

MANAGEMENT'S DISCUSSION AND ANALYSIS

Set out below is a review of the activities, results of operations and financial condition of Anvil Mining Limited (the "Company") and its subsidiaries (collectively, the "Group" or "Anvil") for the quarter ended March 31, 2009. The discussion below should be read in conjunction with the unaudited consolidated financial statements of the Company for the quarter ended March 31, 2009 and the notes thereto. The Company's unaudited consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Capitalized terms used and not defined below have the meanings given to them in the unaudited 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 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, 2008.

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

This management's discussion and analysis of financial condition and results of operations is as of May 14, 2009.

Liquidity and summary of current position and outlook

As a result of events during the second half of 2008, most notably a sharp fall in the copper price, highly illiquid capital markets and a deterioration in the outlook for global economic growth, Anvil put in place a strategy appropriate for such circumstances to best position itself to be able to continue with the development of its Kinsevere Stage II Solvent Extraction-Electrowinning ("SX-EW") plant, should funding become available in 2009.

Key initiatives central to this strategy included placing the fabrication and construction works associated with the Kinsevere Stage II SX-EW development on hold until the required funding is available; cessation of operations at the Dikulushi and Mutoshi mines; significantly reducing operating and administration costs; the curtailment of all but essential capital spending and suspension of all exploration activity.

The Company has continued to focus on cost minimisation and preservation of cash, with the implementation of a number of additional initiatives, including:

- o Completion on May 4, 2009 of a public offering that involved the issue of 30,015,000 Common Shares at C\$1.15 per share, for gross proceeds of C\$34,517,250.
- o In addition to a reduction in the Company's workforce from 2,200 employees to 360 employees that occurred in the fourth quarter of 2008, the Company put in place plans to further reduce the workforce to 150 employees.
- o In March 2009, the Company commenced the process of liquidating its portfolio of available-for-sale investments, which have an estimated liquidation value, at today's prices, of approximately \$18.0 million. The first stage of this process is expected to generate approximately \$14.0 million, of which \$10.1 million has already been realized.
- o The decision to sell existing stockpiles of copper concentrates at Kinsevere of approximately 16,700 tonnes grading 27% copper for 4,500 tonnes of copper metal, previously destined for processing through the Electric-Arc Furnace ("EAF").
- o Resumption of operation of the Kinsevere Heavy Media Separation ("HMS") plant on March 27, 2009, with feed sourced from the Run of Mine ("ROM") stockpile comprising 259,000 tonnes of ore grading 5.7% copper. The HMS plant is expected to produce approximately 8,900 tonnes of copper contained in concentrates through to Q3 2009, at an operating cash cost at the mine gate of less than \$0.50/lb Cu (after sunk costs).
- o Investigation of options to continue operation of the HMS plant at Kinsevere beyond the third quarter of 2009, including consideration of processing ore stockpiled for Kinsevere Stage II and resumption of open pit mining to supplement HMS plant feed.

Owing to the adoption of the strategy appropriate for the circumstances the Company faced during the fourth quarter of 2008, supported by the initiatives outlined above, the Company expects to maintain a positive operating cash flow for the remainder of 2009.

In addition to the above initiatives, during January 2009 the Company reached agreement with *La Générale des Carrières et des Mines* ("Gécamines") and the Government of the Democratic Republic of Congo ("DRC") on the terms of its Kinsevere "*Contrat d'Amodiation*" (Lease Agreement) and the Dikulushi Mining Convention. The Company proposes to pay the additional entry premium payment in respect of the Company's Kinsevere copper mine from the net proceeds of the offering.

The Company remains committed to the development of its Stage II 60,000 tonnes per year SX-EW plant at Kinsevere, the completion of which requires additional funding of approximately \$200 million, which if not raised, will result in further project delays. The Company believes that with the agreement reached with Gécamines for

the Kinsevere Lease Agreement, along with the successful completion of the C\$34.5 million Common Share offering and the other initiatives discussed above, it is now better positioned with regard to discussions with financiers to secure the debt funding required for completion of Kinsevere Stage II.

The Company is continuing to make progress in obtaining the funding required to complete Kinsevere Stage II. Work on the technical due diligence report being prepared by SRK Consulting ("SRK") for the syndicate of banks is progressing as planned, with a site visit by SRK carried out during early May. When completed, this report will form the basis for financiers to seek credit approval for the debt facility. It is anticipated that this process will allow for credit approval to be sought during the second half of 2009.

