



anvilmining

News Release

FOR IMMEDIATE RELEASE

February 26, 2007

TSX, ASX: AVM

Common shares outstanding 56.7 million

All amounts are expressed in US dollars, unless otherwise stated.

Anvil Mining Reports Record Net Earnings of \$82.2 Million (\$1.65 per share) for Fiscal Year 2006 and an Operating Profit of \$107.0 Million

Montreal, Canada: Anvil Mining Limited (TSX, ASX, AVM), (“Anvil” or “the Company”), including its subsidiaries (“Group”), is pleased to announce record full year consolidated net earnings of \$82.2 million (\$1.65 per share) and operating profit after depreciation and amortization of \$107.0 million. Revenues for 2006 totalled \$175.4 million, up 184% from 2005. Operating cash flow, before working capital movements, was \$99.4 million (\$2.00 per share on a weighted average number of shares basis).

For the fourth quarter ended December 31, 2006, the Company reported consolidated net earnings of \$21.3 million (\$0.38 per share) and operating profit of \$25.8 million. Revenues for the fourth quarter of 2006 totalled \$42.7 million, up 65% from the corresponding quarter of 2005. Operating cash flow was \$17.7 million (\$0.31 per share). December Quarter and annual net earnings were affected by a build up in concentrate stocks at Kulu as a result of a lack of available transport.

Bill Turner, President and Chief Executive Officer of Anvil, commented, “We delivered a strong financial performance in 2006 with a record year in revenues, operating profit and net earnings. Our financial performance is due to a substantial growth in copper production, improvements in operational performance at the Dikulushi and Kulu mines and increases in realized copper and silver prices. We achieved our copper and silver production target in 2006, producing over 42,000 tonnes of copper and 2.2 million ounces of silver contained in concentrates. The 122% increase in copper production was due mainly to the start up of the Kulu tailings operation during the fourth quarter of 2005”.

The complete financial statement together with the related Management’s Discussion and Analysis (MD&A) will be available on Anvil’s website at www.anvilmining.com under the heading “Financial Reports”.

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Full Year 2006 – ended December 31, 2006

- Copper production increased to 42,574 tonnes, up 122% from 2005 production;
- Record revenues from copper-silver and copper concentrate sales of \$175.4 million;
- Record net earnings of \$82.2 million (\$1.65 per share);
- Record operating profit (after depreciation and amortization) of \$107.0 million;
- Record cash flows from operating activities, before working capital movements, of \$99.4 million (\$2.00 per share);
- A 307% increase in contained Measured and Indicated Resources of copper metal for the Kinsevere copper project;
- Agreements to increase ownership in the mining rights for the Kinsevere – Nambulwa copper-cobalt joint venture from 70% to 95% for \$59 million;
- Global Measured and Indicated Resources of 1,150,000 tonnes of contained copper, and Inferred Resources of 815,600 tonnes of contained copper, comprised of:
 - Kulu: 8,960,000 tonnes at a grade of 2.35% (Measured and Indicated) and 286,000 tonnes at a grade of 6.50% (Inferred).
 - Dikulushi: 853,000 tonnes at a grade of 8.85% (Measured and Indicated) and 1,380,000 tonnes at a grade of 5.80% (Inferred).
 - Kinsevere: 20,090,000 at a grade of 4.30% (Measured and Indicated) and 20,920,000 tonnes at a grade of 3.40% (Inferred).
- Agreement to increase ownership in the Mutoshi copper-cobalt project from 70% to 80% for a net amount of \$6.6 million; and
- Cash and cash equivalents (\$59.3 million) as well as investment in highly secure and liquid investments (\$95.8 million) amounted to \$155.1 million, equal to \$2.70 per share as at December 31, 2006.

Fourth Quarter Ended December 31, 2006

- Quarterly copper production of 10,523 tonnes, up 41% from the corresponding quarter of 2005;
- Revenues from copper-silver and copper concentrate sales of \$42.7 million, up 64% compared to the corresponding quarter of 2005;
- Net earnings of \$21.3 million (\$0.38 per share), up 249% compared to the corresponding quarter of 2005;
- Operating profit after depreciation and amortization of \$25.8 million, up 158% compared to the corresponding quarter of 2005; and
- Cash flows from operating activities, before working capital movements, of \$17.7 million (\$0.31 per share), up 87% compared to the corresponding quarter of 2005.



