

- Cash of \$21.5 million and debt of \$3.9 million at March 31, 2015
- Gold sales increased by 13% and copper sales increased by 72% compared with Q2 2014
- Consolidated COC of \$777 and AISC of \$1,080 per ounce of gold sold for H1 2015
- On target to deliver 2015 production and costs guidance
- Free cash flow generation in 2015

All Dollar amounts are in thousands of U.S. dollars unless stated otherwise.

TORONTO, May 5, 2015 /CNW/ - Orvana Minerals Corp. (TSX:ORV) (the "Company" or "Orvana") announced today financial and operating results for the second quarter of fiscal 2015 ("Q2 2015"). The unaudited condensed interim consolidated financial statements for Q2 2015 and Management's Discussion & Analysis related thereto ("Q2 2015 MD&A") are available on SEDAR and at www.orvana.com. A conference call is scheduled for May 6, 2015 at 10:00 a.m. EDT to discuss the Q2 2015 operating and financial results. Details of the call may be found on the Company's website and at the end of this news release.

Ms. Dimitrov, who was appointed as President, Chief Executive Officer and director of the Company on March 31, 2015, stated: "Our favourable growing net cash balance of almost \$18 million and a clean balance sheet position us to pursue a growth strategy. We are focused on organic growth opportunities at both EVBC and Don Mario given the known geological potential at both operations. We have also been considering external growth opportunities which may result in the consideration of a number of possible outcomes, including asset or corporate transactions. At the same time, we remain dedicated to continue to optimize our operations, particularly at EVBC, where we are focused on development and maintenance initiatives. We look forward to delivering improving results based on these initiatives in the second half of fiscal 2015."

Q2 2015 Operating and Financial Highlights

Gold production remained relatively the same in Q2 2015 at 19,403 ounces and copper production increased by 19% compared to the second quarter of 2014. Sales of gold and copper increased by 13% and 72%, respectively, compared to the second quarter of fiscal 2014. Cash operating costs ("COC") and all-in sustaining costs ("AISC") on a by-product basis (net of copper and silver by-product revenue from EVBC and Don Mario) per ounce of gold sold in the first half of fiscal 2015 of \$777 and \$1,080 respectively, compared with COC and AISC (by-product) of \$817 and \$1,149, respectively, in the first half of fiscal 2014, represent a decrease of 5% and 6%, respectively.

The Carlés Mine at EVBC was placed on care and maintenance in February to optimize production at the ongoing Boinás Mine at EVBC and focus on producing only profitable ounces. As part of the transition plan of people and resources from Carlés to Boinás, optimization initiatives include the reorganization of the underground mine production teams and the replacement of the oxides mining contractor with the production crews from Carlés in April 2015. Other planned productivity initiatives include the centralization of the various spread-out supplies and materials warehouses. These initiatives are expected to yield results in the second half of fiscal 2015.

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

	Q1 2015	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Operating Performance					
Gold					
Grade (g/t)	2.52	2.32	2.10	2.42	2.05
Recovery (%)	75.6	76.4	75.0	75.9	75.3
Production (oz)	22,195	19,403	19,535	41,598	38,390
Sales (oz)	21,660	18,636	16,509	40,296	36,122
Average realized price / oz	\$1,202	\$1,226	\$1,283	\$1,213	\$1,286
Copper					
Grade (%)	1.13	1.06	0.98	1.10	0.95
Recovery (%)	77.5	75.5	60.6	76.5	60.4
Production ('000 lbs)	6,990	6,014	5,048	13,004	9,767
Sales ('000 lbs)	6,933	6,091	3,546	13,024	7,944
Average realized price / lb	\$3.01	\$2.62	\$3.14	\$2.83	\$3.19
Silver					
Grade (%)	17.33	19.32	37.20	18.29	34.56
Recovery (%)	67.0	62.2	60.2	64.5	61.8
Production (oz)	135,305	131,535	277,656	266,840	530,486
Sales (oz)	147,139	111,563	166,866	258,702	384,882
Average realized price / oz	\$16.48	\$16.75	\$20.37	\$16.61	\$20.55
Financial Performance (in 000's, except per share amounts)					
Revenue	\$38,770	\$30,108	\$29,125	\$68,878	\$64,345
Mining costs	\$27,970	\$23,944	\$24,151	\$51,914	\$47,927
Gross margin	\$2,448	\$78	(\$2,173)	\$2,526	\$2,335
Derivative instruments (loss) gain	\$-	\$-	(\$2,343)	\$-	\$6,141
Net income (loss)	\$738	(\$4,130)	(\$6,953)	(\$3,392)	(\$945)
Net income (loss) per share (basic/diluted)	\$0.01	(\$0.03)	(\$0.05)	(\$0.02)	(\$0.01)
Adjusted net income (loss) ⁽¹⁾	\$738	(\$4,130)	(\$3,340)	(\$3,392)	(\$2,113)
Adjusted net income (loss) per share (basic) ⁽¹⁾	\$0.01	(\$0.03)	(\$0.02)	(\$0.02)	(\$0.02)
Operating cash flows before non-cash working capital changes ⁽¹⁾	\$7,455	\$2,662	\$3,587	\$10,117	\$12,105
Operating cash flows	\$14,958	\$4,528	\$3,886	\$19,486	\$7,771
Ending cash and cash equivalents	\$20,376	\$21,512	\$5,914	\$21,512	\$5,914
Restricted cash (including long-term)	\$5,496	\$5,936	\$17,905	\$5,936	\$17,905
Capital expenditures ⁽²⁾	\$2,461	\$3,596	\$4,757	\$6,057	\$7,877
Cash operating costs (by-product) (\$/oz) gold ⁽¹⁾	\$696	\$871	\$1,009	\$777	\$817

All-in sustaining costs (by-product) (\$/oz) gold ⁽¹⁾	\$950	\$1,230	\$1,386	\$1,080	\$1,149
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- (1) Adjusted net income (loss), adjusted net income (loss) per share, operating cash flows before non-cash working capital changes, COC and AISC are non-IFRS performance measures.
- (2) These amounts are presented in the consolidated cash flows in the Q2 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. The calculation of AISC and AIC includes capex incurred (paid and unpaid) during the period.

