

A.G.D. MINING LIMITED

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

AGD SIGNS ANTIMONY OFFTAKE AGREEMENT

Directors advise that AGD Mining has signed a contract with Zhongnan Antimony and Tungsten Trading Co Ltd of Hunan, China, for the supply of 75% of proposed antimony concentrate production from its newly-established mine and treatment plant at Costerfield in central Victoria.

AGD intends to commence production from the new Augusta mine and the rebuilt Costerfield processing plant late next month and to average production of 21,000 ounces of gold and 5,500 tonnes of antimony concentrate annually over the first three years of the mine's life.

The contract with Zhongnan is for a three year term and is based on market prices for both the antimony and gold content of the concentrates.

On current metal prices, the contract would generate in excess of \$US40 million (A\$2.5 million) over three years and indicates the Costerfield project is capable of generating a free cash flow before tax of \$A15 million annually at its planned production level.

AGD is pleased with the competitive terms of the contract with Zhongnan, one of the strongest and most successful antimony smelters in China. AGD's marketing agent, Penfolds Ltd, organised the contract through their Adelaide and Shanghai Offices.

Antimony prices have firmed considerably over the past two years and are currently at \$US5,650 per tonne. The gold price used in calculating free cash flow is \$US680 per ounce. AGD has no hedging in place for metal production or exchange rates.

AGD is 70% owned by Cambrian Mining Plc, a London mining finance company that is currently making a takeover offer for AGD.

Yours faithfully
A.G.D. MINING LIMITED

JURGEN DEBRODT
Company Secretary