PRE-EMPTIVE RIGHTS AGREEMENT

THIS AGREEMENT (this "**Agreement**") dated May 16, 2011,

B E T W E E N:

ORVANA MINERALS CORP., a corporation existing under the laws of the Province of Ontario, Canada ("**Orvana**")

- and -

FABULOSA MINES LIMITED, a corporation existing under the laws of Cyprus ("**Fabulosa**")

- and -

EMPRESA MINERA PAITITI S.A., a corporation existing under the laws of Bolivia ("**Paititi**")

WHEREAS Orvana is a party to an agreement dated September 12, 2001 originally made among Compania Minera del Sur S.A., Compania Minera Las Palmas S.A., Compania Minera Las Tojas S.A., Imperial Mining S.A., Minera Cupesi S.A., Paititi and Orvana, as amended by a First Amending Agreement dated as of November 28, 2001 and a Second Amending Agreement dated as of January 11, 2002 (collectively, the "**Definitive Agreement**");

AND WHEREAS, on March 3, 2005, Compania Minera del Sur S.A. assigned all of its right and interests in and under the Definitive Agreement to Fabulosa;

AND WHEREAS, effective October 1, 2006, Compania Minera Las Palmas S.A., Compania Minera Las Tojas S.A., Imperial Mining S.A. and Minera Cupesi S.A. were amalgamated into Paititi, with Paititi continuing as the surviving entity;

AND WHEREAS Orvana, Fabulosa, and Paititi desire to terminate the Definitive Agreement and enter into a new agreement having the terms and conditions set forth herein;

THIS AGREEMENT WITNESSES THAT in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby covenant and agree as follows:

ARTICLE I
INTERPRETATION

1.1 Definitions.

In this Agreement, unless the context otherwise requires:

"**affiliate**" has the meaning given to it in the *Business Corporations Act* (Ontario);

"**Board**" means the board of directors of Orvana;

"**Bridge Loan**" has the meaning set forth in Section 4.1;

"**business day**" means any day, other than a Saturday, a Sunday or a statutory holiday in Toronto, Canada;

"**Commitment to Purchase**" has the meaning set forth in Section 3.1(e);

"**Common Shares**" means common shares in the capital of Orvana;

"**Convertible Securities**" means any evidence of indebtedness, shares, options, warrants or other securities which are directly or indirectly convertible into or exchangeable or exercisable for Common Shares;

"**Credit Agreement**" has the meaning set forth in Section 4.1(d);

"**Credit Documentation**" has the meaning set forth in Section 4.1(d);

"**Equity Financing**" means the issue and sale, for cash or cash equivalents, of Common Shares or Convertible Securities;

"**Financing Notice**" has the meaning set forth in Section 3.1(a);

"**Financing Period Commencement Date**" has the meaning set forth in Section 3.1(b);

"**General Security Agreement**" has the meaning set forth in Section 4.1(d);

"**Governmental Authority**" means any (a) multinational, federal, national, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, (c) any quasi-governmental or private body exercising any regulatory, self-regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange or quotation service;

"**Indicative Size Range**" has the meaning set forth in Section 3.1(a);

"**Issuance**" has the meaning set forth in Section 3;

"**Maturity Date**" has the meaning set forth in Section 4.1(a);

"**Non-Financing Issuance**" has the meaning set forth in Section 3.2(a);

"**Non-Financing Issuance Notice**" has the meaning set forth in Section 3.2(b);

"**Notice**" has the meaning set forth in Section 8.1;

"**Notice of Intent**" has the meaning set forth in Section 3.1(b);

"**Parties**" means Orvana, Fabulosa and Paititi, and "**Party**" means any of them;

"**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, Governmental Authority or any other entity, whether or not having legal status;

"**Pledge Agreement**" has the meaning set forth in Section 4.1(d);

"**Revised Financing Notice**" has the meaning set forth in Section 3.1(d);

"**Revised Non-Financing Issuance Notice**" has the meaning set forth in Section 3.2(c);

"**Security**" has the meaning set forth in Section 4.1(d);

"**Stock Options**" means options to acquire Common Shares granted or to be granted under any stock option plan or other equity incentive plan of Orvana (including options existing as at the date hereof and options granted after the date hereof);

"**Subject Securities**" has the meaning set forth in Section 3;

"**Third Party Purchasers**" has the meaning set forth in Section 3.2(a);

"**TSX**" means the Toronto Stock Exchange;

"**VWAP**", for any period, means the volume weighted average trading price of the Common Shares, calculated by dividing the total value by the total volume of Common Shares traded for the trading days included in the relevant period; and

"**Warrants**" has the meaning set forth in Section 5.2.

