

JUNE 2008 ○ ISSUE 4

NEWS ABOUT ANVIL MINING

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canada...australia

THE
anvil



Dikulushi underground



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message from CEO bill turner

Although we started 2008 positively we have nonetheless, not been without a few challenges in this first half of the year.

We have had to reconsider our underground mining approach at Dikulushi and are currently looking at a modified mining plan for this great resource. Dikulushi will be back on track towards the end of 2008.

At Kulu we have moved further downstream where grades are lower and the finer grained nature of the material is more difficult to treat with the current HMS plant. To improve recoveries from the finer material, adjustments are currently being made to the HMS plant and these should be completed in the third quarter of this year.

Construction costs at Kinsevere Stage II SX-EW have increased in line with industry pressures. This capital expenditure increase is not unique to Anvil and general cost escalation is affecting the construction of new projects in the mining sector worldwide.

The Kinsevere Stage I HMS plant has been operating well since mid-2007 and progress is being made on the Electric Arc Furnace (EAF). This is an important milestone in the development of Kinsevere Stage I and our thanks and congratulations go to Denham Vickers, Harry Linnevelt and their respective teams.

In this newsletter too, we proudly acknowledge the “partners and shareholders” who have so kindly supported Anvil by contributing to our social program efforts. Anvil continues to work closely with Pact Inc.



and with the communities in which we operate, to improve the well-being of local communities. To see that more and more of our “partners and shareholders” consider the work that we are doing to be of such value, is very rewarding. To all, go our sincere thanks of appreciation.

Finally, I welcome Dr Toby Bradbury who is the newly appointed Vice President Operations, DRC. Toby replaces Malcolm Hillbeck who has recently retired. Our thanks and appreciation goes to Malcolm for his valued contribution to Anvil Mining.

Toby brings a wealth of experience to Anvil Mining with 25 years international experience in mining in South Africa, the United Kingdom and in Australia.

Yours sincerely,

Bill Turner – President and Chief Executive Officer



geoff booth joins ANVIL MINING

Geoff Booth (PhD), is Anvil Mining’s new Feasibility Study Manager. While this may seem a bit of a mouthful for the rest of us, it certainly isn’t for Geoff.

“I’m really excited about being here,” Geoff smiles when we meet him in Dikulushi’s new mining offices. “The whole Anvil environment generates excitement. This is a result of Anvil fast making its mark in the world of mining through good business acumen, aggressive entrepreneurial skills and a tenacity that belies the company’s size.”

Geoff, who is based at the Technical Services Department in Perth, will offer geological and geotechnical support to Anvil’s mines. The youngest son of a mining engineer, he holds BSc and MSc degrees from the University of Toronto and a PhD in Applied Geological Science from the University of New South Wales in Sydney.

He has many years’ experience mining copper and nickel and has worked for some major mining corporations in both technical services as well as geological management. Geoff is married to Barbara and they have two daughters, Johanna (15) and Christie (13).

“My main job is to help Anvil Mining achieve its targets,” he says. “This I aim to do by visiting the various mining sites and to ensure that we all learn in the process by instilling open channels for communication and facilitation.”

WORLD VISION award to david kayombo

One of the most unassuming people you could ever find within Anvil Mining has just been recognised by an international organisation, for his unselfish contribution to the betterment of his fellow man.

David Kayombo is Anvil's Social Development Manager in the DRC and is based in Lubumbashi. His career path has been nothing short of spectacular after qualifying as a teacher - but never standing in front of a classroom to teach.

"A few weeks before graduating in 1987, I started doing French-English translations for some folk at World Vision here in Lubumbashi," David tells us. "After completing a two-week contract, they hired me to be a community facilitator, acting as the interface between rural villagers and the organisation."

World Vision is an internationally recognised Christian humanitarian organization that focuses on providing emergency relief as well as sustainable development.

From 1993 to 1995, David spent time at the University of Reading, southwest of London, England, completing a Masters' degree in Community Development. His study was undertaken on a World Vision-sponsored scholarship, the first to be granted to a Congolese. Successive promotions followed until David became a country director for World Vision in 1999.

"I was privileged to attend another Master's program at Harvard University in the USA between 2004 and 2005," David continues. "On my return to Africa, I represented World Vision in Swaziland until I joined the Clinton Foundation in 2006."



