

ORVANA MINERALS CORP.

ANNUAL INFORMATION FORM

FISCAL YEAR ENDED SEPTEMBER 30, 2010

December 20, 2010

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FORWARD-LOOKING STATEMENTS DISCLAIMER

Certain statements in this Annual Information Form 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.

Forward-looking statements relate to, among other things, all aspects of the development of the Upper Mineralized Zone (“UMZ”) deposit at the Don Mario Mine in Bolivia, the El Valle-Boinás/Carlés project (“EVBC”) in Spain and the Copperwood Project in Michigan and their potential operations and production; the outcome and timing of decisions with respect to whether and how to proceed with such development and production; the timing and outcome of any such development and production; estimates of future capital expenditures; mineral resource estimates; estimates of permitting time lines; statements and information regarding future feasibility studies and their results; production forecasts; future transactions; future gold prices; the ability to achieve additional growth and geographic diversification; future production costs; 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 Annual Information Form, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein 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 the UMZ deposit, the EVBC and Copperwood projects 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; risks generally associated with mineral exploration and development, including the Company’s ability to develop the UMZ deposit, the Copperwood

Project or the EVBC project; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; 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 Bolivia; and general economic conditions worldwide. 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 Section 3, "Description of the Business – Risk Factors" of this Annual Information Form for a description of additional risk factors.

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.

EXPLANATORY NOTES

In this Annual Information Form, references to "Orvana" or the "Company" include the subsidiaries of Orvana unless the context requires otherwise.

Unless otherwise noted herein, information in this Annual Information Form is presented as at September 30, 2010.

Unless otherwise noted herein, all dollar amounts in this Annual Information Form are in US dollars. As at September 30, 2010, the value of one Canadian dollar was \$0.9718 in US dollars and the value of one Euro was \$1.3601 in US dollars, according to the Bank of Canada and U.S. Federal reserve respectively.

References to gold and silver in ounces means fine troy ounces.

METAL PRICES TABLE

The following table sets forth the closing spot prices for gold, silver and copper as at September 30, 2010.

Metal	Price in US dollars	Price in Euros at 1.3601
Gold per ounce	\$1,309.90	€ 963.09
Silver per ounce	\$21.90	€ 16.10
Copper per pound	\$3.61	€2.65

(1) For spot prices refer to Kitco on www.kitco.com

UNIT CONVERSION TABLE

The following table sets forth certain standard conversions between Standard Imperial units and the International System of Units (or metric units).

To convert from	To	Multiply by
Grams	Ounces (troy)	0.03215
Kilogram	Pounds	2.20462

1. CORPORATE STRUCTURE

Name, Address and Incorporation

Orvana Minerals Corp. (the “Company” or “Orvana”) was formed by the amalgamation of Pan Orvana Resources Inc. (“Pan Orvana”) and New Kelore Mines Limited (“New Kelore”) pursuant to articles of amalgamation dated February 24, 1992 under the *Business Corporations Act* (Ontario) and an amalgamation agreement between such parties dated December 30, 1991. Pan Orvana was incorporated under the laws of the Province of British Columbia on March 27, 1987 under the name Orvana Resources Inc. and changed its name to Pan Orvana Resources Inc. on September 4, 1987. New Kelore was incorporated by Letters Patent pursuant to the laws of the Province of Ontario on May 9, 1945 under the name Kelwren Gold Mines Limited. In 1948 it changed its name by Supplementary Letters Patent to Kelore Mines Limited and on March 27, 1953, it further changed its name to New Kelore Mines Limited. The registered and records office and the head office of the Company are located at Suite 1901, 181 University Avenue, Toronto, Ontario, Canada M5H 3M7.

Intercorporate Relationships

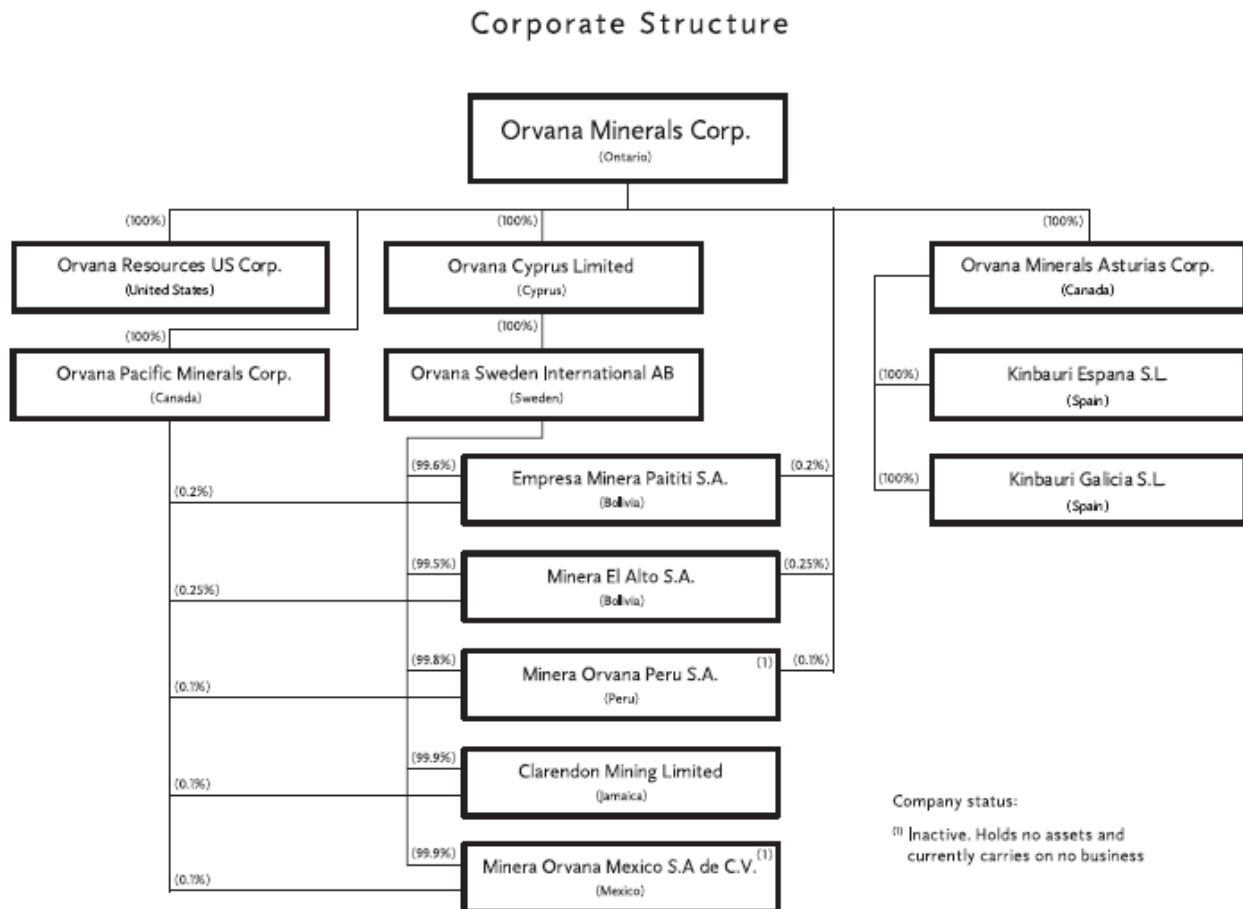
Historically, Orvana has conducted its production, development, and exploration activities in foreign jurisdictions through subsidiary companies incorporated in those jurisdictions. The Company’s active subsidiaries and holding companies, all of which are wholly-owned, are as follows:

- Canada: Orvana Pacific Minerals Corp.
- Canada: Orvana Minerals Asturias Corp.
- United States: Orvana Resources US Corp.
- Spain: Kinbauri España, S.L.U.
- Cyprus: Orvana Cyprus Limited
- Sweden: Orvana Sweden International AB
- Bolivia: Empresa Minera Paititi S.A. (“EMIPA”)
- Bolivia: Minera El Alto S.A.

The Company's inactive subsidiaries all of which are wholly-owned and have no assets or mineral property holdings are as follows:

- Spain: Kinbauri Galicia, S.L.
- Jamaica: Clarendon Mining Limited
- Mexico: Minera Orvana Mexico S.A. de C.V.
- Peru: Minera Orvana Peru S.A.

The inter-corporate relationships among Orvana and each of its subsidiaries are outlined in the diagram below. The diagram below also provides specific information on (i) the percentage of votes attaching to all voting securities of each subsidiary beneficially owned, controlled or directed by Orvana and (ii) the jurisdiction of incorporation or continuance, as the case may be, of Orvana and each of its subsidiaries (which is set out in parentheses).



2. DEVELOPMENT OF THE BUSINESS

Introduction

Orvana's business is the mining, development, and evaluation, of precious and base-metal deposits. Orvana has three principal mineral development projects, including one located at Orvana's producing Don Mario ore deposit in Eastern Bolivia (the "Don Mario Mine"). Based on the projects under development, Orvana is advancing its long-term goal of transforming from a single-mine gold producer into a multi-mine gold and copper producer.

For a number of years, the Company's business plan was to identify and acquire properties with exploration potential and to use Orvana's technical and financial resources to advance such projects, with the expectation that such properties could be vended to third parties possessing the requisite resources to develop and operate such properties. The Company would retain a significant participating interest in those properties. This business strategy changed due to the cash flow generated as well as the mining expertise that evolved from the Don Mario Mine. The Company now focuses on advanced projects where its capital and mining expertise can be beneficially utilized.

Significant Transaction with Sinchi Wayra

The Company and certain of its subsidiaries entered into an agreement dated September 12, 2001, as amended (the "Definitive Agreement") with Sinchi Wayra S.A. ("Sinchi Wayra", formerly Compania Minera del Sur S.A.) pursuant to which, on January 11, 2002, Sinchi Wayra acquired a controlling interest in the Company and began work to bring the Lower Mineralized Zone ("LMZ") of the Don Mario Mine into production.

More specifically, under the Definitive Agreement, on January 11, 2002 (the "Share Purchase Closing Date"), Sinchi Wayra invested \$4 million in return for the issuance by the Company to Sinchi Wayra of 52,995,143 common shares, together with the right to receive additional common shares, at no additional cost, on a one-for-one basis for each common share issued by the Company either (i) as a result of the exercise of warrants, options or other convertible securities of the Company outstanding on the Share Purchase Closing Date or (ii) in settlement of liabilities and obligations owed by the Company on the Share Purchase Closing Date, up to a maximum of 29,154,190 additional common shares. The funds invested by Sinchi Wayra were used by the Company to finance the purchase by the Company's subsidiary, EMIPA, from Sinchi Wayra of the Don Mario Mine gold mill plant and equipment. In addition, under the Definitive Agreement, Sinchi Wayra arranged additional financing for EMIPA's purchase of mining equipment and development of the Don Mario Mine and, subject to certain conditions, undertook to place the LMZ of the Don Mario Mine into production within 18 months of the Share Purchase Closing Date. In addition, on January 11, 2002, the Company issued 668,219 common shares to Sinchi Wayra in settlement of a loan advanced by Sinchi Wayra under an interim financing arrangement.

In connection with its work to place the LMZ into production, Sinchi Wayra provided management services to EMIPA and was reimbursed for its overhead costs arising from the operation of EMIPA. Sinchi Wayra did not receive any other payment as compensation for its services and, with the completion of construction and commencement of operations at the Don Mario Mine, Sinchi Wayra completed its obligation to provide management services to EMIPA under the Definitive Agreement.

Prior to March of 2005, Sinchi Wayra was an indirect subsidiary of Minera S.A. As part of a corporate reorganization effected by Minera S.A., all of the Orvana common shares held by Sinchi Wayra, together with a debenture of the Company in the amount of \$92,488, were transferred to Fabulosa Mines Limited (“Fabulosa”), a wholly-owned subsidiary of Minera S.A. In addition, Sinchi Wayra assigned to Fabulosa its rights and obligations under the Definitive Agreement. As a result of such transfer and subsequent issuances of common shares to Fabulosa pursuant to the right described above, Fabulosa held 60,445,028 common shares as at December 15, 2010, representing 52.0% of the outstanding common shares.

Under the Definitive Agreement, Fabulosa has a pre-emptive right with respect to the issuance of additional common shares or securities convertible into common shares to other persons, entitling Fabulosa to acquire common shares or convertible securities on the same terms and conditions as those so issued by the Company, subject to applicable requirements of the Toronto Stock Exchange.

Don Mario Mine – Lower Mineralized Zone (“LMZ”)

Following Sinchi Wayra’s investment and the implementation of the Definitive Agreement, the Company began development of the LMZ deposit of its Don Mario Mine. The Company commenced commercial production of the LMZ deposit on July 1, 2003 and, after more than 420,000 ounces of gold production, the LMZ was depleted at the end of fiscal 2009.

Don Mario Mine – Las Tojas

The Las Tojas deposit was discovered by drilling in and proximal to stream-sediment anomalies. The delineation drilling was completed and an estimated resource compliant with *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (“NI 43-101”) was reported in 2008.

Following depletion of the LMZ in July 2009, production in the area of the Don Mario Mine continued at the Las Tojas deposit. After a mill expansion in 2009 from 750 tonnes per day to 2,000 tonnes per day, the Company began mining the lower-grade Las Tojas deposit by open-pit methods and first production was achieved in August, 2009. The Las Tojas deposit is expected to be depleted during the second quarter of fiscal 2011.

More information about Las Tojas is provided below under “Principal Mineral Projects -- Don Mario Mine - Las Tojas”.

Don Mario Mine – Upper Mineralized Zone (“UMZ”)

The UMZ deposit was discovered during the 1990s and drilled extensively. In 2007, a pre-feasibility study concluded that the deposit could be economically mined. However, due to the complex nature of the mineralization, a flotation-only option was the only feasible economic alternative. This would entail stockpiling ore with copper-oxide mineralization, floating the sulphide mineralization, and then floating the copper-oxide and transition (mixed) mineralization at a later date to recover only the gold and silver. During 2009, after completing metallurgical studies, the Company decided to install a leach-precipitation-flotation (“LPF”) circuit that would allow the beneficiation of the copper-in-oxide mineralization in the early years, thus nearly doubling the life-of-mine copper production of the project. In this scenario, oxide and transition mineralization would be leached, the copper precipitated, and then floated to form a concentrate of less than 60% copper as native copper; the tailings would then be treated in the carbon-in-

leach ("CIL") circuit to recover additional gold and silver. The sulphide mineralization would be treated by conventional froth flotation methods.

In August, 2010, the Company released an NI 43-101-compliant technical report on the UMZ reserves and planned mine operation.

More information about the UMZ is provided below under "Principal Mineral Projects -- Don Mario Mine - UMZ".