1.2 Interpretation Not Affected by Headings.

The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection or paragraph by number or letter or both refer to the Article, Section, subsection or paragraph, respectively, bearing that designation in this Agreement.

1.3 Number and Gender.

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender include all genders.

1.4 Date for Any Action.

If the date on which any action is required to be taken hereunder by a Party is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.5 Other Definitional and Interpretive Provisions.

(a) References in this Agreement to the words "**include**", "**includes**" or "**including**" shall be deemed to be followed by the words "**without limitation**" whether or not they are in fact followed by those words or words of like import;

(b) The words "**hereof**", "**herein**" and "**hereunder**" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(c) References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person; and

(d) References to a particular statute or law shall be to such statute or law and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.

ARTICLE II
TERMINATION OF DEFINITIVE AGREEMENT

2.1 Termination of Definitive Agreement.

The Parties hereby agree to terminate the Definitive Agreement fully and in all respects upon the issuance of the Common Shares contemplated by Section 5.1. For certainty, from and after the date on which such Common Shares are issued, no Party shall have any further obligation, claim or right of any kind or nature whatsoever under or in respect of any term or condition of the Definitive Agreement, and Fabulosa and its affiliates shall have no pre-emptive rights other than those expressly provided for in this Agreement.

ARTICLE III
PRE-EMPTIVE RIGHTS

Except as provided in Sections 3.1, 3.2 and 3.4, following the termination of the Definitive Agreement pursuant to Section 2.1, Orvana shall not issue or sell any Common Shares or issue or grant any Convertible Securities, or enter into any agreement providing for the issuance (contingent or otherwise) of Common Shares and/or Convertible Securities, in any case, to any Person (each, an "**Issuance**" of "**Subject Securities**"), except in compliance with this Article III.

3.1 **<u>Pre-Emptive Right – Equity Financing</u>**.

(a) In the event that Orvana desires to complete an Equity Financing, Orvana shall deliver to Fabulosa a written notice (a "**Financing Notice**"), which Financing Notice shall include an indicative range of the target dollar amount of the proposed Equity Financing (the "**Indicative Size Range**") and, to the extent available, the following information in connection therewith: (i) the kind and terms of the Subject Securities proposed to be issued pursuant to the Equity Financing, (ii) the estimated number of Subject Securities proposed to be issued pursuant to the Equity Financing, (iii) the intended form of transaction (e.g., bought deal, overnight marketed, fully-marketed prospectus, private placement, etc.), (v) the name of any underwriter or underwriters Orvana expects to be involved in the Equity Financing and, if applicable, the name of any purchaser(s), and (iv) the proposed Issuance date.

(b) On or before the tenth day following the date on which Fabulosa has received a Financing Notice or any Revised Financing Notice, as the case may be (such tenth day being, the "**Financing Period Commencement Date**"), Fabulosa shall deliver to Orvana a written notice (a "**Notice of Intent**") advising whether or not it intends to purchase Subject Securities under the proposed Equity Financing and the portion of the proposed Equity Financing set forth in the Financing Notice or the Revised Financing Notice, as the case may be, it intends to purchase (which may not exceed 50% of the aggregate number of Subject Securities set forth in the Financing Notice or the Revised Financing Notice, as the case may be, excluding any Subject Securities to be issued pursuant to the exercise of any over-allotment option, if applicable). If Orvana has not received a Notice of Intent from Fabulosa by 5:00 p.m. (Eastern Standard Time) on the fifth day following the date on which Fabulosa has received a Financing Notice or any Revised Financing Notice, as the case may be, it shall deliver to Fabulosa a further copy of the Financing Notice or Revised Financing Notice, as the case may be.

(c) In the event that Fabulosa fails to deliver a Notice of Intent to Orvana by 5:00 p.m. (Eastern Standard Time) on the Financing Period Commencement Date, it shall be deemed to have advised Orvana that it does not intend to purchase Subject Securities under the proposed Equity Financing set forth in the Financing Notice or the Revised Financing Notice, as the case may be.

