

# **ANVIL MINING LIMITED**

NOTICE OF 2006 ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF  
ANVIL MINING LIMITED  
TO BE HELD ON MAY 11, 2006

MANAGEMENT INFORMATION CIRCULAR

## NOTICE OF ANNUAL AND SPECIAL MEETING

TO THE HOLDERS OF COMMON SHARES OF ANVIL MINING LIMITED:

The Annual and Special Meeting (the “Meeting”) of Anvil Mining Limited (the “Corporation”) will be held at Ontario Heritage Centre, 8 Adelaide Street East, Toronto, Ontario on Thursday, May 11, 2006 at 3:00 p.m., local time, for the following purposes:

1. To place before the Meeting the consolidated financial statements of the Corporation for the financial year ended December 31, 2005, and the auditors’ report thereon.
2. To elect the directors for the ensuing year.
3. To appoint auditors for the ensuing year.
4. To consider and, if thought fit, to approve a resolution confirming the amendment of By-law No. 1 of the Corporation.
5. To consider and, if thought fit, to approve a resolution approving an increase in the pool of funds for non-employee directors’ fees, in accordance with Listing Rule 10.17 of the Australian Stock Exchange Limited (the “ASX”).
6. To consider and, if thought fit, to approve a resolution approving the grant of options to three non-employee directors of the Corporation, Mr. Peter J.L. Bradford, Mr. Thomas C. Dawson and Mr. John W. Sabine, in accordance with the Corporation’s Stock Option Plan and ASX Listing Rule 10.14.
7. To consider and, if thought fit, to approve a resolution approving the grant of options to the President and Chief Executive Officer of the Corporation, Mr. William S. Turner, in accordance with ASX Listing Rule 10.11.
8. To transact such other business as may properly come before the Meeting.

The resolutions to be considered as described in paragraphs 4 to 7, inclusive, above, are set out in the Information Circular accompanying this Notice. See “Particulars of Matters to Be Acted Upon”.

The directors have fixed the close of business on Friday, April 7, 2006 as the record date for determining Shareholders who are entitled to attend and vote at the Meeting.

The consolidated financial statements for the financial year ended December 31, 2005 and the auditors’ report thereon are enclosed with this Notice.

If you cannot attend the Meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in the enclosed envelope to the Corporation, c/o Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 prior to 5 p.m. Toronto time on Tuesday, May 9, 2006.

DATED at Perth, Western Australia, on April 13, 2006.

By order of the Board  
(*signed*) Lui Evangelista  
Corporate Secretary

## MANAGEMENT INFORMATION CIRCULAR

April 13, 2006

### SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of **ANVIL MINING LIMITED** (the “Corporation”) for use at the Annual and Special Meeting of the Corporation (the “Meeting”) to be held on Thursday, May 11, 2006, and any adjournments thereof, at the time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting. The cost of solicitation of proxies will be borne by the Corporation.

### STATEMENT REGARDING NON-OBJECTING BENEFICIAL SHAREHOLDERS

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

### VOTING BY PROXIES

This section headed “Voting by Proxies” only applies to registered holders (a “Shareholder”) of common shares of the Corporation (“Common Shares”). Holders of CDIs should refer to the section of this Information Circular headed “CDI Holders May Give Direction to Depository Nominee”.

The form of proxy accompanying this Management Information Circular confers discretionary authority upon each proxy nominee with respect to any amendments or variations to the matters identified in the Notice of Annual and Special Meeting and any other matters which may properly come before the Meeting. On any ballot, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be acted on. **If a choice is not specified with respect to any matter, the Common Shares represented by a proxy given to management are intended to be voted for the nominees of management for Directors and Auditors and in favour of each of the resolutions specified in the notice of the meeting. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder’s behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy.** Proxies must be delivered to the Corporation c/o Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 prior to 5:00 p.m. Toronto time on Tuesday, May 9, 2006. A self-addressed envelope is enclosed.

Management of the Corporation are not aware of any amendments to the matters to be presented for action at the Meeting or of any other matters to be presented for action at the Meeting.

## ADVICE TO BENEFICIAL HOLDERS OF SHARES

**The information set forth in this section is of significant importance to persons who beneficially own Common Shares, as a substantial number of such persons do not hold Common Shares in their own name.** Persons who hold Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold such securities in their own name (referred to in this section as “Beneficial Holders”) should note that only proxies deposited by persons whose names appear on the records of the Corporation may be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Holder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Holder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers, agents or nominees can only be voted (for or against resolutions) upon the written instructions of the Beneficial Holder. Without specific instructions, brokers, agents and nominees are prohibited from voting securities for their clients. **Therefore, Beneficial Holders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person by the appropriate time.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Holders in advance of shareholders’ meetings. Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders to ensure that their Common Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form supplied to a Beneficial Holder by its broker, agent or nominee is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Holder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation (“IICC”). IICC typically supplies a voting instruction form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the forms to IICC or follow specified telephone voting procedures. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the appropriate Meeting. **A Beneficial Holder receiving a voting instruction form from IICC cannot use that form to vote Common Shares directly at the Meeting - the voting instruction forms must be returned to IICC or the telephone procedures completed well in advance of the Meeting in order to have such shares voted.**

Although Beneficial Holders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Holder may attend at the Meeting as proxyholder for the Shareholder and vote the Common Shares, as the case may be, in that capacity. Beneficial Holders who wish to attend at the Meeting and indirectly vote their Common Shares, as the case may be, as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy or voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

## **REVOCABILITY OF PROXIES**

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of section 150(4) of the Northwest Territories *Business Corporations Act*, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing and delivered either to the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

A proxy is valid only in respect of the Meeting.

## **CDI HOLDERS**

Many shareholders having an interest in the Common Shares hold such interests in the form of CDIs (CHESS Depository Interests). CHESS is the electronic settlement system used in Australia. The main difference between holding CDIs and holding shares is that a holder of CDIs has beneficial ownership of the equivalent number of shares calculated in the ratio of 10 CDI's for each Common Share of the Corporation instead of legal title. Legal title is held by the depository entity, CHESS Depository Nominees Pty Ltd. (the "Depository Nominee"). The shares registered in the name of the Depository Nominee are held by that entity on behalf of and for the benefit of the CDI holders.

Pursuant to paragraph 8.14 of By-law No.1 of the Corporation, the Corporation will permit CDI holders to attend the Meeting.

## **CDI HOLDERS MAY GIVE DIRECTIONS TO DEPOSITARY NOMINEE**

CDI holders are not entitled to vote at the Meeting in person. However, pursuant to paragraph 8.10 of By-law No.1 of the Corporation, each CDI holder has the right to direct the Depository Nominee how to vote in respect of their CDIs on the resolutions described in the Notice of Meeting. The Depository Nominee must vote in accordance with any direction given by a CDI holder.

If you are a CDI holder and you wish to direct the Depository Nominee how to vote in respect of your CDIs, you should read, complete, date and sign the accompanying Notice of Direction and deposit it with Computershare Registry Services, Level 2, 45 St. George's Terrace, Reserve Bank Building, Perth, Western Australia, 6000 Australia not later than the close of business on May 8, 2006.

