



# Campbell Resources Inc.

## PRESS RELEASE

For immediate release

### CAMPBELL RESOURCES ANNOUNCES 3<sup>RD</sup> QUARTER RESULTS

**Montreal, November 9, 2006 - Campbell Resources Inc. (TSX: CCH, OTC Bulletin Board: CBLRF)**

#### **FINANCIAL RESULTS**

For the third quarter, Campbell recorded a net loss of \$4.9 million, or \$0.04 per share, compared with a net loss of \$645,000, or \$0.01 per share, for the same period in 2005. These do not include results from the Copper Rand Mine which are still being capitalized as the Mine has not yet reached commercial production.

Net metal sales for the third quarter of 2006 were \$2.1 million, compared to \$4.5 million for the same period last year. These revenues include the sale in the third quarter of 2,746 ounces of gold at an average sale price of \$678 per ounce (US\$607 per ounce), compared to 8,559 ounces of gold at an average sale price of \$529 per ounce Au (US\$447 per ounce Au) for the same period in 2005.

For the first nine months of 2006, the Company recorded a net loss of \$9.0 million, or \$0.08 per share, compared to a net loss of \$3.2 million, or \$0.03 per share, during the same period in 2005.

Net metal sales for the first nine months of 2006 were \$7.9 million, compared to \$14.4 million for the same period last year. The average sale price per ounce of gold was \$669 (US\$594) for the nine months of 2006 and \$528 (US\$437) in the nine months of 2005.

Mining expenses for the third quarter of 2006 were \$3.6 million, compared to \$3.1 million recorded in the third quarter of 2005. The operating cost per ounce for gold sold in the third quarter of 2006 was US\$1,107, compared to US\$284 in the third quarter of 2005. Cost per ton of ore for the third quarter of 2006 was \$203 compared to \$92 in the third quarter of 2005.

Mining expenses for the first nine months of 2006 were \$9.8 million, compared to \$12.4 million for the corresponding period in 2005. Total cost per ounce was \$875 (US\$773) compared to \$489 (US\$400 in 2005).

#### **JOE MANN MINE**

The Joe Mann Mine, originally scheduled to close in November 2005, produced 16,808 tons of ore in the third quarter of 2006 grading 0.191 oz/t gold (2,695 ounces), 0.25% copper and 0.139 oz/t silver with a recovery rate of 84.13% for gold, 95.56% for copper and 65.26% for silver. Low production during this period has allowed the operations to accelerate development and initiate diamond drilling. These moves are designed to outline and develop additional mining blocks and improve the longer term productive capacity of the operation. In October, production grade improved to 0.32 oz/t Au, a significant improvement over the historical production grade of 0.25 oz/t., indicating an improvement in ground control measures.

During the first nine months of 2006, the Joe Mann Mine produced 10,424 ounces of gold, 362,198 pounds of copper and 7,229 ounces of silver, compared to 23,854 ounces of gold, 705,202 pounds of copper and 16,962 ounces of silver in the same period of 2005.

## **COPPER RAND MINE**

Production in the third quarter was 18,021 tons of development ore grading 1.66% copper, 0.044 oz/t gold and 0.144 oz/t silver for total metal production of 587,037 pounds of copper and 671 ounces of gold. Net metal sales of \$2.1 million were netted to development costs resulting in a net increase to deferred development of \$2.3 million.

During recent months, the completion of the paste backfill plant was accelerated, new ground control standards were implemented, and the design of development headings was improved. All these changes have been initiated to increase output from this operation.

During the first nine months of 2006, development ore totalled 60,857 tons grading 2.00% copper, 0.056 oz/t gold and 0.164 oz/t silver for total metal production of 2,400,485 pounds of copper, 2,870 ounces of gold and 6,842 ounces of silver.

Net metal sales from development ore of \$9.2 million were capitalized to development costs year-to-date. The net amount capitalized was \$1.9 million for the first nine months of 2006 compared to \$4.2 million the first nine months of 2005.

## **OUTLOOK**

The Company recently announced that it has obtained a receipt for the amendment to the final short form prospectus qualifying the distribution of rights and units issuable upon the exercise of the rights. Net proceeds to Campbell from this offering will be up to an estimated \$5,597,301 with the issuance of 69,966,264 common shares and 34,983,132 warrants. This offering and the Nuinsco private placement of \$2,500,000 will complete the \$18.1 million financing announced earlier. These transactions should be completed in November.

The Company also announced that it had been granted an extension to February 28, 2007 of the initial order granted June 30<sup>th</sup> 2005 under the Companies Creditor Arrangement Act. The extension will allow for the conclusion of the Plans of Arrangement approved by its creditors in June of this year. The realization of these Plans is subject to agreements to be concluded with third parties and has been delayed for good reasons, with the expectation that all should be finalized before year end. These transactions are expected to have a positive impact on year-end financial results.

Late last year, the decision was taken to continue operations at the Joe Mann Mine in light of improving commodity prices and the quantities of remaining mineral resources. An amount of development and explorations drilling is however required and this is currently in progress. In recent weeks, a significant improvement in the grade of ore mined has been attained and volume should increase during this quarter as development of new working areas is completed. The Company remains committed to the operation of this mine.

