



anvilmining

News Release

FOR IMMEDIATE RELEASE

March 21, 2011

TSX, ASX: AVM

Common shares outstanding 157.3 million

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

Anvil Mining Reports Fourth Quarter and Full Year 2010 Results Construction of the Kinsevere Stage II 60,000 tonnes per year SX-EW Plant now over 90% Completed

Montréal, Canada: Anvil Mining Limited (TSX, ASX: AVM), (“Anvil” or the “Company”) is pleased to announce the following financial and operating results for the fourth quarter and year-end ended December 31, 2010:

Fourth quarter highlights

- Net copper sales of \$15.2 million compared to \$23.5 million for the fourth quarter of 2009.
- Net income from continuing operations of \$2.3 million (\$0.01 per share), compared to \$10.9 million (\$0.09 per share) for the fourth quarter of 2009.
- Cash flows from operating activities, before working capital movements, of nil (\$0.00 per share), compared to positive cash flows of \$11.5 million (\$0.09 per share) for the fourth quarter of 2009.
- Average realized copper price of \$3.55 per pound, compared to \$3.09 per pound for the fourth quarter of 2009.
- Quarterly production of 3,817 tonnes of copper, compared to 4,970 tonnes of copper in the fourth quarter of 2009.

Full year 2010 highlights

- Net copper sales of \$60.1 million compared to \$49.2 million for 2009.
- Net income from continuing operations of \$20.0 million (\$0.13 per share), compared to net loss of \$17.7 million (-\$0.18 per share) for 2009.
- Positive cash flows from continuing operations, before working capital movements, of \$16.2 million (\$0.11 per share) compared to positive cash flows of \$0.8 million (\$0.01 per share) for 2009.
- Average realized copper price of \$3.27 per pound, compared to \$2.56 per pound for 2009.
- Production of 16,538 tonnes of copper, compared to 16,406 tonnes of copper during 2009.

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people	mine
explore	grow
develop	sustain



Bill Turner, President and CEO of Anvil, commented, “For 2010, the Kinsevere Stage I Heavy Media Separation copper concentrate plant exceeded its 2010 production target and generated positive cash flows after operating and group expenses of approximately \$13.2 million, on sales of \$59.1 million. Construction of the Kinsevere Stage II 60,000 tonnes per year SX-EW plant is progressing on schedule and we look forward to full commissioning in the second quarter of 2011.”

The full year 2010 audited financial statements and the complete fourth quarter 2010 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.

Development: Kinsevere Stage II SX-EW Plant

The Group’s focus of effort is on the completion of the final stages of construction of the Stage II 60,000 tonnes per year Solvent Extraction-Electrowinning (“SX-EW”) plant, successfully commissioning the SX-EW plant during the second quarter and reaching design capacity as soon as possible later this year. The immediate priority is on continued integrity testing and pre-commissioning of the plant to confirm functionality of all of the process circuits.

As expected, construction during December and January was affected by the wet season, but solid progress has been achieved and as at the end of February 2011, the project was over 90% complete. Maintenance and operations teams are now fully established, the process shift teams have been appointed and training is being conducted at Kinsevere, aided by a pilot SX plant.

A full commissioning team is on site and commissioning work is under way. The main 33 kV high-voltage power line is now energized, enabling substations in various areas including crushing, grinding, solution ponds, SX and EW, tailings transfer and reagents services to be powered up. Commissioning of most utility systems has commenced, including: air, fire water, raw water and potable water.

Wet commissioning activities have commenced in the leach area, the CCD rake systems, flocculant make-up areas, diluent unloading and storage systems and the low-grade SX area. The acid unloading and storage facility is operational, with approximately 1,500 tonnes of 98% concentrated sulphuric acid now stored in this facility. Delivery of diluent is expected to commence during March. In addition, the anode load-up for Tank-house 1 has been completed and the cells for Tank-house 2 are in place. The commissioning of safety showers, fire hydrants and air systems in various plant areas is progressing well.

As at February 28, 2011, \$152 million of the \$200 million budget for completion of construction had been spent, \$111 million of which relates to Ausenco Engineering, Procurement and Construction (Lump Sum Turn Key) Contract (the “EPC Contract”) costs and \$41 million to Owner’s Costs. A further \$33 million was committed for a total spent and committed amount of \$185 million of the remaining \$200 million required to complete the \$400 million project.



Completion of construction, commissioning and ramp-up of Stage II fully funded

As at February 28, 2011, Anvil had approximately \$51.4 million in cash, all of which was held on deposit with international banks and restricted cash of \$7.8 million, the majority of which relates to cash collateral in connection with security in place under the EPC Contract.

