

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Set out below is a review of the activities, results of operations and financial condition of Anvil Mining Limited (the "Company") and its subsidiaries (the "Group" or "Anvil") for the third quarter and nine months ended September 30, 2007. This information is presented as of November 14, 2007. The discussion below should be read in conjunction with the unaudited consolidated financial statements of the Company for the third quarter and nine months ended September 30, 2007 and the notes thereto. The Company's consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles.

Capitalized terms used and not defined below have the meanings given to them in the consolidated financial statements and the notes thereto. References below to "\$" or "US dollar" refer to United States dollars. The Company uses the US dollar as its reporting currency. Certain financial information relating to Anvil Mining Limited set out below originates in Canadian dollars ("C\$"), or Australian dollars ("A\$"), and has been translated into US dollars, based on prevailing exchange rates and in accordance with Note 2 to the audited consolidated financial statements for the year ended December 31, 2006.

Additional information relating to the Company, including the Company's most recent annual information form is available on SEDAR at www.sedar.com.

HIGHLIGHTS for the third quarter ended September 30, 2007.

- Record net copper concentrate sales of \$76.2 million in the 2007 September quarter, an increase of 35% compared to the 2006 September quarter.
- Record net income of \$39.1 million (\$0.55 per share) in the 2007 September quarter, an increase of 30% compared to the 2006 September quarter.
- Record cash flows from operating activities, before working capital movements, of \$50.1 million (\$0.71 per share) in the 2007 September quarter, an increase of 36% compared to the 2006 September quarter.
- Record quarterly production of 14,772 tonnes of copper and 612,739 ounces of silver contained in concentrates.
- Stage III Dikulushi underground mine decline development to a total advance of approximately 2,688 metres by the end of the third quarter.
- Commencement of underground mining at Dikulushi on a production basis in September, with the expectation of ramping up to full production late in the fourth quarter of 2007.
- Kinsevere Stage I design capacity of 500,000 tonnes of ore throughput per year through the Heavy Media Separation ("HMS") plant, or 1,370 tonnes per day and 25,000 tonnes per annum copper production in the form of oxide concentrate was achieved in August with copper production of 6,142 tonnes for the 2007 September Quarter.

1. Overview

The Group operates in the mineral producing, development and exploration industry with a focus on base and precious metal exploration, mine development and mine operation.

The Group holds a 90% beneficial interest in the Dikulushi mine and surrounding exploration areas, which are held under the terms of the Dikulushi Mining Convention (the “Convention”) with the government of the Democratic Republic of Congo (“DRC”).

The Group also has an 80% indirect interest in the Mutoshi Copper-Cobalt project in the Kolwezi region in DRC. The Mutoshi project, which is held by subsidiary Société Minière de Kolwezi sprl (“SMK”), includes the old Mutoshi mine, the Kulu mine (coarse rejects/tailings deposit), the Mutoshi Northwest prospect, the Nioka prospect, the Kamukonko cobalt prospect and areas situated on the relatively under-explored southern edge of the Kolwezi Klippe, a prominent geological feature in the area. The total area included in the Mutoshi project is 136.92 square kilometres.

The Group also has an indirect 95% interest in the mining rights of the Kinsevere-Nambulwa Exploitation Permits, held through AMCK Mining sprl (“AMCK”). The Kinsevere properties and Nambulwa properties lie approximately 30 kilometres and 55 kilometres north of the provincial capital of Lubumbashi respectively. The two Exploitation Permits, Kinsevere and Nambulwa, total 29.6 square kilometres and contain four distinct mineralized zones that outcrop at surface.

Dikulushi Copper-Silver mine

The Dikulushi mine is situated in the southeast part of the DRC in the Haut Katanga District. The mine was initially established using a staged development approach. Stage I involved a 250,000 tonnes per annum Heavy Media Separation (“HMS”) production circuit and the Stage II expansion comprised a 350,000 tonnes per annum ball mill and flotation circuit, replacing the HMS plant. The Stage III underground mine development, which commenced in 2006 following completion of deep drilling below the existing open pit, commenced underground production during September 2007, and is expected to reach full-scale production late in the fourth quarter of 2007.

Kulu Copper mine

The Kulu mine is located east of the town of Kolwezi in the southeast part of the DRC. The mine was commissioned in December 2005 following commencement of construction in July 2005. Kulu Stage I comprised the relocation of the refurbished HMS plant from Dikulushi and the construction of associated support infrastructure. The HMS plant is currently treating the coarse rejects/tailings from the Kulumaziba watercourse which were discharged from a previous operation at the Mutoshi open pit mine. Following commissioning, the HMS plant underwent an upgrade involving the installation of a scrubber and larger screen to increase throughput. This was completed during the 2006 March quarter, and resulted in a steady improvement in production, reaching design throughput in May 2006. As the mining of the material in the watercourse has progressed further downstream, the proportion of higher-grade coarser material has reduced, as expected. It is this higher-grade, coarser material that is most suitable for HMS processing. Persistent artisanal mining activity, combined with heavy rainfall during the fourth quarter of 2006 and the first quarter of 2007 has removed and redistributed a significant amount of the coarser-grained, higher-grade fraction of the Kulu resource from upstream to locations further downstream. This has caused the Company to consider advancing the installation of a more effective processing plant, most likely to include Solvent Extraction Electro-winning (“SX-EW”).

Kinsevere Copper mine

The Kinsevere-Nambulwa project (the “Kinsevere project”) is located in the Katanga Province in the southeast of the DRC. It is situated in the central section of the Congo Copperbelt, in an area approximately 30 to 55 kilometres north of the provincial capital, Lubumbashi.

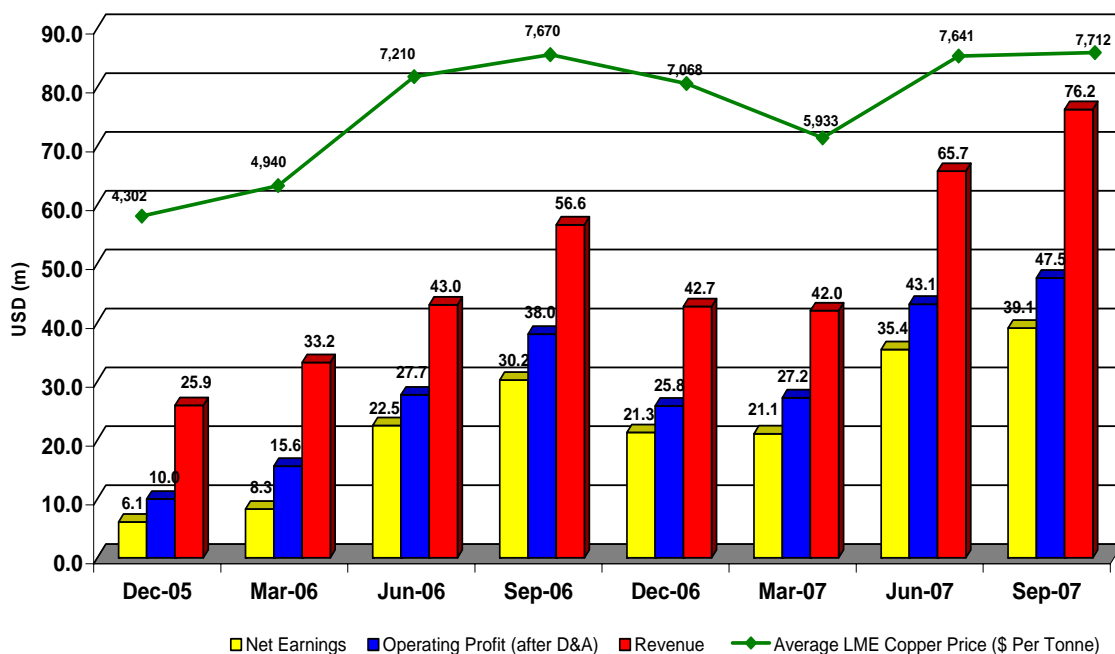
The Kinsevere project comprises two separate exploitation permits Kinsevere (PE 528) and Nambulwa (PE 539). These two exploration permits cover an area of 29.6 square kilometres. The focus of exploration to date has been the Kinsevere PE. Exploration activities at Nambulwa will be carried out during the next six months. Kinsevere (PE 528) consists of three deposits, Kinsevere, Tshifufia and Tshifufiamashi and covers an area of 16.1 square kilometres. All three deposits lie within 2 kilometres of one another.

