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OPERATOR: Good morning, everyone. Welcome to this conference call to discuss the 2010 Q1 financial and operating results of Anvil Mining Limited announced last Friday, May 14th, 2010.

As a reminder, today's call is being recorded. After the speakers' remarks there will be a question-and-answer session. If you would like to ask a question during that time, simply press * then the number 1 on your telephone keypad. To withdraw your question, press the # key.

At this time I would like to turn the call over to the Vice President of Corporate Affairs for Anvil Mining, Mr. Robert La Vallière.

Please go ahead, sir.

ROBERT LA VALLIÈRE (Vice President of Corporate Affairs, Anvil Mining Limited): Thank you, Christophe, and good morning and thank you for joining us. With me today are Bill Turner, President and CEO; Lui Evangelista, acting CFO; and Stuart McKenzie, Corporate Secretary.

Today's call is being webcast at CNW Group website and will be available for rebroadcast for a period of seven days following the completion of this call.

The full first quarter MD&A and financial tables, along with the notes, are available on our website at www.anvilmining.com in the Investor Relations section or on the SEDAR website at www.sedar.com.

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Before we begin I would like to draw your attention to the fact that some of the matters to be discussed in today's call with respect to the future company performance will be forward-looking statements within the meaning of applicable law. We refer you to our Q1 2010 MD&A filed last Friday on SEDAR and on our website and to our 2009 Annual Report and Annual Information Form filed last March 2010 with the Canadian and Australian securities authorities concerning factors that could cause the results to be different than contemplated in today's discussion.

The Q&A session will follow immediately after the remarks of the President and the operator will state again the instructions for the Q&A session.

At this time, I would like to turn the call over to Bill Turner. Bill?

WILLIAM TURNER (President and Chief Executive Officer, Anvil Mining Ltd.): Thank you, Robert.

Good morning, everybody. Kinsevere's HMS plant continued to perform well during the quarter. It generated cash flow of \$5.1 million and an operating profit of \$3.5 million on sales of \$15.5 million. Copper production was just over 4,000 tonnes in concentrate form with the concentrate running about 25% copper. The net income for the quarter was \$6.6 million.

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Following the challenges of last year this is the second quarter of positive cash flows and net earnings.

The construction work on the Kinsevere Stage II project are continuing, and they're now beginning to gather pace as the wet season is over. At the moment there are more than 600 construction personnel on site, and this number will continue to increase to around 800 by July and carry on for most of the rest of the year. The funds spent on the \$400 million project so far amount to \$245 million with only \$2.2 million of the \$12 million continued to use.

The status of the project at the moment is that the engineering and design work is 100% complete. The civil construction work is about 95% complete. Concrete works are about 75% complete. Construction of stainless steel tanks, about 50%. Tailings storage facility is about 65%, mechanical construction about 30%, and the ordering of major capital items is about 95% complete.

Plant and equipment largely fabricated and erected include the following: the crusher, the apron feeder, and the ROM bin, the leach tanks, CCD thickness, most of the pipe racks, stainless steel tankage, and a large part of the electrowinning tank house.

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The plant and equipment on site includes the complete 2.5 megawatt bull mill, a bunch of filters and clarifiers, half of the electrowinning cells, bulk of cathodes and anodes, cathode-stripping machine, water treatment plant.

The Ausenco lump sum contract, under which this work is being carried out, was signed on the 22nd of January this year. However, some of the early works commenced in October last year when the first tranche of the Trafigura funding came in.

Engineering and construction teams include Ausenco from Australia and Group Five from South Africa and include a number of local Congolese contractors, a number, several of these who have worked with us before. The project benefits from having the design and engineering works already completed, construction teams with considerable previous experience in the DRC, and a great deal of materials already on site. And this has opened up many work faces, providing considerable flexibility in terms of the construction work.

As of the time of the signing of the Ausenco lump sum contract in January this year, the lump sum cost for this contract was \$130 million. Owners had an additional \$58 million to spend on the project, and the owners' contingency was \$12 million for a total of \$200 million. The funds

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expended to the end of the first quarter of 2010 amounted to \$229 million with %171 million to complete from that time.

The timetable going forward: We expect to complete the construction work by the end of this year and begin commissioning in the first quarter of 2011 and ramp up to 60,000 tonnes of cathode copper production by mid-2011.

At this time I would like to hand the meeting over to Lui Evangelista, acting CFO, to run you through some of the financial results.

