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Kinsevere Stage II



First Copper Cathodes produced at Kinsevere, May 2011

# ***AGM Presentation***

***14 June 2011***

**Anvil Mining Limited**

**Caution Regarding Forward-Looking Information:** Statements in this presentation that are not historical statements constitute “forward-looking information” within the meaning of applicable securities laws. This forward-looking information includes but is not limited to statements and information regarding the completion and commissioning of the Stage II SX-EW Plant, production from the Stage I HMS Plant and the Stage II SX-EW Plant, the Kinsevere Project’s operating parameters, including operating costs, payback and mine life and the availability and sources of financing for completion of the Stage II SX-EW Plant. Assumptions upon which such forward-looking information is based include that the development and commissioning of the Stage II SX-EW Plant will proceed as planned, the Stage I HMS plant will continue to operate as expected and that conditions to the availability of future financing will be satisfied or that future financing otherwise we continue to be or become available. You are cautioned that actual results may vary materially from those assumed or implied by the forward-looking information. Material risk factors that could cause actual results to vary materially from those assumed or implied by the forward-looking information include, among others, risks related to mining operations, including political risks and instability, risks related to international operations, including currency risks and risks of global markets, the actual market price of copper, actual results of current construction, development, mining and processing activities, the possibility of cost overruns, conclusions of economic evaluations and changes in project parameters as plans continue to be refined, as well as those factors discussed in the section entitled “Risk Factors” in the Company’s annual information form, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although Anvil has attempted to identify important factors that could cause actual results to differ materially from those assumed or implied in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

**Scientific & Technical Information:** Scientific and technical information in this presentation has been reviewed by Michael Lawlor, the Company’s Manager of Group Technical Services. Mr. Lawlor is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Qualified Person as defined by Canadian National Instrument 43-101. Mineral Resources and Mineral Reserves have been taken from “Anvil Mining Limited – NI 43-101 Technical Report – Kinsevere Copper Project – Katanga Province, Democratic Republic of Congo” dated March 31, 2010 and filed under the Company’s profile at [www.sedar.com](http://www.sedar.com). For further information, including as to data verification and QA/QC procedures, please refer to the Technical Report.

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



# Capitalization Summary & Cash Position

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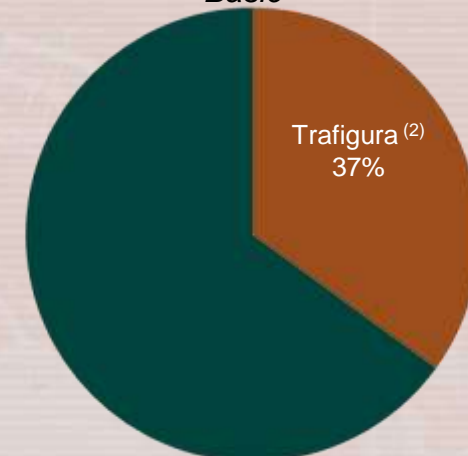
Stock exchange listings & symbols	TSX: <b>AVM</b> ASX: <b>AVM</b>	
Shares issued and outstanding	Current:	157.4 million
	Fully Diluted:	166.1 million
52-week share price range	C\$2.65-C\$7.19	
Recent share price – June 10, 2011	C\$6.27	
Market Capitalization – June 10, 2011	\$1 billion	
Debt Available	\$100 million	
Drawdown <sup>(1)</sup>	\$57 million	
Cash and cash equivalents Available <sup>(1)</sup>	\$48 million	
Average daily trading volume – shares YTD 2011	0.5 million	

<sup>(1)</sup> Unaudited as at April 30, 2011.

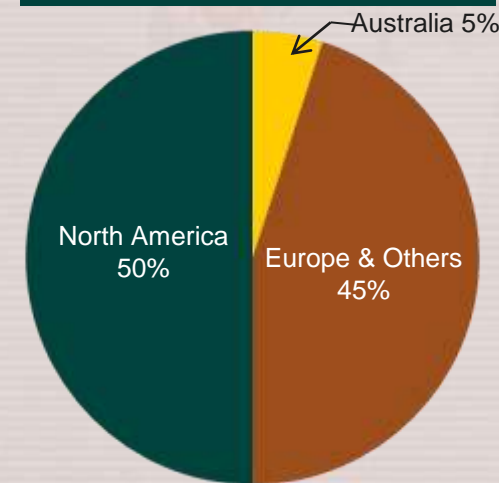
<sup>(2)</sup> Trafigura ownership increased to 39% on a fully diluted basis.