While the Company is aiming to have financing arranged in time to allow for the recommencement of construction works on the Kinsevere Stage II SX-EW development during the second half of 2009, with commissioning of the plant approximately twelve months thereafter, there is no assurance that negotiations with financiers will be concluded successfully or within a reasonable time frame.

As at May 14, 2009, Anvil had approximately \$54.0 million in cash, \$7.8 million in available-for-sale investments and \$6.2 million of receivables, approximately \$2.7 million of which it expects to realize during the second quarter of 2009. During the next 12 months the Company's commitments include \$15.0 million for *pas de porte* (entry premium) payments due to Gécamines and \$22.0 million that relate to the Kinsevere Stage II development.

Key points for the quarter

- Financial results for the first quarter 2009 were impacted by one-off charges totalling \$7.1 million as follows:
 - Provision for impairment of assets at the Company's DRC mining operations of \$0.7 million;
 - Provision of \$3.6 million for impairment of available-for-sale investments;
 - Further severance payments of \$2.4 million incurred as a result of the suspension of construction works at Kinsevere Stage II and placing operations on care and maintenance; and
 - An impairment of \$0.4 million in connection with the write-down of the value of the Company's investment in Sub Sahara Resources NL ("Sub-Sahara").
- Net copper sales of \$1.6 million, a decrease of 98% compared to the first quarter 2008.
- Net loss of \$18.8 million (-\$0.27 per share), compared to net income of \$21.6 million (\$0.30 per share) in the first quarter of 2008.
- Negative cash flows from operating activities, before working capital movements, of \$11.9 million (-\$0.17 per share), compared to a positive cash flow of \$35.3 million (\$0.50 per share) in the first quarter of 2008.
- Quarterly production of 199 tonnes of copper, a decrease of 98% compared to the first quarter of 2008.
- Shut down of the EAF and recommencement of the operation of HMS plant at Kinsevere.
- Completion of an updated Mineral Resource estimate for Kinsevere.

Near term objectives (next six months)

- Finalization of debt funding for the Kinsevere Stage II development and recommencement of construction works.
- Finalizing the documentation with Gécamines regarding renegotiations on the Group's Mutoshi mineral properties.
- Evaluation of options regarding continued HMS processing beyond the third quarter of 2009.

Longer term objectives (2009 onwards)

- Completion of construction and commissioning of the Kinsevere Stage II SX-EW plant.
- Completion of a pre-feasibility study for the Mutoshi Stage II SX-EW project.
- Completion of preliminary studies on the mining and processing of the sulphide resource at Kinsevere.

Key Group results

First quarter (Q1)		Q1 2009		Q1 2008	
			% of Sales		% of Sales
Production	t Cu	199		12,027	
Sales ¹	t Cu	1,478		12,424	
Concentrate stockpiles	t Cu	5,132		5,895	
Net sales	\$ million	1.6	100	75.3	100
Operating (loss) / profit	\$ million	(14.5)	(880)	33.7	45
Net (loss) / income	\$ million	(18.8)	(1,145)	21.4	28
Basic (loss) / earnings per share	\$	(0.27)		\$0.30	

1. Production and sales of copper reflect Kinsevere and Mutoshi copper concentrate sold at mine gate at a discount to the London Metal Exchange ("LME") price and include blister copper grading 92-94% Cu from the Kinsevere EAF.

Copper Production (tonnes)

	Q1/09	Q4/08	Q3/08	Q2/08	Q1/08	Q4/07	Q3/07	Q2/07
Kinsevere	199	4,457	7,113	6,433	4,855	6,384	6,142	480
Dikulushi	-	1,743	1,813	2,607	4,885	6,943	6,198	5,951
Mutoshi ¹	-	1,288	2,392	1,481	2,287	3,551	2,432	1,511
Total	199	7,488	11,318	10,521	12,027	16,878	14,772	7,942

1. The Company has previously referred to its Stage I HMS plant that processes material from the Kulumaziba river tailings deposit as the Kulu operation. This is now referred to as Mutoshi Stage I, being part of the broader Mutoshi project that includes other exploration tenements in the Mutoshi area.

