows:

(in 000's)	**Q4 2014**	**FY2014**	**FY2013**
Changes in unrealized fair value	**$7,594**	**$9,966**	($43,295)
Realized (gain) loss on cash settlements of derivative instruments	**(7,098)**	**(11,825)**	1,155
Recorded derivative instruments loss (gain)	**$496**	**($1,859)**	($42,140)

Capital Resources

At September 30, 2014, the Company had cash and cash equivalents of $16.5 million, restricted cash of $11.7 million including $9.1 million set aside for debt repayment and total debt of $26.0 million. Debt net of cash, cash equivalents and restricted cash for debt repayment was $0.3 million at September 30, 2014. The Company considers its capital employed to consist of shareholders' equity (including share capital, contributed surplus and retained earnings), total debt and obligations under finance leases, net of cash and cash equivalents as follows:

(in 000's)	**September 30, 2014**	September 30, 2013
Shareholders' equity	**$129,200**	$158,768
Bank debt (1)	**$9,364**	$9,856
Fabulosa Loan (1)	**$-**	$2,731
EVBC Loan (1)	**$16,614**	$48,433
Obligations under finance leases	**$-**	$627
	$155,178	$220,415
Less: Cash and cash equivalents (2)	**(16,545)**	(13,039)
Capital employed	**$138,633**	$207,376

(1) Bank debt represents various credit facilities associated with the Don Mario Mine. The Company's reclassified the full EVBC Loan to short-term at June 30, 2014. This represents the balance outstanding under the EVBC Loan at September 30, 2014 which was fully repaid on November 10, 2014.

(2) In addition to cash and cash equivalents, at September 30, 2014, the Company had $9,084 set aside under restricted cash for debt payments under the EVBC Loan repaid on November 10, 2014.

The Company's financial objective when managing capital is to make sure that it has the cash and debt capacity and financial flexibility to fund its ongoing business objectives including operating activities, investments and growth in order to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, in addition to using cash flows from operating activities for this purpose, the Company may issue new shares or sell assets to reduce debt. In the third quarter of fiscal 2014, the Company closed the sale of Copperwood for closing proceeds of $13.0 million and the

Copperwood Note. On November 10, 2014, the Company completed repayment of the EVBC Loan, two years ahead of schedule resulting in interest savings to the Company of approximately $1.4 million.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the Company's operating and financial performance and current outlook of the business and industry in general. The Company's alternatives to fund future capital needs include cash flows from operating activities, debt or equity financing, or adjustments to capital spending. The capital structure and these alternatives are reviewed by management and the board of directors of the Company on a regular basis to ensure the best mix of capital resources to meet the Company's needs.

The Company manages capital through its operating and financial budgeting and forecasting processes. The Company reviews its working capital and forecasts its future cash flows on a periodic basis, based on operating expenditures and other investing and financing activities. The forecast is regularly updated based on the results of its EVBC Mines and the Don Mario Mine. Information is regularly provided to the board of directors of the Company.

Cash Flows, Commitments and Liquidity

Cash Flows

Total cash and cash equivalents as at September 30, 2014 were $16.6 million primarily denominated in US dollars representing an increase of $3.5 million from $13.0 million at September 30, 2013. Short-term restricted cash was $9.9 million at September 30, 2014 compared with $16.1 million at September 30, 2013 and includes $9.1 million in a debt service reserve which was used to complete repayment of the EVBC Loan on November 10, 2014. The Company's total debt was $26.0 million (debt net of cash, cash equivalents and restricted cash for debt repayment was $0.3 million) at September 30, 2014 and $7.4 million at the date of the MD&A. This compares with total debt as at September 30, 2013 of $61.0 million (debt net of cash, cash equivalents and restricted cash of $39.8 million).

Orvana's primary source of liquidity has been from operating cash flows in the last twelve months. Cash flows from operating activities before changes in non-cash working capital were $37.9 million for fiscal 2014 compared with $38.9 million for fiscal 2013 and cash flows from operating activities were $34.7 million for fiscal 2014 compared with $32.6 million for fiscal 2013. This includes cash from realized gains on settlement of the outstanding derivative instruments net of tax of $8.3 million in fiscal 2014 compared with realized losses net of tax of $0.8 million in fiscal 2013. Adjusted operating cash flow for fiscal 2014 excluding the cash settlements for maturing derivative instruments was $22.9 million in fiscal 2014 and $33.7 million in fiscal 2013.

Cash flows from operating activities before changes in non-cash working capital were $16.9 million in the fourth quarter of fiscal 2014 compared with $15.4 million in the fourth quarter of fiscal 2013. Orvana generated cash flows from operating activities of $18.8 million in the fourth quarter of fiscal 2014 compared with $7.7 million in the fourth quarter of fiscal 2013. This includes cash from realized gains on settlement of the outstanding derivative instruments net of tax of $5.0 million in the fourth quarter of fiscal 2014 compared with $0.7 million in the fourth quarter of fiscal 2013. Adjusted operating cash flow excluding the cash settlements for maturing derivative instruments was $11.7 million in the fourth quarter of fiscal 2014 and $6.6 million in the fourth quarter of fiscal 2013.

The most significant drivers of the change in operating cash flow are production and sales and market gold and copper prices. Future changes in metals market prices, either favourable or unfavourable, will continue to have a material impact on the Company's cash flows and liquidity. The principal uses of operating cash flows have been the repayment of debt and the funding of the Company's capital expenditures.

Cash used in financing activities was $18.9 million in the fourth quarter of fiscal 2014 and $35.7 million for fiscal 2014 compared with $0.7 million in the fourth quarter of fiscal 2013 and $12.4 million in fiscal 2013 due to accelerated repayment of the EVBC Loan in fiscal 2014.

Cash provided by investing activities was $4.2 million in fiscal 2014 and cash used in investing activities was $20.3 million in fiscal 2013. Cash provided by investing activities was $5.3 million in the fourth quarter of fiscal 2014 compared with cash used in investing activities of $5.4 million in the fourth quarter of fiscal 2013 primarily due to proceeds received from the divestiture of Copperwood in fiscal 2014 offset by capital expenditures. See “Cash Flows, Commitments and Liquidity - Capital Expenditures” below.

