



anvilmining

ANNUAL INFORMATION FORM

**FOR
FINANCIAL YEAR ENDED DECEMBER 31, 2010**

MARCH 31, 2011

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All amounts are in US dollars, unless otherwise stated. References to “C\$” and “A\$” are references to Canadian dollars and Australian dollars, respectively.

CORPORATE STRUCTURE

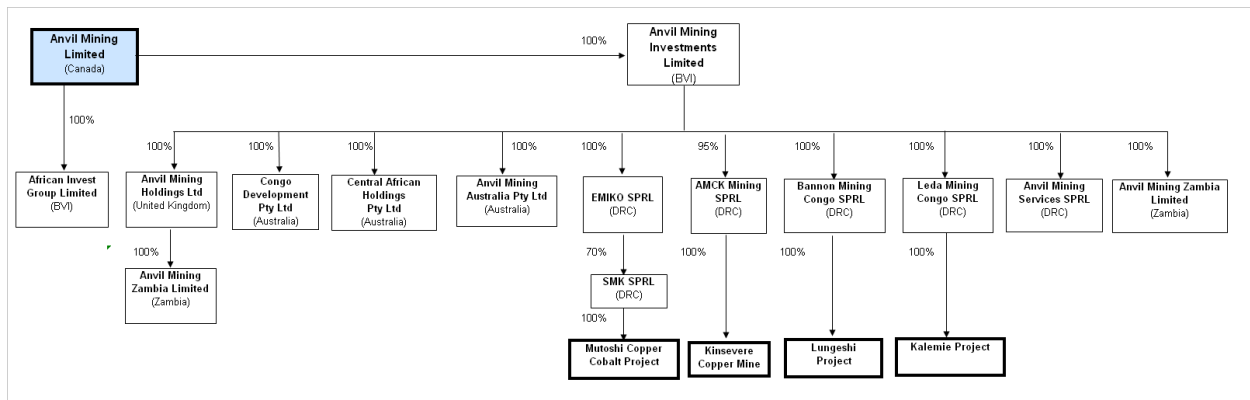
Name, Address and Incorporation

Anvil Mining Limited (the “Company”) was incorporated pursuant to the *Business Corporations Act* (Northwest Territories) under the name Dikulushi Resources Limited on January 8, 2004. The Company changed its name to Anvil Mining Limited on March 12, 2004.

The Company’s corporate head office is located at Level 1, 76 Hasler Road, Herdsman Business Park, Osborne Park, Western Australia, 6017. Subsidiaries of the Company also have offices at 7409 Avenue de la Révolution, Lubumbashi, Democratic Republic of Congo (“DRC”). The Company’s registered and records office is located at 4908 – 49th Street, Yellowknife, Northwest Territories, Canada X1A 2N6.

Intercorporate Relationships

The diagram below illustrates the corporate structure of the Company and its material subsidiaries (the “AVM Group” or “Anvil Group”), including the jurisdiction of incorporation of such subsidiaries:



In the diagram above, and elsewhere in this document, “AMC” refers to Anvil Mining Congo SARL, “EMIKO SPRL” or “EMIKO” refers to L’Entreprise Minière de Kolwezi SPRL, “SMK SPRL” or “SMK” refers to Société Minière de Kolwezi SPRL and AMCK refers to AMCK Mining SPRL.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this annual information form (“AIF”), including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management’s expectations regarding Anvil’s future growth, results of operations (including, without limitation, future production and capital expenditures and development of the Stage II plant at Kinsevere), performance (both operational and financial), including with respect to the funding of the development of the Stage II plant and the operation of the Stage II plant and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

In making and providing the forward-looking information included in this AIF, the Company has made numerous assumptions. These assumptions include, among other things, assumptions about the price of copper, anticipated costs and expenditures, the availability of credit, future production and recovery, that the supply and demand for copper develops as expected, that there is no unanticipated fluctuation in interest rates and foreign exchange rates and that there is no further material deterioration in general economic conditions. Although management believes

that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, among other things the following: the speculative nature of mineral exploration, development, mining and processing, political stability, liquidity concerns and availability of future financings, logistics, lack of infrastructure, uninsurable risks, the nature of mineral resources and mineral reserves, uncertainty relating to inferred mineral resources, mine life, that the Mutoshi Project is on care and maintenance, risks related to licences, permits and government regulations, environmental risks and hazards, land title, foreign operations, limited operating history, volatility of metal prices, key personnel, health risks, labour and employment matters, subsidiaries, currency risk, credit risk, competition, dilution and dividend policy. Please see "*Risk Factors*", below, for a further discussion of the risks facing the Anvil Group.

This AIF and the Company's quarterly and annual management's discussion and analysis contain additional information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this short-form prospectus except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

Additional information about the Company and its business activities is available under the Company's profile on SEDAR at www.sedar.com.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The AVM Group is an international base metals mining and exploration group, which has grown through a combination of exploration, development, operation and acquisition of mining projects in the DRC. The Group's principal activities include mineral exploration, development and mining. Its principal assets comprise:

- A 95% equity interest in the Kinsevere copper mine (the "Kinsevere mine");
- A 70% equity interest in the Mutoshi copper / cobalt project, including the Mutoshi mine in the DRC; and
- Interests in a number of exploration properties in the DRC.

The Group also holds shares in Mawson West Limited ("Mawson West") that represent approximately 14% of the issued and outstanding capital of Mawson West.

The common shares of the Company are listed and posted for trading on the Toronto Stock Exchange ("TSX") under the symbol AVM and also trade on the Australian Securities Exchange ("ASX"), also under the symbol AVM.

Historical Background

Kinsevere

In November 2004, the Company entered into a joint venture ("JV") agreement with Mining Company Katanga SPRL ("MCK"), a privately owned DRC company to carry out feasibility study work on the Kinsevere copper-cobalt deposits in Katanga province of the DRC, owned by La Générale des Carrières et des Mines ("Gécamines"). Following a drilling program during 2005 and the completion of a mineral resource estimate, the Company announced, during the fourth quarter of 2005, the finalisation of the 25-year Mining Lease Agreement of the mining rights over the Kinsevere mining tenements for a total purchase price of \$2.3 million plus a royalty calculated based

on production of copper and cobalt (see “The Kinsevere mine – Description and Location”). Commercial production at the Kinsevere mine started in June 2007. During 2006 and 2007, the Company acquired an additional 25 interest in the mining rights for the Kinsevere copper deposits.

Mining of ore and waste at Kinsevere started in December 2006 and the Stage I Heavy Media Separation (“HMS”) plant was commissioned in June 2007.

Mutoshi

In November 2004, the Company announced that it had entered into an agreement for the acquisition of an effective 70% interest in what is now the Mutoshi Project and mining tenement areas surrounding the former Mutoshi copper-cobalt mine, located in the Kolwezi Region of the DRC, for a total purchase price of \$12.5 million in cash and shares. In January 2005 the Company completed the acquisition of a 70% interest the Mutoshi mine. Mining operations at Mutoshi began on September 22, 2005 and the HMS plant, refurbished from the Stage I development at Dikulushi, was commissioned on November 25, 2005. Production reached design capacity of 50 tonnes per hour for production of 4,500-5,000 tonnes of concentrate per month in May 2006.

In November 2006, the Company finalised an agreement for the acquisition of an additional 10% interest in Mutoshi; the additional interest acquired through the purchase of the remaining 12.5% interest in EMIKO not held by the Company. Completion of this acquisition took the Company’s interest in the JV from 70% to 80%. Following completion in 2009 of the DRC Government’s review of mining agreements, the Company’s interest in the JV decreased to 70% from 80%.

Dikulushi

The Dikulushi mine began commercial production in October 2002 and reached its annual design production capacity of 14,000 tonnes of copper and 900,000 ounces of silver in early February 2003. Stage II of the Dikulushi mine development plan, consisting of the addition of ball mill and flotation circuits was commissioned in September 2004. Stage II was designed to increase copper and silver production by approximately 50% over Stage I design and produce a higher grade concentrate.

Three-Year History

Key events in the past three years have included:

Kinsevere

2008

Key events in the past three years have included:

- A pre-feasibility study of the Stage II expansion, involving construction of a Solvent Extraction and Electrowinning (“SX-EW”) development with a design capacity of 60,000 tonnes of copper cathode per year was completed during the second quarter of 2007 and the board of directors approved the construction of the Stage II 60,000 tonnes per year SX-EW plant at the Kinsevere mine at a capital cost of \$238 million.
- In February 2008, the Company announced completion of an updated feasibility study for the Stage II expansion at Kinsevere which increased the construction cost estimate to \$298 million. In May 2008, the construction cost estimate was further revised to \$380 million, reflecting detailed design and engineering as well as additional infrastructure at the mine site and general cost escalation that had affected the construction of new projects in the mining sector worldwide.
- Following completion of a 41,000 metre drilling program in 2008, a large proportion of which was in-fill drilling, an updated estimate of the Kinsevere Mineral resource estimated the Measured and Indicated Mineral Resources in the combined oxide and sulphide portions at December 2008 to total 29.8 million tonnes at 3.8% copper, representing 1.1 million tonnes of contained copper metal. The Inferred Mineral Resource was estimated to total 14.1 million tonnes at 3.6% Cu, representing an additional 507,000 tonnes of contained copper metal.

- The commissioning of the Electric-Arc Furnace (“EAF”) that comprised the final phase of the Stage I development took place in August 2008, however, owing to persistent operational difficulties the EAF ceased operation in March 2009.
- In November 2008, as a result of a large decline in the copper price, uncertainty regarding the Company’s ability to access funding and operational difficulties, the Company placed the Kinsevere Stage I operation on care and maintenance and suspended development of Kinsevere Stage II until additional finance became available and there was greater certainty in global financial and commodity markets.

2009

- In January 2009, the AVM Group reached agreement with Gécamines and the Government of the DRC on the revised terms of its Kinsevere Lease Agreement. Please see the discussion under DRC Government Review of Mining Agreements below.
- In March 2009, the Company restarted operation of the Stage I HMS plant, after ceasing HMS processing in December 2008. Feed to the plant was initially sourced from the Run of Mine stockpile which was almost fully depleted by August 2009 when the Company restarted mining in the Central Pit.
- In August 2009, the Company reached agreement with Trafigura Beheer B.V. (“Trafigura”) for a combined debt and equity financing arrangement for an aggregate amount of \$200 million, the proceeds of which have been, and continue to be used, for the construction of Kinsevere Stage II.

2010 and 2011

- Following the financing agreement reached with Trafigura, in January 2010, the Company reengaged Ausenco Projects Limited and Ausenco Solutions Pty Ltd under a Lump Sum Turnkey (“LSTK”) contract for the completion of Kinsevere Stage II.
- As at February 28, 2011, Kinsevere Stage II was currently approximately 90% complete, with full commissioning expected to start during the second quarter of 2011.

Mutoshi

2008

Key events in the past three years have included:

- A 55,000 metre scope drilling program was carried out on the Mutoshi properties during 2008, the objective of which was to outline near-surface oxide copper and cobalt mineralisation, to an extent sufficient to justify development of the Mutoshi Stage II SX-EW plant. Key findings from the scope drilling program were as follows:
 - At Mutoshi North, the program has yielded interesting copper and cobalt intersections in two mineralised zones within 150 metres of surface.
 - Drilling at Mutoshi North-West has returned consistent results, with mineralisation below 40 metres from surface. Strike length is currently 800 metres and down dip width of the mineralisation on average is more than 400 metres with a thickness of 25 to 30 metres. These sections of the deposit were modelled in 2008 in order to produce initial grade tonnage estimates.
 - Potential for near-surface copper mineralisation over an area of 300 metres by 300 metres, with a true thickness of 10 metres at Mulusonoi, located north-east of Mutoshi North-West.
 - Cobalt mineralisation seems to be richer in some of the fragments drilled and assays returned have shown attractive, near surface cobalt grades. These assays appear to support an SX-EW processing operation, producing cobalt in an intermediate form, together with copper cathode.
 - A Scoping Study was completed during the fourth quarter of 2008, the objective of which was to assess the transition of the Stage I HMS processing of river tailings, to SX-EW processing of copper and cobalt from oxide open-pit feed. The Study was supported by the grade/tonnage estimates based on the scope drilling database, followed by preliminary mine planning and the financial evaluation of several development scenarios.

- Owing to the progressively lower metallurgical recovery from processing finer-grained, lower grade tailings material that was encountered further downstream in the Kulumaziba River during 2008, mining operations were suspended in September 2008, with feed to the processing plant sourced from stockpiled ore available at that time. The supply of stockpiled ore was exhausted in December 2008 and the Company ceased HMS processing at Mutoshi, with the mine having remained on care and maintenance since this date.

2009

- In July 2009, the Company reached agreement with Gécamines and the Government of the DRC on the revised terms of its Mutoshi JV agreement. Please see the discussion under DRC Government Review of Mining Agreements below.

2010 and 2011

- During 2011, the Company plans to commence a 33,000 metre in-fill drilling program, the objective of which is to define sufficient near-surface oxide copper and cobalt mineralization to enable evaluation of development options.
- During February 2011, the Company signed an agreement with Alexander Mining plc (“Alexander”) for Alexander to build and operate a pilot plant to utilize Alexander’s proprietary ammonia-based leaching technology to process up to 150,000 tonnes of cobalt ore at Anvil’s Mutoshi deposit.

Dikulushi

Key events in the past three years have included:

- Open pit mining at Dikulushi ceased in November 2006 with all feed to the plant for 2007 sourced from the ROM stockpile.
- Production from the underground mine started during the fourth quarter of 2007, however during the second quarter of 2008, the Company determined that the extraction of ore from the underground stopes and the rate of underground development at the Dikulushi Mine was not proceeding as well as was initially expected. The Company determined that the underground mining method should be modified to an Avoca cut and fill method. During the period of underground mine development, feed to the plant was sourced primarily from stockpiled low-grade ore, supplemented with ore from the underground mine.
- In December 2008, owing to the low copper price, the Group suspended concentrate production, postponed underground development work and initiated a care and maintenance program at its Dikulushi mine. Since this time, the Dikulushi mine has remained on care and maintenance.
- In April 2010, the Company completed the sale of its 90% interest in the Dikulushi mine. Under the terms of the sale, Anvil received 83,070,000 shares in Mawson West, which represented approximately 28% of the issued and outstanding shares in Mawson West, on an undiluted basis, with an estimated value of \$12 million.

Financing

Key events in the past three years have included:

- In May 2009, the Company completed a public offering in which it issued 30,015,000 Common Shares (including 3,915,000 Common Shares under an over-allotment option) at C\$1.15 per share, for gross proceeds of C\$34,517,250.
- In September 2009, the Company completed the first tranche of a private placement to Trafigura by issuing 15,644,293 Common Shares and 3,629,476 Common Share purchase warrants (each a “Warrant”) for gross proceeds of \$31,977,248. In December 2009, concurrently with entering into a \$100 million project loan facility agreement with Trafigura to finalise the Kinsevere Stage II SX-EW development, the Company completed the second and final tranche of the Trafigura Placement by issuing 32,753,636 Common Shares and 7,598,844 Warrants for gross proceeds of \$68,022,752. Each whole Warrant entitles the holder to

acquire one additional Common Share upon payment of C\$2.75 for a period of thirty months from the date of issuance of the Warrant.

- In October 2010, the Company made its first drawdown under the \$100 million loan facility provided by Trafigura (the “Trafigura Loan Facility”) as part of the financing arrangement agreed in August 2009 and as at March 23, 2011, \$43.0 million of the Trafigura Loan Facility remains undrawn.
- In November 2010 the Company liquidated its available-for-sale equity investment in Chalice Gold Mines Limited for proceeds of approximately \$5 million and during December completed the liquidation of its available-for-sale debt investments for proceeds of approximately \$25.0 million.
- In February 2011, Trafigura exercised 6.0 million Warrants for proceeds of approximately \$16.5 million.

Objectives and Strategy

The objective of the AVM Group is to become a mid-tier, profitable producer of base metals by pursuing the following strategies: (i) completion of Kinsevere Stage II; (ii) restart of exploration at Kinsevere in order to enable delineation of a sulphide resource at Kinsevere; (iii) commencement of exploration in the area surrounding the Kinsevere mine; (iv) identification of opportunities to provide for an extension of the processing life of Kinsevere Stage II; and (v) completion of in-fill drilling at Mutoshi to define sufficient near-surface oxide copper and cobalt mineralization to enable evaluation of development options.

NARRATIVE DESCRIPTION OF THE BUSINESS

Business of the AVM Group

The Kinsevere Mine

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, producing blister copper grading 92%-95% copper, however due to persistent operational difficulties, the EAF ceased operation in March 2009. In 2009, the Kinsevere mine produced 16,538 tonnes of copper from resumed operation of the HMS plant.

During 2010, concentrates produced at Kinsevere were sold ex-works to a local smelter.

The Mutoshi Mine

The Group holds a beneficial interest of 70% in the Mutoshi tenements located in the Kolwezi region within the Katanga province of the DRC. The Mutoshi Stage I HMS processing operation involving reclamation of tailings from the Kulumaziba River, which was terminated in December 2008, was developed in 2005 and produced an oxide copper concentrate. The Company believes there may be potential for an SX-EW processing operation at Mutoshi and expects to further investigate this opportunity during 2011, commencing with an in-fill drilling program as described above.

The concentrates produced up until November 2008 at the Mutoshi mine were shipped by rail and sold to a smelter in Zambia; sold ex-works to a local buyer for processing in Lubumbashi, DRC; and sold ex-works to foreign buyers for export.

The Dikulushi Mine

The Dikulushi Mine is located in the Katanga province of the DRC. The operation was developed in 2002 and has produced a sulphide copper concentrate with a silver credit. In December 2008, owing to the low copper price and global economic conditions, the Group initiated a care and maintenance program at its Dikulushi mine and in February 2010 entered into an agreement with Mawson West for the sale of its interest in the Dikulushi mine. The Group sold its beneficial interest of 90% in the Dikulushi mine, which is located in the Katanga province of the DRC.

Logistics

The supply of most mining spares and consumables originates from within Southern Africa while capital equipment, predominantly for the Kinsevere Stage II development, originates from Australia, Asia, Europe, and Southern Africa. Equipment and material shipped from overseas offloads at Durban in South Africa and is trucked to the DRC site operations. The Company uses reputable South African trucking companies with the following transit distances and times:

- Ex Durban: approximately 2,700kms and 20 days.
- Ex Johannesburg: approximately 2,100kms and 12 days.

Management of the AVM Group's logistics function is coordinated from the AVM Group's DRC corporate office at Kinsevere and is supported by a small branch office in Johannesburg in South Africa.

Employees

As of March, 2011, the AVM Group employs a total of 425 people, all of whom are direct employees in the DRC and elsewhere in the world.