## Ownership

Basic<sup>(2)</sup>



## Geographic Distribution



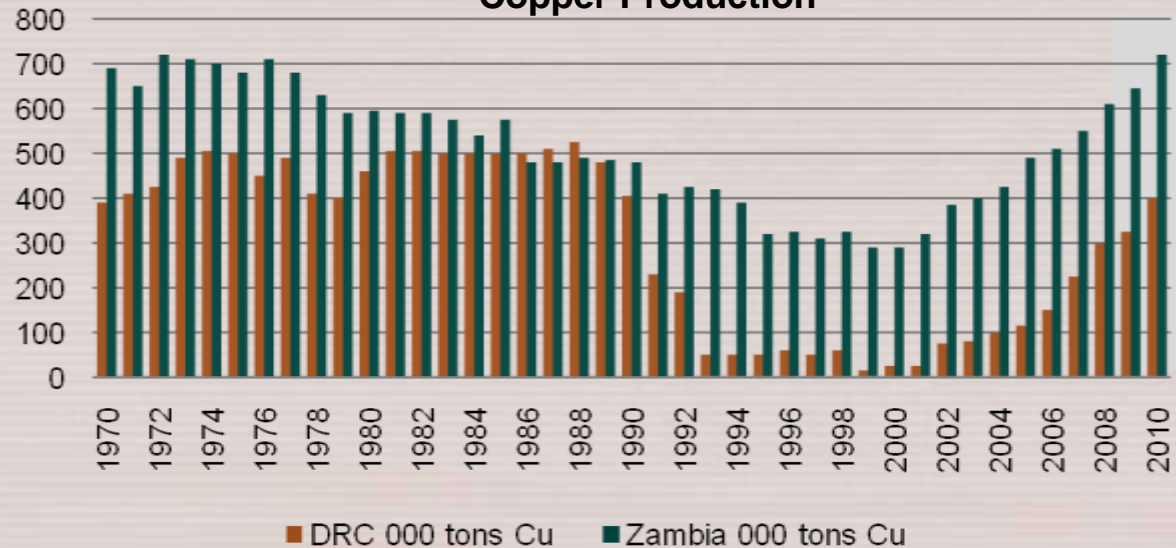
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# The DRC as a mining opportunity