The following table summarizes the principal sources and uses of cash for the periods specified below:

(in 000's)	Q3 2014	Q4 2014	Q4 2013	FY2014	FY2013
Cash provided by (used in) operating activities (1) (2)	$8,560	**$18,841**	$7,659	**$34,731**	$32,569
Cash from (used in) financing activities	($10,355)	**($18,875)**	($763)	**($35,670)**	($12,425)
Cash (used in) provided by investing activities (3)	$6,877	**$5,245**	($5,352)	**$4,179**	($20,307)
Change in cash	$5,082	**$5,211**	$1,544	**$3,240**	($163)

(1) Operating cash flows is cash provided by operating activities from continuing operations and discontinued operations.

(2) Operating cash flows include cash from (i) realized gains on settlement of the derivative instruments of $1.7 million in the third quarter of fiscal 2014, $7.1 million in the fourth quarter of fiscal 2014 and a total of $11.8 million in fiscal 2014, and (ii) realized gains of $1.0 million in the fourth quarter of fiscal 2013 and realized losses of $1.2 million in fiscal 2013.

(3) These amounts are presented on a cash basis. Each reported period excludes unpaid capital expenditures incurred in the period which will be paid in subsequent periods and includes capital expenditures incurred in prior periods and paid for in the applicable reported period. See “Cash Flows, Commitments and Liquidity - Capital Expenditures”.

Capital Expenditures

The following table sets forth Orvana's capital expenditures for the periods specified below for the EVBC Mines and the Don Mario Mine:

Capital Expenditures (1)	Q3 2014	Q4 2014	Q4 2013	FY2014	FY2013
(in 000's)					
Don Mario Mine	$33	**$355**	$581	**$2,152**	$2,691
EVBC Mines (1)	3,000	**1,442**	3,748	**12,603**	13,248
Corporate	2	**4**	-	**8**	3
Subtotal capital expenditures	$3,035	**$1,801**	$4,329	**$14,763**	$15,942
EVBC – accounts payable adjustments (1)	3,451	**(1,324)**	(983)	**(298)**	2,022
Total capital expenditures from continuing operations (2)	$6,486	**$477**	$3,346	**$14,465**	$17,964
Total capital expenditures from discontinued operations (Copperwood)	85	**-**	546	**460**	3,193
Total capital expenditures (2)	$6,571	**$477**	$3,892	**$14,925**	$21,157

(1) These amounts are presented on a cash basis. Each reported period excludes unpaid capital expenditures incurred in the period which will be paid in subsequent periods and includes capital expenditures incurred in prior periods and paid for in the applicable reported period.

(2) For further discussion relating to capital expenditures, see “Cash Flows, Commitments and Liquidity - Liquidity”.

Capital expenditures excluding the hoist repair and upgrades were approximately $10.1 million for fiscal 2014. The Company expects sustaining capital expenditures for fiscal 2015 to be in the range of $17.0 million to $20.0 million, assuming current metals market prices.

Other Commitments

At September 30, 2014, the Company's contractual obligations included: bank debt; term credit facilities; obligations under finance leases; operating leases; decommissioning liabilities; purchase obligations related to certain operating activities at EVBC and the Don Mario Mine; provision for statutory labour obligations; and long-term compensation. Contractual obligations are summarized in the following table below:

		Payment Due by Period			
(in 000's)	**Total**	**Less than 1 Year**	**1-3 Years**	**4-5 Years**	**After 5 Years**
Bank debt - Don Mario Mine [1]	**$9,364**	$9,364	-	-	-
EVBC Loan [1]	**$16,614**	$16,614	-	-	-
Operating leases	**$1,745**	$1,745	-	-	-
Decommissioning liabilities [2]	**$21,577**	$221	$4,897	$490	$15,969
Reclamation bond [3]	**$6,292**	$6,292	-	-	-
Purchase obligations	**$4,964**	$1,717	$3,247	-	-
Provision for statutory labour obligations [4]	**$2,294**	-	$2,294	-	-
Long-term compensation	**$290**	$63	$176	-	$51
Total contractual obligations [5]	**$63,140**	**$36,016**	**$10,614**	**$490**	**$16,020**

(1) Bank debt represents various credit facilities associated with the Don Mario Mine. See "Financial Condition Review - Balance Sheet Review". On November 10, 2014, the Company repaid the remaining balance of $16.6 million of the EVBC Loan.

(2) Decommissioning liabilities are undiscounted. Total cash deposited with a Spanish financial institution for reclamation bonds amounted to approximately $9.7 million at September 30, 2014 (September 30, 2013 - $10.2 million). Decommissioning liabilities are discussed below under "Other Information - Critical Accounting Estimates - Decommissioning Liabilities".

(3) An additional reclamation bond of up to €5,000 million may have to be deposited by the Company under Spanish mining regulations in respect of the EVBC Mines. The Company is currently challenging this based on technical considerations.

(4) Under Bolivian law, EMIPA has an obligation to make payments to employees in the amount of one month's wages for each year of service. The employee can elect to receive payment after five years of service in the amount of five months of wages while continuing employment with EMIPA.

(5) Production from the EVBC Mines and the Don Mario Mine is subject to certain royalties which amounts have not been included in total contractual obligations at September 30, 2014. For a description of such royalties and amounts payable, see "Royalties" below.

Royalties

Production from EVBC is subject to a 3% net smelter return royalty ("NSR"), referred to herein as the EVBC Royalty. The EVBC Royalty rate decreases to 2.5% for any quarter in which the average price of gold is below $1,100 per ounce. The EVBC Royalty expense totaled $0.8 million for the fourth quarter of fiscal 2014 and $2.8 million for fiscal 2014.

Production from the Don Mario Mine is subject to a 3% NSR. This expense totaled $0.5 million for the fourth quarter of fiscal 2014 and $1.3 million for fiscal 2014. The Bolivian government collects a mining royalty tax on the revenue generated from copper, gold and silver sales from the Don Mario Mine at rates of 5%, 7% and 6%, respectively. These amounts totaled $1.6 million for the fourth quarter of fiscal 2014 and $4.4 million for fiscal 2014. The NSR and the mining royalty tax are referred to herein as the "Don Mario Royalties".

