

NEWS ABOUT ANVIL MINING

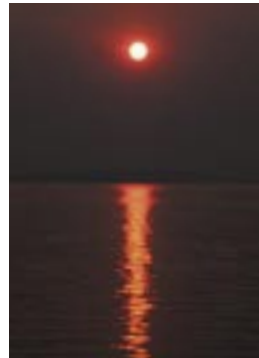
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THE anvil

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The steep inhospitable terrain near the river is clearly visible as the pipeline route is pointed out.



- message from CEO bill turner
- lee nehring - new Vice President Social Development
- underground progress at dikulushi
- kinsevere road social impact
- exploration department does it first
- kolwezi farmer supplying maize meal
- dikulushi clinic serves wider community
- generous gifts from france
- pweto water project
- pierre risasi – anvil’s anchor in the drc
- firm foundations for roman catholic church at dikulushi

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message from CEO bill turner

The year 2007 is already running at full tilt as we welcome you to what we hope will be a more regular Anvil Newsletter in a fresh, redesigned format.

With the world demand for copper remaining steady and the prices we are receiving for our commodities of copper and silver maintaining favourable levels, we look forward to taking care of our operations, projects and most importantly our most valuable assets, you our employees and stakeholders.

Our Kinsevere project's first stage of establishing mining operations, a crushing and heavy media separation (HMS) plant as well as an electric arc furnace, is well on track. Ably led by Denham Vickers and his experienced team, we are already mining and stockpiling ore. We trust that the crushing and HMS plants will be ready for commissioning by May 2007 with the electric arc furnace ready during the third quarter.

We are excited by the prospect of working with more Congolese contractors and service providers on an ever-increasing basis thus helping us to fulfill our undertaking of utilising the highest possible levels of local skills within the DRC.

We're also happy to report that the Kulu Copper Tailings operation at Kolwezi, under the guidance of Nicolas Pozniakov, is yielding steady results.

Another important milestone has been the first ore generated by the underground operation at Dikulushi. This happened during January of this year



and congratulations must go to David Newton, Chris Harmse and their teams. They are all working their way steadily downward according to the mining plan and achieving encouraging distances during each shift.

We also wish to welcome on board, Lee Nehring as Vice-President Social Development. Although Lee will eventually be based in Perth, she is currently getting our social development ducks in a row in the DRC and working closely with Pact Inc, the Washington-based NGO with whom we are collaborating to manage our various social development programmes. We also welcome Mike Newman, who has joined Anvil Mining as the Vice President Project Development. Mike will be working closely with our Chief Operating Officer, Malcolm Hillbeck.

May I, in closing, wish you all a prosperous 2007 with the reminder to work safely in everything you do. Remember that your safety and that of others, whether it is at work or at home, is your responsibility. Think before you act and help others who may not yet know that doing things safely has no price tag to it.

Yours sincerely

Bill Turner – President and Chief Executive Officer

lee nehring – new Vice President Social Development

Could you imagine knowing someone who does not own a television set but loves renovating houses, who professes to have no musical talent but loves Cuban jazz, who relaxes with yoga, long walks and watching Chinese action films and who will willingly exchange the snowy white surrounds of a Canadian winter wonderland for the lush green hills of the Congo?

We know such a person and more importantly, we can introduce her to you now.

This is Lee Nehring, Anvil Mining's new Vice President for Social Development who arrived in Lubumbashi a few days ahead of her luggage which seemed to take the slower, scenic route. When we meet, she's been reunited with her belongings and it shows in a warm early morning smile and bounce in her step.



The daughter of an engineer, Lee started school in Sydney, Australia but completed her schooling in Alberta, Canada. University followed soon after and she qualified as a social worker with emphasis on families.

"My first job was with a non-governmental organisation (NGO) in Halifax, Nova Scotia where I worked with children and families at risk, from a community programs perspective," she says.

But it was during an extended period of employment by petrochemical giant Shell that she ventured into the exciting world of public affairs: "I ended up spending ten intensive years with Shell's tar sands project, which due to the proximity of the mining operations, demanded a lot of attention and care creating harmony between industry and the community," she adds.



The Underground Team at Dikulushi

underground progress at dikulushi

Anvil Mining's first underground mining operation is coming to fruition below the Dikulushi open pit. Three mining teams under Mining Manager Chris Harmse's guidance work their way determinedly forward and downward.

