(All amounts in US dollars unless otherwise stated)

- Q1 2016 production of 17,789 oz of gold, up 17% compared to Q4 2015, and 4.0 million pounds of copper
- Q1 2016 gold equivalent production of 28,009 oz
- Q1 2016 gold sales of 15,955 oz of gold, up 15% compared to Q4 2015, and copper sales of 3.8 million pounds
- Net cash position at December 31, 2015 of $17.5 million
- COC at $1,004 and AISC at $1,306, down 23% and 15%, respectively, compared to Q4 2015
- Two new mineral resource estimates at El Valle: Villar zone and La Brueva property
- Don Mario carbon-in-leach circuit re-commissioning continues to advance

TORONTO, Feb. 3, 2016 /CNW/ - Orvana Minerals Corp. (TSX:ORV) (the "Company" or "Orvana") announced today financial and operational results for the first quarter of fiscal 2016 ("Q1 2016"). 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 unaudited condensed interim consolidated financial statements for Q1 2016 and Management's Discussion and Analysis related thereto ("MD&A") are available on SEDAR and on the Company's website at www.orvana.com.

2016 Consolidated Operating and Financial Highlights

	Q1 2016	Q4 2015	Q1 2015	FY2015
Operating Performance				
Gold				
Grade (g/t)	2.10	1.83	2.52	2.16
Recovery (%)	81.5	82.1	75.6	77.9
Production (oz)	17,789	15,206	22,195	72,817
Sales (oz)	15,955	13,887	21,660	73,304
Average realized price / oz	$1,105	$1,119	$1,202	$1,196
Copper				
Grade (%)	0.78	0.85	1.13	1.00
Recovery (%)	71.1	74.7	77.5	76.3
Production ('000 lbs)	3,951	4,409	6,990	22,601
Sales ('000 lbs)	3,814	4,666	6,933	23,956
Average realized price / lb	$2.22	$2.40	$3.01	$2.72
Silver				
Grade (g/t)	22.43	25.50	17.33	20.77
Recovery (%)	73.7	67.6	67.0	66.4
Production (oz)	171,664	174,027	135,305	598,039
Sales (oz)	160,565	162,566	147,139	596,405
Average realized price / oz	$14.83	$14.94	$16.48	$16.12
Financial Performance (in 000's, except per share amounts)				
Revenue	$22,497	$20,385	$38,770	$121,425
Mining costs	$20,806	$23,636	$27,970	$105,384
Gross margin	($3,869)	($10,589)	$2,448	($13,854)
Net (loss) income	($3,076)	($7,819)	$738	($16,733)
Net (loss) income per share (basic/diluted)	($0.02)	($0.06)	$0.01	($0.12)
Operating cash flows before non-cash working capital changes (1)	$871	($2,670)	$7,455	$8,471
Operating cash flows	$1,575	($5,475)	$14,958	$20,678
Ending cash and cash equivalents	$17,535	$17,236	$20,376	$17,236
Capital expenditures (2)	$3,716	$2,340	$2,461	$10,118
Cash operating costs (COC) (by-product) ($/oz) gold (1)	$1,004	$1,297	$696	$949
All-in sustaining costs (AISC) (by-product) ($/oz) gold (1)(2)	$1,316	$1,540	$949	$1,210

(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 includes capex incurred (paid and unpaid) during the period.

Operational Update and Growth Initiatives

El Valle

Gold and silver production for Q1 2016 at El Valle was 13,893 ounces and 43,431 ounces, respectively, representing an increase of 15% and 7%, respectively, compared with Q4 2015. Copper production was 1.2 million pounds, a decrease of 11% compared to Q4 2015 primarily due to lower average head grades. The increase in gold and silver production was due to an 11% increase in tonnes milled and a 5% increase in gold average head grades.

Total COC (by-product) of $948 per ounce of gold sold in Q1 2016 were $243 or 20.4% lower than in Q4 2015. Total AISC (by-product) of $1,170 per ounce of gold sold in Q1 2016 were $255 or 17.9% lower than in Q4 2015. COC and AISC were lower due to lower fixed mining costs, higher grades mined and lower capital expenditures and a 16.6% increase in gold ounces sold.

Skarns production remained stable over Q1 2016 compared with Q4 2015. Delays in stope development limited the continued replacement of skarns previously mined at Carlés.

Oxide production in Q1 2016 improved by 50% compared with Q3 and Q4 2015. The Company's oxide crews attained the same productivity rates as the contractor replaced during fiscal 2015.

Intermittent dewatering and power issues experienced throughout calendar 2015 continued to impact production in Q1 2016. To address dewatering issues in the near-term, the Company is implementing a comprehensive water management plan, including improving current pumping systems. Meanwhile, the Company is conducting a hydrological study to determine dewatering requirements for an additional pumping system. Power studies were completed in Q1 2016 and a transition solution is expected to be implemented through mid-fiscal 2016. Planning continues on the construction of a permanent power line as a long-term solution to power requirements at El Valle.

The Company continues to pursue opportunities to define new resources in and around the areas surrounding El Valle. Recently, diamond-drilling campaigns were completed in the Villar oxide zone and the La Brueva property.

The Villar oxide zone, located in the eastern side of El Valle Mine behind the A107 area, was discovered while testing for mineralization that may have been shadowed by the existing resource. An 11 hole drilling program totalling 1,223 meters was completed to intersect this zone, with 10 out of the 11 holes intersecting ore grade mineralization.