Q1 2009 Net Sales

(After treatment and refining charges ("TC/RCs"))		Q1 2009 \$ million	Q1 2008 \$ million
Kinsevere	- Copper	(0.9)	20.7
Dikulushi	- Copper	2.5	41.6
	- Silver	0.7	9.8
Mutoshi	- Copper	(0.7)	3.2
Net sales		1.6	75.3
Copper selling price		\$/lb	\$/lb
Current period sales ¹		1.53	3.48
Provisional pricing adjustment		(1.00)	0.18
TC/RC and freight charges		(0.20)	(0.07)
Realized copper price		0.33	3.59

1. Sales of copper concentrate at Kinsevere and Mutoshi and blister copper from the Kinsevere EAF are at mine gate at a discount to the LME price and recorded as sales revenue. The TC/RC and freight component is therefore difficult to extract and is thus included in the current period realized selling price. Concentrate from Dikulushi has not been sold at mine gate and thus the TC/RCs and freight charges are known and separately disclosed in the calculation of the total realized copper price.

Group net sales decrease 98% to \$1.6 million owing to lower volume of copper sold and also lower copper prices

Group copper production was 98% lower than the first quarter 2008, mainly due to Dikulushi being placed on care and maintenance and the cessation of HMS processing operations at Mutoshi during the fourth quarter of 2008 and poor production from the EAF at Kinsevere. Owing to the decline in the copper price during the fourth quarter of 2008 and early in the first quarter of 2009, a provisional pricing adjustment of \$2.9 million (\$1.00/lb of payable Cu) has been recognized during the first quarter of 2009.

Q1 2009 Operating (Loss) / Profit

	Q1 2009		Q1 2008	
	\$ million	% of Sales	\$ million	% of Sales
Kinsevere	(9.8)	(594)	6.4	8
Dikulushi	0.1	6	33.2	44
Mutoshi	(0.7)	(41)	(3.3)	(4)
CDA ¹	(4.1)	(251)	(2.6)	(3)
Total Operating (Loss) / Profit	(14.5)	(880)	33.7	45

1. Please refer to segment information on page 10. These are administration and technical support costs based in the DRC to support the mine operations and development.

Group records operating loss of \$14.5 million owing to lower sales volume, lower realized copper price and higher operating costs due to operations being placed on care and maintenance.

Group operating loss was primarily due to a fall in operating profits at all operating units. During the quarter there was no production at Dikulushi and Mutoshi as the Dikulushi mine was placed on care and maintenance, HMS processing operations at Mutoshi ceased and operation of the EAF at Kinsevere ended during the first quarter of 2009, all of which resulted in a significant decrease in copper production compared to the same period in 2008.

Kinsevere records operating loss of \$9.8 million due to lower sales and decreased production

		Q1 2009	Q1 2008
Ore mined	tonnes	-	388,958
Ore processed ¹	tonnes	2,695	91,990
Feed grade	% Cu	10.2	9.1
Contained copper	tonnes	275	8,399
Copper recovery	%	72.2	57.8
Copper produced in concentrate	tonnes	199	4,855
Copper sold	tonnes	1,061	5,952
Operating cash cost (ex mine gate)	\$/tonne concentrate	-	374

1. Ore processed relates to ore processed through the HMS plant.

Dikulushi records operating profit of \$0.1 million on lower sales and no production

		Q1 2009	Q1 2008
Ore mined	tonnes	-	32,864
Ore processed	tonnes	-	99,533
Feed grade	% Cu	-	5.3
Contained copper	tonnes	-	5,303
Copper recovery	%	-	92.1
Copper produced in concentrate	tonnes	-	4,885
Silver produced in concentrate	ounces	-	482,655
Copper sold	tonnes	231	5,274
Silver sold	ounces	20,472	521,987
Operating cash cost (ex-mine gate) (after silver credits)	\$/lb Cu	-	0.21
TC/RC and freight charges	\$/lb Cu	-	0.49
Total cash costs from operations	\$/lb Cu	-	0.70

Mutoshi records operating loss of \$0.7 million on lower sales and no production

As a result of the cessation of the Mutoshi HMS processing operations during the fourth quarter of 2008, there was no production during the first quarter of 2009.

