



## **ANVIL MINING LIMITED**

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# **News Release**

FOR IMMEDIATE RELEASE

TSX, ASX: AVM

**October 31, 2005**

Common shares outstanding: 29 million

**All amounts are expressed in US dollars, unless otherwise stated**

## **Quarterly Activities Report To Australian Stock Exchange Limited For the Third Quarter ended September 30, 2005**

**Anvil Mining Limited (TSX, ASX: AVM)** is pleased to report on the activities of the Company for the third quarter ended September 2005 and in accordance with ASX listing rule 5.1. The unaudited interim financial statements and management's discussion and analysis required under Canadian National Instrument 51-102 will be available on SEDAR website at [www.sedar.com](http://www.sedar.com) during the second week of November 2005.

### **Third Quarter Activity Highlights**

- The Dikulushi copper mine had record production for the quarter producing 5,777 tonnes of copper and 586,875 ounces of silver.
- Erection of the Heavy Media Separation Plant (HMS) at the Kulu coarse rejects/tailings project is 80% complete. Commissioning is due to commence before the end of November, ahead of schedule.

### **MINE DEVELOPMENT**

#### **Kulu (Kulumaziba) Project**

The steel erection of the Heavy Media Separation Plant (HMS) plant on the Kulu coarse rejects/tailings deposit is approximately 80% complete and commissioning is now expected to begin before the end of November 2005, ahead of the previously forecast year end commissioning date. All structural work is complete and treatment equipment and piping is in place. Electrical wiring and controls are still to be completed.

The ability to reuse the HMS plant from the Dikulushi Mine (following the installation of the ball mill and flotation circuits) has enabled the Company to substantially reduce the development costs for the starter-project on the Kulu deposit which has been financed internally from cashflows from the Dikulushi Mine. The mining of the coarse rejects/ tailings of the Kulu deposit is a relatively simple operation with no waste stripping and no requirement for drill and blast activities. In anticipation of the commissioning of the plant in the latter half of November, mining commenced on September 22, 2005 and to date some 50,000 tonnes of ore has been stockpiled close to the plant. The average grade of the resource targeted for the first three years of operations is over 6.0% copper.

Resource evaluation work is continuing along the Kulu deposit and the sampling and assaying of the section from the 0km mark to the 12.5km mark is now completed. An updated resource estimate should be completed for this first section of the deposit by mid-November 2005. Drilling on the last section of the river between the 12.5km and the 14km marks has only recently been completed.

## **MINE PRODUCTION**

### **Dikulushi Mine**

The Dikulushi mining and processing operations have outperformed in all areas through the September 2005 quarter, as previously indicated, following the full re-accessing of the main orebody and the commissioning of the second ball mill in the second quarter of 2005.

#### **Dikulushi Mine - Quarterly Production Summary**

<b>Production Statistics</b>	<b>2005</b>			<b>2004</b>
	<b>Sept Qtr</b>	<b>Jun Qtr</b>	<b>Mar Qtr</b>	<b>Year Ending Dec 31</b>
Ore processed	120,822	81,518	80,812	270,046
Copper grade %	5.52%	4.8%	3.8%	6.1%
Contained copper (tonnes)	6,663	3,971	3,119	16,461
Recovery %	86.7	85.5	82.1	73.3%
Copper produced (tonnes)	5,777	3,395	2,559	12,074
Silver produced (ounces)	586,875	301,967	245,044	1,059,455
Payable pounds of copper contained in concentrate delivered (million pounds)	10.4	6.8	5.6	24.9
Payable ounces of silver contained in concentrate delivered (ounces)	432,494	262,111	230,168	950,441

The plant ran at an average throughput of 1,313 tonnes per day during the September quarter of 2005 reflecting an annualised rate of copper production of 22,500 tonnes. This daily rate is expected to be maintained during the December quarter of 2005 and for some time beyond.

Planning for Stage III underground mining below a re-scheduled 150 metre open pit depth has commenced and development of this transition phase is expected to commence during the first half of 2006.

