



anvilmining

News Release

FOR IMMEDIATE RELEASE

February 26, 2008

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

TSX, ASX: AVM

Common shares outstanding 71.1 million

Record Year for Production, Revenues, Net Income and Cash Flows

Montréal, Canada: Anvil Mining Limited (TSX, ASX: AVM), (“Anvil” or the “Company”) and including its subsidiaries is pleased to announce its unaudited results for the year ended December 31, 2007. The Company recorded consolidated net income of \$117.2 million (\$1.81 per share on a weighted average number of shares basis) for the year ended December 31, 2007, compared to \$82.2 million (\$1.65 per share) for 2006. Concentrate sales also reached a yearly record of \$263.2 million, compared to \$175.4 million for 2006. Operating cash flow before working capital movements was a record \$166.3 million (\$2.57 per share), compared to \$102.0 million (\$1.80 per share) in 2006. Consolidated copper and silver production was also a yearly record of 47,633 tonnes of copper and 2,451,269 ounces of silver contained in concentrates. Audited results are expected to be released later today.

2007 Highlights- Year ended December 31.

- **Record annual production** of 47,633 tonnes of copper and 2,451,269 ounces of silver contained in concentrates.
- **Record annual revenues** from copper-silver and copper concentrate sales of \$263.2 million, up 50% compared to 2006.
- **Record annual net income** of \$117.2 million (\$1.81 per share), up by 43% compared to 2006.
- **Record annual operating profit** (after depreciation and amortization) of \$160.3 million, up by 50% compared to 2006.
- **Record annual cash flows** from operating activities (before working capital movements) of \$166.3 million (\$2.57 per share) up by 63% compared to 2006.
- **Underground ore production at Dikulushi commenced** in the fourth quarter of 2007
- **Commissioning of the Kinsevere Stage I Heavy Media Separation plant** which reached design capacity of 500,000 tonnes of ore per year last July.
- **Increase of 34% in Measured and Indicated Resources** and a subsequent increase of 32% in Proven and Probable Mineral Reserves at Kinsevere.
- **Cash and cash equivalents** at year end of \$279.9 million (\$3.94 per share).

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people	mine
explore	grow
develop	sustain

Highlights for the fourth quarter ended December 31, 2007

- **Record quarterly production** of 16,878 tonnes of copper and 717,402 ounces of silver contained in concentrates.
- **Record quarterly revenues** from copper-silver and copper concentrates sales of \$79.3 million, an increase of 86%, compared to the corresponding quarter of 2006.
- **Net income** of \$21.7 million (\$0.31 per share), an increase of 2%, compared to the corresponding quarter of 2006.
- **Operating profit** (after depreciation and amortization) of \$44.2 million, an increase of 71.3% compared to the corresponding quarter of 2006.
- **Record quarterly cash flows** from operating activities (before working capital movements) of \$47.2 million (\$0.67 per share), an increase of 98% compared to the corresponding quarter of 2006.
- **Completion of transition to underground mining** at Dikulushi.
- **Completion of Kinsevere Stage II updated feasibility study on 60,000 tpa** Solvent Extraction and Electrowinning (“SX-EW”) expansion following significant increases in the Mineral Reserves and Resources.

Bill Turner, President and Chief Executive Officer of Anvil, commented, “The year 2007 was another exceptional year with annual records set in production, sales of our copper and silver concentrates, operating profit, net income and operating cash flows before working capital movements. Our net income reached \$117.2 million or \$1.81 per share, the highest level in the history of the Company. The increase in copper production is mainly due to the commissioning of the Kinsevere Stage I in June, our third mine in the DRC. Our strong financial performance was due to continued above-target operational performance at the Dikulushi mine and increases in realized copper and silver prices. Now with three mines in production, the Company expects to produce more than 55,000 tonnes of copper and 1.3 million ounces of silver in 2008 with a mid-term objective to double this level of production in 2010, at which time more than 55% of the copper production will be in the form of pure LME Grade A copper cathodes.”

Progress on Kinsevere Stage I & II

In early February 2008, the Company announced an updated feasibility study for the Stage II 60,000 tonnes *per annum* capacity SX-EW expansion at Kinsevere, following a 34% increase in Measured and Indicated Resources and a subsequent 32% increase in Proven and Probable Mineral Reserves. As at December 31, 2007, the total resource base is estimated at 1.8 million tonnes of contained copper.