LUI EVANGELISTA (Acting Chief Financial Officer, Anvil Mining Ltd.): Thank you, Bill, and good morning, everyone.

The first quarter of 2010 was a profitable quarter for Anvil. Production from the HMS plant of 4,093 tonnes of copper produced sales of \$15.5 million. The sales were at an average realized price of \$3.33 per pound, slightly higher than the previous quarter of \$3.09.

The operating profit for the quarter was \$3.5 million. This was lower than the previous quarter due to lower sales.

The net income for the quarter was \$6.6 million, the equivalent of \$0.04 per share. The net income included a tax benefit of \$3.5 million, resulting from tax losses incurred during the quarter, largely from Stage II funding costs, which are deductible.

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The quarterly cash flows from continuing operations before changes in working capital was \$6.4 million, equivalent to \$0.04 per share.

The operating cash cost per tonne of concentrate for the quarter was \$319 per tonne, slightly up from the previous quarter of \$304 per tonne. This was slightly higher due to the impact of the wet season, and thus lower production.

We estimate during the following quarter two and quarter three in 2010 that our operating cost, the cash cost per tonne of concentrate is around \$350 per tonne. This is due to the increase in fuel costs, which incorporate the recently increased taxes on imports in the DRC, and also for increase in manpower in the second half of this year for the HMS operations, which will carry on into Stage II.

Our liquidity and cash position as at May 13. The cash, cash equivalents and the investments totalled \$107.3 million, equivalent to \$0.71 per share. This is represented by \$85 million in cash and restricted cash, equivalent to \$0.56 per share and \$22.3 million in available-for-sale investments, representing \$0.15 per share. The available-for-sale investments have increased to \$22.3 million, represented by available-for-sale debt investments of \$18.4 million and equity investments, which is Chalice, represented by Chalice, our investment in Chalice of \$3.9 million.

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Over the last year these investments have increased by \$14.3 million since March 31, 2009. The available-for-sale debt investments have increased by \$11.3 million and our equity investment has increased by \$3 million.

Anvil has mandated a group of commercial banks during the quarter to refinance the Trafigura \$100 million loan facility to a facility of \$140 million. This facility will also include our hedging facility for a period of not more than three years, the details of which are yet to be determined.

The additional funds required will be \$25 million for commissioning and ramp-up costs for Kinsevere Stage II in the first and second quarter of next year. The balance of \$15 million will be a project over-run facility, should it be required.

In summary, our HMS plant continues to be cash positive and able to pay for operational and company corporate costs. The Kinsevere Stage II construction is still expected to be within budget and on schedule. We expect draw down of the \$100 million Trafigura loan facility late in the second quarter or early in the third quarter of this year. The refinancing of the \$140 million debt facility is progressing well and should be completed in the third quarter of this year.

That completes this summary, and I now hand you back to Bill.

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WILLIAM TURNER: Thanks, Lui.

I'd just like to go over the objectives now as we see them, the short-term and the long-term objectives. The short-term objectives include maintaining a cash-positive operation at the Kinsevere HMS plant and completing the construction works at Kinsevere Stage II by year-end and beginning the commissioning at the beginning of next year. And the third item on our short-term objective list is to refinance the Trafigura \$100 million loan facility up to \$140 million.

Long-term, we'll complete the construction and the commissioning of Kinsevere Stage II and ramp up to full-scale production by mid-2011. We'll complete the scoping study to expand Kinsevere beyond 60,000 tonnes a year of cathode copper by heap leaching low-grade material, which is currently classified as low-grade waste. And this is material that is below the cut-off grade of 0.7% Cu, which is the cut-off grade for the resource.

Complete the preliminary studies on the mining and processing of the Kinsevere sulphide resource. As most of you will know, the Kinsevere sulphide resource has yet to have a considerable amount of drilling done on it to drill it out; and when we are able to initiate that work we will move into that as well. We also need to further evaluate the Mutoshi project, and we'll do that by completing an additional drilling program.

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Finally, the last of our long-term objectives includes identifying investment opportunities in the DRC that will enable us to consolidate the Company's position in the Congo Copperbelt and begin to develop a pipeline of future growth prospects.

At this point I'd like to throw the conference call open to a Q&A session.

OPERATOR: At this time I'd like to remind everyone in order to ask a question, press * then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from the line of Terence Ortslan from TSO Associates. Your line is now open.

