



ANVIL MINING LIMITED

Suite 2821, 1 Place Ville Marie, Montreal, Quebec H3B 4R4 • Tel: (514) 448-6664, Fax: (514) 448-6665
Level 2, 38 Richardson Street, West Perth, Western Australia, 6005 • Tel: 61 (8) 9481-4700, Fax: 61 (8) 9481-4800

News Release

FOR IMMEDIATE RELEASE

February 7, 2006

All amounts are expressed in US dollars

TSX, ASX: AVM

Common shares outstanding: 29.3 million

Anvil's Dikulushi and Kulu Copper Mines produce an Operating Profit of \$18.8 million for the 2005 Financial Year with consolidated Net Earnings of \$7.5 million

Anvil Mining (TSX, ASX: AVM) today announced consolidated net earnings of \$7.5 million (\$0.26 per share) for the year ended **December 31, 2005** from its Dikulushi and recently commissioned Kulu mines in the Democratic Republic of Congo (DRC). This result compares with \$4.2 million (\$0.19 per share) for calendar year 2004⁽¹⁾, representing an increase of 78%. Revenues were \$61.8 million, almost double those of the previous year. Higher revenues and net earnings were due to the excellent performance of the Dikulushi mine in the second half of 2005 following the re-accessing of the main Dikulushi orebody and the commissioning of the second ball mill in mid-2005, as well as the influence of the copper and silver markets which have continued to strengthen. The Company achieved a production record of 19,177 tonnes of copper and 1.7 million ounces of silver for the year.

Consolidated net earnings for the **fourth quarter ended December 31, 2005** were \$6.1 million (\$0.21 per share). Comparative net earnings for the fourth quarter of the previous year were \$0.5 million (\$0.02 per share). Revenues for the quarter totaled \$25.9 million, up 198% compared to the corresponding quarter in 2004. The Company's two mines generated an operating profit, after depreciation and amortization, of \$10.0 million, compared to \$1.8 million in the fourth quarter of 2004. Copper and silver production for the fourth quarter reached a record of 7,466 tonnes and 587,882 ounces respectively. The Dikulushi unit operating cash costs (after silver credits) at the mine gate were \$0.43 per pound of payable copper produced, and total cash operating costs (after silver credits) were \$0.93 per pound of payable copper, reflecting worldwide increases in consumables and fuel which had an impact not only on Anvil, but on the mining industry overall.

Bill Turner, President and CEO commented, "Anvil Mining finished the year with another strong quarter. Dikulushi mine continued its strong performance and the Kulu mine began commercial production in December 2005, ahead of schedule and below budget. Record production supported by strong copper and silver markets enabled the Company to achieve new records for revenues, earnings and cash flows. The Company's staged development approach with a focus on high-grade resources is delivering the desired results with the Company's two new projects set for substantial growth over the next 2-3 years."

The complete Financial Statements together with the related Management's Discussion and Analysis is available at Anvil's website at www.anvilmining.com under the heading "Latest News".

(1) The 2004 comparative financial results consist of reconstructed (unaudited) numbers for comparison purpose only. In 2004, the Company changed its financial year-end from June 30 to December 31.

Highlights: Twelve Months Ended December 31, 2005

- Anvil achieves record production of 19,177 tonnes of contained copper and 1.7 million ounces of silver with an ex-mine gate operating cash cost (after silver credits) of \$0.42 per payable pound of copper produced.
- Average realized metal prices of \$1.63 per pound of copper and \$7.16 per ounce of silver.
- Revenues from copper-silver concentrate sales of \$ 61.8 million.
- Operating profit (after D&A) of \$18.8 million.
- Consolidated net earnings of \$7.5 million (\$0.26 per share).
- Cash flow from operations, before non-cash working capital movements, of \$ 16.0 million.
- Exploration programs add more than 600,000 tonnes of contained copper to the resource base of the Company's projects; an increase of more than 500%.