The Depository Nominee shall exercise its right to vote at the Meeting by proxy.

Where the proxy is required to vote on multiple resolutions, the Depository Nominee must instruct the proxy holder to vote in such manner as will, in the reasonable opinion of the Depository Nominee, best represent the wishes of the majority of CDI holders.

## **PERSONS MAKING THE SOLICITATION**

This solicitation of proxies is made by management of the Corporation. The cost of the solicitation has been and will be borne by the Corporation.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, of which 52,908,858 Common Shares are issued and outstanding as of April 6, 2006.

The Common Shares are entitled to be voted at the Meeting. On a ballot each Common Share is entitled to one vote.

The record date for determination of the Shareholders entitled to attend and vote at the Meeting is April 7, 2006.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting, subject to certain exclusions of votes as contemplated below.

## FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2005 and the report of the auditors thereon will be placed before the Meeting for consideration of the Shareholders.

## ELECTION OF DIRECTORS

The directors have set the number of directors of the Corporation at five. Each of the persons whose name appears hereunder is proposed by management to be nominated for election as a director of the Corporation to serve until the next annual meeting of the Shareholders of the Corporation or until he sooner ceases to hold office. It is intended that the Common Shares represented by proxies solicited by management will be voted in favour of the election of such persons as directors of the Corporation if no choice in respect of such election is specified in the proxy. The following information concerning respective nominees has been furnished by them:

<u>Name and Residence</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Common Shares beneficially owned directly or indirectly</u>
William S. Turner, Perth, Australia	January 8, 2004 (Director of Anvil Mining NL since September 23, 1996)	President and CEO of the Corporation (January 8, 2004 – present); Managing Director, Anvil Mining NL (July 2003 – January 8, 2004); General Manager, Anvil NL (July 1995 to July 2003)	1,099,661
Peter J.L. Bradford, <sup>1,2,3</sup> Accra, Ghana	January 8, 2004 (Director of Anvil Mining NL since September 11, 1998)	CEO and Director, Golden Star Resources Ltd	458,348
John W. Sabine, <sup>1,2,3</sup> Oakville, Canada	February 29, 2004	Partner, Fraser Milner Casgrain LLP (November 2001 - Present); Partner, Donahue Ernst & Young LLP (January 2000 – November 2001)	10,000
Thomas C. Dawson, <sup>1,2,3</sup> Toronto, Ontario	May 27, 2005	Corporate Director	10,000

<u>Name and Residence</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Common Shares beneficially owned directly or indirectly</u>
Gordon R. Chambers, Vancouver, British Columbia	Nominee	Partner, Lawson Lundell LLP (February 1994 – Present)	Nil

**Notes:**

- (1) The Corporation is required to have an Audit Committee. The members of this committee are Messrs. Bradford, Sabine and Dawson.
- (2) The directors have established a Corporate Governance Committee. The members of this committee are Messrs. Bradford, Sabine and Dawson.
- (3) The directors have established a Nomination and Compensation Committee. The members of this committee are Messrs. Bradford, Sabine and Dawson.

The term of office of each director of the Corporation expires at each annual meeting of the Shareholders of the Corporation.

### **APPOINTMENT OF AUDITORS**

Management proposes to nominate PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next Annual Meeting of the Shareholders of the Corporation. PricewaterhouseCoopers LLP was first appointed to such office in February 2004.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Summary Compensation Table**

The following executive compensation disclosure is provided in respect of the Corporation's President and Chief Executive Officer, Vice President Corporate and Finance, Chief Financial Officer, Vice President Development and Chief Financial Controller (the "Named Executive Officers") for the Corporation's three most recently completed financial years. No other executive officer of the Corporation or its subsidiaries earned in excess of C\$150,000 during the financial period covered by the following table.

Name and Principal Position (a)	Year <sup>(1)</sup> (b)	Annual Compensation	Long Term Compensation	
		Salary (A\$) (c)	Awards Securities Under Options/SARs Granted (#) (f)	Payouts All Other Compensation (A\$) (i)
William S. Turner (President and Chief Executive Officer)	Dec 2005	311,311	Nil	18,137
	Dec 2004	112,500	Nil	12,754
	June 2004	225,000	Nil	15,833

Name and Principal Position (a)	Year <sup>(1)</sup> (b)	Annual Compensation	Long Term Compensation	
		Salary (A\$) (c)	Awards Securities Under Options/SARs Granted (#) (f)	Payouts All Other Compensation (A\$) (i)
Michael T. O'Sullivan (Vice President Development)	Dec 2005	287,194	100,000	Nil
	Dec 2004	110,000	Nil	Nil
	June 2004	185,000	Nil	Nil
Craig R. Munro (Vice President Corporate & Finance and Chief Financial Officer)	Dec 2005	251,026	100,000	3,438
	Dec 2004	87,500	Nil	Nil
	June 2004 <sup>(2)</sup>	26,367	40,000	Nil
Choong H. Tan (Chief Financial Controller)	Dec 2005	192,768	75,000	5,121
	Dec 2004	78,158	Nil	8,624
	June 2004	142,500	35,000	6,165

**Notes:**

- (1) The Corporation changed its financial year end from June 30 to December 31 effective December 31, 2004, in order to facilitate accounting and bring the Corporation's year-end into alignment with most international mining companies. As a result, the corporation had a six-month transitional financial year commencing July 1, 2004 and ending on December 31, 2004. The Statement of Executive Compensation takes into account the transitional financial year ended December 31, 2004.
- (2) Mr. Munro's employment as Vice President Corporate & Finance commenced on April 6, 2004.

**Option Grants During the Most Recently Completed Financial Year**

The following table discloses individual grants of options to purchase or acquire securities of the Corporation made during the most recently completed financial year to each Named Executive Officer.

Name (a)	Securities Under Options Granted (#) (b)	Percent of Total Options Granted to Employees in Financial Year (c)	Exercise or Base Price (C\$/Security) (d)	Market Value of Securities Underlying Options on the Date of Grant (C\$/Security) (e)	Expiration Date (f)
Craig R. Munro	100,000	25.3%	3.80	3.80	May 18, 2011
Michael T. O'Sullivan	100,000	25.3%	3.80	3.80	May 18, 2011
Choong H. Tan	75,000	19.0%	3.80	3.80	May 18, 2011

## Aggregated Options Exercised During Most Recently Completed Financial Year

The following table discloses all options exercised during the most recently completed financial year by each Named Executive Officer and the financial year end value of unexercised options on an aggregated basis.