(d) Once a Financing Notice has been delivered, Orvana shall keep Fabulosa informed of the status of the proposed Equity Financing, including any change in the information set forth in the Financing Notice. If (i) the upper limit of the Indicative Size Range of a proposed Equity Financing increases by more than 15% prior to the deadline for Fabulosa to deliver a Commitment to Purchase pursuant to Section 3.1(e), or (ii) the form of the proposed Equity Financing changes from an offering pursuant to a prospectus to a private placement, it shall be necessary for a separate Financing Notice (a "**Revised Financing Notice**") to be delivered to Fabulosa, and the terms and provisions of this Section 3.1 separately complied with, in order to complete such Equity Financing pursuant to this Section 3.1.

(e) In the event that Fabulosa has delivered a Notice of Intent to Orvana indicating that it intends to purchase Subject Securities under the Equity Financing, concurrently with the delivery of materials to the Board (or any committee thereof) in connection with the Board's (or committee's) consideration of the approval of the proposed Equity Financing, Orvana shall provide Fabulosa with a written description of the definitive terms of the proposed Equity Financing (whether in the form of a bought deal letter, underwriting agreement or other written expression of the terms of such proposed Equity Financing). The description provided to Fabulosa shall also include notice to Fabulosa of the deadline (which, where the Equity Financing is in the form of a bought deal offering, shall be not less than four hours and, where the Equity Financing is in any form other than a bought deal offering, shall be not less than eight hours) by which Fabulosa may elect to provide its firm written commitment to purchase Subject Securities under the Equity Financing (a "**Commitment to Purchase**") at the same price and on the same terms as such Subject Securities are offered to other Persons (including to any underwriters) pursuant thereto, which may not exceed 50% of the aggregate number of Subject Securities to be issued thereunder (taking into account the number of Subject Securities to be issued to Fabulosa but excluding any Subject Securities to be issued pursuant to the exercise of any over-allotment option, if applicable). Such Commitment to Purchase, if delivered, shall be substantially in the form of Schedule "A" hereto and shall be conditional only upon the completion of the Equity Financing.

(f) In the event that, following the delivery of a Notice of Intent, Fabulosa fails to deliver to Orvana a Commitment to Purchase by the deadline established pursuant to Section 3.1(e), (i) Orvana shall be entitled to proceed with an Equity Financing, including one having terms varying from those set forth in the written description of the Equity Financing previously provided to Fabulosa pursuant to Section 3.1(e), provided, however, that such Equity Financing is in substantially the same form and no larger than that previously described to Fabulosa in the most recently delivered Financing Notice or Revised Financing Notice, and (ii) the 30-day period referred to in Section 3.1(h) shall be extended to the end of the forty fifth day after the Financing Period Commencement Date.

(g) In the event that, following the delivery of a Notice of Intent, Fabulosa delivers to Orvana a Commitment to Purchase a proportion of the Subject Securities to be issued pursuant to the Equity Financing (taking into account the number of Subject Securities to be issued to Fabulosa but excluding any Subject Securities to be issued pursuant to the exercise of any over-allotment option, if applicable) that, as a percentage of the aggregate number of Subject Securities to be purchased by Fabulosa under the Equity Financing, is 15% greater or 15% less than the proportion of Subject Securities that Fabulosa had indicated it intended to purchase in its Notice of Intent, (i) Fabulosa shall be entitled to purchase the number of Subject Securities indicated in its Commitment to Purchase at the same price and on the same terms as such Subject Securities are offered to other Persons (including to any underwriters) pursuant thereto, (ii) Orvana shall be entitled to rely upon Fabulosa's Commitment to Purchase in entering into an Equity Financing as contemplated in this Section 3.1(g), (iii) the 30-day period referred to in Section 3.1(h) shall be extended to the end of the forty fifth day after the Financing Period Commencement Date, and (iv) Orvana shall be entitled to proceed with an Equity Financing which is of a size that is greater or less than the Indicative Size Range without being required to deliver a Revised Financing Notice, provided that the other terms of the Equity Financing do not vary materially from those set forth in the written description of the Equity Financing previously provided to Fabulosa pursuant to Section 3.1(e) (and, for the purposes hereof, an Equity Financing that is more than 15% greater than the size indicated in such written description shall be deemed to be a material variance).