Highlights: Fourth Quarter 2005

- Dikulushi mine achieves record production of 7,446 tonnes of contained copper and 587,882 ounces of silver with an ex-mine gate operating cash cost (after silver credits) of \$0.43 per payable pound of copper produced.
- Average realized metal prices of \$1.86 per pound of copper and \$7.75 per ounce of silver.
- Revenues from copper-silver concentrate sales of \$25.9 million.
- Operating profit (after D&A) of \$10.0 million.
- Consolidated net earnings of \$6.1 million (\$0.21 per share).
- Cash flow from operations, before non-cash working capital movements, of \$9.4 million.
- Commercial production from the Kulu mine from December 1, 2005.

Expenditures and Cash Position

For the year 2005, capital expenditures amounted to \$23.5 million, comprising \$7.4 million for acquisition payments for the Mutoshi and Kinsevere-Nambulwa projects, \$12.3 million for the construction and development of the mine infrastructure at the Kulu mine in Kolwezi, purchase of exploration drilling equipment and plant and equipment at the Dikulushi mine. An amount of \$3.8 million was incurred on exploration expenditures and for completion of the Kulu pre-feasibility study and on the Kulu and Kinsevere technical reports.

PRODUCTION AND COSTS

Dikulushi Mine (90%)

The Dikulushi mine achieved record production for the third consecutive quarter this year. Fourth quarter production totaled 6,085 tonnes of copper and 587,882 ounces of silver contained in high-grade concentrates. Operating cash costs at the mine gate (after silver credits) were \$0.43 per payable pound of copper produced and total operating cash costs (after silver credits) were \$0.93 per payable pound of copper produced. As previously reported, operating performance suffered during the first half of 2005 as a result of the Company's South African mining contractor going into liquidation the previous year. The mine was back on track by mid-2005 with the re-accessing of the high-grade main orebody and the commissioning of the second ball mill.

For the year, the Dikulushi mine produced 17,816 tonnes of copper (39.3 million pounds) and 1.7 million ounces of silver contained in concentrates at an operating cash cost (after silver credits) of \$0.42 per payable pound of copper and a total cash cost (after silver credits) of \$0.88 per payable pound of copper. With the successful completion of the Stage II expansion, the mine is now set to produce at an annualized rate of 20,000 tonnes of copper and 1.7 million ounces of silver.

Dikulushi Mine – Quarterly and Full Year 2005 Production Summary

Production Statistics	2005				
	Dec. Qtr	Sept. Qtr	June Qtr	March Qtr	12 months Ending Dec 31
Ore mined (tonnes)	135,002	83,266	72,214	91,862	382,344
Ore processed (tonnes)	127,222	120,822	81,518	80,812	410,374
Ore grade (Cu %)	5.5	5.5	4.9	3.9	5.1
Contained copper (tonnes)	7,049	6,663	3,971	3,119	20,802
Recovery (%)	86.3	86.7	85.5	82.1	85.6
Copper produced (tonnes)	6,085	5,777	3,395	2,559	17,816
Silver produced (ounces)	587,882	586,875	301,967	245,044	1,721,768
Payable pounds of copper in concentrate delivered (millions)	12.9	10.4	6.8	5.6	35.7
Payable ounces of silver in concentrate delivered	542,029	432,494	262,111	230,168	1,466,802
Operating cash costs after silver credits (\$/payable lb produced)	0.43	0.34	0.36	0.64	0.42
Total cash costs after silver credits (\$/payable lb produced)	0.93	0.79	0.79	1.11	0.88

Kulu Mine (70%)

Kulu is the second high-grade open-pit copper mine that the Company's seasoned development and construction team has commissioned in the Katanga Province of the DRC. After a construction period of less than three months, the HMS operation began commercial production in December 2005, under budget and ahead of schedule. The average grade of the resource targeted for the first three years of operation is expected to be in excess of 6% copper. For the first month of production in December 2005, the Kulu mine produced 2,493 tonnes of copper concentrate, containing 711 tonnes of copper. Production is expected to reach 5,000 tonnes of concentrate per month by the end of the first quarter of 2006 following the commissioning of the scrubber, which has already been partly installed.