In May 2006, following completion of a feasibility study, Anvil committed to a \$35 million Stage I development at Kinsevere. The Stage I development, which comprises an HMS Plant and an Electric-Arc Furnace (“EAF”) is expected to produce approximately 23,000-25,000 tonnes per annum of “black copper” ingots assaying 90%-95% copper. The HMS Plant was successfully commissioned in June 2007 and the EAF is expected to be commissioned during the first quarter of 2008. For the period until the commissioning of the EAF, copper concentrates produced at Kinsevere will be sold locally.

The Stage II development, which includes construction of a 60,000 tonnes per annum SX-EW plant, is designed to produce LME Grade A quality copper cathode directly at the mine site. A feasibility study was completed in mid-April 2007 and the capital cost of \$238 million was approved by the Board of Directors in late April 2007. In early July, the Company appointed Ausenco Limited from Australia as the provider of Engineering, Procurement and Construction Management (“EPCM”) services for this development. Stage II works have already commenced, with clearing of the site now completed, excavation works and preparation of foundations well underway and the tendering and procurement process for major capital items in progress.

2. Financial Results

Chart 1: Quarterly Financial Performance



Nine Months 2007

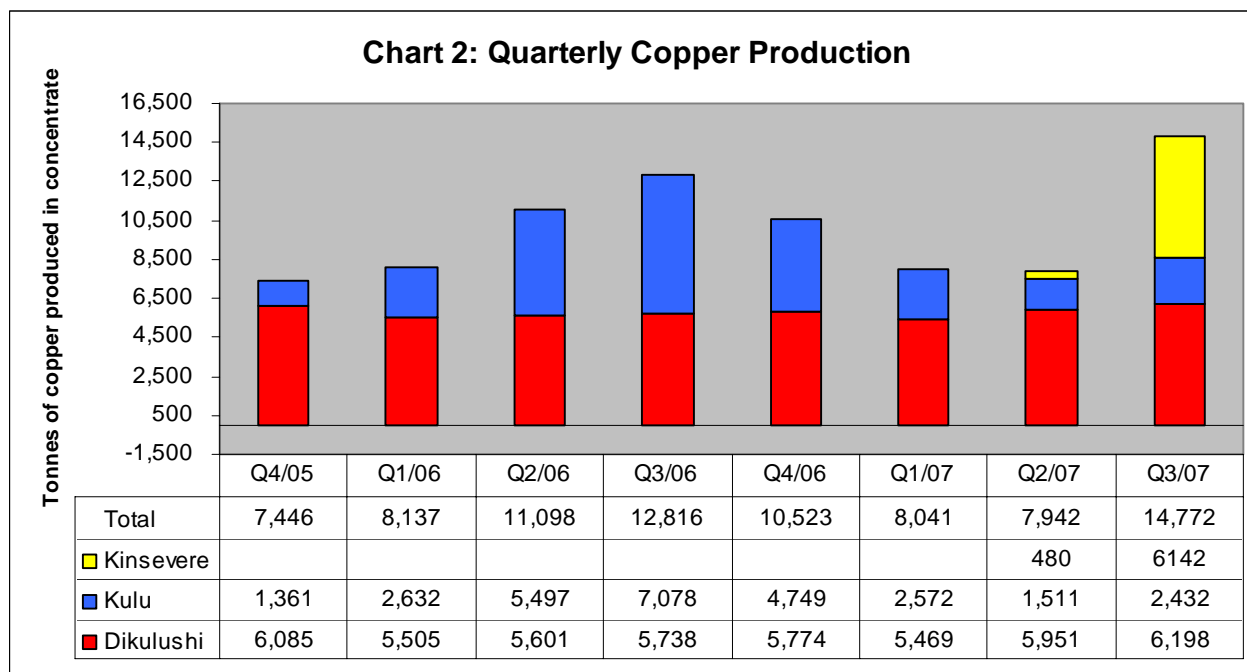
The net income for the first nine months of 2007 was \$95.5 million or \$1.52 per basic share (weighted average common shares: 62,755,853) as compared to \$60.9 million or \$1.29 per basic share (weighted average common shares: 47,381,118) for the first nine months of 2006. The increase in net income of 57% was due to a 7% increase in the LME cash copper price as well as a 6% increase in copper concentrate tonnes sold at Kulu and a 9% increase in copper delivered from Dikulushi. Sale of copper concentrate from Kinsevere commenced during the third quarter of 2007. The cash flow from operations, after working capital movements, for the first nine months of 2007 was \$77.36 million (2006 nine months: \$35.2 million), or \$1.23 per weighted average share outstanding (2006 nine months: \$0.74).

Third Quarter 2007

The net income for the quarter was \$39.1 million or \$0.55 per basic share (weighted average common shares: 70,438,648) as compared to \$30.2 million or \$0.54 per basic share (weighted average common shares: 55,878,215) in the third quarter of 2006. The increase in net income of 30% was due to a 1% increase in the LME cash copper price, commencement of sale of concentrate from Kinsevere and a 13% increase in copper delivered from Dikulushi. This was offset by a 48% decrease in copper concentrate tonnes sold at Kulu. The cash flow from operations, after working capital movements, for the quarter was \$43 million (2006 September quarter: \$20.1 million), or \$0.61 per weighted average share outstanding (2006 September quarter: \$0.36).

3. Production and Statement of Income Discussion

Copper Production



Nine Months 2007

Copper production in the first nine months of 2007 was 30,755 tonnes, of which 57% was from Dikulushi, 21% from Kulu and 22% from Kinsevere. Combined copper production decreased by 4% compared to the first nine months of 2006, principally due to a decrease in production from Kulu as a result of lower feed grade and lower copper recoveries from processing finer grained material. The reduction in production from Kulu was largely offset by the commencement of production from Kinsevere.

Third Quarter 2007

Copper production in the third quarter of 2007 was 14,772 tonnes, of which 42% was from Dikulushi, 16% from Kulu and 42% from Kinsevere. Combined copper production increased by 15% compared to the third quarter of 2006, principally due to the commencement of production from Kinsevere, which was partially offset by a decrease in production from Kulu.