Named Executive Officer (a)	Securities Acquired on Exercise (#) (b)	Aggregate Value Realized (A\$) (c)	Unexercised Options at FY-End (#) Exercisable/Unexercisable (d)	Value of Unexercised in the Money Options at FY-End (\$) Exercisable/Unexercisable (e)
Choong H. Tan	NIL	NIL	21,666/88,333	A\$81,000/C\$157,500 <sup>(1)</sup>
Michael T. O'Sullivan	NIL	NIL	275,000/150,000 <sup>(2)</sup> 25,000/0	C\$1,595,000/C\$290,000 A\$40,000/0
Craig R. Munro	NIL	NIL	13,333/126,667	0/C\$210,000

### Notes:

- (1) Mr. Tan's exercisable options are denominated in Australian dollars. His unexercisable options are denominated in Canadian dollars.
- (2) Mr. O'Sullivan has 275,000 exercisable options and 150,000 unexercisable options denominated in Canadian dollars and 25,000 exercisable options denominated in Australian dollars.

## Employment Contracts

The Corporation has entered into an employment agreement with each of William S. Turner, Choong H. Tan, Craig R. Munro and Michael T. O'Sullivan. The Agreements provide for current salary and benefit entitlements. Each of these contracts is for an indefinite term and each provides for a base salary and discretionary bonus. Mr. Turner, Mr. Munro and Mr. Tan are also provided with life insurance and salary continuance cover. No contract provides for any termination payments.

## Directors' and Officers' Liability Insurance

The Corporation maintains a Directors' and Officers' Liability insurance policy. The aggregate amount of premiums paid by the Corporation in respect of directors and officers as a group in the financial year ended December 31, 2005 was C\$81,954. The total amount of insurance purchased for all directors and officers as a group was \$10,000,000 per loss and \$10,000,000 annual aggregate. The deductible for non-securities claims made against individual directors and officers is \$100,000. The deductible for securities claims made against individual directors and officers is \$250,000.

## Composition of the Nomination and Compensation Committee

The Nomination and Compensation Committee, on behalf of the Board of Directors, has been delegated the responsibility for all matters relating to compensation of executive officers of the Corporation. Each of Peter Bradford, John Sabine and Thomas Dawson, who are all independent directors of the Corporation, were members of the Nomination and Compensation Committee

during the most recently completed financial year. The Nomination and Compensation Committee periodically reviews the compensation paid to directors and management based on such factors as time commitment, comparative fees paid by similar companies in the industry and the level of responsibility.

### **Report on Executive Compensation**

This report on executive compensation has been prepared by the Nomination and Compensation Committee. The committee is responsible for making recommendations to the Board with respect to the compensation of the executive officers of the Corporation as well as with respect to the Corporation's stock option plan and assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Corporation.

#### Philosophy and Objectives

The compensation program for the senior management of the Corporation is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning the interests of executives with those of the Corporation's shareholders.

In compensating its senior management, the Corporation has employed a combination of base salary, and equity participation through its stock option plan. The Corporation does not currently offer long-term incentive plans or pension plans to senior officers.

#### Base Salary

In the committee's view, paying base salaries which are competitive in the markets in which the Corporation operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

#### Equity Participation

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's stock option plan. Stock options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives and vest over a three year period. Given the evolving nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

#### Compensation of the Chief Executive Officer

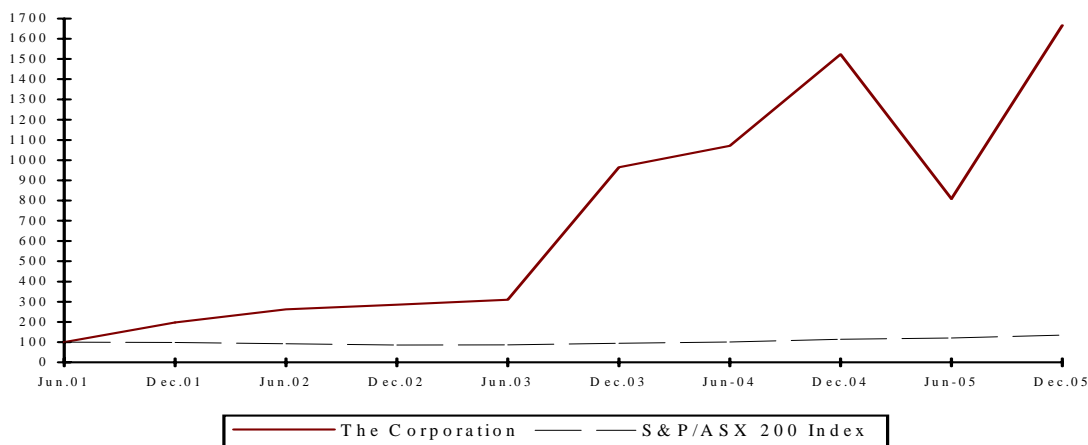
The compensation of the Chief Executive Officer is approved annually by the Board of Directors. Base cash compensation levels are based on market survey data. At present the CEO does not

have any incentive based salary component in his contract, however, the CEO's contract does provide for a discretionary bonus on the basis of performance of the Corporation.

### Performance Graph

The chart below compares, assuming an initial investment of \$100, the yearly percentage change in the cumulative total shareholder return on the Corporation's Common Shares against the cumulative total shareholder return of the S&P/ASX 200 Index for the Corporation's five most recently completed financial years.

As the Corporation's Common Shares did not begin trading on the ASX until June 3, 2004, the historical price information used for the period prior to June 3, 2004 is with respect to the securities of Anvil Mining NL, a wholly owned subsidiary of the Corporation. While a fiscal year end of June 30 is used for periods prior to the fiscal year ended December 31, 2004, the historical prices of those securities and the values of the S&P/ASX 200 Index reflect information as of the last date prior to June 30 on which the ASX was open for trading.



	June 30, 2001	June 28, 2002	June 30, 2003	June 30, 2004	December 31, 2004	December 31, 2005
<b>The Corporation</b>	\$100.00	\$261.90	\$309.52	\$1,071.43	\$1,523.81	\$1,666.67
<b>S&amp;P/ASX 200 Index</b>	\$100.00	\$91.02	\$32.22	\$43.60	\$125.27	\$147.31

### COMPENSATION OF DIRECTORS

The Corporation pays an annual retainer of US\$15,000 to each non-employee director and a further annual retainer of US\$10,000 to each of the Chairman of the Board and the Chairman of the Audit Committee, in recognition of the greater responsibilities of those roles. The Corporation also pays to each non-employee director a fee of US\$1,000 for attending a Board meeting and US\$500 for attending a committee meeting. The meeting fees are reduced by one-half for any director who attends a meeting by telephone. The aggregate maximum amount paid to the non-employee directors for the financial year ended December 31, 2005 is less than or equal to US\$100,000.

The Corporation proposes to increase the annual retainer for non-employee directors to US\$25,000 and discontinue the payment of meeting fees, effective from July 1, 2005. The Chairman of the Board and the Chairman of the Audit Committee will continue to receive an additional US\$10,000 in recognition of their additional responsibilities. The aggregate maximum amount that may be paid to the non-employee directors for the financial year ended December 31, 2006 and each year thereafter, on the basis of there being four non-employee directors, as compared to 3 non-employee directors in the financial year ended December 31, 2005, will be less than or equal to US\$150,000. See also “Approval of Pool of Funds for Non-Employee Directors’ Fees”.

