

# ORVANA

MINERALS CORP.

## ORVANA RAISES CASH OFFER FOR KINBAURI TO C\$0.75 PER SHARE

### Shareholders with 23.6 percent of Kinbauri shares enter into lock-up agreements to tender to Orvana's offer

TORONTO, July 21, 2009 – Orvana Minerals Corp. (TSX:ORV) today announced that it has raised its all-cash offer for Kinbauri Gold Corp. (TSX-V: KNB) to C\$0.75 per share from C\$0.55. The offer will expire at 11:59 pm (Vancouver time) on July 31, 2009, unless withdrawn or extended.

In conjunction with the increase in its offer, Orvana also announced that investors holding 23.6 percent of Kinbauri's outstanding shares have signed lockup agreements in support of Orvana's offer.

The enhanced cash offer represents:

- a 90 percent premium to the closing price of C\$0.395 for Kinbauri shares on the last trading day prior to the May 11, 2009 announcement of Orvana's intention to make an offer for Kinbauri; and
- an 8.7 percent premium to the price of C\$0.69 for Kinbauri at the close of trading on July 20, 2009, the last trading day prior to this announcement.

The total value of Orvana's cash offer is approximately C\$44.5 million.

If Orvana's offer conditions are satisfied, Kinbauri shareholders who tender to the offer will receive cash for their shares within ten days of the offer's expiry. This compares favourably with the terms and timing of a highly conditional share exchange merger between Kinbauri and ATW Gold Corp (TSX-V: ATW) that remains subject to due diligence investigations, ATW obtaining equity financing, definitive documentation and approval by the shareholders of both Kinbauri and ATW.

"Kinbauri shareholders have a clear choice to make between the certainty, value and speed of our offer and a highly-conditional share exchange that proposes to create a cash-starved junior gold company with projects half a world apart and a significant and immediate need for additional financing," said Kent Jespersen, Chairman of Orvana.

Kinbauri shareholders should be aware that neither Kinbauri nor ATW have the funds needed to bring Kinbauri's El Valle project in Northern Spain into production, nor would the combined company have sufficient cash on hand to develop ATW's Gullewa project in Australia.

On July 14, 2009, ATW and Kinbauri estimated during an investment community conference call that they currently have cash on hand, respectively, of C\$3 million and C\$2.5 million with which they must fund ongoing operations and expenses. ATW and Kinbauri also said they expect to require approximately C\$15 million to fund a feasibility study on El Valle and an additional €51 million (approximately C\$80.4 million) to fund

development of El Valle. Further equity dilution is therefore highly likely, assuming suitable financing can be secured at all in the current capital market environment.

Mr. Jespersen added, "The choice for Kinbauri shareholders is clear: elect to receive cash at a 90 percent premium to Kinbauri's pre-bid price and an 8.7 percent premium to Kinbauri's closing price on July 20, 2009, or accept the significant risks and uncertainties of the proposed ATW/Kinbauri merger. We urge Kinbauri shareholders to tender their shares to Orvana's bid without delay."

#### **Summary of Advantages of Orvana's Offer**

- Certainty of cash;
- 90 percent premium to the pre-bid price;
- 8.7 percent premium to the closing price on July 20, 2009; and
- Payment within 10 days of the offer's expiry.

#### **Summary of conditions of Kinbauri's proposed merger with ATW**

- Prior to August 7, 2009, either party can elect not to complete the transaction in certain circumstances following its due diligence review of the other party;
- Definitive agreements are still to be negotiated;
- Definitive transaction structure remains to be determined;
- The proposed transaction requires approval by the shareholders of Kinbauri and ATW;
- Shareholder votes may be as late as September 25, 2009; and
- The proposed transaction is subject to termination if ATW does not obtain C\$15 million in equity financing prior to closing.

#### **Details of Orvana Mailing to Kinbauri Shareholders**

Orvana will mail to Kinbauri's security holders and file on [www.sedar.com](http://www.sedar.com) today a Notice of Change and Variation to the offer. In addition to the changes to the offer price and the expiration date of Orvana's offer, the Notice of Change and Variation will also waive the condition of Orvana's offer relating to termination of Kinbauri's subscription agreement with Glen Eagle Resources Inc., as described in the take-over circular dated May 25, 2009. This information will also be available on [www.orvana.com](http://www.orvana.com)

#### **How to Tender Kinbauri Shares**

Kinbauri shareholders who have questions regarding the offer should contact Kingsdale Shareholder Services Inc., the information agent in connection with the offer, at 1-800-749-9052 (toll-free) or 416-867-2272 (outside North America).

#### **About Orvana**

Orvana is a well-established mine operator with an experienced management team that has collectively brought a number of underground mines into production. Orvana had cash of approximately US \$96.2 million (C\$110.6 million) as at March 31, 2009, which is sufficient to complete the acquisition of Kinbauri and develop Kinbauri's Spanish mineral project. Orvana expects the project will create up to 200 new jobs in Spain.

#### **Forward-looking disclaimer**

This press release contains only summary information about Orvana's offer and does not constitute an offer to purchase any securities. Complete information about the offer will be available by referring to the offer to purchase and take-over bid circular to be filed with Canadian securities regulators. Certain statements contained in this press release concerning Orvana's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of Kinbauri are forward-looking statements. The words "believe", "expect", "intend", "may", "anticipate", "will", "would" and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events. While Orvana considers these factors and assumptions to be reasonable based on information currently available, they may be proven to be incorrect. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to; any of the terms and conditions of the offer not being satisfied; general economic conditions; dependence on key personnel; and variations in required capital expenditures. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

### **For More Information**

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