Outlook

The Company is pursuing a number of initiatives for the remainder of fiscal 2015 to meet its objectives of lowering unitary cash costs, maximizing free cash flow, extending the life-of-mine of its operations and growing its operations.

At EVBC, the Company is focused on (i) increasing productivity and optimizing the head grade mined to produce profitable ounces; (ii) increasing reserve and resource estimates by upgrading inferred mineral resources to measured and indicated categories and expanding known resources; and (iii) identifying new resources at EVBC and surrounding areas.

Currently the Company is pursuing opportunities to define new resources in the areas surrounding EVBC. A diamond drilling program is underway at La Brueva project, located eight kilometers from the Boinás Mine. The Company's initial drilling program consisted of nine holes totalling 1,860 meters and was completed in April 2015. A second phase of drilling consisting of twelve holes totalling 2,400 meters has commenced and targets the western part of the structure to define the extent and continuity of mineralization between the recent drill holes and a historical hole. The second phase is expected to be completed by the end of fiscal 2015. The Company will review assay results and geological interpretations from both phases of this drilling program and determine the viability of future drill programs at that time. Additionally, the Company is pursuing exploration activities, such as mapping, sampling and geophysics, on concessions it holds investigation permits for in the vicinity of the EVBC Mines.

At Don Mario, the Company is focused on (i) exploration activities on mineralized zones surrounding the current open pit; (ii) determining the viability of a pushback to access previously unmined lower mineralized zone material to extend the mine life; and (iii) further metallurgical testing of stockpiled oxide material to determine an economically viable option for future treatment.

The following table sets out Orvana's production, capital expenditures and consolidated COC and AISC (by-product) per ounce of gold sold for the first half of fiscal 2015 as well as its fiscal 2015 guidance:

YTD 2015 FY 2015

	Actual	Updated Guidance
EVBC Mines Production		
Gold (oz)	29,512	63,000 - 66,000
Copper (million lbs)	3.4	6.5 - 7.0
Silver (oz)	88,876	150,000 - 180,000
Don Mario Mine Production		
Gold (oz)	12,086	19,000 - 22,000
Copper (million lbs)	9.7	16.5 - 18.0
Silver (oz)	177,964	400,000 - 500,000
Total Production		
Gold (oz)	41,598	82,000 - 88,000
Copper (million lbs)	13.0	23.0 - 25.0
Silver (oz)	266,841	550,000 - 680,000
Total capital expenditures	\$6,057	\$13,000 - \$15,000
Cash operating costs (by-product) (\$/oz) gold ⁽¹⁾	\$777	\$700 - \$770
All-in sustaining costs (by-product) (\$/oz) gold ⁽¹⁾	\$1,080	\$1,000 - \$1,100

(1) Cost guidance is based on various internal assumptions and estimates, including, but not limited to: (i) production volumes issued as guidance, (ii) by-product commodity prices of \$2.75 per pound of copper and \$17.00 per ounce of silver (by-product revenue accounts for approximately 42% of total revenue), (iii) Euro/US dollar exchange rate of \$1.15, and (iv) operating costs associated with the production guidance. As a result of variations in production throughout the year from both operations, and the additional variability of by-product production of copper and silver, quarterly variations in COC and AISC are anticipated.

The Company generated free cash flow in the first half of fiscal 2015. Based on the above-noted guidance and assumptions and current metal prices, the Company expects to generate free cash flow for the remainder of fiscal 2015.

Other Corporate Developments

On April 8, 2015, Orvana announced the appointment of Mr. Jeffrey Hillis as the new CFO of Orvana. The Company also wishes to announce the departure of Mr. Neil Ringdahl as COO of Orvana, effective April 2015, to pursue other opportunities. We thank Mr. Ringdahl for his contributions during his tenure and wish him the best in his future endeavours.

Conference Call Details

Orvana's conference call is scheduled for May 6, 2015 at 10:00 a.m. EST. The conference call can be accessed in Canada and USA at 1-800-319-4610. Outside of Canada and USA please call +1-604-638-5340. The audio of the conference call will be available for playback and review on the Orvana website at www.orvana.com.

About Orvana

Orvana Minerals is a multi-mine gold and copper producer. Orvana's operating assets consist of the producing gold-copper EVBC mines in northern Spain and Don Mario mine in Bolivia. Additional information is available at Orvana's website (www.orvana.com).

Forward Looking Disclaimer

Certain statements in this news 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", "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 each of Orvana's mines beyond the life of mine estimate therefor; Orvana's ability to optimize its assets to deliver shareholder value; Orvana's ability to optimize production; 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 news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the Company'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 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 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 Disclosures for a description of additional risk factors.

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.

SOURCE [Orvana Minerals Corp.](#)

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