Copperwood Project

In 2008, the Company's wholly-owned subsidiary Orvana Resources US Corp. ("Orvana US") entered into contiguous mineral leases with two lessors covering an aggregate of 712 hectares within the Western Syncline in the Upper Peninsula of the State of Michigan. These leases are referred to as the "Copperwood Project". Concurrent with entering into these leases, Orvana US obtained exclusive options to enter into mineral leases nearby with respect to an additional 1,559 hectares. In the event that Orvana US exercises any of its options to enter into additional mineral leases, such leases would be on the same terms as those of the Copperwood Project.

In September 2010, Orvana US entered into a 30 year mineral-lease agreement with a third party on 226 hectares east of and adjacent to the Copperwood Project.

In consideration for annual lease payments, Orvana will have the sole and exclusive right to explore and mine each of the leased properties until the later of 2028 for the 20-year lease agreements and 2040 for the 30-year lease agreement or the date Orvana ceases to be actively engaged in development, mining or related operations on the properties. The lessors have retained a net smelter return royalty on copper production. The royalty will be determined on a quarterly basis and will range from 2% to 4%, based on prevailing copper prices adjusted for inflation.

In August 2010, Orvana purchased the surface rights that correspond to the aforementioned, 30-year mineral lease, as well as approximately 480 contiguous hectares. The purchase price was \$1,900,000 with a \$300,000 payment on signing of the agreement and the balance payable in five instalments over the next two years with an annual interest rate of 6% on the unpaid balance. Orvana has the right to put the purchase back to the vendor on the same payment terms, but the repurchase price would be the lesser of the purchase price cited herein or an updated appraisal of the land.

Orvana's activity to date at Copperwood has included drilling, metallurgical testing, review of the historic exploration of the properties during the 1950s, re-sampling of core from the 1950s, and environmental baseline studies. An NI 43-101-compliant resource estimate was released in April 2010 and a preliminary economic assessment was released in September 2010. Resampling of eighty-seven core and reject samples located within the 30-year lease area and the optioned areas were completed; the results are being evaluated with the goal of defining NI 43-101-compliant resource estimates.

In December 2010, the Company announced that areas adjacent to and nearby contained over one billion pounds of Indicated and one billion pounds of inferred copper resources. An NI 43-101 compliant technical report will be released within 45 days of this news release.

More information on Copperwood is provided below under “Principal Mineral Projects -- Copperwood”.

El Valle-Boinás/Carlés (“EVBC”)

In September 2009, Orvana acquired Kinbauri Gold Corp. (“Kinbauri Gold”) a reporting issuer listed on the TSX Venture Exchange. Following the acquisition, Kinbauri Gold was delisted from the TSX Venture Exchange, ceased to be a reporting issuer and was amalgamated with Orvana Minerals Acquisition Corp., another wholly-owned subsidiary of the Company, to form Orvana Minerals Asturias Corp.

Kinbauri Gold’s principal asset was the EVBC project located in Asturias, Spain. The project, which consists of 14 exploitation concessions comprising 4,298 hectares, a 2,000 tonnes per day mill, a 3-circuit processing plant, a laboratory, and other auxiliary structures essential to a mining operation, is owned by Kinbauri Gold’s wholly-owned subsidiary, Kinbauri España S.L.U. (“Kinbauri España”). Rio Narcea Gold Mines (“RNGM”) mined gold at EVBC by open-pit methods from 1997 to 2004, at which time underground mining began. RNGM closed the mine in 2006, after producing approximately 950,000 ounces of gold and nearly 20,000 tonnes of copper. In 2007, RNGM sold the EVBC project to Kinbauri Gold. RNGM retained certain environmental liabilities. Prior to its acquisition by Orvana, Kinbauri Gold had been working toward reactivating the mine. Since its acquisition of the project, Orvana has hired senior management, purchased essential equipment, upgraded the processing plant, begun underground development and completed selective exploration drilling, among other things, with the goal of commencing production in the third quarter of fiscal 2011.

More information about EVBC is provided below under “Principal Mineral Projects -- EVBC”.

3. DESCRIPTION OF THE BUSINESS

Introduction

The Company, which is based in Toronto, Canada, is a Canadian mining and exploration company engaged in the evaluation, development and mining of precious and base metal deposits. Orvana has three principal mineral development projects. Based on its projects under development, Orvana is advancing its long-term goal of transforming from a single-mine gold producer into a multi-mine gold and copper producer. The forward looking statements made in this section 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.

Revenue

The Company’s revenues were approximately \$32 million in its 2010 fiscal year and approximately \$56 million in its 2009 fiscal year. The Company sells all of its gold production from the Don Mario Mine to one customer, a precious-metals trader. Title to each shipment passes to that customer once the gold is exported from Bolivia. The mining industry is subject to periodic metal-price variations that have an impact on revenues and earnings.

Credit Facility

On October 8, 2010, the Company entered into a \$50 million five-year term corporate credit agreement with Credit Suisse AG (“Credit Suisse”). The funds will be used to complete construction of the Company’s gold/copper EVBC project, in Spain and for general corporate purposes. Cost of the facility, including fees, is expected to average approximately 5% to 6% per annum, based on current interest rates.

The credit facility contains covenants that restrict, among other things, the ability to incur additional indebtedness, make distributions in certain circumstances, sell material assets, or carry on any business other than one related to mining. Kinbauri España and Orvana are also required to maintain certain financial ratios and a minimum tangible net worth. Payment and performance of Kinbauri España’s obligations under the credit facility are guaranteed by Orvana.

As a condition of this credit facility, during November 2010, Kinbauri España entered into the following forward contracts with Credit Suisse: to sell 37,500 gold ounces at a forward rate of \$1,333 per oz., with equal maturities covering the period January 2012 to December 2015; to sell 13,671 metric tonnes of copper at a forward rate of \$7,260 per metric tonne (\$3.29 per lb.) with maturities covering the period January 2011 to December 2015; foreign exchange contracts converting \$80,000 to Euro at an average forward rate of \$1.38, with maturities covering the period March 2012 to December 2015.

Projects overview

Orvana’s mineral projects, the EVBC project in Asturias, Spain, the Don Mario Mine, including the UMZ and Las Tojas deposits in the Santa Cruz Department, Bolivia, and the Copperwood Project in Michigan, USA, have reserve and/or resource estimates that are compliant with NI 43-101.

Orvana expects that gold, copper, and silver production will begin in the third quarter of fiscal 2011 at EVBC. The property, located in the Rio Narcea Gold Belt, produced approximately 950,000 ounces of gold and nearly 20,000 tonnes of copper from 1997 to 2006 when operations were discontinued by a prior owner. A plant, mill, and mine infrastructure were already in place when Orvana acquired Kinbauri España and were upgraded during the 2010 fiscal year. All material permits required to commence operations have been received. More information about the EVBC project is provided below under “Principal Mineral Projects -- EVBC.”

During fiscal 2009, the Company depleted the LMZ and began mining a second deposit on the Las Tojas concession, a small open pit located 14 kilometres north of the LMZ. The Las Tojas mineralization has lower grade, but similar mineralogical characteristics as the LMZ ore and is expected to be depleted in the second quarter of fiscal 2011. More information about Las Tojas is provided below under “Principal Mineral Projects -- Don Mario Mine - Las Tojas”.

Orvana expects that copper, gold, and silver production will begin at the UMZ during the second quarter of fiscal 2011, soon after the depletion of the Las Tojas deposit. Production will involve an open-pit mine and a LPF facility and is scheduled to continue until 2019. More information about the UMZ is provided below under “Principal Mineral Projects -- Don Mario Mine - UMZ.”

Orvana expects that copper production at Copperwood will begin during the Company’s 2014 fiscal year, subject to regulatory approval, based on the NI 43-101-compliant preliminary

economic assessment report released in September, 2010. More information about Copperwood is provided below under “Principal Mineral Projects -- Copperwood.”

Production outlook

Orvana expects that its source of revenue during its 2011 fiscal year will be ore mined from the Don Mario Las Tojas and UMZ deposits in Bolivia and the EVBC project in Spain. The Company anticipates gold production to be higher in fiscal year 2011 than in fiscal year 2010. In addition, the Company will produce copper and silver from both the Don Mario and EVBC projects. Copper production will increase further with the commencement of production at the Copperwood Project, which the Company anticipates will occur during its 2014 fiscal year, subject to regulatory approval.

Acquisition strategy

After fully funding its capital requirements, Orvana's expects to have accumulated cash reserves from its operating free cash flows and to use available cash to achieve additional growth and geographic diversification by the acquisition of producing mines and/or advanced-stage properties. Producing mines sought by the Company are those having characteristics that best fit with Orvana's mine development and operating expertise. Advanced-stage properties sought by the Company are those capable of being brought into production within five years. Under its acquisition strategy, Orvana has obtained two of its principal mineral projects: the EVBC and the Copperwood projects. Orvana continues to consider other possible acquisition opportunities.

Exploration

Orvana expects to conduct further mineral exploration at Don Mario, EVBC, and Copperwood during the 2011 fiscal year. Two other prospects acquired by the Company as a result of its acquisition of Kinbauri Gold, the Morrisette gold prospect, located in Ontario, and the Laniel diamond prospect, located in Quebec, will either be optioned to a third party or the claims will be allowed to expire.

During the 2010 fiscal year, the Company drilled the Aztec, Nevada gold prospect, which was acquired by the Company as a result of its acquisition of Kinbauri Gold. No intercepts of economic interest were encountered and, subsequently, the option was terminated.

Mining Operations

During fiscal 2010, Orvana nearly depleted the Las Tojas deposit, an open-pit operation located 14 kilometres north of the Don Mario Mine infrastructure. Orvana anticipates that the Los Tojas deposit will be depleted during the second quarter of fiscal 2011.

Orvana's production, exclusively from the Don Mario district, for the past three fiscal years is provided in the table below:

Fiscal year (Sept. 30)	2010	2009	2008	% change 2010 vs. 2009	% change 2009 vs. 2008)
Gold (oz)	27,751	62,644	79,604	(55.7%)	(21.3%)
Tonnes milled	608,492	331,506	253,217	83.5%	30.9%
Tonnes per day (avg)	1,667	908	694	83.6%	30.8%

The decline in gold production in the fiscal years 2010 and 2009 compared to the prior year was due to the depletion of the LMZ in fiscal 2009 and the mining of the Las Tojas lower-grade ore, whose average grade for fiscal 2010 was 1.73 grams of gold per tonne. Orvana intends to start copper-gold-silver production at the UMZ, which is situated on a hill that overlies the LMZ, during the second quarter of fiscal 2011.

The Don Mario mill was based on a closed-circuit SAG milling and a typical carbon-in-column/carbon-in-leach operation, which produces a doré bar through electro winning and smelting, and associated infrastructure. During fiscal 2009, the Company added a ball mill and auxiliary equipment to increase the nominal throughput capacity of the mill from approximately 750 tonnes per day to its current nominal throughput capacity of approximately 2,000 tonnes per day. Once the Las Tojas deposit has been depleted, the Company intends to operate the existing crushing and grinding plant at a throughput rate of approximately 1,700 tonnes per day to feed the UMZ mineralization to a new leach-precipitation-flotation (“LPF”) plant. During 2010, the Company refitted some of the carbon-in-leach tanks to accommodate the LPF process, installed the flotation circuit, and started construction of the sulphuric acid plant, which construction is expected to be completed during the early months of the 2011 fiscal year.

Employees

At September 30, 2010, the Don Mario operation employed a permanent work force of 222, with a further 404 contract personnel providing mine, camp and support services. Also at September 30, 2010, the Company employed approximately 136 people in Spain in connection with the EVBC project, two people in the United States in connection with the Copperwood Project and seven people at the Company’s head office in Toronto, Canada.

The Company employs a number of personnel who are experienced in open-pit and underground mining techniques. The EVBC project development and the Company’s other projects will greatly benefit from this knowledge. Although the Company’s business requires personnel with specialized skills, the Company believes that persons having the necessary skills are generally available to it.

Health & Safety

The Company maintains health and workplace safety programs at each of the mine sites. Comprehensive training programs for mine and mill operations take place on an ongoing basis, to ensure that safety goals and optimal safety standards are achieved. Worker training on mining, mechanical and electrical equipment are included in these programs

Regular mine inspections are performed by representatives from the mine operations, planning and safety departments. These inspections review current conditions and implement corrective action on potential safety issues that might arise as mine development progresses. The Company has also hired external service providers to support the Company in risk assessment, training, and work environment monitoring. The Company maintains health and safety metrics to

track performance over time including Lost Time Injury Frequency Rates and Lost Time Injury Severity Rates. During the past year, significant improvements were experienced in both frequency and severity indices at the Don Mario Mine.

On July 1, 2010, a contractor who was employed with Sanchez y Lago, one of Spain's largest construction companies, was fatally injured when his excavator overturned in an accident at the EVBC mine site. The Company continues to cooperate fully with authorities in their investigations of the accident.

Environmental and Social Policies and Practices

Orvana is committed to developing and operating its projects, including reclamation efforts, in full compliance with recognized international and local environmental standards. In furtherance of this commitment, Orvana regularly implements programs to protect and enhance natural habitats and sensitive species, including reclamation efforts, reforestation efforts and the establishment of water sources for wildlife.

In addition, Orvana is committed to the social development and well-being of the communities in which it operates. To this end, Orvana continues to support, financially and otherwise, local community endeavours associated with that objective.

At the Don Mario Mine, the Company is actively involved in the areas of education, sanitation, purchasing of local goods and services and generally working with communities to contribute to and to improve their standard of living. EMIPA has renewed its support of \$660,000 to the local communities for the next five years. Projects supported by Orvana include supervision of and financial support for community infrastructure development projects such as utilities and parks; education and information technology; cultural events; community business development initiatives; and maintenance of community roads.

In support of the social and economic well-being of the surrounding communities of the Copperwood Project in Michigan, Orvana annually awards four scholarships to high school students to further their education at the university level. In addition, Orvana has made contributions to the local fire departments for the purchase of equipment.

Orvana acquired the EVBC project in September 2009. The Company has established strong relationships with the local communities and authorities in the vicinity of this project in northern Spain.

Environmental Protection

In every jurisdiction that the Company operates, it complies with the environmental regulations. Constant monitoring of air, water, and other aspects of the ecosystem are a normal part of business. The Company must dispose of the tailings, that part of the crushed rock left after the metals are extracted, in a safe manner. This is typically done in an impoundment area that not only contains this material, but provides a contingency for extraordinary events so that this material remains contained. Overall, the mining operation must provide a bond, cash or otherwise, to ensure that the impacted areas are remediated. In addition, the Company insures the operation. The costs incurred by the Company in connection with environmental monitoring and maintenance related to environmental issues are treated as ordinary operating expenses.

Foreign Operations

The Company's principal mineral projects are located in Bolivia, Spain and the United States. Consequently, the Company is substantially dependent on its foreign operations, as a whole.

