



anvilmining

News Release

FOR IMMEDIATE RELEASE

May 15, 2009

TSX, ASX: AVM

Common shares outstanding 101.3 million

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

Anvil Mining Reports First Quarter 2009 Financial Results

Montréal, Canada: Anvil Mining Limited (TSX, ASX: AVM), (“Anvil” or the “Company”), today announced a net loss for the first quarter ended March 31, 2009, of \$ 18.8 million (-\$0.27 per share on a weighted average number of shares basis), compared to net income of \$21.6 million (\$0.30 per share) for the first quarter of 2008. Net sales for the first quarter of 2009 totalled \$1.6 million, compared to \$75.3 million for the corresponding quarter in 2008. Negative cash flows from operating activities, before working capital movements, of \$11.9 million (-\$0.17 per share), compared to a positive cash flow of \$35.3 million (\$0.50 per share) in the first quarter of 2008.

The Company’s results were negatively affected by a number of factors including: significantly lower production and sales resulting from Dikulushi being placed on care and maintenance, the cessation of Heavy Media Separation (“HMS”) processing at Mutoshi, the suspension of HMS operations and open pit mining at Kinsevere during the fourth quarter of 2008 and lower realized copper prices and one-off charges of \$7.1 million for the first quarter of 2009.

Bill Turner, President and CEO of Anvil, commented, “Although copper prices have shown some signs of improvement since the beginning of the year, the Company continues to focus on cost minimization and cash preservation, in accordance with the strategy put in place during the fourth quarter of 2008. With the recommencement of the Kinsevere HMS plant in late March 2009, the Company expects to be able to maintain a positive operating cash flow from the HMS operations for the remainder of 2009 and be better positioned to secure the funding required for completion of the Kinsevere Stage II SX-EW processing plant. The Kinsevere HMS plant has performed well since its restart and is on target to produce 8,900 tonnes of copper through to the third quarter of 2009. As at April 30, 2009 it had produced 7,381 tonnes of concentrate at an average grade of 27.4% copper, for 2,022 tonnes of copper metal.”

The complete first quarter 2009 unaudited financial statements together with the related Management’s Discussion and Analysis (MD&A) are available on Anvil’s website at www.anvilmining.com under the heading “Financial Reports” within the Investor Relations section.

Cash and Liquidity

As at May 14, 2009, Anvil had approximately \$54.0 million in cash (including the net proceeds from the recent C\$34.5 million Common Share offering), \$7.8 million in available-for-sale investments and \$6.2 million of receivables, approximately \$2.7 million of which it expects to realize during May 2009. During the next 12 months the Company’s commitments include \$15.0 million for *pas de*

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people	mine
explore	grow
develop	sustain



porte (entry premium) payments due to Gécamines and \$22.0 million that relate to the Kinsevere Stage II development.

On May 4, 2009 the Company completed an offering of Common Shares that raised gross proceeds of approximately C\$34.5 million, which will be used to make entry premium payments of \$15 million due to Gécamines in respect of the Kinsevere property and for general corporate purposes.

The Company remains committed to the development of its Kinsevere Stage II 60,000 tonnes per year SX-EW plant, the completion of which requires additional funding of approximately \$200 million. The Company is continuing to make progress in obtaining the funding required to complete Kinsevere Stage II. Work on the technical due diligence report being prepared by SRK Consulting for the syndicate of banks is progressing, and when completed, will allow for credit approval to be sought during the second half of 2009.

Kinsevere HMS Production

The Kinsevere HMS plant was restarted on March 27, 2009, with feed to the plant sourced from the Run of Mine (“ROM”) stockpile comprising 259,000 tonnes of ore grading 5.7% copper. The HMS plant is expected to produce approximately 8,900 tonnes of copper contained in concentrates through to Q3 2009, at an operating cash cost at the mine gate of less than \$0.50/lb Cu (inclusive of sunk costs). Table 1 below sets out the details of the performance of the HMS plant for the year to date.

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

Table 1. Performance of Kinsevere HMS Plant

	Month of April	Year to Date as at April 30, 2009
Crusher Circuit		
- Feed Processed (dmt)	56,953	63,878
- Feed Grade (% Cu)	5.13	5.13
HMS Plant		
- Feed Processed (dmt)	24,416	27,091
- Feed Grade (% Cu)	9.79	9.83
- Recovery Cu (%)	65.6	66.2
- Concentrate Produced (dmt)	5,498	6,207
- Concentrate Grade (% Cu)	28.51	28.41
- Copper Produced (mt)	1,568	1,764
Spirals Circuit		
- Feed Grade (% Cu)	3.31	3.30
- Copper Produced (mt)	234	258
Total Plant		
- Concentrate Produced (dmt)	6,561	7,381
- Concentrate Grade (% Cu)	27.5	27.4
- Copper Produced (mt)	1,802	2,022
- Recovery Cu (%)	61.7	52.2
Operating cash cost (\$/lb Cu)	0.41	0.41

Note: the HMS plant restarted on March 27, 2009.

