



anvilmining

News Release

FOR IMMEDIATE RELEASE
January 29, 2008

TSX, ASX: AVM

Common shares outstanding 71.1 million

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

Anvil Mining Provides Update on Cash and Investments

Montréal, Canada: Anvil Mining Limited (TSX, ASX: AVM), (“Anvil” or the “Company”) today provided an update on the status of its portfolio of cash and short-term investments. All currency amounts in this news release are in United States Dollars. As a result of the Company’s on-going review of its portfolio and recent events experienced by certain of its investments, the Company now anticipates that it will increase the provision for impairment of income from its investments to approximately \$9.4 million in its 2007 year-end financial statements. This compares to a provision of \$0.8 million that was included in the Company’s financial statements for the quarter ended September 30, 2007.

As at January 28, 2008, Anvil had cash, short-term investments and other investments totalling \$273.3 million, held as follows:

Description	Value \$	Percentage of cash, short-term investments and other investments
Cash and short-term investments		
Short-term bank deposits ¹	165.0	60.4%
Call accounts with transactional bankers ¹	36.0	13.2%
Total cash and short-term investments	201.0	75.0%
Other investments (weighted average life between one and four years)		
Medium-term U.S. floating rate notes	48.6	17.8%
Single-name commercial paper	10.0	3.7%
U.S. sub-prime mortgage-backed securities	7.2	2.6%
Australian prime mortgage-backed securities	4.5	1.6%
Singaporean prime mortgage-backed securities	2.0	0.7%
Total other investments	72.3	25.0%
TOTAL CASH, SHORT-TERM INVESTMENTS AND OTHER INVESTMENTS	273.3	100.0%

1. Held with major international banks rated AA or higher.

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people	mine
explore	grow
develop	sustain



In its financial statements for the period ending September 30, 2007, the Company included a provision of \$0.8 million, for impairment of income from its investments. This provision related to a \$5 million medium-term floating rate investment. The Company's financial risk management advisors, Oakvale Capital Limited ("Oakvale"), last week notified the Company that the position of this investment has significantly deteriorated. As a result, the Company expects to increase its provision for impairment in respect of this investment by an additional \$4.2 million, to equal the total amount of the investment.

The Company was also notified by Oakvale that two further investments, (totalling \$7.2 million of U.S. sub-prime mortgage-backed securities investments) were at increased risk. One investment, in the amount of \$5 million, has experienced a material ratings downgrade from AA to CCC. After consultation with Oakvale, the Company plans to provide \$3.8 million for possible loss on this investment. Finally, a third investment, in the amount of \$2 million, has experienced a ratings downgrade from AA to A as a consequence of failing to meet its asset collateralization test, although it has continued to meet its interest coverage test. Based on advice from Oakvale, the Company will provide \$0.6 million against this investment.

Oakvale further advised the Company that to date there has been no impairment, and there is no current risk of impairment, on its remaining investments, with interest income and principal repayments occurring as expected, and that based on currently available information, Oakvale does not see further risk of impairment. It also notes that since the original investment of these funds in the second quarter of 2006, the interest received to December 31, 2007 exceeds the \$9.4 million provision by almost \$2.4 million.

Standard and Poors ("S&P") credit ratings of the Company's \$72.3 million of other investments itemised above is as follows; \$23.6 million AAA, \$16.7 million AA, \$10 million A+, \$2 million A, \$10 million BBB+, \$5 million CCC and \$5 million D. Of the additional provision of \$8.6 million, \$8 million relates to the two investments rated CCC and D respectively.

Based on anticipated cash flow from its 2008 targeted production and in conjunction with the Company's cash, cash equivalents, investments, and debt capacity (currently no borrowing), the Company expects that it will have sufficient financial resources to meet its 2008 and 2009 exploration and development plans, including the completion of its 60,000 tonnes *per annum* SX-EW Stage II development at the Kinsevere mine in the Democratic Republic of Congo.

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 has majority interests in and operates the Dikulushi copper-silver mine, the Kinsevere copper mine, and the Kulu copper tailings operation in the Katanga Province of the Democratic Republic of Congo.

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Caution Regarding Forward Looking Statements: *The forward-looking statements made in this news release are based on management's assumptions and judgments regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the Company's portfolio of short-term investments and its 2008 and 2009 development plans, involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements 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 condition of financial markets.*