Following the April 2007 study, several enhancements have been made to the Stage II SX-EW processing flow-sheet to include “milling in raffinate” and “direct tailings disposal” resulting in lower acid and lime consumption. While their combined effects result in an increase in the SX-EW capital cost to \$298 million, overall processing costs are reduced by 4 cents per pound of copper, which improves the internal rate of return of the project. The results of the economic analysis are very robust with an internal rate of return of nearly 40%, reflecting the quality of the Kinsevere deposits. A drilling program of 25,000 metres is planned in 2008 to further define resources on the lateral extensions of the oxide deposits and the depth in the sulphide zone. A new NI-43-101



Technical Report is expected to be lodged on the SEDAR website at www.sedar.com in the coming weeks.

The new 27 km 120KV transmission line which connects the Kinsevere mine to the DRC national hydroelectric grid is now completed and the two Electrical Arc Furnaces (“EAF”) are expected to commence commissioning late in the first quarter of 2008. The EAFs will produce a “black copper” ingot grading approximately 93% copper with the copper recovery through the EAFs expected to be 92%. The 2008 production target for Kinsevere is established at 26,000 tonnes of copper, over 60% of which is expected to be in the form of black copper ingots.

Update regarding the DRC Government review of mining agreements

In February 2008, Anvil received letters from the Minister of Mines for the DRC notifying Anvil of the Government’s position as a consequence of the review by the DRC Government of the mining rights which Anvil’s subsidiaries hold in respect of Anvil’s Dikulushi, Kinsevere and Kulu mining properties.

The letters from the Minister include a statement of terms upon which the Government proposes discussions be based to balance the partnership between the DRC and Anvil. The office of the Minister of Mines has also advised Anvil that the deadline for responding to the Government’s position has been extended to February 27, 2008.

Anvil will submit a response to the letters received from the Minister of Mines in respect of all three of its properties in the DRC within the Government’s timeframe and is seeking further discussions with the Minister of Mines.

The complete audited financial statements together with the related Management’s Discussion and Analysis of Financial Conditions and Results of Operations will be filed on SEDAR, lodged with the Australian Securities Exchange and available on Anvil’s website at www.anvilmining.com under the heading Investor Relations/Financial Reports.



Fourth Quarter and Year-End 2007 Financial Results Conference Call Reminder

A conference call will be held at **4:00 p.m. (EST - North America, Toronto time) on Thursday 28, 2008 coinciding with 6:00 a.m. (AWST – Australia, Perth time) on Friday, February 29, 2008**, to discuss the results announced in this news release. Please note that the conference call was originally scheduled for February 26 at 9:00 a.m. and the Company has changed the date and time. Details to access the conference call and the live audio webcast with new calling numbers are as follows:

Conference call:

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

- Toll-free within North America: 1-800-590-1508
- For local and overseas calling: 1-416-644-3426

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

- **CNW Group** website at:
<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2137300>

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 21259499 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 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 plans for expansions of the Kinsevere copper mine and estimated future production at the Dikulushi, Kulu and Kinsevere mines, 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 actual market prices of copper, changes in project parameters as plans continue to be evaluated, and the possibility of cost overruns, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the Stage II expansion of the Kinsevere copper mine will proceed as planned or be successfully completed within expected time limits and budgets or that, when completed, the expanded facility will operate as anticipated.*

As a consequence of the letters Anvil has received from the DRC Minister of Mines, Anvil may be required to enter into discussions or negotiations with the DRC Government and Gécamines regarding its rights with respect to its properties in the DRC. No assurance can be given as to the outcome of any such discussions or negotiations or that Anvil's security of tenure and its ability to secure additional financing in the future may not be adversely affected so as to have a material adverse effect on its business, operating results and financial position.

