

# ORVANA

MINERALS CORP.

## ***ORVANA REPORTS RECORD QUARTERLY PRODUCTION AND FINANCIAL PERFORMANCE FOR THE SECOND QUARTER ENDED MARCH 31, 2007***

TORONTO, ONTARIO, May 15, 2007 -- Orvana Minerals Corp. (TSX symbol: ORV) announced record production, revenues and earnings today with net income of US\$7.7 million (US\$0.07 per share) on revenues of US\$15.0 million for the quarter ended March 31, 2007 ("second quarter 2007") compared to net income of US\$3.8 million (US\$0.03 per share) on revenues of US\$12.0 million for the quarter ended March 31, 2006 ("second quarter 2006").

Cash flow from operations amounted to US\$9.4 million in the second quarter 2007, an increase of 71% compared to US\$5.5 million in the second quarter 2006.

Dollar amounts in the remainder of this news release are in thousands of United States dollars unless stated otherwise, and fine troy ounces of gold are referred to as "ounces".

The Company produced 22,538 ounces of gold and sold 23,201 ounces in the second quarter 2007 compared to 18,814 ounces produced and 21,918 ounces sold in the second quarter 2006.

Another record was set in April 2007 with production of 7,839 ounces, the highest production of any month since start-up in July 2003.

Orvana President and Chief Executive Officer, Carlos Mirabal said, "Orvana continues to set quarterly production and financial performance records. Comparing the second quarter 2007 with the second quarter 2006, all key measures of financial performance showed improvement.

We continue exploration on the other mining concessions comprising the Don Mario Property. In particular, we have increased the size of the drilling program on the Las Tojas concession of the Property.

The full feasibility study of the Upper Mineralized Zone should be completed by December 2007 as one option to continue operations at Don Mario beyond 2009. However, we will reassess all risks related to this project, including the political climate and the Bolivian government's policies affecting mining to determine whether we are able to advance the Upper Mineralized Zone project in a way that is risk-effective for our shareholders.

In addition, the Company will focus on broadening its mineral reserve base beyond Bolivia. Among other projects, we are currently reviewing and evaluating other investment opportunities in Argentina and Peru."

### **Don Mario Mine Operations**

In the second quarter 2007, a total of 60,847 tonnes of ore were treated compared to 57,297 tonnes in the second quarter 2006:

		Three months ended Mar. 31, 2007	March 2007	February 2007	January 2007	Three months ended Mar. 31, 2006
Underground mine	tonnes	58,577	19,979	18,113	20,485	42,168
	g/t	12.74	12.49	14.18	11.71	13.01
Minipit & stockpile	tonnes	2,270	280	515	1,475	15,129
	g/t	1.91	1.86	2.04	1.87	5.86
Total	tonnes	60,847	20,259	18,628	21,960	57,297
	g/t	12.33	12.34	13.84	11.05	11.12
Recovery rate		93.4%	93.8%	93.6%	92.8%	91.9%
Gold produced - ounces		22,538	7,538	7,757	7,243	18,814

The following table shows the cash costs for the second quarter and the six months ended March 31, 2007 compared to the same periods ended March 31, 2006. The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). The calculations below represent non-GAAP information, which 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 (see "non-GAAP measures" below).

	Three Months Ended March 31			
	2007		2006	
	Costs	Cost/oz.	Costs	Cost/oz.
Direct mine operating costs	\$2,662	\$118.10	\$2,191	\$116.45
Third-party smelting, refining and transportation costs	56	2.50	57	3.06
Cash operating costs	2,718	120.60	2,248	119.51
Royalties and mining rights	510	22.62	454	24.08
Total cash costs	3,228	143.22	2,702	143.59
Depreciation and amortization	1,483	65.82	1,421	75.55
Total production costs	\$4,711	\$209.04	\$4,123	\$219.14

	Six Months Ended March 31			
	2007		2006	
	Costs	Cost/oz.	Costs	Cost/oz.
Direct mine operating costs	\$5,370	\$129.77	\$4,240	\$108.50
Third-party smelting, refining and transportation costs	104	2.50	100	2.55
Cash operating costs	5,474	132.27	4,340	111.05
Royalties and mining rights	860	20.79	793	20.26
Total cash costs	6,334	153.06	5,133	131.31
Depreciation and amortization	3,447	83.28	2,814	72.03
Total production costs	\$9,781	\$236.34	\$7,947	\$203.34

### Quarterly Financial Highlights

Orvana's operating results and financial position for the three and six-month periods ended March 31, 2007 compared to the same periods ended March 31, 2006 are summarized below:

	Three Months Ended March 31		Six Months Ended March 31	
	2007	2006	2007	2006
Revenues	\$14,984	\$12,045	\$26,114	\$20,564
Net income	7,679	3,801	11,470	6,500
Net income per share – basic and fully diluted	\$0.07	\$0.03	\$0.10	\$0.06
Cash and cash equivalents			\$37,901	\$26,850
Total assets			65,049	54,860
Long-term debt, including current portion	-	-	-	-

Interim unaudited consolidated financial statements and Management's Discussion and Analysis for the second quarter 2007 are available on SEDAR and at [www.orvana.com](http://www.orvana.com).

### **About Orvana**

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

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### **Forward-Looking Statements**

Certain statements in this press release 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, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken or achieved) are not statements of historical fact, but are "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Orvana, or developments in Orvana's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include disclosure regarding possible events, conditions or results of operations that are based on assumptions about future conditions, courses of action and consequences. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. Orvana cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things, all aspects of the possible development of the Upper Mineralized Zone ("UMZ") deposit at Don Mario and of its potential operation and production, mineral resource and mineral reserve estimates, the realization of mineral reserve estimates, estimates of future capital expenditures and timing of development and production and estimates of the outcome and timing of decisions with respect to whether and how to proceed with such development and production, permitting time lines, statements and information regarding future feasibility studies and their results, production forecasts, future transactions, the successful completion of reclamation projects, future gold prices, the ability to achieve additional growth and geographic diversification, future production costs, accounting estimates and assumptions, future tax benefits, the renewal or renegotiation of agreements, future financial performance, including the ability to increase cash flow and profits, future financing requirements, mine development plans, and possible changes in the regulatory, political, social and economic environment in Bolivia. 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 results to differ materially from current expectations of estimated or anticipated events or results. Some of these risks, uncertainties and factors include fluctuations in the price of gold; the impact or unanticipated impact of: the need to recalculate estimates of reserves and 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; the availability of qualified personnel; risks generally associated with mineral exploration and development, including the Company's ability to develop the UMZ deposit if it determines to do so and to acquire and develop mineral properties; the Company's ability to obtain additional financing when required on terms that are acceptable to the Company; 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 Bolivia; general economic conditions worldwide and the risks identified in Orvana's Management's Discussion and Analysis for the second quarter fiscal 2007 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 Annual Information Form for a description of additional risk factors. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and 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.

### **Non-GAAP Measures**

The Company has used Non-GAAP measures including direct mine operating costs, cash operating costs, total cash costs and total production costs, and related unit cost information, because it understands that certain investors use this information to determine the Company's ability to generate earnings as cash flow for use in investing and other activities. The Company believes that conventional measures of performance prepared in accordance with GAAP do not fully illustrate the ability of its operating mine to generate cash flow. Non-GAAP measures do not have any standardized meaning prescribed under Canadian 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 companies. The measures are not necessarily indicative of cost of sales as determined under Canadian GAAP. Cash costs are determined in accordance with the former Gold Institute's Production Cost Standard. 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's Discussion & Analysis for the second quarter fiscal 2007.