The concentrate from the Kulu mine is being sold to a smelter in Kolwezi where it is smelted to produce "black copper" ingots assaying 85 to 90% copper. Some 2,711 tonnes of oxide concentrates containing 650 tonnes of copper were purchased during the latter half of the year from local operators on the Kulu leases.

In November 2005, the Company released an upgraded mineral resource estimate for the Kulu coarse rejects/tailings deposit which more than doubled the Kulu resource from 106,000 tonnes of contained copper to 255,000 tonnes of contained copper, including Measured and Indicated Resources of 4.3 million tonnes at an average grade of 4.4% copper. The results of the evaluation program were announced in a News Release issued on November 21, 2005. An updated Technical Report according to Canadian National Instrument (NI 43-101) on the Kulu deposit was subsequently completed and filed on SEDAR in December 2005.

Following the upgrading of the Kulu mineral resources, the Company finalized a pre-feasibility study on a 30,000 tonne per year SXEW (solvent extraction-electrowinning) plant that would produce high-value copper cathodes. The study indicated a capital cost of \$57 million, a construction period of 24 months and an operating cash cost of \$0.49 per pound of cathode copper. The Company has commissioned a bankable feasibility study which is expected to be completed during the third quarter of 2006, with the aim of commencing an SXEW operation in early 2008.

Kinsevere Project (70%)

In November 2005, the Company finalized the acquisition of a 70% interest in the Kinsevere and Nambulwa copper-cobalt projects with La Générale des Carrières et des Mines (Gécamines) and Mining Company of Katanga s.p.r.l (MCK). This agreement gives Anvil and MCK the mining rights for more than 25 years for the Kinsevere and Nambulwa copper-cobalt deposits located 27 km north-east of Lubumbashi, the provincial capital of the Katanga Province of the DRC. The lease agreement falls under the new DRC Mining Code introduced in 2003.

Prior to finalizing the agreement with Gécamines, Anvil completed a substantial drilling program at Kinsevere. At the end of November 2005, the Company announced an initial resource estimate to a vertical depth of 100 metres of 348,000 tonnes of contained copper, including an Indicated Resource of 5.7 million tonnes at an average grade of 3.7% copper. A Technical Report according to Canadian National Instrument (NI 43-101) for the Kinsevere Project was produced and filed on SEDAR in December 2005.

The Company has commenced a scoping study on the development options for the Kinsevere project which are expected to comprise an HMS starter project subsequently being replaced by an SXEW plant. This study is expected to be completed by the second quarter of 2006.

FINANCING

During December 2005, Anvil Mining obtained a two-year \$15 million secured facility from Fortis Bank which will be used to repay the existing RMB Resources Limited (RMB) facility of \$5.5 million (at December 31, 2005), as well as to complete the Kulu project development and pay the balance of the acquisition cost of the Mutoshi project.

In addition to the Fortis Bank secured facility, the Company has obtained an eighteen-month unsecured loan of C\$6 million from its major shareholder Deans Knight Capital Management Ltd. The funding agreement provides for the Company to issue 600,000 two-year warrants with an exercise price of C\$6.25 per share to Deans Knight as part of the fee for providing the loan.

OUTLOOK

The Company has achieved strong production performance and financial results in 2005, particularly in the second half. With two mines now in production, the Company expects to more than double its copper production in 2006. The Company is positioning itself for significant future growth with a medium-term copper production target of approximately 100,000 tonnes per year. With a number of recent appointments, the Company now has the human resources in place, two solid producing assets and a significant number of attractive projects in the pipeline to achieve its

growth objectives, particularly at Mutoshi and Kinsevere. The Company expects to continue to deliver on its commitments for the benefit of its shareholders. During 2006, the Company is committed to:

- Produce 40,000 tonnes of copper and 1.7 million ounces of silver;
- Achieve design capacity at the Kulu HMS plant in the second quarter;
- Initiate underground development at Dikulushi during 2006 to prepare for the transition into full-scale underground operations in late 2007;
- Complete a Bankable Feasibility Study for an SXEW development at Kulu during the third quarter;
- Complete a scoping study on development options for Kinsevere during the second quarter;
- Escalate resource drill-out programs at Dikulushi, Mutoshi and Kinsevere to continue the solid growth of the Company's resource base; and
- Establish sufficient resources to support a 15-20 year mine life.