Liquidity

Orvana's primary sources of liquidity in fiscal 2014 were operating cash flows, drawdowns under the Fabulosa Loan and proceeds from the sale of Copperwood.

Bank loans with certain Bolivian banks have averaged a balance of approximately $10 million and are short term, ranging from 120 to 180 days. Although in the past, EMIPA's lenders have agreed to renew these loans in the ordinary course, new loans replacing those maturing may not be obtained. In the event that certain of these loans are not renewed, cash flows from operating activities from the Don Mario Mine will be used for working capital purposes and less cash flows therefrom will be available for distribution to Orvana.

As a result of the amendment of the EVBC Loan during the fourth quarter of fiscal 2014 and, until full repayment of the EVBC Loan was made on November 10, 2014, EVBC received additional working capital financing of $8.5 million from Orvana. Orvana financed this working capital infusion from cash flows generated by the Don Mario Mine and proceeds from the sale of Copperwood. No further cash flow infusions are expected now that the EVBC Loan has been repaid.

In June 2014, Orvana repaid the outstanding $6.5 million Fabulosa Loan from the Copperwood sale proceeds. At the date of the MD&A, the outstanding balance under the Fabulosa Loan was nil and the Company had the ability to draw $6.5 million until December 15, 2014. As of the date of the MD&A, no amounts have been drawn and no amounts are intended to be drawn before the maturity date. The Fabulosa Loan is not being renewed following the December 31, 2014 maturity date.

As at September 30, 2014, the Company had cash of $16.5 million and restricted cash of $11.7 million designated to cover a portion of the Company's commitments due in less than one year of $36.0 million. The Company expects to meet the remainder of its contractual obligations due in less than one year from cash flows from operating activities and the Copperwood Note.

The Company generated positive operating cash flows in fiscal 2014. Financing and investing activities including the repayment of debt and capital expenditures offset by proceeds from the Copperwood sale resulted in positive free cash flow. With completion of the repayment of the EVBC Loan and the Company's planned capital expenditures, at current metal market prices, the Company expects to generate positive free cash flows in fiscal 2015.

If (i) unanticipated events occur that may impact the operations of EVBC Mines and the Don Mario Mine, and/or (ii) if the Company does not have adequate access to financing on terms acceptable to the Company, and/or (iii) collection of the Copperwood Note does not occur, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing, pursuing joint-venture partnerships, equipment financings or other receivables financing arrangements. The Company may experience difficulty in obtaining satisfactory financing terms. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on Orvana's results of operations or financial condition.

SUMMARY OF QUARTERLY RESULTS

The following two tables include results for the eight quarters ended September 30, 2014:

	Quarters ended			
(in 000's, except per share amounts)	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**
Revenue	**$43,998**	$34,064	$29,125	$35,220
Net income (loss)	**($2,896)**	($25,902)	($6,953)	$6,008
Earnings (loss) per share (basic and diluted)	**($0.02)**	($0.19)	($0.05)	$0.04
Total assets	**$221,118**	$236,638	$283,606	$293,448
Total financial liabilities (1)	**$25,978**	$44,853	$55,209	$58,502
	Quarters ended			
	Q4 2013	**Q3 2013**	**Q2 2013**	**Q1 2013**
Revenue	$43,975	$36,997	$45,576	$35,651
Net income (loss)	$1,174	$11,315	$6,483	$13,651
Earnings (loss) per share (basic and diluted)	$0.01	$0.08	$0.05	$0.10
Total assets	$288,339	$281,101	$281,418	$290,277
Total financial liabilities (1)	$61,647	$62,741	$69,766	$74,921

(1) Financial liabilities include the bank debt, Fabulosa Loan, current and long-term portions of obligations under finance leases and the EVBC Loan, before deducting financing fees.

FINANCIAL AND OTHER RISKS AND UNCERTAINTIES

Financial Risks

The Company's activities expose it to a variety of financial including market risks (including commodity price risks, currency risk and interest rate risk), credit risk, liquidity and financing risks and other risks. Enterprise risk management is carried out by management of the Company under policies approved by the board of directors thereof. Management identifies and evaluates the financial risks in co-operation with the Company's operating units. The Board of Directors of the Company reviews management's risk management programs and provides oversight on specific areas. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial and operating performance.

Market Risks – Commodity Price Risks

The Company is primarily exposed to gold and copper commodity price risk. Fluctuations in gold and copper prices materially affect financial performance and results of operation. A sustained or significant decline in the price of gold and copper would have adverse effects on the profitability of the Company and would negatively impact the cash flow. Following closure of the derivative instruments which were a requirement of the EVBC Loan in the fourth quarter of fiscal 2014, the Company's gold and copper sales are no longer hedged.

Gold Prices - The net loss of $29.7 million for fiscal 2014 would be impacted by changes in average realized gold prices on gold ounces sold. A 10% increase/decrease in average realized gold prices would affect the net loss by an decrease/increase of approximately $6.5 million for fiscal 2014.

Copper Prices - The net loss of $29.7 million for fiscal 2014 would be impacted by changes in average realized copper prices. A 10% increase/decrease in average realized copper prices would affect net loss by an decrease/increase of approximately $3.6 million for fiscal 2014.

Market Risks – Currency Risk

Orvana's functional currency is the US dollar. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Currency risk arises when future recognized assets or liabilities are denominated in a currency that is not the Company's functional currency and may impact the fair values thereof. Exchange rate fluctuations may also affect the costs that the Company incurs in its operations.

At September 30, 2014, if the Euro had been 10 basis points higher/lower with all other variables held constant, the net loss for fiscal 2014 would have been approximately $7.0 million higher/lower primarily as a result of higher/lower exchange rate.