Mine Production and Costs

Dikulushi Mine (90%)

Mining and processing operations at the Company's Dikulushi mine in the Democratic Republic of Congo ("DRC") continued to produce at more than 10% above the design capacity of 20,000 tonnes of contained copper per annum during 2006 with production of 22,618 tonnes of copper contained in concentrates and 2.2 million ounces of silver contained in concentrates. For the full year of 2006, the operating cash costs at the mine gate (after silver credits) were \$0.28 per payable pound of copper produced and total cash costs (after silver credits) of \$1.02 per payable pound of copper. For the fourth quarter of 2006, operating cash costs and total cash costs totalled \$0.14 and \$1.01 per payable pound of copper produced, respectively.

The lower operating cash costs (ex mine gate and after silver credits) for year 2006 and for the fourth quarter of 2006 are mainly from higher silver credits as a result of increases in the silver price. The higher total cash costs for the year 2006 and for the fourth quarter of 2006 are a result of continuing industry-wide higher concentrate transport costs resulting from increases in fuel costs and the export of concentrate to overseas markets.

Feed to the treatment plant consisted of high-grade ore from the open pit which was blended with ore from the low-grade stockpiles to produce an average head-grade for 2006 of 5.9% copper. Open pit mining at Dikulushi ceased in November 2006, with all feed to the plant now sourced from the Run-of-Mine stockpile of high-grade ore and stockpiles of low-grade ore. There is sufficient ore in the high-grade stockpile to supply approximately 12 months of plant feed and this will adequately maintain current levels of copper production until the underground mine comes on stream.

During the December Quarter, work progressed on the development of the Stage III underground development. As of the second week of February 2007, the underground development had progressed approximately 1,015 metres into the footwall on the northern side of the open pit. The first underground ore was encountered during December, and was consistent with expected grades. Production from the underground mine will commence during the fourth quarter of 2007, building up to full scale production in the first quarter of 2008.

An updated Mineral Resource estimate, based on a revised geological interpretation and assay results from a deep diamond drilling program, was announced in November 2006. This program, which targeted the Dikulushi orebody between 300 and 400 metres below surface, was completed during the December Quarter. Recent drilling has resulted in a substantial increase in all resource categories with a 31% increase in contained copper metal for the Measured and Indicated Resource categories, and a 114% increase for the Inferred Resource category, compared to the 2005 year-end estimates.

Kulu Mine (80%)

The Kulu Heavy Media Separation ("HMS") processing operation, located in the Kolwezi Region of the DRC, produced during its first full year of operation in 2006 a total of 19,956 tonnes of copper contained in oxide concentrates. During the December Quarter, artisanal mining activities ceased, however, a stockpile of concentrate purchased from local artisanal miners remained and is being progressively run down.



Fourth quarter of 2006 and annual net earnings were affected by a build up in concentrates stocks at Kulu as a result of a lack of available transport. At the end of the fourth quarter, the copper concentrate inventory grading more than 29% copper at the Kulu mine was approximately 16,000 tonnes. This abnormally high level of inventory, which was the result of a shortage of available transport from Kolwezi to Lubumbashi, impacted negatively on the Company's revenues from copper concentrate sales in the fourth quarter of 2006. It is expected that this concentrate will be processed through an Electric-Arc Furnace ("EAF"), the construction of which was committed to in February.

The average head grade for the Kulu plant for 2006 and for the fourth quarter of 2006 was 7.6% copper. The 2006 and fourth quarter operating cash costs per tonne of oxide concentrate (ex mine gate) was \$237 and \$285, respectively. The concentrate from the Kulu tailings operations is being sold to a local smelter in Kolwezi where it is smelted to produce "black copper" ingots grading 90-94% copper. However, in order to enhance its operating margins, the Company recently announced a \$13 million investment in 2007 for the construction of a 7.5MW EAF and a 14km power transmission line, including substations and transformers, at Kulu. The capital payback is expected to be less than one year, with financing of the EAF and power grid to come from the Company's existing cash resources.

This investment is consistent with the Company's staged development approach which has been successfully applied at the Company's mines in the DRC. The installation of an EAF will significantly reduce unit cash operating costs as the Company will produce "black copper" ingots grading 90-94% copper, instead of selling a Heavy Media Separation copper concentrate at a discounted LME price.

It is anticipated that the construction of the EAF and power grid will be completed at the end of the fourth quarter of 2007 and be fully operational during the first quarter of 2008 at a rate of 15,500 tonnes of copper metal per annum as "black copper" ingots.