- The Kinsevere mine operated by AMCK employs 391 people, of whom 41 are expatriates.
- The Mutoshi mine, controlled by SMK employs 2 people.
- The AVM Group employs a further 32 people, 28 of whom are based in Osborne Park in Western Australia, two based in Johannesburg, South Africa and two based in Montréal, Canada.

Mine Financing

Please see the section titled Financing under "Three-Year History" above on the Company's financing activities.

Democratic Republic of Congo

General

The DRC (formerly Zaïre) is located in west-central Africa and is the third largest country in Africa (2.3 million square kilometres), similar in size to Western Europe, and with a population of approximately 66 million. The capital of the country is Kinshasa, which is located in the north-west of the country on the Congo River. The Congo River provides extensive access to the interior of the country.

The Kinsevere mine is located in the south-west of the DRC, approximately 30km north of Lubumbashi, the provincial capital of the Katanga province in the DRC.

The Mutoshi Project is located in the heart of the famous Congo Copperbelt, in an area known as the Kolwezi Klippe in the Kolwezi Region of the Katanga province in the DRC.

Current Political Situation

Democratic presidential and parliamentary elections, the first elections in 40 years, were held in the DRC on July 30, 2006 under the guidance of the European Union Electoral Observer Mission and the United Nations mission to the DRC ("MONUC"). The first round of elections resulted in Joseph Kabila and Jean-Pierre Bemba being identified as the top two preferred candidates for the position of President. As a result, a run-off election was held on October 29, 2006, with Joseph Kabila declared the winner on November 15, 2006, after which he was inaugurated as President in December 2006 and has served as President since that time. Presidential, legislative, provincial and local government elections are due to be held in 2011.

Economy

The economy of the DRC has historically been dominated by its resource sector. The Congo Copperbelt region of the country, in the southern province of Katanga is renowned as one of the richest mineral regions of the world and until the mid 1980s enabled the country to be one of the largest producers of copper, with annual production exceeding 500,000 tonnes of copper. Adverse political events beginning in the early 1990s, together with military activity have led to a dramatic reduction in national output. However, diamonds, copper and cobalt remain the principal foreign exchange earning exports for the country.

Following an absence of approximately 10 years, the International Monetary Fund and the World Bank have re-engaged the DRC and are assisting the development of coherent legislative and economic reforms, aimed at a reconstruction of the country. As part of this effort, in 2002 the government introduced a new Mining Code.

Gécamines, a state owned mining company holds substantial quantities of Mineral Reserves and Mineral Resources of copper, cobalt, germanium and zinc in the Katanga province of DRC.

Regulatory Matters

DRC Mineral Title

The mining rights to the Kinsevere tenement areas are currently held through a lease agreement between Gécamines, the mining title holder, and AMCK, the assignee of such rights from MCK. The Kinsevere tenement covers an area of 16.1 square kilometres. The Company and MCK formed a JV company AMCK, in which the Company holds a 95% interest and MCK holds a 5% interest.

The mineral rights to the Mutoshi tenement area are held under two tenements. One tenement, PE 2604, comprises 56 blocks for an area of 47.6 square kilometres that has been renewed to April 3, 2024 and is renewable once thereafter to April 1, 2039 and the second tenement, PER 2812, which comprises 68 blocks for an area of area of approximately 58 square kilometres which is currently under renewal.

Ownership of Mines and Projects

The Kinsevere JV is an exploration and mining JV between the AVM Group (95%) and MCK (5%).

The Mutoshi Project is an exploration and mining JV between the AVM Group (70%), and Gécamines (30%).

DRC Government Review of Mining Agreements

In February 2008, the Company received formal notification from the Minister of Mines, advising the terms upon which the Government proposed discussions be based on the Dikulushi Mining Convention, the Mutoshi JV Agreement and the Kinsevere “*Contrat d’Amodiation*” (Lease Agreement).

In January 2009, the Company reached formal agreement with Gécamines and the DRC Government on the terms of its Kinsevere Lease Agreement and the commercial terms and conditions of the Dikulushi Mining Convention, would remain unchanged.

The major amendments to the Kinsevere Lease Agreement related to a change in the up-front cash payment from \$5 million to \$20 million and to the formula under which royalty payments are calculated, with royalty payments now based on 2.5% of gross turnover, compared to the previous approach whereby the royalty was paid to Gécamines on a sliding scale on each tonne of commercial copper metal extracted at Kinsevere.

In July 2009, the Company reached agreement with Gécamines and the Government of the DRC on the terms of its Mutoshi JV agreement, the key details of which included a reduction in the Company’s equity interest in the Mutoshi JV from 80% to 70% and an additional *Pas de Porte* of \$14.4 million to be paid in two instalments, the second (and final) of which was paid in January 2011.

Mining Taxation

Historically, companies involved in the mining industry in the DRC have negotiated specific deductions and exemptions for income tax purposes as an integral part of each mining convention, given the higher level of risk at the time. Income derived from the Company's mining operations is subject to taxation on a sliding scale in accordance with the provisions of the Mining Code of the DRC, which came into force in 2002.

Equity Ownership of SMK (Mutoshi Assets)

The AVM Group holds a direct 100% interest in EMIKO which in turn holds a 70% interest in SMK. Exploration activity at the Mutoshi mine is carried out under the Mining Code, enacted by law No. 007/2002 in 2002. The mineral rights of the Mutoshi JV comprise Mining Rights PE 2604 (Mutoshi), PE 2605 (Nioka) and PER 2812 (Kulumaziba), covering an area of approximately 137 square kilometres. The tenements are registered to SMK.

Risk Factors

The operations of the AVM Group are speculative due to the nature of the AVM Group's business, the location in which it operates and the present stage of its development. In evaluating the securities of the Company, the following factors should be considered:

Speculative Nature of Mineral Exploration, Development, Mining and Processing

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. While the discovery of an orebody may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the AVM Group not receiving an adequate return on invested capital. There is no assurance that commercial quantities of ore will be discovered on any of the AVM Group's exploration properties. There is no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. In addition, assuming discovery of a commercial orebody, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the AVM Group's control.

Mining operations involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of copper and other base or precious metals, including unusual and unexpected geologic formations, water conditions, surface or underground conditions, seismic activity, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability, mechanical equipment performance problems, the unavailability of materials and equipment, accidents, labour force disruptions, *force majeure* factors, unanticipated transportation costs and weather conditions. Mining and processing operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. Any of these factors can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures and production commencement dates.

The AVM Group's processing facilities are dependent on continuous mine feed to remain in operation. Insofar as its mines may not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, supply interruptions, labour force disruptions or other causes, may have an immediate adverse effect on results of operations. A significant reduction in mine feed or processing throughput at a particular mine could cause the unit cost of

production to increase to the point where the AVM Group could determine that some or all of its reserves were uneconomic to exploit.

Political Stability and Foreign Operations

The AVM Group's mines in the DRC may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement and labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact the profitability and viability of its properties. The DRC is an impoverished country with physical and institutional infrastructure that is in a debilitated condition. It is in transition from a largely state-controlled economy to one based on free market principles, and from a non-democratic political system with a centralised ethnic power base to one based on more democratic principles. There can be no assurance that these changes will be effected or that the achievement of these objectives will not have material adverse consequences for the AVM Group and its operations.

The north-east region of the DRC has undergone civil unrest and instability that could have an impact on political, social or economic conditions in the DRC generally. While the government of the DRC and MONUC are working to support the extension of central government authority into the region there can be no assurance that such efforts will be successful. Although the AVM Group's mines in the DRC are in the remote south-east area of the country, the effect of unrest and instability on political, social or economic conditions in the DRC could result in the impairment of the exploration, development and mining operations at those mines. Any such changes are beyond the control of the AVM Group and may adversely affect its business.

All of the AVM Group's material operations are currently conducted in the DRC and as such, the AVM Group's operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in the DRC may adversely affect the AVM Group's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the AVM Group's operations and profitability.

Production Estimates

The Company may not achieve its production estimates. The failure of the Company to achieve its production estimates could have a material adverse effect on any or all of its future cash flows, profitability, results of operations and financial conditions. The realization of production estimates is dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions (including hydrology and hydrogeology), the physical characteristics of ore, the presence or absence of particular metallurgical characteristics, and the accuracy of the estimated rates and costs of mining, ore haulage and processing.

Actual production may vary from estimates for a variety of reasons, including: the availability of certain types of ore; the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other

characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades instead of those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ore; labour shortages or strikes; lack of required labour; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment.

Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable forcing the Company to cease production.

Liquidity Concerns and Future Financings

The further development and exploration of the various mineral properties in which the AVM Group holds interests depend upon the Company's ability to obtain financing through JVs, debt financing, equity financing or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms or at all. The AVM Group operates in a region of the world that has experienced economic dislocation, war and political upheaval, which may make it difficult for the Company to obtain future debt financing from lenders. Failure to obtain timely funding may cause the Company to postpone its development plans, forfeit rights in some or all of its properties or JVs or reduce or terminate some or all of its operations.

Lack of Infrastructure

The exploration properties of the AVM Group are located in remote areas of the DRC, which lack basic infrastructure, including sources of power, water, housing, food and transport. The AVM Group engages expatriate workers to come to the DRC as there is a shortage of skilled local personnel. In order to develop any of its exploration properties, the AVM Group will need to establish the facilities and material necessary to support exploration in such remote locations. The inability to make suitable arrangements may delay the conduct of the AVM Group's exploration programs and prevent the AVM Group from meeting its stated business objectives. The remoteness of the properties will also affect the potential viability of mining operations, as the AVM Group will also need to establish substantially greater sources of power, water, physical plant and transport infrastructure in the area. The lack of availability of such sources may adversely affect mining feasibility and may require the AVM Group to arrange significant financing, locate adequate supplies and obtain necessary approvals from national, provincial and regional governments, none of which can be assured.

In particular, the Company has identified power supply as a possible constraint on future growth and in order to secure a future source of supply, has funded the development of new power supply infrastructure and refurbishment of existing power supply infrastructure and implemented enhanced arrangements with Société Nationale d'Électricité ("SNEL"), the DRC government electricity company. A 27km 120KV transmission line which connects the Kinsevere mine to the DRC national hydroelectric grid has been completed and the Company has entered into a power supply agreement with SNEL which would provide sufficient power for the Kinsevere Stage II 60,000 tonnes per year SX-EW plant.

Volatility of Metal Prices

The mining industry is competitive and there is no assurance that, even if commercial quantities of a Mineral Resource are discovered, a profitable market will exist for their sale. The development and success of the AVM Group's mines will be primarily dependent on the future price of metals, and there can be no assurance that metal prices will be such that the AVM Group's properties can be mined at a profit. Metal prices are subject to significant fluctuation and are affected by a number of factors, which are beyond the AVM Group's control. Such factors

include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, international political and economic conditions, speculative activities and increased production due to improved mining and production methods. The price of copper and other base and precious metals has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the AVM Group's properties to be unviable. Depending on the price of copper and other metals, cash flow from existing and planned mining operations may not be sufficient and the AVM Group could be forced to discontinue development and may lose its interest in, or may be forced to sell, one or more of its properties. Continued and future production from the AVM Group's mining properties is dependent on copper and other metal prices that are adequate to make these properties economic.

The Company actively monitors movements in copper and other metals' prices and the sensitivity of its performance to movements in such metals' prices and may undertake to remove some of the risk associated with lower copper and other metals' prices by implementing a hedging program for a designated percentage of its metal production.

Furthermore, reserve calculations and life-of-mine plans using significantly lower copper and other base and precious metal prices could result in material write-downs of the AVM Group's investment in mining properties and increased amortisation, reclamation and closure charges.

In addition to adversely affecting the AVM Group's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular mine. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular mine. Even if the mine is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Reliability of Feasibility Studies

Anvil sometimes relies on consultants who prepare engineering studies and technical reports. Anvil's expected operating costs and expenditures, production schedules, economic returns and other projections from its mining projects, which are contained in this AIF and in any technical reports, scoping studies, pre-feasibility studies and feasibility studies prepared for or by Anvil, are determined and, if applicable, valued based on assumed or estimated future metal prices, cut-off grades, operating costs, capital costs, expenditures and other factors that may prove to be inaccurate. For example, significant declines in market prices for base and precious metals or extended periods of inflations would have an adverse effect on the economic projections set forth in a feasibility study. In addition, material reductions in estimates of mineralization or increases in capital costs and expenditures, or in Anvil's ability to maintain a projected budget or renew a particular mining permit, could also have a material adverse effect on projected production schedules and economic returns, as well as on Anvil's overall results of operations or financial condition.

Mine Life

Based on currently expected production rates, the AVM Group can only confirm mineralisation capable of supporting economic mining operations from the Kinsevere mine plan until 2023.

Any adverse development affecting the progress of the Kinsevere mine or any of the AVM Group's other properties such as, but not limited to, obtaining debt financing on commercially suitable terms, hiring suitable personnel and mining contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the AVM Group's financial performance and results of operations.

The AVM Group's ability to maintain or increase its annual production of copper or other metals will be substantially dependent in significant part on its ability to expand existing mines and bring new mines into production.

Estimation of Asset Carrying Values

Anvil annually undertakes an evaluation of its portfolio of development projects, exploration and other assets. The recoverability of Anvil's carrying values of its properties are assessed by comparing carrying values to estimated future net cash flows from each property.

Factors which may affect carrying values include, but are not limited to, metal prices, capital cost estimates, mining, processing and other operating costs, grade and metallurgical characteristics of ore, mine design and timing of production. In the event of a prolonged period of depressed metal prices, Anvil may be required to take additional material write-downs of its exploration and development properties.

Licences, Permits and Government Regulations

The AVM Group's mineral production, exploration and development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although the AVM Group's production, exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Many of the AVM Group's mineral rights and interests are subject to government approvals, licences and permits. Such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the AVM Group will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; the AVM Group may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties. While the AVM Group anticipates that permit renewals will be granted as and when sought, there is no assurance that such renewals will be given as a matter of course or that new conditions will not be imposed in connection with renewal. The AVM Group's business objectives may also be impeded by the costs of holding its mineral licences. Permit and licence fees in the DRC and elsewhere may increase substantially upon renewal. The AVM Group's exploration activities in the DRC are conducted on areas subject to preliminary licences, which must be conformed to licences granted under the Mining Code of the DRC. While the AVM Group anticipates that such permits and licences will be granted, there can be no assurance that they will in fact be granted, or that new, less favourable, conditions will not be imposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation could have a substantial adverse impact on the AVM Group and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

There can be no assurance that industries which are deemed of national or strategic importance in the DRC in which the AVM Group has operations or assets, including mineral exploration, production and development, will not be nationalised. The risk exists that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the AVM Group. There can be no assurance that the AVM Group's assets in these countries will not be subject to nationalisation, requisition or confiscation, whether legitimate or not, by an authority or body.

Mineral Reserves and Resources

There is a degree of uncertainty to the estimation of Mineral Reserves and Resources and corresponding grades being mined or dedicated to future production. Until Mineral Reserves or Mineral Resources are actually mined and processed, the quantity of Mineral Reserves and Resources must be considered as estimates only. In addition, the quantity of Mineral Reserves and Resources may vary depending on, among other things, metal prices. Any material change in quantity and grades of Mineral Reserves, Mineral Resources, or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that copper recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Metal price fluctuations, as well as increased production costs or reduced recovery rates, may render Mineral Reserves containing relatively lower grades uneconomic and may ultimately result in a restatement of such Mineral Reserves. Moreover, short-term operating factors relating to Mineral Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore types or grades may cause a mining operation to be unprofitable in any particular accounting period.

Fluctuation in copper, silver and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. In particular, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of copper and silver recovery will be realised. Any material reductions in estimates of Mineral Reserves and Resources, or estimates of the AVM Group's ability to extract these Mineral Reserves, could have a material adverse effect on the AVM Group's results of operations and financial condition.

Uncertainty Relating to Inferred Mineral Resources

Inferred Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is a risk that the Inferred Mineral Resources cannot be converted into Mineral Reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty that may attach to Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to resources with sufficient geological continuity to constitute Proven and Probable Mineral Reserves as a result of continued exploration. If the AVM Group is not able to convert its Inferred Mineral Resources into Mineral Reserves this will have a material adverse effect on operations.

Copper Hedging

In January 2011, the Company entered into a zero-cost collar transaction (the "Hedging Transaction") with an international bank, to hedge 250 tonnes per month of payable copper for the first half of 2011. Under the terms of the Hedging Transaction, the Company has locked in a floor price of \$3.86 per pound and a cap price of \$4.37 per pound and will receive the market price where the copper price is between \$3.86 per pound and \$4.37 per pound. However, there is no assurance that a copper hedging program designed to reduce the risk associated with fluctuations in metal prices will be successful. Although hedging may protect the Company from a decline in copper prices, it may also prevent Anvil from benefitting fully from price increases. As a result, the Company may be prevented from realizing possible revenues in the event that the market price of copper exceeds the price stated in such hedging arrangements. In addition, the Company may experience losses if a counterparty fails to purchase under a contract when the contract price exceeds the spot price for copper.

Copper Off-take

The Company has entered into a copper off-take framework agreement with Trafigura the "Framework Off-take Agreement"). Under the terms of the Off-take Agreement, in accordance with market practice, should the copper cathode delivered to Trafigura contain certain impurities and mineral content that exceed contract specifications, this may lead to increased costs or penalties which may have a material adverse impact on revenues derived from the Kinsevere operation.

Uninsurable Risks

The AVM Group's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the AVM Group's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

The AVM Group maintains insurance to protect against certain risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations. The AVM Group may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the AVM Group or to other companies in the mining industry on acceptable terms. The AVM Group might also become subject to liability for pollution or other hazards which may not be insured against or which the AVM Group may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the AVM Group to incur costs that could have a material adverse effect upon its financial performance and results of operations.

Failure to Comply with Restrictions and Covenants in the Trafigura Project Loan Facility Agreement

The purpose of the Trafigura Loan Facility is to fund completion of the construction and commissioning of the Stage II SX-EW plant at Kinsevere. The Trafigura Loan Facility agreement contains covenants and imposes restrictions on the Company's ability to complete certain transactions. For example, it requires that the Company maintain certain financial ratios and complete the Stage II SX-EW plant at Kinsevere by 30 September 2011, in accordance with the agreed upon mine development plan, and prohibits the Company from paying any dividends or making any other distributions to its shareholders or incurring additional indebtedness or entering into any hedging arrangements other than those that it expressly permits. While the Company is currently in compliance with all such covenants and restrictions as are presently applicable, a breach by the Company of any covenant or restriction in the Trafigura Loan Facility agreement will constitute an event of default entitling Trafigura to accelerate the payment of amounts due thereunder. The Trafigura Loan Facility agreement is secured against all of the Company's DRC assets. An obligation to repay the amount owing under the Trafigura project loan facility agreement before its stated maturity could have an adverse effect on the Company and its financial position.