		Q1 2009	Q1 2008
Ore mined	tonnes	-	87,956
Ore processed	tonnes	-	106,734
Feed grade	% Cu	-	4.3
Contained copper	tonnes	-	4,599
Copper recovery	% Cu	-	49.7
Copper produced in concentrate	tonnes	-	2,287
Copper sold	tonnes	185	1,198
Operating cash cost (ex-mine gate)	\$/tonne concentrate	-	561

Q1 2009 Net (Loss) / Income

	Q1 2009		Q1 2008	
	\$ million	% of Sales	\$ million	% of Sales
Operating (loss) / profit	(14.5)	(880)	33.7	45
Other income	0.3	18	2.7	3
General administrative and marketing costs	(2.6)	(158)	(5.3)	(7)
Provision for impairment of assets	(4.7)	(285)	-	-
Interest expenses	(0.2)	(12)	(1.6)	(2)
Other expenses	(0.7)	(49)	(0.9)	(1)
Income tax	3.6	219	(5.6)	(8)
Non-controlling interest	0.0	2	(1.6)	(2)
Net (Loss) / Income	(18.8)	(1,145)	21.4	28
(Loss) / earnings per share				
- basic	(0.27)		\$0.30	
- diluted	(0.27)		\$0.30	
Weighted average shares outstanding				
- basic	71.2		71.1	
- diluted	71.2		71.8	

Group records net loss of \$18.8 million

The net loss during the first quarter of 2009 was primarily attributable to an operating loss of \$14.5 million, which was a result of minimal sales of copper due to the cessation of HMS processing operations at Mutoshi, the Dikulushi mine being placed on care and maintenance and persistent problems with the performance of the EAF at Kinsevere. In addition, provision for impairment of available-for-sale investments increased by \$3.6 million as a result of a decline in the mark-to-market value of available-for-sale investments and recognition of further impairment relating to a diminution in the value of the Group's investment in Sub-Sahara Resources NL ("Sub-Sahara") of \$0.4 million.

During the first quarter of 2009, the Company recognized provision for impairment of long-lived assets of \$0.7 million relating to:

- (a) Kinsevere - \$0.3 million primarily relating to the EAF; and
- (b) Dikulushi - \$0.4 million primarily relating to the underground development costs.

The decrease in other income was caused by lower interest income earned on the Group's portfolio of available-for-sale investments.

The Group has recorded income tax and non-controlling interests credits as opposed to recording a tax expense in the same period last year due to losses incurred.

Q1 2009 Cash Flows

	Q1 2009 \$ million	Q1 2008 \$ million
Cash flows from:		
Operating activities		
- before working capital changes	(11.9)	35.3
- after working capital changes	(1.1)	19.0
Investing activities	(18.3)	(42.6)
Financing activities	(0.0)	0.3
Net (decrease) / increase in cash and cash equivalents	(19.4)	(23.3)
Cash flow per share		
- before working capital changes	(0.17)	0.50
- after working capital changes	(0.02)	0.27

Cash outflow from operations in the first quarter of 2009 was \$1.1 million (first quarter 2008: \$19.0 million cash inflow). Investing cash outflows included exploration expenditures of \$1.1 million (first quarter 2008: \$4.8 million), which were incurred mainly on the Mutoshi and Kinsevere tenements, and expenditures for property, plant and equipment of \$17.7 million incurred primarily in connection with the development of Kinsevere Stage II.

Financing cash outflows were effectively nil (first quarter 2008: \$0.3 million cash inflows), as there were minimal disbursements made on behalf of the Dikulushi Trusts.

Q1 2009 Balance Sheet

	March 31, 2009 (\$ million)	December 31, 2008 (\$ million)
Assets		
Cash and cash equivalents (including restricted)	26.5	45.9
Available-for-sale investments	20.7	24.0
Other current assets	86.5	106.6
Property, plant & equipment	304.7	280.3
Other non-current assets	76.2	75.8
Total assets	514.6	532.6
Liabilities		
Current liabilities	40.9	38.0
Long-term debt	0.3	0.3
Future income tax liability	20.9	24.4
Asset retirement obligations	13.2	13.0
Total liabilities	75.3	75.7
Non-controlling interests	1.8	1.9
Shareholders' equity	437.5	455.0
Working capital	92.8	138.5
Outstanding shares and weighted average number of shares (for basic earnings per share)	71.2 million	71.2 million

Cash and cash equivalents

The decrease in cash and cash equivalents to \$26.5 million for the quarter ended March 31, 2009 (December 31, 2008: \$45.9 million) was due to further payments on the Kinsevere Stage II development and operating losses.

Available-for-sale investments

The decrease in available-for-sale investments to \$20.7 million for the period ended March 31, 2009 (December 31, 2008: \$24 million) was attributable to maturing investments (\$0.5 million) which were converted into cash; provision for impairment of available-for-sale investments (\$3.6 million) resulting from a diminution in the mark-to-market value of the Company's available-for-sale investments. Investments in SBS of \$0.9 million were transferred to available-for-sale investments during the first quarter of 2009.