Principal Mineral Projects

Don Mario Mine - UMZ

Introduction

Orvana has nearly completed the preparation of the mine area and necessary processing facilities for the production of ore from the UMZ. Orvana will synchronize UMZ production to follow the expected end of production from the Las Tojas deposit during fiscal 2011. Existing mining and milling infrastructure, as described in more detail above under the heading "Mining Operations", are incorporated into the UMZ mining plan.

History

Production at Don Mario commenced in mid-2003 after the development of the LMZ. More information about recent mining in the Don Mario district is available above under "Mining Operations".

Prior to Orvana's acquisition of the project in 1996, the property was explored by four companies following the discovery of gold at the site in 1991. Exploration work included a combined 33,000 metres of drilling, 148 metres of drifting and a small open pit. This work resulted in the discovery and delineation of the LMZ and UMZ, the two principal zones of mineralization, and several prospects along strike and elsewhere on the Don Mario district, including the Las Tojas gold deposit, which is located 14 kilometres from the Don Mario Mine infrastructure.

Location, Title, Access and Infrastructure

The Don Mario property consists of 11 contiguous mineral concessions covering approximately 70,100 hectares and is located within the San Juan Canton of the Province of Chiquitos in Eastern Bolivia. The Don Mario property is located at a geographical position of 59°47' W longitude and 17°15' S latitude, which is 380 kilometres east of the departmental capital of Santa Cruz de la Sierra.

Don Mario mineral concessions are held by EMIPA, a Bolivian subsidiary of the Company. The Superintendent of Mines for the Department of Santa Cruz has granted EMIPA a 100% interest in the Don Mario mineral concessions and, as a result, EMIPA has all the required rights to develop, mine and market the minerals and metals within its boundaries. All mineral substances in Bolivia belong to the state. The mineral concessions convey to the owner the exclusive rights to carry out any or all of the following mining activities: prospecting and exploration, exploitation (mining), beneficiation of ores, smelting and refining, and marketing of minerals and metals.

The Bolivian Government grants concessions conferring the right to explore, exploit, refine, and sell all mineral substances within the concession's borders for an indefinite period. The cancellation of a concession occurs only if the required annual mining patent (approximately \$24 per unit for the first five years and approximately \$48 per unit each additional year) is not

paid. Orvana has paid and intends to continue to pay all mineral concession fees for the 11 concessions.

The Don Mario Mine is easily accessible from Santa Cruz de la Sierra either by air, a distance of 380 kilometres, or by road, or a combination of rail and road, a distance of 458 kilometres. Santa Cruz de la Sierra is the departmental capital with a population of approximately 1.5 million and is serviced by an international airport. A 1,200 metre gravel airstrip suitable for light twin, and short-takeoff-and-landing aircraft is located six kilometres southwest of the Don Mario Mine.

There are no permanent inhabitants on the Don Mario property. The chief commercial activity of the area is logging, under concession to two companies with sawmills based at San Juan and Buenavista. The nearest settlement is the village of San Juan (population 350), 76 kilometres away. The largest settlement in the region is the local administrative center of San Jose de Chiquitos (population 8,000 – 10,000). Local employees are hired from these and other nearby communities, and constitute half of the permanent work force.

At September 30, 2010, the Don Mario operation employed a permanent work force of 222 staff. A further 404 contract personnel provided mine, camp and support services. A modern 300-person camp facility houses all staff and general labour while on their rotation at the mine. The site has a direct satellite, telephone, fax, internet and television service. Separate semi-permanent lodgings for 200 contractors are integrated with the mine camp.

Don Mario is connected to the Cuiaba-Bolivia Natural Gas Pipeline, which provides fuel for electrical power generation and for the smelting of doré in the process plant. Power and backup is provided by four 875 KVA, 3300 V, 50 Hz Waukesha generators, for a total rated capacity of 3500 KVA, and by three 2220 KVA, 3300 V, 50 Hz Waukesha generators with a total rated capacity of 6660 KVA.

As there are no perennial streams, water is derived from two main sources: bore holes and surface water collected in dams. Water is recycled from the tailings impoundment. Fresh water is captured by a small dam in another catchment area to the southwest of the tailings pond and is pumped to the site. A supplemental source of fresh water is from two boreholes drilled for this purpose.

The tailings pond has been designed with a 1.5 mm HDPE liner to prevent seepage. Measures to secure the tailings from access include erecting fences and using firecrackers to scare off birds. Although cyanide is destroyed naturally by sunlight, Orvana operates a cyanide destruction plant to reduce the cyanide level in solution to levels that comply with legal regulations and to levels that are below those that are hazardous to birds and animals. Moreover, the tailings pond is a zero discharge facility since the water is recycled back into the milling process.

When the mining operation is complete, the water will evaporate from the tailings pond with any residual cyanide being naturally destroyed through exposure to sunlight and oxygen. The water in the tailings should not pose a long-term threat. The saturated tailings will be capped, with the remaining cyanide in the tailings precipitating out as stable iron isotopes within the pile, such that within the hundred years plus over which the liner might eventually fail, the tailings should have been rendered harmless to the environment.

The Don Mario mill was based on a closed-circuit SAG milling and a typical carbon-in-column/carbon-in-leach operation, which produces a doré bar through electro winning and

smelting, and associated infrastructure. During fiscal 2009, the Company added a ball mill and auxiliary equipment to increase the nominal throughput capacity of the mill from approximately 750 tonnes per day to its current nominal throughput capacity of approximately 2,000 tonnes per day. The expansion of milling capacity enables the mill to process more tonnes per day of the lower-grade Las Tojas deposit. Once the Las Tojas deposit has been depleted, the Company intends to operate the existing crushing and grinding plant at a throughput rate of approximately 1,700 tonnes per day to feed the UMZ mineralization to a new LPF plant.

Topography, Elevation, Vegetation and Climate

The property is located near the central point of South America, and at the northern limit of the Paragua Platte River drainage basin near the watershed divide with the Amazon River system to the north. The region is characterized by gently undulating terrain at an elevation range of 300 metres to 450 metres above sea level with a few local peaks including Cerro Don Mario, the hill containing the UMZ deposit. With the exception of Cerro Don Mario, the area is thickly forested with deciduous trees. In contrast, Cerro Don Mario (whose official name is Cerro Pelado) is essentially bare of trees and vegetated with only scattered scrub and copper-tolerant grasses.

The climate is sub-humid tropical. Average monthly maximum temperatures range from 29°C in July to 34°C in October. Minimum average temperatures range from 16°C in June to 25°C in November. Annual rainfall is approximately 1,200 millimetres, mostly falling in sharp downpours during the wet season between November and March. Access roads may become impassable in the rainy season.

Geology

The Don Mario property is located within one of approximately 20 Lower to Middle Proterozoic schist belts in the Bolivian Shield. The Bolivian Shield forms the south-western edge of the Brazilian Precambrian Shield and has been subdivided into a Middle Proterozoic Paragua Craton, which is up to 270 kilometres wide and is bordered by two parallel orogenic belts of Middle to Upper Proterozoic age: the Sunsas Mobile Belt along its western edge and the Aguapei Mobile Belt along its eastern margin.

The Don Mario property lies within the southeast margin of the Sunsas Mobile Belt of the Bolivian Shield in a region characterized by highly deformed and metamorphosed Lower Proterozoic rocks of the Aventura Complex. The property covers a series of northwest-trending schist belts (Cristal and Eastern), orthogneiss (Patuju Domain) and a granite intrusive within an area of approximately 25 kilometres by 25 kilometres.

The UMZ copper-gold deposit lies in the hanging wall of the LMZ shear zone within the Cristal Schist Belt. A calc-silicate rock, similar to that encountered in the LMZ, hosts copper, gold, silver and zinc in four defined mineralized zones from surface downward: (i) Porous, (ii) Oxide, (iii) Transition and (iv) Sulphide. The uppermost Porous Zone is characterized by vuggy cavities that are locally occupied by masses of amorphous zinc carbonate and hydroxides. Below that, in the Oxide Zone, malachite is the principal constituent with lesser amounts of chrysocolla, azurite, native copper, cuprite, and silver sulfosalts. The Transition Zone is characterized by bornite, sphalerite, galena, and pyrite, commonly coated by chalcocite. The lowermost Sulphide Zone is characterized by chalcopyrite and bornite. The tonnes and grade of each zone is tabulated below. The mineralogy of the LMZ was principally native gold and pyrite.

The Las Tojas deposit lies within the Eastern Schist Belt. The host rocks are similar to those at the LMZ and UMZ. Currently, the oxidized zone is being mined and the gold occurs primarily as native gold.

Exploration and Development

Over the years, the Company has actively explored using conventional techniques, such as, stream-sediment and soil sampling, throughout its concessions. A re-evaluation of existing geophysical data, specifically collected by Induced Potential (“IP”) methods, led to the identification of drill targets proximal to the UMZ. In 2009, the Company completed a survey consisting of over 200 kilometres of IP lines along most of the length of the Eastern Schist Belt, along which the Las Tojas deposit lies. After evaluating the data obtained, the Company concluded that not only are there drill targets for LMZ-style gold targets, but UMZ-style polymetallic deposits as well.

The development of the deposits and the infrastructure required to handle and process the mineralized material is discussed above under the heading “Mining Operations”.

Environmental Liabilities

While mining of the LMZ ceased during fiscal 2009, the Company has taken the decision to develop the UMZ and mining operations are expected to commence in the second quarter of fiscal 2011. Management has determined that all existing infrastructure including the mills, processing plant, related structures and tailings dam will be required for mining the UMZ, thus, delaying by about 10 years the expected timing of performance of asset retirement activities. In addition, exploitation of the UMZ will affect the estimates of the asset retirement obligations. The Company prepared new estimates of the asset retirement obligations in fiscal 2010 relating to the UMZ and has reflected the new estimated liability and associated asset retirement cost in its financial statements in fiscal 2010.

At September 30, 2010, management estimates that the total undiscounted amount of the cash flows required to settle the Company's asset retirement obligations with respect to the operation of the Don Mario Mine is \$7,723,000. The credit-adjusted interest rate used to discount estimated cash flows for these liabilities is 8%. Accretion expense is recorded using the resulting weighted average credit-adjusted interest rate. The discounted amount of this obligation is estimated at \$3,296,000 and the related costs are expected to be incurred in 2021 through 2024.

It is possible that the Company's estimates of its ultimate asset retirement obligations could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves.

Royalties

Production from the Don Mario property is subject to a 3% net smelter return royalty (a “NSR”) that is held by Royal Gold. This royalty is payable quarterly and amounted to approximately \$902,000 for the fiscal year 2010. The Bolivian government collects a mining royalty tax on the revenues generated from the copper, gold and silver sales at rates of 5%, 7%, and 6%, respectively.

Mineral Resources and Mine Plan

The pertinent technical report with information about the UMZ is:

1. “Technical Report on the Don Mario Upper Mineralized Zone Project, Eastern Bolivia” dated August 23, 2010, being a reserve statement and description of the planned mine operations for the UMZ deposit (the “UMZ Technical Report”). The report was prepared by Gino Zandonai and Roshan Bhappu, each of whom is a “qualified person” independent of the Company within the meaning of NI 43-101, and W. C. Williams, Vice President of Orvana, who is a “qualified person” within the meaning of NI 43-101 but is not independent.

This report has been prepared in compliance with the requirements of NI 43-101. This report is incorporated by reference into this Annual Information Form in its entirety and is available along with the Company’s other public disclosure documents at www.SEDAR.com, as well as at the Orvana website at www.orvana.com. The information below is summarized from this report.

The UMZ Technical Report provided an updated NI 43-101 compliant estimate of the UMZ’s proven and probable reserves as well as measured, indicated and inferred resources, which resources include the reserves, as summarized below (mineral resources that are not mineral reserves do not have a demonstrated economic viability):

Resources inside Final Pit					
		Tonnes	Cu, %	Au, gpt	Ag, gpt
Sulphide	Measured	851,632	1.04	1.03	27.94
	Indicated	1,210,430	0.98	0.92	29.03
	Inferred	7,062	0.61	0.66	23.31
Transitional	Measured	922,323	1.28	1.42	50.48
	Indicated	1,072,146	1.15	1.25	43.90
	Inferred	83,832	0.91	0.81	40.55
Oxide	Measured	769,028	1.67	1.57	55.92
	Indicated	1,051,185	1.69	1.58	44.18
	Inferred	190,401	1.53	1.27	38.76
Porous	Measured	206,034	1.98	1.43	50.77
	Indicated	326,664	1.99	1.35	38.62
	Inferred	44,323	2.54	1.44	29.34
TOTAL	Measured	2,749,017	1.37	1.34	45.04
	Indicated	3,660,425	1.32	1.25	38.59
	TOTAL M&I	6,409,442	1.34	1.29	41.36
	Inferred	325,618	1.49	1.16	37.61

Reserves					
		Tonnes	Cu, %	Au, gpt	Ag, gpt
Sulphide	Proven	716,651	1.20	1.19	32.40
	Probable	984,480	1.16	1.08	34.43
Transitional	Proven	837,474	1.37	1.52	53.67
	Probable	928,079	1.27	1.39	48.43
Oxide	Proven	742,580	1.71	1.62	57.26
	Probable	980,363	1.79	1.68	46.58
Porous	Proven	198,180	2.03	1.47	52.05
	Probable	315,535	2.04	1.39	39.33
TOTAL	Proven	2,494,885	1.48	1.45	48.50
	Probable	3,208,457	1.47	1.39	42.67
	TOTAL P&P	5,703,342	1.47	1.41	45.22

Based on the above estimates, the proven plus probable reserves include:

- 185.3 million pounds of copper,
- 259,280 ounces of gold, and
- 8.3 million ounces of silver,

The mine plan was optimized for a throughput of 1,700 tonnes per day using the following input parameters:

Pre-production capital:	\$20,956,000
Working & sustaining capital:	\$ 9,119,000
Mine operating cost:	\$ 3.75/t ore, \$1.90/t waste
Strip Ratio (Waste: Ore):	0.51:1
Processing cost:	
LPF:	\$ 33.32/t ore (Oxide/Transition)
Flotation –only:	\$ 17.26/t ore (Sulphide)
G&A:	\$ 4.00/t ore
Copper price (Life of mine (“LOM”)):	\$ 2.00/lb.
Gold price (LOM):	\$800.00/ounce
Silver price (LOM):	\$ 12.50/ounce

Base-case operational parameters over the LOM are:

Throughput (transition & sulphide):	1,700 tpd (for 10.5 years)
Avg. Annual Production (LOM)	14,400 ounces Au
	6,600 tonnes Cu
	460,000 ounces Ag
Gold recovery (LOM – all ores):	58%
Copper recovery (LOM – all ores):	83%
Silver recovery (LOM – ores):	59%

The UMZ Technical Report showed an acceptable internal rate of return under these conditions.