TERENCE ORTSLAN: Thanks. Good morning. Sorry, I didn't hear the contingency that you had that your consultant (Ausenco) had, that you used and how much is left in the system. And given the fact that also the B part is well advanced in the equipment ordering and all, why should the contingency be still an issue? Thanks.

WILLIAM TURNER: The contingency from the Anvil side is \$12 million. Ausenco got their own contingency built into their number of around \$130 million. But the reference here was made to Anvil's contingency; and so far we've spent \$2.2 million of that \$12 million.

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It's true that there is a lot of equipment on site and a lot of the capital items have already been ordered and a lot of them are already on site, so there's not a great deal of exposure from that point of view. But we have had some issues with the cranes, and we've had to rent an additional crane. There is some work that is being done on some foundations, some re-work from the previous work that was done up until the end of 2008 when the project was closed down. And there are some non-conformance, there's just a bit of non-conformance work that it's been necessary to do. And that relates to some extent to the fact that the project was closed down for more than a year.

TERENCE ORTSLAN: Thank you.

WILLIAM TURNER: But I think your point is a good one that there is very little exposure in terms of capital costs because most of the capital items have either been ordered or they're already on site.

TERENCE ORTSLAN: Maybe I was referring to any domestic inflation, which is impacting you as well? And what's the status on that, the operating basis or also the project basis? Thanks.

WILLIAM TURNER: Well, there is some inflation and there are also from time to time little taxes that various government instrumentalities bring in. And we have on the HMS operation, we're dealing with some new taxes

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that have been introduced by the government just recently, taxes on exports of concentrates. So it does move and there have been some increases in fuel prices recently. They've gone up quite a bit, and that also is a factor in terms of our costs going forward.

But going back to the Ausenco contract, the Ausenco contract is a lump-sum contract or around \$130 million. So that's a fixed sum. We have \$58 million of costs ourselves as owner's costs, and of course those costs are subject to any change in things such as fuel prices and other taxes that may pop up from time to time from the government.

TERENCE ORTSLAN: Understood. Thanks.

OPERATOR: Again, in order to ask a question, press * then the number 1 on your telephone keypad. There are no further questions at this time. Mr. Turner, I turn the call back over to you.

WILLIAM TURNER: Thank you.

In summary, Kinsevere Stage II is starting to gain momentum now. As we've mentioned, there's a great deal of equipment on site. The engineering and design work is complete. And this is a little unusual for a project of this size to have that work complete at this stage. Many work fronts are viable and there's a great deal of flexibility in terms of how the construction work is approached.

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There are two groups on site, Ausenco and Group5, who have had considerable prior experience on this project. They were the two companies working with us when we closed the project down at the end of 2008. And Group5 has previously worked on two other significant projects in the Congo up until the end of last year.

Kinsevere Stage II SX-EW is now Anvil's flagship project. It will be a low-cost, long-life, 60,000-tonne-a-year cathode copper producer. The C1 cash cost is expected to be around \$0.89 a pound and including royalties of about \$0.11 a pound as a total cash cost of around \$1.00 a pound. The C3 total cost is expected to be \$1.33 a pound of cathode copper.

Production will be about 130 million pounds of copper a year, and our focus right now is almost exclusively on delivering this SX-EW project on time and on budget.

There is significant upside potential with sulphide resources at Kinsevere, with the best sulphide intersection being 272 metres at an average grade of 3.2% copper.

In addition, there are attractive future consolidation opportunities in the DRC Copperbelt which we wish to take advantage of.

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And finally, Anvil and its strategic partner, Trafigura, have a shared vision of building a leading copper producer in the DRC, and Kinsevere Stage II will provide a platform to do this.

That's all I have to say at the moment, and I'd like to pass the call back over to Robert La Vallière.

ROBERT LA VALLIÈRE: Thank you, Bill. And just some final comments. Tomorrow, we will launch a new website. It's the same address, www.anvilmining.com, with a specific focus on Kinsevere Stage II SX-EW project, and you will have some photos showing the construction progress of this project. These photos will be updated on a monthly basis.

You will note also that Anvil is now an Extractive Industry Transparency Initiative (EITI) member company, and you can find more information about this EITI initiative on www.eititransparency.org.

Finally, Anvil expects to conduct a mine tour of Kinsevere at the end of Q3 2010. Probably it will be the week of September 27, at which time Kinsevere Stage II SX-EW construction should be in a very advanced stage of completion. We look forward to seeing some of you on site then.

So that ends the conference call, and thank you very much for your participation.

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OPERATOR: This concludes today's conference. You may now disconnect.

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