Current assets

Total current assets for the period ended March 31, 2009 decreased by \$42.8 million to \$133.7 million (December 31, 2008: \$176.5 million). In addition to the movement in cash and investments outlined above, there was a

decrease in accounts receivables of \$11.4 million due to the collection of outstanding receivables and a decrease in sales.

Current liabilities

Current liabilities at March 31, 2009 increased to \$40.9 million (December 31, 2008: \$38.0 million). The increase in current liabilities is due to the entry premium payments of \$15.0 million in respect of the Kinsevere mineral property which have been partially offset by payments made to creditors, including purchases relating to Kinsevere Stage II.

Non-Current liabilities

Non-current liabilities at March 31, 2009 were \$36.2 million (December 31, 2008: \$39.6 million). The deferred tax liability relating to temporary differences in depreciation of assets for book and tax purposes in DRC declined \$3.5 million and non-controlling interests were reduced \$0.2 million.

Shareholders' equity

Shareholders' equity as at March 31, 2009 decreased by \$17.5 million to \$437.5 million mainly as a result of a decrease in retained income of \$18.8 million.

Contractual Obligations

The following table summarizes the Company's contractual and other obligations, as at March 31, 2009.

Payments due by period	Total	Less than 1 Year	1 – 3 Yrs	4 – 5 Yrs	More than 5 Years
	\$ million	\$ million	\$ million	\$ million	\$ million
Long-term debt	0.7	0.3	0.4	-	-
Environmental and mine closure liabilities	13.2	-	0.7	1.0	11.5
Capital commitments – Kinsevere Stage II	22.0	22.0	-	-	-
Equipment operating lease	0.9	0.3	0.3	0.3	-
Entry premium payment ¹	15.0	15.0	-	-	-
Non-controlling interest commitments – comprises the 10% outside equity interests in the retained earnings of Anvil Mining Congo SARL	1.8	1.8	-	-	-

1. Payment to Gécamines in connection with the amendment to the Kinsevere Lease Agreement reached in January 2009.

Outstanding share data

At May 14, 2009, the Company had 101,259,578 Common Shares outstanding, an increase of 30,015,000 Common Shares as a result of the completion of an offering of Common Shares on May 4, 2009. In addition, there were 5,005,975 director and employee stock options outstanding with exercise prices ranging between C\$1.16 and C\$17.04 per share.

Development Activities

Kinsevere Stage II

On November 13, 2008 the Company announced that it had placed the remaining engineering design, fabrication, construction works and remaining procurement for the Kinsevere Stage II SX-EW development on hold until adequate funding is secured. As at May 14, 2009, approximately \$190 million of the budgeted cost of \$380 million had been spent.

The Company is currently in discussions with contractors regarding completion of the outstanding engineering design work, relating mainly to electrical, piping and instrumentation which is expected to take two to three months to complete. The Company remains well positioned to readily recommence development of Kinsevere Stage II and is reviewing suitable arrangements under which works could be recommenced as quickly as possible, should the Company obtain the necessary funding.

The Company estimates that the timeframe for completion of construction, dry commissioning, and hydraulic testing for readiness to receive ore is approximately twelve months from award of contract.

Exploration

In February 2009 the Company announced an updated Mineral Resource estimate for Kinsevere. The estimated Measured and Indicated Mineral Resource in the combined oxide and sulphide portions of the Kinsevere deposits (Tshifufia, Tshifufiamashi and Kinsevere Hill) at year-end 2008 was 29.8 million tonnes at 3.8% copper, representing 1.12 million tonnes of contained copper metal. The Inferred Mineral Resource totalled 14.1 million tonnes at 3.6% Cu, representing an additional 507,000 tonnes of contained copper metal. The Company expects to announce an updated Mineral Reserve estimate during the third quarter of 2009.

The only exploration activity carried out during the first quarter related to sample preparation of existing drill core.

Outlook

DRC Government Review of Mining Agreements

In January 2009, the Company announced that it had reached agreement with Gécamines and the DRC Government on the terms of its Kinsevere Lease Agreement and the Dikulushi Mining Convention. Discussions with Gécamines regarding the finalization of documentation regarding the Mutoshi Joint Venture Agreement are continuing and based on the commercial terms agreed with Gécamines and the DRC Government in October 2008, the Company is confident that a satisfactory amended Mutoshi Joint Venture Agreement can be concluded with its joint venture partner Gécamines.