The Company opted to install an LPF facility in order to be able to process the porous, oxide, and transition zones in the early years. This process allows for the beneficiation of copper from secondary minerals; the primary sulphide minerals will be processed by conventional froth flotation. Sulphuric acid will be generated on site; sulphur will be imported.

Drilling, Sampling and Security

The drill hole database for the UMZ resource estimate contains data for 129 drill holes from seven campaigns, including six reverse circulation (“RC”) holes drilled prior to Orvana’s acquisition of the property. There are no records of recovery or rock chips retained from the six RC drill holes; however, AMEC (Peru) S.A. (“AMEC Peru”) has reviewed the logged zone type and copper and gold assay grades for the holes and compared them to diamond drill holes drilled within 10 metres to 20 metres of the RC holes drilled during later campaigns. The geology and assay results of the RC holes appear consistent with nearby drill holes and AMEC Peru concludes they are suitable to be used in support of mineral resource estimation. Many of the drill holes included in the UMZ mineral resource database were drilled targeting LMZ mineralization, but also intersect the UMZ.

The 123 diamond drill holes have an average length of 78 metres and are drilled on section lines oriented 135° and spaced approximately 25 metres apart. Approximately 40% of holes are vertical and remaining holes are drilled to the northwest and dip from -80 to -45°. The inclined holes provide high angle intercepts with the mineralized body when viewed in section.

The drill hole database contains 6,867 Au assays, 6,851 Ag assays, 6,852 Cu assays, 2,656 acid soluble copper (CuS) assays, 5,205 Zn assays and 957 acid soluble zinc (ZnS) assays. The database has 6,607 intervals coded for the four mineralization types: sulphide, transitional, oxide and porous.

Samples from the beginning of the Orvana drill campaign in 1996 were prepared at the Don Mario preparation facility and sent to the Bondar Clegg laboratory in Oruro for assay; by the end of the 1996 drill campaign the Orvana Don Mario laboratory was carrying out fire assays. Assay for acid-soluble copper on selected samples was initiated during the Orvana 1998 drill campaign.

During the 2004 campaign, samples were cut with a rotary diamond carbide saw and prepared and analyzed at the Don Mario laboratory. Splits of pulps of 30% of the samples were sent to the Alex Stewart laboratory in Mendoza Argentina for referee analyses. The referee analyses showed that the results from the Don Mario laboratory were positively biased for Cu, Au and Ag, and as a result, all sample reject was sent to ALS Chemex in Oruro for preparation and assay by 50 gram fire assay and atomic absorption spectroscopy for Cu, Ag, Pb and Zn. Results from the ALS Chemex laboratory compared well with the Alex Stewart laboratory results and have been retained in the project database used for mineral resource estimation.

Core samples from the 2007 campaign were cut and sampled at the Don Mario Mine site and sent to the Alex Stewart laboratory in Mendoza for preparation and analysis. Preparation and analysis processes were similar to those used for the 2004 campaign with the addition of analyses for acid-soluble Zn. Orvana carried out a quality control program including the analysis of blanks and a high- and low-grade standard for Au and pulp duplicates.

G System, a security contractor, patrols the perimeter of the mine and provides office security in Santa Cruz. Orvana staff supervises drilling during daytime hours. Access to the drills is limited to contract drill staff and Orvana staff. Drill core is transported from the drill to the core shed on the Don Mario property by Orvana and contract drill staff. Orvana staff logs, cuts samples and bags the drill core. Staff or a contract driver delivers the samples to the Orvana Santa Cruz office in a company truck. Castillo, a private, contracted, trucking firm, ships the samples from the office in Santa Cruz to Oruro. ALS Chemex and Alex Stewart send an electronic confirmation of receipt to Orvana staff upon arrival of the samples at the preparation facility.

Orvana takes reasonable security measures to prevent outside tampering of samples. In addition, the relatively small size of the mine and its remote location in a relatively unpopulated region of Bolivia ensure that mine operations maintain a low profile with little public interaction. The mine receives few visitors and security is relatively easy to maintain. The use of Orvana staff and reputable contractors for supervision ensures reasonable control over sample security.

Environment and Permits

The existing environmental permit for the Don Mario Mine had to be updated because of the installation of a sulphuric acid plant required for leaching of the ore from the oxide and transition zones in the UMZ deposit. A special permit was required for this plant and since sulphuric acid is a controlled substance in Bolivia; production and use will be monitored by the authorities. A Bolivian-registered consulting company prepared the environmental impact study. Additional issues that were covered by the study are: (i) consideration of the waste dump acid-water generation potential in order to design a long-term waste management plan; (ii) assessment of the project's water storage requirements, establishing the effect this could have on the local

area's water supply; (iii) establishment of risk prevention and contingency plans for managing hazardous substances; and (iv) design of a strategic community communication and information plan to facilitate acceptance by the community of the project.

An updated environmental permit for the Don Mario Mine for the UMZ project was granted. In addition, all other necessary permits, including the special permit for the sulphuric acid plant, were granted.

The tailings impoundment will be expanded once the UMZ production begins. The UMZ waste dump will be located south of the UMZ pit. Based on initial design work, the dump will have an area of approximately 200 metres by 300 metres and a final height of 30 to 40 metres in a single bench with a face slope not exceeding 40 degrees. The waste dump and runoff water treatment facilities will be tied in to the existing waste dump pile used for the now closed LMZ mine.

Don Mario Mine - Las Tojas

Introduction

Information regarding the history, location, title, access, infrastructure, topography, elevation, vegetation, climate, geology, exploration and development, environmental liabilities and royalties of the Las Tojas deposit are provided above under the headings "— Don Mario Mine – UMZ – History", "— Location, Title, Access and Infrastructure", "-- Topography, Elevation, Vegetation and Climate", "— Geology", "-- Exploration and Development", "-- Environmental Liabilities" and " – Royalties".

Mineral Resources and Mine Plan

The Las Tojas deposit is located within 14 kilometres of the Don Mario Mine and has similar characteristics to the now depleted LMZ underground mine. The deposit is being mined by open pit methods. The Las Tojas deposit is expected to be depleted in the second quarter of fiscal 2011. During fiscal year 2010, 27,751 ounces of gold were produced.

Drilling, Sampling and Security

In 2006, 98 diamond holes for 14,265 metres and, in 2008, eight diamond holes for 375 metres were drilled on the Las Tojas deposit; in 1996, four RC holes for 440 metres were drilled, but the information from these holes was discarded because of uncertain reliability. Drill collars were surveyed by Company employees. Core recovery averaged 93% and no correlation between core recovery and gold grade was noted thus discarding any possibility of sampling bias due to pore recoveries. Core was boxed and logged by Company personnel at the drill site and then transported to a preparation area at the Don Mario Mine site. Generally, the geologist marked 1.5 metre intervals for sampling, but lithology and alteration were criteria used for the refinement of the sample interval. Since the gold-bearing zones typically contain quartz and/or pyrite, samples were focused over these intervals and a few samples above and below these intervals were also sampled for reference. The core was cut in half with a diamond rotary carbide saw; one half was returned to the core boxes and stored on site and the other half was placed in a heavy polyethylene bag with a waterproof sample-number tag attached. The bagged sample was sent to the ALS Chemex laboratory in Oruro, Bolivia for 50-gram fire-assay analyses.

Verification and validation included duplicate sampling and analysis by an independent laboratory. It was concluded that, due to sampling bias, the reported assays may be

underestimated by as much as 10%. On the other hand, even though the precision of the results was somewhat lower than acceptable standards, it was determined that the data base could be used for resource estimation.

Company personnel controlled custody of the core samples from the time they left the core barrel through the transport of these samples to the Santa Cruz office. The bagged samples were sent by a contracted private trucking firm to the ALS Chemex laboratory in Oruro, Bolivia. Due to its remote location, interaction with the public is very low. Regardless, a private security firm patrols the perimeter of the mine and provides security for the Santa Cruz office.

Environment and Permits

All permits are in place to mine the Las Tojas deposit. Material extracted from the area is processed at the existing infrastructure and the tailings are disposed of in the existing tailings impoundment. Remediation efforts will commence during fiscal 2011.

EVBC Project

Introduction

Orvana is advancing the project with a target of commencing production during the third quarter of fiscal 2011. Orvana plans for nearly all future mining at the EVBC project to be by underground methods.

History

Modern gold exploration commenced in the project area during the 1970s and over the next 20 years companies like Anglo American and Goldfields evaluated the gold potential with drilling and underground exploration drifts.

RNGM mined gold by open-pit methods from 1997 until 2004, at which time underground mining began. The mine closed in 2006 after producing approximately 950,000 ounces of gold and nearly 20,000 tonnes of copper. In 2007, RNGM sold the EVBC project area to Kinbauri Gold. The Company acquired the EVBC mine and infrastructure in 2009, excluding certain environmental liabilities, as a result of its acquisition of Kinbauri Gold.

Location, Title, Access and Infrastructure

The project area lies within 14 Exploitation Concessions covering 4,298 hectares. These concessions are valid for 30 years and can be renewed for three more 30-year terms.

The properties are within the Oviedo Principado approximately 60 kilometres by road west of the Asturian capital city of Oviedo and about 30 kilometres south of the north coast of Spain. The port city of Avilés is approximately 40 kilometres away. The properties lie within a portion of the Rio Narcea Gold Belt that trends northeast-southwest for 15 kilometres and is four kilometres wide.

The properties include the Ortos-Godán prospects as well as the El Valle-Boinás, Carlés, and La Brueva deposits.

The most northerly of the properties, Ortosa-Godán is located approximately three kilometres south of the village of Salas and 40 kilometres by road from Oviedo. The Carlés deposit is about five kilometres southeast of Salas and 40 kilometres by road from Oviedo. Both deposits are located in the municipality of Salas.

The La Brueva deposit is located six kilometres northwest of the village of Belmonte and about 50 kilometres by road from Oviedo in the northern part of the Municipality of Belmonte de Miranda. The prospect is accessed by a narrow paved road that starts from Selviella and continues west to Boinás.

The Carlés deposit is located in the municipality of Salas and is located about 15 kilometres north-northeast of and about 25 kilometres by paved road from the El Valle-Boinás infrastructure. It lies along highway AS-15.

The El Valle-Boinás project area is located in the west side of the municipality of Belmonte de Miranda and is six kilometres west of the village of Belmonte. It is 15 kilometres by road from Belmonte and 60 kilometres by road from Oviedo. There are two small paved roads that access the property from the east from Selviella and Alvariza and another from the west from Tuña. The roads are narrow and curvy and cross through steep, rugged topography. The two small villages of Boinás and Begega are the only villages of any size near the project area. The processing facilities, tailings impoundment, and office are located here.

The final access to the plant and mine offices is over approximately two kilometres of paved and dirt road from Begega on the north and one kilometre of dirt road from Boinás on the south. Both of these roads are in reasonably good condition, except for a small portion of the Begega road around the northwest side of the El Valle open pit that is gradually disappearing because of slope failures in the pit wall. During the 2010 fiscal year, the Company began stabilization efforts and those efforts continue.

The property has a mill with a capacity to treat up to 2,000 tonnes per day and includes a primary crusher, SAG and ball mills, pebble crusher, flotation cells, concentrate thickener and filtration, gravity circuit, carbon-in-leach circuit, cyanide destruction, carbon regeneration, elution electro-winning, calcining and smelting, reagent preparation and water recovery. Auxiliary facilities include offices, warehouses, maintenance shops, change houses, and a sample preparation and fire assay laboratory.

Approximately four and a half kilometres of underground workings and development are in place at the El Valle-Boinás Mine, one kilometre of which was prepared by Orvana. Three kilometres of underground workings and development are in place at the Carlés underground mine. The portals and haulage ramps at both locations have been improved in order to facilitate ingress and egress to the ore-bearing faces. Engineering work for a 400-metre deep shaft has been completed. The abandoned El Valle pit will be used as the tailings impoundment.

Sufficient non-technical personnel will be available from the surrounding areas and well-educated mining engineers are available in Spain. Experienced geological personnel are in place to carry out the Company's plans to develop the EVBC project, including a number who have had direct experience in the Rio Narcea Gold Belt and the EVBC-Boinás operation. Senior management is in place.

Given that future operations will be principally underground, surface rights for mining are not required. However, at Carlés, a small resource that can be extracted only by open-pit methods

would require the purchase of certain surface parcels. The Company has adequate water and power sources to reactivate mining operations.

Topography, Elevation, Vegetation and Climate

The terrain is hilly to mountainous and is dissected by numerous streams and rivers including the Narcea River. The hills are generally grass covered with intermittent wooded areas. Small scale farming is common throughout the area. Elevations in the EVBC project area range from 380 metres to 700 metres. The elevation at Carlés varies from 100 metres at the lowest point on the Rio Narcea to 300 metres at the small village of Carlés which overlooks the deposit.

The climate is temperate with an average temperature of 12⁰C and about 1,180 millimetres of annual precipitation. The previous open pit mining operation at EVBC was operated without difficulty year round, although mining activity was often suspended in the pit floors during the wetter months of January and February.

Geology

The gold mineralization in the central part of the belt is principally hosted by a series of Lower Cambrian to Devonian sedimentary rocks. This stratigraphic package was intruded by felsic magmas and thrust and folded into a N20°E-trending, overturned anticline during the Hercynian Orogeny. Later extensional events resulted in the formation of three main sets of normal faults: north, northeast – south, southwest; north, northwest – south, southeast and east - west.

The gold-copper mineralization at EVBC is characterized by mesothermal magnesium and calcic-rich skarn deposits at the contacts of late Paleozoic intrusives as well as younger epithermal vein mineralization related to subvertical faults and quartz-feldspar porphyry dykes. The mineral assemblages are chalcopyrite, bornite, (arseno) pyrite, magnetite, and pyrhotite in the skarns and native gold, electrum, native copper, and chalcocite in the epithermal mineralization. The vein mineralization is characterized by hematitic jasperoids. Higher grades are encountered where the epithermal systems crosscut the skarns. Leaching and enrichment is common in the structural zones that host epithermal mineralization.

Mineral Resources and Mine Plan

The two most recent technical reports with information about EVBC are:

1. “Technical Report for the El Valle, Carlés, La Brueva, and Godan Gold Deposits, Rio Narcea Gold Belt, Asturias, Spain” dated April 19, 2010 (the “Ore Reserves Technical Report”), by Ore Reserves Engineering of Lakewood, CO under the supervision of Alan C. Noble, P.E. a “qualified person” independent of the Company within the meaning of NI 43-101. This technical report updated the El Valle resource estimate.
2. “Technical Report on the Boinás and Carlés Gold Mines, Asturias, Spain” dated April 30, 2010 (the “Boinás Technical Report”), prepared by Adam Wheeler and Robert Dowdell of Cornwall England and Alan Noble, P.E. of Ore Reserves Engineering of Lakewood, CO, all of whom are “qualified persons” independent of the Company within the meaning of NI 43-101. This technical report stated reserves and developed a conceptual seven-year mine plan for the project.