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**Copper Production**



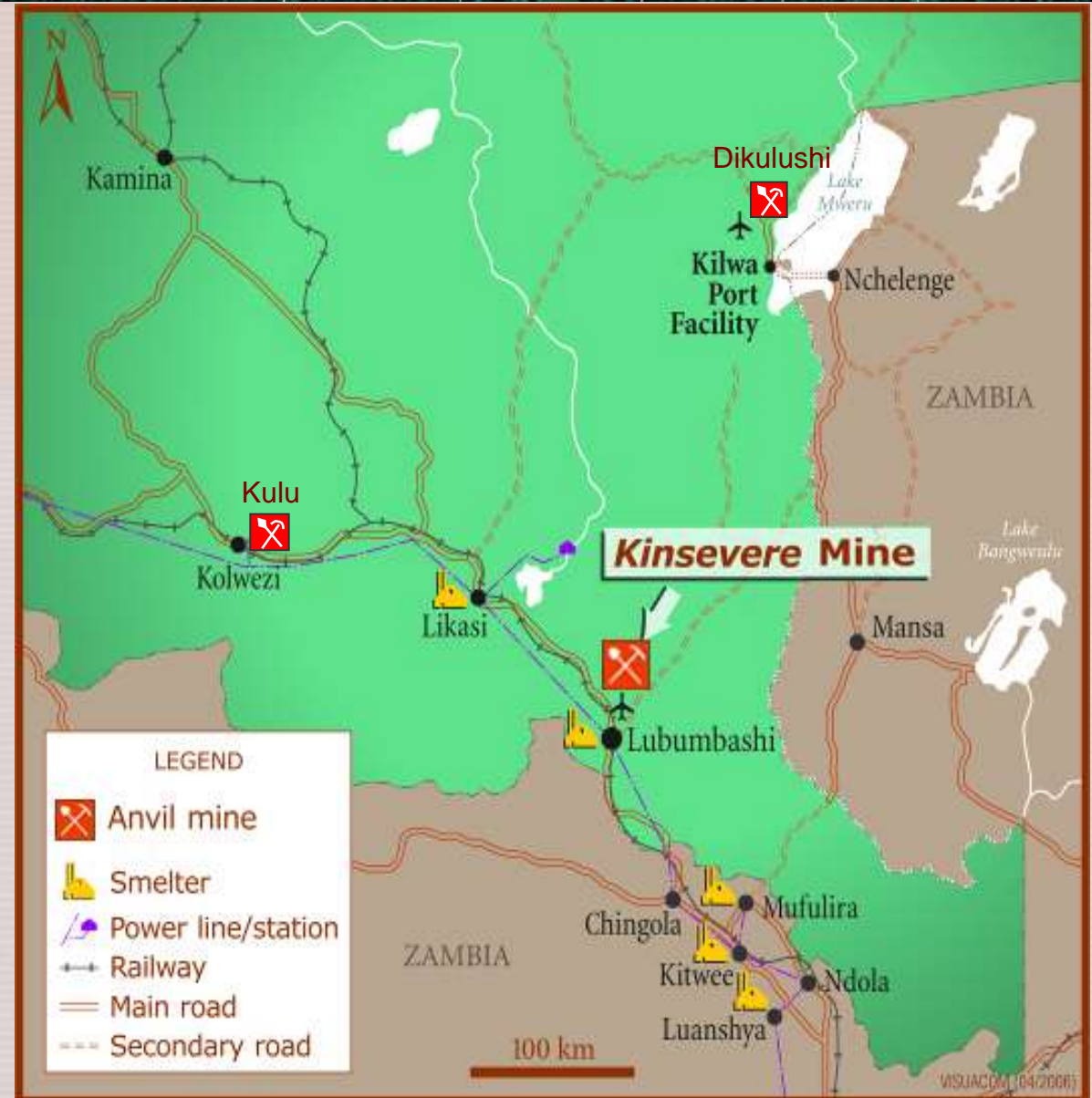
- World Bank endorsed Mining Code (2003) and DRC Govt. Mining Reviews completed
- Substantial Multilateral presence; United Nations, World Bank, IMF and South Africa
- Upcoming DRC Govt. elections, Nov. 27, 2011
- EITI member candidate (Q2 2010)
- OHADA initiative to improve legal framework
- “Macroeconomic performance has improved markedly”**
- “Economic activity is expanding at a strong pace, inflation has decelerated, the exchange rate has stabilised and debt relief (\$12.3bn) has reduced the external debt burden that weighed heavily on the economy”** [John Lipsky – IMF Executive Board acting Chairman – February 2011]



# Progression of Anvil in the DRC 1997 – YTD

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- **1997:** Drilling at Dikulushi Cu-Ag Project, funded by First Quantum - \$2.4M
- **2002:** Dikulushi Stage I HMS Plant - \$6.2M
- **2004:** Dikulushi Stage II ball mill and flotation circuit - \$7.5M
- **2005:** MIGA Political Risk Insurance (First one in the DRC)
- **2005:** Kulu Cu Tailings – HMS Plant - \$7.5M
- **2007:** Kinsevere Stage I HMS and EAF - \$35.0M
- **2007-YTD:** Kinsevere Stage II 60Kt SX-EW - \$400M<sub>(E)</sub>



# Kinsevere Stage II Overview

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- **High quality open pit copper mine:**
  - Purchased in December 2005
  - 95% ownership with remaining 5% owned by Mining Company of Katanga (MCK)
    - High average Grade 3.9% Cu (oxides)
    - Low waste to ore ratio 1.2:1
    - Simple metallurgy
  - LOM of 14 years at 60,000tpa copper
  - Plant life longer, and able to be expanded
  - Sulphide resource yet to be drilled out
  - Brownfields exploration potential



- **Amendment Agreement with Govt & Gécamines finalised in January 2009**
  - First renegotiation in 1997 (Dikulushi)
  - Second renegotiation began in 2007
    - Dikulushi trust structure changed
    - Mutoshi \$14m and 80/20 to 70/30
    - Kinsevere \$15m and remained 95/5, royalties increased

## Reserves and Resources (1)

Category	Ore	Grade		Contained Metal
	Mt	TCu (%)	ASCu <sup>(2)</sup> (%)	Cu (kt)
P & P - Oxide	24.8	3.75	3.04	755
M & I Sulphides	11.9	2.67	1.09	317

(1) P&P: Proven & Probable reserves as at December 31, 2010. The P&P reserve is included within the M & I oxide Mineral Resource and use a cut-off of 0.7% Tcu.  
 (2) Acid soluble copper (ASCu).