During December 2010, the Company completed the liquidation of its available-for-sale investments for proceeds of approximately \$30.1 million. In January 2011, Trafigura Beheer B.V. (“Trafigura”) exercised 6.0 million common share purchase warrants (the “Warrants”) for proceeds of approximately \$16.6 million. The Company also has access to the \$100 million project loan facility (the “Loan Facility”) provided by Trafigura, of which \$43 million remains undrawn as at March 17, 2011.

Given the funds available under the Loan Facility, which are being used exclusively to meet costs associated with the completion of construction of Kinsevere Stage II and additional funds received from the liquidation of the available-for-sale investments, together with Trafigura’s exercise of the Warrants, the Group anticipates that it is now fully funded to take Kinsevere Stage II to construction completion, commissioning and ramp-up to full-scale production.

Kinsevere HMS Production

During the fourth quarter of 2010, the Heavy Media Separation (“HMS”) plant produced 15,082 tonnes of concentrate, at an average grade of 25.4% copper for 3,817 tonnes of copper contained in concentrate. For the full year 2010, production from the HMS plant was 16,538 tonnes of copper contained in concentrate.

Key operating performance details of the HMS plant for the fourth quarter and full year 2010 are set out in the table below.

Operating Performance: Kinsevere HMS Plant	Q4 2010	Year 2010
Ore processed – HMS plant (dmt)	88,044	303,162
Feed grade – HMS (% Cu)	6.0	7.1
Contained copper – HMS (tonnes)	5,319	21,398
Recovery Cu – HMS (%)	64.5	68.3
Concentrate produced – HMS and spirals (tonnes)	15,082	67,128
Concentrate grade – HMS and spirals (% Cu)	25.4	24.6
Copper produced in concentrate – HMS and spirals (tonnes) ¹	3,817	16,538
Copper sold – tonnes Cu	3,803	16,866
Average realized price – \$ / lb	3.55	3.27
Operating cash cost (ex mine gate) – \$ / tonne concentrate	456	349

During the fourth quarter of 2010, the HMS plant generated net revenue of \$15.2 million and incurred cash operating expenses of \$8.2 million, resulting in a positive cash flow from HMS operations of \$7.0 million. After accounting for expenses of \$5.2 million related to care and maintenance of the Mutoshi mine, corporate overheads, social development and sustaining



capital expenditure, operation of the HMS plant provided a positive net cash flow of \$1.8 million for the December quarter.

Restart of exploration

With the Group's focus on the completion of Kinsevere Stage II and achieving sustained positive cash flow from operation of the Stage I HMS plant at Kinsevere, there has been limited available capacity to carry out exploration activity during 2010. However, the Group has now begun to re-establish its exploration capability, targeting the following areas:

- Regional exploration in the area within a 50 kilometre trucking distance of the Kinsevere mine, with work well progressed on the identification of opportunities.
- Further drilling at Kinsevere which is expected to commence during the second quarter of 2011 aimed at fully delineating an expanded sulphide resource. Results from previous drilling at Kinsevere, amongst which, the best sulphide intersection was 272 metres of 3.2% Cu.
- A 33,000 metre in-fill drilling program at Mutoshi, which is planned to start during the fourth quarter of 2011.

Fourth Quarter and Full Year 2010 Results Conference Call and Webcast

The Company will hold a conference call at 8:30 a.m. (Canada, Toronto time) on Tuesday, March 22, 2011, coinciding with 8:30 p.m. (AWST – Australia, Perth time) on the same day, to discuss the results.

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

Conference call:

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

- **Toll-free within North America: 1-888-231-8191**
- **For local and overseas calling: 1-647-427-7450**

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

- **CNW Group website at:**
<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3378540> (English)
<http://www.cnw.ca/fr/webcast/viewEvent.cgi?eventID=3378540> (French)

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:

Toll Free: 1-800-642-1687

Local: 416-849-0833, 514-807-9274, 613-667-0035, 403-451-9481, 778-371-8506 or 902-455-3955.

Conference ID/Password number: 38509764 followed by the pound (#) key.



Anvil Mining Limited is a copper producer whose shares are traded 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 operation of the Kinsevere HMS plant, the financing of the development of Kinsevere Stage II and the Company’s plans for expansions of the Kinsevere copper mine. Many of these assumptions are based on factors and events that are not within the control of Anvil or Trafigura and there is no assurance they will prove to be correct. 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 2011. 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 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 Kinsevere copper mine will proceed as planned and within expected time limits and budgets or that, when completed, the expanded Kinsevere Stage II copper project will operate as anticipated, or that the Kinsevere Stage I HMS plant will operate in accordance with forecast performance. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information.