Revenues

Table 1: Revenue Statistics

	September Quarter					Nine Months ended September 30				
	2007			2006		2007			2006	
	Dikulushi	Kulu	Kinsevere	Dikulushi	Kulu	Dikulushi	Kulu	Kinsevere	Dikulushi	Kulu
Revenue (\$ million)										
Copper	46.6	7.0	14.8	37.4	13.5	121.2	26.4	14.8	94.7	22.6
Silver	7.6	-	-	5.7	-	21.0	-	-	15.4	-
Cobalt	-	0.3	-	-	-	-	0.3	-	-	-
Total Revenue	54.2	7.3	14.8	43.1	13.5	142.2	26.7	14.8	110.1	22.6
Average realized copper price (\$ per lb)	3.55	-	-	3.57	-	3.35	-	-	3.16	-
Average realized copper concentrate price (\$ per tonne of concentrate)	-	987	1,023	-	706	-	783	1,023	-	620
Average realized silver price (\$ per Oz)	12.95	-	-	11.61	-	12.95	-	-	10.76	-
Sales Statistics										
Copper (payable tonnes)	6,223	-	-	5,512	-	17,185	-	-	15,743	-
Copper concentrate (tonnes)	-	7,542	14,429	-	14,584	-	34,897	14,429	-	32,693
Silver Payable (Ounces)	583,172	-	-	491,242	-	1,620,938	-	-	1,439,027	-

(1) Copper revenue is defined as realized copper selling price less treatment, refining and freight charges

Nine Months 2007

Year to date revenues in 2007 increased by 39% over the same period in 2006 to \$183.9 million (2006 September nine months: \$132.7 million). The increase was due to an increase in the average realized price of 6% and 20% for Dikulushi copper and silver respectively and an increase in the average realized copper concentrate price of 26% for Kulu copper concentrate over the same period in 2006. The tonnes of copper delivered from Dikulushi increased by 9% and the tonnes of copper concentrate sold by Kulu increased by 6% over the same period in 2006. The sale of copper concentrate produced from Kinsevere commenced during the third quarter.

Third Quarter 2007

Third quarter revenues in 2007 increased by 35% over the same period in 2006 to \$76.2 million (2006 September quarter: \$56.5 million). The increase was due to an increase in the average realized copper concentrate price of 40% for Kulu copper concentrate, a 12% increase in the average realized silver price for Dikulushi and the commencement of copper concentrate sales from Kinsevere. These increases were offset by a decrease in the average realized copper price of 1% for Dikulushi copper over the same period in 2006. The tonnes of copper delivered from Dikulushi increased by 13%, however the tonnes of copper concentrate sold by Kulu decreased by 48% over the same period in 2006 due to lower feed grade and lower copper recoveries from processing finer grade material.

Operating Expenses

Nine Months 2007

Operating expenses before amortization for the nine months to September 2007 were higher at \$57.5 million (2006 nine months: \$45.8 million) compared to the same period in 2006. This was mainly due to the costs associated with the increased tonnage of copper concentrate sold during the current nine month period compared to the same period in 2006.

The Dikulushi total cash operating cost per pound of copper produced (after silver credits) for the nine months to September 2007 was \$0.59 (2006 September nine months: \$1.02) due to lower smelter and refining charges negotiated in relation to current year contracts. It was also due to a lower operating cash cost (ex-mine gate) per pound of copper produced (after silver credits) of \$0.15 for the nine months to September 2007 (2006 September nine months: \$0.33) mainly from higher silver credits as a result of increases in the silver price and lower mining costs due to the cessation of the open pit mining operations at Dikulushi.

The operating cash cost per tonne of oxide concentrate at Kulu for the nine months to September 2007 was \$528 per tonne (2006 September nine months: \$221) due to lower feed grade and lower copper recoveries from processing finer grained material.

The operating cash cost per tonne of oxide concentrate at Kinsevere since commencement of commercial production was \$362 per tonne.

Third Quarter 2007

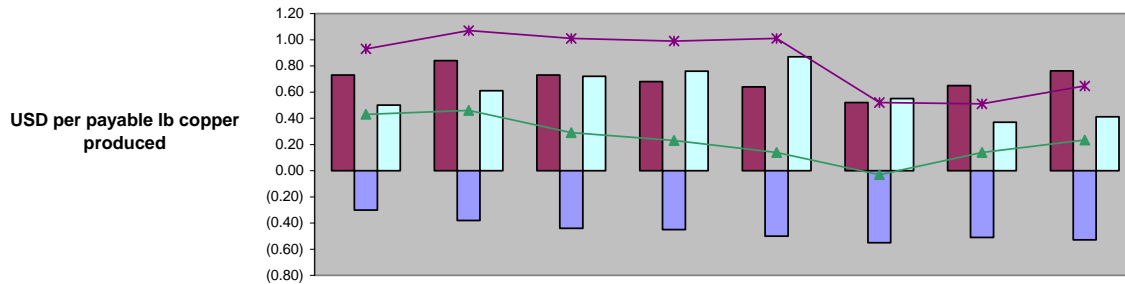
Operating expenses before amortization for the September quarter were higher at \$24.1 million (2006 September quarter: \$16.5 million) compared to the same period in 2006. This was mainly due to the realization of costs associated with the increased tonnage of copper concentrate sold during the current quarter compared to the same period in 2006.

The Dikulushi total cash operating cost per pound of copper produced (after silver credits) for the 2007 September quarter was \$0.65 (2006 September quarter: \$0.99) due mainly to lower smelter and refining charges negotiated in relation to current year contracts.

The operating cash cost per tonne of oxide concentrate at Kulu for the 2007 September quarter was \$670 per tonne (2006 September quarter: \$242) due to lower feed grade and lower copper recoveries from processing finer grained material.

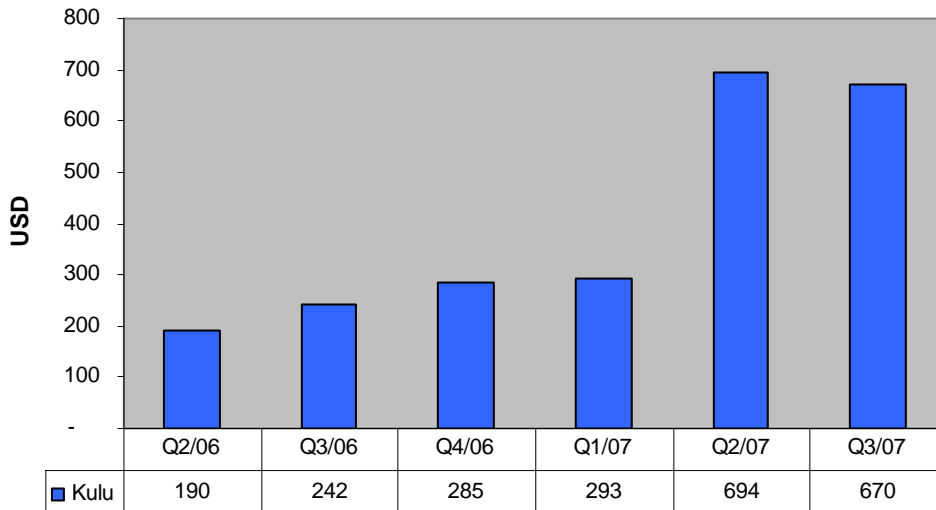
The operating cash cost per tonne of oxide concentrate at Kinsevere for the 2007 September quarter was \$362 per tonne.

Chart 3: Dikulushi - Quarterly Cash Costs



	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07
Mine Gate Costs	0.73	0.84	0.73	0.68	0.64	0.52	0.65	0.76
Silver credits	(0.30)	(0.38)	(0.44)	(0.45)	(0.50)	(0.55)	(0.51)	(0.53)
Mine Gate Costs (net of silver credits)	0.43	0.46	0.29	0.23	0.14	(0.03)	0.14	0.23
TC RC's - Treatment, refining and freight charges	0.50	0.61	0.72	0.76	0.87	0.55	0.37	0.41
Total Cash Costs	0.93	1.07	1.01	0.99	1.01	0.52	0.51	0.65

Chart 4: Kulu Quarterly Cash Cost (per tonne of concentrate)



Other Expenses

Nine Months 2007

General, administrative and marketing expenses for the nine months to September 2007 were \$9 million (2006 nine months: \$6.1 million) which represented an increase of 47% over the same period in 2006. This was due to the recruitment of additional technical and administrative staff to support the Company's expansion.

