

## Provides Updates for Operations, Growth Strategy and Guidance

- Net cash position of \$23.9 million
- Q3 2015 production of 16,012 oz of gold, 5.2 million pounds of copper
- Q3 2015 gold equivalent production of 29,711 oz; year to date gold equivalent production of 105,426 oz
- Q3 2015 COC of \$1,055 and AISC of \$1,243 per oz of gold sold; year to date 2015 COC of \$867 and AISC of \$1,133 per oz of gold sold
- Q3 2015 sales of 19,121 oz of gold, 6.3 million pounds of copper
- EMIPA (Don Mario Mine) advances mine life extension initiatives
- Guidance revised for production, COC/AISC, Capex

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

TSX:ORV

TORONTO, Aug. 6, 2015 /CNW/ - [Orvana Minerals Corp.](#) (TSX:ORV) (the "Company" or "Orvana") announced today financial and operating results for the third quarter of fiscal 2015 ("Q3 2015"). The unaudited condensed interim consolidated financial statements for Q3 2015 and Management's Discussion & Analysis related thereto ("Q3 2015 MD&A") are available on SEDAR and at [www.orvana.com](http://www.orvana.com). A conference call is scheduled for August 7, 2015 at 10:00 a.m. EDT to discuss the Q3 2015 financial and operating results. Details of the call may be found on the Company's website and at the end of this news release.

"Orvana's key strengths include a strong cash position and an experienced Board and management team. These advantages will ensure that we have a balanced and secure approach to our business in the current environment of declining metals prices. We will diligently monitor our liquidity position and assess capital needs for the upcoming fiscal year and beyond," stated Daniella Dimitrov, President and CEO of Orvana. "While Orvana has had challenges over the past two quarters which have impacted production and cash costs, our teams remain committed to optimizing operations and reduce costs in order to deliver on production and growth. At El Valle we remain focused on optimizing development of higher-grade oxides, increasing development of skarns and looking to add additional reserves with our drill programs. At Don Mario we are assessing the development and viability of pushback plans for the current open pit and the potential recommissioning of the CIL circuit to process the higher grade gold resulting from the pit pushback. We look forward to updating you on our progress in the near future."

## Overall Performance

Overall performance in the third quarter of fiscal 2015 compared to the second quarter of fiscal 2015 was impacted by a decrease in production due to lower grades and lower tonnage mined. The increases in COC and AISC were primarily due higher mining costs associated with timing of product sales, lower grades and lower by-product revenue.

## Q3 2015 Operating and Financial Highlights

	Q3 2015	Q2 2015	Q3 2014	YTD 2015	YTD 2014
Operating Performance					
Gold					
Grade (g/t)	1.89	2.32	2.67	2.25	2.25
Recovery (%)	79.3	76.4	72.8	76.8	74.3
Production (oz)	16,012	19,403	21,532	57,610	59,921
Sales (oz)	19,121	18,636	18,790	59,417	54,912
Average realized price / oz	\$1,194	\$1,226	\$1,293	\$1,213	\$1,288
Copper					
Grade (g/t)	0.92	1.06	1.08	1.04	0.99
Recovery (%)	77.3	75.5	58.2	76.7	59.8
Production ('000 lbs)	5,187	6,014	4,785	18,192	14,551
Sales ('000 lbs)	6,266	6,091	4,724	19,290	12,669
Average realized price / lb	\$2.74	\$2.62	\$3.05	\$2.83	\$3.14
Silver					
Grade (g/t)	21.56	19.32	33.59	19.34	34.26
Recovery (%)	68.4	62.2	56.8	65.9	60.3
Production (oz)	157,172	131,535	211,459	424,012	741,945
Sales (oz)	175,136	111,563	217,988	433,839	602,869
Average realized price / oz	\$16.47	\$16.75	\$19.52	\$16.61	\$20.16
Financial Performance (in 000's, except per share amounts)					
Revenue	\$32,162	\$30,108	\$34,064	\$101,040	\$98,409
Mining costs	\$29,834	\$23,944	\$24,506	\$81,748	\$72,433
Gross margin	(\$5,791)	\$78	(\$27,150)	(\$3,265)	(\$24,815)
Net loss	(\$5,522)	(\$4,130)	(\$25,902)	(\$8,914)	(\$26,847)
Net loss per share (basic/diluted)	(\$0.04)	(\$0.03)	(\$0.19)	(\$0.07)	(\$0.20)
Adjusted net income (loss) <sup>(1)</sup>	(\$5,522)	(\$4,130)	\$905	(\$8,914)	(\$1,208)
Adjusted net income (loss) per share (basic/diluted) <sup>(1)</sup>	(\$0.04)	(\$0.03)	\$0.01	(\$0.07)	(\$0.01)
Operating cash flows before non-cash working capital changes <sup>(1)</sup>	\$1,026	\$2,662	\$8,912	\$11,143	\$21,017
Operating cash flows	\$6,667	\$4,528	\$8,750	\$26,153	\$16,521
Ending cash and cash equivalents	\$23,874	\$21,512	\$11,029	\$23,874	\$11,029
Capital expenditures <sup>(2)</sup>	\$1,720	\$3,596	\$6,486	\$7,777	\$13,988
Cash operating costs (by-product) (\$/oz) gold <sup>(1)</sup>	\$1,055	\$874	\$779	\$867	\$804
All-in sustaining costs (by-product) (\$/oz) gold <sup>(1)</sup>	\$1,243	\$1,233	\$995	\$1,133	\$1,097