These reports are incorporated by reference into this Annual Information form in their entirety. They are available on SEDAR at www.sedar.com under Orvana Minerals Corp. as well as the Company's website at www.orvana.com.

The Ore Reserves Technical Report summarized the NI 43-101-compliant resource estimates:

	Cutoff grades	Tonnes,	Au, g/t	Cu, %	Au, Ounces	Cu, tonnes
	Au, g/t	'000s	Au, g/t	Cu, %	Au, Ounces	Cu, tonnes
Measured	1.5	2,900	3.35	0.70	319,000	21,000
	2.0	2,100	4.05	0.80	271,000	16,500
	2.5	1,500	4.80	0.90	226,000	13,000
	3.0	1,100	5.60	1.00	191,000	10,500
	3.5	800	6.45	1.05	163,000	8,500
Indicated	1.5	7,000	4.55	0.55	1,030,000	39,000
	2.0	5,300	5.50	0.60	930,000	32,000
	2.5	4,000	6.50	0.65	842,000	27,000
	3.0	3,200	7.50	0.70	766,000	22,500
	3.5	2,500	8.60	0.75	700,000	19,000
Measured + Indicated	1.5	10,000	4.20	0.60	1,348,000	60,000
	2.0	7,300	5.10	0.65	1,201,000	49,000
	2.5	5,500	6.05	0.75	1,069,000	40,000
	3.0	4,200	7.05	0.80	957,000	33,000
	3.5	3,300	8.10	0.85	863,000	27,500
Inferred	1.5	13,100	4.00	0.35	1,678,000	45,500
	2.0	9,500	4.85	0.40	1,478,000	36,500
	2.5	7,200	5.70	0.40	1,314,000	30,000
	3.0	5,800	6.40	0.45	1,188,000	25,000
	3.5	4,700	7.10	0.45	1,081,000	21,500

No silver results are reported since silver estimates are not available for all of the mineralized zones. For reference, the A107 vein has an Ag:Au ratio of 1.5:1 and the Black Skarn North has an Ag:Au ratio of 4.5:1.

The Boinás Technical Report summarized the NI 43-101-compliant ore reserve estimate:

	Tonnes, '000s	Au, gpt	Cu, %	Ag, gpt
Proven	1,311	4.09	0.90	10.9
Probable	3,352	5.68	0.68	10.9
Proven & Probable	4,663	5.23	0.74	10.9

Resources include the reserves, as summarized above. Mineral resources that are not mineral reserves do not have a demonstrated economic viability.

A seven-year conceptual mine plan was designed to extract the 784,000 ounces of gold, 76,000,000 pounds of copper, and 1,600,000 ounces of silver contained in the reserve. Based on this design, a cash-flow model was completed using the following input parameters:

Pre-production capital:	\$59,590,071
Working Capital:	\$ 2,649,704
Sustaining capital:	\$21,576,375
Ongoing Mine Development:	\$26,766,854
Mine operating cost:	
Cut-and-fill (skarn)	\$ 47.92/t ore
Long-hole stoping	\$ 37.48/t ore
Cut-and-fill (vein)	\$ 80.70/t ore
Sublevel stoping	\$ 36.05/t ore
Processing cost:	\$ 21.43/t ore
G&A:	\$ 5.03/t ore
Copper price (LOM):	\$ 2.00/lb.
Gold price (LOM):	\$800.00/ounce
Silver price (LOM):	\$ 12.50/ounce
Exchange Rate:	\$1 = Euro 0.7407

Base-case operational parameters are:

Throughput (transition & sulphide):	1,900 tpd (for 7 years)
Avg. Annual Production:	105,000 ounces Au (recovered)
	3,900 tonnes Cu (recovered)
	160,000 ounces Ag (recovered)

Gold recovery (LOM):	94%
Copper recovery (LOM):	78%
Silver recovery (LOM):	70%

Under these conditions, the internal rate of return is 48%.

The Company is optimizing the mine plan. Also, exploration drilling, with a goal to upgrade inferred resources and add more inferred resources, continues.

Drilling, Sampling and Security

Based on the good core recovery and high standards in logging and sampling of the core, the drilling is considered to be very reliable, according to the Ore Reserves Technical Report. In the few areas with poor recovery, the deficiency is known and can be accounted for in the resource estimate. Holes are surveyed down the hole with a Maxibor Reflex Tool II instrument, which is operated by experienced personnel.

Prior to 1997, Barringer (Inspectorate) in Reno, Nevada analyzed drill samples with a 50-gram fire-assay method for gold. After 1997 until 2007, samples were analyzed with a 30-gram, fire-assay method for gold at a laboratory located near the mine site. Samples were routinely checked at the ITMA laboratory located in Oviedo, Spain. Neither of these laboratories is certified. From 2007 to 2009, samples were sent to the ITMA (90%) and ALS Chemex (10%) laboratories. Ore-grade metals were analyzed using a 4-acid digestion followed by an ICP-AES or ASS finish. Check assays were run every 10 samples for infill and every 20 samples for ore-grade control. Blanks and standards were inserted at acceptable industry standards. Repeat assays, in all cases, were run routinely on pulps. Accuracy and precision were rendered acceptable, except for the copper assays obtained at the ITMA laboratory where copper results were typically 10% underreported.

The primary check on the reliability of the assay data has been the successful reconciliation between ore reserve estimates, mine production, mill production and smelter payments over nearly the 1,000,000 ounces of gold produced. Check assay studies, sampling studies and routine quality control provide additional confirmation of the reliability of assays.

Core is handled and boxed by Company personnel and delivered to the onsite laboratory in the presence of Company personnel. After delivery to the core shed all samples are retained in the geological logging facility and sample preparation area until the pulps have been sent by sample preparation personnel to the laboratory. The core shed and sample preparation laboratory are locked when there is nobody working on site.

The reliability of the data base is based on several layers of data checking, not only by those responsible for entering the data and maintaining the database, but by project geologists using the data for interpretation and resource estimation. The ultimate responsibility for the database is the Chief Mine Geologist, who was Mr. Santiago Nistal during RNGM's operation of the project as well as during Kinbauri Gold's drilling.

Environment and Permits

Most key permits have been obtained. During fiscal 2010 efforts focused on re-activating the environmental permit required for operating the tailing facility. Subsequent to the fiscal 2010 year end, on October 18, 2010, the Spanish authorities confirmed the transfer to Kinbauri España of the “Autorización Ambiental Integrada” (Integrated Environmental Authorization) to operate its tailing facility.

Environmental monitoring is in place to satisfy all current requirements for the two mines. Current water discharges, which are restricted to mine waters, are well controlled and regularly monitored. In addition, acid-rock drainage is understood not to be an issue at Boinás or Carlés. The open-pit mining at Carlés is not in the revised mine plan until later years, at which time appropriate actions will be taken.

Environmental Liabilities

At September 30, 2010, management estimates the total undiscounted amount of the cash flows required to settle the Company’s asset retirement obligations with respect to the future operation of the EVBC is \$7,466,000. The Company prepared new estimates of the asset retirement obligations at the date of acquisition as part of the final purchase price allocation and has reflected the estimated liability and associated asset retirement cost in its financial statements as of September 30, 2010. The credit-adjusted interest rate used to discount estimated cash flows is 8%. Accretion expense is recorded using the credit-adjusted interest rate. The discounted amount of the estimated cash flows required to settle the Company’s current obligations with respect to the EVBC sites is \$4,242,000. It is expected that these amounts will be incurred in 2018 and beyond.

Prior to its acquisition by Kinbauri Gold, the El Valle Mine had been shut down by its then owner and remediation measures required were completed. On Kinbauri Gold’s acquisition of El Valle, a reclamation bond of €894,684 was deposited, as required by Spanish mining regulations. In fiscal 2010, an additional reclamation bond in the amount of €1,521,960 was deposited by Orvana and relates to the Company’s new tailings facility. These funds are held in a Spanish financial institution as restricted cash and amount to approximately \$3,287,000 at September 30, 2010 (2009 - \$1,309,000).

It is possible that the Company’s estimates of its ultimate asset-retirement obligations could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves.

Royalties

Prior to its acquisition by Orvana, Kinbauri España granted a 2.5% NSR in return for an advance of C\$7.5 million from Anglo Pacific. The royalty rate increases to 3% for any quarter year in which the average price of gold reaches or exceeds \$1,100 per ounce.

Copperwood

Introduction

During fiscal 2010, Orvana's activity at Copperwood included drilling, metallurgical testing, and review of historic exploration at the property in the 1950s, resampling of core from the 1950s, and environmental baseline studies, among other activities to advance the project. Based on historical information, Orvana believes that a copper-bearing deposit lies at between 30 metres and 337 metres depth.

History

The 1950s drilling program was conducted by the United States Metal Refining Company ("USMR"), which also sank a shaft and drove drifts on the Copperwood property. Bear Creek Mining Co. Ltd. ("Bear Creek") drilled in the area under the 30-year lease during the 1950s. The 42 holes drilled by USMR and the 23 drilled by Bear Creek were on a nominal 300-metre spacing within the boundaries of Orvana's leased areas. An additional 116 holes were drilled within the area where Orvana has an option to lease mineral rights. These drill holes evaluated the stratiform copper mineralization over most of the Western Syncline. The Company has resampled and analyzed samples from six of the 1950s drill hole cores and the results validated the historical data. In addition, Orvana has located historical drill collars of 26 holes and surveyed these sites. Recently, the Company located most of the 138 holes outside of Copperwood proper and sampled 87 of those where core or assay rejects were available in order to assess the viability of classifying any mineralization in these areas as NI 43-101-compliant resources estimates. The Company is in possession of not only the historic drill logs, but the assays from the selected intervals of the aforementioned drill holes.

AMEC E & C Services Inc. ("AMEC") was retained to evaluate the possibility of certifying the historical resources to NI 43-101 standards based on the Company's re-sampling. On December 14, 2010, the Company announced that AMEC had estimated resources of over one billion pounds of copper as Indicated and over one billion pounds of copper as Inferred.

Title, Location, Access and Infrastructure

The Copperwood Project consists of contiguous mineral leases covering 712 hectares within the Western Syncline in the Upper Peninsula of the State of Michigan, USA. The lessee is Orvana US. The lessors are: Keweenaw Land Association of Ironwood, Michigan, under a 20-year agreement dated September 10, 2008 covering 276 hectares and Sage Minerals, Inc. of Delaware, under a 20-year agreement dated October 16, 2008 covering 436 hectares.

Concurrent with entering into these leases, Orvana US obtained exclusive options to enter into mineral leases nearby with respect to an additional 1,559 hectares. In the event that Orvana US exercises any of its options to enter into additional mineral leases, such leases would be on the same terms as those of the Copperwood Project. Some of the area covered by these options are overlain by surface rights controlled by state agencies and include a state park; permits will be required for any exploration work.

A 30-year mineral lease was signed with A.M. Chesbrough LLC of Michigan on September 30, 2010 covering 226 hectares in an area east of and adjacent to the Copperwood Project.

In consideration for annual lease payments, Orvana will have the sole and exclusive right to explore and mine each of the leased properties until the later of 2028 for the 2008 agreements and 2040 for the September 2010 agreement and the date Orvana ceases to be actively engaged in development, mining or related operations on the properties. The lessors have retained a net smelter return royalty on copper production. The royalty will be determined on a quarterly basis and will range from 2% to 4%, based on prevailing copper prices adjusted for inflation.

In August, 2010, Orvana purchased the surface rights that correspond to the aforementioned, 30-year mineral lease, as well as approximately 480 hectares contiguous acres. The purchase price was \$1,900,000 with a \$300,000 payment on signing and the balance to be paid in five instalments over two years with an annual interest rate of 6% on the unpaid balances. Orvana has the right to put the purchase back to the vendor on the same terms as the original purchase price up to August 2013, if no mining activity has taken place.

The leased area can be accessed by road from Wakefield, Michigan, which is located approximately 20 kilometres to the southeast. A paved county road comes within approximately three kilometres of Copperwood, after which access is by a private, improved gravel road.

Under the terms of the Keweenaw Mineral Lease, Orvana has the unconditional right to build mine infrastructure and mine on 248 hectares of the leased area as long as reparations equivalent to the market value of the land are paid; although this right is unconditional in this area, other nearby areas are not precluded from mine development.

Electric power can be brought to the leased properties from a location approximately 12 kilometres south of the leased properties. Orvana will rely on a water supply from Lake Superior to support its activities. Orvana does not anticipate any problems in satisfying its staffing needs as experienced mining personnel live within reasonable proximity to the area.

Topography, Elevation, Vegetation and Climate

The topography is essentially flat and is as high as 250 metres above sea level in the south and as low as 200 metres above sea level approximately 1.5 kilometres to the north-northwest. Small, perennial drainages incise the clay overburden. The area is wooded and includes some hardwood trees, pines, and young aspens as well as various low-lying plants.

The annual average temperature is 4°C with a minimum average of -4°C and a maximum average of 10°C. Annual average precipitation is 0.88 metres with an annual average snowfall of 4.6 metres. Annual average snow depth is 0.15 metres with a high of 0.56 metres in February.

Geology

From the 1950s until 1983, USMR, and its parent company, AMAX, Inc., leased areas that included the area covered by the Copperwood Project. The work completed by USMR was exploratory in nature and provided important information on rock characteristics and copper grade distribution. Bear Creek Mining leased an area just east of the Copperwood Project and their work provided additional useful information.

The leased properties subject to the Copperwood Project, the 30-year lease and the options-to-lease, are located within the Midcontinent rift system. The 1.1 billion year-old rift is filled with

basaltic volcanic rocks overlain by clastic sedimentary rocks, which include the Nonesuch Formation lacustrine shales and siltstones. Whereas the volcanic rocks and conglomerates that underlie the Nonesuch Formation host(ed) native copper in the northern end of the Upper Peninsula, the shales and siltstones at the base of the Nonesuch Formation are chalcocite-bearing further south. The basal section of the Nonesuch Formation is the host rock for the areas subject to the Copperwood Project, the 30-year lease agreement and the option-to-lease agreements, which host rock is geologically equivalent to that at the White Pine mine, some 30 kilometres to the northeast, where nearly 2 million tonnes of copper were produced between 1953 and 1996. In the leased and optioned areas, the mineralized zone subcrops under less than 30 metres of unconsolidated glacial lacustrine clay sediments, and lies at about 337 metres depth approximately 2.5 kilometres to the north.

