

Third Quarter 2017 achievements:

- Record quarterly gold production of 26,414 ounces, increase of 65% from Q2 2016;
- Gold equivalent production of approximately 35,292 ounces during Q3 2017;
- Revenue increased by \$10.7 million to \$36.7 million, up 41% compared to Q3 2016;
- EBITDA up by \$2.3 million compared to Q3 2016;
- Cash balance of \$18.5 million at June 30, 2017, up from \$14.2 million at March 31, 2017;
- COC and AISC of \$1,032 and \$1,199, respectively, in Q3 2016;
- On track to meet fiscal 2017 cost and production guidance, including COC and AISC.

TORONTO, Aug. 10, 2017 /CNW/ - [Orvana Minerals Corp.](#) (TSX:ORV) (the "Company" or "Orvana") announced today financial and operational results for the third quarter of fiscal 2017 ("Q3 2017"). The Company is also providing financial and operational results for its El Valle and Carlés Mines (collectively, "El Valle") operations in northern Spain and for its Don Mario Mine in Bolivia.

The unaudited condensed interim consolidated financial statements for Q3 2017 and Management's Discussion and Analysis related thereto are available on SEDAR and on the Company's website at www.orvana.com.

Q3 2017 Highlights

The Company's strategy to increase production at its operations targets productivity enhancements to allow for delivery of greater throughput, increased gold recovery and reduced unitary costs. The Company is pleased to report the following positive developments in the third quarter, as follows:

- El Valle – Further productivity improvements delivered higher gold and copper production:
 - Production from higher gold grade oxide areas of El Valle in Q3 2017 increased to 42,243 tonnes in Q3 2017, or 44%, compared with Q2 2017. Production from the Carlés Mine improved to 39,115 tonnes in Q3 2017, or 35%, compared with Q2 2017.
 - As a result of the improvement in mining productivity and increase in mill throughput rates, gold and copper production increased by 15% and 24%, respectively, compared to Q2 2017.
- Don Mario – CIL production surpassed targets:
 - During the first full quarter of commercial production from the CIL circuit, gold production at Don Mario increased to 12,709 ounces, up 48% compared with the second quarter of fiscal 2017. Gold recoveries averaged 89.3% over Q3 2017, exceeding the Company's targeted average gold recovery of 80%.
 - Copper and silver production increased by 45% and 29%, respectively, compared to Q2 2017, as a result of improved recoveries and mill throughput.
- Realized reductions in unitary costs and improved financial performance:
 - Enabled by the productivity increases above, consolidated all-in sustaining costs fell to \$1,199 per ounce, compared with \$1,214 per ounce in the second quarter of fiscal 2017 and \$1,311 per ounce in the third quarter of fiscal 2016.
 - Revenue increased 16% to \$36.7 million in the third quarter, compared with the second quarter of fiscal 2017; EBITDA improved by \$2.3 million over the same period of fiscal 2016.
 - Consolidated cash balance increased from \$14.2 million at March 31, 2017 to \$18.5 million at June 30, 2017.

"At El Valle, the recent increases to higher grade oxide production have demonstrated the improving flexibility of the mine and allowed for sustained gold production through the quarter, despite lower than expected grades from skarn production," commented Jim Gilbert, Chairman and CEO. "We look forward to reporting our continued progress on improving our oxide production at El Valle, targeting further decreases in unitary costs. With Don Mario also registering higher recoveries and gold production this year, Orvana is on track to meet the fiscal 2017 guidance laid out at the beginning of the year."

Strategy and Outlook

The Company's most important objectives through fiscal 2017 and beyond are to sustainably increase productivity rates at both its operations and to extend the mine life of Don Mario Mine beyond fiscal 2018.

El Valle:

- At El Valle, the Company achieved its objective of a sustained mill throughput rate of 2,000 tpd over Q3 2017, increasing its gold, copper and silver production by 15%, 24%, and 9%, respectively, compared to Q2 2017. Next steps include the following:
 - Ongoing development to increase access to higher grade oxide zones in El Valle Mine, with the objective of increasing the proportion of oxide material relative to skarn material delivered to the mill. This is expected to be supported by the gains realized to date in development and backfill rates, allowing for access to a greater number of oxide stopes, as was partially realized during Q3 2017.
 - Improved mine flexibility and grade control through a significant reduction of the proportion of inferred material in near-term mine planning.