Credit Risk

The Company's credit risk is primarily attributable to gold-copper concentrate and gold doré sales, value-added tax receivables and a subsidy receivable from the Spanish government in connection with the completed development of EVBC. The Company has a concentration of credit risk with four customers to which gold-copper concentrate and gold doré are sold under agreements and who provide provisional payments to the Company upon each product shipment. These institutions are international and most are large with strong credit ratings. Value-added taxes receivables are collectable from the Bolivian and Spanish governments. The government subsidy receivable is collectable by the Company over a three year period from the Spanish government. The balance outstanding is approximately $2.9 million.

Liquidity and Financing Risks

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Cash flow forecasting is performed in the operating entities of the Company and aggregated at Orvana. Management monitors these rolling forecasts to ensure the Company has sufficient cash to meet such financial obligations and operational needs at all times. Financing risk is the risk that if unanticipated events occur that may impact the operations of EVBC Mines and the Don Mario Mine and/or if the Company does not have adequate access to financing on terms acceptable to the Company, the Company may not have adequate resources to maintain its operations or advance its projects as currently anticipated. For a discussion relating to the Company's liquidity and liquidity and financing risks, please see "Cash Flows, Commitments and Liquidity - Liquidity" above.

Ability to Maintain Appropriate Internal Controls over Financial Reporting and Disclosure Controls and Procedures

For a discussion related to the management of the Company's internal control over financial reporting and disclosure controls and procedures, please see the "Internal Control over Financial Reporting and Disclosure Controls and Procedures" section of this MD&A.

Other Risks

Orvana's business is subject to certain other risks in operational, strategic and regulatory areas. In managing risk, management of the Company focuses on the risk factors that impact the ability to operate in a safe, profitable and responsible manner, including:

Strategic and Operating Risk Factors

- Reliance on models and plans that are based on estimates including mineral reserves and resources;
- Ability to achieve production estimates due to various factors (i) including unusual or unexpected ore body formations, ore dilution, varying metallurgical and other ore characteristics; (ii) diminishing quantities or declining grades of reserves and Orvana's ability to replace mineral reserves and resources through exploration or acquisition; (iii) technical complexity in connection with mining or expansion activities; or (iv) sequencing or processing challenges resulting in lower than expected recovery rates;
- Availability and increased costs of mining inputs, critical parts and equipment and various commodities including fuel and electricity;
- Ability to execute development and capital projects including managing technical aspects, scope, costs and timelines associated with construction, to successfully deliver expected operating and financial performance; and
- Ability to compete for mining properties, integrate acquisitions or complete divestitures, obtain and maintain valid title and obtain and maintain access to required land, water and power infrastructure.

Regulatory and Other Risks

- Changing or increasing regulatory requirements, including increasing royalties and taxes, changing environmental regulation, Orvana's ability to obtain and maintain compliance with permits and licenses necessary to operate;
- Changes in governments or the intervention of governments or other political or economic developments in the jurisdictions in which Orvana carries or may carry on business in the future;
- Ability to maintain compliance with various regulatory compliance and reporting matters including compliance with anti-corruption standards which otherwise could result in regulatory breaches, fines, temporary shut-down or suspension of operations, litigation or other administrative proceedings;
- Loss or damage associated with the hazards of exploration, development and mining including environmental incidents, industrial accidents, natural phenomena such as inclement weather conditions, flooding, earthquakes or cave-ins which may not be covered under Orvana's insurance program or may not be covered in adequate amounts;
- Loss due to theft of gold bullion or gold/copper concentrate, business interruption or loss due to acts of terrorism, intrusion, sabotage, work stoppage and civil disturbances which may not be covered under Orvana's insurance program or may not be covered in adequate amounts;
- Employee and labour relations, reliance on key personnel and availability and increased costs associated with experienced key personnel and general labour;
- Ability to manage security and human rights matters and relationships with the communities in which Orvana operates; and

- Volatility of the price of the Common Shares that may not necessarily be related to the operating performance, underlying asset values or the prospects of Orvana but may be related to global financial and economic conditions, commodities price fluctuations and liquidity of the Common Shares which may be adversely affected by Fabulosa's holding of 51.9% of the Common Shares.

For a more fulsome discussion of such financial and other business risks, please see the "Risk Factors" in Orvana's most recent AIF at www.sedar.com.

OTHER INFORMATION

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the period. Actual results could differ significantly from those estimates. Specific items requiring estimates are mineral reserves, accounts receivable, property, plant and equipment, depreciation and amortization, forward metals prices, decommissioning liabilities, future income taxes, stock-based compensation and other accrued liabilities and contingent liabilities.

Net Realizable Amounts of Property, Plant and Equipment

At September 30, 2014, the net carrying value of the property, plant and equipment in respect of EVBC and the Don Mario Mine amounted to $109.8 million and $17.2 million, respectively. Effective from the point that they are ready for their intended use, property, plant and equipment are amortized on a straight line basis or using the units-of-production method over the shorter of the estimated economic life of the asset or mineral property. The method of depreciation is determined based on that which best represents the use of the assets.

The reserve and resource estimates for each operation are the prime determinants of the life of a mine. In general, a mineralized deposit where the mineralization is reasonably well defined is amortized over its proven and probable mineral reserves. Non reserve material may be included in the depreciation calculations in limited circumstances where there is a high degree of confidence in economic extraction. The expected economic life of these mines is dependent upon, among other things, the estimated remaining ore; gold, copper and silver prices; cash operating costs and capital expenditures.

The Company assesses each mine development project to determine when a mine is substantially complete and ready for its intended use and has advanced to the production stage. In its assessment, the Company considers relevant criteria based on the nature of each project, including the completion of a reasonable period of testing of mine plant and equipment, the ability to produce materials in saleable form (within specifications) and the ability to sustain ongoing production of minerals. When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for sustaining capital costs and underground mine or reserve development, which are capitalized to property, plant and equipment.

Decommissioning Liabilities

Decommissioning liabilities relate to the dismantling of the mine facilities and environmental reclamation of the areas affected by mining operations. Mine facilities include structures and the tailings dam. Environmental reclamation requirements include mine water treatment, reforestation and dealing with soil contamination. It is possible that the Company's estimates of the ultimate amounts required to decommission its mines could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves. The following table sets out the estimates of the undiscounted and discounted cash flows required to settle such decommissioning liabilities in respect of EVBC and the Don Mario Mine at September 30, 2014. These estimates were prepared by management with the use of independent third party experts.