Mineral Resources and Mine Plan

The pertinent technical reports with information about Copperwood are:

1. “Technical Report on Copperwood Project, Michigan, USA” dated April 30, 2010 (the “AMEC Technical Report”), by AMEC E & C Services Inc. of Reno, NV., under the supervision of Greg Kulla, P.Geol. and Harry Parker, P.Geol. “qualified persons” independent of the Company within the meaning of NI 43-101. This technical report summarized the resource estimate.
2. “Preliminary Economic Assessment of the Copperwood Project, Upper Peninsula, Michigan, USA” dated September 24, 2010 (the “PEA Technical Report”), prepared by Joseph M. Keane, P.E. of KD Engineering, Tucson, AZ, Lynn Partington, P.E. of Marston & Marston, St. Louis, MO, and Roshan Bhappu, P.E. of Mountain States Research and Development Inc., Vail, AZ, all of whom are “qualified persons” independent of the Company within the meaning of NI 43-101. This technical report presented relevant information to assess the economic viability of a mine project at Copperwood.

These reports are incorporated by reference into this Annual Information form in their entirety. They are available on SEDAR at www.sedar.com under Orvana Minerals Corp as well as the Company’s website.

The AMEC Technical Report summarized the Copperwood resource estimate.

Category	Million Tonnes	Cu, %	Cu, Million lbs
Measured	14.15	1.93	602.2
Indicated	5.33	1.69	198.6
Total M & I	19.48	1.86	800.8
Inferred	3.27	1.49	107.4

Note: The resources assume a \$2.30/lb copper price, \$22/tonne mining cost, \$9.00/tonne processing cost, 87% copper recovery, \$4.00/tonne G&A, \$5.63/tonne sales cost, a minimum of 1.5 metres (5 feet) mining height, and a 1% cut-off.

Mineral resources that are not mineral reserves do not have a demonstrated economic viability.

The PEA Technical Report outlined a mine development, based on the aforementioned resource estimate, using a continuous miner and conventional froth flotation. The key input financial partners are as follows:

Pre-production capital (direct):	\$ 99,300,000
Pre-production capital (indirect):	\$ 19,000,000
Pre-production capital (contingency):	\$ 25,000,000
Total Pre-production capital	\$143,300,000
Working & sustaining capital (LOM):	\$ 87,100,000
Mine operating cost (LOM)	\$ 8.64 per short ton ore
Processing cost:	\$10.80 per short ton ore
G&A:	\$ 2.50 per short ton ore

The base-case operational parameters are as follows:

Short tons in conceptual mine plan:	17,661,000
Copper grade:	1.51%
Throughput:	1,800,000 short tons per year (for 9 years)
Avg. Annual Production (LOM):	22,000 short tons per year Cu 103,000 ounces per year Ag
Copper recovery:	85%
Copper concentrate grade:	26%

The financial results are as follows:

Pre-Tax Cash Flow Analysis Summary (With Ag Credit)								
NPV' (000's)	Copper Price (US\$)/Silver Price (US\$)							
	1.75 / 12.00	2.00 / 13.00	2.25 / 14.00	2.50 / 15.00	2.75 / 16.00	3.00 / 17.00	3.25 / 18.00	3.50 / 19.00
0	39,246	145,268	250,739	355,661	460,033	563,855	667,128	769,850
5	-4,719	61,863	128,100	193,991	259,537	324,737	389,593	454,103
8	-19,575	31,781	82,870	133,694	184,251	234,541	284,566	334,324
10	-26,415	17,100	60,390	103,454	146,292	188,905	231,292	273,453
12.5	-32,463	3,190	38,658	73,941	109,040	143,953	178,682	213,226
IRR	4.3%	13.2%	20.2%	26.2%	36.1%	36.5%	41.0%	45.2%
Payback, yrs	8.4	6.1	4.4	3.8	3.4	3.2	3.0	2.9

Based on these results, the Company has decided to undertake a pre-feasibility study of the project

On December 14, 2010, the Company announced resource estimates from deposits proximal to Copperwood. These deposits are referred to as Copperwood S6, which is east of and adjacent to Copperwood, and Copperwood Satellites. These estimates were prepared by AMEC of Reno, NV under the supervision of Greg Kulla, P.Geo. and Dave Thomas, P.Geo. "qualified persons" independent of the Company within the meaning of NI 43-101. The Technical Report will be filed on SEDAR within 45 days of the announcement date. The resources are summarized in the table below.

***Copperwood
S6***

Category	Tonnage million tonnes	Thickness metres	Copper (%)	Copper (million lbs)
Indicated	8.41	1.89	1.42	264
Inferred	0.46	1.54	1.29	13

Copperwood Satellites

Category	Tonnage million tonnes	Thickness metres	Copper (%)	Copper (million lbs)
Indicated	25.01	1.96	1.40	771
Inferred	36.14	1.66	1.30	1,033

Total

Category	Tonnage million tonnes	Thickness metres	Copper (%)	Copper (million lbs)
Indicated	33.41	1.94	1.41	1,036
Inferred	36.60	1.66	1.30	1,046

Note: The resources assume a \$2.60/lb copper price, \$22/tonne mining cost, \$9.00/tonne processing cost, 87% copper recovery, \$4.00/tonne G&A, \$5.63/tonne sales cost, a minimum of 1.5 metres (5 feet) mining height, and a 1% cut-off.

Drilling, Sampling and Security

In 2009, Orvana resampled core from six of 42 holes drilled during the 1950s at Copperwood. The resampling confirmed Orvana's expectation that the results from the 1950s program are reliable. Differences between the historic and new assays were not statistically significant over the population resampled. Weighted averages for the 54 samples were 1.19% copper for the historic assays and 1.24% copper for the new assays.

Based on the historical information in its possession, the Company planned a drill program that was completed in October, 2009. It is believed that this 82-hole 13,000 metre program, along with validated historical drilling as well as the Company's 2008 drilling, adequately delineated the copper deposit.

Strict security measures were taken to ensure the integrity and validity of the mineralization in the new drill core. The core was sampled based on the lithostratigraphy established by the Copperwood geologic team. Assays were completed by Activation Laboratories Ltd., an ISO/IEC 17025 and CAN-P-1579 registered laboratory. The quality assurance/quality control ("QA/QC") protocol included internal and laboratory standards and blanks. AR-ICP values were determined using an aqua regia extraction with an ICP/OES finish. Assay values were determined for samples with Cu > 1000 ppm also using an aqua regia extraction with an ICP/OES finish. The security measures and QA/QC were supervised by Theodore Bornhorst,

Ph.D., P. Geo., a qualified person for the purposes of NI 43-101 who is independent of the Company.

The AMEC Technical Report concluded that Orvana US's handling and sampling protocols were well within industry standards. Orvana estimates that copper production could begin during fiscal 2014. Orvana is reviewing various scenarios for project development.

Engineering Studies

The 2008 drill program consisted of 20 holes (1,239 metres) completed as groundwater monitoring exploration wells. Samples from five of these holes underwent metallurgical testing and the results, 87% copper recovery and 30% copper in the concentrate, were within expected levels based on the public information regarding the copper recoveries and concentrate copper grades reported from historic records of the former White Pine Mine, approximately 30 kilometres away. However, further testing was conducted utilizing core samples from the 2009 drill program and preliminary results show 85% copper recovery and 26% copper in concentrate; silver recoveries ranged from 50% to 80% and concentrate grades from about 2 ounces to 3 ounces. Testing will continue.

The Company is currently studying various alternatives to optimize mine development. All mining will be by room-and-pillar underground methods. The application of mechanized mining, particularly a continuous miner, is being considered as the principal mining method, but does not preclude the use of conventional drill-and-blast techniques. The continuous miner is used extensively in coal, salt, potash, and trona mines, but has seen limited use in base-metal mines. Although the continuous miners theoretically can cut the copper-bearing host rock, dilution of barren rock may be higher than with conventional methods. This, however, can be compensated by the estimated reduction in mining costs by more than 30%.

Optimization of the mine operation is currently in progress and a pre-feasibility study is expected to be released during the third quarter of the 2011 fiscal year.

Environment and permits

Orvana has contracted with STS Consultants Ltd., a division of the AECOM Technology Corporation, to conduct the Environmental Impact Assessment ("EIA") required by applicable Michigan mining laws to be completed prior to applying for a mining permit. The EIA baseline studies, which include, without limitation, surface and subsurface water monitoring and sampling as well as the installation of a weather station, began in the first quarter of fiscal 2009. Flora and fauna studies were completed during fiscal 2009. Applicable state mining laws require two years of data collection, which collection was completed during October, 2010. Orvana believes there are no environmental liabilities from historic exploration activity on the property.

A scoping-level environmental geochemical examination has been completed on eight reject samples of mineralization, hanging wall, and footwall rocks from three historic drill holes within the area covered by the Copperwood mineral leases. Interpretation of the scoping-level geochemical test results by Geochimica, Inc. indicates that Copperwood rocks are very unlikely to generate acid drainage and, consequently, may be characterized as non-reactive under Michigan mining regulations.

In addition, the rock pile created by the extraction of copper-bearing rock from underground workings in the 1950s was recently trenched and sampled. This rock pile has been subjected to

approximately 50 years of wet, oxidizing conditions. Based on visual observations, the rocks appear to be non-reactive. Orvana will undertake additional environmental geochemical studies to validate these test results and observations. As part of this study, the Company trenched the rock pile and installed a pipe so that water samples can be taken periodically to monitor any changes in the chemistry.

Both the surface and mineral rights of the properties subject to the Copperwood Project are privately held. The underlying bedrock is Precambrian in age and, consequently, Orvana does not require any permits or approvals to conduct exploration work on the properties, including sampling and drilling, although there is a state guideline, regulated by the Department of Environmental Quality of the State of Michigan, for plugging and abandoning drill holes. Even though Orvana has a prescriptive right to access the leased areas on private roads, in order to secure unfettered access to the project site, adequate surface rights, within which the roads connect with public-access roads, were recently purchased.

Mine permitting is regulated by the Michigan Department of Natural Resources and Environment. The mine-permit application process includes, but is not limited to, completing and submitting studies with respect to the behaviour of surface and subsurface waters, air quality, mine planning and design, and tailings impoundment. The Company expects to file a mine permit application during the spring, 2011. The mine permit review process is expected to take 11 months.

Risk Factors

The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on the Company's business, financial condition and results of operations, or the trading price of the Company's common shares.

The Company holds mining properties in Bolivia, Spain, the United States and Canada and as such is subject to the laws governing the mining industry in those countries. With the exception of the political and related risks with respect to the Company's operations in Bolivia that are described below under "-- Political and Related Risks", which are unique to those operations, the Company's mining properties in all countries in which it operates are subject to the risks described below.

Mineral Resources and Reserves

Mineral resource and reserve figures provided by the Company are estimates and no assurances can be given that the indicated amount will be produced. Estimated resources may have to be recalculated based on actual production experience and the prevailing prices of the metals produced.

Development of Mineral Deposits, Production Costs and Metal Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations and fluctuations in the sales price of products. The value of the Company's mineral properties is heavily influenced by metal prices, particularly the prices of gold, copper and silver. Metal prices can and do change significantly over short periods of time and are affected by numerous factors beyond the control of the Company, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or

regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Company's properties can be mined profitably. Depending on the price received for minerals produced, the Company may determine that it is impractical to commence or continue commercial production. The grade of any material ultimately mined from a mineral deposit may differ from that predicted from drilling results or past production. Production volumes and costs can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, shortages or interruptions in the supply of natural gas, water or fuel, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, if and when established, may include the need for orderly development of ore bodies or the processing of new or different grades, and may have an adverse effect on the results of operations. Moreover, there can be no assurance that because minerals are recovered in small scale laboratory tests recoveries will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Environmental and other Regulatory Requirements

The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require approvals, permits or licenses from various levels of government. Such approvals, licenses and permits are or may be, as a practical matter, subject to the discretion of the applicable governments or governmental officials. The Company's operations are and will be governed by laws and regulations concerning prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that all approvals, licenses and permits which the Company may require for construction of new mining facilities and conduct of mining operations, particularly environmental permits, will be obtained or maintained on reasonable terms or that compliance with such laws and regulations will not have an adverse effect on the profitability of any mining project that the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to existing laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures, production costs and taxes or reduction in levels of production at producing properties or require abandonment or delays in development of mining properties.

Political and Related Risks

During fiscal 2011, the Company's revenue-generating mining operations will be located in Spain and Bolivia. While it is anticipated that future production will also come from the Copperwood Project in the Upper Peninsula of Michigan, USA, there can be no certainty of this.

Such international assets and operations are, or may be, subject to various political, economic and other uncertainties, including, among other things, the risks of political instability and changing political conditions, conflict and civil unrest, acts of terrorism, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, adverse changes in taxation policies, foreign exchange and repatriation restrictions, restrictions on foreign investment in or ownership of resources and trade barriers or restrictions. The Company also may be hindered or prevented from claiming against or enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict political or social conditions or developments or changes in laws or policy or to what extent, if any, such conditions, developments or changes may have a material adverse effect on the Company's operations. Moreover, it is possible that deterioration in economic conditions or other factors could result in a change in government policies respecting the presently unrestricted repatriation of capital investments and earnings.

In Bolivia, in view of the new constitution approved in the national referendum held on January 25, 2009, the new mining policy and mining tax changes that have been implemented and that are being proposed, and the composition of the Company's shareholder base, there could be changes in governmental regulation or governmental actions that adversely affect the Company. The new constitution could have adverse implications for the Company due to, among other things, increased powers that the Bolivian government would have under the constitution to control the commercialization of minerals. There could also be shifts in the political stability of the country and labour or civil unrest. In May 2006, the Bolivian government moved to increase its share of the country's oil and gas sector by imposing a profit-sharing arrangement in which the government receives a 50% share in operating profits of companies operating in the sector. On May 1, 2008, the Bolivian government announced additional measures to increase its control over the oil and gas and telecommunications sectors. Similar actions on the part of the government with respect to the mining sector, in addition to the recent increase in income and other taxes, could materially adversely affect the Company's results of operations or financial condition.

Statements by members of the government of Bolivia with respect to new government policies in the mining sector have been contradictory, sometimes referring to "nationalization", but at other times stating that "nationalization" will not occur. It is not clear whether the Bolivian government will nationalize any portion or all of the mining industry. If the Don Mario Mine was nationalized prior to the EVBC or Copperwood projects being brought into production, the Company would cease to have any producing assets until such other projects are brought into production. Other changes in governmental regulation or governmental actions such as those described above could also have a material adverse effect on the results of operations or financial condition of the Company.

Recently, the Government issued Supreme Decree N° 726 dated December 6, 2010, which provides that the validity of the mining concessions granted prior to this date are recognized by the current Constitutional regime as acquired rights, while the migration process is undertaken,

in accordance with regulations to be issued. The Supreme Decree also provides that this interim provision respects these acquired rights.