(h) Subject to Sections 3.1(f) and (g), if at the end of the thirtieth day after the Financing Period Commencement Date, Orvana has not entered into a definitive subscription, underwriting or other similar transaction agreement in respect of the proposed Equity Financing, Orvana will be required to again comply with the provisions of this Section 3.1 before completing such Equity Financing.

(i) In the event that, in connection with any Equity Financing in respect of which Fabulosa has delivered a Commitment to Purchase, an over-allotment or other similar option is exercised, Orvana shall promptly notify Fabulosa in writing of the exercise of such option and the particulars thereof. Fabulosa shall be entitled (but not required) to purchase from treasury an additional number of Subject Securities up to the number to be issued in connection with the exercise of the over-allotment or other similar option, at the same price and on the same terms as such Subject Securities are issued pursuant to such exercise. To exercise such right, Fabulosa shall provide written notice to Orvana of the number of Subject Securities that it intends to purchase within 10 days following receipt of Orvana's written notice. If Orvana receives such notice within such 10-day period, then Orvana shall be obligated to issue to Fabulosa, and Fabulosa shall be obligated to purchase from Orvana, such Subject Securities as soon as reasonably possible, though not necessarily concurrent with the closing of the exercise of the over-allotment option.

3.2 <u>Pre-Emptive Right – Issuance other than Equity Financing</u>.

(a) In the event that Orvana desires to complete an Issuance of Subject Securities which is not an Equity Financing or in connection with an Equity Financing (a "**Non-Financing Issuance**"), then Fabulosa shall be entitled (but not required) to purchase from treasury a number of Subject Securities up to the aggregate number of Subject Securities to be issued pursuant to such Non-Financing Issuance, on the same terms and at the same issue price (or deemed issue price) at which the

Subject Securities are issued to other Persons pursuant thereto ("**Third Party Purchasers**").

(b) Orvana shall deliver to Fabulosa a written notice (a "**Non-Financing Issuance Notice**") of any proposed Non-Financing Issuance at least 15 days prior to the proposed date of such issuance. The Non-Financing Issuance Notice shall include the following information in respect of the proposed Non-Financing Issuance: (i) the estimated issue price (or estimated deemed issue price), (ii) the kind and terms of the Subject Securities, (iii) the estimated number of Subject Securities to be issued pursuant to the Non-Financing Issuance, and (iv) if available, the name of the Third Party Purchasers.

(c) Once a Non-Financing Issuance Notice has been delivered, Orvana shall keep Fabulosa informed of the status of the proposed Non-Financing Issuance, including any change in the information set forth in the Non-Financing Issuance Notice. If the information regarding the Non-Financing Issuance that is contained in a Non-Financing Issuance Notice varies in any material respect, it shall be necessary for a separate Non-Financing Issuance Notice (a "**Revised Non-Financing Issuance Notice**") to be delivered to Fabulosa, and the terms and provisions of this Section 3.2 separately complied with, in order to complete such Non-Financing Issuance pursuant to this Section 3.2 (and, for the purposes hereof, a Non-Financing Issuance that is more than 5% greater than the size indicated in the Non-Financing Issuance Notice or Revised Non-Financing Issuance Notice most recently delivered to Fabulosa shall be deemed to be a material variance).

(d) Within 10 days following receipt of a Non-Financing Issuance Notice or a Revised Non-Financing Issuance Notice, as the case may be, Fabulosa shall deliver to Orvana a written notice of the number of Subject Securities, if any, it intends to purchase as a result of the Non-Financing Issuance. In the event that Fabulosa fails to deliver a notice of intent as aforesaid to Orvana by 5:00 p.m. (Eastern Standard Time) on the tenth day following receipt of the Non-Financing Issuance Notice or a Revised Non-Financing Issuance Notice, as the case may be, it shall be deemed to have advised Orvana that it does not intend to purchase Subject Securities as a result of the Non-Financing Issuance and Orvana shall be entitled, within a period of 50 days following the expiry of such 10-day period, to complete the Non-Financing Issuance of all or any portion of the Subject Securities to the Third Party Purchasers on the terms and conditions set forth in the Non-Financing Issuance Notice or Revised Non-Financing Issuance Notice most recently delivered to Fabulosa. If no such transaction is completed within such 50-day period, Orvana will be required to again comply with the provisions of this Section 3.2 before completing such transaction.

