

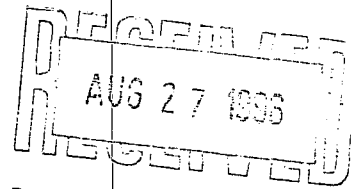


Anvil Range

MINING CORPORATION

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TSE Symbol: ARO

For Immediate Release

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ANVIL RANGE ANNOUNCES POSITIVE THIRD QUARTER RESULTS

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Toronto, Ontario — Anvil Range Mining Corporation announced today that net earnings for the third quarter ended July 31, 1996 were \$7.1 million or \$0.43 per common share, and earnings for the nine month period ended July 31, 1996 were \$9.6 million (\$0.59 per common share). The loss for the third quarter and the nine month period ended July 31, 1995 was \$1.3 million (\$0.08 per common share) and \$2.1 million (\$0.17 per common share), respectively. As Anvil Range was not in production during the third quarter of 1995, comparisons to prior year numbers are not meaningful.

Revenue for the third quarter of 1996 was \$54.9 million, and was \$152.2 million for the nine months ended July 31, 1996. In the third quarter the average realized price of zinc declined from \$0.47 to \$0.46 per pound. An improved realized price for lead of \$0.36 per pound in the third quarter, which is an increase of \$0.02 per pound over the price realized in the second quarter, contributed to these better earnings.

The results for the third quarter reflect increased production compared to the first and second quarters of 1996. Anvil Range produced 83,000 tonnes of zinc concentrate and 45,000 tonnes of lead concentrate in the third quarter of 1996, which represents an increase over second quarter production of 9000 tonnes of zinc concentrate and 3000 tonnes of lead concentrate. The increased production reflects improved recovery rates and concentrate grades. Operating costs were positively affected by the deferral of stripping charges in the quarter of \$4.3 million. During the third quarter, the stripping ratio was in excess of the life-of-mine ratio of 5.7:1.

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The major exploration program which the Company commenced in June, 1996 is proceeding well. To the end of July, approximately 6000 kilometres of airborne surveys had been completed.

The Faro mine 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 as of November 1, 1995. Only 20% of its properties, which cover 41,400 hectares or approximately 150 square miles in total, have been explored to date.

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Anvil Range Mining Corporation

Consolidated Statement of Earnings (unaudited)

	3rd Quarter 1996	3rd Quarter 1995	Nine Months Ended July 31	
			1996	1995
(in thousands except per share data)				
Revenue	\$54,926	\$ -	\$152,211	\$ -
Freight and delivery	(4,371)	-	(15,396)	-
	<u>50,555</u>	<u>-</u>	<u>136,815</u>	<u>-</u>
Operating costs	33,390	-	101,709	-
Exploration	427	-	582	-
Corporate administration	2,096	1,431	5,052	3,002
Amortization of capital assets	5,660	-	15,890	-
Earnings (loss) from operations	<u>8,982</u>	<u>(1,431)</u>	<u>13,582</u>	<u>(3,002)</u>
Other income and expenses				
Interest income	227	458	1,255	1,189
Interest expense	(1,476)	(380)	(4,024)	(380)
Interest on capital leases	(258)	-	(805)	-
Foreign exchange gain	(176)	67	(38)	67
	<u>(1,683)</u>	<u>145</u>	<u>(3,612)</u>	<u>876</u>
Earnings (loss) before income taxes	7,299	(1,286)	9,970	(2,126)
Provision for income taxes	225	-	350	-
Earnings (loss) for the period	<u>\$7,074</u>	<u>\$(1,286)</u>	<u>\$9,620</u>	<u>\$(2,126)</u>
Earnings per share	\$0.43	\$(0.08)	\$0.59	\$(0.17)
Weighted average number of shares outstanding	16,434	16,371	16,434	12,537

Anvil Range Mining Corporation

Consolidated Statement of Cash Flows (unaudited)

