

TSX:ORV

TORONTO, May 30, 2016 /CNW/ - [Orvana Minerals Corp.](#) (TSX:ORV) (the "Company" or "Orvana") is pleased to announce that its wholly-owned subsidiary, EMIPA S.A. ("EMIPA"), has closed a US\$7.9 million loan facility (the "Loan") with Banco BISA S.A. ("Banco BISA"), a Bolivian bank. The primary use of proceeds will be for the recommissioning of the carbon-in-leach ("CIL") circuit (the "CIL Project") at its Don Mario Mine in Bolivia ("Don Mario" or "Don Mario Mine").

Jeff Hillis, Interim Chief Executive Officer, said "We are very pleased to have successfully secured debt financing for this important project at Don Mario. Banco BISA and EMIPA have a long-standing local banking relationship, and we are pleased to have their strong support for the CIL Project. This is also a vote of confidence in Don Mario and our people. The CIL Project provides attractive economics with expected pay-back within one year and, together with the existing flotation plant, best positions Don Mario for the immediate future."

During April 2016, the Company initiated the purchase of long-lead components of the CIL Project and the project is now underway with an estimated execution period of seven to nine months. The CIL Project is expected to result in lower unitary cash costs and maximize the value of recently defined Don Mario resource estimates, along with providing the processing capabilities necessary to leverage exploration and potential business opportunities, such as local toll milling. Upon commissioning of the CIL circuit, Don Mario will shift to production of gold doré in addition to the current production of copper concentrate.

The US\$7.9 million Loan has a term of 19 months and an interest rate of 6% per annum. Security for the Loan includes certain assets at Don Mario for the term of the Loan and a standby letter of credit of US\$2.0 million which will be replaced by the CIL circuit once operational. The capital cost estimate of the CIL Project is \$6.4 million +/- 15% accuracy, including owner's costs and 15% contingency. The existing US\$2.0 million short-term credit facility with Banco BISA, originally set to mature in June 2016, will be rolled into and will form part of the Loan.

At Don Mario, historical mining took place in the Lower Mineralized Zone ("LMZ") and this material was processed by the now decommissioned CIL circuit, with an average gold recovery of over 80%. The Company has recently started to mine the upper extension of the LMZ. Results of a metallurgical testing program on this ore indicate potential gold recovery of higher than historical rates may be achieved by processing the LMZ material through the recommissioned CIL circuit and existing flotation circuit.

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.](#)

Contact

Jeff Hillis, CFO and Interim CEO, T (416) 369-6275, E jhillis@orvana.com; Joanne Jobin, Investor Relations Officer, T (416) 369-6275, E jjobin@orvana.com