Anvil Mining Limited is an unhedged copper and silver producer whose shares are listed for trading on the Toronto Stock Exchange and the Australian Stock Exchange 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.

For additional information, please contact:

Bill Turner

President & CEO

Tel: +61-8-9481 4700

Email: billt@anvilmining.com (Perth) Company Web site: www.anvilmining.com

Craig Munro

Vice President Corporate & Finance

Tel: +61-8-9481 4700

Email: craigm@anvilmining.com (Perth)

Robert La Vallière

Vice President Investor Relations

Telephone: Office +1 (514) 448 6664, Cell +1 (514) 944 9036

Email: robertl@anvilmining.com (Montréal)

Additional Notes:

***Non-GAAP Financial Measures:** The terms "total cash cost" and "cash cost of production" are used on a per payable pound of copper basis. Total cash cost per payable pound is equivalent to the cumulative cost of mine site mining and processing operations, transport, smelting, refining and marketing expenses (including the net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the period. Cash cost of production per payable pound of copper is equivalent to the cost of mine site mining and processing operations (including the net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the period.*

Cash operating cost information is included to provide information about the cost structure of mining operations. The term "operating profit" represents the net attributable revenues after deducting all mine operating costs and amortization. The mine operating costs exclude exploration expense, foreign exchange gains and losses and interest

and financing fees. This information differs from measures of performance determined in accordance with GAAP in Canada and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under Canadian GAAP and may not be comparable to similarly titled measures of other companies.

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 prices of copper and silver, resource and reserve estimates, estimated future production and estimated costs of 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 future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual prices of copper and silver, the actual results of current exploration, development and mining activities, changes in project parameters as plans continue to be evaluated, changes in the political environment in the countries in which the Company is operating, as well as those factors disclosed in the Company's filed documents.*

Statements regarding the Company's plans with respect to the evaluation and future development(including SXEW development) and expansion of the Kulu coarse rejects/tailings deposit, the evaluation of the Mutoshi and Kinsevere Projects (including Tshifufia Central, Tshifufia South and Tshifufiamashi), future development plans (including SXEW development) for the Kinsevere Project, future exploration efforts designed to establish long mine life operations, and the recent expansion of the Dikulushi operation are forward-looking statements. Furthermore, there can be no assurance that future due diligence will be successfully completed, that future required regulatory approvals, where required 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, nor that any mineralization will be proven to be economic. Similarly, there can be no assurance as to the exact result of the recent expansion of the Dikulushi operation.

Anvil Mining Limited

(Expressed in thousands, of U.S dollars, except per share amounts and as otherwise stated)

Consolidated Balance Sheets

	Notes	December 31 2005 \$	December 31 2004 \$	June 30 2004 \$
ASSETS				
Current assets				
Cash and cash equivalents		7,945	4,559	7,170
Restricted cash	6	204	14,133	134
Accounts receivable		7,915	2,181	1,144
Inventories	7	7,353	5,514	2,228
Investments		-	-	55
Prepaid expenses and deposits		826	639	391
		<u>24,243</u>	<u>27,026</u>	<u>11,122</u>
Deferred financing fees	8	1,584	679	709
Deferred mining costs	9	4,078	2,617	1,975
Exploration and evaluation expenditure	10	27,578	4,727	2,194
Property, plant and equipment	11	30,057	21,509	16,022
		<u>87,540</u>	<u>56,558</u>	<u>32,022</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		7,958	4,640	4,235
Current income taxes		75	45	41
Other liabilities		490	500	195
Current portion of long term debt	12	5,500	6,625	3,300
Purchase consideration payable	13	4,526	-	-
		<u>18,549</u>	<u>11,810</u>	<u>7,771</u>
Long term debt	12	5,146	1,500	2,825
Purchase consideration payable	13	2,085	-	-
Future tax liability		6,413	-	-
Environmental and mine closure liabilities		778	306	294
		<u>32,971</u>	<u>14,229</u>	<u>11,527</u>
Non controlling interest	14	1,722	613	637
Shareholders' equity				
Equity accounts	15	42,310	39,299	18,341
Retained earnings		10,537	3,030	2,154
		<u>52,847</u>	<u>42,329</u>	<u>20,495</u>
Total Shareholders' equity		<u>87,540</u>	<u>56,558</u>	<u>32,022</u>
Commitments for expenditure	17			
Contingent liabilities	18			
Subsequent events	25			