At September 30, 2014	Undiscounted Cash Flows Estimated to Settle Decommissioning Liabilities	Discount Rate	Discounted Cash Flows Required to Settle Decommissioning Liabilities
(in 000's)			
EVBC Mines (1) (2)	$16,021	1.4%	$13,917
Don Mario Mine (1)	$5,556	2.0%	$5,399
Total	$21,577		$19,316

(1) Accretion expense is recorded using the discount interest rate set out above. It is estimated that these amounts will be incurred in 2016 through 2024 in respect of EVBC and the Don Mario Mine, respectively. The discount rate used to measure decommissioning liabilities under IFRS is based on current interest rates of government bonds of the applicable country and terms that matches the time period to the commencement of the decommissioning liability being incurred.

(2) As a result of the decrease in the life-of-mine of EVBC from the MRMR Update and LOMP Update, the discounted decommissioning liabilities increased by approximately $2.5 million from September 30, 2013.

Stock-based compensation

The Company recorded stock-based compensation expense of $0.1 million in the fourth quarter of fiscal 2014 and $0.2 million in fiscal 2014 compared with $0.1 million and $0.3 million, respectively, for the same periods of the prior year. The stock-based compensation expense is based on an estimate of the fair value of the stock options issued and expensed over the vesting period. The accounting for stock options requires estimates of interest rates, life of options, stock price volatility and the application of the Black-Scholes option pricing model.

Long-term Compensation

The Company established a Deferred Share Unit ("DSU") plan, effectively a phantom stock plan, for directors, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the statement of income. The fair value of the DSUs are marked to the quoted market price of Common Shares at each reporting date and changes in their fair value are also recorded under general and administrative expenses. Payouts are settled in cash within a specified period following a director's departure, based on the market price of the Common Shares at exercise.

The Company established a Restricted Share Unit ("RSU") plan, effectively a phantom stock plan, for designated executives, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the statement of income. The fair value of the RSUs are marked to the quoted market price of the Common Shares at each reporting date and changes in their fair value are recorded under general and administrative expenses. Payouts are settled in cash after a specified period of vesting, based on the market price of the Common Shares at vesting.

The Company established a Share Appreciation Rights ("SAR") plan for designated executives, effective February 6, 2014. The SARs are granted based on a Common Shares market price calculation at the time of grant. The fair value of the SARs are measured using an option pricing model at each period end, and to the extent that employees have rendered services over a three year vesting period, an expense is recorded under general and administrative expenses on the statement of income over such vesting period. Vested SARs may be exercised provided there has been an appreciation in the market price of the Common Shares from the grant date and payouts are settled in cash as vested SARs are exercised.

Impairment

The Company assesses the carrying values of each cash-generating unit ("CGU") at each reporting period end date to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell ("FVLCS") or value-in-use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, the resale market for certain property, plant and equipment of the Company and operating performance. Fair value under FVLCS is determined as the amount that would be obtained from the sale, less costs, of the asset in an arm's length transaction between knowledgeable and willing parties. When observable market prices are not available for the asset, value-in-use for mineral properties is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that are specific to the Company's circumstances with respect to each CGU. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Management of the Company has assessed its CGUs to be each country in which it operates (EVBC and Don Mario Mine) which is the lowest level for which cash inflows and outflows are expected to be largely independent of those of other assets. Management projected cash flows over the remaining life-of-mine in respect of EVBC and the Don Mario Mine using forecasted production and costs per the current life-of-mine plans and the long-term forecasted price of gold, copper and silver to project future revenues. The key assumptions used in making this assessment at September 30, 2014 included commodity prices, operating costs, capital expenditures, foreign exchange rates and discount rates.

As a result of the MRMR Update and in accordance with its usual policy, Orvana conducted a carrying value assessment of EVBC as at June 30, 2014. Based on this assessment, it was determined that EVBC's net recoverable amount was lower than its carrying amount. As a result, Orvana recognized the EVBC Impairment of $25.5 million in the third quarter of fiscal 2014. This impairment represented a reduction in the EVBC carrying value and had no impact on Orvana's cash flows.

Although the total public market capitalization of the Company was below the carrying amount of Orvana's net assets at September 30, 2014 of $129.2 million, following the completion of an impairment test in respect of each CGU in the fourth quarter of fiscal 2014, the Company estimated that the net recoverable amounts are greater than the carrying values of such assets based on the Company's current life-of-mine plans and the assumptions set out above at September 30, 2014. As such, there was no impairment of such carrying values as at September 30, 2014.

Internal Controls over Financial Reporting and Disclosure Controls and Procedures

Management is responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company uses the *Internal Control – Integrated Framework* (COSO Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to design its ICFR. Based on a review of internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at September 30, 2014.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring material corrective actions.

Management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues, errors and instances of fraud, if any, have been detected and that all of the objectives of the internal controls over financial reporting have been achieved or will be achieved in the future.

Future Accounting Standards

IFRS 9 Financial Instruments

In November 2009, the International Accounting Standards Board issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments ("IFRS 9") as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective beginning with the Company's interim financial statements for the quarter ended December 31, 2016.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. The Company has not yet determined the potential impact the adoption of IFRS 9 will have on its financial statements.

IAS 36 Impairment of Assets

In May 2013, the IASB issued amendments to IAS 36 Impairment of Assets ("IAS 36"). The amendments to IAS 36, which are to be applied retrospectively, are effective beginning with the Company's interim financial statements for the quarter ending December 31, 2014. The amendments to IAS 36 relate to disclosure changes, specifically: (i) removing the requirement to disclose the recoverable value of a CGU when the CGU contains goodwill or long lived intangible assets not currently subject to impairment, (ii) adding a requirement to disclose the recoverable amount of an asset or CGU when an impairment loss is recognized or reversed, and (iii) adding a requirement to disclose how fair value less disposal costs are measured when an impairment loss is recognized or reversed. The Company does not believe the changes resulting from the adoption of the amendments to IAS 36 will have a significant impact on its financial statements.