Environmental Risks and Hazards

All phases of the AVM Group's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed mines and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the AVM Group's operations. Environmental hazards may exist on the properties on which the AVM Group holds interests which are unknown to the AVM Group at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Land Title

The AVM Group's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims and title may be affected by, among other things, undetected defects. As a result, the AVM Group may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Limited Operating History

The AVM Group has a limited operating history and there can be no assurance of its ability to operate its mines profitably. While the AVM Group has generated working capital through the Kinsevere mine, there is no assurance that the AVM Group will be capable of producing positive cash flow on a consistent basis.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations and includes risk in areas of the Company's business such as: cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group believes that its maximum exposure to credit risk as at December 31, 2010 is the carrying value of its trade receivables. The Company manages this risk through evaluation and monitoring process and seeks to transact with credit worthy customers to minimise credit risk and if necessary, employ provisional payment arrangements and the use of letters of credit, where appropriate, but cannot always be assured of the solvency of its customers and at times will sell to parties whose credit worthiness is not determinable.

Though it holds no such securities, the AVM Group may be exposed to credit risk through an investment in asset backed securities, which is reflected in securities price risk. To manage its price risk arising from investments in securities, the Group's investment policy requires that it diversifies its portfolio in accordance with the limits set by the AVM Group.

The Group manages credit risk for trade and other receivables through established credit monitoring activities. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group's maximum exposure to credit risk at the reporting date is the carrying value of receivables, cash and cash equivalents and available-for-sale investments.

Concentrate produced at the Group's operating Kinsevere mine is sold ex-works to a local smelter. Under the payment terms, provisional payments are normally received within 2-4 weeks after delivery, with final settlement up to three months following the date of shipment. For the year ended December 31, 2010, the Group derives all of its revenues from one major customer.

Litigation

Anvil could become involved in disputes with other parties in the future which result in litigation. If Anvil is unable to resolve these disputes favourably, it may have a material adverse impact on its financial condition, cash flow and results of operations. Please refer to the section titled "Legal Proceedings, Disputes and Regulatory Actions".

Interest Rate Risk

The Company's obligations under the project loan facility agreement with Trafigura accrue interest at a rate that fluctuates with LIBOR. The Company has not at this point entered into any agreements to hedge against unfavourable changes in interest rates, though it may do so in the future. The Company may be exposed to adverse interest rate fluctuations that could have a material adverse impact on the Company's financial position.

Market Price of Common Shares

Securities of small copper producing companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global macroeconomic developments and market perceptions of the attractiveness of particular industries. The price of Anvil's securities is also likely to be significantly affected by changes in the price of copper or in Anvil's financial condition or results of operations as reflected in its earnings reports. If an active market for Anvil's securities does not continue, an investment in Anvil common shares may be limited and/or the price of Anvil common shares may decline and investors could lose their entire investment in Anvil common shares. As a result of any of these factors,

the market price of Anvil's securities at any given point in time may not accurately reflect the long-term value of Anvil. Securities class-action litigation has sometimes been brought against companies following periods of volatility in the market price of their securities. Anvil may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Anvil common shares in the public markets, or the potential for such sales, could decrease the trading price of Anvil common shares and could impair Anvil's ability to raise capital through future sales of common shares. Anvil has previously completed private placements and public offerings at prices per share which are lower than the current market price of its common shares. Accordingly, a large number of shareholders of Anvil have an investment profit in Anvil common shares that they may seek to liquidate. Substantially all of the Anvil common shares can be resold without material restriction either in Canada or Australia in the form of CDIs.

Mutoshi Mine on Care and Maintenance

During the fourth quarter of 2008, the Company initiated a program of care and maintenance at its Mutoshi Project. While the Company retains security and maintenance professionals at these mines, there can be no assurance that the AVM Groups assets at Mutoshi will not be adversely affected.

Key Personnel

Recruiting and retaining qualified personnel is critical to the AVM Group's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the AVM Group's business activity has grown, it has recruited additional key operational, financial, administrative, mining, marketing and public relations personnel. As the AVM Group's business activity continues to grow, it will be required to hire additional personnel. Although the AVM Group believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Labour and Employment Matters

While the AVM Group has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations, which may be introduced by the relevant government authorities. Adverse changes in such legislation may have a material adverse effect on the AVM Group's business, results of operations and financial condition. A prolonged labour disruption at any of the AVM Group's mining operations could have a material adverse effect on the AVM Group's ability to achieve its objectives with respect to such properties and its operations as a whole.

Logistics

The Mutoshi project near Kolwezi is subject to logistical risk of a long supply line and lack of nearby engineering and other support facilities, thus requiring the AVM Group to rely on available transport and other service providers which currently service Kolwezi. Temporary or long-term unavailability of such transportation and other service providers could adversely affect the business, profitability and prospects of the AVM Group.

Health Risks

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa. HIV/AIDS, malaria and other diseases are a major healthcare challenge faced by the AVM Group's operations in the DRC. There can be no assurance that the AVM Group will not lose members of its workforce or workforce man-hours or incur increased medical costs, which may have a material adverse effect on the AVM Group's operations.

Subsidiaries

The Company conducts its operations through subsidiaries and holds its assets in such subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Currency Risk

The AVM Group's operations incur most expenditure in US dollars but also incur expenditures in the local currencies of the DRC, South Africa, Australia and Canada. Revenue from operations is in US dollars. The funds raised from the last three equity issues were in Canadian dollars. As a result of the use of these different currencies, the AVM Group is subject to foreign currency fluctuations, which may materially affect its financial position and operating results.

Competition

Increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the AVM Group may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the AVM Group will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Dilution

The Company may undertake additional offerings of Common Shares and of securities convertible into Common Shares in the future. The increase in the number of Common Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Common Shares. In addition, as a result of such additional Common Shares, the voting power of the Company's existing shareholders will be diluted.

Dividend Policy

The Company has paid no dividends on its ordinary shares since incorporation, having retained all earnings and other cash resources for the future operation and development of its business. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

THE KINSEVERE MINE

Description and Location

The Kinsevere mine is located in the Katanga province in the southeast of the DRC. It is situated in the central section of the Central African Copperbelt, approximately 30 kms north of the provincial capital, Lubumbashi.

The Kinsevere site comprises two separate exploitation permits Kinsevere (PE 528) and Nambulwa (PE 539) the area of which totals 29.6 square kilometres. Kinsevere consists of three deposits, Kinsevere Hill, Tshifufia and Tshifufiamashi and covers an area of 16.1 square kilometres. All three deposits lie within 2km of each other and trend in a north north-west direction with Kinsevere Hill being the most southern deposit and Tshifufiamashi being the most northern. Both PEs 528 and 539 are valid until April 3, 2024.

The mineral rights of PE 528 which covers an area of 5.94 square kilometres are held by Gécamines. AMCK a special purpose JV company between the AVM Group (95%) and MCK (5%) have a Lease Agreement with Gécamines to mine and process ore from the Kinsevere mine for a period of 25 years. The Lease Agreement provides for AMCK to make royalty payments to Gécamines based on 2.5% of gross turnover.

The PE528 permit covers the three major deposits (Figure 6.2) of Tshifufiamashi, Tshifufia and Kinsevere Hill/Kilongo. The Tshifufia deposit comprises Tshifufia North, Central and South. The Kilongo deposit extends north westwards from the Kinsevere Hill deposit and is sometimes referred to as “Kinsevere Hill Extension”.

There is good access to the national power grid with two high tension power lines (120 & 220 KVA), operated by SNEL, running adjacent to the Lubumbashi-Likasi national highway. Nonetheless, a new 120 KVA power line is being built from Lubumbashi to Kinsevere, to connect the mine site to the 220 KVA national grid. There is also good water access from the mine surrounds and/or the nearby Kifumashi River. In May 2007, Anvil completed and commissioned its pipeline from the river as part of its Stage I operation. It is expected that de-watering will provide most of the mine’s water for Stage II.

Process water is obtained from tails recovery, pit dewatering and the local river.

The size of the exploitation permit and favourable topography allows Anvil flexibility in its choice of sites for tailings storage facilities, stockpiles, processing plant site and other infrastructure.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Kinsevere is situated on the Central African Plateau at an elevation of 1,200 metres. The surrounding area gently slopes to the north towards the Kifumashi River, though more resistant parts of the Lower Roan stratigraphy (Item 9.1) from southeast-northwest trending, low, steep-sided, ridges.

Original vegetation in the Project area generally consisted of Riparian and Mungu (Acacia) vegetation while areas close to the Kifumashi River have been cleared by slash and burn technique for cassava, maize and vegetable cultivation.

Kinsevere has a distinct dry and wet season, with the wet season commencing in October and generally finishing by April. The average rainfall of the area is approximately 1,100 mm, although this can range from 650 mm to 1,500 mm. Approximately 90% of the rainfall occurs during the wet season. Future mining activities are not expected to be substantially affected during the wet season.

Temperatures are generally mild and vary between 17°C and 26°C, but it can drop to as low as 5°C during the night in July and August.

The nearest major population centre is Lubumbashi, the capital of the Katanga Province, which is situated approximately 27km south of the property. Several small villages are located close to the property, for example Kinsevere village (on the Tshifufiamashi River, 3km to the north of the property), and the Muombe-Bushinda village (adjacent to the Muombe River, 13km west of the property). Local inhabitants are dependant on subsistence agriculture or production of charcoal for revenue. Several hundred artisanal miners were previously active at Kinsevere before the Project commenced. Currently no artisanal miners are active in the area.

The Kinsevere property is accessed via a 22km, unsealed road, which branches off the sealed Lubumbashi-Likasi national highway.

A power purchase agreement was signed in December 2007 with SNEL for the supply of 39.5MW of hydro-electrical power. A 27km 120kV transmission line which connects the Kinsevere mine to the DRC national hydroelectric grid, along with associated connection infrastructure is in place and has been designed so as to be capable of fully supporting the power demands of the Stage II 60,000 tonnes per year SX-EW plant.

History

During the 1990s, the Tshifufia and Tshifufiamashi prospects were the subject of a JV between Gécamines and EXACO (a local Congolese company, interested primarily in exploiting near-surface, high-grade, oxide cobalt resources). Prior exploration activity is not known. The JV was restricted to cobalt resources within 30m of surface. An exploration program, involving trenching, pitting and the drilling of 67 holes, was carried out by

EXACO to test the distribution and grade of oxide cobalt mineralization only, the details of which are shown in Table 1.

Gécamines also carried out a preliminary investigation for copper, which included limited drilling at the three Kinsevere deposits: Kinsevere Hill, Tshifufia and Tshifufiamashi. However, most of the holes were drilled vertically, down the dip of the orebodies. Subsequently, an open pit was developed at Tshifufia South, to a nominal depth of 30m, although no formal exploitation of the other deposits was undertaken.

Table 1 Summary of Previous Exploration Work by EXACO & Gécamines

| Deposit | Pitting | Trenching | | Drilling | |
|-----------------|---------------|-----------------|---------------------------------|--------------------|-------------------------------------|
| | No (m depth) | No. (metres) | Significant Grades | No. holes (metres) | Significant Grades |
| Kinsevere Hill | 7 (44 max) | 11 (625 m) | 6.6% Cu 0.2% Co over 20 m | 10 (1,021 m) | 3.99% Cu 0.22% Co over 14.6 m |
| Tshifufia | - | 17 (1,106 m) | 7.6% Cu 0.3% Co over 15 m | 19 (950 m) | 6.3% Cu 0.6% Co over 23 m |
| Tshifufia South | - | 39 (278 m) | 7.2% Cu 0.3% Co over 40 m | 11 (497 m) | |
| Tshifufiamashi | 11 | 16 (1,304 m) | 5.8% Cu 0.2% Co over 50 m | 37 (846 m) | 10.5% Cu 0.72% Co over 22.2 m |

In mid 2004, Anvil obtained a series of plans and drill sections (with collar positions and some geological logs), some production records and a set of historical estimates from Gécamines. Although a complete record of the work undertaken by Gécamines was not available, the data review provided sufficient information to warrant Anvil carrying out confirmatory and infill drilling, and ultimately an initial estimate of the Mineral Resource to NI 43-101 and JORC reporting standards.

Table 2: Gécamines Historical Estimates for the Kinsevere Deposits

| Deposit | Depth (m) | Ore (tonne) | Cu (%) | Copper metal (tonne) | Co (%) | Cobalt metal (tonne) |
|-------------------|-----------|-------------|--------|----------------------|--------|----------------------|
| Kinsevere Hill | 0 - 50 | 1,140,000 | 5.4 | 61,560 | 0.18 | 2,052 |
| | 50 - 100 | 1,150,000 | 4.0 | 46,000 | 0.10 | 1,140 |
| Tshifufia Central | | 1,017,770 | 6.19 | 63,000 | 0.28 | 2,850 |
| Tshifufia South | | 56,000* | 3.14 | 1,758 | 0.76 | 426 |
| Tshifufiamashi | 0 - 50 | 678,900 | 6.1 | 41,350 | 0.23 | 1,547 |
| | 50 - 100 | Unknown | | 70,000 | | |

Note: Gécamines divided resources into “Proven”, “Probable” and “Possible”. At Kinsevere, resources from 0 – 50 m depth were classified as “Probable” and those from 50 to 100 m depth were “Possible”. None of these resource estimates conformed to NI 43-101 standards.

* Mined by EXACO

In June 2004, Anvil entered into a JV (the AMCK JV) with MCK to explore and develop the Kinsevere Project in which MCK had a preliminary agreement with Gécamines, the owner of the mineral rights. Anvil would fund all of the exploration and initial development of the Kinsevere Project including the completion of a bankable feasibility study. By carrying out these activities, Anvil acquired 70% of this JV.

In July 2004, AMCK finalised its exploration agreement with Gécamines to explore the polygons of Kinsevere and Nambulwa (*A la Prospection des Gisment du Polygon de Kinsevere et Nambulwa No 648/6743/SG/GL/2004*). This agreement allowed AMCK to carryout exploration and limited mining activities on the properties for a period of two years. At the completion of this agreement, AMCK had the exclusive right to negotiate with Gécamines to enter into either a JV or Lease Agreement for the properties subject to the completion of a feasibility study, based on exploration results.

In December 2005, AMCK concluded negotiations and signed an agreement with Gécamines on a Contrat d'Amodiation to mine and process ore from the two exploitation permits (Kinsevere (PE 528) and Nambulwa (PE 539) for a period to 2024. Approval for the *Contrat d'Amodiation* was issued by the DRC Minister of Portfolio (reference number 3213/MINPF/MM/CMU/CVK/05) on December 6, 2005.

Following an exploration and evaluation program completed in 2007, the Nambulwa permit was returned to Gécamines in 2008.

In September 2006, Anvil increased its equity holding in AMCK to 80% through the purchase of 10% of the company from MCK for \$14 million. In April 2007, Anvil further increased its shareholding in AMCK to 95% on payment of a further \$43 million.

Geological Setting

Regional Geology

The Kinsevere Project area is located in the north-eastern section of the Central African Copperbelt. Together with the Zambian Copperbelt to the south, this celebrated metallogenic province contains some of the world's richest copper and cobalt deposits.

Both Congolese and Zambian portions of the belt are located within a continuous fold zone known as the Lufilian Arc, one of several major Pan-African structures bordering the Congo and Kalahari cratons. Each portion exhibits early Neo-Proterozoic intra-cratonic rift development, coincident with the break-up of a Meso-Proterozoic supercontinent (approximately 800-600 Ma). Late Neo-Proterozoic collisional deformation and metamorphism is also documented regionally, linked to the formation of central Gondwana (approximately 600 to 500 Ma).

The Lufilian Orogeny focussed various thrust events, resulting in arcuate north-north-west lineaments in Zambia and east-west lineaments at Kolwezi. These structures are best recorded in Neo-Proterozoic Roan Supergroup sediments, which outcrop in a series of faulted and brecciated anticlines or so-called "écailles" (mega-fragments or rafts of sediments) which can measure up to 10km in length. This Supergroup comprises an approximately 7,000 m thick succession of predominantly shallow-marine and terrestrial meta-sediments, which accumulated within intra-cratonic rift basins. Major copper-cobalt deposits of the Katangan Copperbelt, including those at Kinsevere are confined to basal sections of the Lower Roan Mines Group.

Local and Property Geology

Principal Copperbelt deposits are restricted to two stratigraphic horizons:

- a) the so-called "Lower Orebody" (LOB) is hosted by the D.Strat and RSF units of the Kamoto Dolomite Formation and,
- b) the so-called "Upper Orebody" (UOB) which is hosted by the SD Dolomitic Shales Formation.

A 15 m to 20 m thick barren zone of RSC frequently occurs between these orebodies. At some deposits, a “Third Orebody” (TOB) is observed, hosted by the lower part of the CMN Kambove Dolomite Formation. At Kinsevere, all three ore horizons are well developed and mineralised, but, unusually, there is no barren RSC unit developed between the Lower and Upper Orebodies. Exposure in the immediate vicinity of the Kinsevere group of deposits – Tshifufiamashi, Tshifufia and Kinsevere Hill – is very limited, with less than 1% observed outcrop.

An updated structural interpretation, derived from 2008 in-pit mapping, provides the following setting for the combined Tshifufia North (TN), Tshifufia Central (TC), Tshifufia South (TS) and Tshifufiamashi (TM) areas:

- The deposits occur within an internally folded but continuous fragment of R1 (Red RAT) and R2 (Mines Group) rocks, which is interpreted to be segmented along east-west striking rotational faults.
- The folds occur as open, low-amplitude structures with moderately steeply east-southeast dipping axis.
- Faults are interpreted from stratigraphic offsets and sudden dip reversals.
- Strain partitioning is observed between the SD and the CMN. This is expressed as apparently randomly orientated cm-scale folding in the CMN and very open tens of metres scale folds in the SD.

The stratigraphy at Tshifufia North and Tshifufia Central strikes north-south, but is rotated westwards along a fault offset, immediately north of Tshifufia South. At Tshifufia North, bedding is upward facing and dips steeply to the west, while at Tshifufia Central it is overturned and dips at a moderate angle to the east. The bedding in the Tshifufia South pit is sub-vertical, with a near vertical dip, but the stratigraphy appears to wrap around a central “core” of RAT.

Throughout the Tshifufia deposit area, east-west-trending steeply dipping structures have been interpreted to offset stratigraphy by several tens of metres. Cross-section interpretations also suggest that compressional and extensional north-north-west-striking normal and reverse faults probably occur.