His work for the latter organisation involved travelling all over his region of Central and Western Africa focusing on initiatives with government health departments to boost their national programs to provide care and treatment to children living with HIV-AIDS.

"I must confess that the amount of travelling got to me and when Anvil Mining offered me a position in 2006 and to be based in Lubumbashi, I jumped at the chance," David smiles.



*David Kayombo – Anvil Mining's
Social Development Manager*

Earlier this year, David was recognised for his long association with World Vision and his unselfish contribution to bettering the lives of others. The award, presented in Lubumbashi by President Kabila's Chief Advisor, means a lot to him as he explains.

"This award means a great deal to me and to my family who have also sacrificed much with me being away travelling over the years," he says.

"Working with World Vision had many highlights and those that stand out involve leading a team of highly talented staff who implemented a turn-around plan for World Vision DRC and receiving the Award for 'The Most Improved National Office' by World Vision International in 2001."

anvil's WALL OF FAME

Anvil's "Wall of Fame" is growing. The "Wall of Fame" has been created to enable Anvil to acknowledge and sincerely thank the individuals and companies, partners and shareholders, who have donated to the social and community projects that Anvil is implementing in partnership with Washington-based NGO, Pact. Inc.

On a visit to Anvil's Dikulushi and Kinsevere Mines last year, James Strauss of BMO Capital Markets and James Allsopp of New Star Asset Management were so impressed with what Anvil and Pact were doing with the development of the social programs, that they each made a donation of US\$100 on the spot.

David Wargo, who was on the same visit to Anvil's Mines with the two James, returned to Canada and forwarded a donation of C\$1,000 to the programs.



James Strauss (left) and James Allsopp(right) on their visit to Dikulushi and Kinsevere Mines

four new WATER WELLS for communities

Anvil's ongoing program to construct water wells in the surrounding communities of its Dikulushi and Kinsevere Mines, has attracted sponsorship from four very generous donors.

The water wells – up to a depth of 40-50 metres – provide potable drinking supplies to the surrounding communities around Dikulushi and Kinsevere mines. The cost to construct and install just one water well is approximately US\$10,000. To date, a total of 44 water wells have been constructed, resulting in potable water now being available to 24 surrounding villages.

Generous contributions of US\$10,000 have been received from:

- Geologic Resource Partners LLC (Boston, USA)
- The Bunty Newport Charitable Trust (London, UK)
- John and Susan Sabine (Toronto, Canada)
- The Kibsey-Desrosiers-Pichette Families (Montréal, Canada)

These kind donations enable the construction of four more wells.

One of these wells has recently been completed and a plaque has been welded to the well in recognition and appreciation of the generous contribution from Geologic Resource Partners.

Anvil's President and CEO, Mr Bill Turner is overwhelmed by the support Anvil has received. "It is very satisfying to see that more and more of our shareholders and partners consider the work we are doing of such value, that they wish to contribute financially to our social program efforts," he said.



first COPPER PRODUCED at new kinsevere SPIRALS PLANT



The Kinsevere oxide copper deposits are very weathered and contain a high proportion of clay material. As a result, overall metallurgical recoveries through the current Heavy Media Separation (HMS) circuit are only about 55%.

The tailings from this operation, which average approximately 2.5%-3.0% copper, have been stored in a tailings dam for subsequent retreatment when the Stage II SX-EW plant is completed in 2009. This means that approximately 1,000 tonnes of copper is lost to tailings each month.

In an attempt to improve recoveries, the Kinsevere Operations Team initiated some metallurgical test work which was carried out by *Downer EDI* and *Intermet Engineering* in late 2007. The test results indicated that copper recoveries of up to 75% were possible on the fines rejects by installing a spirals separation plant on the tail end of the HMS plant. Approval to proceed with the project was received in October 2007.

The spirals plant comprises a cyclone bank through which all crusher and HMS tailings are pumped, to produce a +75 micron overflow. The overflow is then diluted and fed to a bank of eight triple-start rougher spirals, and the product from this is then cleaned in six double-start cleaner spirals.

The product is a fine concentrate, containing approximately 25% copper which will be sold to local smelting companies as bulk or exported in bagged form.

The total project cost has been approximately \$800,000. However, once optimisation is complete, additional copper production of approximately 400 tonnes Cu per month is anticipated.