Operations

During the fourth quarter of 2008, the Dikulushi mine was placed on care and maintenance and HMS processing operations at Mutoshi ceased. As a result, the only operational activity during the first quarter of 2009 took place at the Kinsevere mine.

In response to the circumstances faced by the Company during the fourth quarter of 2008, the Kinsevere HMS plant was placed on care and maintenance. The EAF continued to operate, with feed sourced from available HMS concentrate stocks, however despite a technical program aimed at improving productivity from the EAF, a decision was taken in March 2009 to suspend operation of the EAF. The Kinsevere HMS plant recommenced operation during March 2009 and performance of the plant has been in accordance with expectations.

The Kinsevere HMS plant is expected to produce approximately 8,900 tonnes of copper contained in concentrates through to Q3 2009, at an operating cash cost at the mine gate of less than \$0.50/lb Cu (inclusive of sunk costs).

While feed to the Kinsevere HMS plant is currently sourced from the ROM stockpile, work is being carried out to investigate options available to extend operation of the Kinsevere HMS plant beyond the third quarter of 2009. Subject to favourable copper prices and metallurgical recoveries, additional feed is potentially available from the Stage II stockpiled ore, which currently amounts to more than one million tonnes at an average grade of 2.9% copper. In addition, there is potential to resume mining in the central pit where there are available ore faces and broken stocks with an inventory of approximately 780,000 tonnes at an average grade of 6.6% copper.

Additional Information

Refer to Appendix A for the Summary of Quarterly Results and to Appendix B for Additional Regulatory Disclosures.

Appendix A

Summary of Quarterly Results

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

Statement of Operations and Income	Mar 09 Quarter	Dec 08 Quarter	Sept 08 Quarter	Jun 08 Quarter	Mar 08 Quarter	Dec 07 Quarter	Sep 07 Quarter	Jun 07 Quarter
Concentrate sales (\$ million) ¹	1.7	13.9	42.3	59.8	75.3	79.3	76.2	65.7
Operating (loss) / profit ² before amortization (\$ million)	(10.8)	(37.7)	5.0	31.9	41.2	52.9	51.2	44.8
Amortization (\$ million)	(3.7)	(12.4)	(7.6)	(15.9)	(7.5)	(9.0)	(4.5)	(2.2)
Operating (loss) / profit ² (\$ million)	(14.5)	(50.1)	(2.6)	16.0	33.7	44.2	46.7	42.6
Net (loss) / income (\$ million)	(18.8)	(151.2)	(17.3)	8.5	21.4	21.7	39.0	35.4
Basic (loss) / earnings per share (\$)	(0.27)	(2.12)	(0.24)	0.12	0.30	0.31	0.55	0.58
Diluted (loss) / earnings per share (\$)	(0.27)	(2.12)	(0.24)	0.12	0.30	0.30	0.54	0.57
Production Statistics – Total								
Copper produced in concentrate (tonnes)	199	7,488	11,318	10,521	12,027	16,878	14,772	7,942
Production Statistics – Kinsevere mine								
Ore processed (tonnes) ³	2,695	59,219	104,414	94,404	91,990	92,155	72,639	8,367
Copper grade (% Cu)	10.2	9.9	9.1	10.0	9.1	10.3	10.9	9.0
Contained copper (tonnes)	275	5,849	9,467	9,424	8,399	9,448	7,951	754
Recovery Cu (%)	72.2	76.2	78.4	68.3	57.8	67.6	77.0	63.7
Copper produced in concentrate (tonnes)	199	4,457	7,741	6,433	4,855	6,384	6,142	480
Copper concentrate sold (tonnes)	479	11,644	22,586	18,084	22,101	25,965	14,429	
Cu contained in EAF Feed	496	706	174					
Copper grade (% Cu)	93.1	93.3	92.7					
Copper contained in blister copper	461	659	161					
Production Statistics – Dikulushi mine								
Ore processed (tonnes) ³	-	117,577	134,994	110,990	99,533	92,121	88,574	85,480
Copper grade (% Cu)	-	2.3	2.2	3.1	5.3	8.1	7.7	7.7
Contained copper (tonnes)	-	2,689	2,935	3,399	5,303	7,507	6,836	6,564
Recovery Cu (%)	-	64.8	61.8	76.7	92.1	92.5	90.7	90.7
Copper produced in concentrate (tonnes)	-	1,743	1,813	2,607	4,885	6,943	6,198	5,951
Silver produced in concentrate (ounces)	-	174,463	189,867	248,816	482,655	717,402	612,739	583,269
Payable pounds of copper contained in concentrate delivered (million)	0.5	6.3	4.3	15.6	11.3	13.9	13.7	14.1
Payable ounces of silver contained in concentrate delivered	19,653	249,086	187,372	303,611	491,967	632,175	583,172	610,417
Production Statistics – Mutoshi mine								
Ore processed (tonnes) ³	-	89,296	135,772	130,693	106,734	98,054	87,342	74,987
Copper grade (% Cu)	-	3.6	3.8	3.7	4.3	5.0	5.1	4.6
Contained copper (tonnes)	-	3,243	5,152	4,872	4,599	4,918	4,439	3,446
Recovery (Cu %)	-	39.7	46.4	30.4	49.7	72.2	54.8	44.5
Copper produced in concentrate (tonnes)	-	1,288	2,392	1,481	2,287	3,551	2,432	1,511
Copper concentrate sold (tonnes)	914	8,290	12,057	17,165	5,701	6,235	7,542	12,292