North-north-east-directed compressional deformation during the Lufilian orogeny is interpreted to have transformed nominal flat lying sediments into km-scale subvertical and overturned folds which now define the Lufilian Arc. Continued deformation is considered to have led to the dismemberment of fold segments along north-north-east directed steeply dipping faults (lateral ramps) and bedding-parallel thrusts. The deformation process was probably assisted by evaporite extrusion from the Lower Roan Group sediments along thrusts, shear zones and along the cores of fold structures. Such deformation can explain how the *écailles* of Lower Roan Group sediments became surrounded by breccias of the underlying RAT.

A second phase of deformation, or shift in the regional stress field, resulted in the development of low-amplitude east-west-trending folds. These were superimposed on the north-north-east-trending structures to generate an interference fold pattern. These folds appear to be the loci for remobilised high-grade ore. Cross faults, associated with these folds, also focus the effects of near surface leaching / oxidation.

Mineralisation

The copper and cobalt mineralisation of the Kinsevere Project area occurs within Mines Group sediments of the Lower Roan Supergroup (R-2). To date, no mineralisation has been identified within the overlying Kundelungu Formations.

The Mines Group unit is a moderate, siliclastic carbonate (dolomitic) unit, deposited under reducing anoxic conditions in a restricted, shallow-marine or lacustrine environment. The host rocks are typical of Congolese deposits, underpinning the principal difference between DRC and Zambian portions of the belt. Parent sedimentary lithologies in Zambia are predominantly arenaceous and argillaceous in composition.

These two mineralisation styles may be present at Kinsevere: the LOB is hosted by grey RAT, DStrat and RSF, while the UOB is confined to the overlying SD unit. The unit overlying the SD, the CMN can exhibit significant mineralisation (ie, the TOB). The CMN is well developed in the central portion of Tshifufia Central and Tshifufiamashi, possibly cogenetic with higher levels of local deformation and/or remobilisation.

In general, regional metallogenesis assumes laterally stable depositional conditions, lithologic continuity and large scale ore fluid migration / remobilisation. While this straightforward interpretation remains highly practical for exploratory purposes, Kinsevere orebodies may represent local variants of a much broader, archetypal stratiform Congolese copper deposit.

The regolith profile includes a near-surface veneer of bleached clays, underlain by a zone of decreasingly oxidised country rocks. Whereas the LOB, UOB and TOB stratigraphic positions are all mineralised at Tshifufia, oxide mineralisation lacks stratigraphic control, although grade generally improves towards the base of weathering at approximately 110 m. Bonanza style oxide mineralisation is observed in central sections of the Tshifufia deposit. In general, oxide Cu grades remain significantly higher than those intersected in primary zones.

At Tshifufia Central, a large portion of oxide mineralisation is hosted in the RAT immediately below the DStrat contact in fractures and veins. High-angle faults and bedding-parallel fault breccias in the SD form another important setting for copper oxides, with mapping in the SD unit identifying widespread breccia controlled, bedding-parallel mineralisation. Mined surfaces record minimal cross-strata dispersion of supergene ore minerals, together with small scale interleaving of mineralised and unmineralised beds.

Oxide ore mineralogy at Tshifufia, Tshifufiamashi and Kinsevere Hill is composed predominantly of malachite ($\text{Cu}_2\text{CO}_3(\text{OH})_2$) and pseudomalachite ($\text{Cu}_5(\text{PO}_4)_2(\text{OH})_4$), with minor chrysocolla ($\text{Cu}_2\text{A}_2\text{H}_2\text{Si}_2\text{O}_7(\text{OH})$) and rare intergrown heterogenite ($\text{CoO}(\text{OH})$). These occur as disseminations and/or in veins and veinlets, which sometimes coalesce into prominent “clots”.

Malachite commonly occurs as coarse (0.2-0.7 mm) variably bladed crystals. A significant proportion is also observed within goethite, quartz and phyllosilicate gangue mineralogy. Noticeably finer-grained pseudomalachite is also identified within principal gangue phases together with heterogenite. Primary sulphide mineralisation is not observed at the surface. Minor copper sulphide (typically chalcopyrite) can occur within oxide ore zones, although it's often restricted to fresh rock beneath, or within 10m to 20m thick transition zones, separating weathered and unweathered material.

Additional secondary Cu and Co phases (chalcocite, cuprite and inter-grown heterogenite) are preserved in weathered domains as either disseminated, fracture- or cleavage-controlled phases within favourable host assemblages.

The base of oxidation forms an irregular surface which varies with rock fabric, especially beneath deformation zones. Transitional horizons are not defined by appreciable increases in Cu mineralisation, native Cu and other Cu oxides. These tend to form erratic, laterally discontinuous layers, which transect bedding planes.

Stratiform, copper sulphide mineralisation, including chalcopyrite, chalcocite, and bornite typically occurs as finely disseminated, bedding parallel layers, stratiform veins or as replacement of pyrite nodules. Lesser cross cutting quartz-carbonate-sulphide veins are also observed. Sulphide remobilisation during faulting has also led to the development of variably mineralised breccias.

Several diamond drill holes at Tshifufia Central and Tshifufiamashi intersected primary sulphide mineralisation at depth. Local bedding and drill hole orientation mean all such holes will intersect this mineralisation in the CMN. Observations regarding sulphide mineralisation indicate:

- A more balanced volumetric distribution between disseminated stratiform mineralisation and fracture and breccia controlled mineralisation in the CMN.
- Breccia and vein controlled mineralisation tend to overlap spatially with stratiform mineralisation, whereas stratiform mineralisation may occur locally as the sole form of mineralisation.
- Two sub-types of stratiform mineralisation occur including:
 - discrete stratiform veins filled predominantly with chalcopyrite and only minor quartz and calcite with very fine disseminated chalcopyrite in a black fine-grained calcareous carbonaceous siltstone; and

- broad intervals (>3 m) of light grey coloured coarse crystalline (probably recrystallised) silty dolomite with coarse grained disseminated chalcopyrite which coalesce locally to form discontinuous stratiform boudinaged veins.
- Mineralised veins in the first sub-type differ from those in the second sub-type in that they contain volumetrically more calcite and quartz as gangue minerals.

Although sulphide mineralisation is localised within laterally continuous stratigraphic intervals, supergene mineralisation observed in core and outcrop appears restricted to faults, and associated fracture / breccias zones.

Within the CMN, the TOB mineralisation is predominantly localised in the coarse-re-crystallised dolomitic layers which in the oxide zone occurs strongly friable partly unconsolidated dolo-psammite.

Further drill core and outcrop investigations suggest that three types of overprinting mineralisation can be identified at the Kinsevere Project:

- The earliest phase of mineralisation includes stratiform disseminated sulphide mineralisation, overprinted by deformation-controlled vein and fault-zone copper-quartz-carbonate mineralisation.
- This process is likely to have led to re-mobilisation and re-precipitation of early-stage stratiform mineralisation.
- Supergene processes, in deeply weathered terrains, have imposed a third phase of Cu remobilisation.

Exploration and Drilling

Following the completion in October 2004 of a trench sampling program, to verify the results of previous work carried out by Gécamines, a RC drilling program was commenced in January 2005. The program which was initially meant to test the various prospects to a depth of 40m was extended to a vertical depth of 100m once initial results were received. During the RC program which extended to the end of March 2005 a total of 85 holes were drilled for a cumulative depth of 5,675m.

Since 2005, Anvil's drilling programs have had two principal objectives: to improve the understanding of the oxide Mineral Resources for Anvil's Stage II Development Project and to identify other local resource potential, including sulphide depth extensions at Kinsevere sufficient for the Project to extend to a Stage III development phase.

To date, the following has been achieved:

- Phase 1 Drilling Program in connection with the Feasibility Study for the Kinsevere Stage I development (May, 2006) – confirmed viability of the HMS-EAF project designed to produce 23,000 tpa of black copper.
- Kinsevere 2006 (Phase 2) and 2007 (Phase 3) Drilling Programs (December 2006 and September 2007) resulting in an updated Mineral Resource at Tshifufia and Tshifufiamashi, the two largest of the three mineral deposits, and also at Kinsevere Hill.
- Kinsevere 2008 Drilling Program (Phase 4) resulting in a further updated oxide Mineral Resource for Tshifufia and Tshifufiamashi and a Mineral Resource for the Kinsevere Hill deposit merged with the Kinsevere Hill Extension (Kilongo). Owing to the Company's financial situation at the time, the Phase 4 program was halted in late 2008 and the assaying of samples was not completed until 2010. The subsequent assaying of drill samples was not completed until 2010. This data has now been included in a Mineral Resource model update as at December 2010.

Close spaced RC grade control drilling was carried out at Tshifufia during 2010 with assay data and geological interpretations used to refine the definition in the Mineral Resource model update as at December 2010. The improved grade control drilling and sampling procedure will continue throughout 2011 and into the Stage II

operations phase. Following commencement of Stage II production it is expected that a Phase 5 sulphide drilling program will be underway throughout 2011

The following information provides an update on the resource drilling work completed to 2008, including details of collar and down-hole surveys.

The Company's drilling programs (Phases 1 to 4) have concentrated on extensional and definition resource drilling, with consideration for the collection of representative material for both metallurgical test work and for geotechnical studies, whilst ensuring that proposed infrastructure sites have been properly sterilised.

Table 3 summarises the number of holes and number of drilled metres by drill type and objective, including a cumulative total, project-to-date.

Table 3: Summary of Resource Drilling at Kinsevere

| | 2005 to 2007 | | 2008 | | CUMULATIVE TOTAL | |
|----------------------------|--------------|-----------------|--------|-----------------|------------------|-----------------|
| | Metres | Number of Holes | Metres | Number of Holes | Metres | Number of Holes |
| Air-Core Drill | 13,314 | 286 | 661 | 15 | 13,975 | 301 |
| Diamond Drill | 6,552 | 39 | 18,052 | 61 | 24,604 | 100 |
| Reverse Circulation | 26,540 | 318 | 22,414 | 177 | 48,955 | 495 |
| Total | 40,424 | 643 | 26,865 | 150 | 87,532 | 896 |

Drilling at Kinsevere has been completed by various contractors, but most recently by Ox Drilling and Capital Drilling using then Anvil-owned drill rigs, as listed in Table 4.

Table 4: Drill Rigs and Operators

| Year | Drill Contractor | Type of Rig and Drilling |
|------|---------------------------------|---|
| 2005 | Titan Drilling | Thor RC drill rig; 500 psi Compressor |
| 2005 | Resource Drilling International | Boart Longyear LF90 Diamond Drill rig |
| 2006 | Wallis Drilling (Anvil/Wallis) | Wallis Mantis 75 Air Core rig, with 150 PSI compressor |
| 2006 | Wallis Drilling (Anvil/Wallis) | Smith Capital Hotline 310 RC rig, with 350 PSI compressor |
| 2006 | Wallis Drilling (Anvil/Wallis) | Longyear LF90 Diamond rig x2 |
| 2006 | Titan Drilling | Thor RC rig, with 360 PSI compressor |
| 2006 | Ox Drilling | Thor RC rig, with 360 PSI compressor |
| 2007 | Wallis Drilling (Anvil/Wallis) | Wallis Mantis 75 Air Core rig, with 150 PSI compressor |
| 2007 | Wallis Drilling (Anvil/Wallis) | Boart Longyear LF90 Diamond rig |
| 2007 | Titan Drilling | 2 x Thor RC rig, with 435 PSI compressor |
| 2008 | Capital; Ox Drilling | 4 x LF 90 DD rigs + 2 x Alton multi-purpose AC-RC-DD rig |

Sampling and Analysis

Phase 1, 2 and 3 Drilling Programs

Sample intervals for diamond drill core were controlled by lithology and visible mineralisation (i.e., samples were taken up to but not across lithological contacts and obvious high grade zones were sampled separately from lower grade intervals), to ensure that as much information as possible was collected on the controls of the mineralisation.

RC and air core chip samples were collected at 1m intervals across visibly mineralised zones and at 4 metre intervals across what appeared to be barren intercepts. Drill chips (RC and air core) were split using a Jones riffle splitter to generate two kilogram samples, which were bagged, labelled and stored at the exploration camp, prior to dispatch to the laboratory.

Diamond core was split into halves and one half core was quartered. A quarter core was submitted to the laboratory for assay; a quarter was retained for SG measurements and possible metallurgical test-work; and the remaining half was retained in the core tray as a geological record.

In 2006 and early 2007, samples from drilling were sent directly to ALS Chemex laboratories in South Africa for copper and cobalt analysis. This practice was changed in early 2007 so that the samples were prepared at Anvil's Kinsevere sample preparation facility in order to cut down on the cost of air-freighting samples to South Africa and to be able to insert standard materials into the sample stream so that they would be blind to the laboratory.

Sample materials submitted for sample preparation were crushed to minus 2mm, split with a Jones riffle splitter to produce a 1kg sample, and pulverised to 75 microns. Sizing tests were conducted to ensure a 90% pass rate for the pulverised material (pulp). The 2mm sample residue was kept in storage at the laboratory as a reference sample. The 1kg of pulp was split further, using a narrow aperture riffle splitter, to produce a 20g pulp for assay.

All samples were submitted for two analyses to determine total copper and acid-soluble copper values. Total copper was determined by a four acid digest (HF-HNO₃-HClO₄ digestion, with HCl leach), followed by analysis by ICP-AES or AAS (detection range 0.01-40%) – ALS Chemex code AA62. Acid soluble copper was determined by a sulphuric acid leach, followed by an AAS analysis – ALS Chemex code Cu-AA05.

Results were reported via e-mail to the then Data Manager in the Lubumbashi exploration office and stored on the laboratory database.

Reference samples of all RC and AC material from the Phase 1, 2 and 3 drilling programs, as well as all retained diamond drill core, is stored at a new core yard, on site at Kinsevere. All samples were prepared for assay and analysed at the ALS Chemex laboratory in Johannesburg, South Africa and standard QA/QC checks were applied throughout the drill program, including the submission of certified reference materials, duplicate samples and blanks.

ALS Chemex is a leading supplier of analytical and assaying services to the mining industry worldwide, and the laboratory complies with the international standards ISO 9001:2000 and ISO 17205:2005. All sample preparation protocols, analytical methods used and security procedures adopted are considered to have been appropriate and suitable for the Kinsevere Project.

Phase 4 Drilling Program

Samples from the 2008 drilling program were prepared on site by Anvil's facility at Kinsevere. Sample materials submitted for sample preparation were crushed to minus 2mm, split with a Jones riffle splitter to produce a 1kg sample, and then pulverised to a 90% pass rate of 75 microns. The 2mm sample residue was kept in storage at the laboratory as a reference sample. The 1 kg of pulp was reduced further, using a narrow aperture riffle splitter, to generate the analytical pulp.

These were subsequently dispatched to ALS Johannesburg or Actlab's Pacific laboratories for acid soluble copper (ASCu), total copper (TCu) and cobalt (Co) analysis. ALS Chemex is a leading supplier of analytical and assaying services to the mining industry worldwide, and the laboratory complies with the international standards ISO 9001:2000 and ISO 17205:2005. Actlabs Pacific is currently undergoing ISO17025 NATA certification. All sample preparation protocols, analytical methods used and security procedures adopted are considered to have been appropriate and suitable for the Kinsevere Project.

Sample intervals for diamond drill core were controlled by lithology and visible mineralisation (ie, samples were taken up to but not across lithological contacts and obvious high grade zones were sampled separately from lower grade intervals), to ensure that as much information as possible was collected on the controls of the mineralisation.

RC and air core chip samples were collected at 1m intervals across visibly mineralised zones and at 4m intervals across what appeared to be barren intercepts.

Drill chips (RC and air core) were split using a Jones riffle splitter to generate 2kg samples, which were bagged, labelled and stored at the exploration camp, prior to dispatch to the laboratory.

Diamond core was split into halves and one half core was quartered. A quarter core was submitted to the laboratory for assay, a quarter was retained for SG measurements and possible metallurgical test-work, and the remaining half was retained in the core tray as a geological record.

There is no relationship between the sample length and the true thickness of the mineralisation. The mineralisation is significantly thicker than the average sample length.

It is Anvil's opinion that all samples are representative of their respective interval, and that no bias has been introduced by selective sampling. Further, it is Anvil's opinion that there are no other factors that are expected to result in any significant bias. Sample length was not based on rock type, widths of mineralised zones or any other geological controls, rather a standardised one metre sample length. Diamond core samples did, however, terminate at major lithological boundaries, but these small samples do not have any relationship to the much greater thickness of the mineralised zones.

Drilling and sampling methods were compared for potential bias across a similar Tshifufia volume using quantile-quantile (Q-Q) plots. As part of the updated Mineral Resource estimate, comparisons were restricted to 1 m sample lengths, to minimise the effects of sample size/mass. Diamond core has a smaller proportion of the original sample volume in comparison to the reverse circulation and AC samples, and has a lower risk of material loss and contamination, generally providing a more representative sample.

The comparison highlights the difference in copper percentage values between diamond, RC and AC samples within the oxide domain which suggest that RC samples to be biased when compared to diamond and AC samples.

As a result of the biased RC grades, current grade estimates, particularly for the oxidised material, may be slightly affected. This difference or potential bias will need to be investigated as a continuous improvement through a twinned drilling program, heterogeneity testing and sampling observation for the various sources of sampling error.

Data Verification and Quality Control Measures

The Qualified Persons who prepared or supervised the preparation of the scientific and technical information in this section have verified the data relied upon by conducting the following:

- Insertion of blind Certified Reference Materials;
- Cross-checks of duplicate samples at independent laboratories;
- Comparison of results from different drill types;
- Independent audit of database prior to resource estimation;
- Reconciliation of grade from production versus milling; and

- Visual inspection of core and mine workings.

Certified reference material (“standards”) sample duplicates and “blanks” were inserted into all sample batches submitted to the laboratory. A standard and duplicate were submitted for every 20 samples dispatched, and a blank was submitted for every 50 samples.

The QAQC data collected by Anvil was reviewed by FinOre in 2005 and 2006 and by CSA in 2007 as part of their resource estimates (Appendix A). CSA (2007) concluded that “Over the three generations of QAQC data no significant problems were identified which indicate that the assay results reported during this period are satisfactorily reliable and accurate. It is CSA’s understanding that the anomalous QAQC data from the 2005 and 2006 QAQC analyses were the result of sample numbering issues, that Anvil has addressed the few issues reported by FinOre in the 2005 and 2006 QAQC data, and that Anvil has acted on the recommendations made”.

During 2008, three separate laboratories were used to analyse Kinsevere samples, including ALS Chemex (Johannesburg), Actlabs (Perth) and McPhar (Philippines). Relevant QAQC protocols included the use of widespread sample and analytical duplicates, together with certified reference materials and in-house laboratory standards.