Other accounting pronouncements

In December 2011, the IASB issued amendments to IAS 32 Financial Instruments: Presentation and IFRS 7 Financial Instruments: Disclosures related to offsetting of financial assets and financial liabilities. These amendments are effective for the Company's interim financial statements for the quarter ended December 31, 2014. The Company does not believe the changes resulting from these amendments will have a significant impact on its financial statements.

In May 2013, the IASB issued amendments to IAS 39 Financial Instruments: Recognition and Measurement related to the novation of derivatives and hedge accounting. The amendment to IAS 39 is effective for the Company's interim financial statements for the quarter ended December 31, 2014. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

New accounting pronouncements

In May 2014, the IASB issued IFRS 15 Revenue from contracts with customers ("IFRS 15"). IFRS 15 supersedes IAS 18 Revenue and IAS 11 Construction Contracts, and their related interpretations. This standard modifies the timing and measurement of revenue recognition under IFRS and adds extensive disclosure requirements for both revenue recognized in the period and revenue expected to be recognized in the future. IFRS 15 is effective for the Company's interim financial statements for the quarter ending December 31, 2017. The Company has not yet determined the potential impact that the adoption of IFRS 15 will have on its financial statements.

Non-IFRS Measures

AISC per gold ounce

The Company, in conjunction with an initiative undertaken within the gold mining industry, began reporting a COC, AISC and AIC non-IFRS performance measures as set out in the guidance note released by the World Gold Council in June 2013 for the period ended September 30, 2013 and restated the comparative periods. The Company believes that these performance measures more fully define the total costs associated with producing gold; however, these performance measures have no standardized meaning. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

COC include total production cash costs incurred at the Company's mining operations, which form the basis of the Company's cash costs. AISC includes COC plus sustaining capital expenditures, corporate administrative expense, exploration and evaluation costs and reclamation cost accretion. The Company believes that this measure represents the total costs of producing gold from current operations and provides the Company and other stakeholders of the Company with additional information relating to the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of gold production from current operations, new project capital is not included in AISC. AIC represents AISC plus non-sustaining capital expenditures and non-sustaining exploration. Certain other cash expenditures including tax payments, debt payments, dividends and financing costs are also not included. The Company reports these measures on a gold ounces sold basis.

The following table provides a reconciliation of consolidated COC, AISC and AIC (net of copper, silver and lead by-product revenue from EVBC and the Don Mario Mine) per ounce of gold sold for Orvana for the periods set out below:

Orvana Consolidated (by-product)	**Q1 2014**	**Q2 2014**	**Q3 2014**	**Q4 2014**	**FY2014**	**FY2013**
Cash operating costs, all-in sustaining costs and all-in costs (by-product) [1] *(in 000's)*						
Total mine costs (sales based)	**$19,972**	**$20,983**	**$20,910**	**$24,034**	**$85,899**	**$84,328**
Deductions, refining, treatment, penalties, freight & other costs	9,540	7,826	11,243	14,128	42,737	35,541
Accrued/paid royalties - based on sales	2,244	1,576	1,878	2,955	8,654	10,319
Sub-total - other operating costs	**$11,783**	**$9,402**	**$13,122**	**$17,083**	**$51,391**	**$45,860**
Copper sales - gross revenue value	(14,451)	(10,198)	(15,088)	(18,917)	(58,654)	(54,244)
Silver sales - gross revenue value	(4,438)	(3,529)	(4,622)	(4,499)	(17,088)	(29,218)
Sub-total by-product revenue	**(18,889)**	**(13,727)**	**(19,710)**	**(23,416)**	**(75,742)**	**(83,462)**
Cash operating costs	**$12,866**	**$16,658**	**$14,322**	**$17,701**	**$61,547**	**$46,726**
Corporate general & administrative costs	1,736	1,947	999	1,361	6,043	6,514
Community costs related to current operations	247	100	91	118	556	517
Reclamation, accretion & amortization	597	465	429	688	2,179	674
Exploration and study costs (sustaining)	102	158	20	-	280	-
Primary development (sustaining)	1,702	1,892	1,425	753	5,772	9,811
Other sustaining capital expenditures [2] [3]	1,348	1,613	671	1,035	4,667	5,014
All-in sustaining costs	**$18,599**	**$22,833**	**$17,957**	**$21,656**	**$81,045**	**$69,256**
Capital expenditures (hoist) [3]	1,466	1,902	938	11	4,316	1,116
Union payments	-	-	-	-	-	1,384
Exploration and study costs (non-sustaining)	5	55	340	109	509	82
All-in costs	**$20,068**	**$24,790**	**$19,235**	**$21,776**	**$85,870**	**$71,838**
Au/oz sold	19,613	16,509	18,398	25,338	79,858	74,086
Cash operating costs ($/oz) gold	$656	$1,009	$779	$699	$771	$631
All-in sustaining costs ($/oz) gold	$948	$1,383	$976	$855	$1,015	$950
All-in costs ($/oz) gold	$1,023	$1,502	$1,045	$859	$1,075	$970

(1) Costs are reported per ounce of gold sold in the period. Certain mining costs have been classified as part of selling costs for the purposes of this calculation.

(2) Sustaining capital expenditures are those expenditures which do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature.

(3) Capital expenditures include those contracted for in the period but for which payment has not been made.

For better costs comparisons to other mines, consolidated AISC (co-product) per ounce of Orvana for fiscal 2014 were $932 for gold and $2.42 for copper compared with $848 for gold and $2.34 for copper for fiscal 2013.