(e) If Orvana receives within the 10-day period referred to in Section 3.2(d) written notice from Fabulosa that it wishes to purchase some or all of the Subject Securities which it is entitled to purchase under Section 3.2(a), then Orvana shall be obligated to issue to Fabulosa, and Fabulosa shall be obligated to purchase from Orvana, such Subject Securities as soon as reasonably possible, though not necessarily concurrent with the closing of the Non-Financing Issuance. Prior to completing the purchase and sale of Subject Securities to Fabulosa, Orvana shall provide Fabulosa with a written notice of the actual issue price (or deemed issue price), terms and conditions, number of Subject Securities and Third Party Purchasers under such Non-Financing Issuance. To the extent that the issue price (or deemed issue price) or number of Subject Securities issued under such Non-Financing Issuance vary from the estimated issue price (or estimated deemed issue price) or estimated number of Subject Securities contained in the Non-Financing Issuance Notice or Revised Non-Financing Issuance Notice most recently delivered to Fabulosa, Orvana and Fabulosa shall adjust accordingly the price and/or number of the Subject Securities to be purchased by Fabulosa to reflect Fabulosa's rights under Section 3.2(a).

3.3 Certain Legal Requirements.

In the event that the participation in an Equity Financing or Non-Financing Issuance by Fabulosa would require the approval of a majority of disinterested shareholders of Orvana under applicable securities law or the rules or polices of any stock exchange or quotation system on which the Common Shares are listed or quoted, it shall be an irrevocable condition precedent to the completion of such Equity Financing or other Non-Financing Issuance that such shareholder approval shall have been obtained, which condition shall be for the sole benefit of Fabulosa.

3.4 Excluded Transactions.

The provisions of this Article III shall not apply to any of the following Issuances by Orvana:

(a) any Issuance of Common Shares upon the exercise, conversion or exchange of (i) any Convertible Securities outstanding on the date hereof, or (ii) Convertible Securities issued after the date hereof in a transaction that complied with the provisions of this Section 3; and

(b) any Issuance of Stock Options to directors, officers, employees or consultants of Orvana or its subsidiaries or the Issuance of Common Shares to directors, officers, employees or consultants of Orvana or its subsidiaries in connection with the exercise of Stock Options.

ARTICLE IV
BRIDGE LOAN FACILITY

4.1 Bridge Loan.

Upon the satisfaction of the conditions set forth Section in 4.2 and approval of the TSX of the transactions contemplated in Sections 4.1, 5.1 and 5.2, Fabulosa shall provide Orvana with a convertible secured bridge loan in the principal amount of US$15,000,000 (the "**Bridge Loan**") containing the following material terms:

(a) Term: six months from the date of the date of the Credit Agreement (the end of such period being the "**Maturity Date**");

(b) Interest: the outstanding amount under the Bridge Loan shall bear interest at a rate of 8% per annum, which interest shall be paid upon the repayment or conversion of the Bridge Loan;

(c) Disbursement: at the sole discretion of Orvana, the Bridge Loan may be advanced in one or more tranches of not less than US$2,000,000 each. Orvana shall be permitted to draw up to the full amount of the Bridge Loan over the term of the loan but shall not be required to do so. Concurrent with the execution and delivery of this Agreement, Orvana shall deliver to Fabulosa written notice of the amount of the initial advance to be drawn under the Bridge Loan and Orvana shall provide Fabulosa with at least seven days' prior written notice of the amount of any subsequent advances under the Bridge Loan;

(d) Security: Orvana shall provide to Fabulosa the following first priority (subject to permitted liens to be mutually agreed) security (collectively, the "**Security**"), each in form and substance satisfactory to Fabulosa and its legal counsel, acting reasonably:

    (i) a general security agreement from Orvana providing Fabulosa with a security interest in all present and after-acquired personal property of Orvana, except consumer goods and the shares of Orvana Minerals Asturias Corp. and all proceeds therefrom (the "**General Security Agreement**"); and

    (ii) a pledge agreement from Orvana in favour of Fabulosa with respect to all of the outstanding shares of stock of Orvana Resources US Corp. (the "**Pledge Agreement**" and, together with the credit agreement in respect of the Bridge Loan (the "**Credit Agreement**") and the General Security Agreement, the "**Credit Documentation**";