The 2008 QAQC data as used for the updated Mineral Resource estimate described in Item 19 were reviewed by Anvil and independently verified by Maxwell. Standards submitted indicate that sample assay results may be viewed as accurate. Duplicate analysis per pair and analytical methods suggest the sample assay results are precise. Blank standards reveal that contamination has been kept to a minimum across the various laboratories. Both blank and standard sample results have revealed some minor sample mislabelling.

Considering previous QAQC results and the number of samples available for estimation, Anvil believes that sample results will provide a representative estimate of Kinsevere’s mineralisation.

All samples processed were analysed with certified reference materials, sample and analytical duplicates, together with blanks as part of Anvil’s quality control and quality assurance (QAQC) program. Minimum standard and duplicate submission rates included 1 / 20 samples dispatched, with a blank every 50 samples. Periodic round robin testing was undertaken using Kinsevere’s site based metallurgical laboratory, operated by SGS.

Certified reference material (“standards”) sample duplicates and “blanks” were inserted into all sample batches submitted to the laboratory. A standard and duplicate were submitted for every 20 samples dispatched, and a blank was submitted for every 50 samples.

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Security of Samples

A geologist or geo-technician was on site during the entire drilling program, and the handling of all sample material (chips and core) was under the direct control of the project geologist. All samples were bagged and labelled on site.

Samples for sample preparation were transported from site to the Lubumbashi Exploration Office (or to Kitwe) by an Anvil vehicle, escorted by a geologist or geo-technician. They were dispatched to the ALS Chemex laboratory in Johannesburg or Actlabs in Australia by air freight (under normal airline security), after clearance through DRC customs facilitated by SDV-Agetraf (an agent well known to Anvil).

Mineral Resource and Mineral Reserve Estimates

An updated Mineral Resource estimate was completed by Optiro Pty Ltd (Optiro) for Tshifufia and Tshifufiamashi in October 2010, and then subsequently depleted to reflect mining to the end of December 2010. This update included:

- outstanding Phase 4 exploration assay data;
- historical blast hole sampling data;
- total copper assay results from the 2010 grade control drilling programme (i.e. drilled on a closer spacing than the four phases of exploration drilling);
- estimates for all deleterious elements;
- an interim pit floor geology map for the Tshifufia Pit; plus
- an interpretation of the Tshifufia geology according to terrestrial photogrammetric imagery (Sirovision).

Owing to the financial circumstances the Company faced during the fourth quarter of 2008 and 2009, all exploration activity ceased until such time as the Company was sufficiently funded to resume such work. It was only during 2010 that the Company restarted exploration work, which included grade-control drilling and assaying of remaining samples stored at the completion of Phase 4 drilling. As a result, the Company had not been in position to report updated Mineral Resource and Mineral Reserve information.

Table 5 presents a summary of the Mineral Resource estimate as at December 31, 2010. The estimated total oxide Measured and Indicated Mineral Resource at that date was 29.0 million tonnes at a grade of 2.9%ASCu for 825,000 tonnes of contained acid soluble copper, whilst the total oxide Inferred Mineral Resource as at the same date was 1.11 million tonnes at a grade of 1.6%ASCu for 17,200 tonnes of contained acid soluble copper.

The total sulphide Measured and Indicated Mineral Resource as at December 31, 2010 was 11.9 million tonnes at a grade of 2.7%TCu for 317,000 tonnes of total contained copper. The total sulphide Inferred Mineral Resource as at 31st December 2010 was 12.3 million tonnes at a grade of 2.66%TCu for 328,200 tonnes of contained total copper.

Table 5. December 2010 Mineral Resource Estimate: Kinsevere

| Kinsevere oxide Mineral Resource statement as at December 31, 2010 (0.5%TCu cutoff) | | | | | |
|---|-------------------------------|---------------------|----------------|-----------------|-----------------------------|
| Deposit | Category | Tonnes (M t) | TCu (%) | ASCu (%) | Contained ASCu (k t) |
| Tshifufia | Measured | 12.38 | 4.42 | 3.44 | 425.4 |
| | Indicated | 3.50 | 3.62 | 2.63 | 92.1 |
| Tshifufiamashi | Measured | 3.19 | 3.20 | 2.65 | 84.4 |
| | Indicated | 2.96 | 2.67 | 1.98 | 58.7 |
| Kinsevere Hill | Measured | - | - | - | - |
| | Indicated | 6.93 | 2.70 | 2.37 | 164.3 |
| Total Oxide Deposits | Measured and Indicated | 28.96 | 3.60 | 2.85 | 824.8 |
| Kinsevere sulphide Mineral Resource statement as at December 31, 2010 (0.5%TCu cutoff) | | | | | |
| Deposit | Category | Tonnes (M t) | TCu (%) | ASCu (%) | Contained TCu (k t) |
| Tshifufia | Measured | 2.29 | 2.36 | 1.11 | 54.0 |
| | Indicated | 8.82 | 2.82 | 1.13 | 248.7 |
| Tshifufiamashi | Measured | - | - | - | - |
| | Indicated | 0.75 | 1.90 | 0.48 | 14.3 |
| Total Sulphide Deposits | Measured and Indicated | 11.86 | 2.67 | 1.09 | 317.0 |
| Total Oxide and Sulphide Deposits | Measured and Indicated | 40.82 | 3.33 | 2.34 | 1,359.5 |

- (1) The contained metal for the oxide Mineral Resource is quoted in acid soluble copper terms (ASCu), whereas the contained metal for the sulphide Mineral Resource is quoted in total copper terms (TCu).
- (2) The Mineral Resource estimate is based on geologically controlled interpretations of copper mineralised zones, defined by RC and diamond drillhole intersections. Cu grades have been interpolated, using ordinary kriging with appropriate parameters into a 3D block model, constrained by wire frames of the interpretation. Resource tonnages and grades are reported using a 0.5% Total Cu cut-off, and represent the remaining estimated Mineral Resources as at January 1, 2011. The geological cut-off grade has been changed from that reported for the December 2009 estimate in order to accommodate a revised economic cut-off grade for oxide Mineral Reserve reporting.
- (3) The Mineral Resource at the Kinsevere Mine has been estimated, classified and reported using the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC" Code, 2004). These guidelines are generally consistent with those required by Canadian National Instrument (NI) 43-101 – Standards of Disclosure for Mineral Projects. The estimate in relation to Tshifufia and Tshifufiamashi was prepared by Mr David Gray of Optiro Pty Ltd, whilst the estimate in relation to Kinsevere Hill was prepared under the supervision of Mr Gerry Fahey of CSA Global Pty Ltd. Messrs Gray and Fahey are Qualified Persons in accordance with NI 43-101.
- (4) Mineral Resource estimates will continue to benefit from additional data acquired through infill, extensional and grade control drilling in addition to in-pit mapping and improved understanding of the geological factors influencing mineralisation.

An updated Mineral Reserve estimate was completed by A & J Cameron and Associates in February 2011, based on conventional mine planning steps including resource optimisation, detailed staged pit design and life of mine production scheduling. The marginal cut-off grade for future Stage II SXEW processing of oxide plant feed was determined based on an adopted revised long-term copper metal price of \$1.75/lb Cu, compared to \$1.43/lb used in the Mineral Reserve estimate of December 31, 2009.

Table 6. December 2010 Mineral Reserve summary: Kinsevere

| Kinsevere oxide Mineral Reserve statement as at December 31, 2010 (based on \$1.75/lb Cu) | | | | | |
|--|----------------------------|---------------------|----------------|-----------------|-----------------------------|
| Deposit | Category | Tonnes (M t) | TCu (%) | ASCu (%) | Contained ASCu (k t) |
| Tshifufia | Proven | 11.99 | 4.43 | 3.49 | 418.2 |
| | Probable | 1.84 | 4.60 | 3.52 | 64.8 |
| Tshifufiamashi | Proven | 2.75 | 3.32 | 2.82 | 77.6 |
| | Probable | 1.00 | 3.07 | 2.57 | 25.8 |
| Kinsevere Hill | Proven | - | - | - | - |
| | Probable | 4.55 | 3.10 | 2.77 | 125.8 |
| Subtotal Pits | Proven and Probable | 22.13 | 3.97 | 3.22 | 712.1 |
| Stockpiles | Proven | - | - | - | - |
| | Probable | 2.66 | 1.92 | 1.61 | 42.7 |
| Subtotal Stockpiles | Proven and Probable | 2.66 | 1.92 | 1.61 | 42.7 |
| Total Pits and Stockpiles | Proven and Probable | 24.79 | 3.75 | 3.04 | 754.8 |

- (1) The contained metal for the oxide Mineral Reserve is quoted in acid soluble copper terms (ASCu).
- (2) The Mineral Reserve is based on and is contained within the Mineral Resource inventory listed in Table 5.
- (3) The Mineral Reserves at the Kinsevere Mine are reported in accordance with National Instrument 43-101.
- (4) Mineral Resource estimates will continue to benefit from additional data acquired through infill, extensional and grade control drilling in addition to in-pit mapping and improved understanding of the geological factors influencing mineralisation.

Exploration and Development

For information on exploration work carried out at Kinsevere, please see the sections above titled “Exploration and Drilling”.

In May 2006, following completion of a feasibility study, the Company committed to a \$35 million Stage I development at Kinsevere which comprised an HMS plant and an EAF. The HMS plant was commissioned in June 2007 and the first of the two furnaces that make up the EAF facility was commissioned during the third quarter of 2008 and subsequently ceased operation in March 2009.

An Environmental Impact Assessment (“EIA”) for the Stage I development of the Kinsevere mine was completed in June 2006 by African Mining Consultants (“AMC”), an engineering and environmental consultancy company based in Kitwe, Zambia. AMC identified no areas of major concern in their initial environmental assessment of the mine. In conjunction with the updated feasibility study, the EIA was updated to include the following objectives:

- Determine baseline conditions for the Stage II expansion;
- Identify potential impacts associated with the Stage II expansion; and
- Develop an Environmental Management Plan to prevent, reduce, mitigate and rehabilitate the impacts identified during the Stage II expansion.

This included work undertaken to identify the social and economic conditions existing in the Kinsevere mine area. A survey of the local villages indicated that the community generally considers that the Kinsevere Stage II expansion will be beneficial.

The Company’s primary focus is the 60,000 tonnes per year Stage II SX-EW development at Kinsevere, which restarted in January 2010 after being placed on hold in November 2008. The capital cost estimate for construction of Kinsevere Stage II is \$400 million and includes \$200 million that had been spent prior to November 2008 when construction work was halted temporarily as a result of financial difficulties. As at February 28, 2011, \$185 million of the additional \$200 million required to complete Kinsevere Stage II had been spent.

A LSTK contract with Ausenco was signed on January 22, 2010 and construction works are expected to be completed during the second quarter of 2011.

Mining and Processing Operations

Kinsevere is the third copper mine that the Company has brought into commercial production in the DRC. Mining operations at Kinsevere commenced in December 2006, with the first copper concentrate production from the Kinsevere HMS plant occurring in June 2007. The HMS plant was successfully commissioned in the second quarter of 2007 and its design capacity of 1,380 tonnes per day (500,000 tonnes per year) was reached in the third quarter of 2007 to produce at an annual rate of 23-25,000 tonnes of copper in concentrate. For the 2010 year, the Kinsevere mine produced 16,538 tonnes of copper contained in concentrate. Kinsevere copper production for 2009 and 2010 is shown in Table 7 below.

Table 7. Annual Production 2009 and 2010: Kinsevere

| | | 2010 | 2009 |
|--|--------|-----------|---------|
| Ore mined | tonnes | 1,063,735 | 297,459 |
| Ore processed | tonnes | 303,162 | 231,823 |
| Feed grade | % Cu | 7.1 | 8.2 |
| Contained copper | tonnes | 21,398 | 19,066 |
| Copper recovery | % | 68.3 | 76.0 |
| Copper produced in concentrate (HMS and Spirals) | tonnes | 16,538 | 16,406 |

- (1) Ore processed at Kinsevere relates to ore processed through the HMS plant.
- (2) Grade of concentrates is approximately 26% copper.
- (3) In 2009, the Kinsevere HMS plant recommenced operation in late March 2009, following a brief halt to production.
- (4) In addition to producing a coarse concentrate from the HMS plant, a fine grained, slightly lower grade concentrate is produced from a spirals circuit, through which the fines (<0.6mm) that are screened off before the HMS circuit, are treated.
- (5) The large increase in the quantity of ore mined during 2010 is due to the HMS processing of stockpiled material (as opposed to mined material) for much of 2009 and the establishment of stockpiled material for processing through the Stage II SX-EW plant.

Economic Evaluation of Kinsevere Stage II

As presented in the NI 43-101 Technical Report of March 31, 2010, an economic model has been applied to Kinsevere Stage II on the basis of the Proven and Probable Mineral Reserve estimates and the production schedule summarised therein. Taking account of sunk costs incurred before January 1, 2010, for a total Kinsevere Stage II capital cost of \$400 million and using a long-term copper price of \$1.43 per pound of copper, the following economic results were generated:

- Stage II NPV at 95% equity = \$457 million;
- Stage II Internal Rate of Return = 34%; and
- Payback period of less than 3.6 years.

Further information on the economic results of Kinsevere Stage II can be found in the NI 43-101 Technical Report of March 31, 2010.

Environmental and Social Impact of Kinsevere Stage II

Preparation of a detailed Environment and Social Impact Assessment was completed in 2009. Anvil's consultant Knight Piesold, has completed all of the required field programs and technical assessments. A flora survey within the Project site identified the presence of various plants of conservation importance, including the particularly rare *Gladiolus robilartianus*. To mitigate the Project impact, AMCK has established a floral reserve and is cultivating specimens for replanting.

A Social Impact Assessment has been undertaken to identify the existing social and economic conditions existing in the Project area. A survey of the local villages indicated that the community generally considers that the Project will be beneficial, although most respondents also thought that there were potential associated risks. An external consultant has been engaged to carry out a baseline study of the villages surrounding the Kinsevere mine.

The adoption of 'direct tailings disposal' and a hybrid design Tailings Storage Facility ("TSF") will likely be subject to particular environmental scrutiny. In the unlikely event that both the TSF and process water pond reach full capacity, one of the process plant thickener tanks can be converted to treat water for pH correction and heavy metals

removal before discharging. Tailings design has taken into account a 1:1,000 years 24-hour storm event and therefore the risks of spillage are considered very small. The tailings design complies with the DRC code.

There are potential social risks to the Company's reputation and to the local communities during Project construction. By maintaining community and government support, engaging communities, enhancing and building on social initiatives and delivering on all social commitments, the Company will mitigate any risks and help enhance its interaction with local communities.

The Company's community development projects continue to address the local communities' needs for basic infrastructure and economic development, with clean water, health and education the primary components of the Company's community development program.

The recommencement of the Stage II development has resulted in the Company undertaking a number of 'in-community recruitment drives' to support the development of the Project. An active community consultation program took place during the second quarter of 2010.

Further Information

For further information regarding the Kinsevere mine and Stage II expansion, reference can be made to the Technical Report dated March 31, 2010 which is available on SEDAR at www.sedar.com.

THE MUTOSHI MINE

Description and Location

The Mutoshi Project is located 10kms east of the mining centre of Kolwezi in the Katanga province in the southeast of the DRC and forms part of the Company's Mutoshi Copper-Cobalt project. Kolwezi is situated in the western extremity of the Central African Copperbelt, approximately 250km west of the provincial capital of Lubumbashi.

The Mutoshi Project was a high-grade, coarse-grained, malachite-rich concentration of tailings that were discharged into the Kulumaziba River which extends downstream for a distance of approximately 14.5kms. The tailings were derived from the former Mutoshi mine and the discharge point of the tailings into the Kulumaziba watercourse is located 3km to the east of the mine and is referred to as the Kulu deposit. Two generations of tailings exist: initially fine grained lower grade tailings were discharged during the 1960s and early 1970s and due to changes in the washing plant a coarser high grade tailings was discharged until the mine closed in 1987.

The Mutoshi copper / cobalt project is an exploration and mining JV between the Company (70%), and Gécamines (30%), that is operated through a special purpose JV company, SMK. In July 2009, the Company reached agreement with Gécamines and the Government of the DRC on the terms of its Mutoshi JV agreement, the key details of which included a reduction in the Company's equity interest in the Mutoshi JV from 80% to 70% and an additional entry premium payment of \$14.4 million that was paid in two instalments, the second of which was in January 2011. The leases PE 2604 and PER 2812 cover the Mutoshi deposit. PE2604 has an area of 47.6 square kilometres and PER 2812 has an area of 57.8 square kilometres.

Prior to November 2008, when mining and processing activity ceased, power to the site was supplied using three diesel-driven generators located in an on-site power house facility; process water was obtained from tails recovery and also pumped from the river; and water was stored in a small tank.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Mutoshi tenement area lies on a plateau which has remnant natural woodland, mixed with cleared agricultural plots. It is approximately 1,350m above sea level. The property is accessed by an all-weather gravel road from the main regional centre, Kolwezi, which has a population estimated to be in excess of 100,000 people. The climate of the area is tropical, with distinct wet and dry seasons, neither of which have any effect on mining operations. The

wet season starts at the beginning of October and finishes at the end of March. Rainfall averages 1,360mm per year, ranging between 800mm and 2,200mm.

Through the 1960s up to the early 1990s, the Kolwezi mining centre was one of the principal areas for the production of copper and cobalt in the Katangan Copperbelt. Several world class deposits were worked in the area and with 350,000 tonnes of copper metal having been produced per annum during peak production. The mine area is adjacent to a regional hydro-electrical power line originally established to supply Kolwezi and the mining industry. There is an ample supply of process water and the lease areas contain suitable land to establish mining, processing and infrastructure facilities.

History

The old Mutoshi mine originally began in 1904 as a gold mine, called the Ruwe Gold mine. The early history of Ruwe has yet to be fully researched; however Gécamines has records which indicate that during the period 1904 to 1949, official gold production amounted to 67,000 ounces. Minor amounts of platinum and palladium were also produced.

The Mutoshi stratiform copper-cobalt ore bodies were first drilled in the early 1920's but exploitation did not start until 1937. The mine closed in 1987 following pit wall collapses and corporate financial problems.

Gécamines established a washing plant on site in the mid-1950s to liberate the malachite from the Brèche orebody and upgrade the copper ore prior to transport to a concentrator in the town of Kolwezi. Only the coarser material was shipped to the concentrator. The fines, up to and including nodules of massive malachite to 5cm diameter were discharged as tailings into the Kulumaziba watercourse.

During the 1960s and early 1970s the plant discharged a fine tailings product. In the early 1970s the processing circuit was changed which resulted in the discharge of the coarse tailings.