At the Copper Rand Mine, the design of new development headings and implementation of new ground control standards have significantly improved the productive capacity of this operation.

Both operations introduced training programs to alleviate shortage of experienced mining personnel.

Application to obtain the required permit to begin operations at the Merrill Island open pit has been completed and operations should begin upon receipt of this permit.

The Company has collared the Corner Bay ramp and has begun to establish the required surface infrastructures to allow the development of the ramp. The mineral inventories at Corner Bay include measured resources of 181,000 tonnes at 5.07% Cu, indicated resources of 265,000 tonnes at 5.93% Cu, and inferred resources of 1,441,000 tonnes at 6.76% Cu (ref. technical report, Géostat of July 12 2006). Development will be accelerated upon completion of the required financing.

While the financial results obtained in the 3<sup>rd</sup> quarter were not satisfactory, it should be obvious that the Company is taking very strong measures to improve the long-term viability of the operations while pursuing the development of new projects.

Certain information contained in this release contains "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and is subject to certain risks and uncertainties, including those "Risk Factors" set forth in the Campbell's current Annual Report on Form 20-F for the year ended December 31, 2005. Such factors include, but are not limited to: differences between estimated and actual mineral reserves and resources; changes to exploration, development and mining plans due to prudent reaction of management to ongoing exploration results, engineering and financial concerns; and fluctuations in the gold price which affect the profitability and mineral reserves and resources of Campbell. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Campbell undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect unanticipated events or developments.

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## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Expressed in thousands of Canadian dollars)

	September 2006	December 31 2005
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,096	1,772
Restricted cash	2,594	350
Short-term investments	431	125
Receivables	1,395	1,654
Settlements receivable	4,059	8,374
Restricted deposits and exchange agreement	49,931	-
Production inventories	579	67
Supply inventories	3,619	3,330
Prepays	1,332	877
	<b>65,036</b>	16,549
Amount receivable from Copper Rand/Portage Restoration Fiduciary Trust	3,147	3,012
Restricted deposits and exchange agreement	-	49,723
Future income taxes	1,424	1,324
Property, plant and equipment	58,377	59,955
Accrued benefit asset	4,379	3,897
Deferred charges and other assets	624	183
	<b>132,987</b>	134,643
<b>Liabilities</b>		
Current liabilities		
Short term loan	3,009	6,606
Accounts payable	13,935	13,563
Accrued liabilities	5,032	3,695
Current portion of long-term debt	64,938	18,037
	<b>86,914</b>	41,901
Asset retirement obligations	8,085	7,738
Long-term debt	75	49,745
Future income taxes	6,226	4,756
	<b>101,300</b>	104,140
<b>Shareholders' equity</b>		
Capital stock	77,951	69,958
Warrants, stock options and conversion rights	4,411	2,771
Contributed surplus	1,910	1,404
Deficit	(52,585)	(43,630)
	<b>31,687</b>	30,503
	<b>132,987</b>	134,643

## CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Expressed in thousands of Canadian dollars except per share amounts)

	Three months ended		Nine months ended	
	September 30		September 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>Gross metal sales</b>	<b>2,267</b>	4,924	<b>8,751</b>	15,681
Treatment charges	<b>171</b>	417	<b>805</b>	1,276
<b>Net metal sales</b>	<b>2,096</b>	4,507	<b>7,946</b>	14,405
<b>Expenses</b>				
Mining	<b>3,584</b>	3,058	<b>9,770</b>	12,357
Depreciation and amortization	<b>574</b>	1,263	<b>2,115</b>	4,507
General administration	<b>676</b>	659	<b>1,992</b>	2,052
Stock-based compensation	<b>496</b>	-	<b>496</b>	-
Reorganisation and CCAA costs	<b>693</b>	247	<b>1,282</b>	247
Care and maintenance	<b>74</b>	73	<b>195</b>	251
Exploration	<b>7</b>	182	<b>(151)</b>	531
	<b>6,104</b>	5,482	<b>15,699</b>	19,945
Loss before the following items	<b>4,008</b>	975	<b>7,753</b>	5,540
Interest expense on short-term loan	<b>(149)</b>	(126)	<b>(373)</b>	(251)
Interest expense on long-term debt	<b>(243)</b>	(244)	<b>(679)</b>	(727)
Interest income	<b>138</b>	404	<b>154</b>	1,295
Amortization of deferred charges	<b>-</b>	(66)	<b>-</b>	(198)
Loss from operations	<b>4,262</b>	1,007	<b>8,651</b>	5,421
Other income (expense)				
Other (expenses) income	<b>(631)</b>	379	<b>(242)</b>	2,345
Loss before income taxes	<b>4,893</b>	628	<b>8,893</b>	3,076
Income and mining tax	<b>(9)</b>	(17)	<b>(62)</b>	(80)
<b>Net loss</b>	<b>4,902</b>	645	<b>8,955</b>	3,156
<b>Weighted average number of common shares ('000)</b>	<b>110,349</b>	108,213	<b>110,349</b>	107,827
<b>Loss per share undiluted and diluted</b>	<b>0.04</b>	0.01	<b>0.08</b>	0.03