A diamond drilling program consisting of 13 holes totalling 2,780 meters was completed in August 2015 at La Brueva property, located eight kilometers from El Valle.

The Company published resource estimates for both deposits in February 2016 under the supervision of Guadalupe Menendez Collar, a European Geologist and the Chief of Geology at OroValle, a qualified person who is not independent of the Company under NI 43-101. A summary of the mineral resource estimates is as follows:

- Villar – Measured Resource: approximately 49,718 tonnes grading 6.52 g/t gold, 0.34% copper and 4.26 g/t silver containing approximately 10,422 ounces of gold and 170 tonnes of copper.
- Villar – Indicated Resource: approximately 44,730 tonnes grading 5.12 g/t gold, 0.50% copper and 8.91 g/t silver containing approximately 7,363 ounces of gold and 220 tonnes of copper.
- Villar – Inferred Resource: approximately 14,969 tonnes grading 3.13 g/t gold, 1.26% copper and 23.13 g/t silver containing approximately 1,506 ounces of gold and 190 tonnes of copper.
- La Brueva – Inferred Resource: approximately 160,000 tonnes grading 7.84 g/t gold, 0.02% copper, and 2.31 g/t silver, containing approximately 40,330 ounces of gold and 30 tonnes of copper.

Don Mario

Gold production for Q1 2016 at Don Mario increased by 25% to 3,896 ounces compared to Q4 2015 primarily as a result of higher head grades. Copper and silver production decreased by 10% and 4%, respectively, to 2.7 million pounds of copper and 128,233 ounces of silver compared to Q4 2015 due to lower head grades and recoveries. Higher gold head grades and continued lower copper and silver head grades are anticipated through fiscal 2016 as mining is expected to begin in the lower mineralized zone ("LMZ") in Q2 2016.

At Don Mario, historical mining took place in the LMZ underground gold mine up until 2009. Reviews were successfully carried out in 2015 to investigate the potential of mining the upper extension of the LMZ. Additionally, exploration drilling was performed around known mineralized zones north-west and south-east of the Upper Mineralized Zone (collectively known as "Cerro Felix"), located approximately 600 meters from the LMZ. Based on the results obtained, the Company published resource estimates for the LMZ and Cerro Felix areas in November 2015.

Don Mario previously processed ore from the LMZ and Cerro Felix in the carbon-in-leach ("CIL") circuit where it achieved an average gold recovery of over 80%. EPCM Consultores SRL, together with Lycopodium Minerals Canada, completed a capital cost estimate to recommission the CIL circuit. For the selected process option, the capital cost estimate is $6.4 million to an accuracy estimate of +/- 15% including owner's costs and 15% contingency. Results of a metallurgical testing program undertaken by the Company indicate potential gold recovery of higher than historical rates can be achieved by processing LMZ resource material through a re-commissioned CIL circuit. The Company has been working towards financing the CIL Project with a number of interested parties.

Outlook

Orvana continues to pursue a number of initiatives at El Valle and Don Mario in order to meet its objectives of optimizing production, 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 weakened and volatile commodities prices, Orvana is currently monitoring its liquidity position closely and assessing its capital needs for the upcoming fiscal year and beyond. The Company continues to focus on implementing near-term operating cost reduction strategies across the Company and optimizing its production and recoveries, with a view to positively impact future COC and AISC performance.

The Company's strategy during this period of commodity market uncertainty is to manage its existing capital and liquidity in a prudent fashion to endure for the long-term so that the Company may be well positioned to capitalize on the next commodity market rebound. At El Valle, the Company will continue to focus on optimizing productivity while at the same time lowering unitary cash costs. Capital expenditures at El Valle have been rationalized to only include non-discretionary activities such as essential primary mine development and required infrastructure investments. At Don Mario, the Company is planning to execute the CIL Project, subject to successfully obtaining external financing. The CIL Project, together with the existing flotation plant, best positions Don Mario for the future and is expected to result in the operation lowering its unitary cash costs, maximize the value of the recently defined resource material and could provide enhanced processing capabilities to leverage other known exploration opportunities. Don Mario would have the increased flexibility to produce doré in addition to the current production of copper and gold concentrates.

The following table sets out the results of Orvana's Q1 2016 as well as its FY2016 production and cost guidance:

	Q1 2016 Actual	FY2016 Guidance
El Valle Mine Production		
Gold (oz)	13,893	43,000 – 48,000
Copper (million lbs)	1.2	4.5 – 5.0
Silver (oz)	43,431	120,000 - 130,000
Don Mario Mine Production		
Gold (oz) (1)	3,896	24,000 – 27,000
Copper (million lbs)	2.7	11.0 – 12.0
Silver (oz)	128,233	330,000 – 370,000
Total Production		
Gold (oz)	17,789	67,000 – 75,000
Copper (million lbs)	4.0	15.5 – 17.0
Silver (oz)	171,664	450,000 – 500,000
Total capital expenditures	$3,716	$17,000 - $19,000
Cash operating costs (by-product) ($/oz) gold (2)	$1,004	$850 - $950
All-in sustaining costs (by-product) ($/oz) gold (2)	$1,316	$1,150 - $1,250

(1) Gold production guidance assumes that the CIL circuit at Don Mario Mine comes on-line in the fourth quarter of fiscal 2016.

(2) FY2016 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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