Production records for the Brèche orebody indicate a total mined tonnage of 39.1 million tonnes of ore at an average grade of 1.8% copper for a contained 692,200 tonnes of copper metal.

Geological Setting

The Kulu deposit consists of nodules of copper carbonate, principally malachite and waste material consisting of weathered dolomites, sandstones and other sedimentary fragments. The action of the discharge water and natural flow during the wet season has winnowed the finer and low density particles progressively from the coarser and denser rock fragments which have accumulated in the base of the watercourse and levee banks and extend down the entire length of the watercourse.

Mineralisation

General

The Kulu deposit is a tailings deposit which has been discharged into an active fluvial sedimentary environment. The deposit comprises of two separate generations of tailings namely fine grained tailings and coarse grained tailings which were deposited into the watercourse over a total time period of approximately 27 years. The early generation of tailings consists of fine grained sands and slimes from a fine grinding circuit and the later generation of coarse grained tailings consists of rejects from a coarse crushing and trommel circuit, both of which were discharged from the old Mutoshi washing plant.

The coarse grained tailings overlie and fill channels in the fine grained tailings. In the top 10km of the watercourse the coarse tailings form the majority of the sediment base load in the watercourse. In the delta area over 90% of the sediment is "fine tailings derived". In the top 2.5km section of the watercourse, there is a clear spatial separation of the two tailings. The coarse tailings cleanly cut through the fine tailings and contacts between the two are sharp and definitive. From approximately the 2.5km mark downstream the two generations of tailings become mixed to a

degree through the natural processes of erosion and fluvial sedimentation. This is evident by an increase in the concentration of fine grained material in the matrix of the coarse tailings and by the presence of thin layers of clay-rich, fine grained sand material deposited on the top of the coarse tailings in areas marginal to the present channel.

Fine Grained Tailings

The early generation of tailings is comprised of clay-rich, fine-grained sands and slimes produced from a fine grinding circuit. They have been deposited down the entire length of the watercourse and fill the watercourse base to the natural level of sedimentation. The fine tailings are generally equigranular, finely bedded and semi-compacted. They tend to be clay-rich, silt-rich or very fine sand-rich depending on the depositional environment. The dominant mineral phases are quartz with subordinate chlorite and minor hematite. This is similar to the mineralogy of the coarse tailings, confirming they both originate from the same source. The fine tailings underlie the coarse tailings and form elevated terrace banks in the watercourse. Numerous remnants or “islands” of fine tailings occur in the watercourse channel. They constitute the bulk of the sediment in the watercourse base in the lower reaches of the watercourse and in the delta area.

Coarse-Grained Tailings

The coarse-grained tailings comprise of unconsolidated, moderately sorted, fluvial deposit of matrix-supported pebble gravel with subordinate coarse-grained to granular, pebble-rich sand. The discharge point for the tailings (the 0 kilometre mark) is 2.3kms downstream from the washing plant and the tailings have spread down the entire length of Kulumaziba River. They have eroded anastomosing channels through the pre-existing fine tailings and have also deposited as thin overbank deposits (+/- 50cm) on top of the fine tailings on the margin of the watercourse base.

Deposit of Tailings

The tailings feed into the Kulumaziba watercourse was a consistent size over the discharge period and through the processes of natural sediment transport and sorting the average grain size of the coarse tailings gradually decreases with distance downstream. Copper mineralisation in the Kulu tailings occurs in the form of massive, predominantly liberated, fine grains to pebbles of malachite. At the discharge point the maximum size of the malachite pebbles is in the range of 5cm to 6cm and there is a gradual decrease in the maximum size of the malachite pebbles with distance downstream. Below the 10km downstream mark, malachite pebbles rarely exceed 1cm in diameter.

The surface extent of the Kulu deposit is clearly defined and traceable. The materials that form the deposit are clearly recognisable from the underlying soils, clay and materials of the preexisting creek channel.

There is a minor component of pseudomalachite. Low grade cobalt mineralisation occurs in the form of minute grains to 5cm diameter pebbles of heterogenite. The clay-rich fractions of the fine tailings are very low grade (0.3% to 0.6% Cu) whilst the more silty to sandy units grade in the range of 0.6% to 1.3% copper. In the coarse tailings the malachite occurs in all size ranges of the sands and gravels. Early metallurgical test work indicated that 70% of the copper occurs in the +0.6mm fraction. On average the tailings contain between 10% and 20% malachite equating to grades of 5% to 12% copper. Pebbles of malachite from 1cm to plus 4cm in diameter are common in the upper reaches of the river. Average malachite pebble size gradually decreases downstream to +/- 0.5cm diameter at 12.5km.

In general:

- both the average grain size and the average grade of the coarse tailings decrease with distance downstream;
- the average grade of the coarse tailings in the present channel is higher than the average grade of the coarse mixed tailings on the margins of the channel; and
- the average grade of the coarse mixed tailings is higher than the average grade of the fine mixed tailings.

Exploration and Drilling

Exploration of the Mutoshi area has occurred in two phases as follows:

Phase 1 from October 2004 to March 2005: Kulu Deposit

This initial exploration phase involved bulk pit sampling of the coarse grained tailings from the discharge point at the 0km mark to the 7.5km mark. Samples were consigned to commercial laboratories in Zambia and South Africa. The fine grained tailings were not evaluated during the Phase 1 program as the majority of the fine tailings occurred between 7.5-14kms downstream.

A contract survey team was provided by Gécamines, the Company's JV partner in the Mutoshi Mine. The lateral extent of the coarse tailings was surveyed. A hand operated auger was used to test the thickness of the tailings and were drilled to the base of the tailings on section lines ranging from 50m apart to 100m apart. Auger hole collars were accurately surveyed which allowed the volume of the tailings to be estimated. Seventy-six 50kg samples were collected for specific gravity determination.

Phase 2 from April 2005 to November 2005: Kulu Deposit

Bulk pit samples were again collected from the coarse tailings in the top 0km to the 10km section of the river. Samples were analyzed at two commercial laboratories in Johannesburg, South Africa. Pit samples were collected from the coarse tailings for the Mineral Resource estimation. Samples were also collected from the fine grained tailings on the river terraces.

The drilling of auger holes to the base of the tailings on 50m to 100m spaced section lines was continued to the 10km mark downstream. A total of 582 auger holes for a total of 1,193m have been drilled. The arithmetic average depth of hole is 2.05m. All auger hole collars were accurately surveyed by the Gécamines contract surveyors. In the lower section of the river between the 10km and 12.5km marks, the tailings were sampled by BQ Air-core ("AC") drilling. A total of 319 holes were drilled for a total of 2,415m. Average hole depth was 7.6m and the maximum depth drilled was 12.5m.

In the marginal, water-saturated areas underlain by a thin (+/- 3m) deposit of fine tailings, 106 hand-operated, motorised auger holes were drilled to basement. Samples from 40 of these holes were incorporated into the Mineral Resource database for the fine tailings. All drill-hole collars were accurately surveyed.

Drill evaluation of the tailings was only possible in the lower portions of the river between the 10km and 12.5km marks downstream where the surface of the tailings is firm enough to support the weight of a drill rig. An AC drill rig was used to drill 319 holes for a total of 2,415m of drilling.

Average hole depth was 7.6m and the maximum depth drilled was 12.5m. In the marginal, water-saturated, areas, underlain by a thin (+/- 3 metres) deposit of fine tailings, 106 auger holes were drilled with a man-portable, motorised auger, to basement. Samples from 40 of these holes were incorporated into the Mineral Resource database for the fine tailings. All drill-hole collars were accurately surveyed.

Phase 3 Drilling: Mutoshi Tenement Area

During 2008, an \$11.5 million scope drilling program, comprising over 710 holes drilled to an average depth of 80m was completed. The scope drilling program concentrated on areas surrounding the abandoned Mutoshi Pit, including the Mutoshi North, West, and Cobalt prospects, together with the Manga, Kinanga, Mulusonoi and RAT Breche properties. The average grades of significant copper and cobalt intercepts reported to date include: 4.6% Cu over 28 metres, 4.4% Cu over 26m, 3.0% Cu over 58 metres, 1.1% Co over 16m and 0.6% Co over 32m. The results from this drilling, along with results from 194 drill holes from earlier Gécamines exploration programs have allowed for establishment of a 64,000 drill metre database containing over 33,000 assays.

Future Drilling

The Company's current focus of effort is on the completion of Kinsevere Stage II. While the drilling program carried out in 2008 produced some interesting results, the Company expects to commence a 33,000 metre in-fill drilling at Mutoshi during the second half of 2011.

Sampling and Analysis

The unconsolidated and water-saturated nature of the tailings made it difficult to access many parts of the watercourse with machinery for sampling. Two principal methods of sampling were necessary; pit sampling and AC drill sampling.

Pit Sampling

Fifty kilogram bulk samples were collected from (1 metre x 1 metre) pits in the sector of the watercourse from the 0 – 10km marks. The pits were either dug by hand or by backhoe machine to the base of the tailings or to the level of the groundwater. Samples for assay were collected from vertical channels down the side of the pit walls if the pit walls were stable or by random grab sampling of the pit spoil dumps if the pit walls were unstable.

AC Drill Sampling

The lower reaches of the river from the 10km to 12.5km marks were drill sampled with a lightweight drill rig with reverse-circulation AC drilling equipment. Holes were drilled at regular spacings (where surface conditions allowed access) and sampled in one metre intervals from surface to the base of the tailings. A total of 319 holes were drilled for a total of 2,415 metres. This equates to an average hole depth of 7.6m. Maximum hole depth was 12.5m. Samples were collected in one metre intervals through a rig mounted cyclone. Recovered sample weights averaged 2kg to 3kg per metre. A sample preparation site was established at the field camp under the supervision of the mine geologist. Drill samples were transferred from the rig to the sample preparation site on a daily basis and sent for analysis.

Analysis of Samples

In the Phase 1 evaluation program the principal laboratory used for analysis was AHK's laboratory in Kitwe, Zambia. ALS Chemex Laboratory in Johannesburg, South Africa, was used for umpire check analyses. For the Phase 2 program ALS Chemex Laboratory in Johannesburg was chosen as the principal laboratory and SGS Laboratory in Johannesburg was used for umpire check analyses.

Security of Samples

Appropriate measures have been taken during the sampling programs to ensure the integrity of the samples. Samples for laboratory submission are placed into securely tied bags. Sample numbers are clearly written on the bags and also punched onto an aluminium tag which is then inserted into the bag. The bags are clearly addressed to the receiving laboratory. Regulations in the DRC require that officers from both the Department of Mines and the Government Security Authority must inspect consignments of mineral samples being transported within the country and being exported from the country. All sample consignments are duly inspected, inspection fees are paid, and the necessary documents for transport are obtained. Samples are then transported by road from Kolwezi to Lubumbashi by the Company. Road transport schedules are monitored and details of sample consignment arrivals in Lubumbashi are immediately reported back to Kolwezi management. There have been no security problems. Samples arriving in Lubumbashi are off-loaded at Anvil's regional exploration office under supervision of senior exploration staff. Following further inspection by government officers in Lubumbashi and receipt of export permits, samples are then air freighted to the receiving laboratories in Johannesburg, South Africa. Customs Clearing Agents are contracted to arrange the dispatch of sample consignments from Lubumbashi and the delivery of the samples to laboratories in Johannesburg. Shipments of the samples are monitored by the Company's personnel. The receiving laboratory is notified by email of the sample dispatch details including the number of shipment bags, the total number of samples, freight details and estimated date of delivery. It is standard laboratory practice to notify clients by e-mail of the

receipt of sample consignments and of any anomalies between the consignment received and the original emailed information on the consignment. All sample consignments from the Mutoshi mine arrive at the receiving laboratories in their original condition.

Mineral Resource Estimate

The total Indicated Mineral Resource (coarse and fine tailings) as at December, 2009 amounts to 6.6 million tonnes at 1.3% Cu for 87,500 tonnes of contained copper metal. With the Mutoshi Project on care and maintenance, the Company has not updated the Mineral Resource estimate. The Mutoshi Mineral Resource estimate is shown as of December 31, 2009 in Table 8.

Table 8. December 2009 Mineral Resource Estimate: Mutoshi (Kulu deposit)

| Resource Category | Tonnes (K Tonnes) | Total Copper Grade (%) | Copper Metal (Tonnes) |
|---|----------------------|------------------------------|-----------------------------|
| Indicated (coarse tailings) | 1,500 | 2.30 | 34,571 |
| Indicated Stockpile (coarse tailings) | 103 | 3.70 | 3,800 |
| Concentrate Stockpile | 2 | 17.0 | 425 |
| Total Indicated (coarse tailings, fine tailings and concentrate stockpile) | 1,605 | 2.41 | 38,796 |
| Inferred (coarse tailings) | 500 | 3.55 | 17,747 |

- (1) The Mineral Resource estimates are based on geologically controlled interpretations of copper mineralised zones, defined by mapping and intersections from drill holes. Cu grades have been interpolated, using ordinary kriging with appropriate parameters into a 3D cell model, constrained by wire frames of the interpretation. Resource tonnages and grades are reported using a 0% Cu cut-off, and represent the remaining estimated resources as at December 2009.
- (2) The Mineral Resources at Mutoshi are reported in accordance with National Instrument 43-101.

Mining and Processing Operations

Mining operations at Mutoshi commenced on September 22, 2005 and the HMS plant was commissioned on November 25, 2005. Production reached design capacity of 50 tonnes per hour for production of 4,500-5,000 tonnes of concentrate per month in May 2006 following the installation of the scrubber and larger screen.

The mining of the coarse rejects/tailings of the Kulu deposit was a relatively simple operation with no waste stripping and no requirement for drill and blast activities. River gravel containing copper in the form of malachite was selectively mined and trucked to the plant. At the plant the gravel was washed, crushed and screened and heavier malachite-rich fragments were separated from the barren rock using flotation in a slurry of ferrosilicon.

The HMS plant at Mutoshi is the refurbished plant used for the initial development of the Dikulushi Mine in 2002. It was transferred to Mutoshi when Dikulushi moved to a ball mill and flotation processing operation. Use of this surplus plant significantly reduced the capital cost for the HMS mine at Mutoshi and enabled the Company to build the first stage of the Mutoshi mine entirely out of cash flow from the Dikulushi Mine.

In 2007 an unseasonably heavy rainy season and continued artisanal mining activity in the lower areas of the river resulted in the removal of some of the high-grade portion of the coarse-grained tailings, leaving a lower-grade material, which had correspondingly lower metallurgical recoveries, for feed through the HMS plant. Despite enhancements to the mining methodology and an upgrade to the plant difficulties with operational efficiency and copper recovery continued to be experienced during 2008 and during the fourth quarter of 2008, HMS processing activities ceased and the Mutoshi operation has remained on care and maintenance since this time.

During February 2011, the Company signed an agreement with Alexander for Alexander to build and operate a pilot plant to utilize Alexander's proprietary ammonia-based leaching technology to process up to 150,000 tonnes of cobalt ore at Anvil's Mutoshi deposit.

Given Anvil's focus on the completion of Kinsevere Stage II, the Group has not had the capacity recently to carry out further evaluation of the Mutoshi project, located in the Kolwezi region of the Katanga province in the Democratic Republic of Congo (DRC). As a result, a number of artisanal miners became active in the area and continue to have a presence on part of the Mutoshi tenements.

Further Information

For further information regarding the Mutoshi mine, reference can be made to the technical report for the Mutoshi mine dated December 19, 2005, which is available on SEDAR at www.sedar.com.

DIVIDEND POLICY

The Company has not paid any dividends since inception. The declaration of dividends on the Common Shares of the Company is within the discretion of the Company's board of directors and will depend upon their assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.

DESCRIPTION OF SHARE CAPITAL

The Company is authorised to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at the date of this AIF there were 157,303,159 Common Shares issued and outstanding in the capital of the Company. The number of fully-diluted Common Shares outstanding as at the date of this AIF was 166,109,840, which includes all outstanding stock options and warrants.

Common Shares

The holders of the Common Shares are entitled:

- to vote at any meetings of shareholders, except meetings at which only holders of shares of a specified class or series of shares are entitled to vote;
- subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Company, to receive any dividend declared by the Company on the Common Shares; and
- subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Company, to receive the remaining property of the Company on the dissolution of the Company.

The Company has reserved Common Shares for issuance pursuant to the exercise of stock options in connection with the Company's share incentive plan and Common Shares pursuant to other convertible securities.

Preferred Shares

The Articles of Incorporation of the Company provide that the board of directors may issue Preferred Shares from time to time, in one or more series and the board of directors may, before the issue of shares of any particular series, fix the number of shares in that series and determine the designation of, and the rights, privileges, restrictions and conditions attaching to, the shares of that series. However, if at the time the directors make such determination in respect of a particular series of Preferred Shares, as the Company is listed on the ASX, if the listing rules of the ASX then in force so require, the rights, privileges, restrictions and conditions attached to that series must contain certain rights which are required by the ASX. These rights include the following:

- the rights, privileges, restrictions and conditions attached to that series shall entitle each holder of a Preferred Share of that series to a right to vote in each of the following circumstance and in no others: (i) during a period in which a dividend (or part of a dividend) payable in respect of such series of Preferred

Shares is in arrears; (ii) in respect of a reduction of the stated capital of the Company pursuant to Section 40 of the *Business Corporations Act* (Northwest Territories); (iii) in respect of any agreement by the Company to purchase any of its shares if such agreement shall be put before the Company's shareholders for their approval; and (iv) in respect of any matter that is to be approved by the shareholders of the Company during the course of the voluntary liquidation or the dissolution of the Company;

- each holder of a Preferred Share of that series must be entitled to receive a dividend at a commercial rate, as determined by the directors in their sole discretion, in preference to any dividend declared on the Common Shares;
- each holder of a Preferred Share of that series must be entitled to a return of the stated capital of such share in preference to any payment or other distribution of property to be made to the holders of the Common Shares in connection with the voluntary liquidation or dissolution of the Company;
- each holder of a Preferred Share must be entitled to receive copies of all notices, reports and audited financial statements of the Company that it sends to the holders of its Common Shares; and
- each holder of a Preferred Share must be entitled to attend each shareholders' meeting of the Company.

No Preferred Shares are outstanding and the Company currently has no plans to issue Preferred Shares.

CHESS and CHESS Depositary Interests ("CDIs") in Australia

With respect to the listing on the ASX, the Company participates in the CHESS system as contemplated below.

CHESS

Transfers of CHESS securities are performed electronically and share certificates are generally not required. CHESS cannot be used directly for the transfer of securities of companies that are not incorporated in Australia (such as the Company) where the laws of the company's place of incorporation do not recognise CHESS.