The Bolivian government is currently preparing a new Mining Code to require that a state-owned entity will control Bolivian land, subject to the grant of mining rights by means of mining contracts. Under these amendments, an application will have to be made for new mining contracts in the future and all concessions already granted will follow a migration process into mining contracts to be provided therein. According to a draft of the new Mining Code circulated by the Mining Ministry to the mining sector (still under consideration and analysis by the Government), the mining contracts would have the nature of a contract for the use and exploitation of natural resources with a specific term, and would probably be executed with Corporacion Minera de Bolivia, the state-owned mining company, or another state-owned entity, in the exploitation of any minerals found, subject to the approval by the Legislative Branch. The draft provides, among other aspects, specific terms: one year to initiate exploration activities and eight years to conclude such exploration activities. In case of exploitation, the draft provides for a maximum term of 30 years to undertake the exploitation activities.

According to the draft of the new Mining Law, the Bolivian government has also proposed higher mining royalty taxes if a company's annual gross revenues exceed 210 million Bolivianos or approximately US\$30 million. At present, the maximum mining royalty tax rates are 7% for gold (at gold prices of \$700 per troy ounce and higher) and 5% for copper (at copper prices of \$2.00 per pound and higher). The incremental rates of tax are based on a specific formula for each metal. At a gold price of \$1,366 per troy ounce, the incremental mining royalty tax rate would be 4.5% for a total rate of 11.5%. At a copper price of \$3.76 per pound, the incremental mining royalty tax would be 1.3% for a total rate of 6.3%.

The official draft of the new Mining Code is expected to be circulated by the Government to the mining sector in the coming weeks. However, this draft has yet to be passed into law and its potential effect on future mining activities and the Company's mineral concessions remains unclear.

In view of the above, and although the Government has not yet passed the new Mining Code nor specific regulations for the migration of mining concessions to mining contracts, the Company's subsidiary in Bolivia, EMIPA, has already filed an application to the Mining Ministry requesting the migration of its mining concessions into mining contracts, in accordance with the provisions of the Bolivian Constitution.

On October 29, 2010, the Company was notified that, commencing on November 8, 2010, Bolivia's Authority for the Supervision and Social Control of Companies ("AEMP"), an agency of the Bolivian central government, would conduct an audit of the legal, financial and accounting information of EMIPA, which owns and operates the Don Mario Mine in Bolivia.

The Company was advised that the purpose of the audit was to verify EMIPA's compliance with Bolivian commercial and administrative regulations during the period from 2005 through 2009. EMIPA understands that it is one of a number of companies currently being audited by AEMP. The audit occurred during November and preliminary communications from AEMP indicate that there are no material issues.

Water Supply

The amount of ore processed at the Don Mario Mine is dependent on the volume of water available in nearby reservoirs, which depends on the amount and timing of seasonal rainfall. If a sufficient amount of water is not accumulated and maintained, the Don Mario Mine may not be able to operate at full capacity or may be able to do so only on an intermittent basis.

Reliance on Key Personnel

The Company's operations are dependent on the abilities, experience and efforts of key personnel. If any of these individuals were to be unable or unwilling to continue to provide their services to the Company, there may be a material adverse effect on the Company's operations. The Company's success is dependent upon its ability to attract and retain qualified employees and personnel to meet its needs from time to time.

Exploration and Development Risks

Mineral exploration and mining involve considerable financial, technical, legal and permitting risks. Substantial expenditures are usually required to establish ore reserves and resources, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs conducted by the Company will result in profitable commercial mining operations, as, within the mining industry, few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or landslides, floods, power outages, shortages or interruptions in the supply of natural gas, water or fuel shortages, labour disruptions, fires, explosions, and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines. In addition, social unrest in areas adjacent to the Company's properties could have a material adverse effect on the Company's activities.

Beyond 2010 and in the absence of new operations or reserves being added, the Company's revenue stream will depend on production from the UMZ project of the Don Mario Mine, the EVBC project and the Copperwood Project.

Production Estimates

No assurance can be given that production estimates will be achieved. The Company's actual production may vary from estimates for a variety of reasons including: attributes of the material mined varying from those used in estimating of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to mineral resources; risks and hazards associated with mining; inclement weather conditions; natural disasters, including floods, drought and earthquakes; and unexpected labour shortages or disruptions.

Title Matters

The Company's interests in mineral tenures grant it exclusive rights to the minerals discovered in the course of exploration. Maintenance of the Company's property and mineral rights is subject to ongoing compliance with the laws and regulations promulgated with respect to such rights. While the Company believes that its title to each of its properties, mineral claims and

concessions is in good standing, the Company's title to any of such properties, claims and concessions is not guaranteed. The Company's title to any of its properties, mineral claims and concessions may be challenged or impugned, and properties, claims and concessions may be subject to prior unregistered agreements or transfers, or local land claims, and title may be affected by undetected defects.

Metals Price Volatility

The prices of precious and base metals are subject to volatile fluctuations and are affected by a number of factors, such as central bank lending, sales and purchases, levels of production, industrial and jewellery demand and macroeconomic factors such as currency fluctuations, interest rates and political or economic events.

Competition

The Company faces considerable competition in acquiring promising mineral properties, engaging joint venture partners and obtaining funding support. As a result of this competition, some of which is against companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire mineral properties, engage joint venture partners or obtain funding on terms it considers acceptable.

Additional Funding Requirements

In the past, the Company's primary source of liquidity has been from operating cash flow. It is expected that these projects will be financed from existing cash reserves and financing now in place. In October 2010, the Company entered into a \$50 million five-year term corporate credit facility with Credit Suisse AG. Funds will be used to complete construction of the EVBC project, in Spain and for general corporate purposes. Cost of the facility, including fees, is expected to average approximately 5% to 6% per annum, based on current interest rates.

The credit facility contains covenants that restrict, among other things, the ability to incur additional indebtedness, make distributions in certain circumstances, sell material assets, or carry on business other than one related to the mining business. Kinbauri España and Orvana are also required to maintain certain financial ratios as well as minimum tangible net worth. Payment and performance of Kinbauri España's obligations under the credit facility are guaranteed by Orvana.

As a condition of this credit facility, during November 2010, Kinbauri España entered into the following forward contracts with Credit Suisse: to sell 37,500 gold ounces at a forward rate of \$1,333 per oz., with equal maturities covering the period January 2012 to December 2015; to sell 13,671 metric tonnes of copper at a forward rate of \$7,260 per metric tonne (\$3.29 per lb.) with maturities covering the period January 2011 to December 2015; foreign exchange contracts converting \$80,000 to Euro at an average forward rate of \$1.38, with maturities covering the period March 2012 to December 2015.

After fully funding its capital requirements at the EVBC project and the UMZ, Orvana expects to have accumulated cash reserves from its operating free cash flows. Orvana will continue to seek gold and/or copper advanced stage properties in politically stable regions, utilizing its mining expertise to increase long-term value for shareholders.

Insurance

There is no assurance that in the event of a claim, the amount of the Company's insurance coverage, if any, will be adequate to cover the full amount of the claim.

Currency Fluctuations

The Company's functional currency was changed to United States dollars as of December 31, 2002 and its financial statements are presented in United States dollars, as this is the currency that most of its production and major capital expenses are denominated in. As such, the Company is transactionally exposed to foreign currency fluctuations to the extent that its revenues and expenses in other currencies exceed the cash flow protection afforded by any financial hedges. Revenues, costs and assets of the Company's Bolivian and United States operations are denominated in United States dollars. Assets and liabilities relating to the Company's operations in Spain are denominated in Euros. The remainder of the Company's expenses and assets are primarily denominated in Bolivian, Swedish or Canadian currencies. There can be no assurance that future fluctuations in currency values will not materially affect the Company's financial position and results.

Conflicts of Interest

Directors of the Company are or may become directors or officers of other mineral resource companies or have significant shareholdings in such other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, its directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

Share Trading Volatility

The securities of many mineral exploration and development companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or the prospects of such companies. There can be no assurance that continued fluctuations in share price will not occur.

4. DIVIDENDS

The Company has not declared any dividends to date. The payment of any future dividends by the Company will be considered by the board of directors having regard to the Company's earnings, financial requirements and other conditions at a future time.

5. DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of common shares. As at September 30, 2010, there were 116,318,172 common shares issued and outstanding.

Based on information provided to the Company by Fabulosa, as at December 15, 2010, Fabulosa held 60,445,028 common shares, representing 52.0% of the outstanding Orvana common shares. Under the Definitive Agreement, Fabulosa has certain rights with respect to Orvana shares, including a pre-emptive right with respect to the issuance of additional common shares or securities convertible into common shares to other persons, entitling Fabulosa to

acquire common shares or convertible securities on the same terms and conditions as those so issued by the Company, subject to applicable requirements of the Toronto Stock Exchange.

6. MARKET FOR SECURITIES

The Company's common shares are listed and traded on the Toronto Stock Exchange under the symbol "ORV". The following table provides the historical monthly trading price ranges and volumes during the fiscal year ended September 30, 2010.

Month	Volume (000)	High	Low
October 2009	2,017	\$0.94	\$0.82
November 2009	3,018	\$1.10	\$0.83
December 2009	4,354	\$1.15	\$0.90
January 2010	2,575	\$1.22	\$1.04
February 2010	1,517	\$1.13	\$0.95
March 2010	4,131	\$1.19	\$0.98
April 2010	2,446	\$1.39	\$1.05
May 2010	1,834	\$1.39	\$1.17
June 2010	3,785	\$1.42	\$1.29
July 2010	3,008	\$1.58	\$1.11
August 2010	3,052	\$1.91	\$1.48
September 2010	7,472	\$2.79	\$1.84

7. DIRECTORS AND OFFICERS

The names and provinces/states of residence of the directors and officers of the Company as at September 30, 2010, the positions and offices held by them with the Company, and their principal occupations for the past five years are set forth in the following table.

Name and Province or State and Country of Residence	Position with the Company⁽¹⁾	Principal Occupation For Past Five Years
Bradshaw, Dr. Peter ^{(2), (3)} British Columbia, Canada	Director since May 2006	President and Chief Executive Officer of First Point Minerals Corp., a minerals exploration company, since June 1996.
Garnett, Dr. Richard ⁽³⁾ Ontario, Canada	Director since February 2009	President and Chief Executive Officer of Valrik Enterprises Inc., a mining consultancy company, since 1990.
Gilbert, James ⁽³⁾ Virginia, USA	Director since August 2009	President and Chief Executive Officer of Minera S.A., a private mining and metals investment company and the parent company of Fabulosa; prior to that was the Chief Investment Officer of Gerald Metals Inc., a global commodities trading firm from June 2007 to May 2009; prior to that was Director of the mining and metals investment banking group at Rothschild Inc., from June 1994 to May 2007.
Jespersen, C. Kent Alberta, Canada	Director since December 2007	Chairman of the Company since December 2007, and Chairman and Chief Executive Officer of La Jolla Resources International, a business advisory and investment company, since July 1998.
Logan, J. Robert ^{(2), (3)} Arizona, USA	Director since December 2007	Private Investor since June 2006; prior to that, Managing Director, Fixed Income Capital Markets, at Citigroup, a financial services company, since 1992.
Mitchell, Robert A., C.A. ⁽²⁾ Ontario, Canada	Director since April 2007 and from December 2003 to June 2006	Corporate director from October 2001; prior to October 2001, Partner, Ernst & Young LLP, an accounting firm.
Szasz, Jorge Santiago, Chile	Director since February 2010	Consultant to mining exploration and development companies since September 2009; prior to that was Vice President Commercial, Finance and Administration of Sinchi Wayra S.A. (a subsidiary of Glencore International AG).
Horst, Roland Ontario, Canada	Chief Executive Officer and Director since February 2010	Chief Executive Officer of the Company since February 2010; prior to that was President and Chief Executive Officer of Royal Nickel Corporation, a mineral exploration and development company, from February 2007 to October 2009; prior to that was President and Chief Executive Officer of INV Metals Inc. (formerly International Nickel Ventures Corporation), a mineral exploration and development company, from September 2005 to February 2007.
Mirabal, Carlos Santa Cruz, Bolivia	President and Chief Operating Officer and Director since October 2006	President and Chief Operating Officer of the Company since February 2010; prior to that was President and Chief Executive Officer of the Company from October 2006 to February 2010; and Vice President of Sinchi Wayra S.A., a mining company, from August 1996 to September 2006.
King, Malcolm Ontario, Canada	Vice President and Chief Financial Officer since February 2006	Vice President and Chief Financial Officer of the Company since February 2006; prior to that was Vice President and Controller of the Company from June 2005.

Name and Province or State and Country of Residence	Position with the Company(1)	Principal For Past Five Years	Occupation
Williams, Bill Arizona, USA	Vice President, Corporate Development since 2008	Vice President, Corporate Development of the Company since March 2008; prior to that was Vice President, Freeport McMoRan Exploration Company, a mining company, from September 2003 through March, 2008.	
Ciglic, Joan Ontario, Canada	Corporate Secretary since May 2006	Corporate Secretary of the Company since May 2006; prior to that was Manager, Administration of the Company, from June 2005.	

Notes:

- (1) The term of office of each director expires at the close of the next annual meeting of shareholders of the Company. Officers of the Company serve at the pleasure of the Company's Board of Directors.
- (2) Member of the Audit Committee.
- (3) Member of the Nominating, Compensation and Corporate Governance Committee.

As at December 20, 2010, to the knowledge of the Company, the directors and officers of the Company beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 726,200 common shares, representing approximately 0.6% of the issued and outstanding common shares of the Company.

8. LEGAL PROCEEDINGS

During the 2010 fiscal year, Orvana and two of its subsidiaries were parties to three claims arising from Orvana's acquisition of the shares of Kinbauri Gold. All three have now been resolved.

The first claim was an application in the Ontario Superior Court of Justice by Jaguar Financial Corporation ("Jaguar") against Kinbauri Gold (now Orvana Minerals Asturias Corp.), Kinbauri Gold's Spanish subsidiary Kinbauri España, Kinbauri Gold's directors prior to its acquisition by Orvana, Glen Eagle Resources Inc. ("Glen Eagle") and Paradise Peak Holdings under the oppression remedy provisions of the *Canada Business Corporations Act*. The application was commenced prior to Orvana's acquisition of Kinbauri Gold. Jaguar sought an unspecified amount of compensation relating to the difference it claimed existed between the price Orvana paid for Kinbauri Gold and the amount that would have been realized had Kinbauri Gold and its directors acted properly. Jaguar's original application sought orders preventing Kinbauri España from proceeding with a proposed transaction with Glen Eagle. The claim was largely resolved as part of a general settlement with Jaguar. As part of that settlement, Jaguar served a notice of discontinuance of the application and provided Orvana, and the current and former directors of Orvana and its subsidiaries, with a full release of all claims. The parties have applied for the court order required to formally terminate the application and anticipate such an order will be issued shortly.