Kinsevere Project (agreement has been reached to increase the Company's interest from 80% to 95%)

The Stage I development of Kinsevere, which comprises the construction of an open pit mining operation, HMS plant and an EAF for capital expenditures of \$35 million, is approximately 80% complete.

Design of the crushing circuit and HMS plant is now almost complete, with only a small amount of design detail outstanding. Kinsevere Stage I is expected to be commissioned in late April 2007, the minor delay due primarily to poor weather conditions and industry wide issues associated with supply of materials. Keech Furnace Technologies, who have been engaged to design and supply two 7.5 MW Electric-Arc Furnaces, are progressing with design work and current indications are that the EAF building and supporting civil engineering works will be completed by the end of April 2007. Powerline Africa, which has been engaged to construct the 120 kVA power line which will link Kinsevere to the DRC national hydro-electric grid has delivered equipment to the site and has commenced clearing works. An agreement was signed with SNEL (Société Nationale d'Électricité du Congo) in December 2006 for the supply of electrical power sufficient to support the planned Stage II Solvent Extraction and Electrowinning ("SX-EW") development.



Kinsevere Resources Increased to 1.58 Million Tonnes of Contained Copper

The previous Mineral Resource estimate for the Kinsevere Project, which was announced in November 2005, was based on the Phase 1 drill program of approximately 8,000 metres carried out on the Tshifufia, Tshifufiamashi and Kinsevere Hill deposits. The 2006 Phase 2 drill program of 17,220 metres, which focussed entirely on the Tshifufia deposit, increased the Measured, Indicated and Inferred Resources to 1.58 million tonnes of contained copper, from 348,400 tonnes of contained copper metal at 2005 year end. Phase 2 drilling on the neighboring Tshifufiamashi and Kinsevere Hill deposits will be undertaken in 2007.

The drilling results from the Tshifufia deposit at Kinsevere have exceeded the Company's expectations and, due to the size of the latest Mineral Resource estimate and the significant further potential that exists, the scale of the planned Stage II SX-EW plant has been doubled from 30,000 to 60,000 tonnes per annum of copper. Given this unexpected, but positive, change in plan, the Feasibility Study on the Stage II SX-EW development will now be completed during the second quarter of 2007. Lycopodium Pty Ltd, an engineering company based in Perth, Western Australia, has been retained to complete preliminary design and costing of the Kinsevere Stage II SX-EW Plant.

Outlook

The Company has achieved strong production performance and financial result in 2006. With two mines now in production, and one more commencing production during the second quarter of 2007, the Company expects to produce more than 50,000 tonnes of copper and close to 2.0 million ounces of silver during 2007. The Company will strive to continue to deliver on its commitments for the benefit of its shareholders. Based on its 2007 targeted production, and in conjunction with the Company's cash reserves of \$155 million at year-end 2006, the Company anticipates that there will be sufficient financial resources to meet its 2007 development plans.

During 2007, the Company is committed to:

- Produce more than 50,000 tonnes of copper and close to 2.0 million ounces of silver;
- Achieve design capacity at the new Kinsevere HMS plant in the second quarter;
- Prepare for the transition into full-scale underground operations at Dikulushi mine in the third quarter of 2007;
- Complete a Bankable Feasibility Study for an 60,000 tonnes per annum SX-EW development at Kinsevere during the second quarter;
- Complete an intensive drilling program totaling over 50,000 meters at Dikulushi, Mutoshi and Kinsevere to continue the solid growth of the Company's resource base; and
- Construction of an EAF and 14km power transmission line at Kulu for the end of the fourth quarter of 2007.

Capital and development expenditures for 2007 are budgeted to be in the order of \$65 million and consist of sustaining capital expenditures for operations (\$9 million), completion of the Stage I HMS plant and EAF at Kinsevere (\$24 million), completion of the underground development at Dikulushi (\$6 million), the construction of the EAF and power transmission line at Kulu (\$13 million) and exploration expenditures (\$13 million). These capital and development expenditures



exclude the capital cost of the Stage II initial development of a 60,000 tonnes per annum SX-EW plant, the cost for which will be available following the completion of a feasibility study in the second quarter of 2007.