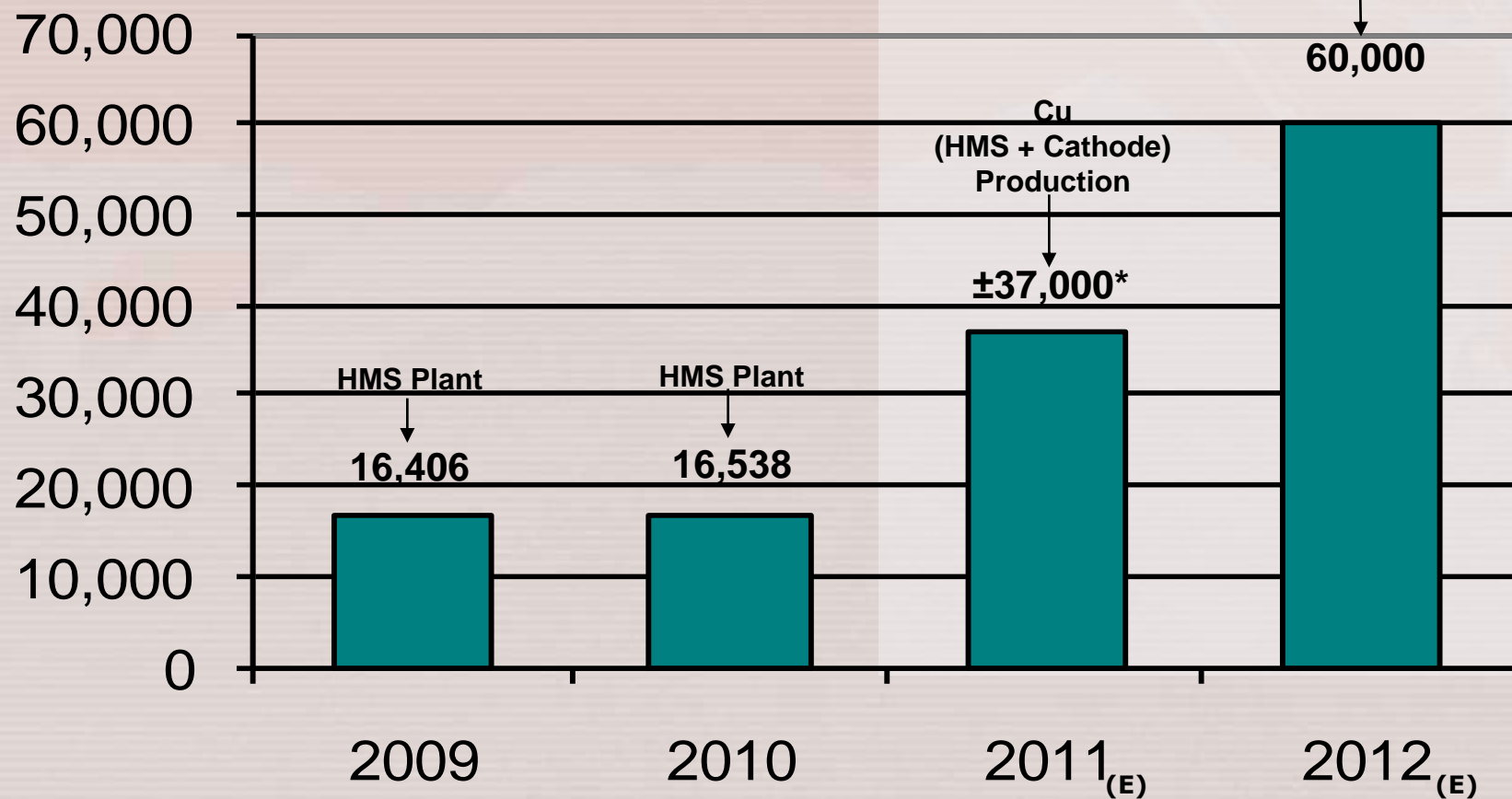


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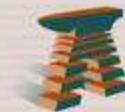
# Kinsevere Production Growth Profile