Each non-employee director is required to purchase Common Shares in an amount equal to double the annual retainer within twelve months of becoming a director. Each director has the option of receiving his or her first annual retainer in stock issued by the Corporation.

Directors are also reimbursed for transportation and other out-of-pocket expenses reasonably incurred for attendance at Board and committee meetings and in connection with the performance of their duties as directors.

The Corporation’s Stock Option Plan (the “Plan”) provides for the automatic grant of an option to purchase 50,000 Common Shares to each person who becomes a non-employee director, as of the date such person first becomes a non-employee director, provided that, within the previous year, such person was not granted any other stock options by the Corporation. In addition, under the Plan, subject to regulatory approval, if required, each non-employee director is automatically granted stock options to purchase 25,000 Common Shares as of the date of the first Board meeting after the end of each financial year. The Board may, at its discretion, grant additional options to non-employee directors from time to time. All options granted to the non-employee directors under the Plan vest as to one-third at the end of each of the first three years after grant and have a six-year term. Under the ASX Rules, Shareholder approval is required before any director may acquire options under the Plan.

There are no other arrangements under which directors were compensated for their services as directors during the 2005 financial year and no other arrangements under which directors were compensated as consultants or experts during the 2005 financial year.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

### **Equity Compensation Plan Information**

The following table summarizes relevant information as of December 31, 2005 with respect to compensation plans under which equity securities are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by security holders	3,360,000 1,196,631	C\$5.79 A\$2.25	1,768,685
Equity compensation plans not approved by security holders	1,100,000	C\$5.80	Nil
Total	4,460,000 1,196,631	C\$5.79 A\$2.25	1,768,685

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

### **Aggregate Indebtedness**

The following table sets out the aggregate indebtedness of all executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries outstanding as at March 20, 2006 in connection with a purchase of securities and all other indebtedness.

<b>AGGREGATE INDEBTEDNESS (\$)</b>		
<b>Purpose</b>	<b>To the Company or its Subsidiaries</b>	<b>To Another Entity</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Share Purchases	A\$409,171	NIL
Other	NIL	NIL

### **Indebtedness of Directors and Officers under Securities Purchase and Other Programs**

The following table sets out each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each proposed nominee for election as a director of the Corporation, and each associate of any such director, executive officer or proposed nominee, and who is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS</b>						
<b>Name and Principal Position</b>	<b>Involvement of Company or Subsidiary</b>	<b>Largest Amount Outstanding During Most Recently Completed Financial Year (\$)</b>	<b>Amount Outstanding as at March 20, 2006 (\$)</b>	<b>Financial Assisted Securities Purchases During Most Recently Completed Financial Year (#)</b>	<b>Security for Indebtedness</b>	<b>Amount Forgiven During Most Recently Completed Financial Year (\$)</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>	<b>(g)</b>
<b>Securities Purchase Programs</b>						
William S. Turner <sup>(1)</sup>	Lender	A\$541,171	A\$409,171	Nil	Pledge of Securities	Nil
Peter J.L. Bradford <sup>(2)</sup>	Lender	A\$480,000	Nil	Nil	Pledge of Securities	Nil

**Notes:**

(1) Mr. Turner's indebtedness is held in the name of Wintercoast Pty Ltd., an associated company.

(2) Mr. Bradford's indebtedness was held in the name of Bayfalls Pty Ltd., an associated company.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

During the most recently completed financial year, there were no material transactions or proposed material transactions that materially affected or will materially affect the Corporation or any of its subsidiaries, in which (i) any informed person of the Corporation, (ii) any proposed director of the Corporation, or (iii) any associate or affiliate of any of the foregoing has any material interest except the following:

- (a) William S. Turner (through Wintercoast Pty Ltd, an associated company) was indebted to the Corporation during the last financial year in the amount of A\$541,171. Mr. Turner made a partial payment on this indebtedness and is currently indebted to the Corporation in an aggregate amount of A\$409,171; and
- (b) Mr. Peter J.L. Bradford (through Bayfalls Pty Ltd, an associated company) was indebted to the Corporation during the last financial year in the amount of A\$480,000. Mr. Bradford repaid the Corporation in full during the last financial year.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**AMENDMENT OF BY-LAW NO. 1**

On March 8, 2006, the directors of the Corporation passed an amendment to By-law No. 1 of the Corporation to specify, in accordance with the Australian Stock Exchange Settlement and Transfer Corporation Settlement Rules, that the Australian depository for the Corporation's CDIs may sign a proxy appointing the CDI holder as its proxy for the purpose of attending and voting

at shareholder meetings of the Corporation. The *Business Corporations Act* (Northwest Territories) requires that any By-law amendment approved by the directors be submitted to the shareholders at the next meeting of the shareholders for confirmation by ordinary resolution, failing which, the amendment ceases to be effective.

The Shareholders will be asked to consider and, if thought fit, to pass, the following resolution:

*RESOLVED THAT the following amendment to By-law No. 1 of the Corporation be confirmed:*

**WHEREAS**

- A. *the Company participates in the CHESSE system of the ASX, which allows for and requires the settlement of transactions in securities quoted on the ASX to be effected electronically;*
- B. *the Company's Common Shares trade on the ASX in the form of CHESSE Depository Interests, or "CDIs", which are electronic depository receipts and are units of beneficial ownership in the Company's Common Shares, legal title to which is held by CHESSE Depository Nominees Pty Ltd ("CDN");*
- C. *holders of the Company's CDIs may wish to be able to vote at meetings of shareholders of the Company; and*
- D. *Section 13.8.8 of the ASX Settlement and Transfer Corporation Settlement Rules provides that CDN can only appoint a CDI holder (or any person nominated by the CDI holder) as its proxy for the purposes of attending and voting at a shareholders meeting where the Constitution of the company allows CDN to do so.*

**RESOLVED THAT** *Section 8.10 of the Company's By-law No. 1 be amended by adding the following clauses (e) and (f):*

(e) *In relation to CDIs, the Depository Nominee may appoint a CDI holder or a person nominated by a CDI holder as its proxy for the purposes of attending and voting at a meeting of the Corporation. Holders of CDIs must inform the Corporation if they wish to nominate another person to be appointed as the Depository Nominee's proxy.*

(f) *For the purposes of this By-law 8.10, the following terms have the following meanings:*

*"CDI" means CHESSE Depository Interest registered in the name of the Depository Nominee. Ten CDIs represent one Common Share in the Corporation;*

*"Depository Nominee" has the meaning given to that expression in the ASTC Settlement Rules; and*

*"ASTC Settlement Rules" means the ASX Settlement and Transfer Corporation Settlement Rules.*

## **APPROVAL OF POOL OF FUNDS FOR NON-EMPLOYEE DIRECTORS' FEES**

The Corporation seeks Shareholder approval of an increase in the pool of funds for non-employee directors' fees. The Shareholders will therefore be asked to consider and, if thought fit, to pass, the following resolution:

*RESOLVED THAT, for the purposes of ASX Listing Rule 10.17 and all other purposes, the shareholders authorize and approve that the total payment to the non-employee directors of directors fees be increased by US\$50,000, from US\$100,000 to US\$150,000 per annum.*

The Corporation will disregard any votes cast on this resolution by a director of the Corporation and any associate of a director. However, the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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The purpose of this resolution is to authorize the increase in non-employee director fees to provide for a flat annual retainer, removing a per meeting component, and to provide an increase in the number of non-employee directors from 3 to 4 from the date of this meeting, all as described, in more detail under the heading "Compensation of Directors", above. The increased pool also allows flexibility to the Corporation to appoint an additional non-employee director.