Year-end 2006 Financial results Conference Call Reminder

A conference call will be held at 4:00 p.m. (EST-North American time) on Monday, February 26, 2007 , coinciding with 8:00 a.m. (Sydney time) on Tuesday, February 27, to discuss the results announced in this News Release. Details to access the conference call and the live audio webcast are as follows:

Conference call:

(Please call approximately five minutes prior to the scheduled start of the call)

- Toll-free within North America: 1-800-732-9307
- For local and overseas calling: 1-416-644-3415

Live audio webcast of the conference call (listen mode only):

- **CNW Group** website at:
<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1739980>

Replay Information (available for a period of 7 days):

- The conference call will be recorded and a playback of the call will be available after the event by dialling 1-877-289-8525 or 1-416-640-1917, **Reservation number 21219663 followed by the pound (#) key**

Anvil Mining Limited is an unhedged copper and silver producer whose shares are listed for trading on the Toronto Stock Exchange (as common shares) and the Australian Stock Exchange (as CDIs) under the symbol AVM. It owns and operates the Dikulushi copper-silver mine and the Kulu copper tailings operation in the Katanga Province of the DRC. In addition, the Company is currently developing the Kinsevere project as the Company's third mine in the DRC.

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***Additional Notes:** The information in this news release that relates to in-situ Mineral Resources is based on information compiled by Gerry Fahey of FinOre Pty Ltd. Gerry Fahey is a Chartered Professional and a member of the Australasian Institute of Mining and Metallurgy, and a member of the Australian Institute of Geoscientists, and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Qualified Person in terms of the Canadian National Instrument 43-101. Gerry Fahey consents to the inclusion of such information in this news release in the form and context in which it appears.*



Caution Regarding Forward Looking Statements: *The forward-looking statements made in this news release are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the operation and new developments at the Dikulushi and Kulu mining and processing operations, the development of the Kinsevere deposits and estimated future production involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of copper and silver, the actual results of current exploration, the actual results of future mining, processing and development activities, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's filed documents.*

Statements regarding the Company's plans with respect to further evaluation and future development of the Kulu coarse rejects/tailings deposit, the evaluation of the Mutoshi and Kinsevere-Nambulwa Projects (including Tshifufia Central, Tshifufia South and Tshifufiamashi) and the recent underground development at the Dikulushi operation are forward-looking statements. There can be no assurance that future due diligence will be successfully completed, that future required regulatory approvals will be obtained or that anticipated transactions will be completed satisfactorily. There can be no assurance that the Company will be able to confirm the presence of a mineral deposit at any of the prospects at Mutoshi or Kinsevere-Nambulwa, nor that any mineralization will be proven to be economic.



Key Financial and Production Data (unaudited)

	Fourth Quarter ended December 31,		Year ended December 31,	
	2006	2005	2006	2005
Revenues: (\$ millions)				
Copper-silver and copper concentrate sales	42.7	25.9	175.4	61.8
Operating profit: (\$ millions)	25.8	10.0	107.0	18.8
Net earnings : (\$ millions)	21.3	6.1	82.2	7.5
Realized Price: (\$)				
<i>Dikulushi mine:</i>				
Copper per pound	2.72	1.86	3.04	1.63
Silver per ounce	12.32	7.75	11.20	7.16
<i>Kulu mine:</i>				
Copper concentrate per tonne (ex mine gate)	652	-	643	-
PRODUCTION STATISTICS:				
Dikulushi mine				
Ore processed (tonnes)	92,755	127,222	470,402	410,374
Copper grade (%)	6.92	5.49	5.41	5.07
Contained Copper in Ore (tonnes)	6,417	7,049	25,456	20,802
Recovery (%)	89.9	86.3	88.9	85.7
Copper produced in concentrates (tonnes)	5,774	6,085	22,618	17,816
Silver produced in concentrates (ounces)	569,655	587,882	2,174,448	1,721,768
Ore mined (tonnes)	41,300	135,002	607,132	382,344
Waste mined (bcm)	33,597	620,807	1,261,963	2,461,098
Costs of production: (\$)				
Operating cash costs per pound (after silver credits) (ex mine gate)	0.14	0.43	0.28	0.42
Total cash costs (after silver credits)	1.01	0.93	1.02	0.88

Key Financial and Production Data (cont.) (unaudited)

PRODUCTION STATISTICS:

Kulu mine

Ore processed (tonnes)	92,509	17,981	307,589	17,981
Copper grade (%)	7.61	7.67	8.07	7.67
Contained copper in ore (tonnes)	7,038	1,379	24,833	1,379
Recovery (%)	62.6	51.6	66.51	51.6
Copper produced in concentrates (tonnes) ¹	4,749	1,361	19,956	1,361
Ore mined (tonnes)	51,968	122,125	272,759	122,125
<i>Costs of production²: (\$)</i>				
Operating cash costs per tonne (ex mine gate)	285	166	237	166