Approved by the Board of Directors

(signed)
William S Turner

(signed)
John W Sabine

The accompanying notes are an integral part of these consolidated financial statements.

Anvil Mining Limited

(Expressed in thousands, of U.S dollars, except per share amounts and as otherwise stated)

Consolidated Statements of Earnings and Retained Earnings

	Notes	12 Months Ended December 31 2005 \$	6 Months Ended December 31 2004 \$	12 Months Ended June 30 2004 \$
Concentrate sales		61,822	15,867	29,081
Operating expenses		(37,149)	(10,487)	(16,658)
Amortization		(5,881)	(1,737)	(2,300)
Operating profit		18,792	3,643	10,123
Other income	4	100	382	1,408
		(4,330)	(1,515)	(1,609)
General, administrative and marketing				
Exploration expense		-	-	(518)
Foreign exchange gains/(losses)		(5)	70	(328)
Stock based compensation	4	(630)	(245)	(191)
		(4,868)	(1,270)	(2,154)
Interest and financing fees				
Earnings before income tax and non controlling interest		9,059	1,065	6,731
Income tax	5	(17)	-	(41)
Non controlling interest		(1,535)	(189)	(637)
Net Earnings		7,507	876	6,053
Retained earnings (deficit) at beginning of the period		3,030	2,154	(3,899)
Retained earnings at end of the period		10,537	3,030	2,154
Basic earnings per share (cents)	21	26.0	3.7	30.7
Diluted earnings per share (cents)	21	25.3	3.6	28.7

The accompanying notes are an integral part of these consolidated financial statements.

Anvil Mining Limited

(Expressed in thousands, of U.S dollars, except per share amounts and as otherwise stated)

Consolidated Statements of Cash Flows

	Notes	12 Months Ended December 31 2005 \$	6 Months Ended December 31 2004 \$	12 Months Ended June 30 2004 \$
Cash flows from operating activities				
Net earnings for the period		7,507	876	6,053
Items not affecting cash				
Amortization		5,881	1,737	2,300
Exploration expenditure written off		-	-	94
Gain on disposal of investments		-	(363)	(1,374)
Loss on disposal of assets		4	-	-
Non controlling interest		1,535	189	637
Deferred financing fees – amortized		497	162	195
Unrealized foreign exchange (gains)/losses		(63)	(264)	7
Stock based compensation		630	245	191
Income tax expense		17	-	-
Changes in non-cash working capital	23	(6,137)	(4,491)	(3,476)
		9,871	(1,909)	4,627
Cash outflows from investing activities				
Payments for property, plant and equipment		(12,317)	(7,583)	(7,671)
Acquisition costs	13a	(7,366)	-	-
Proceeds from sale of investments		-	424	1,633
Payments for exploration and evaluation expenditure		(3,802)	(2,533)	(752)
		(23,485)	(9,692)	(6,790)
Cash inflows from financing activities				
Proceeds from issue of shares (net of issue expenses)		550	20,712	6,558
Decrease/(increase) in restricted cash		13,929	(13,759)	-
Proceeds from borrowings		9,146	3,150	4,000
Repayment of borrowings		(6,625)	(1,150)	(2,036)
		17,000	8,953	8,522
Net increase (decrease) in cash and cash equivalents		3,386	(2,648)	(6,359)
Cash and cash equivalents at beginning of the period		4,559	7,170	645
Effects of exchange rate changes on cash held in foreign currencies		-	37	166
Cash and cash equivalents at end of the period		7,945	4,559	7,170
Non cash financing and investing activities				

24

The accompanying notes are an integral part of these consolidated financial statements.