

# Orvana Reports Q2 2021 Consolidated Financial Results

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50,000-55,000 Oz 2021 Production Guidance Intact

Q2 2021 Consolidated Highlights:

- On track to meet FY2021 guidance of 50,000-55,000 gold ounces and 7.0-8.5 million copper pounds.
- Production of 14,197 gold equivalent ounces (10,785 gold ounces, 1.4 million copper pounds and 35,206 silver ounces).
- 7,686 gold ounces and 0.8 million copper pounds produced in stock as at March 31, 2021.
- Revenue of \$19.7 million; Average realized gold price per ounce of \$1,822 and copper price per pound of \$3.74.
- EBITDA of \$2.7 million.
- Free cash flow of (\$0.5) million.
- Cash balance of \$13.4 million as at March 31, 2021.
- Cash Operating Costs ("COC") and All in Sustaining Costs ("AISC") of \$1,193 and \$1,769.

Juan Gavidia, CEO of Orvana Minerals stated: "I am very proud that our field teams in Spain, Argentina and Bolivia were able to deliver on results, as expected, notwithstanding COVID-related logistical restrictions and execution risks. With Spain's steady cash-flow, Argentina's progress in expanding its mineral resource, and Bolivia advancing with its final phase of metallurgical testing; Orvana is on target to meet its strategic objectives for FY2021."

TORONTO, May 10, 2021 - [Orvana Minerals Corp.](#) (TSX: ORV) (the "Company" or "Orvana") announced today financial and operational results for the second quarter of fiscal 2021 ("Q2 2021") and the completion of Taguas Drilling Campaign.

OroValle

- Quarterly gold production of 10,785 ounces, 24% lower than previous quarter due to 12% lower throughput and 11% lower grade. The start of the quarter was impacted by infrastructure issues in one sector of the mine; the mine schedule was successfully rectified to be on track to meet FY2021 guidance.
- Copper production was 1.4 million pounds, 34% lower than previous quarter, due 12% lower throughput and 26% lower grade.
- Revenue of \$19.7 million.
- OroValle COC & AISC of \$1,067 and \$1,558.
- Drilling:
  - Orovalle drilled 6,530 meters in El Valle in the second quarter of fiscal 2021; 4,487 meters were infill drilling and 2,043 meters were brownfield drilling.
  - 638 meters were drilling in Lidia in the second quarter, completing the first phase of the program with a total of 1,017 meters.
  - Ortosa Godán permitting completed, drilling starting in May.

Taguas

- Drilling campaign to enlarge the Mineral Resource started last February and was completed in April, with a total of 4,689 meters. Distribution of drilled meters is as follows (Figure 1):
  - 3,455 meters in Cerros Taguas to enlarge oxide resources (main target of this campaign).
  - 734 meters in Cerro Campamento with the aim of testing continuity of mineralized structures towards the southwest.
  - 500 meters in CARDS target 1 & 2 to explore the mineralogy potential of this area.

- Laboratory assays and evaluation in progress, with expected completion by late May.
- A new Mineral Resource Estimate is being updated in compliance with Canadian National Instrument 43-101, by Geosim Services Inc, an independent consulting firm, with expected completion by the third quarter of fiscal 2021.

#### EMIPA

- The Oxides Stockpile Project quality assurance (metallurgical) testing continues and a decision on the project is expected by the end of fiscal year 2021.
- New reprocessing and interpretation of historical geological data was completed in December 2020. As a result, a brand-new comprehensive exploration program will be launched in the third quarter. Areas of interest will be subject to non-drilling exploration fieldwork during the second half of fiscal 2021. The goal is to develop drilling targets for fiscal 2022.