The second claim was a claim in the Ontario Superior Court of Justice by Jaguar against Orvana and one of its officers. The claim sought damages of \$600,000 plus interest and costs. Jaguar claimed that Orvana promised to pay Jaguar's expenses in relation to the above-noted application. Orvana denied that allegation. The action was settled as part of the general

settlement described in the foregoing paragraph. As part of that settlement, the parties exchanged full releases and the action was dismissed on a without costs basis.

The third claim arose from the aforementioned Kinbauri España /Glen Eagle transaction. Glen Eagle challenged Kinbauri Gold's decision not to proceed with the proposed transaction and in December 2009, formally commenced arbitration against Orvana Minerals Asturias Corp. and Kinbauri España seeking damages of C\$75 million, interest and costs. Orvana Minerals Asturias Corp. and Kinbauri España served a response denying any liability based on Glen Eagle's anticipatory repudiation of the agreement in issue. The parties agreed to the appointment of an arbitrator before reaching a settlement of the proceeding. As part of that settlement, Orvana agreed to pay Glen Eagle the sum of \$1.5 million, without acknowledging any liability. The parties exchanged mutual releases and agreed to an award dismissing the arbitration without costs as part of the settlement. The settlement was completed in early July 2010.

9. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As described above under the headings "Development of the Business -- Significant Transaction with Sinchi Wayra" and "Description of Capital Structure", under the Definitive Agreement, Fabulosa has certain rights to acquire additional Orvana common shares.

10. TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Equity Transfer & Trust Company, 200 University Avenue, Suite 400, Toronto, ON, M5H 4H1.

11. MATERIAL CONTRACTS

In October 2010, the Company entered into a \$50 million five-year term corporate credit facility with Credit Suisse AG. Funds will be used to complete construction of the EVBC project, in Spain and for general corporate purposes. Cost of the facility, including fees, is expected to average approximately 5% to 6% per annum, based on current interest rates.

The credit facility contains covenants that restrict, among other things, the ability to incur additional indebtedness, make distributions in certain circumstances, sell material assets, or carry on business other than one related to the mining business. Kinbauri España and Orvana are also required to maintain certain financial ratios as well as minimum tangible net worth. Payment and performance of Kinbauri España's obligations under the credit facility are guaranteed by Orvana.

As a condition of this credit facility, during November 2010, Kinbauri España entered into the following forward contracts with Credit Suisse: to sell 37,500 gold ounces at a forward rate of \$1,333 per oz., with equal maturities covering the period January 2012 to December 2015; to sell 13,671 metric tonnes of copper at a forward rate of \$7,260 per metric tonne (\$3.29 per lb.) with maturities covering the period January 2011 to December 2015; foreign exchange contracts converting \$80,000 to Euro at an average forward rate of \$1.38, with maturities covering the period March 2012 to December 2015.

12. AUDIT COMMITTEE DISCLOSURE

The Audit Committee's Charter

The charter of the Audit Committee of the Company is included in this Annual Information Form as Appendix A.

Composition of the Audit Committee

The Audit Committee members are Peter Bradshaw, Robert Logan and Robert Mitchell, each of whom is "independent" and "financially literate", as such terms are defined in Multilateral Instrument 52-110 – Audit Committees of the Canadian Securities Administrators.

Mr. Robert Mitchell is a Chartered Accountant and holds a Bachelor of Commerce degree. In addition to his role as Chair of the Company's Audit Committee, he is a director of other companies, and is the Chairman of the audit committee of one and a member of the audit committee of another. He was a partner with Ernst & Young LLP for 27 years and has extensive experience in the investment and securities industries.

Dr. Peter Bradshaw holds a Bachelor of Science in Geology and a Ph. D. in Economic Geology. He serves on the board of directors of two other public companies including First Point Minerals Corp. of which he is also President and Chief Executive Officer. Prior to that, he occupied senior corporate management roles in a number of exploration and mining companies.

Mr. Robert Logan holds a Master of Business Administration and a Bachelor of Science degree. He also holds an ICD.D designation granted by the Institute of Corporate Directors. Mr. Logan has over 20 years experience in the investment banking industry. Further, he is a director serving as a member of the audit committee of three other public companies.

Pre-approval Policies and Procedures

The charter of the Audit Committee requires prior approval by the Audit Committee of non-audit services to be provided by the Company's auditors or, if the Audit Committee determines it to be appropriate, prior approval by the Chair of the Audit Committee. In the latter case, any pre-approval must be presented to the full Audit Committee at its next scheduled meeting.

External Auditor Service Fees (By Category)

The following table sets forth the fees billed for fiscal 2010 and fiscal 2009 by PricewaterhouseCoopers LLP ("PWC"), the Company's external auditors, for the services described below provided to Orvana and its subsidiaries:

Year ended September 30 (US\$'000)	2010	2009
Audit fees ⁽¹⁾	\$243	\$191
Audit-related fees ⁽²⁾	60	22
Tax fees ⁽³⁾	14	36
All other fees ⁽⁴⁾	32	54
Total fees	\$349	\$303

Notes:

- (1) "Audit fees" include the aggregate professional fees billed by PWC for the audit of the annual consolidated financial statements of the Company.
- (2) "Audit-related fees" include the fees billed by PWC for assurance and related services by PWC that are reasonably related to the performance of the audit and are not included in "Audit fees" including guidance in meeting the requirements of Multilateral Instrument 52-109.
- (3) "Tax fees" include the aggregate fees billed by PWC for tax compliance, tax advice, tax planning and advisory services relating to the preparation of corporate income tax and capital tax returns.
- (4) "All other fees" include the aggregate fees billed by PWC for all other products and services other than those presented in the categories of audit fees, audit-related fees and tax fees including assistance with due diligence in connection with acquisition activities.

13. AUDITORS AND EXPERTS

PWC is the Company's external auditor and prepared the "Auditors' Report to the Shareholders of Orvana Minerals Corp.", dated December 10, 2010 in respect of the Company's financial statements for the fiscal year ended September 30, 2010.

The authors of the technical reports on Orvana's mineral projects that are referred to in this Annual Information Form are named in the descriptions of those reports provided above under the headings "Principal Mineral Projects – Don Mario – UMZ – Mineral Resources and Mine Plan and EVBC Project — Mineral Resources and Mine Plan and Copperwood — Mineral Resources and Mine Plan".

14. ADDITIONAL INFORMATION

Additional information with respect to Orvana, including directors' and officers' remuneration and indebtedness, principal holders of Orvana's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in Orvana's management information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in Orvana's comparative audited financial statements and management's discussion and analysis for its most recently completed financial year. This information and additional information relating to Orvana are available on SEDAR at www.sedar.com and on Orvana's website at www.orvana.com.

APPENDIX A

ORVANA MINERALS CORP.

AUDIT COMMITTEE CHARTER

Membership

The Audit Committee of the Board of Directors (the “Board”) of Orvana Minerals Corp. (the “Corporation”) shall consist of such number of members (at least three) as are appointed from time to time by the Board. Unless otherwise determined by the Board and permitted by Multilateral Instrument 52-110 – *Audit Committees* (“MI 52-110”), the Audit Committee shall be composed solely of directors who have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of such director’s independent judgement, and are otherwise independent as determined in accordance with MI 52-110. In addition, a majority of the members shall be resident Canadians.

Unless otherwise determined by the Board and permitted by MI 52-110, all members of the Committee shall be financially literate, meaning they shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues generally comparable to the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

The Board shall appoint the Chair of the Committee.

The Board may, by resolution, at any time remove any member of the Committee, with or without cause, or add to or otherwise change the membership of the Committee. Committee membership shall not, however, be reduced to less than three or vary from the qualification requirements specified above. A member of the Committee shall cease to be a member upon ceasing to be a director.

Duties and Responsibilities

The Committee shall have all the powers and duties conferred on it by the laws governing the Corporation and such other powers and duties as may be conferred on it from time to time by resolution of the Board. In addition to the foregoing powers and duties, the Committee shall have the following duties and responsibilities:

1. To review, prior to approval thereof by the Board and public disclosure thereof, all financial statements of the Corporation, whether annual or periodic, and the external auditor’s report, if any, thereon and any annual or interim MD&A (a) prepared for submission to a meeting of the directors of the Corporation, (b) which may be required by applicable law to be reviewed by the Committee or (c) which the Board may by resolution determine shall be so reviewed, and to report to the Board:
 - (i) if the same have been prepared in accordance with the laws to which the Corporation is subject and the policies from time to time adopted by the Board;
 - (ii) any significant changes in the form or content of such statements from the corresponding statements most recently approved by the Board and the reason(s) therefore, together with any intervening developments in relevant accounting

principles, policies and practices which have been taken into account in preparing such financial statements or which, in the opinion of the Committee or the external auditor of the Corporation, might have been taken into account for that purpose; and

- (iii) where deemed to be appropriate, the report of the external auditor as to form and content of such statements and as to the level of co-operation of management received by the external auditor in the conduct of the audit.
2. To review all annual or periodic earnings press releases of the Corporation prior to public disclosure by the Corporation.
 3. To satisfy itself that adequate procedures are in place for the review of public disclosure of any financial information of the Corporation other than information listed in (1) and (2) above and to periodically assess such procedures.
 4. To review all financial statements of the Corporation, whether annual or periodic, appearing in a prospectus.
 5. To review such returns of the Corporation as may be required by any regulatory authority and the compliance of any subsidiary of the Corporation with all applicable laws, regulations and standards.
 6. To review estimates and judgments that are material to reported financial information, and consider the quality and acceptability of the Corporation's accounting policies and procedures and the clarity of disclosure in financial statements.
 7. To review such investments and transactions that could adversely affect the well-being of the Corporation as the external auditor or any officers of the Corporation may bring to the attention of the Committee.
 8. To receive reports on the periodic findings of any regulatory authority and management's response and observations thereon.
 9. To meet with the external auditor to discuss the quarterly and annual statements and the transactions referred to in this Charter.
 10. To review the audit plan, including such factors as the integration of the external auditor's plan for procedures performed in Canada and elsewhere and whether the nature and scope of the planned audit procedures can be expected to detect material weaknesses in internal controls and determine if financial statements present fairly and accurately the Corporation's financial position in accordance with generally accepted accounting principles.
 11. To identify the risks inherent in the business of the Corporation and to review and approve management's risk philosophy and risk management policies necessary to address as much as reasonably possible those identified risks.
 12. To review periodically, but at least annually, management reports demonstrating compliance with risk management policies and confirm annually that management has taken reasonable steps to ensure compliance with standards.
 13. To review and recommend to the Board the appointment of an external auditor and the compensation of such external auditor.

14. To review and evaluate the performance of the external auditor, including how and under what circumstances external auditors are to be rotated or removed, such review to include, but not be limited to:
- (i) a review of estimated and actual fees;
 - (ii) a review of the engagement letter of the external auditor and the scope and timing of the audit work; and
 - (iii) pre-approval of all non-audit work to be performed by the external auditor and the fees to be paid therefore.
15. To review and approve the Corporation's hiring policies regarding current and former partners and employees of the external auditor.
16. To be directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
17. To review with the external auditor the performance of management involved in the preparation of financial statements, any problems encountered by the external auditor, any restrictions on the external auditor's work, the co-operation received in performance of the audit and the audit findings, any significant recommendations made to management on internal controls and other financial and business matters and management's response to the recommendations.
18. To provide the external auditor with the opportunity to meet with the Committee without management present at least once per year for the purpose of discussing any issues.
19. If determined appropriate by the Committee, to delegate authority to pre-approve non-audit services of the external auditor to the chair of the Committee, which pre-approval must be presented to the full Committee at its next scheduled meeting.
20. To confirm the accountability of the external auditor to the Committee and the Board and to satisfy itself that the external auditor's independence in carrying out the audit function is not impaired by either management or the external auditor's own action or activities.
21. To require the management of the Corporation to implement and maintain appropriate internal control and data security procedures and oversee their implementation and operation.
22. To review the competence and adequacy of the Corporation's staffing for the accounting, financial and internal audit functions.
23. To establish a satisfactory procedure for the receipt, retention and handling of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, which will include procedures for the confidential, anonymous submission of concerns by employees with regard to these matters.
24. To report and make recommendations to the Board arising from its responsibilities as the Committee considers appropriate.

To ensure that the Committee is able to discharge the foregoing duties and responsibilities, the Corporation shall require the external auditor to report directly to the Committee.

Minutes

Minutes shall be kept of all meetings of the Committee.

Meetings

Except as otherwise provided in this mandate, the rules and regulations relating to the calling and holding of and proceedings at meetings of the Committee shall be those, making allowance for the fact that it is a committee, that apply to meetings of the Board, subject to such modifications as may, from time to time, be determined by resolution of the Committee. Until otherwise determined by resolution of the Board:

1. The quorum for meetings of the Committee shall be two of its members.
2. Meetings of the Committee may be called by its Chair or Vice Chair, if any, or by any member of the Committee, or by the external auditor of the Corporation. The Committee may at any time request the attendance of any officer of the Corporation or any person at any meeting of the Committee. Any member of the Committee may request the external auditor of the Corporation to attend every meeting of the Committee held during the member's term of office.
3. The external auditor of the Corporation shall receive notice of every meeting of the Committee and may attend and be heard at any meeting.
4. Meetings of the Committee shall be held at such time and place as may be determined from time to time by the Committee or by the Chair or Vice Chair, if any, of the Committee, and notice thereof shall be given in the manner and with the length of notice provided in the resolution(s) of the Board relating to notices of meetings of directors.

Reports to the Board

The Committee shall report to the Board as follows:

5. In the case of annual statements and any returns that under applicable legislation must be approved by the Board, the Committee shall report thereon to the Board before approval is given.
6. All significant actions of the Committee shall be reported to the Board whenever possible at its next succeeding regular Board meeting and shall be subject to revision or alteration by the Board.

The Committee may call a meeting of the Board to consider any matter of concern to the Committee.

Access to Information

In its discharge of the foregoing duties and responsibilities, the Committee shall have the authority to communicate directly with the external auditor and shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the relevant accounting books, records and systems of the Corporation and shall discuss with the officers and auditors of the Corporation such books, records, systems and other matters considered appropriate.

Independent Advisors

The Committee shall have the authority to engage such independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes and to set and cause to be paid by the Corporation the compensation of any such counsel or advisors.

Board Review of Charter

The board shall review the adequacy of the Committee's charter on at least an annual basis. In accordance with MI 52-110, the text of this charter shall be included in the Corporation's Annual Information Form.