

Orvana Announces Us \$37.7m Bonds Placement In Bolivia To Partially Finance Its Restart Plan For The Don Mario Operation

31.07.2024 | [CNW](#)

TSX:ORV

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TORONTO, July 31, 2024 - [Orvana Minerals Corp.](#) (TSX: ORV) (the "Company" or "Orvana") is pleased to announce the successful placement of 80.11% of the offered bonds in Bolivia, the keystone to financing its Oxides Stockpile Project at the Don Mario Operation. The bonds are being offered solely by Empresa Minera Paitití, S.A. ("EMIPA", the Company's subsidiary in Bolivia) and only through the facilities of the Bolivian stock exchange. The Company is also reporting additional financing transactions related to the Oxides Stockpile Project closed by EMIPA in Bolivia, and the filing at the Bolivian stock market by EMIPA of its unaudited Financial Statements for the third quarter of the fiscal year 2024 ended June 30, 2024 ("Q3 FY2024"). Orvana is not offering any securities under the financings to restart the Don Mario Operation.

Juan Gavidia, CEO of Orvana Minerals Corp. stated: "This placement is the key step in the financing process of the Oxides Stockpile Project in Bolivia. We continue focusing our efforts on the completion of the remaining financing requirements to restart the Don Mario Operation. Upon closing of 80% of the bonds offering in Bolivia, EMIPA is making plans to prepare for the Don Mario Plant expansion, expecting to start construction before the end of 2024".

Bond Program

In the first quarter of fiscal 2023, EMIPA initiated the process for the issuance of a US \$47 million Bond Program through the Bolivian stock market (the "Bond Program"). In September 2023, EMIPA received the Autoridad de Supervisión del Sistema Financiero ("ASFI") approval of its registration as an eligible Bond Issuer in the Bolivian stock market. In November 2023, ASFI approved EMIPA's proposed Bond Program to be offered in the Bolivian stock market. In February 2024, EMIPA notified the market in Bolivia of its intention to commence the bonds offering. On July 30, 2024, EMIPA's agent commenced the bond offering on a best effort basis, achieving an 80.11% placement of the Bond Program by the end of the day thereof. The net proceeds of the Bond Program will be used to partially finance the Oxides Stockpile Project.

Bond Program highlights are:

Denomination: Bonos Emipa I

Type of security: Bonds, mandatory and redeemable in a fixed term

Currency: Bolivianos

Total Offering Amount: Bs 327.120.000,00 (US \$47 million)

Offering deadline: Aug 19, 2024

Units: 32.712

Nominal value: Bs. 10.000,00 / unit
Term: 1,080 days (since issue date)
Interest rate: 6.8% nominal, annual and fixed
Security: Don Mario Plant - New circuits
Covenants: financial ratios (debt coverage, debt coverage third parties and leverage)

Bonds Program Placement - July 30, 2024 (first tranche):

Units placed: 26,206 (80.11% of the total units)
Total nominal value: Bs. 262,060,000 (US \$37.65 million)

EMIPA is currently in the process of offering the remaining units under the Bond Program to complete the bond portion of the financing for the Oxides Stockpile Project.

EMIPA General Update

Through EMIPA, the Company is focused on restarting production at Bolivia developing the Oxides Stockpile Project (the "OSP"), consisting of a plant expansion to treat ore stockpiled in the Don Mario Operation from previous years of mining activity. After analyzing an economic way to treat its oxides stockpile, EMIPA concluded that an acid leaching circuit would maximize the value of the stockpile. EMIPA has completed the quality assurance (metallurgical) testing, engineering plans and CAPEX and OPEX estimates. Subject to securing sufficient funding, EMIPA is focused on commencing the construction of the OSP at the Don Mario mine and subsequently operate the treatment facility to treat the oxides. The OSP is projected to operate for 35 months, starting after a 13-month construction period.

The proposed OSP financing structure includes:

- US \$47 million Bond Program, as the main financing source, for CAPEX;
- US \$33 million working capital during construction and ramp-up phases (including without limitation, equity at the EMIPA level and a prepayment facility with third-parties that the Company is currently evaluating); and
- US \$3 million bank debt in Bolivia, which had already been secured in fiscal 2023.

During the month of July 2024, EMIPA completed the following:

- 80.11% placement of the Bond Program units, for a total nominal amount of US \$37.65 million.
- Issuance of 56,414 non-voting preferred shares, for a total amount of approximately US \$811,000 representing 2.59% ownership of EMIPA in total. Preferred shares were issued by EMIPA as a private placement in Bolivia, Orvana has not offered any securities. Orvana currently holds a 100% interest in the common shares of EMIPA, and 97.41% aggregate interest in EMIPA.
- Four promissory notes have been contracted, for a total amount of approximately US \$1.4 million, with a due date September 2024.
- Invested in several local short term financial instruments, all of them sold as of July 30, incurring in a net cost of US \$2M.

EMIPA intends to use the net proceeds of the Bond Program, issuance of non-voting preferred shares and promissory notes to partially finance its proposed Oxides Stockpile Project and for general corporate purposes. As of the date hereof, EMIPA continues to work on closing the remaining Bond Program in Bolivia and working on additional financing to secure the remaining financing required for the OSP construction and ramp-up phases.

The Company will provide updates on the progress of EMIPA's Bond Program offering in Bolivia and the OSP development when further material information becomes available.

EMIPA reports in Bolivia Q3 FY2024 Financial Results

The Company's Bolivian subsidiary has filed at the Bolivian stock market its unaudited Financial Statements

for the third quarter of the fiscal year 2024. In September 2023, ASFI, Bolivia's financial regulator, approved and registered EMIPA as an eligible bond issuer on the Bolivian stock market. As a registered bond issuer on the Bolivian stock market, EMIPA is required to file its quarterly financial statements with ASFI.

The unaudited Financial Statements can be viewed at the following ASFI landing page (the "ASFI Page"): <https://www.asfi.gob.bo/index.php/registro-rmv/mv-entidades-inscritas-en-el-rmv.html>

To search for EMIPA's financial statements, select the following at the ASFI Page:

ENTIDADES REGULADAS - EMISORES: Empresa Minera Paitití, S.A. EMIPA
Ver: Estados Financieros

Orvana's consolidated Q3 FY2024 financial highlights will be released with the third quarter financials, expected mid-August, 2024.

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, the Don Mario gold-silver property in Bolivia, currently in care and maintenance, and the Taguas property located in Argentina. Additional information is available at Orvana's website (www.orvana.com).

Cautionary Statements - Forward-Looking Information

Certain statements in this presentation 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", "are projected to" or "confident of" 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 ability to maintain expected mining rates and expected throughput rates at El Valle Plant; 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, Orvana's ability to optimize its assets to deliver shareholder value; estimates of future production (including without limitation, production guidance), 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; and future financial performance, including the ability to increase cash flow and profits; future financing requirements; mine development plans; the possibility of the conversion of inferred mineral resources to mineral reserves; and Orovalle's ability to finalize the definitive Collective Bargain Agreement.

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, which includes, without limitation, as particularly set out in the notes accompanying the Company's most recently filed financial statements. 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, Don Mario and Taguas 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; labour and materials costs increasing on a basis consistent with Orvana's current expectations; and the availability of necessary funds to execute the Company's plan.