## **EXPLORATION**

### **Kinsevere Project**

Following the completion of a drilling program in the June quarter, work on a resource estimation and the presentation of technical report according to National instrument 43-101 has commenced. A resource statement is expected to be completed during November 2005.

### **Mutoshi Cobalt Project**

Results for approximately two thirds of the assays on the RC drill samples were received during the quarter. A resource estimation is expected to be available during the December 2005 quarter.

## **CORPORATE**

### **Appointments**

During the quarter, Mr Malcolm Hillbeck was appointed Vice President Operations. Malcolm is a mining engineer (University of Birmingham, UK) with more than forty years experience in the mining industry at operations, senior management and corporate levels. He has an extensive background in the management of underground and open-cut mining operations and has accumulated significant knowledge in the planning and development of mining activities. Malcolm has developed and operated mines in Europe, North America, Africa and Australia.

### **Kilwa Event October 2004**

Since Anvil became aware of the fact that human rights abuses were carried out by the Democratic republic of Congo (“DRC”) military (“FARDC”) during the recapturing of the town of Kilwa, 54 kilometres from the Dikulushi mine, the company has had a comprehensive investigation carried out by a first tier law firm, regarding its own actions during the incident. It has also obtained advice from Senior Counsel. Those documents remain confidential because of the current threat of litigation against Anvil. In the unlikely event that any legal action is instigated against Anvil as a result of the Kilwa incident, such action will be vigorously defended.

Since June 2005, Anvil has liaised closely with the Canadian Department of Foreign Affairs and International Trade regarding the Kilwa incident and has made a detailed presentation to Canadian Government officials in Ottawa, Canada in early August 2005.

The Company has also met with senior executives of the World Bank and the Multilateral Investment Guarantee Agency (MIGA) in Washington DC, to fully advise on Anvil’s knowledge of the events surrounding the Kilwa incident. Due to some undue pressure from certain Human Rights Non-Governmental Organizations (NGO) to the President of the World Bank, the Office of the Compliance Advisor/Ombudsman (CAO) is presently conducting a Compliance Audit of the due diligence process carried out by MIGA on Anvil and the Dikulushi project. The Company has cooperated fully with the CAO in their enquiries. Furthermore, the Company organized during August 2005 for a group of local and international NGOs a 2-day visit of the Dikulushi mine and surrounding villages in the Dikulushi- Kilwa region. A report on the NGOs visit along with a list of documents made available during the time of the visit is posted on the website of the Company at [www.anvil.com.au](http://www.anvil.com.au) under the section Community.

Anvil has corresponded and met with representatives of the MONUC, the United Nations Mission to the DRC. MONUC carried out an initial investigation into the incident and completed an internal report in late October 2004 without ever contacting Anvil. Subsequently, following a visit from an Australian television team, MONUC made contact with Anvil requesting information on the Kilwa incident. An updated internal report, was subsequently completed by MONUC in September 2005 and does not implicate Anvil in any way regarding the actions of the FARDC.

Anvil recently met with representatives of the Australian Department of Foreign Affairs and Trade, a Senior Adviser of the Minister of Foreign Affairs and has had discussions with the Australian Federal Police in its efforts to cooperate fully with those responsible for investigating the circumstances surrounding the Kilwa incident.

Anvil Mining Limited is an unhedged copper and silver producer whose shares are listed for trading on the Toronto Stock Exchange and the Australian Stock Exchange under the symbol AVM.

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***Additional Notes:***

***Caution Regarding Forward Looking Statements:*** *The forward looking statements made in this press release are based on assumptions and judgments of the management regarding future events and results. Such forward-looking statements include, but are not limited to, those with respect to future development of the Kulu copper deposit and Kinsevere copper – cobalt deposit, known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual prices of copper, results of current exploration, development, processing plant commissioning and mining activities, changes in project parameters and plans, changes in the political environment in the countries in which the Company operates, as well as those factors disclosed in the Company's filed documents.*