



anvilmining

News Release

FOR IMMEDIATE RELEASE

July 20, 2009

TSX, ASX: AVM

Common shares outstanding 101.3 million

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

Signing of Mutoshi Joint Venture Amended Agreement and Update on Kinsevere Stage II

Montréal, Canada: Anvil Mining Limited (TSX, ASX: AVM), (“Anvil” or the “Company”), today announced that it had completed an agreement with La Générale des Carrières et des Mines (“Gécamines”) and the Government of the Democratic Republic of Congo (“DRC”) on the terms of its Mutoshi Joint Venture (“JV”) agreement.

The Company is also pleased to announce that it has recommenced the engineering and design work for the Kinsevere Stage II copper project located approximately 30 km north of Lubumbashi, the provincial capital of the Katanga Province in the DRC. At the time the Company suspended the development of Kinsevere Stage II in November 2008, the engineering and design work was approximately 80% complete.

Bill Turner, President and CEO of Anvil, commented, “The conclusion of the Mustoshi JV amended agreement effectively ends the DRC Government’s review of our mining agreements that commenced in mid-2007. We look forward to working with Gécamines to further evaluate and develop the potential of the Mutoshi properties. Today’s announcement means that the future development of Mutoshi can be carried out under a structure that not only delivers value to our shareholders but also to Gécamines and the Kolwezi community more generally.”

Amended Agreement for the Mutoshi Joint Venture

The Mutoshi project comprises the Company’s Kulu mine and a number of exploration interests located in Kolwezi, which is situated in the western extremity of the Central African Copperbelt approximately 250 kilometres west of the provincial capital, Lubumbashi. The Company’s interests in Mutoshi are held through a special purpose JV company, Société Minière de Kolwezi SPRL. The key terms are as follows:

- Anvil’s interest in the Mutoshi project has been reduced from 80% to 70%; Gécamines’ interest has increased from 20% to 30% on a non-dilutable basis.
- Anvil will pay an additional *Pas de Porte* (entry premium) of \$14.4 million, of which \$7.2 million is to be paid within six months of the amended agreement coming into

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effect and the balance within 18 months of the amended agreement coming into effect. In the event that Anvil completes financing of \$125 million or more prior to payment of the first tranche of the *Pas de Porte*, the timing of these payments will be revised such that \$7.2 million shall be paid within 14 days of the receipt of the funds of such financing and the second tranche of the same amount will be paid within 12 months of the date of payment of the first tranche.

- The Company will pay royalties to Gécamines of 2.5% of gross turnover (total sales) calculated in accordance with the 2003 Mining Code (prior royalties were based on a 2% net smelter return).
- Cash payments, at a rate of \$35 per tonne of contained copper on additional copper reserves over and above 753,000 tonnes of copper, based on JORC 2004 or equivalent norms.
- A complementary Feasibility Study based on the *in situ* resources contained in the Mutoshi exploitation permit area must be completed within 12 months of the amended agreement, subject to an extension of two additional six month periods for the submission of such a Feasibility Study.
- Anvil will nominate the General Manager of the JV company, while Gécamines shall appoint three members of the eight person management committee and nominate the Assistant General Manager.

The Company has significant exploration interests at Mutoshi and during 2008 completed a scope drilling program, the purpose of which was to outline sufficient near-surface oxide copper and cobalt mineralization to justify development of the Mutoshi Stage II Solvent Extraction – Electrowinning (“SX-EW”) plant. While significant further infill drilling and metallurgical testwork are required, the results of the scope drilling program have enabled a grade-tonnage model to be created which has allowed for the development of preliminary mine planning and notional mining schedules for feed to a possible Stage II SX-EW plant.

Status of Kinsevere Stage II – restart of the engineering and design work

During the fourth quarter of 2008, the Company placed the remaining engineering design, fabrication, construction works and procurement for the Kinsevere Stage II 60,000 tpa SX-EW development on hold pending the securing of additional funding. Construction of the plant is almost 50% complete.

The Company has engaged Ausenco Limited to recommence work on Kinsevere Stage II in order to complete the well-advanced engineering and design work relating mainly to electrical, piping and instrumentation, which is expected to take three months to complete. Ausenco has been involved with Anvil since the commencement of Kinsevere Stage II in 2007, and approximately 80% of the engineering and design work has been completed. The Company remains well-positioned to recommence development of Kinsevere Stage II when the Company obtains the necessary funding.

Payment of Kinsevere *Pas de Porte*

As part of the Kinsevere amended agreement reached in January 2009 with Gécamines and the DRC Government, the Company paid this week to Gécamines the first tranche of the *Pas*



de Porte of \$10 million, less an amount of \$2.2 million due to Anvil by Gécamines with respect to past purchases of copper concentrates by Gécamines. The second tranche of the *Pas de Porte* payment of \$5 million is due to be paid in January 2010.

Anvil Mining Limited is an unhedged copper 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. 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 the Stage II expansion of the Mutoshi operation will proceed as planned; or 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.*