Note: Operating cash cost: cost at mine gate, inclusive of sunk costs on available ROM feed of \$0.11/lbCu.



Status of Kinsevere Stage II

During the fourth quarter of 2008, the Company placed the remaining engineering design, fabrication, construction works and procurement for the Kinsevere Stage II SX-EW development on hold until adequate funding has been secured. As at May 14, 2009 approximately \$190 million (\$168 million spent, \$22 million committed) of the budgeted cost of \$380 million had been invested.

The Company is in discussions with contractors regarding completion of the outstanding engineering design work relating mainly to electrical, piping and instrumentation which is expected to take two to three months to complete. The Company remains well positioned to readily recommence the Stage II development and is reviewing suitable arrangements under which works could be recommenced as quickly as possible, should the Company obtain the necessary funding. The Company estimates that the timeframe for completion of construction, dry commissioning, and hydraulic testing for readiness to receive ore is approximately twelve months from award of contract.

Reminder – Q1 Conference Call and Webcast

A conference call will be held at 8:30 a.m. (Canada, Toronto time) today, Friday May 15, 2009 coinciding with 8:30 p.m. (AWST – Australia, Perth time) on the same day, to discuss the results announced in this News Release.

The details to access the conference call and the live audio webcast are as follows:

Conference call: 1-416-915-5761

(Please call approximately five minutes prior to the scheduled start of the call).

Live audio webcast of the conference call (listen mode only):

- **CNW Group** website at:
<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2656060>

Replay Information (available for a period of 7 days):

- The conference call will be recorded and a playback of the call will be available after the event by dialling 1-416-640-1917, **Reservation number 21305477 followed by the pound (#) key.**

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

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Caution Regarding Forward Looking Statements: *This news release contains “forward-looking statements” and “forward-looking information”, based on assumptions and judgements of management regarding future events and results. Such “forward-looking statements” and “forward-looking information which may include, but is not limited to the intended use of proceeds from the common share offering, the operation of the Kinsevere HMS plant, the liquidation of the Company’s available-for-sale investments, the Company’s plans for expansions of the Kinsevere copper mine and negotiations with the DRC Government regarding the Mutoshi Joint Venture Agreement. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. The purpose of forward-looking information is to provide the reader with information about management’s expectations and plans for 2009. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anvil and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, the actual market prices of the available-for-sale investments, the actual market price of copper, changes in project parameters as plans continue to be evaluated, and the possibility of cost overruns, as well as those factors disclosed in the Company’s filed documents. There can be no assurance that funding to provide for the recommencement of construction of Kinsevere Stage II will be available or the Stage II expansion of the Kinsevere copper mine will proceed as planned or be successfully completed within expected time limits and budgets or that, when completed, the expanded facility will operate as anticipated. In addition, there can be no assurance that the final outcome of the DRC Government review of the Mutoshi Joint Venture agreement will not have an adverse effect on the Company.*

Appendix

Key Financial and Production Data (unaudited)

	Quarter ended March 31	
	2009	2008
Revenues: (\$ millions)	1.6	75.3
Operating (loss) / profit : (\$ millions)	(14.5)	33.7
Provision for impairment: (\$ millions)	(4.7)	-
Net (loss)/ Income: (\$ millions)	(18.8)	21.4
PRODUCTION STATISTICS:		
Consolidated Group		
Copper produced in concentrates (tonnes)	199	12,027
Silver produced in concentrates (ounces)	-	482,655
Per Mine		
Kinsevere mine		
Ore mined (tonnes)	-	388,958
Ore processed (tonnes) ²	2,695	91,990
Copper grade (% Cu)	10.2	9.1
Contained copper in ore (tonnes)	275	8,399
Recovery Cu (%)	72.2	57.8
Copper produced in concentrates (tonnes)	199	4,855
Copper produced in blister (tonnes)	461	-
Costs of production (\$)		
Operating cash costs per tonne (ex mine gate) cost	-	374
Dikulushi mine		
Ore mined (tonnes)	-	32,864
Ore processed (tonnes) ³	-	99,533
Feed grade (% Cu)	-	5.3
Contained Copper in Ore (tonnes)	-	5,303
Recovery Cu (%)	-	92.1
Copper produced in concentrates (tonnes)	-	4,885
Silver produced in concentrates (ounces)	-	482,655
Operating cash cost (ex mine gate) (after silver credits) (\$/lb)	-	0.21
Total cash costs from operations (\$/lb)	-	0.70

1. *Includes provisional and final pricing adjustments and treatment and refining charges.*
2. *Kinsevere commenced production in June 2007 as an HMS processing operation.*
3. *Ore processed at Dikulushi relates to ore processed through the ball mill and flotation plant.*



Key Financial and Production Data (cont.)