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Tonnes of Contained Copper



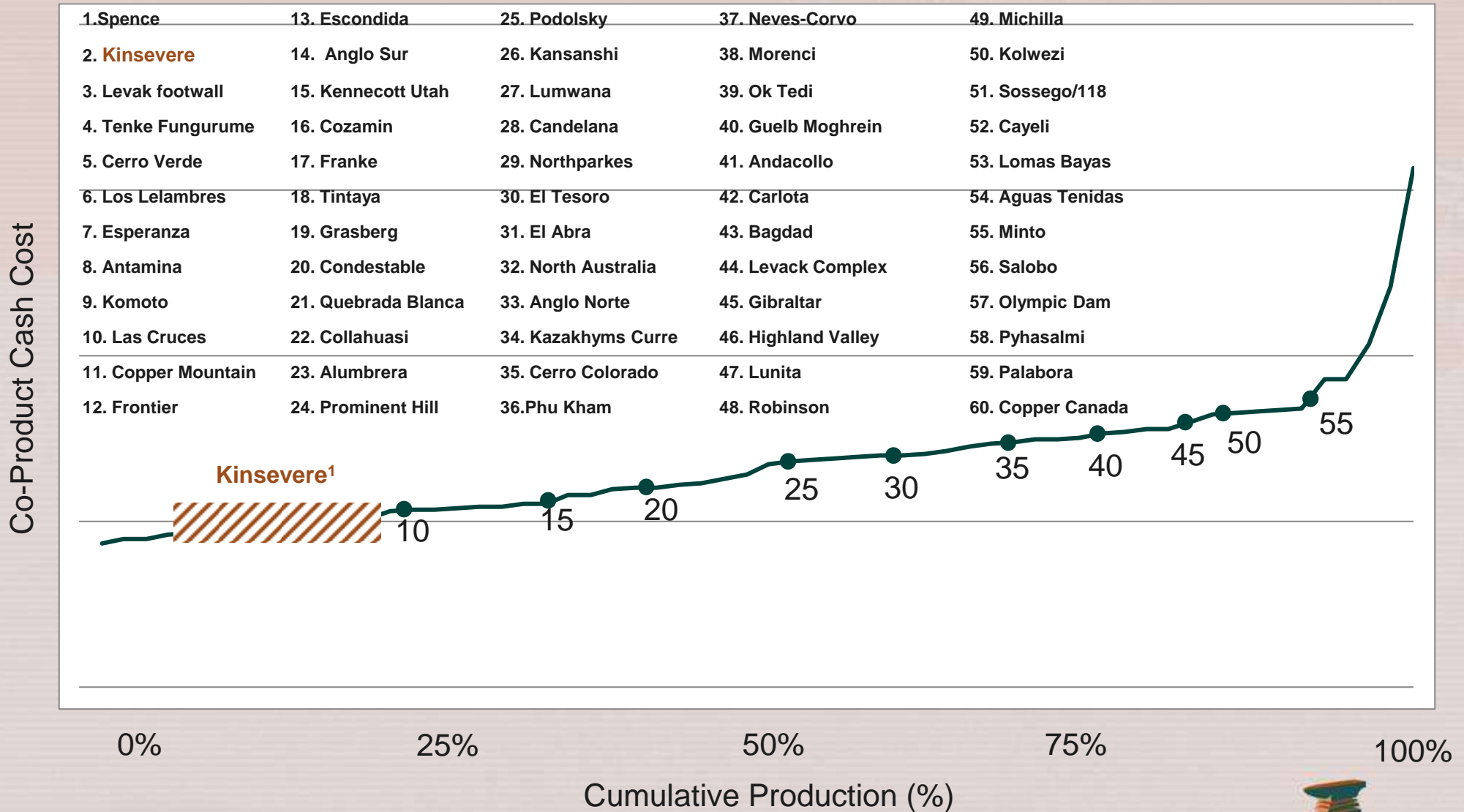
\* Depending on Stage II ramp-up curve



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# Co-Product Cash Curve by Mine (US\$/lb)

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1. Estimated cost, excluding royalties during the commissioning / ramp-up second half of 2011.