A provision of \$0.8 million was made during the third quarter of 2007 for the impairment of investments. The decline in value of investments is considered other than temporary, hence the investments were written down to fair value.

Exploration expenditure written off of \$1.1 million for the nine months to September (2006 September nine months: nil) related to expenditure incurred on the Duc Bo project in Vietnam. The title to the tenement was not renewed by government authorities in Vietnam, however the Company is currently in the process of reapplying for this tenement.

The stock based compensation cost of \$1.8 million (2006 September nine months: \$1 million) represented an increase of 88% compared to the same period in 2006 which related to the cost of accrued options granted to new and existing employees and directors, designed as incentives for maintaining and increasing performance.

Social development costs of \$1.8 million were incurred during the nine months to September 2007 (2006 September quarter: nil). The costs related to community development programs administered jointly by Pact Inc. ("Pact"), a Washington-based International Development Agency, in partnership with the Company, for the benefit of communities surrounding the Company's Kulu and Kinsevere mine sites. Costs related to community development programs for the benefit of communities surrounding the Dikilushi mine site are funded through a ten percent equity interest in Anvil Mining Congo s.a.r.l. ("AMC"), which is held in trust by the Group and therefore disclosed in minority interest within the balance sheet and not as operating expenses.

Third Quarter 2007

General, administrative and marketing expenses for the September quarter were \$3.5 million (2006 September quarter: \$2.3 million) which represented an increase of 52% over the same period in 2006. This was due to the recruitment of additional technical and administrative staff to support the Company's expansion.

The stock based compensation cost of \$0.6 million (2006 September quarter: \$0.4 million) for the current quarter represented an increase of 67% compared to the same period in 2006 which related to the cost of accrued options granted to employees and directors.

Social development costs of \$0.8 million were incurred during the quarter (2006 September quarter: nil). The costs related to community development programs administered jointly by Pact, in partnership with the Company, for the benefit of communities surrounding the Company's Kulu and Kinsevere mine sites.

4. Discussion of Cash Flows

	Third Quarter		Nine months ended September 30	
	2007	2006	2007	2006
Cash flows from: (\$ million)				
Operating activities	42.9	20.1	77.4	35.1
Investing activities	(26.9)	(22.3)	(91.4)	(137.3)
Financing activities	(4.1)	16.0	169.6	141.9
Net increase/(decrease) in cash and cash equivalents	11.9	13.8	155.6	39.7

Cash Flow

Cash flow from operations in the 2007 September quarter was \$42.9 million (2006 September quarter: \$20.1 million), or \$0.61 per share (2006 September quarter: \$0.36). Operating cash flows were affected by an increase in accounts receivable of \$13.5 million for the quarter mainly due to a 16% increase in September quarter concentrate sales revenue compared to the June quarter.

Investing cash outflows were \$26.9 million (2006 September quarter: \$22.3 million), which included the payment of \$2.1 million for 30 million shares in Sub-Sahara Resources NL (“Sub-Sahara”), an ASX listed company (ASX: SBS) with interests in a number of exploration projects in Eritrea and Tanzania, countries in which Sub-Sahara has been active for five to ten years. Added to the investment made in the second quarter of 2007, this investment gave the Company an 18% stake in Sub-Sahara. The Company incurred exploration expenditure of \$6.2 million, which included \$4.7 million on the Kinsevere-Nambulwa tenements. Payments for property, plant and equipment of \$25.5 million for the quarter were predominantly incurred in development of Kinsevere Stage II and the Dikulushi underground mine.

Net financing cash outflows for the quarter were \$4.1 million (2006 September quarter: \$16 million cash inflow). An amount of \$2.0 million was paid during the quarter to Fortis Bank (“Fortis”), being repayment of part of the borrowings held with Fortis. Advances made to the trusts that hold a 10% interest in AMC during the quarter amounted to \$1.8 million.

5. Financial Position and Liquidity

	September 30, 2007	Dec 31, 2006
Assets (\$ millions)		
Cash and cash equivalents (including restricted cash)	215.3	59.5
Investments	73.2	95.8
Current assets	391.3	209.9
Total assets	659.6	402.5
Liabilities (\$ millions)		
Current liabilities	32.0	72.5
Long-term debt	-	4.0
Total liabilities	79.0	114.4
Non controlling interests	15.1	8.3
Shareholders' equity (\$ millions)	565.5	279.8
Working capital (\$ millions)	359.4	137.4
Weighted average number of shares		
(for basic earnings per share)	62,755,853	49,729,151
Outstanding shares	70,423,594	56,707,554

Cash and cash equivalents

The increase in cash and cash equivalents (including restricted cash) to \$215.3 million (December 2006: \$59.5 million) was mainly due to \$179.8 million received, net of share issue expenses, from the bought deal share issue during the second quarter of 2007. The majority of the cash and cash equivalents (\$180m) is invested in short term deposits with major international banks. The balance of cash and cash equivalents is held on call with major banking institutions.

Current Investments

The decrease in current investments to \$73.2 million (December 2006: \$95.8 million) was attributed to investments maturing and being converted into cash, and a provision for impairment on an investment. The current investments are a result of the cash received from the capital raising in March 2006 being placed into investment grade assets. The investments are intended to be converted into cash as, and when, the Group's funding requirements necessitate. The Company and its investment advisor will continue to actively monitor its investments.

Current assets

The total current assets increased by \$181.4 million to \$391.3 million (December 2006: \$209.9 million). In addition to the movement in cash and investments outlined above, there was an increase in accounts receivables to \$65.8 million (December 2006: \$29.6 million). This was due to the commencement of copper sales from Kinsevere during the current quarter together with higher copper prices. Prepaid expenses and deposits increased by \$7.2 million to \$14.1 million, which were mainly amounts paid to suppliers for plant and equipment required for the Kinsevere development.

Current liabilities

Current liabilities decreased to \$32 million (December 2006: \$72.5 million). This was due to the reduction of \$45.0 million in the purchase consideration payable for the additional 15% interest in AMCK, as this consideration was paid in full during the March quarter. Repayment of the current portion of the Fortis loan amounted to \$2 million. An increase in accounts payable of \$6 million was attributed to increased activity

levels in connection with the development of the underground mine at Dikulushi and the Kinsevere Stage I & II developments.

Total liabilities

Total liabilities at September 30 were \$79 million (December 2006: \$114.4 million). The decrease was mainly due to changes in current liabilities as outlined above, and a loan repayment of \$6.0 million to Fortis. The total loan payable to Fortis is now \$6.0 million, to be repaid over three further quarters at \$2.0 million per quarter. A liability of \$10.5 million exists for asset retirement obligations, of which \$8.8 million has been estimated for the Kinsevere mine rehabilitation.

Non-Controlling Interests

The increase in non-controlling interests to \$15.1 million (December 2006: \$8.3 million) at September 30 was undistributed profits attributable to non-controlling interests of \$1.9 million in SMK (December 2006: \$1.8 million), \$0.3 million in AMCK (December 2006: nil) and \$12.9 million in AMC (December 2006: \$6.5 million).

Shareholders' equity

Shareholders' equity at September 30 increased by \$285.7 million to \$565.5 million as a result of:

- share capital increasing by \$190.5 million, of which \$179.8 million related to new share issues and \$9.0 million was in relation to the purchase consideration payable for the additional 15% interest investment in Kinsevere (872,093 shares at US\$10.32 per share).
- retained earnings increasing by \$95.2 million due mainly to net income from the current year.