	Quarter ended March 31	
PRODUCTION STATISTICS:	2009	2008
Mutoshi mine		
Ore mined (tonnes)	-	87,956
Ore processed (tonnes) ⁴	-	106,734
Copper grade (% Cu)	-	4.3
Contained copper in ore (tonnes)	-	4,599
Recovery Cu (%)	-	49.7
Copper produced in concentrates (tonnes)	-	2,287
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Costs of production: (\$)		
Operating cash costs per tonne of concentrate (ex mine gate)	-	561
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4. *Ore processed at Mutoshi and Kinsevere relates to ore processed through the HMS plants.*



Consolidated Balance Sheets (unaudited)
(Expressed in thousands of United States dollars)

	March 31 2009	December 31 2008
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	25,617	45,033
Restricted cash	885	871
Accounts receivable	12,813	24,243
Inventories	28,993	31,064
Available-for-sale investments	20,663	24,032
Prepaid expenses and deposits	44,731	51,258
	133,702	176,501
Equity accounted investment	-	1,320
Long-term inventory	10,651	10,651
Long-term receivable	13,192	12,464
Exploration and acquisition expenditure	52,418	51,352
Property, plant and equipment	304,685	280,334
	514,648	532,622
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	38,163	34,731
Income taxes payable	415	463
Other liabilities	1,951	2,460
Current portion of long-term debt	412	362
	40,941	38,016
Future income tax liability	20,886	24,431
Long-term debt	272	321
Asset retirement obligations	13,195	12,980
	75,294	75,748
Non-controlling interest	1,862	1,909
	77,156	77,657
Shareholders' equity		
Equity accounts	384,779	383,419
Retained earnings	52,154	70,987
Accumulated other comprehensive income	559	559
Total shareholders' equity	437,492	454,965
	514,648	532,622



Consolidated Statements of Income and Comprehensive Income (unaudited)
 (Expressed in thousands of United States dollars except per share amounts)

	Quarter Ended March 31	
	2009	2008
	\$	\$
Concentrate sales	1,645	75,267
Operating expenses	(12,452)	(34,058)
Amortization	(3,664)	(7,493)
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	(14,471)	33,716
Other income	321	2,732
Share of loss in associates	-	(336)
Provision for impairment of assets	(4,677)	-
General, administrative and marketing	(2,635)	(5,305)
Foreign exchange gains	641	48
Stock based compensation	(1,360)	(567)
Interest and financing fees	(238)	(1,605)
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(Loss) / earnings before income tax and non-controlling interest	(22,419)	28,683
Income tax recovery / (expense)	3,542	(5,597)
Non-controlling interest share of (gain) / loss	44	(1,647)
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Net (loss) / income	(18,833)	21,439
Other comprehensive income, net of taxes		
Net unrealized gain on available-for-sale investments	-	142
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Total comprehensive (loss) / income	(18,833)	21,581
Basic (loss) / earnings per share (\$)	(0.27)	0.30
Diluted (loss) / earnings per share (\$)	(0.27)	0.30



Consolidated Statement of Cash Flows (unaudited)

(Expressed in thousands of United States dollars)

	Quarter ended March 31	
	2009	2008
	\$	\$
Cash flows from operating activities		
Net earnings for the period	(18,833)	21,439
Items not affecting cash		
Amortization	3,664	7,493
Loss on derivative instruments	-	960
Share of loss in associates	-	336
(Profit) / Loss on sale of assets	(10)	288
Provision for impairment of assets	4,677	-
Accretion expense	215	-
Non-controlling interest share of income / (loss)	(44)	1,647
Unrealized foreign exchange losses	612	82
Future tax	(3,546)	2,533
Stock based compensation	1,360	567
Changes in non-cash working capital	10,781	(16,354)
	<u>(1,124)</u>	<u>18,991</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(17,648)	(39,242)
Proceeds from sale of assets	10	179
Payments for exploration and evaluation expenditure	(1,066)	(4,767)
Proceeds of principal repayments from investments	468	1,248
	<u>(18,236)</u>	<u>(42,582)</u>
Cash flows from financing activities		
Proceeds from issue of shares (net of issue expenses)	-	216
Proceeds from borrowings (net of fees incurred)	-	800
Movement in restricted cash	(14)	98
Disbursements on behalf of Dikulushi Trusts	(3)	(795)
	<u>(17)</u>	<u>319</u>
Net decrease in cash and cash equivalents	(19,377)	(23,272)
Cash and cash equivalents at beginning of the period	45,033	215,754
Effects of exchange rate changes on cash held in foreign currencies	(39)	15
Cash and cash equivalents at end of the period	<u>25,617</u>	<u>192,498</u>