Appendix

Key Financial and Production Data (unaudited)

	Fourth Quarter ended December 31		Full year ended December 31	
	2007	2006	2007	2006
Revenues: (\$ millions)				
Copper-silver and copper concentrate sales	79.3	42.7	263.2	175.4
Operating profit: (\$ millions)	44.2	25.8	160.3	107.0
Net Income : (\$ millions)	21.7	21.3	117.2	82.2
Realized price: (\$) Dikulushi mine				
Copper per pound	2.98	2.21	3.14	2.59
Silver per ounce	15.08	12.32	13.54	11.20
Realized price: (\$) Kulu mine:				
Copper concentrate per tonne (ex mine gate)	692	1,081	753	756
Realized price: (\$) Kinsevere mine:				
Copper concentrate per tonne (ex mine gate)	919	-	956	-
PRODUCTION STATISTICS:				
Dikulushi mine				
Ore processed (tonnes) ¹	92,121	92,755	353,437	470,402
Copper grade (%)	8.14	6.92	7.7	5.41
Contained Copper in Ore (tonnes)	7,507	6,417	27,045	25,456
Recovery (%)	92.5	89.9	90.8	88.8
Copper produced in concentrates (tonnes)	6,943	5,774	24,561	22,618
Silver produced in concentrates (ounces)	717,402	569,655	2,451,269	2,174,448
Ore mined (tonnes)	10,530	41,300	24,925	607,132
Waste mined (bcm)	18,744	33,597	59,429	1,261,963
Costs of production: (\$)				
Operating cash costs per pound (after silver credits) (ex mine gate)	0.14	0.14	0.14	0.28
Total cash costs (after silver credits) ²	0.58	1.01	0.57	1.02

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

	Fourth Quarter ended December 31		Full year ended December 31	
	2007	2006	2007	2006
PRODUCTION STATISTICS:				
Kulu mine				
Ore processed (tonnes) ³	98,054	92,509	340,628	307,589
Copper grade (%)	5.03	7.61	5.2	8.07
Contained copper in ore (tonnes)	4,918	7,038	17,650	24,833
Recovery (%)	72.2	62.6	57.0	66.66
Copper produced in concentrates (tonnes)	3,551	4,749	10,066	19,956
Ore mined (tonnes)				
Costs of production: (\$)				
Operating cash costs per tonne (ex mine gate)	669	285	581	237
Kinsevere mine³				
Ore processed (tonnes) ⁴	92,155		173,161	
Copper grade (%)	10.3		10.5	
Contained copper in ore (tonnes)	9,448		18,154	
Recovery (%)	67.6		71.6	
Copper produced in concentrates (tonnes)	6,384		13,006	
Ore mined (tonnes)				
Costs of production: (\$)				
Operating cash costs per tonne (ex mine gate)	262		312	

1. No mining costs were incurred at Dikulushi because all feed to the plant is sourced from the Run-of-Mine stockpiles of blended high-grade and low-grade ore during the transition to underground mining which commenced during the fourth quarter of 2007.
2. Ore processed at Dikulushi relates to ore processed through the ball mill and flotation plant.
3. The Kinsevere mine commenced production in June 2007.
4. Ore processed at Kulu and Kinsevere relates to ore processed through the HMS plant.



Consolidated Balance Sheets (unaudited)

	December 31 2007 \$	December 31 2006 \$
ASSETS		
Current assets		
Cash and cash equivalents	215,754	59,302
Restricted cash	322	219
Accounts receivable	65,761	29,594
Inventories	32,221	18,020
Investments	63,800	95,819
Prepaid expenses and deposits	21,449	6,936
	399,307	209,890
Equity accounted investment	5,766	-
Long term receivable	3,966	-
Deferred financing fees	-	791
Deferred mining costs	-	-
Exploration and acquisition expenditure	49,680	127,138
Property, plant and equipment	228,052	63,930
Future income tax asset	1,884	737
	688,655	402,486
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	25,044	14,285
Income taxes payable	5,116	3,281
Other liabilities	1,296	676
Current portion of long term debt	-	8,000
Purchase consideration payable	-	46,250
	31,456	72,492
Long-term debt	-	4,000
Future income tax liability	39,587	36,505
Asset retirement obligations	11,668	1,402
	82,711	114,399
Non-controlling interest	13,880	8,291
	96,591	122,690
Shareholders' equity		
Equity accounts	382,108	186,523
Retained earnings	209,524	92,714
Accumulated other comprehensive income	432	559
Total shareholders' equity	592,064	279,796
Commitments		
Subsequent events		



Consolidated Statements of Income and Comprehensive Income (unaudited)