An important target of 800 meters was reached 1500 hours on Monday January 15 this year when a mining team under Ian McKenzie blasted its way to the mark. This achievement was not theirs alone as other teams with David Lucas, Dion Tangey and Manie Harmse at the helm, had all done their bit on their respective shifts to ensure that this milestone was reached on the planned date.

Lee is excited about the new challenge that lies ahead in Anvil. Although she will eventually be based in Perth, she will spend the next six months in the DRC to familiarise herself with the operations, the people and most importantly, the communities near the Anvil mining operations.

"We often hear that our world has shrunk. That may be so but it also means that society's expectations of companies such as Anvil have increased. It will all hinge on Anvil's performance because without this performance, we won't be able to fulfill our social responsibilities properly."

Lee is looking forward to working closely with NGO's such as Pact Inc., which she views as imperative to helping Anvil fulfill its social responsibilities to the community. She is a proponent of total transparency both from management and employees alike.

We're confident that this passionate Canadian is going to leave an indelibly positive mark on Anvil's social development initiatives.

"To us in mining, it's all about making sure that we meet our planned targets," Chris Harmse says while we look at a plan of the spiraling decline of the underground mine. "What makes this achievement all the more remarkable is that the majority of our complement of miners are all new to the underground environment where conditions are very different to working on the surface or in an open pit," he says.

Speak to any member of this new mining team and the word 'safety' will be mentioned as a matter of course.

This is also evident when listening to the traditional 'toolbox' talks at the start of each shift. "This has now become a habit of all our shift supervisors and foremen who conduct these talks," says Ian McKenzie. "There is no talk of production as each man knows what to do. We talk only of safety issues and in doing so believe we're creating a culture of working safely."

Safety in the workplace is measured with a Lost Time Injury Frequency Rate (LTIFR). The Dikulushi underground teams' current LTIFR is zero and they're aiming at an initial target of 500,000 injury free man hours. "By the end of four months, we had achieved 159,197 lost time injury free man hours during 240 shifts," Chris continues. "A thousand shifts is normally a good target to aim for as we work around 90 shifts a month."

On the other side of the underground operation, the box cut portal is now complete and blasting is done during every second shift. Despite conditions on the side of the entrance portal being unstable, the mining teams are now steadily advancing forward. The construction of a 30 metre portal extension or verandah is also progressing well.

Anvil's underground mining teams' efforts will be boosted towards the middle of this year when they take delivery of new equipment in the form of a new twin-boom Jumbo drilling rig, a 30-tonne low-profile dump truck and another Toro 1400 low-profile front-end-loader.





The new Kinsevere road & bridge

kinsevere road social impact

The construction of the Kinsevere mine close to Lubumbashi, has had an immediate positive effect on the wider community.

The mining project will consist of three open pits. Such is Anvil Mining's commitment to the project that it is investing large sums of money in the establishment of a crushing, heavy media separation (HMS) plant and an electric arc furnace. A solvent extraction and electro-winning (SX-EW) plant is scheduled for the second stage of the project.

Anvil Mining and its business partners are however not the only winners in this happy tale. The wider community is already benefiting as the mining infrastructure takes shape.

Denham Vickers, Anvil Mining's General Manager for the project explains some of the successes related to the project: "We have already mentioned the increased use of local contractors and companies that supply skills, labour and consumable goods to the project, together with giving priority to hiring personnel from the neighbourhood," he says. "What is however particularly gratifying for us is that the inhabitants of the villages in the immediate vicinity of the mine are benefiting from the development."



Jacques Kandala (left) and Christoph Ngoy taking their maize to be milled.

The Kinsevere project is situated 27 km north of Lubumbashi. The Kawama road that is currently being used to access the Kinsevere site was in an extremely poor state at the inception of the project and was completely rehabilitated as a matter of urgency. Many subsistence farmers now make better use of the road, transporting their crops, mainly bagged maize, to nearby mills and villagers, on their bicycles.

"At a point where the road crests a hill, a local woman supplies the cyclists with drinks," Denham continues. "By the time they get there, they are pretty tired after pushing their heavily laden bikes up the hill. One particular day, Philip le Maire, who was in charge of the road rehabilitation, stood at this point and two local farmers, thanked him profusely for smoothing out the road and making it easier for them to get their produce to the market."

The construction of a bridge on this road has further eased the plight of the cyclists where the road crosses a stream which is known to flood during the rainy season.

