

**For Immediate Release**  
**Date: July 4, 2017**

**TSX:ORV**  
**#07-2017**

**ORVANA PROVIDES UPDATE ON DON MARIO OPERATION; ANNOUNCES US\$11.3 MILLION DEBT FINANCING**

**TORONTO, ONTARIO, July 4, 2017 - Orvana Minerals Corp. (TSX:ORV) (the “Company” or “Orvana”)** is pleased to provide an update on its efforts to extend the life of its Don Mario operation in Bolivia. Further, the Company announces that it has arranged debt financing in the aggregate amount of US\$11.3 million (the “Facilities”) from Banco BISA S.A. (“BISA”) in Bolivia. The primary use of these proceeds will be used to construct a major tailings storage facility expansion project (“TSF Project”) that will add sufficient capacity to support up to an additional three years of operations beyond Q2 2018.

Jim Gilbert, Chairman and CEO, stated “Don Mario was the foundational operation for Orvana, and has contributed significant gold production and free cash flow generation for many years. We are very pleased with the progress we are making to clearly define what we are hoping to be a profitable future for Don Mario. Currently, we are finalizing an open pit mine design for potential near-term mining of the Cerro Felix satellite deposit. In parallel, we are completing an advanced stage confirmatory test program on processing of significant existing surface mineral resource stockpiles. Management believes the conclusion of these projects at Don Mario will justify the planned TSF Project. In that regard, we have successfully arranged competitive debt financing with BISA, who continue to be a key local stakeholder of Don Mario, to fund the TSF Project. We are grateful for their ongoing support.”

**Don Mario Update**

Mining activities are currently taking place in the Lower Mineralized Zone (“LMZ”) that forms part of the existing open pit. The Company has been mining and processing LMZ ore since Q3 2016. Operational activities at LMZ are scheduled to end during Q2 2018. The Company is actively evaluating various projects that are at various stages of completion and management anticipates these will result in extension of operational life beyond Q2 2018. A summary of these ongoing projects is below:

Near-term projects:

Cerro Felix Mining:

- Cerro Felix is a satellite mineral deposit located 500 m from the LMZ. The Company published resource estimates effective September 30, 2016. Estimates include an indicated mineral resource of approximately 490,000 tonnes grading 3.15 g/t gold, 0.09% copper and 2.53 g/t silver, containing approximately 49,600 ounces of gold, 0.97 million pounds of copper, and 40,000 ounces of silver<sup>1</sup>.
- From 2009 to 2011, approximately 207,000 tonnes of ore at an average grade of 1.77 g/t of gold was processed from mineralized zones north-west and south-east of the previously mined Upper Mineralized Zone (“UMZ”), including Cerro Felix.
- Near surface mining activities have been undertaken in recent months. A total of 15,000 tonnes have been extracted and processed as part of a blended plant feed during FY 2017 to date.
- An open pit mine design is currently being finalized, incorporating a recently completed geotechnical evaluation. The Company is aiming to commence pre-stripping activities during Q1 2018.

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<sup>1</sup> Mineral resource estimates were prepared by DGCS SA under supervision of Gino A. Zandonai, who is an independent Qualified Person under NI 43-101. See “Don Mario Mine Operation 2016 Technical Report” dated January 27, 2017 filed on SEDAR under Orvana’s profile.

Mineral Stockpile processing:

- As at September 30, 2016, Don Mario surface stockpiles contained a measured mineral resource of approximately 2.2 million tonnes, grading 1.84 g/t gold and 1.89% copper<sup>2</sup>.
- Don Mario has had a successful track record of processing this material as part of a blended feed into the processing plant (approximately 237,400 tonnes in FY 2016 and FY 2017 to date)
- Initial test results have yielded positive indications towards the possibility of producing a copper concentrate from this material, and the Company is now completing further testing to optimize grade.
- The Company has received positive commercial indications from potential third party off-takers for such copper concentrates.

Long-term projects:Tailings re-processing:

- Prior to commencement of mining from the LMZ, mining activities took place in the UMZ open pit from 2012 to early 2016. During this period, ore was processed through a flotation circuit and achieved an average gold recovery of approximately 55% in the production of copper concentrates. Management believes that tailings material deposited as a result of this process is therefore expected to contain significant gold content.
- The Company has commenced an evaluation of reprocessing of tailings, to determine the viability of recovering gold from the material deposited in the tailings storage facility. Drilling is planned to obtain geotechnical and metallurgical parameters in order to select conceptual processing plan and develop a full economic case.
- At the present time, the Company aims to execute this project subsequent to the completion of the near-term projects above.