The following table provides a reconciliation of COC, AISC and AIC (by-product) per ounce of gold sold for the EVBC Mines for the periods set out below:

EVBC Mines	**Q1 2014**	**Q2 2014**	**Q3 2014**	**Q4 2014**	**FY2014**	**FY2013**
Cash operating costs, all-in sustaining costs and all-in costs (by-product) (1) *(in 000's)*						
Total mine costs (sales based)	**$15,615**	**$18,606**	**$17,301**	**$17,452**	**$68,974**	**$58,678**
Deductions, refining, treatment, penalties, freight & other costs	2,341	2,408	2,629	2,766	10,144	11,219
Accrued/paid royalties - based on sales	640	628	715	803	2,786	3,060
Sub-total - other operating costs	**$2,980**	**$3,036**	**$3,345**	**$3,569**	**$12,930**	**$14,279**
Copper sales - gross revenue value	(4,592)	(4,171)	(4,692)	(4,805)	(18,261)	(20,208)
Silver sales - gross revenue value	(781)	(747)	(911)	(797)	(3,235)	(4,719)
Sub-total by-product revenue	**(5,373)**	**(4,918)**	**($5,603)**	**($5,602)**	**($21,496)**	**($24,927)**
Cash operating costs	**$13,223**	**$16,724**	**$15,043**	**$15,419**	**$60,408**	**$48,030**
Corporate general & administrative costs	800	800	800	800	3,200	3,256
Reclamation, accretion & amortization	308	314	278	520	1,420	426
Exploration and study costs (sustaining)	101	158	20	-	280	-
Primary development (sustaining)	1,702	1,892	1,425	753	5,772	9,811
Other sustaining capital expenditures (2) (3)	559	640	638	678	2,515	2,323
All-in sustaining costs	**$16,693**	**$20,528**	**$18,204**	**$18,170**	**$73,595**	**$63,846**
Capital expenditures (hoist) (3)	1,466	1,902	938	11	4,316	1,116
All-in costs	**$18,159**	**$22,429**	**$19,142**	**$18,181**	**$77,910**	**$64,962**
Au/oz sold	14,954	14,344	16,418	17,747	63,464	59,802
Cash operating costs ($/oz) gold	$884	$1,166	**$916**	$869	**$952**	$803
All-in sustaining costs ($/oz) gold	$1,116	$1,431	**$1,109**	$1,024	**$1,160**	$1,068
All-in costs ($/oz) gold	$1,214	$1,564	**$1,166**	$1,024	**$1,228**	$1,086

(1) Costs are reported per ounce of gold sold in the period. Certain mining costs have been classified as part of selling costs for the purposes of this calculation.

(2) Sustaining capital expenditures are those expenditures which do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature.

(3) Capital expenditures include unpaid capital expenditures incurred in the period.

As a result of revenue from the sale of gold and silver representing more than 45% of total gross revenue from the Don Mario Mine in a reporting period and for better costs comparisons to other mines, the Company is reporting COC, AISC and AIC (co-product) per pound of copper and per ounce of gold and silver sold. The following table provides a reconciliation of AISC per ounce of the Don Mario Mine for the periods set out below:

Don Mario Mine (1)	**Q1 2014**	**Q2 2014**	**Q3 2014**	**Q4 2014**	**FY2014**	**FY2013**
Cash operating costs, all-in sustaining costs and all-in costs (co-product) (2) *(in 000's)*						
Total mine costs (sales based)	**$4,357**	**$2,377**	**$3,609**	**$6,582**	**$16,924**	**$25,650**
Deductions, refining, treatment, penalties, freight & other costs	7,199	5,418	8,614	11,362	32,594	24,322
Accrued/paid royalties - based on sales	1,604	948	1,163	2,152	5,868	7,259
Sub-total - other operating costs	**$8,803**	**$6,366**	**$9,777**	13,514	**$38,462**	**$31,581**
Gross by-product credit	($46)	(89)	(349)	(344)	(828)	($2,649)
Cash Operating Costs	**$13,114**	**$8,654**	**$13,037**	**$19,752**	**$54,558**	**$54,582**
Corporate general & administrative costs	447	464	454	497	1,861	1,952

Don Mario Mine (1)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY2014	FY2013
Cash operating costs, all-in sustaining costs and all-in costs (co-product) (2) *(in 000's)*						
Community costs related to current operations	247	100	91	118	556	517
Reclamation, accretion & amortization	289	151	151	168	759	248
Capital expenditures (sustaining) (3)	789	973	33	357	2,152	2,691
All-in sustaining costs	**$14,886**	**$20,342**	**$13,766**	**$20,892**	**$59,886**	**$59,990**
Union payments	-	-	-	-	-	1,384
Exploration and study costs (non-sustaining)	5	55	340	109	509	82
All-in costs	**$14,891**	**$10,397**	**$14,106**	**$21,001**	**$60,395**	**$61,456**
Au/oz sold	4,659	2,165	1,979	7,591	16,394	14,285
Cu/lbs sold (000)	2,986	2,091	3,265	4,717	13,059	10,228
Ag/oz sold	180,451	126,274	169,663	193,694	670,081	882,551
Cash operating costs (co-product) ($/oz) gold	$794	**$861**	**$1,121**	$843	$862	$1,050
Cash operating costs (co-product) ($/lb) copper	$2.23	**$2.26**	**$2.67**	$2.19	$2.28	$2.31
Cash operating costs (co-product) ($/oz) silver	$15.30	**$16.42**	**$17.46**	$15.59	$15.87	$18.04
All-in sustaining costs (co-product) ($/oz) gold	$911	**$1,048**	**$1,193**	$887	$955	$1,159
All-in sustaining costs (co-product) ($/lb) copper	$2.52	**$2.69**	**$2.61**	$2.32	$2.50	$2.55
All-in sustaining costs (co-product) ($/oz) silver	$17.23	**$19.40**	**$17.05**	$16.53	$17.31	$19.71
All-in costs (co-product) ($/oz) gold	$911	**$1,055**	**$1,227**	$892	$964	$1,189
All-in costs (co-product) ($/lb) copper	$2.52	**$2.70**	**$2.67**	$2.33	$2.52	$2.61
All-in costs (co-product) ($/oz) silver	$17.23	**$19.50**	**$17.46**	$16.61	$17.45	$20.16

(1) Costs are reported per ounce of gold or silver or per pound of copper sold in the period. Certain mining costs have been classified as part of selling costs for the purposes of this calculation.