Thanks go to the following for their contribution to the successful project implementation – a project which was completed under budget and only 9 days behind schedule.

Intermet Engineering (Process and Engineering Design); *End to End Automation* (Electrical Design and Supply); Daniel Laluyan & team (Equipment Procurement and Logistics); Vernon Adams and Team (Civil Works); Owen Mvuti and Team (Steel Fabrication); Nico and Team (Steel Erection, Mechanical installation and Steel Piping); Dean vd Walt and Team (HDPE Pipework); Alex Madelo and Team (Electrical Installation) and Harry Linnevelt for Construction Management and Lateral Thinking.



anvil & pact... WORKING TOGETHER



When Anvil Mining started working in the DRC in earnest some years ago, the Company set itself certain goals for social investment. Anvil publicly undertook to put something back into the communities where it had its mining operations.

Being a relatively small mining company by world standards and in order to fulfil its promise of putting something back into the communities, Anvil needed an experienced partner. This partner is Pact Inc., a Washington-based non-government organisation which specialises in managing this type of initiative on behalf of companies with a conscience.

Responsible social development is a structured process whereby communities' needs are assessed and a plan formulated to see if the goals and plans set, are also attainable.

During the early part of 2007, Pact Inc., working closely with Anvil's various Social Development Managers, undertook a needs analysis in various communities affected by Anvil's mining operations. All information was collated and used to identify certain priorities that were important in the communities. These included refurbishing or extending schools, clinics and hospitals. Boreholes were sunk in villages and manual water pumps erected. Villages were assigned teams to maintain sections of road and the teams also earned a monthly allowance. Markets for trading in produce and other goods were established and agricultural extension officers advised on cultivation of crops and animal husbandry.

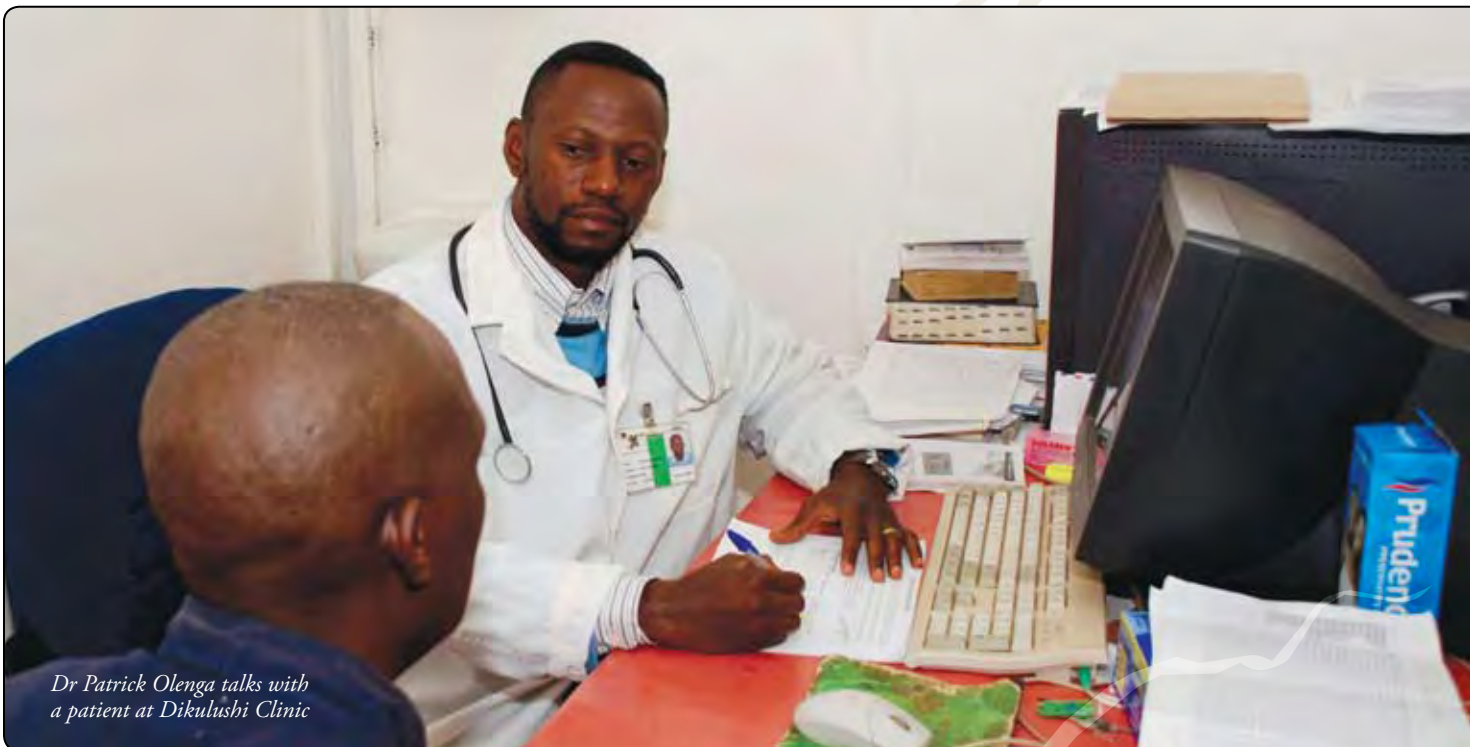
Anvil Mining's social investment is an ongoing process and with Pact's expert assistance, the Company continues to fulfil its undertaking to improve the lives of people near its mining operations.