A bulk water tank has been installed outside the mine's security area. Local villagers are free to draw potable water from this tank. The tank has become a meeting place for local women and many, with babies on their backs, are seen chatting animatedly while filling their customary bright yellow plastic containers. According to Denham, the water tank is the forerunner to eleven boreholes which are planned for the area together with additional tankage and water piping, which will see Anvil Mining investing a further US\$120,000 of its social development budget, for this purpose.

A medical clinic, complete with doctor and support staff, is soon to be moved from the mine's site to a place where it will be more accessible to the local community.

When driving to and from the Kinsevere site, one is greeted with many smiling faces and friendly waves, showing clearly that the local communities welcome the project and the obvious benefits it will bring.

exploration department does it first

Almost every organization has its unsung heroes and within Anvil Mining, the exploration department must stand a good chance of carrying that label.

Roger Tyler, Anvil Mining's Exploration Manager for its operations within the DRC, is adamant that his department generally has the first real contact with potential business opportunities and as such, plays a key role in ultimate successes.

It is also up to the exploration office to study whether or not there are any existing agreements between land-owners and mining houses and whether the land-owners are willing to negotiate.

"We are generally keen on exploring possibilities that exist in brownfields projects rather than new greenfields projects as these are usually not proven and can be a drain on resources," he says. "Kinsevere is a prime example of a feasible brownfields project."

Once such a project has been identified, a series of information-gathering events will take place. Existing maps and workings will be studied and assessments made. Surface sampling and shallow trenching will follow. A cost effective percussion rig may be deployed to obtain samples up to about 100 metres deep with more accurate core sampling being left to diamond drilling techniques. Core sampling is used for greater depths and is more expensive.

Roger acknowledges the importance of sampling and the information it delivers but emphasizes the need for achieving good geological resources to reserve conversions.

This refers to amongst other things whether it is economically feasible to extract the metal from the rock.

"Even when we've done a thorough job defining say a copper resource we still find it imperative to take a wider look," Roger continues. "The Kinsevere Project geologist, Paluku Batsotsi is currently doing just that, studying the assays of a wider range of minerals at the AMCK site at Kinsevere to see whether other significant patterns emerge."

Paluku will in time analyse the massive amounts of data received from this survey and it will not only benefit Anvil Mining but will also go to completing his Masters degree in Mineral Exploration.

"But we as a department are also looking to the future and have set ourselves some ambitious but attainable goals for the year ahead," Roger adds. "Amongst other things we aim to set up an exploration office at Likasi, to the west of Lubumbashi, looking at future copper-cobalt opportunities and there is also a planned reconnaissance trip to Kalemie on the shores of Lake Tanganyika."

The Exploration Team



Mr Jean Dumb shows Anvil assistant Angele Zubeda the quality of the maize meal he is supplying.

kolwezi farmer supplying maize meal

Jean Dumb is a contented maize farmer. He has a substantial tract of land on which to grow his crops with more than enough rain, a willing and loyal business partner to assist him, 22 pairs of hands to help him and above all, a guaranteed market hungry for his product.

"I farm with Father Meltios of the Orthodox Church on a piece of land about 70km south of Kolwezi," he tells us. "We employ 22 people and plant maize which we mill and then sell to companies such as Anvil Mining."

Anvil Mining started buying this meal for its labour force at the end of 2006 and the company places an order for 250 x 25kg bags every month. This is part of Anvil Mining's commitment to its labour force in Kolwezi. Anvil also supplies the bags and thread for sealing them and furthermore fetches the bags of maize from Jean's farm.

"We have been supplying other companies in the Kolwezi area for about 10 years," Jean continues. "Our agreement with Anvil Mining though gives us much hope because their payment comes through so promptly and they have assured us that this will continue as long as we supply them with good quality meal."



dikulushi clinic serves wider community

The clinic at Dikulushi, is slowly but surely setting a new standard in medical care for a far wider community than originally thought.

This fact reflects sharply in recent statistics on patient numbers visiting the clinic. The clinic, situated just outside the Dikulushi mine's security gate, is staffed by two doctors. Drs. Makusudi Okoko and Kalwazi Philippe have been surprised at the upsurge in community patient numbers that has occurred over the last few months.

"If we look at the split of patients drawn from the Anvil mine compared to the community during March 2006, we see an even split of 1:1," they tell us. "When we look at the split for December 2006, we see a staggering increase to 1:2 in favour of patients from the community."

Converted to patient numbers, this means that at least 1,200 community patients are receiving treatment at the Dikulushi clinic every month. This is remarkable as it was originally thought that no more than 350 patients from the community would visit the clinic every month.