Outstanding Share Data

At November 13, 2007, the Company had outstanding 70,471,927 common shares. In addition there were outstanding 2,206,196 director and employee stock options with exercise prices ranging between C\$3.80 and C\$17.04 per share. The Company also had outstanding 600,000 share purchase warrants which are exercisable as follows:

Issued	Expiry date	Number	Exercise price
December 22, 2005	December 22, 2007	600,000	C\$6.25

6. Other Financial Statement Matters

Contractual Obligations

The following table summarizes the Company's contractual and other obligations, as at September 30, 2007.

<i>Payments due by period</i>	Total \$ million	Less than 1 year \$ million	1 – 3 years \$ million	4 – 5 years \$ million	More than 5 years \$ million
Long-term debt	6.0	6.0	-	-	-
Environmental and mine closure liabilities	10.5	-	0.7	0.9	8.9
Capital commitments – Dikulushi, Kulu and Kinsevere mines and Anvil Mining Services s.p.r.l.	28.4	28.4	-	-	-
Equipment operating lease	2.0	0.4	1.3	0.3	-
Exploration expenditure commitments	0.1	0.1	-	-	-
Purchase consideration upon acquisition of initial interest in SMK. To be paid upon transfer of tenements	1.3	1.3	-	-	-
Non-controlling interest commitments – comprises the 10% outside equity interests in the retained earnings of AMC	12.9	12.9	-	-	-

Segment Information

The Company's reportable operating segments are strategic business units that produce different but related products or services. Each business unit is managed separately because each requires different technology and marketing strategies.

Dikulushi copper/silver operation – 90% ownership

The Dikulushi operation is located in the Katanga province of the DRC. The operation commenced in 2002, and produces a sulphide copper concentrate with a silver credit.

Kulu copper operation – 80% ownership

The Kulu operation is located in the Katanga province of the DRC. The operation commenced in 2005, and produces an oxide copper concentrate.

Kinsevere copper operation – 95% ownership

The Kinsevere operation is located in the Katanga province of the DRC. The operation is currently being developed in two stages. Stage I will incorporate an HMS Plant and an EAF. The HMS plant was successfully commissioned in June 2007 producing copper concentrates, and the EAF is expected to be commissioned during the first quarter of 2008. The Stage II development includes a 60,000 tonnes per annum SX-EW plant which will produce LME grade A copper cathodes.

Corporate development, administration and other (CDA)

The corporate development, administration and other segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting and corporate administration. It also holds the rights to evaluate and develop mineral properties in the Philippines.

For the nine months ended September 30, 2007, segmented information is presented as follows:

	Dikulushi	Kulu	Kinsevere	CDA	Inter-segment	Nine months ended September 30, 2007 Total
Concentrate sales	142,205	26,984	14,758	-	(15)	183,932
Operating expenses	(34,439)	(18,881)	(4,122)	(100)	15	(57,527)
Amortization	(4,003)	(1,754)	(1,976)	(796)	-	(8,529)
Segmented operating profit (loss)	103,763	6,349	8,660	(896)	-	117,876
Interest and financing fees	-	(1,605)	-	(1,145)	1,605	(1,145)
Other income	234	89	33	14,469	(7,381)	7,444
Other expenses	(2,390)	(3,406)	(1,763)	(12,543)	5,776	(14,326)
Segmented profit before under noted items	101,607	1,427	6,930	(115)	-	109,849
Income taxes	-	(668)	(1,855)	(1,241)	-	(3,764)
Non-controlling interest	(10,161)	(152)	(268)	-	-	(10,581)
Segmented profit	91,446	607	4,807	(1,356)	-	95,504
Property, plant and equipment	28,959	14,324	149,907	5,873	-	199,063
Total assets	173,958	45,797	110,099	329,717	-	659,571
Capital expenditures	(8,739)	(2,857)	(41,746)	(2,351)	-	(55,693)

Exploration and Acquisition Expenditure

At September 30, the Company had deferred exploration and acquisition costs of \$61.5 million (December 2006: \$127.1 million), comprising exploration and acquisition expenditure on the Dikulushi mining and exploration tenements (\$4.1 million), Mutoshi mining, tailings and exploration tenements (\$32.4 million), Kinsevere-Nambulwa mining tenements (\$22.1 million) and Philippines mining and exploration tenements (\$2.9 million). A significant portion of this exploration and acquisition expenditure consists of fair value exploration property arising from the acquisition of the Mutoshi project (\$27.6 million) and Kinsevere-Nambulwa project (\$13.9 million). Upon commencement of production at Kinsevere, an amount of \$77.8 million was transferred to Mine properties during the third quarter of 2007.

Philippines Evaluation and Development Agreement

Following the completion of due diligence in December 2006, the Company elected in February 2007 to proceed with a detailed evaluation of the Itogon Suyoc Resources Inc. ("Itogon") mineral properties in the Philippines. The Company made a cash payment of \$2.0 million to Itogon on February 16, 2007 and will provide a minimum of \$2.0 million in exploration funding and use its best efforts to complete the detailed evaluation within a two-year period. Diamond drilling has begun and sampling of the underground workings at the old Itogon mine is underway.

7. Other Matters

Exploration Activity

Dikulushi: During the September quarter, 19 more Reverse Circulation (“RC”) holes (1,846m) were drilled at the Kazumbula and Kitete regional targets. Copper mineralization has been intersected at both targets, with a further notable intercept beneath the artisanal diggings at Kazumbula. A preliminary review of the first-pass drilling to date confirms that follow-up drilling is required on each of the targets tested and a specific focus for each target has been established.

All assay results from the Phase 2 deep drilling program have now been reported, and four of the six intercepts of the main Footwall Vein Zone have grades that average more than 5% Cu over a significant thickness.

While some of the data from the airborne geophysical survey conducted earlier in the year is available, a final interpretation is not expected to be available until the first quarter of 2008.

Kinsevere: the Phase 3 drilling program comprised of 45,367 metres of RC, Diamond and Air-core drilling was completed in June 2007. The main purpose of this drilling program was to complete the infill drilling at the Tshifufia and Tshifufiamashi deposits and carry out the initial RC and Diamond drilling on the area referred to as the Kinsevere Hill North-West Extension. An updated Mineral Resource estimate is expected to be announced before year-end.

Mutoshi: samplings from the Kulumaziba River continued during the quarter as part of the updated resource estimation at Kulu. A small amount of Diamond drilling and RC drilling at the Mutoshi Brèche prospect, immediately to the west of the old Mutoshi open pit, was undertaken as part of the ongoing drill-out of this area. Several significant intercepts of copper have been reported from this drilling and follow-up drilling is planned to define a resource in the area where good grades have been reported.

Philippines: the local government authorities and the Barangay Poblacion community that is located near the Itogon project endorsed the Company’s work program in July which allowed for the planned drilling at Frog Vein North to proceed. The first two surface Diamond Drill holes have intersected Frog Vein, and a third hole is in progress with the first assay results from these intercepts expected in late October. Channel sampling of the underground workings at the old Itogon mine has begun.

Community Development

The Company’s community development programs in the DRC continue to focus on health, education, local employment and small business development.

At Kinsevere, construction of two schools and a health clinic commenced during the third quarter, with both projects having benefited from successful discussions held with the Ministries of Health and Education during the June Quarter. In addition to these projects, the Company and its development partner Pact, also initiated the start of a permanent market place to enhance the local economy. The commencement of early works on Kinsevere Stage II has resulted in the Company undertaking a number of “in-community recruitment drives” to support the development of Kinsevere Stage II and in the past month, 80 labour positions have been filled. This is consistent with the Company’s goal of maximizing local employment.