Exploration – Las Tojas Deposit:

- Las Tojas is a satellite deposit located approximately 12 km northwest from the Don Mario Mine.
- Drilling of the Las Tojas deposit have been carried out by Orvana at various times between 1996 and 2008, during which 110 holes totalling 15,080 m of drilling was completed. Drilling was carried out along northeast-southwest oriented section lines spaced about 50 and 100 m apart. Orvana completed two additional drill holes at Las Tojas in 2015 and these tested depth extensions of the known mineralized zone. Both holes intersected narrow mineralized zones. The Las Tojas deposit is not included in any of the resource or reserve estimation work covered by the Company's most recent Don Mario 43-101 Report or Annual Information Form.
- A limited amount of material from Las Tojas was mined from 2009 to 2011 and was successfully processed through the carbon in leach circuit at that time.
- A new drilling campaign, testing the southern extensions of previously mined areas of Las Tojas, is planned to be completed in the coming months with the objectives of establishing a NI 43-101 compliant mineral resource.

**TSF Project**

The TSF Project is required to support processing activities at Don Mario beyond Q2 2018. The TSF Project will include the construction of a 4 meter raise to provide storage capacity for up to 3 additional years. The Company engaged Amec Foster Wheeler ("AMEC") to evaluate alternatives, provide design parameters and engineer the TSF Project. As a result, AMEC developed a capital cost estimate of US\$9.7 million within 10% accuracy, including owner's costs and 10% contingency. Execution of the TSF Project is expected to

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commence immediately to take advantage of the favorable dry season in Bolivia, with expected completion in Q2 2018.

### **BISA Facilities**

The BISA Facilities are comprised of two separate agreements, both of which are secured by certain assets of Don Mario without recourse to Orvana.

#### Term facility

- Principal amount of approximately US\$8.34 million (denominated in Bolivianos);
- Annual interest rate of 5.3% (fixed rate);
- Scheduled drawdowns between closing and December 2017;
- Quarterly interest payments; equal quarterly principal repayments commence April 2018 until January 2021.

#### Revolving working capital facility

- Principal amount of up to approximately US\$2.97 million (denominated in Bolivianos);
- Renewable every 6 months until November 2020;
- Annual interest rate determined at date of drawdown and dependent on form of drawdown;
- Drawdown may be in the form of cash for up to US\$1.97 million, bank guarantees for up to US\$2.97 million, or a combination of the two up to the limit of US\$2.97 million.

The pre-existing bank loan with BISA (the "BISA Loan") is not affected by the BISA Facilities and will continue to be repaid in the normal course with full repayment scheduled for September 2017. The principal balance outstanding on the BISA Loan is \$2.8 million as at June 30, 2017.

Scientific and technical information in this news release has been reviewed and approved by Gino A. Zandonai, a Qualified Person under the terms of National Instrument 43-101. Mr. Zandonai is independent of Orvana. Mr. Zandonai has verified the technical data disclosed in this news release not related to the current mineral resource estimates disclosed herein.

### **About Orvana**

Orvana is a multi-mine gold and copper producer. Orvana's operating assets consist of the producing gold-copper-silver El Valle and Carlés mines in northern Spain and the producing gold-copper-silver Don Mario mine in Bolivia. Additional information is available at Orvana's website ([www.orvana.com](http://www.orvana.com)).

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### **Cautionary Statements – Forward-Looking Information**

*Certain statements in this information 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", "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 the mine life of Don Mario beyond their current life-of-mine estimates, including specifically, but not limited to in the case of Don Mario, the completion of the TSF Project, the mining of the Cerro Felix deposit, the processing of the mineral stockpiles and the reprocessing of the tailings material; Orvana's ability to optimize*

*its assets to deliver shareholder value; the Company's ability to optimize productivity at Don Mario ; 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 the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this information, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in Orvana's most recently filed Management's Discussion & Analysis and Annual Information Form in respect of the Company's most recently completed fiscal year (the "Company Disclosures") or as otherwise expressly 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 Don Mario 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; 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 Don Mario; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to execute on its strategy; the Company's ability to obtain 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 the countries in which the Company operates; general economic conditions worldwide; and the risks identified in the Company's Disclosures 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 Disclosures for a description of additional risk factors.*

*Any forward-looking statements made in this information 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 information 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 news release have been prepared 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.*