	3 Months Ended December 31		Year ended December 31	
	2007	2006	2007	2006
	\$	\$	\$	\$
Concentrate sales	79,302	42,715	263,234	175,443
Operating expenses	(26,410)	(15,002)	(85,785)	(60,845)
Amortization	(8,634)	(1,869)	(17,163)	(7,561)
Operating profit	44,258	25,844	160,286	107,037
Other income	4,408	2,163	11,852	5,974
General, administrative and marketing	(5,876)	(4,017)	(14,841)	(10,134)
Exploration expenditure written off	(3,326)	(42)	(4,389)	(42)
Foreign exchange gains/(losses)	(45)	(28)	95	(370)
Provision for impairment of investments	(8,600)	-	(9,367)	-
Stock based compensation	(661)	(399)	(2,484)	(1,367)
Interest and financing fees	(1,097)	(373)	(2,242)	(4,505)
Earnings before income tax and non-controlling interest	29,061	23,148	138,910	96,593
Income tax	(4,773)	(226)	(8,537)	(3,830)
Non-controlling interest	(2,628)	(1,652)	(13,209)	(10,586)
Net Income	21,660	21,270	117,164	82,177
Other comprehensive income, net of taxes:				
Net unrealized gains/(losses) on available-for-sale securities	230	-	(254)	-
Total comprehensive income	21,890	21,270	116,910	82,177
Basic earnings per share	0.31	0.38	1.81	1.65
Diluted earnings per share	0.30	0.37	1.77	1.61

Cash Flow Statement (unaudited)

	3 Months Ended December 31		Year ended December 31	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash flows from operating activities				
Net income for the period	21,660	21,270	117,164	82,177
Items not affecting cash				
Amortization	8,634	1,869	17,163	7,561
Provision for impairment of investments	8,600	-	9,367	-
Exploration expenditure written off	3,326	42	4,389	42
Non-controlling interest	2,628	1,652	13,209	10,586
Borrowing costs - amortized	201	124	715	1,770
Unrealized foreign exchange gains	(531)	(2,053)	(169)	(2,048)
Future tax	1,987	549	1,935	549
Stock based compensation	661	399	2,484	1,367
Changes in non-cash working capital	(9,230)	19,344	(42,932)	(21,637)
	<u>37,936</u>	<u>43,196</u>	<u>123,325</u>	<u>80,367</u>
Cash flows from investing activities				
Payments for property, plant and equipment	(27,767)	(18,796)	(91,961)	(39,276)
Proceeds from sale of assets	-	(13)	11	84
Payment for acquisition of initial interest in Mutoshi Project	-	(6,491)	-	(6,491)
Payments for exploration and evaluation expenditure	(5,223)	74	(20,377)	(4,412)
Payment for acquisition of additional interest in AMCK Mining s.p.r.l.	-	-	(36,000)	(10,000)
Payment for investment in Sub-Sahara	-	-	(6,090)	-
Payment for acquisition of additional interest in Emiko s.p.r.l.	-	(9,873)	-	(9,873)
Payments for deferred acquisitions costs	-	4,078	-	-
Payments for investments	-	(5,000)	-	(132,288)
Proceeds of principal repayments from investments	1,467	7,595	22,996	36,469
	<u>(31,523)</u>	<u>(28,426)</u>	<u>(131,421)</u>	<u>(165,787)</u>
Cash flows from financing activities				
Proceeds from issue of shares (net of issue expenses)	3,995	73	183,666	139,398
Proceeds from borrowings (net of fees incurred)	-	-	-	14,250
Payment for borrowing	-	-	(115)	-
Movement in restricted cash	(232)	-	(103)	-
Repayment of borrowings	(6,000)	(1,994)	(12,000)	(13,646)
Disbursements on behalf of Dikulushi trusts	(3,847)	(1,207)	(7,620)	(3,224)
	<u>(6,084)</u>	<u>(3,128)</u>	<u>163,828</u>	<u>136,778</u>
Net increase/ (decrease) in cash and cash equivalents				
	329	11,642	155,732	51,358
Cash and cash equivalents at beginning of the period	-	-	59,302	7,945
Effects of exchange rate changes on cash held in foreign currencies	220	-	720	(1)
Cash and cash equivalents at end of the period	<u>549</u>	<u>11,642</u>	<u>215,754</u>	<u>59,302</u>