(e) Prepayment: Orvana shall have the right to prepay the Bridge Loan in cash, in whole or in part, without penalty at any time and from time to time prior to the Maturity Date;

(f) Optional Conversion: On the Maturity Date, the amount outstanding under the Bridge Loan (including accrued and unpaid interest) shall be repaid, at the option of Fabulosa, in either cash or in Common Shares issued from treasury, or any combination thereof. In the event that Fabulosa elects for the Bridge Loan to be repaid by the issuance of Common Shares, the number of Common Shares to be issued shall be determined by dividing the aggregate amount of the Bridge Loan elected to be converted by the five-day VWAP of the Common Shares on the TSX on the Maturity Date, with such VWAP to be adjusted for the maximum allowable discount permitted by the rules of the TSX; and

(g) Mandatory Conversion: If, prior to the Maturity Date, Orvana completes an Equity Financing in compliance with Article III, at Orvana's sole discretion, the aggregate amount outstanding of the Bridge Loan (including accrued and unpaid interest), or any part thereof, may be repaid by Orvana on the closing thereof by the issuance of securities to Fabulosa at the price at which such securities are issued under the Equity Financing, provided that the aggregate number of securities issuable to Fabulosa under this Section 4.1 (g) and otherwise under the Equity Financing may not exceed 50% of the total number of securities issued under the Equity Financing.

4.2 Conditions Precedent.

The following conditions precedent shall be completed to the satisfaction of Fabulosa, acting reasonably, prior to the advance of the Bridge Loan:

(a) execution and delivery of the Credit Documentation; and

(b) registration of all necessary legal documentation including, without limitation, the Security and delivery of such legal opinions as may be required by Fabulosa and its legal counsel as are customary in connection with a financing similar to the Bridge Loan.

4.3 No Fees.

Other than as set forth in this Agreement, no fees shall be payable to Fabulosa or other consideration provided by Orvana in connection with the Bridge Loan.\

4.4 Terms and Conditions.

The terms and conditions of the Bridge Loan shall otherwise be customary and usual for debt of this nature, but shall not include any financial covenants.

ARTICLE V
ISSUANCE OF SHARES AND WARRANTS

5.1 Issuance of Common Shares.

Upon the satisfaction of the conditions set forth in Section 4.2 and approval of the TSX of the transactions contemplated in Sections 4.1, 5.1 and 5.2, as partial consideration for the covenants contained in this Agreement, without the requirement of payment of any cash consideration, within two business days of the date on which Orvana receives approval of the TSX to do so, Orvana shall issue to Fabulosa 1,969,999 fully-paid and non-assessable Common Shares from treasury.

5.2 Issuance of Warrants.

Upon the satisfaction of the conditions set forth in Section 4.2 and approval of the TSX of the transactions contemplated in Sections 4.1, 5.1 and 5.2, as partial consideration for the covenants contained in this Agreement, without the requirement of payment of any cash consideration, Orvana shall issue the following Common Share purchase warrants ("**Warrants**") to Fabulosa:

(a) on the date which is the three-month anniversary of the issuance of Common Shares pursuant to Section 5.1, Warrants to purchase up to 1,300,000 Common Shares; and

(b) on the date which is the nine-month anniversary of the issuance of Common Shares pursuant to Section 5.1, Warrants to purchase up to 1,425,000 Common Shares.

The Warrants shall have a term of five years from their date of issuance and a cash exercise price equal to the five-day VWAP of the Common Shares on the TSX as of their respective dates of issuance. The certificates representing the Warrants shall have usual and customary anti-dilution provisions, including with respect to any stock split, consolidation or other similar transaction affecting the number of outstanding Common Shares.

5.3 Exercise of Warrants.

Fabulosa shall be entitled to exercise the Warrants only if and to the extent that Stock Options outstanding on the date hereof are exercised, such that the Warrants may be exercised only on a one-for-one basis with the exercise of any such Stock Options. The Warrants shall be exercisable by Fabulosa in accordance with their terms, including with respect to the payment of the cash exercise price.

