

(All amounts in US dollars unless otherwise stated)

- Updated 2015 guidance met
 - 72,817 ounces of gold, 22.6 million pounds of copper, 598,039 ounces of silver
 - 132,117 gold equivalent ounces
- Net cash position at September 30, 2015 of \$17.2 million
- Full repayment of long-term debt associated with El Valle Mine, Spain
- Growth initiatives for El Valle, Spain and Don Mario, Bolivia

TORONTO, Dec. 18, 2015 /CNW/ - [Orvana Minerals Corp.](#) (TSX:ORV) (the "Company" or "Orvana") announced today financial and operational results for the fourth quarter ("Q4-2015") and for the fiscal year ended September 30, 2015 ("fiscal 2015"). The Company is also providing financial and operational results for its OroValle (El Valle Mine) operations in northern Spain and for its EMIPA (Don Mario Mine) operations in Bolivia.

The audited consolidated financial statements for fiscal 2015 ("2015 Financials") and Management's Discussion and Analysis related thereto ("2015 MD&A") are available on SEDAR and on the Company's website at www.orvana.com.

Fiscal 2015 Operating and Financial Highlights

| | Q4 2015 | Q3 2015 | Q4 2014 | FY2015 | FY2014 |
|---|------------|-----------|----------|------------|------------|
| Operating Performance | | | | | |
| Gold | | | | | |
| Grade (g/t) | 1.83 | 1.89 | 2.77 | 2.16 | 2.37 |
| Recovery (%) | 82.1 | 79.3 | 74.4 | 77.9 | 74.3 |
| Production (oz) | 15,206 | 16,012 | 24,163 | 72,817 | 84,084 |
| Sales (oz) | 13,887 | 19,121 | 25,338 | 73,304 | 79,858 |
| Average realized price / oz | \$1,217 | \$1,194 | \$1,283 | \$1,246 | \$1,287 |
| Copper | | | | | |
| Grade (%) | 0.85 | 0.92 | 1.17 | 1.00 | 1.03 |
| Recovery (%) | 74.7 | 77.3 | 68.9 | 76.3 | 62.2 |
| Production ('000 lbs) | 4,409 | 5,187 | 6,505 | 22,601 | 21,056 |
| Sales ('000 lbs) | 4,666 | 6,266 | 6,317 | 23,956 | 18,935 |
| Average realized price / lb | \$2.44 | \$2.74 | \$3.16 | \$2.86 | \$3.15 |
| Silver | | | | | |
| Grade (g/t) | 25.50 | 21.56 | 21.16 | 20.77 | 31.03 |
| Recovery (%) | 67.6 | 68.4 | 59.7 | 66.4 | 60.2 |
| Production (oz) | 174,027 | 157,172 | 148,394 | 598,039 | 890,339 |
| Sales (oz) | 162,566 | 175,136 | 236,051 | 596,405 | 833,594 |
| Average realized price / oz | \$15.34 | \$16.47 | \$20.01 | \$17.71 | \$20.15 |
| Financial Performance (in 000's, except per share amounts) | | | | | |
| Revenue | \$20,385 | \$32,162 | \$43,998 | \$121,425 | \$142,407 |
| Mining costs | \$23,636 | \$29,834 | \$29,798 | \$105,384 | \$102,231 |
| Gross margin | (\$10,589) | (\$5,791) | \$4,855 | (\$13,854) | (\$19,960) |
| Net loss | | | | | |

| | | | | | |
|---|-----------|-----------|----------|------------|----------|
| Net loss per share (basic/diluted) | (\$0.06) | (\$0.04) | (\$0.02) | (\$0.12) | (\$0.22) |
| Adjusted net income (loss) ⁽¹⁾ | (\$7,819) | (\$5,522) | \$2,766 | (\$16,733) | \$1,779 |
| Adjusted net income (loss) per share (basic/diluted) ⁽¹⁾ | (\$0.06) | (\$0.04) | \$0.02 | (\$0.12) | \$0.01 |
| Operating cash flows before non-cash working capital changes ⁽¹⁾ | (\$2,670) | \$1,026 | \$16,906 | \$8,471 | \$37,923 |
| Operating cash flows | (\$5,475) | \$6,667 | \$18,861 | \$20,678 | \$35,382 |
| Ending cash and cash equivalents | \$17,236 | \$23,874 | \$16,545 | \$17,236 | \$16,545 |
| Capital expenditures ⁽²⁾ | \$2,340 | \$1,720 | \$477 | \$10,118 | \$14,925 |
| Cash operating costs (by-product) (\$/oz) gold ⁽¹⁾ | \$1,297 | \$1,055 | \$699 | \$949 | \$771 |
| All-in sustaining costs (by-product) (\$/oz) gold ⁽¹⁾ | \$1,540 | \$1,243 | \$859 | \$1,210 | \$1,015 |

Adjusted net loss, adjusted net income (loss) per share, operating cash flows before non-cash working capital changes, cash operating costs ("COC") and all-in sustaining costs ("AISC") are non-IFRS performance measures.

