



## Kinsevere – Nambulwa

### Overview

Anvil Mining is confident of playing a significant role in the development of the Kinsevere-Nambulwa copper-cobalt deposits in the Democratic Republic of Congo (DRC), north of the Katangan provincial capital, Lubumbashi.

The Kinsevere-Nambulwa Joint Venture is between Anvil (80%) and the Mining Company of Katanga (MCK) (20%). The lease agreement covers two separate exploitation permits, one for the Kinsevere Project and one for the Nambulwa deposit.

### The tenements

The Kinsevere-Nambulwa properties, 30 kilometres (km) north of the provincial capital Lubumbashi, include two separate exploitation permits covering a combined total of 19.5 square kilometres (km<sup>2</sup>) surrounded by 819km<sup>2</sup> of exploration permits.

The Kinsevere Project comprises three known fragments of mineralized Mines Series rocks, Kinsevere, Tshifufia and Tshifufiamashi located within the exploitation permit (5.95km<sup>2</sup>). These were drilled by Anvil and MCK during 2005 for a total of 5,675 metres (m) of reverse circulation (RC) drilling (84 drill holes) and 2,213m of diamond drilling (14 drill holes).

Nambulwa, the second exploitation permit (16 km<sup>2</sup>), is situated 30km to the north of Kinsevere and hosts an outcropping zone of mineralization but has had insufficient work completed to allow for any meaningful mineral estimates.

### Deal with Gécamines

In November 2005 an exclusive Contrat d'Amodiation (Lease Agreement) was signed between MCK and La Générale des Carrières et des Mines (Gécamines) for a period of 25 years to mine and process ore from the Kinsevere, Tshifufia, Tshifufiamashi and Nambulwa copper-cobalt deposits. Anvil and MCK have formed a local joint venture company, AMCK s.p.r.l., to be the operating company.

### Terms of the Lease Agreement

Anvil will make a one-off payment of \$2.3 million to MCK, part of which is a reimbursement of costs incurred by MCK to date. MCK will pay \$1.0 million to Gécamines in three tranches: \$800,000 on signing of the Lease Agreement and its approval by the DRC government; \$100,000 upon endorsement of the tenements to MCK; and the final \$100,000 four months after the start of commercial production.

The Lease Agreement provides for the AMCK Joint Venture to make royalty payments to Gécamines on each tonne of commercially viable copper metal extracted from future mining operations on the Kinsevere-Nambulwa deposits. The royalty payment is calculated on both copper and cobalt mined as copper equivalent tonnes (Cueq) and varies from a floor price of \$35 per tonne of Cueq at the London Metal Exchange (LME) copper price of \$2,200 per tonne (or \$1.00/lb Cu) to a ceiling price of US\$70 per tonne of Cueq at an LME copper price of \$4,000 per tonne (or \$1.81/lb Cu). The royalty payments amount to US\$0.016 per pound of copper equivalent (Cueq) mined at an LME copper price of US\$1.00 per pound to US\$0.032 per pound of copper equivalent (Cueq) mined at an LME copper price of US\$1.80 per pound.

As of September 11, 2006, Anvil increased its interest by 10% to 80% in the Kinsevere-Nambulwa copper-cobalt Joint Venture for a total consideration of \$14 million, \$10 million in cash and \$4 million in common shares.

**Ownership:** Anvil 80%, MCK 20%

**Location:** 30 km north of Lubumbashi region, Katanga Province, Democratic Republic of Congo

**Resources:** 348,000 tonnes of contained copper

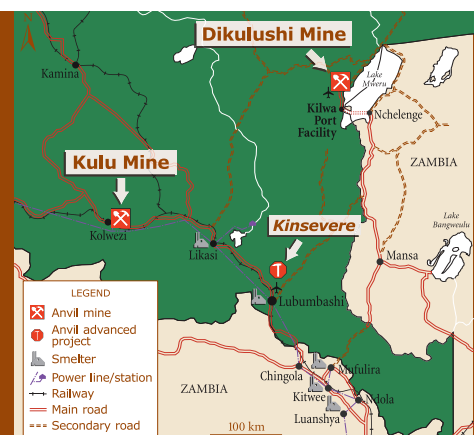
**Average Grade:** 4.1% copper

**Anvil Copper Cobalt Projects:** Kinsevere, Tshifufia, Tshifufiamashi

**Major Prospect:** Nambulwa

**Expected production:** end of Q1 2007

All amounts are expressed in US\$, unless otherwise indicated.