5.4 Outstanding Stock Options.

So long as the Warrants are issuable and/or remain outstanding, Orvana will provide Fabulosa, on the last business day of each calendar quarter and upon request from time to time by Fabulosa, with an overview of the vesting, exercise and termination of the Stock Options outstanding on the date hereof so that it may determine the availability of the Warrants for exercise by Fabulosa.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Representations and Warranties.

Orvana hereby represents and warrants to and in favour of Fabulosa as follows, and acknowledges that Fabulosa is relying upon such representations and warranties in connection with the entering into of this Agreement:

(a) Authority and Authorization: Orvana has full corporate power and authority to enter into this Agreement and the Credit Documentation and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof and Orvana has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement in accordance with the provisions hereof;

(b) Issuance of Common Shares: All necessary corporate action has been taken to authorize the issue of, and the delivery of certificates representing, the Common Shares issuable pursuant to Section 5.1 and, upon the issuance thereof, such Common Shares will be validly issued as fully paid and non-assessable shares in the capital of Orvana;

(c) Issuance of Warrants: All necessary corporate action has been taken by Orvana to (i) authorize the issue of the Warrants in accordance with the terms and conditions hereof and; and (ii) allot and authorize the issuance of the Warrants and, upon the due exercise of the Warrants in accordance with their respective provisions, the Common Shares issuable thereunder will constitute validly issued, fully-paid and non-assessable shares in the capital of Orvana, which Common Shares have been duly authorized, allotted and reserved; and

(d) Validity and Enforceability: This Agreement has been duly authorized and executed and delivered by Orvana and constitutes a valid and binding obligation of Orvana and is enforceable against Orvana in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought.

6.2 Covenants.

(a) In connection with any issuance or proposed issuance of securities to Fabulosa pursuant to this Agreement, Orvana shall use commercially reasonable efforts to obtain the approval of the TSX (and any other stock exchange or quotation service on which the Common Shares are listed or quoted) to the listing thereon of any Common Shares issued or issuable to Fabulosa and shall pay any listing fees associated therewith. Any obligation of Orvana to issue securities to Fabulosa that may arise hereunder shall be conditional upon, and subject to the receipt of, approval of the TSX or any other stock exchange or quotation service on which the Common Shares are listed or quoted and any other required regulatory approvals.

(b) Following the issuance of Common Shares to Fabulosa pursuant to Section 5.1, Fabulosa shall pay to Orvana the amount of all applicable withholding taxes in connection therewith prior to the 15th day of the month following the date in which such Common Shares were issued.

(c) Orvana shall approve the implementation of a normal course issuer bid through the facilities of the TSX within the nine-month anniversary of the issuance of Common Shares to Fabulosa pursuant to Section 5.1. The notice for such issuer bid shall contain the terms usual for such a notice and shall specify that one of the primary purposes of the bid is to mitigate the dilutive effect of the exercise of Stock Options issued following the date hereof.

(d) None of the Parties shall issue any press release relating to this Agreement without the consent of the Parties (which consent shall not be unreasonably withheld, conditioned or delayed) and Orvana shall not make any filing with any Governmental Authority with respect hereto without the consent of Fabulosa (which shall not be unreasonably withheld, conditioned or delayed); provided, however, that the foregoing shall be subject to Orvana's overriding obligation to make any disclosure or filing required under applicable laws and, in such circumstances, Orvana shall use its commercially reasonable efforts to give prior oral or written notice to Fabulosa and reasonable opportunity for Fabulosa to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of any such disclosure or filing.

ARTICLE VII
TERM AND TERMINATION

7.1 Term.

This Agreement shall be effective from the date hereof and shall continue indefinitely until the termination of this Agreement in accordance with its terms.

7.2 Termination.

This Agreement shall terminate and have no further force or effect if the Common Shares contemplated by Section 5.1 are not issued for any reason by July 15, 2011. This Agreement may also be terminated by the mutual written agreement of Orvana and Fabulosa.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Notices.