In Lubumbashi, the Company is providing technical support and expertise for the development of the city’s five year Urban Development Plan, which the municipal government will use to strategically manage its urban renewal efforts to meet the expanding population growth that has occurred since last year’s democratic elections. This activity complements the discussions that were held during the September Quarter with donors and other responsible mining companies regarding the development of a coordinated response to the regional infrastructure requirements of the Katanga province.

Anvil's collaboration project on the Voluntary Principles for Human Rights and Security with the Multilateral Investment Guarantee Agency is on schedule and the Comprehensive Implementation Guide (the "Guide") was completed this quarter. Roll out of the Guide is expected to begin during the fourth quarter of 2007.

Looking forward, the fourth quarter will see continued progress on community development projects and a focus on alternative employment opportunities for artisanal miners.

Legal

During the September quarter, the Company received notification from the Australian Federal Police that there was insufficient evidence to substantiate that the actions of Anvil in connection with military action by the Forces Armées de la République Démocratique du Congo at Kilwa in the Katanga province in October, 2004 amounted to an offence against the provisions of the Criminal Code Act 1995. In the June Quarter, the military court of the DRC dismissed all charges against Anvil and its employees in this matter.

8. Outlook

Mining Commission Review

In April, 2007 the Congolese government formed a Commission to review approximately sixty mining agreements entered into by the Congolese government. This review continued during the quarter. Recently there have been reports that the Commission has finalized its report, which has been passed to the Minister of Mines. The Company is aware that a copy of what is claimed to be the report has been circulating in the press in the DRC and internationally and that the Company's agreements governing its three mines are said to be subject to cancellation or renegotiation. The Company has received no notification from the Congolese government with respect to any such renegotiation or cancellation. On November 6, 2007 the DRC Government issued an announcement regarding the recent speculation concerning the outcome of the Commission's review. In the announcement, it confirmed that the speculation is not based on any official document, but on a leak of an early draft from within the Commission. No timeframe has been provided for the release of the final report, although the Minister of Mines confirmed in the announcement that it is expected that, after all irregularities have been corrected, the great majority of companies currently in the DRC will remain in the country for the long term. It remains unclear as to the timetable for the formal publication of the report by the DRC Government. There can be no assurance that the final outcome of the Commission's review will not have an adverse effect on the Company.

Dikulushi

The Dikulushi mine is expected to produce 24,000 tonnes of copper and 2,250,000 ounces of silver, contained in concentrates, for 2007. Open pit mining at Dikulushi ceased in November 2006, and all feed to the plant continued to be sourced from the Run-of-Mine stockpiles of blended high-grade and low-grade ore, which are expected to provide sufficient ore to adequately maintain current levels of copper production until the end of 2007. Production from the underground mine began in early September and is being ramped up, with full production expected to occur late in the fourth quarter. Ore from the underground mining operation is being stockpiled for feed to the plant in 2008.

During the 2007 September quarter, work progressed on the development of the Stage III underground mine development. At the end of the September quarter, the decline had progressed to a total advance of approximately 2,688 metres.

Kulu

Heavy rainfall during the fourth quarter of 2006 and the first quarter of 2007 has redistributed to locations further downstream, a significant amount of the coarser-grained, higher-grade fraction of the Kulu resource leaving behind a finer lower-grade fraction which has lower metallurgical recoveries through an HMS plant.

Artisanal mining activity in the lower 40% of the river continued during the second and third quarter of 2007. The effect of artisanal mining activity has been the removal of some of the higher-grade portion of the coarse-grained tailings and leaving behind a lower-grade fraction which has lower metallurgical recoveries through the HMS plant. To counteract this, a significant portion of the artisanal product has been purchased and retreated through the HMS plant, thereby increasing the feed grade, and consequently increasing concentrate production. A new enlarged desliming screen, which was installed in early October, is also assisting to further improve throughput, recoveries, and concentrate production.

In order to gain a better understanding of the redistribution that has resulted from artisanal mining activity and erosion, a surveying and sampling program is underway and should be completed in the fourth quarter of 2007.

While enhancements of the HMS plant and purchasing of artisanal material as a high grade plant feed are expected to increase throughput and concentrate production, the year-to-date production shortfall at Kulu resulting from the factors discussed above will not be recouped by year-end with the revised 2007 copper production target remaining at 10,000 tonnes of copper compared to the original target of 15,000 tonnes.

Enhancements to the mining methodology for the tailings from the river in the third quarter, along with the engagement of a new mining contractor in the fourth quarter will serve to improve efficiency and recovery in this area.

A pre-feasibility study into the construction and implementation of an expandable 15,000 tonnes of contained copper per year SX-EW processing facility, combined with dredging of the fine tailings once the coarse tailings are mined out, is expected to be completed early in the fourth quarter. Depending on the outcome of the pre-feasibility study, a full feasibility study will be undertaken and is expected to be complete by the second quarter of 2008.

Exploration work commenced during the third quarter in the Mutoshi lease adjacent to the Kulu deposit, following a long process to gain access due to the high level of artisanal mining activity in this area. The initial drilling program is expected to be completed by early in the second quarter of 2008.

Kinsevere

The initial phase of the Stage I development of Kinsevere, comprises the establishment of an open pit mining operation and the construction of an HMS plant. The HMS plant was successfully commissioned in June 2007.

The second phase of the Stage I development is the construction of the EAF. This should be commissioned in the first quarter of 2008.

A Power Purchase Agreement was signed in September 2007 with Société Nationale d'Électricité ("SNEL"), the DRC government electricity company, for the supply of 39.5MW of hydro-electrical power. A 27 kilometre 120kV transmission line has been erected between the mine site and Lubumbashi and associated connection infrastructure is currently being completed. The new transmission line will be capable of fully supporting the power demands of the planned Stage II development of a 60,000 tonnes per year SX-EW plant. On-site diesel powered generators are providing the electrical power needs for the mine until the 120kV transmission line is energised.

Open pit mining on both the Tshifufia and Tshifufiamashi deposits has operated at full capacity since January 2007. Substantial advance waste stripping at the Tshifufia pit had been completed by June and this has provided the Company with significant flexibility in its mining operations and increased ability to blend ore feed to the HMS plant. The tailings dam is now operational and allows for storage of the fine effluent from the concentrator.

The tailings (average grade of 2.9% copper) are being retained in the tailings dam, and the HMS floats (average grade 4.3% copper) are being stockpiled. Both of these reject products will be subsequently re-processed through the Stage II SX-EW plant.

In early July 2007, the Company announced the appointment of Ausenco Limited from Australia as the provider of Engineering, Procurement, and Construction Management services for the Kinsevere Stage II development. This work has already commenced, with clearing of the site now completed and excavation works and preparation of foundations well underway. A contract for the placement of major concrete foundations has been awarded. Many of the equipment specifications have been finalised and the tendering and procurement process for major capital items is in progress with orders already placed for the ball mill, thickeners, apron feeder and mineral-sizer.

With above target production being consistently achieved at the Dikulushi mine, and the Kinsevere mine (HMS Plant) operating at design capacity, the Company estimates its 2007 consolidated production target to exceed 45,000 tonnes of contained copper in concentrates.