## **APPROVAL OF GRANT OF OPTIONS TO NON-EMPLOYEE DIRECTORS**

The Corporation's Stock Option Plan (the "Plan") provides for the automatic grant of an option to purchase 50,000 Common Shares to each person who becomes a non-employee director, as of the date such person first becomes a non-employee director, provided that, within the previous year, such person was not granted any other stock options by the Corporation. In addition, under the Plan, subject to regulatory approval if required, each non-employee director is automatically granted stock options to purchase 25,000 Common Shares as of the date of the first Board meeting after the end of each financial year. The Board may, at its discretion, grant additional options to non-employee directors from time to time. All options granted to the non-employee directors under the Plan vest as to one-third at the end of each of the first three years after grant and have a six-year term. Under the Rules of the ASX, the approval of the Shareholders is required before a director may acquire options under the Plan.

On May 27, 2005, Mr. Thomas C. Dawson was appointed as a non-employee director of the Corporation, and therefore, the Corporation seeks shareholder approval for the grant of stock options to Mr. Dawson to purchase 50,000 Common Shares, in accordance with the resolution below.

In respect of the twelve-month period ended June 30, 2006, approval for the yearly grant of stock options to Mr. John W. Sabine and Mr. Peter J.L. Bradford was given by Shareholders at a meeting held on October 29, 2004. The Corporation therefore only seeks Shareholder approval for the grant to Mr. Dawson of his yearly stock options for the twelve-month period ended December 31, 2006, in accordance with the resolution below.

In respect of the twelve-month period ending December 31, 2006, the Corporation is also seeking shareholder approval for the yearly grant of stock options to each of Mr. Dawson, Mr. Sabine and Mr. Bradford, to purchase 25,000 Common Shares, in accordance with the resolution below.

The Shareholders will therefore be asked to consider and, if though fit, to pass, the following resolution:

*RESOLVED THAT, for the purpose of ASX Listing Rule 10.14 and for all other purposes, shareholders approve and authorize the grant of:*

- (a) *75,000 options (each to subscribe for one Common Share in the capital of the Corporation with 50,000 options exercisable at C\$3.80 on or before 6 years from the date of grant and 25,000 options exercisable at \$7.06 on or before 6 years from the grant date) to Mr. Thomas C. Dawson; and*
- (b) *25,000 options (each to subscribe for one Common Share in the capital of the Corporation and exercisable at a price based on the volume weighted average trading price of the underlying Common Shares for the five trading days immediately preceding the grant date and exercisable on or before 6 years from the grant date) to each of Mr. Thomas C. Dawson, Mr. John W. Sabine and Mr. Peter J.L. Bradford at the first board meeting following the end of the financial year ending December 31, 2006; and*

*in accordance with the Plan and otherwise on the terms and conditions set out in this Management Information Circular.*

The Corporation will disregard any votes cast on this resolution by a director of the Corporation (except one who is ineligible to participate in any employee incentive scheme in relation to the Corporation) and any associate of a director. However, the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

<b>Optionee</b>	<b>Financial Year Ended</b>	<b>Number of Common Shares Under Option</b>	<b>Expiration Date</b>	<b>Exercise Price</b>
Thomas C. Dawson	2005	50,000	6 years from the grant date	C\$3.80
	2006	25,000	6 years from the grant date	C\$7.06
	2007	25,000	6 years from the grant date	No less than the volume weighted average trading price of the underlying Common Shares for the five trading days immediately preceding the grant date
John W. Sabine	2007	25,000	6 years from the grant date	No less than volume weighted average trading price of the underlying Common Shares for the five trading days immediately preceding the grant date
Peter L. J. Bradford	2007	25,000	6 years from the grant date	No less than the volume weighted average trading price of the underlying Common Shares for the five trading days immediately preceding the grant date

The grant of stock options to non-employee directors is not in accordance with the ASX Corporate Governance Council’s “*Principles of Good Corporate Governance and Best Practice Recommendations*”. However, based on the size of the Corporation, the Board considers it is appropriate for non-employee directors to participate in the Plan. The Board has determined the

number of stock options to be granted to non-employee directors based on the level of commitment provided or to be provided by each non-employee director. The Board has taken into consideration the responsibilities of the non-employee directors as well as the time commitments required from each non-employee director. The number of options to be granted to the non-employee directors reflects the value the Board considers that each non-employee director brings to the enhancement of the Corporation.

### **Listing Rule Disclosure Requirements**

In accordance with ASX Listing Rule 10.15, the following information is provided to Shareholders in relation to part (a) of the above resolution, granting 75,000 stock options to Mr. Thomas C. Dawson:

- Mr. Dawson is a director of the Corporation.
- The maximum number of options to be granted to Mr. Dawson under the resolution is 75,000 options.
- The options will be granted for no cash consideration and accordingly, no funds will be raised by the grant of options to Mr. Dawson. Of the 75,000 options, 50,000 options will have an exercise price of C\$3.80 and 25,000 options will have an exercise price of C\$7.06. If all options are exercised, delivered and paid for, the Corporation will receive C\$366,500.
- No directors referred to in ASX Listing Rule 10.14 have received securities under the Plan since the last approval by Shareholders.
- Directors, officers and employees of, and contractors to, the Corporation or any of its subsidiaries, may participate in the Plan.
- It is proposed that the options being approved under the resolution will be granted within 12 months from the date the Meeting, but the Corporation reserves its right to grant the options progressively.

In accordance with ASX Listing Rule 10.15A, the following information is provided to shareholders in relation to part (b) of the above resolution, granting to each of Mr. Thomas C. Dawson, Mr. John W. Sabine and Mr. Peter J.L. Bradford 25,000 stock options for the twelve-month period ending December 31, 2007:

- Mr. Dawson, Mr. Sabine and Mr. Bradford are directors of the Corporation.
- The maximum number of options to be granted to each of Mr. Dawson, Mr. Sabine and Mr. Bradford under the resolution is 25,000 options.
- The options will be granted for no cash consideration and accordingly, no funds will be raised by the grant of options to the non-employee directors. The exercise price of the options being granted under the resolution will be the volume weighted average

trading price of the underlying Common Shares for the five trading days immediately preceding the date of grant by the Board.

