

# ORVANA

MINERALS CORP.

## **ORVANA EARNS US\$2.2 MILLION (2 CENTS PER SHARE) IN SECOND QUARTER 2005**

TORONTO, ONTARIO, May 5, 2005 – Orvana Minerals Corp. (TSX symbol: ORV) announced today that it earned net income of US\$2.2 million or \$0.02 per share during the second quarter ended March 31, 2005. Net income for the six months ended March 31, 2005 amounted to US\$4.1 million or \$0.04 per share. The Company also announced that it produced 6,263 fine troy ounces of gold in the month of April 2005. Ore treated had an average head grade of 11.63 grams per tonne and mill recovery averaged 92.07% during April 2005.

Dollar amounts in this news release are in United States dollars unless stated otherwise, and fine troy ounces of gold produced at the Corporation's Don Mario mine located in eastern Bolivia are referred to as "ounces".

The Company produced 17,345 ounces of gold, and sold 15,712 ounces in the three months ended March 31, 2005, generating total revenues of \$6.8 million. Cash flow from operations (before changes in non-cash working capital items) amounted to \$4.3 million in the second quarter of fiscal 2005.

Orvana Chairman, George Hamilton, said, "The Don Mario Mine produced a record number of ounces in the second quarter ended March 31, 2005. Good progress has been made in the development of new adits in the Lower Mineralized Zone improving our ability to better manage head grades and recoveries as experienced in the months of February and March 2005. The Board of Directors was pleased to announce the appointment on April 4, 2005 of T. Sean Harvey as President and Chief Executive Officer and a Director of the Company. The Directors and management look forward to working with Mr. Harvey to continue in achieving the Company's objective of being a low cost, long-life, multi-mine producer in the Americas.

### **Don Mario Mine Operations**

During the second quarter 2005, the Don Mario mill treated 58,951 tonnes of ore and produced 17,345 ounces of gold. The following table indicates the improvement in average head grades in the second quarter 2005 compared to the second quarter 2004:

		3 months ended March 31, 2005	March 2005	February 2005	January 2005	3 months ended March 31, 2004
Underground mine	tonnes	38,146	13,134	11,231	13,691	26,075
	g/t	12.48	14.30	14.86	8.78	6.72
Mini-pit	tonnes	20,805	7,811	5,894	7,100	32,827
	g/t	6.30	3.57	6.86	8.83	7.09
Total	tonnes	58,951	20,945	17,214	20,792	58,902
	g/t	10.30	10.30	12.12	8.80	6.93
Recovery rate		88.8%	91.17%	90.60%	84.10%	88.9%
Gold produced - ounces		17,345	6,321	6,074	4,950	11,663

### **Financial Highlights**

Orvana sold 15,712 ounces of gold in the quarter ended March 31, 2005 at an average price of \$431 per ounce, compared to \$418 per ounce in the same quarter the previous fiscal year.

The following table shows cash costs and other production costs for the second quarter of fiscal year 2005 compared to the second quarter fiscal 2004. These calculations represent non-GAAP measures (see "Non-GAAP Measures" below):

	Three Months Ended March 31, 2005		Six Months Ended March 31, 2005	
	Costs	Cost/oz.	Costs	Cost/oz.
Direct mine operating costs	\$1,370,698	\$79.03	\$2,937,283	\$93.57
Third-party smelting, refining and transportation costs	33,555	1.93	80,636	2.57
Cash operating costs	1,404,253	80.96	3,017,919	96.14
Royalties and mining rights	301,088	17.36	515,758	16.43
Total cash costs	1,705,341	98.32	3,533,677	112.57
Depreciation and amortization	1,148,822	66.23	2,368,627	75.45
Total production costs	\$2,854,163	\$164.55	\$5,902,304	\$188.02

Orvana's operating results and financial position are summarized below:

	Three Months Ended March 31		Six Months Ended March 31	
	2005	2004	2005	2004
Revenue	\$6,774,911	\$4,693,412	\$13,021,564	\$7,802,070
Expenses	3,298,495	3,298,292	6,935,246	6,063,868
Net income for the period	2,215,812	1,207,017	4,115,282	1,427,747
Net income per share – basic and diluted	\$0.02	\$0.01	\$0.04	\$0.01
<b>Cash and cash equivalents</b>				
			\$10,129,094	\$2,045,529
<b>Total assets</b>				
			37,635,281	30,871,226
<b>Long-term debt, including current portion</b>				
			11,731,916	15,466,221

Consolidated unaudited financial statements and Management's Discussion & Analysis for the second quarter ended March 31, 2005 are available on SEDAR and at [www.orvana.com](http://www.orvana.com).

### About Orvana

Orvana Minerals Corp. is a Canadian gold mining and exploration company based in Toronto, Ontario, involved in the evaluation, development and mining of precious metal deposits in the Americas. The Company owns the Don Mario mine in eastern Bolivia. Orvana's long-term goal is to become a low cost, long-life, multi-mine producer in the Americas. Orvana's shares have been listed on the Toronto Stock Exchange since 1992 under the trading symbol ORV.

For further information, please contact George Hamilton, Chairman and Director, Orvana Minerals Corp., (905) 822-1463, [ghamilton@orvana.com](mailto:ghamilton@orvana.com)

### Forward-Looking Statements

This news release may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the precious metals market and economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and the Company undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances.

### Non-GAAP Measures

The production and unit costs contained in the table above are based on the industry-recognized Gold Institute Production Cost Standard that has been widely adopted throughout the global gold industry. The purpose of providing this information standard is to give management and the financial community a tool to make meaningful comparisons of

gold mining companies with production cost information in a uniform format. These calculations represent non-GAAP information, do not have a standardized meaning prescribed by GAAP, should not be construed as an alternative to GAAP reporting of operating expenses, and may not be comparable to similar measures presented by other issuers. For a reconciliation of the non-GAAP costs and unit costs provided above with the Company's GAAP-based statement of operations, please see the Company's Management Discussion & Analysis for the second quarter ended March 31, 2005.