These amounts are presented in the consolidated cash flows in the 2015 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 all-in costs ("AIC") includes capital expenditure ("capex") incurred (paid and unpaid) during the period.

Operational Update and Growth Initiatives

El Valle

Gold production in fiscal 2015 decreased by 9,224 ounces, or 15%, compared with fiscal 2014. Production was impacted by the placement of the Carlés Mine on care and maintenance in February 2015 and by the planned transition from contractor mining to owner/operator mining in El Valle during the second quarter of 2015. Through the third and fourth quarters of fiscal 2015, productivity improvements were achieved in oxide production, with crews matching previously attained contractor production and development rates by August 2015.

Production at El Valle was further impacted by a number of challenges including those in the area of dewatering, power and maintenance. A power transition solution is expected to be implemented in the second quarter of fiscal 2016 while a new power line to El Valle is being planned. With the assistance of an independent water management firm, the Company has also re-assessed its dewatering needs and is considering options to upgrade and/or augment current pumping systems. In respect of the maintenance function, the Company has now restructured the department and is focused on improving its scheduling and preventative maintenance processes.

Mining costs decreased by 11% from \$72.7 million in fiscal 2014 to \$65.0 million in fiscal 2015 primarily due to the favourable decrease in Euro to US Dollar exchange rates, as well as reductions in fixed mining costs of 11% achieved by the end of fiscal 2015. Notwithstanding these reductions, COC and AISC increased compared to fiscal 2014 due to lower sales as well as decreases in by-product revenues from lower copper and silver metal prices.

At La Brueva property, located eight kilometers from El Valle, a diamond drilling program consisting of thirteen holes totaling 2,780 meters was completed in August 2015. A resource estimated for this deposit is being completed and is expected in the second quarter of fiscal 2016. Additionally, a new oxide zone within the El Valle Mine, adjacent to A107 where the Company is actively mining, was identified through the exploration drilling conducted recently and a resource estimate for this zone is also expected to be reported in the second quarter of fiscal 2016.

Don Mario Mine Life Extension

The Company's underground gold mine in the lower mineralized zone ("LMZ") of Don Mario was mined until 2009 with some follow on production from lower-grade open pit satellite deposits continuing into 2011. Currently, open pit mining is taking place in the upper mineralized zone ("UMZ"). In 2015, the Company investigated the potential of mining the upper extension of the LMZ within the open pit in order to extend the life of mine at Don Mario. The results of the investigation demonstrated that a pushback of the current pit is possible and will allow for mining of the LMZ upper extension.

In fiscal 2015, exploration drilling was concentrated around the known mineralized zones north-west and south-east of the UMZ (collectively known as "Cerro Felix"). The Company completed a drilling program at Cerro Felix consisting of 39 holes

approximating 3,600 meters.

Mercator Geological Services Limited ("Mercator") prepared mineral resource estimates for the LMZ and Cerro Felix areas under supervision of Michael Cullen, P.Geo, who is an independent Qualified Person under NI 43-101. The effective date of the estimates is September 30, 2015 and the associated NI 43-101 technical report was filed on SEDAR on November 16, 2015. A summary of the mineral resource estimates is as follows:

- LMZ - Indicated Resource at 0.70 Au (g/t) cut off - 1.0 million tonnes grading 2.90 g/t gold, 0.73% copper and 7.11 g/t silver, containing approximately 93,000 ounces of gold, 16.1 million pounds of copper and 229,000 ounces of silver.
- Cerro Felix - Indicated Resource at 0.70 Au (g/t) cut off - 490,000 tonnes grading 3.15 g/t gold, 0.09% copper and 2.53 g/t silver, containing approximately 50,000 ounces of gold, 0.97 million pounds of copper and 40,000 ounces of silver.
- Cerro Felix - Inferred Resource at 0.70 Au (g/t) cut off - 80,000 tonnes grading 3.14 g/t gold, 0.14% copper and 3.21 g/t silver, containing approximately 8,000 ounces of gold, 0.25 million pounds of copper and 8,000 ounces of silver.