# KINSEVERE

## Mineral Resources – December 2005

Description and Classification	Ore (tonnes)	Grade % CU	Contained metal (tonnes of copper)
<b>Indicated Resource</b>			
Kinsevere	875,000	2.6	22,800
Tshifufia Central	2,570,000	3.8	97,700
Tshifufiamashi	2,245,000	4.0	90,300
<b>Total Kinsevere Indicated</b>	<b>5,690,000</b>	<b>3.7</b>	<b>210,800</b>
<b>Inferred Resource</b>			
Kinsevere	347,000	3.1	10,900
Tshifufia Central	1,632,000	5.9	95,600
Tshifufia South	284,000	3.2	9,100
Tshifufiamashi	451,000	4.9	22,100
<b>Total Kinsevere Inferred</b>	<b>2,714,000</b>	<b>5.1</b>	<b>137,600</b>

## The Kinsevere Project

In the second quarter of 2006 Anvil announced the approval of the Stage I development of Kinsevere, which comprises the construction of an open-pit mine, Heavy Media Separation plant (HMS) and Electric Arc Furnace for a capital expenditure of \$35 million. Stage I is expected to be completed by the end of the first quarter of 2007, with significant production anticipated in the second quarter of 2007. Ultimately, the Kinsevere project is expected to produce 23,000 tonnes (t) to 25,000t a year (tpa) of 'black copper' ingots grading 85%-95% copper.

Work is continuing on the feasibility study for the Kinsevere Stage II (SXEW) project which envisages the development of an SXEW plant to produce 30,000tpa of cathode copper. The feasibility study should be completed by the end of 2006.

## Kinsevere Project Mineral Resources

Gécamines calculated in the early 1990s that three mineralized zones within the Kinsevere exploitation permit contain approximately 3 million tonnes (Mt) of mineralized material with an average grade of more than 5% copper and 0.2% cobalt for approximately 180,000t of contained copper. This estimate was based on 66 diamond and reverse circulation drill holes completed by Gécamines to a depth of 140m for a total of 2,817m of drilling.

Gaps between the surface expression of individual mineralized zones ranges from 400m to 1,000m and Anvil believes those gaps provide excellent potential.

The results of the 2005 drilling program formed the basis of a resource estimation of the oxide zone to 100m vertical depth as outlined in the Mineral Resource table. This work demonstrated that the Kinsevere Project already has significant resources, with even further potential.

In addition to drill testing the oxide resources down to 100m vertical depth, some drill holes were extended down through the base of oxidation to test for underlying sulphides. The first diamond drill hole drilled during the 2005 drill evaluation program under the Tshifufia Central deposit encountered an encouraging zone of sulphide mineralization.

The 2006 drilling program on the Kinsevere Project is progressing well and the identification of an unexpected extension to the thickness of the third orebody at the Tshifufia Central deposit has resulted in all attention being focused on this deposit during the current drilling program, rather than on additional drilling on the other two deposits, Tshifufiamashi and Kinsevere. A final report on the oxide resource of the Tshifufia Central deposit will be available by the end 2006.

### AUSTRALIAN OFFICE (HEAD OFFICE)

**William S. Turner,**  
President & CEO  
billt@anvilmining.com

**Craig Munro,**  
Vice President - Corporate & CFO  
craigm@anvilmining.com  
Telephone: +61 (8) 9481 4700  
Fax: +61 (8) 9481 4800

### CANADIAN OFFICE

**Robert LaVallière,**  
Vice President – Investor Relations  
robertl@anvilmining.com  
Telephone: +1 (514) 448 6664  
Fax: +1 (514) 448 6665  
Mobile: +1 (514) 944 9036