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Anvil Range

MINING CORPORATION

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ANVIL RANGE ANNOUNCES SECOND QUARTER RESULTS

Toronto, Ontario — Anvil Range Mining Corporation announced today that net earnings for the second quarter ended April 30, 1996 were \$1.8 million or \$0.11 per common share, compared to a loss of \$0.7 million or \$0.05 per common share for the second quarter ended April 30, 1995.

Earnings for the six month period ended April 30, 1996 were \$2.5 million (\$0.16 per common share). The loss for the six month period ended April 30, 1995, when the mine was under development, was \$0.8 million, or \$0.08 per common share. As Anvil Range was deemed to have achieved commercial production in November 1995, comparisons to prior year numbers are not meaningful.

Revenue for the second quarter ended April 30, 1996 was \$53.6 million, and was \$97.3 million for the six months ended April 30, 1996. Average prices realized during the second quarter, as well as for the six months ended April 30, 1996, were US\$0.47 per pound for zinc and US\$0.34 per pound for lead. The average realized price for silver was US\$5.49 per ounce during the second quarter ended April 30, 1996 (US\$5.47 per ounce during the six month period ended April 30, 1996).

In the second quarter of 1996, Anvil Range mined 6.0 million tonnes of waste and ore. Feed for the mill was 1.0 million tonnes. Anvil Range produced 73.9 thousand tonnes of zinc concentrate and 42.4 thousand tonnes of lead concentrate during the second quarter of 1996, up from the 70.5 thousand tonnes of zinc concentrate and 38.6 thousand tonnes of lead concentrate produced in the first quarter of 1996.

For the six months ended April 30, 1996, Anvil Range mined 13.9 million tonnes of ore and waste, and provided 2.1 million tonnes of feed to the mill. The average combined grade for the period was 8.23% zinc and lead. For the six month period, Anvil Range produced 144.4 thousand tonnes of zinc concentrate and 81.0 thousand tonnes of lead concentrate.

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Recovery rates for the second quarter ended April 30, 1996 were 69% and 76% for zinc and lead respectively. Additional improvements to the mill are being implemented, which have led to an improvement in recovery rates by the end of May for zinc to approximately 72% and for lead to approximately 78%.

On May 8, 1996, Anvil Range completed the issue of \$30.2 million of 8-1/2% Convertible Debentures. The Debentures were sold by a syndicate consisting of Puccetti Farrell Capital Partners, Midland Walwyn Capital Inc., CIBC Wood Gundy Securities Inc. and Wallace Dewar & Partners Inc. The net proceeds of the issue will be used to fund the 1996-97 exploration program which is now under way on the Company's properties in the Yukon, to purchase additional equipment for the mine and to strengthen working capital.

On November 1, 1995, Anvil Range successfully restarted operations of the mine at Faro, Yukon, which is one of the world's largest zinc and lead mines, and one of Canada's largest silver mines. Anvil Range's properties contained proven and probable reserves totalling approximately 35 million tonnes on November 1, 1995. As only 20% of its properties, which cover 41,500 hectares or approximately 150 square miles in total have been explored to date, an exploration program budgeted at \$5.9 million is now actively under way.

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Anvil Range Mining Corporation

Consolidated Statement of Earnings (unaudited)

	2nd Quarter 1996	2nd Quarter 1995	Six Months Ended April 30	
	1996	1995	1996	1995
(in thousands except per share data)				
Revenue	\$53,581	\$ -	\$97,285	\$ -
Freight and delivery	(5,769)	-	(11,025)	-
	<u>47,812</u>	<u>-</u>	<u>86,260</u>	<u>-</u>
Operating costs	38,710	-	68,320	-
Exploration	155	-	155	-
Corporate administration	1,325	1,094	2,956	1,571
Amortization of capital assets	4,975	-	10,230	-
Earnings (loss) from operations	<u>2,647</u>	<u>(1,094)</u>	<u>4,599</u>	<u>(1,571)</u>
Other income and expenses				
Interest income	742	397	1,028	731
Interest expense	(1,605)	-	(2,547)	-
Interest on capital leases	(326)	-	(547)	-
Foreign exchange gain	397	-	138	-
	<u>(792)</u>	<u>397</u>	<u>(1,928)</u>	<u>731</u>
Earnings (loss) before income taxes	1,855	(697)	2,671	(840)
Provision for income taxes	65	-	125	-
Earnings (loss) for the period	<u>\$1,790</u>	<u>\$(697)</u>	<u>\$2,546</u>	<u>\$(840)</u>
Earnings per share	\$0.11	\$(0.05)	\$0.16	\$(0.08)
Weighted average number of shares outstanding	16,418	12,822	16,418	10,588