Appendix

Key Financial and Production Data (unaudited)

	3 Months Ended December 31		12 Months Ended December 31	
	2010	2009	2010	2009
Sales: (\$ millions)	15.2	23.5	60.1	49.2
Operating income / (loss) : (\$ millions)	2.6	8.7	8.7	(7.0)
Provision for impairment: (\$ millions)	-	-	-	(2.9)
Write back of provision for impairment of assets: (\$ million)	4.2	8.1	9.7	4.1
Exploration expenditure written off: (\$ million)	-	-	(1.3)	(3.2)
Net Income / (loss) from continuing operations: (\$ millions)	2.3	10.9	20.0	(17.7)

PRODUCTION STATISTICS:

Consolidated Group

Copper produced in concentrates (tonnes)	3,817	4,970	16,538	16,406
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Kinsevere mine

Ore processed ¹ (tonnes)	88,044	65,313	303,162	231,823
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Copper grade (% Cu)	6.0	8.9	7.1	8.2
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Contained copper in ore (tonnes)	5,319	5,782	21,398	19,066
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Recovery Cu (%)	64.5	77.0	68.3	76.0
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Copper produced in concentrates – HMS (tonnes)	3,431	4,455	14,608	14,499
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Copper produced in concentrate – Spirals (tonnes)	386	515	1,930	1,907
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Copper produced in concentrate – HMS and Spirals (tonnes)	3,817	4,970	16,538	16,406
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Concentrate produced – HMS and spirals (tonnes)	15,082	18,911	67,128	62,468
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Costs of production (\$)

Operating cash costs per tonne of concentrate (ex mine gate) \$/tonne	456	304	349	218
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1. Ore processed at Kinsevere relates to ore processed through the HMS plant.



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

	December 31 2010 \$	December 31 2009 \$
ASSETS		
Current assets		
Cash and cash equivalents	56,415	120,753
Restricted cash	7,314	-
Trade and other receivables	10,764	17,967
Inventories	14,060	14,220
Available-for-sale ("AFS") investments	-	1,243
Prepaid expenses and deposits	2,224	25,899
Current assets classified as held for sale	-	2,114
Derivative financial instruments	182	-
Total current assets	90,959	182,196
Non-current assets		
Restricted cash	513	887
Available-for-sale investments	-	16,827
Investments accounted for using the equity method	11,927	-
Deferred financing fees	-	2,865
Long-term inventory	13,109	11,163
Long-term receivable	14,253	15,468
Exploration and acquisition expenditure	61,411	62,384
Property, plant and equipment	482,570	324,562
Non-current assets classified as held for sale	1,204	5,156
Total non-current assets	584,987	439,312
Total assets	675,946	621,508
LIABILITIES		
Current liabilities		
Trade and other payables	29,508	12,037
Derivative financial instruments	-	586
Current tax liabilities	21	6
Provisions	2,634	1,712
Current portion of long-term debt	4,649	290
Current portion of liabilities directly associated with non-current assets	-	1,764
Total current liabilities	36,812	16,395
Non-current liabilities		
Deferred tax liabilities	10,751	21,048
Other non-current liability	-	6,711
Provisions	144	-
Long-term debt	31,829	74
Asset retirement obligations	13,394	12,858
Non-current portion of liabilities directly associated with non-current	-	983
Total non-current liabilities	56,118	41,674
Total liabilities	92,930	58,069
Net assets	583,016	563,439



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

	December 31 2010	December 31 2009
	\$	\$
EQUITY		
Equity accounts	510,289	510,347
Retained earnings	75,054	50,067
Accumulated other comprehensive income	559	2,765
Capital and reserves attributable to equity holders	585,902	563,179
Non-controlling interest	(2,886)	260
Total equity	583,016	563,439



Consolidated Statements of Income and Comprehensive Income (audited)

(Expressed in thousands of United States dollars except per share amounts)