Achievements of social development programs in June alone:

- 609 School books distributed to schools in Kilwa
- 37,000 Bricks produced by brick makers in Kilongo Village
- 195 People attended HIV/AIDS awareness training in Dikulushi area
- 9 New Worth Groups established in villages around Kinsevere
- 7,500 Condoms donated by the UN Population Fund and sent to three sites for distribution
- 5 New Community Development Committees established in villages on powerline road at Kinsevere
- 43,870 Vaccinations given to chickens in 23 villages around Dikulushi
- 30 Members of CDC's in Kolwezi trained in report writing skills by University of Lubumbashi
- 52 Women attended financial management training in Kolwezi
- 250 T-shirts with HIV/AIDS awareness messages distributed in Kinsevere
- 4,386 Tons of seeds were reimbursed by farmers around Dikulushi
- 23 School teachers and principals in Kinsevere received training on national curriculum and education standards
- 29 Goats distributed to 16 breeders in villages around Dikulushi



ANVIL MINING contributes to HIV-AIDS research



*Dr Patrick Olenga talks with
a patient at Dikulushi Clinic*

Anvil Mining has agreed to make a substantial financial contribution to a South African HIV-AIDS research project's clinical trials program.

The research project is being run by Virax Holdings in conjunction with a group of international mining houses, of which Anvil Mining is one. The aim of the project is to conduct human clinical trials with 140 HIV positive participants in five well-established HIV clinics across four of South Africa's provinces. The project will be conducted under the regulation of the Medical Control Council to investigate the safety, tolerability and immunogenicity of an HIV therapeutic vaccine (VIR201), which is owned by Virax.

The vaccine has already successfully completed two clinical trials in Australia under the regulation of the Therapeutic Goods Administration.

Anvil Mining is contributing US\$200,000 to what it regards as a very worthy cause.



Andrew Riley with his kitchen staff

andrew riley — DIKULUSHI'S CHEF

Have you ever considered what may happen when a chef with wide experience of preparing food on luxury cruise ships and internationally famous casino hotels suddenly lands in a remote mining camp in the middle of Africa? We can tell you.

The fortunate inhabitants of the camp experience a whole new form of dining and almost as importantly, the catering staff are exposed to a new sense of pride while learning from the best.

This has been the case at Anvil Mining's Dikulushi Mine where Andrew Riley is fast instilling a new sense of pride in his catering staff.

"Since I arrived at Dikulushi, I have sensed an enthusiasm in my team to learn and act as a unit," he says. "While we place much emphasis on the quality of the food that we prepare and serve to the Anvil staff, we are also setting new standards in cleanliness and hygiene that is so important when working with food anywhere."



Felix with his culinary crew

Dikulushi's catering staff were recently kitted out in new uniforms, a fact, which Andrew believes, has instilled a sense of unity in the various teams. Chefs, in true French style now wear black chefs' coats and hats. The waiters on the other hand, stand out from the crowd in their black-and-white zebra-print uniform.

"The waiters have been jokingly called zebras but be that as it may, with their new-found team spirit and willingness to learn, they are really earning their stripes," Andrew assures us.