Statistics show that 32 surrounding villages are currently being served with the furthest village, Kilwa, representing a substantial 11% of the patients from the community. This 11% figure carries a lot more weight when one considers that Kilwa is the only village with its own hospital and yet patients choose to make the 50km journey to come to the Dikulushi clinic.



Silvie Kalenga from Dikulushi village visits the clinic with her son, Dieumerci (7 months). With them are Drs Kalwazi (left) and Makusudi Okoko.

The medical staff at the Dikulushi clinic have taken an objective view of the possible causes for their facility's growing popularity and have come to the following conclusions:

- There is no established medical infrastructure in the area,
- The Dikulushi clinic always has the correct drugs and medication in stock,
- Patients are assured of seeing a doctor, and
- The cost of consulting a doctor and obtaining the correct medication is lower than at other facilities.

The most common diseases that Drs Okoko and Philippe treat are malaria, infections of the respiratory tract, enteritis and sexually transmitted diseases.

Mel Kawandami, Stores Manager at the Dikulushi Mine, sits among the books sent from Bannalec in France.



generous gifts from france

Bannalec is a picturesque village in southern Brittany in the northwest part of France. In Bannalec, there are generous people with warm and giving hearts who saw fit to bless the people of Dikulushi and Kilwa with very special gifts.

David Newton, Anvil Mining General Manager at Dikulushi also happens to live near Bannalec and he takes up the story: "The librarian at our local library,

Francoise Calvar, is a friend of mine and I asked her one day whether they may have some books that could be sent to the Democratic Republic of the Congo."

Madame Calvar apparently put a notice on the library door asking for books to be donated for this purpose and the townsfolk responded in numbers.

"Imagine my delight and surprise when I returned home in December last year to find more than 800kg of books in the basement of my home," David smiles. The headmaster of the local primary school, Jean-Christophe Bergez, has also become involved as many of the books were academic books.

"Plans are now in place to build a community centre for the people of Kilwa. The centre will include a 'reading room' and it will be the ideal place for the local population to access the many novels and reference books. Other novels will find a place in our Adult Basic Education and Training (ABET) classes and be used to complement the school books for the children of Dikulushi," David says.

According to David the books total 1,550 with even more to come. Subjects such as French grammar, geography, history, mathematics, science and technology are covered. Some chalk slates were also included. Anvil Mining arranged for the books to be air-freighted to Dikulushi and they will soon be on the shelves of the local school in the village.

Dean van der Walt (Anvil Mining) and Philippe Kaminga (CCC Logistics) on the site of the water reservoir above the village of Pweto.



pweto water project

The high rainfall in the DRC does not always bring good things for all people as the community in and around Pweto, on the northern-most shore of Lake Mweru well know.

During a visit to the area in the summer of 2005, Mike O' Sullivan, at the time, Anvil's Vice-President of Development, and Cedric Kirsten, were struck by the seemingly high number of people affected by cholera, the deadly water-borne disease prevalent in areas where large amounts of water becomes contaminated. The disease causes severe fluid loss in humans, and if not treated, often leads to death.

Mike and Cedric made the deduction that the people of the Pweto area had to drink water from Lake Mweru as there was no source of potable water supplying the town itself. Lake Mweru also forms part of the border between the DRC and Zambia.

Anvil Mining decided as part of its social responsibility, to step in and find a source of fresh water that could supply the town. Such a source was located, high in the hills to the west of Pweto and a plan was made to pipe this water across a distance of some 14km to the village.

Working closely with PACT, Anvil Mining appointed the Congolese civil contractors CCC to undertake the task but little did they know what lay ahead. Dean van der Walt is the Anvil representative on the construction team and he had this to say about this pioneering assignment: "We as the construction team often felt like we were discovering a new world as we hacked our way through bush and trees to create tracks for our vehicles."

All the trenching for the water pipes was done by manual labour and the dry rocky ground had the construction teams groaning. The trenches were all dug during the dry season with the heat and the dust adding to the unforgiving terrain to create a challenging construction environment. Many encounters with snakes kept the team on their toes.

Crossing the Luvua River presented yet another unique challenge for the construction team. The River flows powerfully as its water accelerates around rocks in the gorge. The river banks where the pipe crossing was planned consists of steep rocky cliffs, forcing the construction team to work very carefully as they scrambled up and down, laden with equipment.