9. Critical accounting estimates

The accounting policies that involve significant management judgement are discussed in this section. For a complete list of the significant accounting policies, reference should be made to Note 2 of the December 31, 2006 consolidated financial statements and Note 1 of the September 30, 2007 unaudited interim consolidated financial statements. A more detailed analysis of the risk factors that face the Group can be found in the most recent annual information form available under the company's profile on SEDAR at www.sedar.com

Impact of the new financial instruments accounting standards

On January 1, 2007, the Group adopted, on a prospective basis, two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). The standards require a greater portion of the consolidated balance sheet to be measured at fair value. With the exception of the Group's investments, changes in the fair values over the reporting period of impacted balance sheet items are reported in income. The changes in the fair values of the Group's investments are reported in Accumulated Other Comprehensive Income ("AOCI"), a new component of shareholders' equity. For further details, refer to Note 1 of the Group's interim consolidated financial statements as at September 30, 2007.

Impact of EIC 160 "Stripping Costs Incurred in the Production Phase of a Mining Operation"

The new recommendations of the CICA with respect to stripping charges (EIC 160), requires the costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations to be charged to income in the period in which they are incurred, except when the costs represent a betterment to the mineral property. Such costs represent a betterment when the stripping activity provides access to reserves that would not have been accessible in the absence of the stripping activity. When costs are deferred in relation to a betterment, the costs are amortized over the reserves accessed by the stripping activity using the units of production method. The company has transferred \$7.8 million of Deferred Stripping costs to Mine properties during the third quarter of 2007, which shall be amortized on unit of production method over the life of mine.

Impact of the transition adjustment on selected Consolidated Balance Sheet line items

	Transition adjustment as at January 1, 2007 \$ '000
Investments	56
Retained Earnings	(190)
Accumulated Other Comprehensive Income	615
Cumulative Translation Adjustments	(559)

At December 31, 2006, the Group had \$0.79 million of capitalized financing fees that related to the loans payable to Fortis. Changes to the CICA standards since this date have allowed the Group to offset these fees against the loan payable to Fortis, and to amortize these fees over the term of the loan using the effective interest rate. This treatment was adopted prospectively but calculated retrospectively, and as a result, the Group has recognised an expense that related to the 2006 year of \$0.19 million. This has been recorded as an adjustment to the opening Retained Earnings available to shareholders as at January 1, 2007.

The Group has recognised in the AOCI, for the nine months ended September 30, 2007, \$0.611 million, net of taxes, related to the net unrealized gain on available-for-sale financial assets. A net unrealized gain of \$0.127 million was recorded as an adjustment to the opening balance of the AOCI, and a net unrealized gain of \$0.484 million was recorded for the nine months ended September 30, 2007 through Other Comprehensive Income. The Group has also reclassified \$0.559 million to the opening balance of the AOCI relating to net foreign currency gains that were previously treated as a separate item of equity in the Shareholders' Equity.

CICA 1506 "Accounting Changes"

In July 2006, the Accounting Standards Board ("AcSB") issued a replacement of The Canadian Institute of Chartered Accountants' Handbook ("CICA Handbook") Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

Mine properties

The Group adopts a unit-of-production method to depreciate its mine properties. This method requires estimates of economically recoverable reserves of the Group's mine properties. Independent qualified surveyors and geologists are engaged to estimate the economic recoverable reserves. The estimation process involves sampling and other statistical tools to estimate the amount of recoverable reserves.

Variations in the calculated estimate of the recoverable reserves from period to period when the recoverable reserves are re-calculated affect both the carrying value of plant, property and equipment as well as the depreciation charges for any given financial period.

Exploration Costs

The Group accumulates certain costs associated with exploration activities on specific areas of interest where the Group has rights of tenure. The Group's policy is to expense any exploration and associated costs relating to non-specific projects and properties. Significant property acquisition, exploration, evaluation and development costs relating to specific properties for which economically recoverable reserves are believed to exist are deferred until the project to which they relate is sold, abandoned or placed into production. No costs are deferred on a mineral property that is considered to be impaired in value. As at September 30, 2007, the

Group had deferred exploration and acquisition costs of approximately \$61.5 million associated with exploration properties in Africa and Southeast Asia.

Restoration, rehabilitation and environmental expenditure

Expenditures related to ongoing restoration, rehabilitation and environmental obligation activities are accrued and expensed as incurred and included in the relevant exploration activity cost or as part of the cost of production where the expenditures are in relation to current mining operations.

Future restoration, rehabilitation and environmental obligations based on reasonably determinable current regulatory requirements are provided for in accordance with the standard issued by CICA in relation to Asset Retirement Obligations.

Income Taxes

The Company follows CICA 3465 “Income Taxes”.

As at September 30, 2007, the Group has estimated its future recoverable income tax losses in Canada, Australia, the DRC and Zambia. The recoverability of losses is dependent upon the ability to generate positive future taxable income to offset the existing carry forward losses.

Under the Dikulushi Mining Convention (the “Convention”) granted by the DRC Government, the Dikulushi mine operations in the DRC currently enjoy a concessionary tax benefit of reduced income tax rates for the first fifteen years from the date of first commercial mine production, which commenced in October 2002. The tax concessionary rates based on the applicable DRC Professional income tax rate of 40% which was in effect when the Convention was granted are as follows:

<u>Period</u>	<u>% of Professional Tax Rate</u>	<u>Effective income tax rate</u>
First five years of production	0%	0%
Sixth through to tenth years of production	40%	16%
Eleventh through to fifteenth years of production	45%	18%
Thereafter	100%	30% ⁽¹⁾

⁽¹⁾ The Convention holder elected, as entitled, to adopt the more favourable rate of 30%.

The Kulu and Kinsevere mines operate under the fiscal regime at the time the DRC Mining Code (“Code”) came into effect in June 2003. The DRC Professional income tax rate applicable to the Kulu and Kinsevere mines is 30%.

As from October 2007, the Dikulushi operations will have completed its initial 5 year period and will then be subject to income tax at a rate of 16% for the ensuing 5 years.

10. Estimates

Financial statements which are prepared in conformity with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) require management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

11. Risks and Uncertainties

In April, 2007 the Congolese government formed a Commission to review approximately sixty mining agreements entered into by the Congolese government. This review continued during the quarter. Recently there have been reports that the Commission has finalized its report, which has been passed to the Minister of Mines. The Company is aware that a copy of what is claimed to be the report has been circulating in the press in the DRC and internationally and that the Company's agreements governing its three mines are said to be subject to cancellation or renegotiation. The Company has received no notification from the Congolese government with respect to any such renegotiation or cancellation. On November 6, 2007 the DRC Government issued an announcement regarding the recent speculation concerning the outcome of the Commission's review. In the announcement, it confirmed that the speculation is not based on any official document, but on a leak of an early draft from within the Commission. No timeframe has been provided for the release of the final report, although the Minister of Mines confirmed in the announcement that it is expected that, after all irregularities have been corrected, the great majority of companies currently in the DRC will remain in the country for the long term. It remains unclear as to the timetable for the formal publication of the report by the DRC Government. There can be no assurance that the final outcome of the Commission's review will not have an adverse effect on the Company.

The Group's operations and results are subject to a number of different risks at any given time. These risk factors include, but are not limited to disclosure regarding the speculative nature of mineral exploration and development, political stability, liquidity and future financings, logistics, lack of infrastructure, uninsurable risks, mineral resources and ore reserves, uncertainty of inferred resources, mine life, licences and permits, land title, government regulations, foreign operations, environmental and regulatory requirements, conflict of interests, limited operating history, volatility of copper and silver prices, key personnel, labour and employment matters, subsidiaries, mineral exploration and mine carrying inherent risks, currency risk, competition, dilution, and dividend policy. A more detailed analysis of the risk factors the Group is faced with can be found in the most recent annual information form, which is available under the company's profile on SEDAR at www.sedar.com.