(2) Total mine costs for each metal are based on the percentage of gross revenue that each quantity of metal sold in the period represents of total gross revenue for the period. Refining charges, metallurgical deductions and the Don Mario Royalties allocated to each metal based on actual costs related to each quantity of metal sold in the period.

(3) (Sustaining capital expenditures are those expenditures which do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature. Capital expenditures includes unpaid capital expenditures incurred in the period.

Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Share

The Company has included adjusted net income (loss) and adjusted net income (loss) per share as non-IFRS performance measures in this MD&A. Adjusted net income (loss) excludes; primarily certain non-cash items from net income or net loss to provide a measure which allows the Company and investors to evaluate the results of the underlying core operations of the Company and its ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of adjusted net income (loss) and adjusted net income (loss) per share to the Company's consolidated financial statements for the respective period:

Adjusted Net Income	Q3 2014	Q4 2014	Q4 2013	FY2014	FY2013
(in 000's, except per share amounts)					
Net income (loss)	($25,902)	**($2,896)**	$1,174	**($29,743)**	$32,623
Unrealized loss (gain) on derivatives (1)	5,470	**7,595**	10,854	**9,966**	(43,295)
De-recognition of assets - EVBC hoist	970	**-**	(1,256)	**970**	2,244
EVBC Impairment	25,485	**-**	-	**25,485**	-
EMIPA de-recognition of assets	852	**-**	-	**852**	-
EMIPA VAT provision	35	**345**	-	**545**	1,384
EMIPA Q3 2013 Adjustments (2)	-	**-**	-	**-**	7,660
Don Mario Impairment	3,743	**-**	-	**3,743**	-
Loss from discontinued operations	(135)	**-**	(150)	**886**	79
Sub-total	10,518	**5,044**	10,622	**12,704**	695

Adjusted Net Income	Q3 2014	Q4 2014	Q4 2013	FY2014	FY2013
(in 000's, except per share amounts)					
Total tax adjustment	9,578	**2,278**	2,808	**10,925**	(11,804)
Adjusted net income (loss)	$941	**$2,766**	$7,814	**$1,779**	$12,499
Weighted average shares outstanding	136,623	**136,623**	136,623	**136,623**	136,604
Adjusted net income (loss) per share (basic and diluted)	$0.01	**$0.02**	$0.06	**$0.01**	$0.09

(1) Adjusted net income includes in respect of settled derivative instruments (i) realized gains on settlement of the derivative instruments of $1.7 million, $7.1 million and $11.8 million in the third and fourth quarters of fiscal 2014 and fiscal 2014, respectively, and (ii) realized gains of $1.0 million in the fourth quarter of fiscal 2013 and realized losses of $1.2 million in fiscal 2013.

(2) EMIPA Q3 2013 Adjustments is comprised of (i) the LPF Impairment of $6,273 (non-cash item), and (ii) the provision for EMIPA union payments of $1,384 recorded during the third quarter of fiscal 2013 (cash item).

Other Information

Other operating and financial information with respect to the Company, including the AIF which is available on SEDAR at www.sedar.com and on the Company's website at www.orvana.com.

Cautionary Statements - Forward-Looking Information

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potential future events or performance (often, but not always, using words or phrases such as "believes", "expects" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might", "will" or "are projected to" be taken or achieved) are not statements of historical fact, but are forward-looking statements.

The forward-looking statements herein relate to, among other things, Orvana's ability to achieve improvement in free cash flow; the potential to extend EVBC's mine life beyond its current life-of-mine estimate; Orvana's ability to optimize its assets to deliver shareholder value; the expected costs associated with the suspension of mining activities at Carlés; the Company's ability to emerge stronger from the turnaround work executed at EVBC in 2014; estimates of future production, operating costs and capital expenditures; mineral resource and reserve estimates; statements and information regarding future feasibility studies and their results; future transactions; future metal prices; the ability to achieve additional growth and geographic diversification; future financial performance, including the ability to increase cash flow and profits; future financing requirements; and mine development plans.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Orvana as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Orvana contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein or as otherwise expressed incorporated herein by reference as well as: there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisitions at the EVBC and Don Mario Mines being consistent with the Company's current expectations; political developments in any jurisdiction in which the Company operates being consistent with its current expectations; certain price assumptions for gold, copper and silver; prices for key supplies being approximately consistent with current levels; production and cost of sales forecasts meeting expectations; the accuracy of the Company's current mineral reserve and mineral resource estimates; and labour and materials costs increasing on a basis consistent with Orvana's current expectations.

A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual events or results to differ materially from estimated or anticipated events or results expressed or implied by forward looking statements. Some of these risks, uncertainties and factors include fluctuations in the price of gold, silver and copper; the need to recalculate estimates of resources based on actual production experience; the failure to achieve production estimates; variations in the grade of ore mined; variations in the cost of operations; variations in the costs associated with the suspension of mining at Carlés; the availability of qualified personnel; the Company's ability to obtain and maintain all necessary regulatory approvals and licenses; the Company's ability to use cyanide in its mining operations; risks generally associated with mineral exploration and development, including the Company's ability to continue to operate the EVBC Mines and/or the Don Mario Mine; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to obtain financing when required on terms that are acceptable to the Company; the Company's ability to execute on its strategy; challenges to the Company's interests in its property and mineral rights; current, pending and proposed legislative or regulatory developments or changes in political, social or economic conditions in the countries in which the Company operates; general economic conditions worldwide; and the risks identified in the Company's AIF under the heading "Risks and Uncertainties". This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements and reference should also be made to the Company's AIF for a description of additional risk factors.

The forward-looking statements made in this MD&A with respect to the anticipated development and exploration of the Company's mineral projects are intended to provide an overview of management's expectations with respect to certain future activities of the Company and may not be appropriate for other purposes.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Readers are cautioned not to put undue reliance on forward-looking statements.

The forward-looking statements made in this MD&A are intended to provide an overview of management's expectations with respect to certain future operating activities of the Company and may not be appropriate for other purposes.

Cautionary Notes to Investors - Reserve and Resource Estimates

In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates of the Company disclosed in this MD&A have been prepared as at September 30, 2014 in accordance with NI 43-101, classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" (the "CIM Guidelines").

Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.