To enable companies such as the Company to have their securities cleared and settled electronically in CHESS, depositary instruments called CDIs have been introduced. CDIs are units of beneficial ownership in securities, the legal title to which is held by CHESS Depositary Nominees Pty Ltd, a wholly-owned subsidiary of the ASX. CHESS Depositary Nominees Pty Ltd is registered as the legal owner of Common Shares of the Company on the Australian share register, holding on behalf of, and for the benefit of, each CDI holder. Holders of Common Shares are able to convert such shares into CDIs. To enable the Company's shareholders to participate in CHESS, the Common Shares trade on the ASX in the form of CDIs. Each Common Share is represented by one CDI.

The information as to Common Shares beneficially owned, not being within the knowledge of the Company, its directors or officers, has been furnished by the respective shareholders or has been extracted from the register of shareholders.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares of the Company are listed and posted for trading on the TSX under the symbol "AVM". While the TSX is the principal exchange on which the Common Shares of the Company are traded, the Common Shares of the Company are also traded on the Australian Securities Exchange ("ASX"). Tables 9 and 10 shown below present the volume, high, low and close prices of (i) the Common Shares of the Company on the TSX; and (ii) the CDIs of the Company on the ASX, on a monthly basis during 2010:

Table 9. High, low, close volume for 2010: Common Shares on the TSX (C\$)

| Period | High | Low | Close | Volume |
|-----------|------|------|-------|------------|
| January | 3.58 | 2.96 | 3.24 | 11,561,696 |
| February | 3.90 | 3.07 | 3.72 | 8,343,008 |
| March | 4.27 | 3.68 | 3.88 | 15,802,879 |
| April | 4.25 | 3.57 | 3.67 | 10,596,770 |
| May | 3.65 | 2.44 | 3.54 | 15,293,537 |
| June | 3.45 | 2.75 | 3.24 | 21,775,602 |
| July | 3.09 | 2.65 | 2.96 | 10,170,421 |
| August | 3.13 | 2.68 | 2.88 | 8,673,817 |
| September | 3.48 | 2.87 | 3.43 | 11,185,277 |
| October | 5.04 | 3.39 | 4.69 | 13,610,521 |
| November | 5.81 | 4.45 | 5.09 | 12,714,680 |
| December | 6.11 | 5.13 | 6.03 | 8,452,317 |

Table 10. High, low, close volume for 2010 (A\$): CDIs on the ASX ⁽¹⁾

| Period | High | Low | Close | Volume |
|-----------|------|------|-------|-----------|
| January | 3.68 | 3.25 | 3.36 | 1,006,779 |
| February | 3.94 | 3.31 | 3.91 | 589,559 |
| March | 4.43 | 3.96 | 4.04 | 375,270 |
| April | 4.56 | 3.99 | 3.99 | 221,473 |
| May | 3.97 | 3.06 | 3.60 | 583,637 |
| June | 3.94 | 3.08 | 3.10 | 470,357 |
| July | 3.36 | 3.04 | 3.13 | 132,874 |
| August | 3.36 | 2.96 | 3.03 | 604,461 |
| September | 3.53 | 3.05 | 3.46 | 776,539 |
| October | 4.85 | 3.46 | 4.74 | 518,008 |
| November | 5.64 | 4.64 | 5.31 | 445,844 |
| December | 5.82 | 5.16 | 5.80 | 789,022 |

⁽¹⁾ As the Company participates in the CHESS system in Australia, the Common Shares are traded on the ASX in the form of CDIs. Each Common Share is represented by one CDI. On the TSX, each Common Share is traded individually. As CDIs are traded in Australian dollars, there is an exchange rate effect on the trading prices in Canada as compared to Australia.

Prior Sales

During 2010, the Company issued the following unlisted securities:

- 225,000 unlisted stock options at an exercise price of C\$3.27;
- 75,000 unlisted stock options at an exercise price of C\$2.98; and
- 200,000 unlisted stock options at an exercise price of C\$2.84

DIRECTORS AND OFFICERS

Name, Municipality and Country of Residence, Occupation and Security Holdings

Table 11 and the notes accompanying, set out the name, place of residence of each director and executive officer of the Company, their current position and office with the Company, their respective principal occupation during the five preceding years, the date on which they were first elected or appointed as a director or officer of the Company, the number of Common Shares of the Company beneficially owned, directly or indirectly, or over which they exercise control or direction as at the date of this AIF and the percentage of the total issued and outstanding Common Shares of the Company represented by such shares:

Table 11. Director and Executive Officer information

| Name and Residence | Director Since | Principal Occupation | Common Shares beneficially owned directly or indirectly |
|---|---|--|---|
| William S. Turner, Western Australia, Australia | January 8, 2004 (Director of Anvil Mining NL since September 23, 1996) | President and CEO of the Company (January 8, 2004– present). | 1,095,667 (0.69% of issued and outstanding shares) |
| John W. Sabine, Ontario, Canada | February 29, 2004 | Partner, Fraser Milner Casgrain LLP, a Canadian business and litigation law firm (November 2001– Present). | 20,000 (0.013% of issued and outstanding shares) |
| Thomas C. Dawson Ontario, Canada | May 27, 2005 | Corporate Director (2000 – Present). | 20,000 (0.013% of issued and outstanding shares) |
| Patrick C. Evans Arizona, USA | April 2009 | President and CEO of Mountain Province Diamonds Inc., a Canadian diamond exploration and development company (November 2005–present), CEO of Norsemont Mining Inc. (June 2007–present). | 200,000 (0.13% of issued and outstanding shares) |
| Jeremy C. Weir Geneva, Switzerland | September 2009 | CEO Galena Asset Management, a Trafigura subsidiary that operates as a hedge fund (2005–present); Managing Director, Trafigura, an independent commodity trader (2007–present; Head of Derivatives Trading, Trafigura (2001–present). | NIL |
| Jesus Fernandez Lopez Geneva, Switzerland | December 2009 | CFO Mining Division, Trafigura, an independent commodity trader (September 2008- Present); Co- Head of Corporate Finance, Trafigura (September 2006–September 2008); Corporate Finance Associate, Trafigura (December 2005–September 2006); Structured Finance Analyst, Trafigura (June 2005–December 2005). | 17,900 (0.011% of issued and outstanding shares) |
| Deon Garbers Windhoek, Namibia | February 2010 | Managing Director Africa Mining, Trafigura, an independent commodity trader (2008–present), Managing Director Weatherly Mining (2007–2008); Manager Strategy & Business Improvement, Exxaro Corporate (2006–2007); General Manager Rosh Pinah Lead & Zinc Mine (2003–2006). | NIL |
| Robert La Vallière Québec, Canada | Executive Officer Only | Vice President Corporate Affairs (September 2008–present), Anvil Mining Limited; Vice President Investor Relations, Anvil Mining Limited (June 2005–September 2008); Manager Investor Relations and Communications, Cambior Inc., (March 1988–June 2005). | 30,138 (0.019% of issued and outstanding shares) |

| Name and Residence | Director Since | Principal Occupation | Common Shares beneficially owned directly or indirectly |
|--|------------------------|---|---|
| Paul Chare Katanga Province, DRC | Executive Officer Only | Vice President Operations, DRC, Anvil Mining Limited (April 2009–present); Project Director Kinsevere Stage II, Anvil Mining Limited (February 2008–present); General Manager Myanmar Ivanhoe Copper Co. Ltd, (2006–October 2007); Executive Vice President Operations, Ivanhoe Mines (2002–2005). | 14,483 (0.01% of issued and outstanding shares) |
| Luigi Evangelista Western Australia, Australia | Executive Officer Only | Financial Controller, Anvil Mining Limited (July 2006–present); Corporate Secretary and Deputy Financial Controller, Anvil Mining Limited (July 2005–July 2006); Deputy Financial Controller, Anvil Mining Limited (February 2005–July 2005); Management Accountant, Management Search Australia (September 2004–January 2005). | 21,670 (0.003% of issued and outstanding shares) |
| Stuart McKenzie Western Australia, Australia | Executive Officer Only | Corporate Secretary, Anvil Mining Limited (October 2006–Present); Treasurer & Company Secretary, Ok Tedi Mining Limited March 2003–October 2006). | 13,423 (0.008% of issued and outstanding shares) |
| Philippe Monier Western Australia, Australia | Executive Officer Only | Vice President Corporate and CFO, Anvil Mining Limited (October 2010–Present); Group CFO, Bateman Engineering N.V. (February 2009–May 2010); Group CFO, Green Gas International, a clean energy owner, builder and operator (October 2007–November 2008); Senior Vice President and CFO, Dynatec, a mining services company (January 2004–November 2005). | NIL |

Notes:

1. Mr. Sabine is Chairman of the Board of Directors.
2. The Company is required to have an Audit Committee. The members of this committee are Messrs. Dawson, Evans and Fernandez.
3. The directors have established a Nomination, Compensation and Corporate Governance Committee. The members of this committee are Messrs. Evans, Dawson, and Weir.
4. On June 7, 2010, the directors combined the Corporate Responsibility and Sustainability Committee and Health, Safety and Environment Committee to form a single committee, the Corporate Responsibility and Safety Committee. The members of this committee are Messrs. Evans, Turner and Garbers.
5. The term of office of each director of the Company expires at each annual meeting of the Shareholders of the Company. Officers of the Company are appointed by the board of directors.

As of the date of this AIF, approximately 1,433,281 Common Shares of the Company were beneficially owned, directly or indirectly, by the directors and officers of the Company as a group, representing approximately 0.9% of the issued and outstanding Common Shares of the Company on a non-diluted basis.

Corporate Cease Trade Orders or Bankruptcies

Except as set out below, no director or executive officer of the Company is, as at the date hereof or has been within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days issued: (1) while that person was acting as director, chief executive officer or chief financial officer (2) after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity.

No director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, as at the date hereof or has been within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On April 3, 2007, Patrick Evans, a director of Eurasia Gold Inc. (“Eurasia”) until March 26, 2007, along with the remaining directors, officers and insiders of Eurasia (collectively, the “Eurasia Management”) were subject to a cease trade order issued by the Ontario Securities Commission (“OSC”), which required all trading in and all acquisitions of securities of Eurasia by Eurasia Management cease for a period of 15 days. The cease trade order was made because Eurasia failed to file its audited financial statements for the year ended December 31, 2006, management’s discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2006, and annual information form for the year ended December 31, 2006 (collectively, the “Year-End Financial Documents”). At a hearing held before the OSC on April 16, 2007, it was further ordered that all trading in and acquisitions of securities of Eurasia by any of the Eurasia Management cease until Year-End Financial Documents were filed with the OSC. The cease trade order expired on April 25, 2007 when the Year-End Financial Documents were filed pursuant to Ontario securities legislation. Prior to the issuance of the cease trade order, Patrick Evans had resigned as at March 26, 2007 as a director of Eurasia and is no longer involved with Eurasia in any capacity

Personal Bankruptcies

No director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has during the 10 years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person’s assets.

Conflicts of Interest

The directors and officers of the Company are, or may become, directors or officers of other companies with businesses which may conflict with the business of the Company. Directors are required to act honestly and in good faith with a view to the best interests of the Company. In addition, directors in a conflict of interest position are required to disclose certain conflicts to the Company and to abstain from voting in connection with the matter. To the best of the Company’s knowledge, there are no known existing or potential conflicts of interest between the Company or a subsidiary of the Company and a director or officer of the Company or a subsidiary of the Company as a result of their outside business interests at the date hereof. However, certain of the directors and officers serve

as directors and/or officers of other companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL CONTRACTS

There is no material interest, direct or indirect, of any (a) director or executive officer of the Company; (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Company; or (c) associate or affiliate of any of the persons or companies listed in (a) or (b), in any transaction within the three most recently completed financial years of the Company or during the current financial year of the Company that has materially affected or is reasonably expected to materially affect the Company.

LEGAL PROCEEDINGS

In November 2010, a group of NGO's calling itself the Canadian Association Against Impunity, comprised of the groups Rights and Accountability in Development, the Canadian Centre for International Justice and Global Witness announced that it had commenced a class action application against Anvil in a Montréal court. The action appears to be supported by two Congolese advocacy groups: l'Association africaine de Défense des droits de l'Homme and Action Contre l'Impunité pour les Droits Humains.

The action is apparently based upon an incident at Kilwa in the northeast part of the Katanga Province of the DRC, which occurred in 2004. Over the past several years, the incident and Anvil have been subject to numerous investigations and court proceedings both in and outside the DRC. No findings adverse to Anvil or any of its employees have arisen in respect of the Kilwa incident in any of the foregoing.

Anvil intends to defend itself and has appointed counsel, with the first stage of the process involving the hearing of preliminary motions, which is expected to take place during the second quarter of 2011.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, or imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and the Company has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority.

TRANSFER AGENT AND REGISTRARS

The transfer agent and registrar for the Company's Common Shares is Computershare Investor Services Inc., at its principal office in Toronto, Ontario. The transfer agent for the CDIs issued in respect of the Company's Common Shares is Computershare Investor Services Pty Ltd, at its principal office in Perth, Western Australia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts which the Company or its respective subsidiaries have entered into within the most recently completed financial year or before the most recently completed financial year and are still in effect, and which may reasonably be regarded as material, are the following:

1. *Contrat d'Amodiation* between Gécamines and MCK and amendments thereto dated December 20, 2006 and January 21, 2009 in connection with the Kinsevere Lease Agreement.
2. *Contrat de Création* between Gécamines and EMIKO and amendments thereto dated November 1, 2001; July 15, 2004 and July 1, 2010 in relation to the formation of SMK.
3. Shareholder and Acquisition Agreement between the Company, EMIKO and Mr. Muchado Moura Jose Augusto and subsequent Share Sale Agreement dated November 2, 2006 between Mr. Muchado Moura

Jose Augusto and Anvil Mining Investments Limited, with respect to the acquisition of an 80% interest in the Mutoshi mine.

4. Shareholder and Acquisition Agreement between the Company and MCK and subsequent Share Purchase Agreement dated July 29, 2006 between MCK and Anvil Mining Investments Limited and Sale and Purchase and Assignment Agreement dated December 21, 2006 between MCK, AMCK and Anvil Mining Limited with respect to the acquisition of a 95% interest in the Kinsevere mine.
5. Subscription Agreement between the Company and Trafigura dated August 9, 2009 in connection with Trafigura's subscription for and purchase of equity units of Anvil.
6. Ancillary Rights Agreement between the Company and Trafigura dated November 26, 2009 which details Trafigura's rights with respect to representation on the Anvil Board, pre-emptive rights, demand prospectus rights and right to match as well as Trafigura's obligations to Anvil with respect to broad distribution and standstill.
7. Framework Offtake Agreement between the Company and Trafigura dated November 16, 2009 for the sale of product from the Company's Kinsevere mine.
8. Technical Services Agreement between the Company and Trafigura dated November 16, 2009 for Trafigura's provision of consulting and technical support.
9. Project Loan Facility Agreement between the Company and Trafigura dated December 16, 2009.
10. Agreement with Ausenco Projects Limited dated January 21, 2010 in connection with the provision of engineering procurement and construction management services for Kinsevere Stage II.
11. Agreement with Ausenco Solutions Pty Ltd dated January 21, 2010 in connection with the engineering procurement and construction management services for Kinsevere Stage II.
12. Agreement with MCK Trucks sprl for the provision of mining services for Kinsevere Stage II.

EXPERTS

The Company's auditors are PricewaterhouseCoopers ("PwC"), Chartered Accountants, who have prepared an independent auditors' report dated March 17, 2011 in respect of the Company's consolidated financial statements with accompanying notes as at December 31, 2010 for the twelve months ended December 31, 2010 PwC has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The following persons have either prepared or supervised the preparation of a report, valuation, statement or opinion, in relation to the Company's Mineral Reserves referred to in this AIF, and are Qualified Persons within the meaning of Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"):

Gerry Fahey of CSA (previously FinOre Pty Ltd);

Chris Allen of CSA (previously FinOre Pty Ltd);

Dave Gray (previously Anvil Group Resource Geologist) of Optiro Pty. Ltd;

Mike Lawlor (Manager Anvil Group Technical Services);

Geoff Booth (previously Anvil Manager Feasibility Studies);

Tony Cameron of A & J Cameron and Associates Pty Ltd; and

Nick Franey (previously Anvil Vice President Exploration).

None of the experts listed above has a beneficial interest, direct or indirect in any securities or property of the Company or affiliates that exceeds one percent of outstanding securities.

The Tshifufia and Tshifufiamashi Mineral Resource estimate has been prepared by Mr David Gray of Optiro Pty Ltd (formerly Anvil's Group Resource Geologist), who is a member of the South African Council for Natural Scientific Professions (SACNASP), a recognised overseas professional organization, and a Member of the Australasian Institute of Mining and Metallurgy. David Gray has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity he is undertaking, to act as a Qualified Person as defined by NI 43-101. David Gray consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The Mineral Resource grades have been reported as both Total Copper and as Acid Soluble Copper.

The Kinsevere Hill estimate is unchanged since previously prepared by Mr Chris Allen of CSA, who is a member of the Australian Institute of Geoscientists. The Kinsevere Hill estimation work was supervised by Mr Gerry Fahey also of CSA, who is a Chartered Professional, a member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. Gerry Fahey has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity he is undertaking to act as the Qualified Person for reporting of the Kinsevere Hill estimate under the requirements of NI 43-101. Gerry Fahey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The Mineral Resource grades have been reported as both Total Copper and as Acid Soluble Copper.

Information in this AIF that relates to in-situ Mineral Resources at Mutoshi (ie the Kulumaziba River Mineral Resource) is based on information compiled by Gerry Fahey of CSA. Gerry Fahey is a Chartered Professional, a member of the Australian Institute of Geoscientists, and a member of the Australasian Institute of Mining and Metallurgy. Gerry Fahey has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity he is undertaking, to qualify as a Qualified Person as defined by NI 43-101. Gerry Fahey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The Mineral Resource grades have been reported as Total Copper.

Information in this AIF that relates to Mineral Reserves has been prepared by Tony Cameron of A & J Cameron and Associates Pty Ltd. who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Qualified Person as defined by NI 43-101. Mr Cameron has consented to the matters based on his information in the form and context in which it appears. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of copper recovery will be realised.

AUDIT COMMITTEE

The Audit Committee operates under the guidelines of the Audit Committee Charter which appears as Schedule A in this document. The purpose of the Audit Committee of the Company is to provide assistance to the board of directors of the Company in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and its subsidiaries. The Audit Committee recommends to the Board, the independent auditing firm to be nominated for appointment by the shareholders at the next annual general meeting. It is the objective of the audit committee to maintain a free and open means of communications among the board of directors of the Company, the independent auditors and the financial and senior management of the Company.