- (1) Adjusted net 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 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

#### OroValle (El Valle Mine) Performance

The El Valle Mine, in Asturias, Spain, produced 12,135 ounces of gold and 1.4 million pounds of copper representing a decrease of 15% and 6% respectively compared with the second quarter of fiscal 2015. Third quarter production decreased by 14% in tonnes milled as well as a decrease in average grade processed by 4%.

Production was primarily impacted by a number of factors including dewatering and power issues, which were addressed and resolved in the third quarter. Overall skarn production was impacted by the placement of Carlés on care and maintenance. In the last three months productivity in the skarns development metres at El Valle has increased by approximately 30% and the average monthly tonnage of skarns mined has increased by approximately 20% compared to the first half of 2015. This increase has replaced approximately 33% of the previous Carlés Mine skarns production.

Concurrently oxide production was also affected by a slower ramp-up of the transition from contractor mining to owner/operator mining of the oxides. Bottlenecks have now been identified and mitigation plans developed to address lower production.

Further, the Company is considering various alternatives that will deliver better flexibility and stope sequencing options to improve future production while being cognisant of the current commodity prices environment. The Company would also like to reiterate its confidence with placing Carlés on care and maintenance in the second quarter of 2015.

#### EMIPA (Don Mario) Performance

The Don Mario Mine in Bolivia, produced 3,877 ounces of gold and 3.8 million pounds of copper representing a decrease of 25% and 16%, respectively, compared to the second quarter of 2015. Production was impacted primarily as a result of lower grades. Gold grades are expected to increase in the fourth quarter while copper grades are expected to stay at similar levels.

#### Don Mario Mine Life Extension Initiatives

Fiscal 2009 marked the last year of six years of production from the Company's Lower Mineralized Zone ("LMZ") underground gold mine at Don Mario with some follow on gold production from lower-grade open pit satellite deposits and lower grade stockpiles continuing into fiscal 2011. During this period, over 420,000 ounces of gold was produced with an average recovery of over 80% from the associated CIL circuit, which was decommissioned in 2011. In 2012 the Company commenced mining the Upper Mineralized Zone ("UMZ") shifting to production of gold and copper concentrates. The CIL circuit produced a gold doré and was used due to the higher gold grades and lower copper and silver grades associated with the LMZ as compared to the UMZ which produces average gold recoveries of 53%.

As a near term mine life extension opportunity, geotechnical and geological reviews have been carried out on the historical resource block model of the LMZ and the current resource block model of UMZ to investigate the potential of mining the upper extension of the LMZ. A drilling program consisting of 12 holes and approximately 900 meters was completed to verify the conditions of the underlying underground workings and identify voids, if any, in order to determine the ultimate mining depth of the pushback and to further support and confirm resource estimates. Results have shown that no significant unexpected voids were encountered. The results of this work have demonstrated that a pushback of the pit to allow for the mining of this upper extension of the LMZ is possible. Optimized pit shells are now being generated and a detailed mine design and schedule for the LMZ pushback is in progress.

Further, in fiscal 2015, exploration drilling has concentrated around the known mineralized zones north-west and south-east of the UMZ (collectively and historically known as Cerro Felix). From 2009 to 2011, approximately 207,000 tonnes of ore at an average grade of 1.77 g/t of gold was processed from Cerro Felix. To date, the Company has completed a drilling program at Cerro Felix consisting of 39 holes approximating 3,600 meters. Mercator Geological Services Ltd has been engaged to review all of the geological information and determine if results from Cerro Felix will result in a NI 43-101 compliant resource.