#### Selected Q2 2021 Consolidated Operational and Financial Information

	Q2 2021	Q1 2021	Q2 2020	YTD 2021	YTD 2020
Operating Performance					
Gold					
Grade (g/t)	2.31	2.60	2.74	2.47	2.55
Recovery (%)	90.9	92.6	92.9	92.4	92.5
Production (oz)	10,785	14,127	12,139	24,912	27,954
Sales (oz)	8,523	12,085	12,216	20,609	30,879
Average realized price / oz	\$1,822	\$1,868	\$1,528	\$1,849	\$1,494
Copper					
Grade (%)	0.47	0.63	0.52	0.55	0.44
Recovery (%)	82.3	81.6	83.1	81.9	78.2
Production ('000 lbs)	1,355	2,044	1,422	3,399	2,314
Sales ('000 lbs)	1,475	1,645	1,413	3,120	2,464
Average realized price / lb	3.74	3.29	2.60	3.51	2.62
Financial Performance (in 000's, except per share amounts)					
Revenue	\$19,678	\$27,815	\$21,245	\$47,493	\$50,265
Mining costs	\$14,880	\$17,657	\$18,657	\$32,537	\$44,661
Gross margin	\$1,746	\$6,263	(\$2,823)	\$8,009	(\$5,436)
Net income (loss)	(\$818)	\$1,919	(\$2,776)	\$1,101	(\$5,521)
Net income (loss) per share (basic/diluted)	(\$0.01)	\$0.01	(\$0.02)	\$0.01	(\$0.04)
EBITDA <sup>(1)</sup>	\$2,683	\$7,282	\$1,688	\$9,965	\$3,203
Operating cash flows before non-cash working capital changes	\$3,446	\$7,494	\$1,384	\$10,940	\$3,492
Operating cash flows	(\$594)	\$5,087	(\$3,311)	\$4,493	(\$1,135)
Free cash flow <sup>(1)</sup>	(\$449)	\$5,087	(\$1,478)	\$4,638	(\$1,150)
Ending cash and cash equivalents	\$13,390	\$15,562	\$6,256	\$13,390	\$6,256
Capital expenditures	\$3,895	\$2,407	\$2,862	\$6,302	\$4,642
Cash operating costs (by-product) (\$/oz) gold	\$1,193	\$1,051	\$1,363	\$1,110	\$1,268
All-in sustaining costs (by-product) (\$/oz) gold	\$1,769	\$1,467	\$1,765	\$1,592	\$1,527
All-in costs (by-product) (\$/oz) gold	\$1,958	\$1,518	\$1,787	\$1,700	\$1,542

- Earnings before interest, taxes, depreciation and amortization ("EBITDA"), free cash flow, cash operating costs, all-in sustaining costs and all-in costs are non-IFRS performance measures.
- Capital expenditures are presented in the consolidated cash flows in the Audited Financials on a cash basis.

ABOUT ORVANA - Orvana is a multi-mine gold-copper-silver company. Orvana's assets consist of the producing El Valle and Carlés gold-copper-silver mines in northern Spain, and the Don Mario gold-silver property in Bolivia, currently in care and maintenance. Orvana is in the process of completing the registration of transfer documents with the mining authorities in connection with the acquisition of Taguas, Argentina. Additional information is available at Orvana's website ([www.orvana.com](http://www.orvana.com)).

#### Cautionary Statements - Forward-Looking Information

Certain statements made herein 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", "intends" or "anticipates" 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 processing of the mineral stockpiles and the reprocessing of the tailings material; the timing of the completion of the evaluation of laboratory assays and preparation of an NI 43-101 report on Taguas; Orvana's ability to optimize its assets to deliver shareholder value; the Company's ability to optimize productivity at Don Mario and El Valle; any measures taken by the Company to prevent and/or mitigate the impact of COVID-19 and other infectious diseases at or near the Company's mines and support the sustainability of its business including through the development of crisis management plans, increasing stock levels for key supplies, monitoring of guidance from the medical community, and engagement with local communities and authorities; 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 (including the completion of the acquisition of Taguas and subsequent results of any exploration work on Taguas); 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 news release, 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 the effect of COVID-19 and other infectious diseases on the Company's operations, workforce and supply chain, 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 the Carlés

Mine; the Company's ability to successfully implement a sulphidization circuit and ancillary facilities to process the current oxides stockpiles at Don Mario; 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. 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 herein 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.  
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~~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 or revise such 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.~~

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