	3 Months Ended December 31		12 Months Ended December 31	
	2010	2009	2010	2009
	\$	\$	\$	\$
Revenue from continuing operations	15,202	23,576	60,149	49,235
Operating expenses	(7,973)	(9,151)	(33,290)	(39,779)
Amortization	(4,621)	(5,658)	(18,111)	(16,480)
	2,608	8,767	8,748	(7,024)
Other income	5,188	454	7,149	1,322
Provision for impairment of assets	-	-	-	(2,876)
Write back of provision for impairment of assets	4,170	8,133	9,688	4,052
Gain / (loss) on derivative instruments	820	(586)	768	(586)
Share of loss in equity accounted investment	(307)	-	(533)	-
Exploration expenditure written off	-	-	(1,315)	(3,225)
General, administrative and marketing	(4,054)	(2,721)	(12,607)	(10,067)
Foreign exchange (losses) / gain	(104)	(143)	2,499	461
Stock based compensation	(180)	(446)	(855)	(1,891)
Interest and financing fees	(764)	(378)	(2,427)	(1,140)
Other expenses	(3,250)	-	(3,250)	-
Income / (loss) before income tax and non-controlling interest	4,127	13,080	7,865	(20,974)
Income tax (expense) / benefit	(2,332)	(2,134)	9,221	3,299
Non-controlling interest share of loss	466	-	2,886	-
Net income / (loss) from continuing operations	2,261	10,946	19,972	(17,675)
Loss from discontinued operation	(789)	(1,669)	(896)	(3,651)
Non-controlling interest share of loss	-	218	-	406
Gain on sale of discontinued operation	-	-	5,911	-
Net income / (loss)	1,472	9,495	24,987	(20,920)
Other comprehensive income, net of taxes:				
Net unrealized gains on available-for-sale investments	-	268	-	2,206
Reversal of net unrealized gains on sale of available-for-sale investments	(2,081)	-	-	-
Total comprehensive income / (loss)	(609)	9,763	24,987	(18,714)
Profit / (loss) per share from continuing operations:				
Basic profit / (loss) per share (\$)	0.01	0.09	0.13	(0.18)
Diluted profit / (loss) per share (\$)	0.01	0.09	0.13	(0.18)



Consolidated Statement of Cash Flows (audited)

(Expressed in thousands of United States dollars)

	3 Months Ended December 31		12 Months Ended December 31	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash flows from operating activities				
Net income / (loss) for the period from continuing operations	2,261	10,946	19,972	(17,675)
Items not affecting cash:				
- Amortization	4,621	5,612	18,111	16,480
- Provision for impairment of assets	-	-	-	2,876
- Write back of provision for impairment of assets	(4,170)	(8,133)	(9,688)	(4,052)
- Share of loss in Equity Accounted Investment	307	-	533	-
- (Gain) / Loss on derivative instruments	(820)	586	(768)	586
- Non cash finance cost	(232)	337	1,411	983
- Gain on sale of assets	-	-	-	(207)
- Gain on sale of available-for-sale investments	(4,719)	-	(4,719)	-
- Exploration expenditure written off	-	-	1,315	3,225
- Provision for bad and doubtful debts	-	(79)	450	-
- Non-controlling interest share of loss	(466)	-	(2,886)	-
- Unrealized foreign exchange loss / (gain)	1,801	(255)	1,910	113
- Future income tax	1,256	2,082	(10,297)	(3,382)
- Stock based compensation	180	447	855	1,891
Changes in non-cash working capital	8,238	(5,153)	1,466	4,468
	8,257	6,390	17,665	5,306
Cash flows from investing activities				
Payments for property, plant and equipment	(50,216)	(8,494)	(138,934)	(49,313)
Payment as security deposit	-	-	(6,550)	-
Proceeds from sale of assets	-	(265)	-	869
Payments for exploration expenditure	(2)	(7,776)	(639)	(9,967)
Proceeds from sale of available-for-sale investments	30,077	159	30,077	-
Proceeds of principal repayments from investments	-	-	235	12,790
	(20,141)	(16,376)	(115,811)	(45,621)
Cash flows from financing activities				
Proceeds from issue of shares (net of issue expenses)	293	65,091	325	124,317
Deferred borrowing costs	(3,446)	(2,865)	(6,067)	(2,865)
Movement in restricted cash	(276)	(149)	(334)	(267)
Payments of debt	42,000	-	42,000	-
Shares purchased - ESSIP	-	-	(1,238)	-
Repayments of borrowings	-	-	(188)	(319)
	38,571	62,077	34,498	120,866



Consolidated Statement of Cash Flows (cont.)

(Expressed in thousands of United States dollars)

	3 Months Ended December 31		12 Months Ended December 31	
	2010	2009	2010	2009
Adjustment for discontinued operations	(789)	9	(896)	(4,492)
Net increase / (decrease) in cash and cash equivalents from discontinued operations	25,898	52,100	(64,544)	76,059
Cash and cash equivalents at beginning of the period	30,411	69,008	120,753	45,033
Effects of exchange rate changes on cash held in foreign currencies	106	126	206	142
Total cash and cash equivalents at end of the period	56,415	121,234	56,415	121,234
Less cash and cash equivalents at the end of the period relating to discontinued operations	-	(481)	-	(481)
Cash and cash equivalents at the end of the period for continuing operations	56,415	120,753	56,415	120,753