In parallel, the Company has engaged Lycopodium Limited Canada to complete a capital cost estimate associated with the potential recommissioning of the CIL circuit. In addition, a metallurgical testwork program has been developed to evaluate various processing options for both LMZ and Cerro Felix deposits. This program is expected to commence later in the fourth quarter of fiscal 2015.

The Company expects that the results of these programs could extend the life-of-mine of the Don Mario Mine and it is estimated that these studies will be completed by the end of calendar 2015.

#### Guidance

The following table sets out Orvana's updated fiscal 2015 guidance:

	YTD 2015 FY 2015	
	Actual	Updated Guidance
El Valle Mine Production		
Gold (oz)	41,647	50,500 - 52,500
Copper (million lbs)	4.8	6.5 - 7.0
Silver (oz)	126,173	150,000 - 180,000
Don Mario Mine Production		
Gold (oz)	15,963	19,500 - 20,500
Copper (million lbs)	13.4	16.5 - 18.0
Silver (oz)	297,839	400,000 - 500,000
Total Production		
Gold (oz)	57,610	70,000 - 73,000
Copper (million lbs)	18.2	23.0 - 25.0
Silver (oz)	424,012	550,000 - 680,000
Total capital expenditures	\$7,777	\$11,500 - \$12,500
Cash operating costs (by-product) (\$/oz) gold	\$867	\$850 - \$950
All-in sustaining costs (by-product) (\$/oz) gold	\$1,133	\$1,150 - \$1,250

Orvana is lowering its fiscal 2015 production guidance for gold from 82,000 to 88,000 ounces to 70,000 to 73,000 ounces. At El Valle, full year production guidance is being lowered from 63,000 to 66,000 ounces to 50,500 to 52,500 ounces as a result of the production challenges discussed above. At Don Mario, the Company has narrowed the range of its guidance.

Copper and silver production guidance remain unchanged at 23.0 to 25.0 million pounds and 550,000 to 680,000 ounces, respectively.

The Company is lowering its capital expenditures guidance for fiscal 2015 to between \$11.5 to \$12.5 million from \$13.0 to \$15.0 million as a result of deferred discretionary capital projects and the more favourable Euro to US Dollar exchange rate.

The Company is also updating consolidated COC (by-product) guidance to between \$850 and \$950 per ounce of gold sold and consolidated AISC (by-product) guidance to between \$1,150 to \$1,250 per ounce of gold sold from previous COC and AISC guidance of \$700 to \$770 and \$1,000 to \$1,100, respectively. COC and AISC guidance is being increased primarily due to lower metals sales, decreases in by-product revenues and lower commodity price assumptions for the fourth quarter of fiscal 2015.

#### Outlook

Orvana is pursuing a number of initiatives at El Valle Mine and Don Mario Mine in order to meet its objectives of addressing lower production resulting from operational challenges at El Valle Mine, lowering unitary cash costs, maximizing free cash flow, extending the life-of-mine of its operations and growing its operations to deliver shareholder value.

In the current environment of declining metals prices, Orvana is currently monitoring its liquidity position closely and assessing its capital needs for the upcoming fiscal year and beyond. The Company is focused on implementing near-term operating and capital cost reduction strategies and optimizing its production, with a view to positively impact the future COC and AISC performance.

### Third Quarter Filing Date and Conference Call Information

Orvana has SEDAR filed its unaudited condensed interim consolidated financial statements and management, discussion and analysis report for the third quarter of fiscal 2015. A conference call to discuss these results will be held on Friday, August 7, 2015 at 10:00 a.m. EDT by Ms. Daniella Dimitrov, President and CEO and Mr. Jeff Hillis, CFO. Information relating to the call is available on Orvana's website at [www.orvana.com](http://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 El Valle mine in northern Spain and Don Mario mine in Bolivia. Additional information is available at Orvana's website ([www.orvana.com](http://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 El Valle 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 El Valle 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 El Valle Mine 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.](http://www.orvana.com)

Contact

Daniella Dimitrov, President & CEO, T (416) 369-1629, E [ddimitrov@orvana.com](mailto:ddimitrov@orvana.com); Joanne Jobin, Investor Relations Officer, T (416) 369-6275, E [jjobin@orvana.com](mailto:jjobin@orvana.com)