- No directors referred to in ASX Listing Rule 10.14 have received securities under the Plan since the last approval by Shareholders.
- Directors, officers and employees of, and contractors to, the Corporation or any of its subsidiaries, may participate in the Plan.
- Details of any options granted under the Plan will be published in an annual report of the Corporation relating to the period in which the options are granted.
- Any additional persons who become entitled to participate in the Plan after the resolution is approved and who are not named in this Notice of Annual and Special Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
- It is proposed that the options being approved under resolution will be granted within 3 years from the date of the Meeting, and the Corporation reserves its right to grant the options progressively.

The terms and conditions of the options to be granted to Mr. Dawson, Mr. Sabine and Mr. Bradford, are set out in the Plan.

#### **APPROVAL OF GRANT OF OPTIONS TO PRESIDENT AND CEO**

The Corporation seeks Shareholder approval to grant 270,000 stock options to Mr. William S. Turner, President and Chief Executive Officer of the Corporation.

The Shareholders will be asked to consider and, if though fit, to pass, the following resolution:

*RESOLVED THAT, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorize the grant of:*

- (a) *200,000 options (each to subscribe for one Common Share in the capital of the Corporation and exercisable at C\$3.80 on or before 6 years from the grant date) to Mr. William S. Turner for the financial year ended 2005; and*
- (b) *70,000 options (each to subscribe for one Common Share in the capital of the Corporation and exercisable at C\$7.06 on or before 6 years from the grant date) to Mr. William S. Turner for the financial year ended 2006,*

*in accordance the terms and conditions set out in this Management Information Circular.*

<p>The Corporation will disregard any votes cast on this resolution by Mr William S. Turner and any associate of Mr Turner. However, the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>
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<b>Optionee</b>	<b>Financial Year Ended</b>	<b>Number of Common Shares Under Option</b>	<b>Expiration Date</b>	<b>Exercise Price</b>
William S. Turner	2005	200,000	6 years from grant date	C\$3.80
	2006	70,000	6 years from grant date	C\$7.06

### **Listing Rule Disclosure Requirements**

In accordance with ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to the resolution in respect of the grant of 270,000 stock options to Mr. William S. Turner:

- Mr. Turner is the President and Chief Executive Officer of the Corporation.
- The maximum number of options to be granted to Mr. Turner under the resolution is 270,000 options.
- The options will be granted within 1 month from the date of the Meeting. The Corporation intends to grant the options on one date but reserves its right to grant the options progressively.
- The options will be granted for no cash consideration and accordingly, no funds will be raised by the grant of options to Mr. Turner. Of the 270,000 options, 200,000 options being granted will have an exercise price of C\$3.80 and 70,000 options being granted will have an exercise price of C\$7.06. If all options proposed to be granted to Mr. Turner are exercised, delivered and paid for, the Corporation will receive C\$1,254,200.

The terms and conditions of the options to be granted to Mr. Turner are set out in the Plan.

### **CORPORATE GOVERNANCE PRACTICES**

The Corporation seeks to achieve high standards of corporate governance and has designed its corporate governance practices to be consistent with this objective. As a Canadian public company with its shares traded on the Toronto Stock Exchange and CHESSE depository interests traded on the Australian Stock Exchange, the Board of Directors has adopted its governance practices in response to Canadian and Australian regulatory requirements. As new rules and policies come into effect, the Board will continue to revise its practices as required.

#### **Board of Directors**

The independent directors of the Corporation are Peter J.L. Bradford, Thomas C. Dawson and John W. Sabine. William S. Turner is the President and Chief Executive Officer of the Corporation and is not an independent director of the Corporation. A majority, being three of four, directors of the Corporation are independent.

The following table identifies each director of the Corporation who is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.

<b>Director</b>	<b>Reporting Issuer</b>
Peter J.L. Bradford	Golden Star Resources Ltd., Euro Ressources S.A.
Thomas C. Dawson	WFI Industries Ltd., SouthernEra Diamonds Inc., Arizona Star Resource Corp., Seabridge Gold Inc., Energy Split Corp. Inc., Energy Split Corp. II Inc. and R Split II Corp.

In accordance with the Corporation's Board Charter, the independent Board members shall hold regularly scheduled meetings at which members of management are not in attendance. Since the beginning of the most recently completed financial year, there have been 4 meetings of the independent directors.

The Corporation's Board Charter mandates that an independent director shall be Chairman of the Board. Mr. John W. Sabine, who is an independent director, is the Chairman of the Board of Anvil. The Chairman of the Board is responsible for leading the Board in its duties to the Anvil Group; ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and its individual directors; facilitating effective review, analysis and discussion at Board meetings; and ensuring effective communication with shareholders and stakeholders.

The following table sets out the attendance record of each director at all Board meetings and meetings of committees of which they were members held during the financial year ended December 31, 2005.

<b>Name of Director</b>	<b>Date Appointed Director</b>	<b>Board Meetings Held (Attended)</b>	<b>Audit Committee Meetings Held (Attended)</b>	<b>Nomination &amp; Compensation Committee Meetings Held (Attended)</b>
Philip K.R. Pascall <sup>(1)</sup>	October 22, 1998	5 (5)		1 (1)
William S. Turner	September 23, 1996	5 (5)		
Peter J. Bradford	September 11, 1998	5 (5)	4 (4)	Chairman 1 (1)
John W. Sabine	February 29, 2004	Chairman 5 (4) <sup>(2)</sup>	4 (4)	
Thomas C. Dawson	May 27, 2005	3 (3)	Chairman 2 (2)	
Lance S. Tigert <sup>(3)</sup>	March 23, 2004	1 (1)	1 (1)	

**Notes:**

- (1) Mr. Pascall resigned as Chairman of the Board on November 4, 2005 and resigned as a director of the Corporation on November 30, 2005.
- (2) Mr. Sabine was appointed Chairman of the Board on November 4, 2005.
- (3) Mr. Tigert passed away on March 25, 2005.

It should be noted that the above summary is not strictly indicative of the contribution made by each director and that absence from a meeting may result from a variety of factors or causes.

## **Board Mandate**

The Corporation has a written Board Charter that sets out the role, composition and responsibilities of the Board of directors of the Corporation and its subsidiaries.

The Board of directors is responsible for supervising the management of the business and affairs of the Corporation in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. The Board discharges this responsibility both directly and by delegating certain authority to committees of the Board and to senior management of the Corporation. The responsibilities of the Board include the following:

### **1. Board**

- (a) Determining the size and composition of the Board, establishing committees, determining director compensation, selecting and evaluating candidates for election,
- (b) Maintaining a formal orientation and education program for new directors and ongoing programs for all directors, and
- (c) Assessing its overall effectiveness as a Board and the effectiveness of individual directors.