Don Mario:

- The gold recovery results from Q3 2017 have poised Don Mario to realize on known opportunities for mine life extension, and the Company is working through the following near-term projects:
- A mine plan for Cerro Felix was completed subsequent to Q3 2017, and pre-stripping activities are expected to commence in Q1 fiscal 2018. Full production is expected to transition to Cerro Felix subsequent to the planned depletion of the Lower Mineralized Zone in mid-fiscal 2018.
- Don Mario is also reviewing its options for processing of 2.2 million tonnes of oxide stockpiles with an average estimated gold grade of 1.84 g/t. The Company has had a successful track record of processing this material as part of a blended feed into the processing plant during FY 2016 and FY 2017. Testing results received during FY 2017 have yielded positive indications, and the Company expects to conclude larger scale tests in the coming months.
- In support of the near-term and long-term mine life extension projects underway at Don Mario, a substantial tailings storage facility expansion project has commenced. The Company expects that this project will allow for sufficient capacity to support up to an additional three years of operations beyond Q2 fiscal 2018. The construction will be financed primarily by a portion of the recently closed \$11.3 million in new debt facilities from Banco BISA S.A.

While maintaining its focus on optimizing current operations, the Company will also evaluate strategic alternatives that could accelerate the growth of the Company.

FY 2017 Production and Cost Guidance

	YTD 2017 FY 2017	
	Actual	Guidance
El Valle Production		
Gold (oz)	36,345	50,000 – 55,000
Copper (million lbs)	4.2	6.0 – 6.5
Silver (oz)	136,083	170,000 – 200,000
Don Mario Production		
Gold (oz)	26,281	35,000 – 40,000
Copper (million lbs)	6.1	7.0 – 7.5
Silver (oz)	114,260	130,000 – 150,000
Total Production		
Gold (oz)	62,626	85,000 – 95,000
Copper (million lbs)	10.3	13.0 – 14.0
Silver (oz)	250,343	300,000 – 350,000
Total capital expenditures	\$15,514	\$27,000 – \$30,000
Cash operating costs (by-product) (\$/oz) gold ⁽¹⁾	\$1,071	\$1,050 – \$1,150
All-in sustaining costs (by-product) (\$/oz) gold ⁽¹⁾	\$1,330	\$1,300 – \$1,400

(1) FY2017 guidance assumptions for COC and AISC include by-product commodity prices of \$2.00 per pound of copper and \$18.00 per ounce of silver and an average Euro to US Dollar exchange of 1.12.

Selected Operational and Financial Information

	Q3 2017	Q2 2017	Q3 2016	YTD 2017	YTD 2016
Operating Performance					
Gold					
Production (oz)	26,414	20,513	16,038	62,626	50,943
Sales (oz)	24,287	20,773	16,496	58,997	47,111
Average realized price / oz	\$1,262	\$1,238	\$1,258	\$1,253	\$1,202
Copper					
Production ('000 lbs)	3,837	2,867	3,833	10,292	11,104
Sales ('000 lbs)	4,244	3,032	3,879	10,836	10,071
Average realized price / lb	\$2.45	\$2.50	\$2.13	\$2.42	\$2.15
Silver					
Production (oz)	75,578	66,485	112,507	250,343	403,345
Sales (oz)	77,173	87,441	111,949	290,240	373,327
Average realized price / oz	\$17.25	\$17.42	\$16.91	\$17.30	\$15.40
Financial Performance (in 000's, except per share amounts)					
Revenue	\$36,671	\$31,714	\$26,030	\$91,843	\$69,806
Mining costs	\$31,180	\$26,272	\$21,809	\$81,808	\$61,660
Gross margin	(\$1,909)	\$8	\$406	(\$8,754)	(\$4,284)
Net loss	(\$3,446)	(\$2,233)	(\$1,181)	(\$13,833)	(\$6,927)
Net loss per share (basic/diluted)	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.10)	(\$0.05)
EBITDA ⁽¹⁾	\$4,782	\$4,774	\$2,509	\$6,222	\$3,457
Operating cash flows	\$7,769	\$928	\$2,176	\$8,396	\$3,216
Ending cash and cash equivalents	\$18,504	\$14,210	\$12,021	\$18,504	\$12,021
Capital expenditures ⁽²⁾	\$3,294	\$4,501	\$3,122	\$15,512	\$9,583
Cash operating costs (by-product) (\$/oz) gold ⁽¹⁾	\$1,032	\$993	\$1,035	\$1,071	\$1,045
All-in sustaining costs (by-product) (\$/oz) gold ⁽¹⁾⁽²⁾	\$1,199	\$1,214	\$1,311	\$1,330	\$1,344

(1) Earnings before interest, taxes, depreciation and amortization ("EBITDA"), cash operating costs ("COC") and all-in sustaining costs ("AISC") are non-IFRS performance measures.

(2) 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.

About Orvana

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

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 including specifically, but not limited to in the case of Don Mario, the completion of the major tailings storage facility expansion, the mining of the Cerro Felix deposit, the processing of the mineral stockpiles and the reprocessing of the tailings material; 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 long-term operations at 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.

Cautionary Notes to Investors – Reserve and Resource Estimates

In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates of the Company disclosed in this AIF have been prepared in accordance with NI 43-101 (as defined below), classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" (the "CIM Guidelines").

Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.

SOURCE [Orvana Minerals Corp.](#)

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