# SX-EW Commissioning Phase

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develop

mine

grow

sustain

- **Total production for the first 28 days was 1,353 tonnes of copper cathode.**
- **All copper produced conforms to LME Grade A specifications.**
  
- **Commissioning performance:**
  - **Crushing and grinding circuits: at or above design.**
  - **Leaching circuit at design flows, with good leach kinetics.**
  - **Post-leaching thickeners and wash circuit thickeners at design.**
  - **Low grade and high grade SX commissioned.**
  - **Both EW tank houses commissioned.**
  - **All solution ponds commissioned.**
  - **All reagent services operational at design levels.**
  
- **95% of Stage II plant under control of Anvil personnel.**
- **Excellent safety and operational performances.**



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# Kinsevere Stage II Construction Progress (May 2011)

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# Kinsevere Stage II Construction Progress (May 2011)

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- **Establish a long term strategy by year end**
  
- **Defensive**
  - Commissioning and ramp-up to design capacity of 5kt per month
  - Organisation design
  - Optimisation of resources
  
- **Offensive**
  - Expansion of existing facilities at Kinsevere
  - Regional exploration
  - Initiate ground work for corporate action

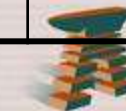


# Quarterly Profit & Loss Statement (\$M)

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## Quarterly Highlights

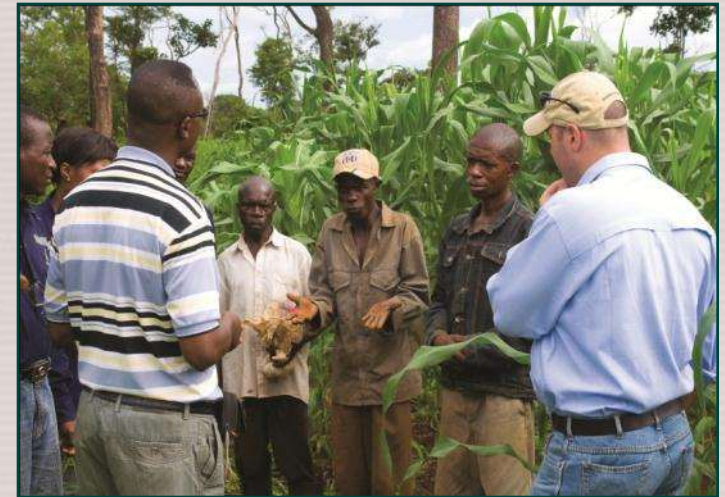
	<b>2011 Q1 IFRS</b>	2010 Q4 CGAAP	2010 Q3 CGAAP	2010 Q2 CGAAP	2010 Q1 IFRS
<b>Net Copper Sales \$M</b>	<b>17.6</b>	15.2	14.9	14.5	15.5
<b>Realised Cu Price (\$)</b>	<b>4.50</b>	3.55	3.28	2.95	3.33
<b>Operating Profit / (loss) \$M (After D&amp;A)</b>	<b>6.7</b>	2.6	1.2	1.6	4.7
<b>Op Cash Cost/t Concentrate Produced (\$)</b>	<b>738</b>	456	344	292	319
<b>Net Income / (loss)</b>					
- in millions \$	<b>37.5</b>	2.3	6.1	5.1	(0.1)
- per share amount (\$)	<b>0.24</b>	0.01	0.04	0.03	0.00
<b>Cash Flow before Changes in WC (loss)</b>					
- in millions \$	<b>7.7</b>	0.0	5.9	3.3	6.1
- per share amount (\$)	<b>0.05</b>	0.00	0.04	0.02	0.04
<b>Production (t) - Copper</b>	<b>3,316</b>	3,817	4,216	4,412	4,093
<b>Sales (t) – Copper</b>	<b>3,182</b>	3,803	4,301	4,872	4,424