On the day work on the river crossing commenced, the whole surrounding neighbourhood turned out to watch. An elderly local woman accompanied the group as she was to have contact with the ancestors and would appease them and get their blessing for the crossing. Local fisherman, at home on the river and at ease in their dugout canoes with the strongly flowing water were used to transport people and equipment.

With a planned budget of US\$2million, the project-spend recently passed the US\$1.2million mark.

"The money Anvil Mining is spending on this crucial project is worth every cent," says David Newton, General Manager for the Dikulushi mine. "If, by helping to supply the community of Pweto with clean drinking water, we can reduce or eliminate the cholera outbreaks, it would please us immensely."

David goes on to quote disturbing figures of 23 people dying during a cholera outbreak in November 2006 which caused the Zambian authorities to temporarily close the border post at Chiengi. Quick, concerted efforts by various parties including UNICEF, Médecins Sans Frontières and Congolese medical authorities countered a possible epidemic.

The Pweto water project is due to be completed by May/June 2007 and will serve 35 000 people in and around Pweto.



Overlooking river crossing for the pipeline route.



pierre risasi — anvil's anchor in the drc

When a ship visits a foreign port, it needs a firm anchor or berth to keep it steady and safe. The same applies to mining companies such as Anvil who has found a firm anchor in the form of Mr. Pierre Risasi, its legal and mining matters representative in the Democratic Republic of the Congo since 1996.

Pierre has been practicing law in the DRC since obtaining the Belgian law degree Licencié en Droit from the Free University of Brussels in 1987. In August 1989, he joined the Kinshasa office of US-based law firm Mitchell, Friedlander & Gittleman. He also practiced for a while under the name of Mitchell & Associates before founding his own firm with a partner. The firm is called Djunga & Risasi and was founded in 2000.

As Pierre is a licensed mines and quarry agent, he is authorized by the Ministry of Mines in the DRC to represent, advise, and assist investors in the granting of mining and quarry rights in the country. With his wealth of experience, especially in litigious matters pertaining to mining in the DRC, he has given Anvil Mining a firm foothold in this mineral-rich country.

The strong bond between Mr. Risasi and Anvil has culminated in the former being appointed chairman of Anvil Mining Congo SARL (Dikulushi Company) as well as Anvil Mining Services SPRL, the local consulting and contracting company through which Anvil personnel are hired out to the various operations in the DRC.

firm foundations for roman catholic church at dikulushi

Many people, who have visited famous churches or places of worship such as St. Paul's Cathedral in London or the Sistene Chapel in Rome, would find it hard to imagine that mass could be conducted under a tree. This is however how the Roman Catholic congregation at Dikulushi had its humble beginnings, conducting mass under a tree in the village.

This has recently changed as they are now firmly ensconced in a solid building, built on a firm foundation of rock and this has happened with the personal help of several Anvil Mining employees.

Ever since Anvil started mining at Dikulushi in 2002, some of its members joined the Roman Catholic congregation already established there and one of them was Jean Bilali who now works as a general mill foreman at the mine. He recalls their early days of worship: "My colleague Joseph Lubanama, a plant shift boss, and I became involved in the parish council of the Dikulushi Roman Catholic church. We and all the members tithed 10% of our earnings to the church and established a building fund with the aim of ultimately building a church on a piece of land donated by the local chief."

Building operations commenced in 2003 with the foundations and floor being laid. Walls were soon added and the slow but gradual construction continued

whenever there was money in the fund. Bricks were sourced from a brickyard in Dikulushi and local builders, who were members of the church, were contracted at a nominal fee to create a winning situation for all concerned.

Later, after Anvil Mining had built a school for the Dikulushi community, they held mass in one of the classrooms.

Noel Avenido, assistant plant manager and Amado Borbon, plant metallurgist, joined Anvil Mining during 2005. Hailing from the Philippines, they both belong to the Catholic Church and upon hearing of the local congregation's plan they decided to lend a helping hand by donating money and sourcing building materials.

"We urged the company to donate cement, stone aggregate and paint to what we believed was a good cause and our company certainly did not let us down," says Noel Avenido. "We also need to thank Bill Muir, our plant manager for his support."

The church building is nearing completion. It has a sturdy roof and an order has been placed with a local carpenter to supply pews to seat at least 150 people. At present, people bring their own chairs to mass.



With the proof of their commitment and contributions clearly visible behind them, Noel Avenido, Patrick Kyesa and Jean Bilali stand quietly proud.