1. Concentrate sales include copper and silver concentrates from Dikulushi and copper concentrates from Mutoshi and Kinsevere.

2. Refer to Non-GAAP Financial Measures on page 11.

3. Ore processed at Dikulushi relates to ore processed through the ball mill and floatation plant, while ore processed at Mutoshi and Kinsevere relates to ore processed through the HMS plants.

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

The Group holds a beneficial interest of 90% in the Dikulushi mine. The operation, which was placed on care and maintenance in December 2008, is located in the Katanga province of the DRC. The operation was developed in 2002 and produced a sulphide and oxide copper concentrate with a silver credit.

Mutoshi

The Group holds a beneficial interest of 80% in the Mutoshi tenements located in the Kolwezi region within the Katanga province of the DRC. The Mutoshi HMS processing operation, which ceased in November 2008, was developed in 2005 and produced an oxide copper concentrate. SMK also holds additional exploration tenements within the Kolwezi region.

Kinsevere

The Group holds a beneficial interest of 95% in the Kinsevere operation located in the Katanga province of the DRC. The HMS operation was developed in 2007 and produces an oxide copper concentrate. The first EAF was commissioned in August 2008 and produced blister copper grading 92% - 95% copper.

Corporate development, administration and other (CDA)

The corporate development, administration and other segment of the Company 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 quarter ended March 31, 2009, segmented information is presented as follows:

	Kinsevere	Dikulushi	Mutoshi	CDA	Inter-segment	Total
Sales	(885)	3,240	(710)	-	-	1,645
Operating expenses	(5,970)	(2,926)	302	(3,858)	-	(12,452)
Amortization	(2,909)	(208)	(275)	(272)	-	(3,664)
Segmented operating (loss) / profit	(9,764)	106	(683)	(4,130)	-	(14,471)
Interest and financing fees	(203)	-	(720)	(23)	708	(238)
Other income	3	10	-	1,345	(1,037)	321
Other expenses	(454)	(306)	(106)	(7,494)	329	(8,031)
Segmented (loss) before under noted items	(10,418)	(190)	(1,509)	(10,302)	-	(22,419)
Income taxes recovery / (expense)	3,462	(4)	-	84	-	3,542
Non-controlling interest	-	44	-	-	-	44
Segmented (loss)	(6,956)	(150)	(1,509)	(10,218)	-	(18,833)
Property, plant and equipment	281,416	4,080	11,561	7,628	-	304,685
Total assets	397,466	13,634	44,733	58,815	-	514,648
Capital expenditures	16,422	461	573	192	-	(17,648)

Appendix B

Regulatory Disclosures

Non-GAAP Financial Measures

The terms “total cash cost” and “operating cash cost (ex-mine gate)” are non-GAAP measures prepared on a per pound of copper produced basis at Dikulushi and on a per tonne of copper concentrate produced at the Kinsevere and Mutoshi mines. Operating cash cost (ex-mine gate) includes all mining and processing costs less any profits from by-products such as silver at the Dikulushi mine. The total cash cost of production per pound of copper produced at Dikulushi is equivalent to the operating cash cost (ex-mine gate) plus smelting and refining and realization costs as the product is priced as sold to the smelter. Copper concentrates from Mutoshi and Kinsevere are sold at the mine gate, thus total cash cost does not include any transport, treatment and refining charges from these mines.