The Company estimates that it will begin mining the LMZ in the second quarter of fiscal 2016.

Historically, gold and silver from the LMZ were leached with cyanide in a CIL circuit and a gold doré was produced, due to the higher gold grades and lower copper and silver grades associated with the LMZ as compared to the UMZ. Average historical recoveries achieved from the CIL process were over 80%. The CIL circuit was placed on care and maintenance in April 2011 when the Company commenced mining the metallurgically more complex UMZ. A capital cost estimate (scoping level) of \$6.4 million to an accuracy estimate of +/- 35% including owner's costs of \$1.5 million and contingency has been determined to re-commission the CIL circuit. Results of metallurgical testing recently undertaken by the Company indicate potential gold recovery higher than historical rates can be achieved by processing LMZ resource material through a re-commissioned CIL circuit. The Company is considering the CIL Project in fiscal 2016 subject to obtaining external financing.

Outlook

Orvana is continuing to implement a cost reduction plan in order to meet its objectives of optimizing production and lowering unitary costs. The effects of these cost reductions are expected to be realized by mid-fiscal 2016. In the current environment of lower commodities prices, the Company is currently monitoring its liquidity position closely and assessing its capital needs for the upcoming fiscal year and beyond.

The Company generated positive operating cash flows in fiscal 2015. Financing and investing activities including capital expenditures resulted in positive cash flow generation. In fiscal 2016, at current market prices, production guidance and the assumption that all planned capital expenditures are incurred, the Company expects to realize a cash flow deficit which will be funded by existing cash on hand. The potential CIL capex of \$6.4 million will only be incurred if external financing is obtained.

Guidance

The following table sets out Orvana's fiscal 2015 results and guidance as well as its fiscal 2016 production, cost guidance and capex which is based on the Don Mario CIL Project coming on line in the fourth quarter of fiscal 2016:

| | FY2015 | FY2015 | FY2016 |
|--|---------------------|----------|-------------------------|
| | Guidance | Actual | Guidance |
| El Valle Mine Production | | | |
| Gold (oz) | 50,500 - 52,500 | 53,733 | 43,000 – 48,000 |
| Copper (million lbs) | 6.5 - 7.0 | 6.1 | 4.5 – 5.0 |
| Silver (oz) | 150,000 - 180,000 | 166,744 | 120,000 - 130,000 |
| Don Mario Mine Production | | | |
| Gold (oz) | 19,500 - 20,500 | 19,084 | 24,000 – 27,000 |
| Copper (million lbs) | 16.5 - 18.0 | 16.5 | 11.0 – 12.0 |
| Silver (oz) | 400,000 - 500,000 | 431,295 | 330,000 – 370,000 |
| Total Production | | | |
| Gold (oz) | 70,000 - 73,000 | 72,817 | 67,000 – 75,000 |
| Copper (million lbs) | 23.0 - 25.0 | 22.6 | 15.5 – 17.0 |
| Silver (oz) | 550,000 - 680,000 | 598,039 | 450,000 – 500,000 |
| Total capital expenditures | \$11,500 - \$12,500 | \$10,118 | \$17,000 - \$19,000 |
| Cash operating costs (by-product) (\$/oz) gold ⁽¹⁾ | \$850 - \$950 | \$949 | \$850 - \$950 |
| All-in sustaining costs (by-product) (\$/oz) gold ⁽¹⁾ | \$1,150 - \$1,250 | \$1,210 | \$1,150 - \$1,250 |

(F)2016 guidance assumptions for COC and AISC include by-product commodity prices of \$2.00 per pound of copper and \$14.00 per ounce of silver and an average Euro to US Dollar exchange of 1.065.

About Orvana

Orvana is a multi-mine gold and copper producer. Orvana's operating assets consist of the producing gold-copper-silver El Valle mine 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).

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 El Valle and Don Mario beyond their current life-of-mine estimates; Orvana's ability to optimize its assets to deliver shareholder value; the Company's ability to optimize productivity at Don Mario and El Valle; 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 El Valle and 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 the El Valle and/or Don Mario and/or ability to resume operations at the Carlés Mine; 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.

SOURCE [Orvana Minerals Corp.](#)

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