Composition of the Audit Committee

The Audit Committee is comprised of Messrs. Thomas Dawson, Patrick C. Evans and Jesus L. Fernandez. Thomas Dawson is the chairman of the Audit Committee. Each of the members is financially literate under Section 1.6 of MI 52-110. Each of the members is independent under Section 1.4 of MI 52-110.

The Audit Committee met four times in 2010.

Relevant Education and Experience

Thomas Dawson B.Comm., C.A.

Mr. Dawson has been a director of Anvil Mining Limited since May 27, 2005 and serves as the Company's Chairman of the Audit Committee. He received his BComm. from Concordia University, Canada, in 1959. He has been a Chartered Accountant since 1961 and is a retired senior audit and accounting partner, with 40 years of experience at Deloitte & Touche LLP, Chartered Accountants. He currently serves as a director of several other companies, including WFI Industries Ltd., Energy Split Corp and Seabridge Gold Inc. Mr. Dawson is also a member of the Nomination, Compensation and Corporate Governance Committee.

Patrick C. Evans, BA, B.Sc.

Mr. Evans is currently President, CEO and director of Mountain Province Diamonds Inc. and CEO and director of Norsemont Mining Inc., companies listed on the TSX. He previously served as the President and CEO of Weda Bay Minerals (acquired by Eramet S.A.), as President and CEO of Southern Platinum Corp., CEO and director of Messina Limited (acquired by Lonmin Plc), President and CEO of SouthernEra Diamonds Inc. and Vice President of Placer Dome Inc. Mr. Evans holds a Bachelor of Arts and a Bachelor of Science from the University of Cape Town (South Africa). Mr. Evans has been a director of Anvil Mining Limited since April 2009. Mr. Evans is also Chairman of the Nomination, Compensation and Corporate Governance Committee and a member of the Corporate Responsibility and Safety Committee.

Jesus Fernandez Lopez, Lic Ec., MA

Mr. Fernandez has been a director of Anvil Mining Limited since January 2010. Mr. Fernandez has been a part of the Trafigura team since 2004 and is currently Head of Mergers and Acquisitions Mining and CFO of Trafigura's mining division, with specialization in mining acquisition and financing. Mr. Fernandez has more than seven years of experience in the corporate finance market and leads acquisitions and financings where Trafigura has an interest. Mr. Fernandez has been a director of Iberian Minerals Corp. since 2008 and a director of Cadillac Ventures Inc since 2009. During the three years prior to joining Trafigura, Mr. Fernandez was employed with International Power Plc in London working in its project finance team. He holds an MA in Finance and Investment from the University of Exeter and a Licenciatura in Economics, (equivalent to a MSc in Economics) from the Universidad de Cantabria, Spain.

Pre-Approval Policies and Procedures

The Audit Committee pre-approves engagements for audit and non-audit services provided by the external auditors or their affiliates, together with estimated fees and potential issues of independence. See "External Audit" (Item 8) of the Audit Committee Charter, attached as Schedule A to this document.

Audit Firm Fees

The Company's auditors for the financial years ended December 31, 2009 and December 31, 2010 were PricewaterhouseCoopers ("PwC"). Fees billed by PwC during the past two financial years are shown in Table 12 below.

Table 12. Fees Billed by PwC

| | December 31, 2010 (\$) | December 31, 2009 (\$) |
|-----------------------------------|---|---|
| Audit Fees | 225,681 | 234,390 |
| Audit-Related Fees ⁽¹⁾ | 176,010 | 104,694 |
| Tax Fees | 14,000 | - |
| All Other Fees ⁽²⁾ | 42,805 | 115,821 |
| Total | 458,496 | 463,905 |

(1) Fees for quarterly reviews of the Company's financial statements.

(2) Fees incurred in connection with internal control review and analysis of policies and procedures during 2010 and fees incurred in connection with equity financing in 2009.

ADDITIONAL INFORMATION

Additional information regarding the Company may be obtained on the System for Electronic Document Analysis and Retrieval (SEDAR), under the Company's name, at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, the principal holders of the Company's securities and securities authorised for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of holders of Common Shares.

Additional financial information is provided in the Company's financial statements and management's discussion and analysis of financial results for the year ended December 31, 2010.

GLOSSARY OF MINING TERMS

The following is a glossary of mining terms that are used in this AIF.

| | |
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| Ag | The chemical symbol for silver. |
| Argillite | A description of a rock that is made up mainly of silt to fine sand size particles that has been moderately altered by metamorphism. |
| Bornite | A reddish brown to iridescent purple mineral made up of copper (up to 63%) iron and sulphur. |
| Carbonates | A rock made up mainly of calcium (rarely magnesium) and carbon dioxide. |
| Cell | A term applied to the three dimensional volume used in the mathematical modeling of orebodies by computer techniques. |
| Chalcocite | A mineral that is made up of copper (up to 80%), and sulphur. |
| Clastic | A rock made up of other rock fragments from distance locations. |
| CMN | <i>Calcaire a Minerai Noirs</i> (limestone and dolomite with black oxides) |
| Co | The chemical symbol for the metallic element cobalt. |

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| CPT | Under Incoterms, stands for Carried Paid To and means that the seller pays the freight for the carriage of the goods to the named destination. The risk of loss of or damage to the goods, as well as any additional costs due to events occurring after the time the goods have been delivered to the carrier is transferred from the seller to the buyer when the goods have been delivered into the custody of the carrier. |
| Cu | The chemical symbol for the metallic element copper. |
| Cut-off | The minimum concentration (grade) of the valuable component in a mass of rock that will produce sufficient revenue to pay for the cost of mining, processing and marketing. |
| Dilution | A term used to describe the waste or non-economic materials included when mining ore. |
| Dip | The angle that a structural surface makes with the horizontal. |
| Disseminated | Ore carrying fine particles, usually sulphides scattered throughout the rock. |
| Dol-arenites | Dolomite rock consisting of sand size grains. |
| Dolomite | A mineral containing calcium, magnesium and carbonate. |
| Domain | A term used mainly in ore resource estimation or geotechnical calculations to describe regions of a geological model with similar physical or chemical characteristics. |
| DStrat | Stratified dolomite |
| Excavator | A large machine used in the digging and loading of rock into trucks in an open pit mine. |
| Footwall | A generic term used to describe the rock mass below a dipping orebody. |
| Flotation | A widely used industrial process used to concentrate valuable minerals after mining that treats finely ground rock in a water based pulp with chemicals that allow them to float to the surface where they are recovered in preference to waste or gangue minerals which sink. |
| FOB | Under the Incoterm standard FOB stands for "Free On Board", and is always used in conjunction with a port of loading. It typically means that the seller pays for transportation of the goods to the port of shipment, plus loading costs. The buyer pays the cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination. The passing of risks occurs when the goods pass the ship's rail at the port of shipment. |
| HMS | Abbreviation for Heavy Media Separation, a mineral processing method that uses high density fluids or suspensions to separate valuable minerals from waste or gangue by exploiting differences in the specific gravity of minerals. |
| JORC | An acronym for Joint Ore Reserve Committee, the Australian committee formed by the Australian Securities Exchange and Australasian Institute of Mining and Metallurgy responsible for the regulatory enforceable standards for the Code of Practice for the reporting of mineral resources and reserves. |
| Kriging | A term applied to the process of estimating grades in a systematic way within a geometric model of a mineralised zone, by a means of interpolation that minimises the estimation error. |
| LOB | Lower Orebody |
| Ma | Millions of years ago. |
| Malachite | A mineral containing copper (up to 57%) carbonate and water found mainly in the weathered zone of a copper orebody. |

| | |
|-------------------------|--|
| Massive | A term used to describe a large occurrence of a pure mineral species, often with no structure. |
| Metamorphism | The geological process of altering the physical and chemical properties of rock mineral by the combined effects of heat and pressure. |
| Mineral Reserve | The term for the economic quantities and grade of valuable materials as strictly applied in compliance with the definition in the National Instrument 43-101. |
| Mineral Resource | The term for the estimate of the quantities and grade of valuable materials but with no economic considerations as strictly applied in compliance with the definition in the National Instrument 43-101. |
| Ordinary kriging | The kriging process applied without the application of additional mathematical process that applies conditions or simulations. |
| Pre | A natural aggregate of one or more minerals which, at a particular time and place, may be mined and sold at a profit or from which some part may be profitably separated. |
| Raffinate | In solvent extraction, a raffinate is a liquid stream that remains after the extraction with the immiscible liquid to remove solutes from the original liquor. |
| RAT | <i>Roches Argilo-Talqueuse</i> (a dolomitic/talcosic argillaceous rock) |
| Recovery | A measure in percentage terms of the efficiency of a process, usually metallurgical, in gathering the valuable minerals from an ore. The measure is made against the total amount of valuable mineral present in the ore. |
| RC | Reverse Circulation, a drilling method whereby drilling fluid or air is pumped into the space between a dual drill tube and returned through the inner tube, bringing cuttings from the drill bit to the surface. |
| ROM | Run of Mine, a description applied to the physical characteristics of ore (including dilution) as presented to the processing plant. |
| RSC | <i>Roches Siliceuses Cellulaire</i> . |
| RSF | <i>Roches Siliceuses Feuilletées</i> (foliated and silicified dolomitic shales) |
| Sandstone | A rock consisting of sand size grains, generally of the mineral quartz. |
| SD | Stratified dolomite. |
| Silicification | The process of pervasively altering a rock by the introduction of silica mainly during hydrothermal processes. |
| Stockpile | A mound or pile of material. |
| SX-EW | Solvent Extraction and Electrowinning, processing method utilising synthetic organic liquids that are able to extract copper from ore enabling the copper to be deposited by electrolysis. This processing method enables the bypassing of the smelting and refining stages in ore processing. |
| TOB | Third orebody. |
| UOB | Upper orebody. |
| Vein | A single continuous planar occurrence of a suite of minerals, generally valuable, introduced into pre-existing rock mass. |

SCHEDULE A
AUDIT COMMITTEE CHARTER

I. OBJECTIVE OF CHARTER

1. There shall be a Committee of the board of directors (the “Board”) of Anvil Mining Limited (“Anvil” or the “Company”), to be known as the Audit Committee (the “Committee”) whose membership, authority and responsibilities shall be as set out in this audit committee charter.
2. The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through overseeing management’s conduct of the Company’s accounting and financial reporting process and systems of internal accounting and financial controls; selecting, retaining and monitoring the independence and performance of the Company’s external auditors, including overseeing the audits of the Company’s financial statements, and approving any non-audit services; and providing an avenue of communication among the external auditors, management and the Board.

II. MEMBERSHIP

1. The Committee will be comprised of three (3) members, each of whom will be non-executive, independent¹ directors (subject to the exclusions permitted by Multilateral Instrument 52-110).
2. All members will be financially literate².
3. At least one member should have financial expertise³.
4. Members will be appointed by the Board and shall serve until the earlier to occur of the date on which he or she shall be replaced by the Board, resigns from the Committee, or ceases to be a director.
5. The Board shall appoint one of the directors elected to the Committee as the Chairperson of the Committee. In the absence of the appointed Chairperson of the Committee at any meeting, the members shall elect a Chair from those in attendance to act as Chairperson of the meeting.
6. The secretary of the Committee will be the Corporate Secretary, or such other person as nominated by the Board.

III. MEETINGS

1. The Committee shall meet as frequently as required, but no fewer than four times annually and at least quarterly. The Chairperson shall prepare an agenda in advance of each meeting. A majority of the members of the Committee shall constitute a quorum and the act of a majority of the members present at a meeting where a quorum is present shall be the act of the Committee. The Committee may also act by unanimous written consent of its members. The Committee shall maintain minutes or other records of meetings and activities of the Committee.
2. The Committee shall, through its Chairperson, report regularly to the Board following the meetings of the Committee, addressing such matters as the quality of the Company’s financial statements, the Company’s compliance with legal or regulatory requirements in relation to those matters within the Committee’s purview, the performance and independence of the external auditors, the performance of any internal audit function and other matters related to the Committee’s functions and responsibilities.
3. Notice of a meeting of the Committee may be given orally or by letter, electronic mail, facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting, unless such notice is otherwise waived in writing by all of the members of the Committee.

¹ Independence as defined by NI 52-110 means having no direct or indirect material relationship with the issuer, meaning a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. In particular, NI 52-110 focuses, in summary, on whether an audit committee member or an immediate family member of an audit committee member has, within the previous three years, been an employee or executive officer of the issuer or of the issuer’s internal or external auditor or a consultant to the issuer. This is not as strict a definition as that outlined by the ASX Corporate Council, which excludes associates of substantial shareholders from those parties that are independent.

² Defined by NI 52-110.

³ This is not required by NI 52-110 but is required for the ASX Standards.

4. The Committee may invite such other persons (e.g. the CEO, CFO) to its meetings, as it deems necessary.
5. The external auditors should be invited to make presentations to the Audit Committee as appropriate.
6. The Committee shall, at least annually, meet separately with each of the Company's senior management, the Company's chief financial officer and the Company's external auditors to discuss any matters that the Committee or each of these groups believes should be discussed privately.

IV. GENERAL RESPONSIBILITIES

1. The Committee's principal responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements, and the Company's external auditors are responsible for auditing and/or reviewing those financial statements. In carrying out these oversight responsibilities, the Committee is not required to provide any expert or special assurance as to the Company's financial statements or any professional certification as to the external auditors' work.
2. The designation or identification of a member of the Committee as an "audit committee financial expert" does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the Committee and the Board in the absence of such designation or identification.
3. The designation or identification of a member of the Committee as an "audit committee financial expert" does not affect the duties, obligations, or liabilities of any other member of the Committee or of the Board.

V. SPECIFIC RESPONSIBILITIES

The specific responsibilities of the Committee are as set out in this Section.

A. Internal Control

1. Evaluating whether management is setting the appropriate "control culture" by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities.
2. Reviewing annually the adequacy and quality of the Company's financial and accounting staffing, the need for and scope of internal audit reviews, and the plan, budget and the designations of responsibilities for any internal audit.
3. Reviewing the performance and material findings of internal audit reviews.
4. Reviewing annually with the external auditors, any significant matters regarding the Company's internal controls and procedures over financial reporting that have come to their attention during the conduct of their annual audit, and review whether internal control recommendations made by the auditors have been implemented by management.
5. Reviewing major risk exposures (whether financial, operating or otherwise) and the guidelines and policies that management has put in place to govern the process of monitoring, controlling and reporting such exposures.
6. Establishing procedures for the receipt, retention and treatment of any complaints received by the Company regarding internal controls or auditing matters, including procedures to enable confidential, anonymous submissions to be made by employees of the Company and its subsidiaries concerning questionable auditing or accounting matters.

B. Financial Reporting

General

1. Gaining an understanding of the current areas of greatest financial risk and how management is managing these areas of risk effectively.
2. Considering with the internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues.
3. Reviewing significant accounting and reporting issues, including recent professional and regulatory

pronouncements, and understand their impact on the financial statements.

4. Reviewing any legal matters that could significantly impact the financial statements.
5. Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of any disagreements between management and the external auditor regarding financial reporting.

Annual Financial Statements

1. Reviewing the annual financial statements and determining whether they are complete and consistent with the information known to Committee members; assessing whether the financial statements reflect appropriate accounting principles.
2. Focusing on judgmental areas, for example those involving valuation of assets and liabilities; warranty, product or environmental liability; litigation reserves; and other commitments and contingencies.
3. Meeting with management and the external auditors to review the financial statements and the results of the audit.
4. Reviewing the other sections of the annual report before its release and considering whether the information is understandable and consistent with members' knowledge about the Company and its operations.

Preliminary Announcements, Interim Financial Statements and Analysts' Briefings

1. Remaining briefed on how management develops preliminary announcements, interim financial information, MD&A statements, and analysts' briefings; the extent to which the external auditors review such information.
2. Assessing the fairness of the preliminary and interim statements and disclosures, and obtaining explanations from management and internal and external auditors on whether:
 - Actual financial results for the interim period varied significantly from budgeted or mined results;
 - Changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Company's operations and financing practices;
 - Generally accepted accounting principles have been consistently applied;
 - There are any actual or proposed changes in accounting or financial reporting practices;
 - There are any significant or unusual events or transactions;
 - The Company's financial and operating controls are functioning effectively;
 - The preliminary announcements and interim financial statements contain adequate and appropriate disclosures; and
 - There are any breaches of debt covenants.
3. Reviewing the Company's financial statements, MD&A and annual and interim earnings news releases before the Company publicly discloses them.
4. Being satisfied that adequate procedures are in place for review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than those referred to in item 3 immediately above and periodically assessing the adequacy of such procedures.

C. External Audit

1. Reviewing the external auditors' proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope.
2. Reviewing the performance of the external auditors.
3. Considering the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company.

4. Making recommendations to the Board regarding the reappointment and compensation of the external auditors.
5. Reviewing and approving the employment of any former partner or employee of the external auditor or a former external auditor.
6. Ensuring that significant findings and recommendations made by the external auditors are received and discussed on a timely basis.
7. Ensuring that management responds to recommendations by the external auditors.
8. Pre-approving all non-audit services to be provided by the external auditor⁴ to the Company or its subsidiaries other than *de minimus* non-audit services referred to in section 2.4 of NI 52-110.

D. Compliance with Laws and Regulations

1. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations (including insider reporting) and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
2. Obtaining regular updates from management and the Company's legal counsel regarding compliance matters.
3. Being satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.
4. Reviewing the findings of any examinations by regulatory agencies.

E. Compliance with the Company's Code of Conduct

1. Ensuring that the Company's Code of Conduct is in writing and that arrangements are made for all employees to be aware of its contents.
2. Evaluating whether management is setting the appropriate "tone at the top" by communicating the importance of the Code of Conduct and the guidelines for acceptable behaviour.
3. Reviewing the process for monitoring compliance with the Company's Code of Conduct.
4. Obtaining regular updates from management regarding compliance.

F. Reporting Responsibilities

1. Regularly updating the Board about Committee activities and making appropriate recommendations.
2. Ensuring the Board is aware of matters that may significantly impact the financial condition or affairs of the business.
3. Reviewing and updating the Charter and receiving any approved changes from the Board.
4. Evaluating the Committee's own performance on a regular basis.

VI. AUTHORITY

The Board grants authority to the Audit Committee, within the scope of its responsibilities, to:

1. Seek any information it requires from any employee (and all employees are directed to co-operate with any request made by the audit committee) or external parties.
2. Obtain outside legal or other professional advice as deemed necessary and to set and authorise the compensation to be paid to such advisors.
3. Ensure the attendance of officers of the Company at meetings as appropriate.
4. Communicate directly with the external auditors or any internal auditors.

⁴ This responsibility may be delegated to one or more independent members of the Committee as outlined in NI 52-110, provided that any such pre-approval is presented to the Committee at its first scheduled meeting following such pre-approval.