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. Mine operating costs exclude exploration expense, foreign exchange gains and losses and interest and financing fees. “Working capital” equals current assets less current liabilities. The term “Cash flow from operations per share, before changes in non-cash working capital”, for any period is based on a calculation using the weighted average number of Common Shares outstanding during the same period. The term “EBIT” represents earnings before interest and tax and “EBITDA” represents earnings before interest, tax, depreciation and amortization. This information differs from measures of performance prepared 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.

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 March 31, 2009 and December 31, 2008 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.

Mine properties

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

Variations in estimates of 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. The Group had deferred exploration and acquisition costs of approximately \$52.4 million associated with exploration properties in Africa and south-east 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 the Canadian Institute of Chartered Accountants (“CICA”) in relation to Asset Retirement Obligations.

Income Taxes

As at March 31, 2009, 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 Convention granted by the DRC Government, the Dikulushi mine operations in the DRC currently enjoy reduced income tax rates for the first fifteen years from the date of commencement of commercial mine production, which commenced in October 2002. These concessionary tax rates, based on the applicable DRC Professional income tax rate of 40% 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%.

As set out above, commencing in October 2007, the Dikulushi operation completed its initial 5 years of production and as a result is subject to income tax at a rate of 16% for the ensuing 5 years.

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

Changes in accounting policies, including initial adoption

Section 1582 Business combinations, Section 1601 consolidated financial statements and Section 1602 non-controlling interests

These sections replace the former Canadian Institute of Chartered Accountants ("CICA") 1581, Business Combinations and CICA 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. These sections provide the Canadian equivalent to FASB Statements No. 141(R), Business Combinations and No. 160 Non-controlling Interests in Consolidated Financial Statements. CICA 1582 is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and CICA 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011.

Pre-production costs

CICA 3064, Goodwill and intangible assets establish revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with this standard, the CICA withdrew EIC 27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC 27, the Company is no longer able to defer costs and revenues incurred subsequent to the completion of plant commissioning and prior to the commercial levels of production at new mine operations. The Company adopted the new standard retrospectively effective January 1, 2009 and there was no significant impact on the financial statements.

Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long-lived assets in general. The Company has applied this new abstract for the year ended December 31, 2008 and there was no significant impact on its financial statements as a result of applying this abstract.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". This EIC provides guidance on the impact of equity and counterparty credit risk when determining the fair value of financial assets and liabilities including derivative instruments. The Company adopted this EIC effective January 1, 2009. The adoption of the EIC did not have a significant impact on the Company's financial statements.

Convergence with International Financial Reporting Standards ("IFRS")

Canadian GAAP for public companies is transitioning to IFRS. The effective changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The impact of the transition to IFRS on the Group's consolidated financial statements has not yet been determined.

Estimates

Financial statements which are prepared in conformity with 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.

Risks and Uncertainties

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, the speculative nature of mineral exploration and development, political stability, liquidity and availability of future financing, 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.

Deed of Cross Guarantee

For the purpose of simplifying reporting in Australia, the Company 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, Leda Mining Pty Ltd and Bannon Mining Pty Ltd.

Technical Information

For further information regarding the Company's mine projects in the DRC, including a description of Anvil's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of these projects please refer to the various technical reports which are available under the Company's profile on SEDAR at www.sedar.com.

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 financial and operational conditions impacting disclosure for the quarter ended March 31, 2009 is made known to them. 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. Management of the Company was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. 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 quarter ended March 31, 2009 there were no changes in the Company's internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Forward Looking Statements

This MD&A contains "forward-looking statements" and "forward-looking information", based on assumptions and judgements of management regarding future events and results. Such "forward-looking statements" and "forward-looking information" which may include, but is not limited to the intended use of proceeds from the Common Share offering, the operation of the Kinsevere HMS plant, the liquidation of the Company's available-for-sale investments, the Company's plans for expansions of the Kinsevere copper mine and negotiations with the DRC Government regarding the Mutoshi Joint Venture Agreement. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. The purpose of forward-looking information is to provide the reader with information about management's expectations and plans for 2009. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anvil and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, the actual market prices of the available-for-sale investments, the actual market price of copper, 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 funding to provide for the recommencement of construction of Kinsevere Stage II will be available or 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. In addition,

there can be no assurance that the final outcome of the DRC Government review of the Mutoshi Joint Venture agreement will not have an adverse effect on the Company.

Additional Information

Additional 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.