	3rd Quarter 1996	3rd Quarter 1995	Nine Months Ended July 31	
			1996	1995
	(in thousands)			
Cash provided by (used in) operating activities:				
Earnings (loss) for the period	\$7,074	\$(1,286)	\$9,620	\$(2,126)
Add: Amortization	5,426	21	15,577	36
Environmental provision	456	36,200	1,926	36,200
Debt principal accretion	136	-	136	-
Changes in non-cash working capital	(19,616)	8,656	(36,090)	7,975
	<u>(6,524)</u>	<u>43,591</u>	<u>(9,491)</u>	<u>41,485</u>
Cash provided by (used in) investing activities:				
Additions to capital assets	(3,496)	(66,165)	(11,018)	(132,282)
Deferred stripping costs	(4,262)	-	(4,262)	-
Other non-current assets	(113)	(621)	(2,673)	(821)
Cash transfer to reclamation security trust	(98)	-	(614)	-
	<u>(7,969)</u>	<u>(66,786)</u>	<u>(18,567)</u>	<u>(133,103)</u>
Cash provided by (used in) financing activities:				
Issue of convertible debentures	-	-	28,192	-
Equipment leases	(1,011)	-	1,719	-
Debt increase (repayments)	200	4,679	(159)	5,306
Other paid in capital	-	-	2,008	-
Issue of shares	-	(18)	446	86,842
Silver royalty unit proceeds (net)	-	-	-	2,685
Other	418	-	106	-
	<u>(393)</u>	<u>4,661</u>	<u>32,312</u>	<u>94,833</u>
Increase (decrease) in cash during period	(14,886)	(18,534)	4,314	3,215
Cash and cash equivalents, beginning of period	14,769	18,807	(4,431)	(2,942)
Cash and cash equivalents, end of period	<u>\$(117)</u>	<u>\$273</u>	<u>\$(117)</u>	<u>\$273</u>
Cash and cash equivalents consist of:				
Cash	\$4,633	\$18,554	\$4,633	\$18,554
Operating loans	(4,750)	(18,281)	(4,750)	(18,281)
	<u>\$(117)</u>	<u>\$273</u>	<u>\$(117)</u>	<u>\$273</u>

Anvil Range Mining Corporation

Consolidated Balance Sheet
(unaudited)

Assets

	<u>July 31, 1996</u>	<u>October 31, 1995</u>
	(in thousands)	
Current assets		
Cash	\$4,633	\$513
Accounts receivable and concentrates in transit	47,039	15,890
Materials and supplies	9,622	6,177
Prepaid and other assets	5,235	2,185
	<u>66,529</u>	<u>24,655</u>
Capital assets	149,087	149,697
Reclamation security trust	10,002	9,389
Deposits	2,040	1,681
Other non-current assets	3,320	1,006
	<u>164,449</u>	<u>161,773</u>
	<u>\$230,978</u>	<u>\$186,428</u>

Liabilities and Shareholders' Equity

Current liabilities		
Operating loans	\$4,750	\$4,944
Accounts payable and accrued liabilities	21,780	19,629
Current portion of capital leases	3,968	2,762
Loans payable	20,622	11,250
Other	845	1,332
	<u>51,965</u>	<u>39,917</u>
Convertible debentures	28,328	-
Long term debt and capital leases	6,692	15,711
Environmental provision	46,659	45,333
Deferred revenue	2,372	2,685
Other long term liabilities	835	729
	<u>84,686</u>	<u>64,458</u>
Shareholders' equity		
Share capital	85,652	85,206
Other paid in capital	2,008	-
Retained earnings (deficit)	6,467	(3,153)
	<u>94,127</u>	<u>82,053</u>
	<u>\$230,978</u>	<u>\$186,428</u>

Production Data 1996		
	3rd Quarter	9 months
Mined Tonnes		
Waste	7,771,630	19,602,219
Ore	903,478	3,078,538
Total	8,675,108	22,680,757
MW Feed		
Tonnes	1,087,209	3,156,784
Zinc grade	5.49%	5.23%
Lead grade	3.26%	3.18%
Zinc Concentrate		
Tonnes	89,315	227,826
Grade	52.14%	50.90%
lbs payable Metal	81,073,933	215,484,966
Lead Concentrate		
Tonnes	45,432	126,881
Grade	60.79%	60.69%
lbs payable Metal	57,840,689	161,242,715
Silver payable ounces	1,077,373	2,962,521
Gold payable ounces	6,112.4	15,691.5

Cost Statistics		
	3rd Quarter	9 months
Break-even cash operating cost \$ U.S per lb payable zinc metal *	\$0.2235	\$0.2516

* includes cash operating costs mine to metal net of by-product credits

Silver Royalty Data		
	3rd Quarter	8 months
		Dec1/85-Jul31/86
Silver Production Oz	1,077,373	2,830,494
Payments to Trustee Ounces paid	\$564,544 815,765	\$1,190,487 1,720,220
Sold Production Payable to Trustee Ounces payable		\$399,203 532,124
Inventory production payable Ounces payable		\$493,732 578,150