¹ Includes concentrate purchased from local artisanal miners



Consolidated Balance Sheets (unaudited)

	December 31	December 31
	2006	2005
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	59,302	7,945
Restricted cash	219	204
Accounts receivable	29,594	7,915
Inventories	18,020	7,353
Investments	95,819	-
Prepaid expenses and deposits	6,936	826
	209,890	24,243
Deferred financing fees	791	1,584
Deferred mining costs	-	4,078
Exploration and evaluation expenditure	127,138	27,578
Property, plant and equipment	63,930	30,057
Future income tax asset	737	-
	402,486	87,540
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	14,285	7,958
Current income taxes	3,281	75
Other liabilities	676	490
Current portion of long term debt	8,000	5,500
Purchase consideration payable	46,250	4,526
	72,492	18,549
Long term debt	4,000	5,146
Purchase consideration payable	-	2,085
Future income tax liability	36,505	6,413
Asset retirement obligations	1,402	778
	114,399	32,971
Non controlling interest	8,291	1,722
Shareholders' equity		
Equity accounts	187,082	42,310
Retained earnings	92,714	10,537
Total Shareholders' equity	279,796	52,847
	402,486	87,540



Consolidated Statements of Earnings and Retained Earnings (unaudited)

	Year Ended December 31 2006 \$	Year Ended December 31 2005 \$
Concentrate sales	175,443	61,822
Operating expenses	(60,845)	(37,149)
Amortization	(7,561)	(5,881)
Operating profit	107,037	18,792
Other income	5,974	100
General, administrative and marketing	(10,134)	(4,330)
Exploration expenditure written off	(42)	-
Foreign exchange gains/(losses)	(370)	(5)
Stock based compensation	(1,367)	(630)
Interest and financing fees	(4,505)	(4,868)
Earnings before income tax and non controlling interest	96,593	9,059
Income tax	(3,830)	(17)
Non controlling interest	(10,586)	(1,535)
Net Earnings	82,177	7,507
Retained earnings at beginning of the year	10,537	3,030
Retained earnings at end of the year	92,714	10,537
Basic earnings per share (\$)	1.65	0.26
Diluted earnings per share (\$)	1.61	0.25

Consolidated Statement of Cash Flows (unaudited)

	Year Ended December 31 2006 \$	Year Ended December 31 2005 \$
Cash flows from operating activities		
Net earnings for the year	82,177	7,507
Items not affecting cash		
Amortization	7,561	5,881
Exploration expenditure written off	42	-
Loss on disposal of assets	-	4
Non controlling interest	10,586	1,535
Deferred financing fees – amortized	1,770	497
Unrealized foreign exchange (gains)/losses	(2,048)	(63)
Stock based compensation	1,367	630
Future tax	549	17
Investment interest and coupons classified as cash flows from investing activities	(2,558)	-
Changes in non-cash working capital	(24,861)	(6,137)
	74,585	9,871
Cash flows from investing activities		
Payments for property, plant and equipment	(39,276)	(12,317)
Proceeds from sale of property, plant and equipment	84	-
Payment for acquisition of initial 70% interest in Mutoshi project	(6,491)	(7,366)
Payments for exploration and evaluation expenditure	(4,412)	(3,802)
Payment for acquisition of additional 10% interest in AMCK Mining s.p.r.l.	(10,000)	-
Payment for acquisition of additional 12.5% interest in Emiko s.p.r.l.	(9,873)	-
Payments for investments	(132,288)	-
Proceeds of principal repayments from investments	36,469	-
Interest and coupon payments received on investments	2,558	-
	(163,229)	(23,485)
Cash flows from financing activities		
Proceeds from issue of shares (net of issue expenses)	139,398	550
Decrease in restricted cash	-	13,929
Proceeds from borrowings (net of fees incurred)	14,250	9,146
Repayment of borrowings	(13,646)	(6,625)
	140,002	17,000
Net increase in cash and cash equivalents	51,358	3,386
Cash and cash equivalents at beginning of the year	7,945	4,559
Effects of exchange rate changes on cash held in foreign currencies	(1)	-
Cash and cash equivalents at end of the year	59,302	7,945