# Social & Community Development Programs

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- **Anvil committed to sharing the benefits with the local community and making a meaningful difference**
- **Anvil is one of the leading international mining companies in social development of the DRC**
- **\$23M invested in the DRC to date:**
  - 9 Schools (over 4,000 students)
  - Refurbishing of the Kilwa Hospital and the Mwangeji Hospital; 2 medical clinics
  - 71 fresh water wells (in over 60 villages)
  - Over 100km of road refurbishment work
  - Support to at least 5,400 small-scale farmers
    - Local farmers: 500ha in 2008, 170ha in 2009 and 510ha in 2010
- **Artisanal miner issues**
- **Voluntary Principles on Security & Human Rights**
- **EITI Supporting Company**



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# Social Programs

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Water Borehole Program - Kinsevere



Sponsorship - Soccer Team



Kawama Market Building - 2010



Piping for fresh water well



Kulu Clinic



Social Program - Agriculture



Lumekete School - 2006



Kinika Bridge - 2010



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- **H2 2011 Expected Operating Parameters:**
  - **2011 total copper production: 36Kt – 38Kt**
  - **Cash cost in H2 (excluding royalties) of \$1.10 - \$1.25/lb Cu**
  - **Cash cost to improve in 2012 as efficiencies and volumes improve**
  - **Capex for a 60kt/year: \$400M<sub>(E)</sub>**
    - **\$368M (spent, April 2011)**
    - **\$384M (spent & committed, April 2011)**



- **Kinsevere is now Anvil's flagship project:**
  - It will be a low-cost, long-life, 60,000 tpa, LME-quality cathode copper producer,
  - Production of 1353 tonnes of LME-quality copper cathode in early May 2011,
  - Ramp-up until Q4 to reach design capacity of 5,000t/month copper cathodes,
  
- **Anvil has a clear medium-term strategy in place**
  
- **Possibilities to:**
  - Expand existing operations,
  - Investigate Kinsevere sulphides
  - Further brownfields exploration opportunities
  - Enhance the Mutoshi asset
  
- **Effective organisational design to leverage current assets and plan for the future**



**Please Visit us**  
**[www.anvilmining.com](http://www.anvilmining.com)**

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# KINSEVERE – MINERAL RESOURCES

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## Oxide Mineral Resources – 31<sup>st</sup> December 2010

Area	Category	Density (t/m <sup>3</sup> )	Tonnes	Copper (%)	Acid soluble copper (%)	Cobalt (%)
Tshifufiamashi	Measured	1.78	3,190,000	3.20	2.65	0.24
	Indicated	1.79	2,960,000	2.67	1.98	0.17
Tshifufia	Measured	1.80	12,380,000	4.42	3.44	0.23
	Indicated	1.81	3,500,000	3.62	2.63	0.15
Kinsevere Hill	Measured					
	Indicated	1.69	6,930,000	2.70	2.37	
<b>Total Measured and Indicated</b>		<b>1.77</b>	<b>28,960,000</b>	<b>3.6</b>	<b>2.85</b>	<b>0.16</b>
Area	Category	Density (t/m <sup>3</sup> )	Tonnes	Copper (%)	Acid soluble copper (%)	Cobalt (%)
Tshifufiamashi	Inferred	1.82	450,000	2.27	1.80	0.15
Tshifufia	Inferred	1.82	660,000	2.19	1.37	0.13
<b>Total Inferred</b>		<b>1.82</b>	<b>1,110,000</b>	<b>2.22</b>	<b>1.55</b>	<b>0.13</b>

## Sulfide Mineral Resources – 31<sup>st</sup> December 2010

Area	Category	Density (t/m <sup>3</sup> )	Tonnes	Copper (%)	Acid soluble copper (%)	Cobalt (%)
Tshifufiamashi	Indicated	2.32	750,000	1.90	0.48	0.10
Tshifufia	Measured	2.32	2,290,000	2.36	1.11	0.15
	Indicated	2.32	8,820,000	2.82	1.13	0.15
<b>Total Measured and Indicated</b>		<b>2.32</b>	<b>11,860,000</b>	<b>2.67</b>	<b>1.09</b>	<b>0.14</b>
Area	Category	Density (t/m <sup>3</sup> )	Tonnes	Copper (%)	Acid soluble copper (%)	Cobalt (%)
Tshifufiamashi	Inferred	2.32	1,100,000	1.72	0.47	0.17
Tshifufia	Inferred	2.32	11,240,000	2.75	0.85	0.13
<b>Total Inferred</b>		<b>2.32</b>	<b>12,340,000</b>	<b>2.66</b>	<b>0.82</b>	<b>0.13</b>

