

A.G.D. MINING LIMITED

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The Manager Companies
Australian Stock Exchange (Melbourne) Ltd.
530 Collins Street
MELBOURNE VIC 3000

Dear Sir,

RE: Offer for AGD Mining Limited

The boards of Cambrian Mining Plc ("Cambrian") (AIM: CBM) and AGD Mining Ltd ("AGD") (ASX: AGZ) are pleased to announce that they have reached agreement on the terms of a recommended offer (the "Offer") to be made by Cambrian to acquire all the shares and options in AGD that it does not already own. Cambrian currently holds approximately 70 per cent. Of the current issued share capital of AGD and approximately 64% of the current issued options .

Highlights

- The Offer is being made on the basis of 1 new Cambrian shares for every 9 AGD shares, valuing each AGD share at A\$0.42 and 1 new Cambrian Share for every 19 AGD options (valuing each AGD option at A\$0.20)
- The Offer values AGD at approximately A\$61million, based on the closing price of a Cambrian share of 159p on 25 April 2006 and exchange rate of A\$0.4167 to UK£1.0
- The Offer represents a premium of approximately 31 per cent. to the closing price of A\$0.32 per AGD share on 24 April 2006
- Cambrian has undertaken during the currency of the offer to apply to list on the ASX (subject to ASX approval)
- The independent directors of AGD unanimously recommend the Offer (subject to a satisfactory report being received on the terms of the offer from the independent expert to be commissioned by AGD and in the absence of a higher offer)

The Cambrian board believes that AGD shareholders will benefit from:

- Exposure to a stronger combined asset portfolio
- Additional management expertise
- Cambrian shares being tradeable on the ASX (subject to approval of the ASX)
- Potential for increased liquidity through the exchange of their AGD shares for Cambrian shares

The Cambrian board believes Cambrian shareholders will benefit from:

- AGD becoming a 100% owned subsidiary (assuming Cambrian reaches the compulsory acquisition stage by the end of the Offer period) and the benefit of 100% of the cash flow from the operation of the Costerfield mine;
- The unlocking of value by the removal of the holding company discount as it applies to Cambrian's investment in AGD;
- Overhead and management synergies.

Commenting on the acquisition, Charles de Chezelles, Chairman of Cambrian, said:

"We expect the consolidation of AGD to unlock value for both Cambrian and AGD shareholders through the removal of a level of holding company discount with respect to AGD's underlying investments and as a result of overhead and management synergies achieved through the creation of a stronger combined management team.

The deal also represents an opportunity for Cambrian to diversify its asset portfolio and sources of income to include accessing cash flow directly from operations.

"The Offer has the support of the AGD Board which, subject to receiving a satisfactory independent expert's report, recommends that AGD shareholders accept the Offer in the absence of any higher offer. The proposed listing of Cambrian on the ASX will offer greater flexibility to Cambrian and AGD shareholders, particularly those located in Australia and New Zealand, wishing to trade their existing or new Cambrian securities."

Commenting on the acquisition, Raymond Taylor, Chairman of AGD said 'Cambrian has been a major contributor in the development of AGD's Costerfield project and the re-establishment of AGD Mining Limited as a viable public company.

'The offer presents shareholders with the opportunity to receive an immediate 31% premium to the current share price and to hold stock in a growth-oriented mid-tier resource company with considerably greater liquidity.'

The Offer

The Offer, which will be subject to the conditions and further terms set out below and to be set out in Cambrian's Bidder's Statement to be despatched to AGD shareholders in due course (as required by the Australian Corporations Act 2001), will be made on the following basis:

For every 9 AGD shares	1 new Cambrian share
and	
For every 19 AGD options	1 new Cambrian shares

If an AGD shareholder becomes entitled to a fraction of a Cambrian Mining share under the terms of the Offer, the number of Cambrian Mining shares to which they are entitled will be rounded down to the nearest whole number.

Based on the closing price of an AGD share of A\$0.32 on 24 April 2006, being the last business day immediately preceding this announcement, the Offer values AGD (on a fully diluted basis) at approximately A\$61 million, each AGD share at approximately A\$0.43 and each AGD option at approximately A\$0.19. This represents a premium of approximately 31 per cent based on the closing price of 159p per Cambrian share on 25 April 2006, being the last business day immediately preceding this announcement.

Conditions of the Offer

The Offer is subject to the following principal conditions:

1. Level of acceptances

Valid acceptances being received by the end of the offer period in respect of not less than 93% (by number) of the issued share capital of AGD at that time;

2. ASX Listing of Cambrian Mining

Cambrian will apply for admission to the official list of ASX and for a quotation of its securities in the form of CDIs on ASX, and will apply to have the Cambrian shares to be issued under the Offer to be granted approval for admission to trading on AIM.