### **2. Senior Management**

- (a) Selecting, evaluating and, if necessary, replacing the President & Chief Executive Officer, Corporate Secretary and other members of senior management,
- (b) Delegating responsibility and authority for the management of operations and administration of the Corporation to the President & Chief Executive Officer,
- (c) Overseeing succession planning for senior management positions,
- (d) Approving the compensation of senior management,
- (e) Ensuring that the Corporation has an appropriate blend of senior management skills and capabilities to implement the agreed to strategies, and
- (f) Advising and counselling the President & Chief Executive Officer.

### **3. Strategy**

- (a) Reviewing the effectiveness of the strategic planning process,
- (b) Approving the Corporation's business objectives and strategic plans,
- (c) Monitoring corporate performance against approved objectives and strategic plans, and
- (d) Ensuring there are adequate human and financial resources available to achieve the Corporation's stated objectives.

### **4. Risk Management, Capital Management and Internal Control**

- (a) Reviewing and approving risk management policies and procedures,
- (b) Monitoring adherence to stated risk management policies and procedures, including political risk management, capital risk management, internal control procedures and management information systems so as to provide reasonable assurance as to the reliability of the Corporation's financial information and the safeguarding of its assets,

- (c) Monitoring compliance with legislative and regulatory requirements of all jurisdictions in which the Corporation operates, and
  - (d) Monitoring compliance with the Corporation's Code of Business Conduct.
5. **Financial Reporting**
- (a) Reviewing and approving the annual financial statements,
  - (b) Reviewing the quarterly financial statements, and
  - (c) Reviewing and approving material investments and transactions.
6. **Communications**
- (a) Reporting the financial results to shareholder and other stakeholders,
  - (b) Approving policies regarding confidentiality of information,
  - (c) Approving policies for trading by employees in the securities of the Corporation, and
  - (d) Monitoring corporate communications and public disclosure.
7. **Other**
- (a) Performing such other functions as are prescribed by law or as assigned to the Board in the Corporation's governing documents, and
  - (b) Ensuring that the Corporation has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate, social and environmental responsibility.

### **Position Descriptions**

The Board has a written position description for the Chairman of the Board and for the chairman of each Board committee and has developed a written position description for the CEO, which is included in the Board Charter.

### **Orientation and Continuing Education**

The Nomination and Compensation Committee is responsible for the identification of new directors for appointment to the Board as well as for the assessment and enhancement as necessary of individual director competencies. Due to its size, the Corporation does not have a formal Directors' manual, however new directors are provided with detailed financial and operational information about the Corporation. Directors are also provided with copies of the Company's Board Charter, Code of Conduct, Corporate Governance Charter, Share Trading Policy and Whistleblower Policy and encouraged to visit operational sites.

### **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct which applies to directors, officers and employees of the Corporation. A copy of the Code may be obtained from the Corporation's website, at [www.anvilmining.com](http://www.anvilmining.com), or by contacting the Corporate Secretary by mail, at Anvil Mining Limited, PO Box 1654, Perth, Western Australia, 6872, by e-mail, at [luie@anvilmining.com](mailto:luie@anvilmining.com), or by telephone at +61 9 481 4700.

The Board monitors compliance with the Code through the Audit Committee. The Audit Committee is required to meet at least once in each fiscal quarter and is required to report to the Board following its meetings.

There has been no conduct of a director or executive officer since the beginning of the last financial year that constitutes a departure from the Code and therefore no material change report has been required to be filed in connection with any such conduct.

There are no transactions or agreements of the Corporation in respect of which a director or executive officer has a material interest, other than as disclosed in this Information Circular. See under the heading “Interest of Informed Persons in Material Transactions”. The Board ensures directors exercise independent judgment in considering any such transaction by requiring the interested director to absent himself from any meeting or portion of a meeting at which any such transaction is considered.

In furtherance of the objective of encouraging and promoting a culture of ethical business conduct, the Board also has adopted a Whistleblower Policy. A copy of the Policy may be obtained from the Corporation’s website, at [www.anvilmining.com](http://www.anvilmining.com), or by contacting the Corporate Secretary by mail, at Anvil Mining Limited, PO Box 1654, Perth, Western Australia, 6872, by e-mail, at [luie@anvilmining.com](mailto:luie@anvilmining.com), or by telephone at +61 9 481 4700. The Corporation’s CFO is the Corporation’s Compliance Officer, to whom concerns about legal or regulatory compliance by the Corporation should be reported. Employees may report concerns to any other supervisor or member of management if they feel more comfortable doing so. The Audit Committee is responsible for monitoring the operation of the Whistleblower Policy.

To further encourage ethical business practices, each director has the right to seek independent professional advice at the Corporation’s expense, upon obtaining prior approval from the Chairman, which approval will not be unreasonably withheld.

### **Nomination of Directors**

The Board identifies potential Board candidates primarily through the work of the Nomination and Compensation Committee. Potential candidates are identified through contacts with consultants and advisors to the Corporation, research and by current Board members using their industry contacts and knowledge.

Possible candidates for Board nomination are contacted and interviewed and their background and experience are checked before the Nomination and Compensation Committee will recommend a candidate to the Board for nomination.

The Nomination and Compensation Committee is composed entirely of independent directors. The duties of the Nomination and Compensation Committee include:

- (a) Identifying and evaluating the particular skills, experience and expertise that will best complement the Board’s effectiveness;
- (b) Reviewing Board succession plans;
- (c) Evaluating the Board’s performance; and
- (d) Making recommendations for the appointment and removal of directors to the Board.

The Nomination and Compensation Committee is required to meet as frequently as required, but not less than two times annually, and is required to report regularly to the Board following its meetings. Particularly with regard to nominations responsibilities, the Nomination and Compensation Committee's duties include:

- Determining the appropriate size and composition of the Board;
- Developing criteria for selection of candidates for the Board in the context of the Board's existing composition and structure;
- Making recommendations to the Board on the appointment and removal of directors;
- Identifying, assessing, and enhancing director competencies;
- Developing a succession plan for the Board and regularly reviewing the plan;
- Reviewing the time required from a non-executive director and whether directors of the Board are meeting this requirement; and
- Evaluating the performance of the Board and key executives.

The Nomination and Compensation Committee is entitled to access to any and all books and records of the Corporation necessary for the execution of the Committee's obligations and is required to discuss with the officers of the Corporation such records and other matters considered appropriate. It may obtain independent professional advice at the Company's expense, upon obtaining prior approval of the Chairman, which consent is not to be unreasonably withheld.

### **Compensation**

The Nomination and Compensation Committee is charged with the responsibility of making recommendations to the Board on executive compensation and incentive policies, compensation packages of senior management and the compensation framework for directors.

The Nomination and Compensation Committee is composed entirely of independent directors.

The Nomination and Compensation Committee is required to meet as frequently as required, but not less than two times annually, and is required to report regularly to the Board following its meetings. Particularly with regard to responsibilities relating to compensation matters, the Nomination and Compensation Committee's duties include:

- Determining compensation policies and compensation of directors;
- Determining compensation and incentive policies packages of key executives;
- Professional indemnity and liability insurance for directors and senior management;
- Reviewing succession plans for senior management; and
- Preparing an annual report on executive compensation for inclusion in the Company's Annual Information Form.