12. Summary of Quarterly Results (Unaudited)

The financial performance, financial position and operating statistics for the last eight quarters are shown in the table below:

Statement of Operations and Income	Sep 07 Quarter	Jun 07 Quarter	Mar 07 Quarter	Dec 06 Quarter	Sep 06 Quarter	Jun 06 Quarter	Mar 06 Quarter	Dec 05 Quarter
Concentrate sales (\$ millions) ¹	76.2	65.7	42.0	42.7	56.6	43.0	33.2	25.9
Operating profit ² before amortization (\$ millions)	52.0	45.3	29.0	27.7	40.1	29.5	17.4	11.9
Amortization (\$ millions)	(4.5)	(2.2)	(1.8)	(1.9)	(2.1)	(1.8)	(1.8)	(1.9)
Operating profit ² (\$ millions)	47.5	43.1	27.2	25.8	38.0	27.7	15.6	10.0
Net income (\$ millions)	39.1	35.4	21.1	21.3	30.2	22.5	8.3	6.1
Basic earnings per share (\$)	0.55	0.58	0.37	0.38	0.54	0.42	0.26	0.21
Diluted earnings per share (\$)	0.54	0.57	0.36	0.37	0.53	0.41	0.25	0.20
Production Statistics – Total								
Copper produced in concentrates (tonnes)	14,772	7,970	8,041	10,523	12,816	11,098	8,137	7,446
Production Statistics – Dikulushi mine								
Ore processed (tonnes) ³	88,574	85,480	87,262	92,755	114,154	135,234	128,259	127,222
Copper grade %	7.74	7.68	7.03	6.92	5.61	4.64	4.95	5.54
Contained copper (tonnes)	6,836	6,564	6,138	6,417	6,409	6,278	6,352	7,049
Recovery Cu %	90.7	90.7	89.1	89.9	89.5	89.1	86.7	86.3
Copper produced in concentrates (tonnes)	6,198	5,951	5,469	5,774	5,738	5,601	5,505	6,085
Silver produced in concentrates (ounces)	612,739	583,269	537,858	569,655	545,438	526,513	532,842	587,882
Payable pounds of copper contained in concentrate delivered (millions)	13.7	14.1	10.0	13.0	12.2	10.4	12.1	12.9
Payable ounces of silver contained in concentrate delivered	583,172	610,417	427,349	563,754	491,242	441,277	506,508	542,029
Production Statistics – Kulu mine								
Ore processed (tonnes) ³	87,342	74,987	80,245	92,509	82,424	80,848	51,808	17,981
Copper grade %	5.11	4.59	6.03	7.61	8.20	8.54	7.95	7.67
Contained copper (tonnes)	4,439	3,446	4,847	7,038	6,757	6,920	4,118	1,379
Recovery Cu %	54.8	44.5	52.8	62.6	70.1	72.6	58.0	51.6
Copper produced in concentrates (tonnes)	2,432	1,539	2,572	4,749	7,078	5,497	2,632	1,361
Copper concentrate sold (tonnes)	7,542	12,292	14,825	10,641	19,131	7,340	9,615	
Production Statistics – Kinsevere mine								
Ore processed (tonnes) ³	72,639	8,367						
Copper grade %	10.9	9.0						
Contained copper (tonnes)	7,951	754						
Recovery Cu %	77.0	63.7						
Copper produced in concentrates (tonnes)	6,142	480						
Copper concentrate sold (tonnes)	14,429							

¹ Concentrate sales include copper and silver concentrates from Dikulushi and copper concentrates from Kulu & Kinsevere

² Refer to Non-GAAP Financial Measures on page 22

³ Ore processed at Dikulushi relates to ore processed through the ball mill and flotation plant, while ore processed at Kulu and Kinsevere relates to ore processed through the HMS plant.

13. Additional Notes

Deed of Cross Guarantee

For the purpose of simplifying reporting in Australia, Anvil Mining Limited and certain of its Australian incorporated subsidiaries entered into a Deed of Cross Guarantee and Deed of Variation (the “Deeds”) under which each company guarantees the liabilities of all other companies that are a party to the Deeds. The companies which form this “Closed Group” (as defined by Australian Securities and Investments Commission Class Order 98/1418) are: Anvil Mining Limited, Anvil Mining Management NL, Central African Holdings Pty Ltd, Congo Development Pty Ltd, Anvil Mining No 2 Pty Ltd, Anvil Mining No 3 Pty Ltd, Leda Mining Pty Ltd and Bannon Mining Pty Ltd.

Technical Information

Information of a scientific or technical nature in this management discussion and analysis and financial review has been prepared under the supervision of Bill Turner, President and Chief Executive Officer of Anvil Mining Limited, a Fellow of the Australasian Institute of Mining and Metallurgy, who has more than five years experience in the field of the activity reported herein and is a qualified person under Canadian National Instrument 43-101.

The information in this management discussion and analysis that relates to in-situ Mineral Resources is based on information compiled by Gerry Fahey of [CSA Australia Pty Ltd](#). Gerry Fahey is a Chartered Professional and a member of the Australasian Institute of Mining and Metallurgy, and a member of the Australian Institute of Geoscientists, and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Qualified Person in terms of the Canadian National Instrument 43-101. Gerry Fahey consents to the inclusion of such information in this news release in the form and context in which it appears. The information in this news release that relates to engineering and construction works at Kinsevere has been reviewed by Mike Newman, Anvil’s Vice President Engineering. Mike Newman is a Chartered Engineer and a member of the Institute of Mechanical Engineers. Mike Newman has consented to the inclusion of such information in this news release in the form and context in which it appears.

Non-GAAP Financial Measures

The terms “total cash cost” and “operating cash cost (ex-mine gate)” are used on a per pound of payable copper produced basis and after by-product silver credits are applied. The operating cash cost (ex-mine gate) per payable pound of copper produced is equivalent to the costs of mining and processing operations incurred (after net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the period. The total cash cost of production per payable pound of copper produced is equivalent to the ex-mine gate cash cost including the relevant unit transport, smelting and refining and realization costs (after net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the period. Cash operating cost information is included to provide information about the cost structure of the mining and processing operations. The term “operating profit” represents the net attributable revenues after deducting mine operating costs and amortization. The mine operating costs exclude exploration expense, foreign exchange gains and losses and interest and financing fees. The term working capital equals current assets less current liabilities.

The term cash flow from operations per share, before changes in non-cash working capital, is based on a calculation using the weighted average number of common shares outstanding during the period.

This information differs from measures of performance determined in accordance with Canadian GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under Canadian GAAP and may not be comparable to similarly titled measures of other companies.

Evaluation of Disclosure Controls & Procedures

The Company's certifying officers have designed a system of disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to them with respect to financial and operational conditions impacting disclosure with respect to the nine months and the quarter ended September 30, 2007. The certifying officers have evaluated the effectiveness of the disclosure controls and procedures and have concluded that these disclosure controls and procedures are effective at the reasonable assurance level. The management of the Company was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

During the most recent quarter there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Forward Looking Statements

The forward-looking statements made in this Management's Discussion and Analysis are based on assumptions and judgements of management regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the Company's plans for expansions of the Kinsevere copper mine and estimated future production at the Company's Dikulushi, Kulu and Kinsevere mines, involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of copper and silver, changes in project parameters as plans continue to be evaluated, and the possibility of cost overruns, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the Stage II expansion of the Kinsevere copper mine will proceed as planned or be successfully completed within expected time limits and budgets or that, when completed, the expanded facility will operate as anticipated. It remains unclear as to the timetable for the formal publication of the report by the DRC Government. There can be no assurance that the final outcome of the Commission's review will not have an adverse effect on the Company.

Conditional Information

Conditional information relating to the Company, including the Company's annual information form, may be found under the Company's profile on SEDAR at www.sedar.com.