3. No Material Adverse Change

Before the end of the offer period, no event, change or condition occurs or becomes known to Cambrian where that would have or could be reasonably expected to have a material adverse effect on the business, assets, liabilities, trading or financial position, profitability or prospects of AGD.

4. No Material Acquisitions, Disposals or New Commitments

During the period until the end of the Offer period:

- AGD does not dispose of or acquire any assets or businesses, or offer or agree to announce any acquisitions or disposals, for an amount in aggregate of A\$3million (or in the case of disposals where the book value is in aggregate greater than A\$3million).
- AGD does not enter into or offer or agree to enter into, or announce any arrangement which would require expenditure, or the foregoing of revenue, by AGD of an amount in aggregate of A\$3million, other than in the ordinary course of business.

And during that period the business of AGD is otherwise carried on in the usual and ordinary course of business.

Recommendation

The independent directors of AGD have reached agreement with Cambrian on the terms of the Offer to be made by Cambrian to acquire all the shares and options in AGD that it does not already own. The independent directors of AGD unanimously recommend that AGD shareholders accept the Offer from Cambrian (subject to a satisfactory report being received from the independent expert to be commissioned by AGD on the terms of the Offer, and in the absence of a higher offer).

Full details of the Offer and the conditions attached to the Offer will be set out in Cambrian Mining's Bidder Statement (as required under the Australian Corporations Act 2001).

Yours faithfully
A.G.D. MINING LIMITED

JURGEN DEBRODT
Company Secretary

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Further information on Cambrian and AGD

Cambrian Mining is currently the major shareholder in AGD holding approximately 70% of the issued share capital and approximately 64% of the options in issue.

Cambrian Mining

Cambrian Mining ("Cambrian") was established in 2002 as a natural resources company:

- Headquartered in London and listed on AIM (Symbol: CBM);
- 77.7m ordinary shares listed and 2.49m warrants and options outstanding;
- Basic market capitalisation of £113m*;
- Cambrian reported net profits of £23.4m for the six months ended 31 December 2005;
- A dividend of 1.5p was paid in 2005 from net profits of £2.8m;

*As at close of business on 28 March 2006

Cambrian is a mining finance house which identifies under-valued resource projects or companies and assists in their financing, structuring and development. In this sense, Cambrian is an active investor that seeks involvement where it is deemed necessary to appoint management teams to best develop the projects or companies and to assist with the financing and marketing of their projects and production.

Cambrian Mining's prime assets are investments in the international coal industry through Western Canadian Coal Corp. (TSX / AIM: WTN) and Coal International Plc (AIM: CLN), in the iron ore industry through Aztec Resources Ltd (ASX / AIM: AZR) and in gold and base metals through AGD. Other investments have been made in energy, energy technology and in iron-making materials and technology.

Website: <http://www.cambrianmining.com/>

AGD

- Headquartered in Australia and listed on the ASX (Symbol: AGZ);
- 131,228,639m ordinary shares listed and 37,536,000 listed options outstanding;
- Basic market capitalisation of A\$42m as at 25 April 2006;
- AGD reported net loss of A\$631,643 for the half year ended 31 December 2005.

AGD's business consists of bringing into production the Augusta gold and antimony deposit and exploring and evaluating the development potential of gold and antimony deposits in the Costerfield area, 45 km east of Bendigo in central Victoria, Australia.

AGD's work on the Augusta gold and antimony deposit has indicated that Augusta has sufficient resources and exploration potential to support a mining and processing operation. Production from Augusta is expected to average about 60,000 tonnes of ore for the first three years for annual production of 35,000 ounces of gold and 3,600 tonnes of antimony contained in concentrates.

AGD has commenced open cut mining and is developing an underground mine at the Augusta deposit. To date, 5,000 tonnes of high grade gold and antimony ore has been mined from the open cut and stockpiled pending completion of a substantially upgraded ore processing plant, scheduled for May 2006.

AGD recently acquired Cambrian's base metals portfolio which included:

- 16.1% of Vulcan Resources Ltd (ASX: VCN)
- The rights to earn 40% of Khumo Nickel Plc, a subsidiary of VCN that is exploring the Khumo nickel prospect in Finland
- 42.5% of Daytal Resources Plc which has the right to acquire the Los Santos tungsten deposit in Salamanca Province, Spain.
- A \$5 million convertible note in Asian Mineral Resources Ltd (TVX: ASN) that owns 90% of the Ban Phuc nickel deposit in Son La Province, Vietnam.
- Investments in other listed and unlisted investments in exploration companies.

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