The Nomination and Compensation Committee is entitled to access to any and all books and records of the Corporation necessary for the execution of the Committee's obligations and is required to discuss with the officers of the Corporation such records and other matters considered appropriate. It may obtain independent professional advice at the Company's expense, upon obtaining prior approval of the Chairman, which consent is not to be unreasonably withheld.

During the most recently completed financial year, the Nomination and Compensation Committee retained a compensation consultant to conduct a compensation review of executive and senior management positions.

### **Corporate Governance Committee**

The Board also has a Corporate Governance Committee. The primary function of the Corporate Governance Committee is to assist the Board in fulfilling its governance responsibilities.

The Corporate Governance Committee is composed entirely of independent directors.

The Corporate Governance Committee is required to meet as frequently as required and is required to report regularly to the Board following its meetings. The responsibilities of the Corporate Governance Committee include:

- (a) Overseeing issues of corporate governance as they apply to the corporation and reporting to the Board on such matters;
- (b) Reviewing annually the Corporation's compliance with applicable corporate governance legislation and guidelines and considering whether any changes to the systems and procedures in place to achieve compliance should be recommended to the Board;
- (c) Reviewing annually and reporting to the Board on:
  - the relationships, if any, between each of the directors and the Corporation and its management; and
  - any involvements of any of the directors which constitute, or may result in, a conflict of interest;
- (c) Reviewing, at least annually, the Committee's duties and responsibilities and determining if any amendments, additions or deletions are necessary;
- (d) Reporting to the Board at the earliest opportunity following any meeting of the Committee; and
- (e) Such other duties as may be delegated by the Board to the Committee from time to time.

The Corporate Governance Committee is entitled to access to any and all books and records of the Corporation necessary for the execution of the Committee's obligations and is required to discuss with the officers of the Corporation such records and other matters considered appropriate. The Committee has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors to assist it with the carrying out of its functions.

### **Assessments**

The Board, its committees and individual directors do not, at present, conduct a formal assessment as to their effectiveness. The Nomination and Compensation Committee regularly assesses the needs of the Board in relation to skill requirements and experience. Current Board members have been selected based on their distinctive skills and potential contribution to the effectiveness of the Corporation. Due to the growth of the Corporation in the last year, the Committee has identified the need for a possible increase in the number of directors who will be

able to provide the specialist skills and experience necessary in areas that do not presently exist at the Board level.

### **AVAILABILITY OF DOCUMENTS**

The Corporation will provide to any person, upon request to the Corporate Secretary, one copy of the following documents:

- a) the Corporation's latest Annual Information Form, together with any document, or the pertinent pages of any document, incorporated therein by reference, filed with the applicable securities regulatory authorities;
- b) the comparative financial statements of the Corporation filed with the applicable securities regulatory authorities for the Corporation's most recently completed year in respect of which such financial statements have been issued, together with the report of the auditors thereon, Management's Discussion and Analysis and any interim financial statements of the Corporation filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements; and
- c) the Management Information Circular of the Corporation filed with the applicable securities regulatory authorities in respect of the most recent annual meeting of Shareholders of the Corporation which involved the election of directors.

Copies of the above documents will be provided free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge by any person or company who is not a security holder of the Corporation, and who requests a copy of such document.

### **SHAREHOLDER PROPOSALS**

The final date by which the Corporation must receive a proposal for any matter that a person entitled to vote at an annual meeting proposes to raise at the next annual meeting of the Corporation is February 12, 2007.

### **APPROVAL OF THIS MANAGEMENT PROXY CIRCULAR**

The contents and the sending of this Management Proxy Circular have been approved by the directors of the Corporation.

By order of the Board  
(*signed*) Lui Evangelista  
Corporate Secretary

**All correspondence to:**  
Computershare Investor Services Pty Limited  
GPO Box D182 Perth  
Western Australia 6840 Australia  
Enquiries (within Australia) 1300 557 010  
(outside Australia) 61 3 9415 4000  
Facsimile 61 8 9323 2033  
web.queries@computershare.com.au  
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



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**Annual & Special Meeting - 11 May 2006**

**Voting instructions to CHES Depositary Nominees Pty Ltd**

I/We being a holder of CHES Depositary Interests of the above Company hereby direct CHES Depositary Nominees Pty Ltd to vote the shares underlying my/our holding at the Annual & Special Meeting in respect of the resolutions outlined below, as follows:

**CHES Depositary Nominees Pty Ltd will vote as directed. Please mark with an  to indicate your directions.**

	For	Withhold		For	Withhold
Election of Directors		2	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>
1.01 William S Turner	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
1.02 Peter J L Bradford	<input type="checkbox"/>	3	Approval of Confirmation of Amendment of By-law No. 1	<input type="checkbox"/>	<input type="checkbox"/>
1.03 John W Sabine	<input type="checkbox"/>	4	Approval of Non-Employee Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>
1.04 Thomas C Dawson	<input type="checkbox"/>	5	Approval of Grant of Options to Non-Employee Directors	<input type="checkbox"/>	<input type="checkbox"/>
1.05 Gordon R Chambers	<input type="checkbox"/>	6	Approval of Grant of Options to Mr William Turner	<input type="checkbox"/>	<input type="checkbox"/>

If you do not mark the 'FOR' or 'WITHHOLD' or 'AGAINST' box, as applicable, your vote will not be counted.

By execution of this CDI Voting Instruction Form the undersigned hereby authorises CHES Depositary Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such other business not listed above as may properly come before the meeting.

**PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3


Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

 AVM



## Instruction for Completion of CDI Voting Instruction Form

### **Your vote is important**

Each Anvil Mining Limited CHESS Depositary Interest (CDI) is equivalent to one tenth of one Common Share of Anvil Mining Limited, so that every ten (10) CDIs that you own at 7 April 2006 entitles you to one vote at the Annual and Special Meeting.

*You can vote by completing, signing and returning your CDI Voting Instruction Form.* The CDI Voting Instruction Form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return your completed CDI Voting Instruction Form so that it is received at the address shown on the Form by not later than 5pm WST (Australian time) on May 8, 2006. That will give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote the underlying shares.

### **Signature(s) of CHESS Depositary Interest Holders**

Each holder must sign this form. If your CDIs are held in joint names, all holders must sign in the boxes. If you are signing as an Attorney, then the Power of Attorney must have been noted by the Company's Australian Registry or a certified copy of it must accompany this form.

Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie. Sole Director and Sole Company Secretary, or Director and Company Secretary.

If you require further information on how to complete the CDI Voting Instruction Form, telephone the Registry on 1300 557 010 .

### **Lodgement of Notice**

CDI Voting Instruction Forms must be returned to Computershare Investor Services Pty Limited, GPO Box D182 Perth WA 6840 Australia. Computershare street address is Level 2, 45 St George's Terrace, Reserve Bank Building, Perth, WA, 6000 Australia.

**For assistance please contact Computershare Investor Services Pty  
Limited on 1300 557 010**