Anvil Range Mining Corporation

Consolidated Statement of Cash Flows

(unaudited)

	2nd Quarter 1996	2nd Quarter 1995	Six Months Ended April 30	
	1996	1995	1996	1995
	(in thousands)			
Cash provided by (used in) operating activities:				
Earnings (loss) for the period	\$1,790	\$(697)	2,546	\$(840)
Add: Amortization	4,926	7	10,151	15
Environmental provision	434	-	870	-
Changes in non-cash working capital	154	(2,742)	(16,474)	(1,281)
	<u>7,304</u>	<u>(3,432)</u>	<u>(2,907)</u>	<u>(2,106)</u>
Cash provided by (used in) investing activities:				
Additions to capital assets	(2,134)	(18,577)	(7,522)	(66,117)
Deferred stripping costs	3,194	-	-	-
Other non-current assets	(407)	(142)	(2,560)	(200)
Cash transfer to reclamation security trust	(316)	-	(516)	-
	<u>337</u>	<u>(18,719)</u>	<u>(10,598)</u>	<u>(66,317)</u>
Cash provided by (used in) financing activities:				
Issue of special notes	-	-	30,200	-
Equipment leases	(880)	-	2,730	-
Debt increase (repayments)	(227)	627	(359)	627
Issue of shares	-	(127)	446	86,860
Subscriptions receivable	-	14,704	-	-
Silver royalty unit proceeds (net)	-	-	-	2,685
Other	(208)	-	(312)	-
	<u>(1,315)</u>	<u>15,204</u>	<u>32,705</u>	<u>90,172</u>
Increase (decrease) in cash during period	6,326	(6,947)	19,200	21,749
Cash and cash equivalents, beginning of period	8,443	25,754	(4,431)	(2,942)
Cash and cash equivalents, end of period	<u>\$14,769</u>	<u>\$18,807</u>	<u>\$14,769</u>	<u>\$18,807</u>
Cash and cash equivalents consist of:				
Cash	\$377	\$20,237	\$377	\$20,237
Cash held in escrow	28,837	-	28,837	-
Operating loans	(14,445)	(1,430)	(14,445)	(1,430)
	<u>\$14,769</u>	<u>\$18,807</u>	<u>\$14,769</u>	<u>\$18,807</u>

Anvil Range Mining Corporation

Consolidated Balance Sheet (unaudited)

Assets

	<u>April 30, 1996</u>	<u>October 31, 1995</u>
	(in thousands)	
Current assets		
Cash	\$377	\$513
Cash held in escrow	28,837	-
Accounts receivable and concentrates in transit	28,724	15,830
Materials and supplies	8,518	6,177
Prepaid and other assets	6,550	2,135
	<u>73,006</u>	<u>24,655</u>
Capital assets	146,989	149,697
Reclamation security trust	9,905	9,389
Deposits	2,009	1,681
Other non-current assets	3,138	1,006
	<u>162,041</u>	<u>161,773</u>
	<u>\$235,047</u>	<u>\$186,428</u>

Liabilities and Shareholders' Equity

Current liabilities		
Operating loans	\$14,445	\$4,944
Accounts payable and accrued liabilities	23,693	19,629
Current portion of capital leases	3,780	2,762
Loans payable	20,422	11,250
Other	444	1,332
	<u>62,784</u>	<u>39,917</u>
Special notes	30,200	-
Long term debt and capital leases	7,892	15,711
Environmental provision	46,203	45,333
Deferred revenue	2,506	2,685
Other long term liabilities	417	729
	<u>87,218</u>	<u>64,458</u>
Shareholders' equity		
Share capital	85,652	85,206
Deficit	(607)	(3,153)
	<u>85,045</u>	<u>82,053</u>
	<u>\$235,047</u>	<u>\$186,428</u>