All notices, requests, demands or other communications required or permitted to be given by one Party to another under this Agreement (each, a "**Notice**") shall be given in writing and delivered by personal delivery or delivery by recognized national courier, sent by facsimile transmission or by electronic communication (including e-mail but excluding Internet or intranet websites) addressed as follows:

(a) if to Orvana or Paititi:

181 University Avenue
Suite 1901
Toronto, Ontario
M5H 3M7

Attention: Chief Executive Officer
Facsimile Number: (416) 369-1402
E-Mail: rhorst@orvana.com

(b) if to Fabulosa:

Artemidos Tower
8th Floor
3 Artemidos Avenue
7th and 8th Floors
CY-6020
Larnaca, Cyprus

Facsimile Number: +357 24 555 002
E-Mail: fabulosa@cy.pwc.com

and to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street
Suite 3400
Toronto, Ontario
M5H 2S7

Attention: Avi Greenspoon
Facsimile Number: (416) 979-1234
E-Mail: agreenspoon@goodmans.ca

or at such other address, facsimile number or e-mail address at which the addressee may from time to time notify the addressor. Any Notice delivered by personal delivery or by courier to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a business day, or if the Notice is received after 4:00 p.m. (addressee's local time), then the Notice shall be deemed to have been given and received on the next business day. Any Notice transmitted by facsimile shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a business day or if the facsimile transmission is received after 4:00 p.m. (addressee's local time), then the Notice shall be deemed to have been given and received on the first business day after its transmission. Notices sent to an e-mail address shall be deemed to be received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such Notice is not sent on a business day or is sent after 4:00 p.m. (addressee's local time) on a business day, such Notice shall be deemed to have been given and received on the first business day after its transmission.

8.2 Governing Law.

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein, and shall be construed and treated in all respects as an Ontario contract. Each Party hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

8.3 Remedies.

The Parties will have all remedies available at law, in equity or otherwise in the event of any breach or violation of this Agreement or any default hereunder. The Parties acknowledge and agree that, in the event of any breach of this Agreement, in addition to any other remedies which may be available, each of the Parties shall be entitled to specific performance of the obligations of the other Parties and, in addition, to such other equitable remedies (including preliminary or temporary relief) as may be appropriate in the circumstances.

8.4 Time of Essence.

Time shall be of the essence in this Agreement.

8.5 Entire Agreement, Binding Effect and Assignment.

This Agreement shall be binding on and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

The terms of this Agreement and the rights of Fabulosa hereunder shall apply *mutatis mutandis* in respect of any successor of Orvana or any subsidiary of Orvana that, as a result of a plan of arrangement, capital reorganization or other similar transaction, becomes a reporting issuer in any jurisdiction in Canada, an SEC registrant under applicable U.S. securities laws, or similar entity in any jurisdiction outside of Canada or the U.S.

This Agreement constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, between the Parties, or any of them, with respect to the subject matter hereof and this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any of the Parties without the prior written consent of all Parties.

8.6 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

8.7 Waiver.

A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Parties. The waiver of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance (whether of the same or other nature).

8.8 Counterparts, Execution.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ORVANA MINERALS CORP.

By: ______________________________

FABULOSA MINES LIMITED

By: ______________________________

By: ______________________________

EMPRESA MINERA PAITITI S.A.

By: ______________________________

By: ______________________________

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ORVANA MINERALS CORP.

By: ______________________________

By: ______________________________

FABULOSA MINES LIMITED

By: ______________________________

By: ______________________________

EMPRESA MINERA PAITITI S.A.

By: ______________________________

By: ______________________________

Schedule "A"

FORM OF COMMITMENT TO PURCHASE

TO: **ORVANA MINERALS CORP. (the "Corporation")**

[AND TO: **[name(s) of lead underwriters of Equity Financing]**

RE: **Commitment to Purchase pursuant to Section 3.1(e) of the Pre-emptive Rights Agreement dated May 16, 2011 (as amended from time to time, the "Pre-emptive Rights Agreement") among the Corporation, Empresa Minera Paititi S.A. and the undersigned**

The undersigned hereby irrevocably commits to purchase the following Subject Securities pursuant to the Equity Financing described in the written description thereof delivered by the Corporation to the undersigned on ●, 20● at approximately ● **[a.m./p.m.]** (Eastern Standard Time) (the "**Subject Equity Financing**"), at the same price and on the same terms as such Subject Securities are offered to other Persons pursuant thereto: ●.

Such commitment to purchase is conditional only upon the completion of the Subject Equity Financing.

Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Pre-emptive Rights Agreement.

DATED this ● day of ●, 20●.

FABULOSA MINES LIMITED

Per: ______________________________

Name:
Title: