



anvilmining

CONTINUOUS DISCLOSURE AND INSIDER TRADING POLICY

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TABLE OF CONTENTS

1.	Statement of Purpose	3
2.	Overview.....	3
2.1	Price Sensitive Information.....	3
2.2	Relevant Legislation	4
3.	Application of the Policy.....	5
3.1	Continuous Disclosure	5
3.2	Insider Reporting Obligations	6
3.3	Protocol for Dealing in Anvil Securities.....	6
3.3.1	Periodic, Regular Disclosure (Quarterly and Annual Financial Results)	6
3.3.2	Unscheduled Developments	6
4.	Further Information	7

1. Statement of Purpose

This Continuous Disclosure and Insider Trading Policy (the “Policy”) exists to advise all directors, officers, employees and contractors of Anvil Mining Limited and its controlled subsidiaries (“Anvil”), of their responsibilities regarding continuous disclosure, price sensitive information, and insider trading.

Anvil takes continuous disclosure and insider trading very seriously. It expects its directors, officers, employees and contractors to do the same. This document outlines Anvil’s policy and procedures for compliance with the laws concerning continuous disclosure and insider trading, and is intended to protect employees from inadvertently breaching those rules.

All directors, officers, employees and contractors of Anvil are subject to the following policy relating to investments in Anvil’s securities and where relevant, securities of other public issuers

2. Overview

Anvil’s securities (eg common shares, CDIs, options, warrants) are publicly traded and presently listed on the Australian Stock Exchange (ASX) and the Toronto Stock Exchange (TSX). As such, the law regulates the use and disclosure of information concerning Anvil’s business and activities that could affect the price of Anvil’s securities.

The laws on continuous disclosure and insider trading exist to encourage full disclosure of price sensitive information by the issuer of securities to the market, and to prevent people who have price sensitive information that is not known to the market (insiders) from taking advantage of it.

If Anvil directors, officers, employees and contractors or others have or have access to price sensitive information which has not been disclosed to the market and misuse it by trading or passing it on to unauthorised people, serious penalties may apply.

Securities legislation that applies to Anvil is subject to change. While we will attempt to update this Policy to reflect any changes in such laws, we can give no assurance that at any point this policy will be up to date and will accurately reflect applicable securities law. Compliance with this policy does not necessarily equate to compliance with applicable legislation. If you have any questions or if you are unsure whether any particular information is material or price sensitive or whether it has been disclosed to the public as required, you are encouraged to contact the Company Secretary.

2.1 Price Sensitive Information

Price sensitive information is, generally speaking, non-public information that would reasonably be expected to have a material effect on the price or value of Anvil’s securities. Examples of price sensitive information include:

- A material change in Anvil's financial forecast or expectation. The TSX and ASX's general policy is that variation in excess of 10% to 15% is likely to be considered material.
- A material change in Anvil's ore reserves forecast or expectation.
- The existence of key projects to acquire or dispose of Anvil's businesses or assets;
- The impending appointment or departure of a key senior executive or director; and
- A declaration of a dividend.

As a starting point you should regard all information about Anvil and its business and activities as confidential and price sensitive, unless you are certain that the information is in the public domain or is not otherwise sensitive or restricted.

2.2 Relevant Legislation

As a director, officer, employee or contractor of Anvil, you may from time to time obtain or have access to price sensitive information that is not generally available to others outside of Anvil. That information is inside information and as a recipient of that information you will be considered an insider.

Securities legislation prohibits any person who is an insider, or in a "special relationship" with the Corporation from either:

- Purchasing or selling Anvil shares with the knowledge of a material fact or material change concerning the Corporation that has not been generally disclosed; or
- Informing (or "tipping"), other than when necessary in the course of business, another person or company of a material fact or material change concerning the Corporation before the material fact or material change has been generally disclosed.

The definition of an insider varies from statute to statute but in any case will include directors and senior officers of the corporation, and contractors who receive confidential information from the corporation while providing services to the corporation. Generally, securities legislation defines insiders as:

- Every director or senior officer of a public issuer;
- Every director or senior officer of an issuer that is itself an insider of a public issuer;
- Any person or corporation that:
 - Beneficially owns, directly or indirectly, voting securities of a public issuer, or
 - Exercises control or direction over voting securities of a public issuer, or
 - Beneficially owns, directly or indirectly, certain voting securities of a public issuer and exercises control or direction over certain

other voting securities of a public issuer, carrying more than 10% of the voting rights attached to all voting securities of the public issuer for the time being outstanding other than voting securities held by the person or Anvil as underwriter in the course of distribution, or

- Any party that receives confidential information from the corporation.

A Senior Officer includes, the President, any Vice Presidents, the Secretary, the Treasurer, the Financial Controller or any other individual who performs functions for an issuer similar to those normally performed by an individual occupying any such office and each of the five highest paid employees of an issuer.

Those people deemed to have a “special relationship” with the Corporation are as follows:

- Directors, Vice Presidents, and other designated employees of Anvil;
- Persons or corporations who learn of a material fact or material change concerning Anvil.

The penalties for a breach of this prohibition are strict. In Canada, a breach may render an insider personally liable to prosecution and, upon conviction, to a fine of up to one million dollars or two years in jail, or both. Further, an insider may be subject to civil actions initiated by certain security holders, the companies whose securities were traded, and various securities commissions. Furthermore, any person who is associated with an insider, including any family member, spouse of the insider or any person living with the insider, is also deemed to be a person in a special relationship with the Corporation, and is subject to the same legal obligations and duties.

3. Application of the Policy

The application of this policy is directed to ensuring that Anvil meets its continuous disclosure and insider reporting obligations. Central to fulfilling these obligations is adherence to the protocol for dealing in the Corporation’s securities.

3.1 Continuous Disclosure

The general rule is that if a material change occurs in Anvil’s affairs then Anvil must immediately issue a news release and tell the TSX and ASX. This rule is generally known as the requirement for Continuous Disclosure.

Examples of when this general rule does not apply include:

- The information is confidential;
- It would be a breach of law to disclose the information;
- The information concerns an incomplete proposal or negotiation;
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure; and
- The information is regarding a change of fact that is not material.

Anvil has a protocol outlining how information is released to the public. The protocol focuses on continuous disclosure and improving access to information for all investors.

3.2 Insider Reporting Obligations

A person or corporation who becomes an insider of Anvil must file an insider report within ten days of the date of becoming an insider. With prior arrangement, assistance in filing the insider report can be provided by the Company Secretary. However, the obligation to report still falls on the insider.

An insider whose direct or indirect beneficial ownership of or control or direction over securities of Anvil changes, must file an insider report of the change within ten days of the date of the change.

Insiders may choose to delegate their regulatory insider reporting obligations to the Company Secretary or undertake such reporting independently. Those individuals that delegate regulatory reporting to the Company Secretary must provide all details of any transaction to the Company Secretary within 24 hours of the transaction taking place.

At the completion of any month where an insider's holding of Anvil securities has changed during that month, the insider must lodge a statement of their holdings of Anvil securities with the Company Secretary in order to enable monitoring of individual holdings with reported holdings.

3.3 Protocol for Dealing in Anvil Securities

In order to enhance compliance with insider trading legislation, Anvil has made the following provision for blackout periods during which directors and officers are prohibited from trading.

3.3.1 Periodic, Regular Disclosure (Quarterly and Annual Financial Results)

For the first, second and third quarters of the financial year, the blackout period is the ten trading days immediately preceding the results announcements, and terminating immediately following the release.

For the December 31 year-end financial statements, the blackout period extends from February 1 and terminating immediately following the release of year end results.

Notice of commencement and cessation of black out periods is circulated by memorandum once determined.

3.3.2 Unscheduled Developments

Unscheduled developments are significant corporate acquisitions, divestitures, contract negotiations, material new information regarding Anvil's resources or reserves, asset write downs, or similar transactions that will generally result in a material change in the affairs of Anvil.

- The closed period begins as soon as management is aware of the development, and continues until material information has been publicly disseminated.
- If you are unsure whether or not you may trade in a given circumstance, you should contact the Company Secretary to determine if the particular information is or is not material.

4. **Further Information**

The following notes are provided as additional information to help clarify certain aspects related to insider trading.

a) Disclosure of Information to Others.

Anvil has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. You may not, therefore, disclose information to anyone outside Anvil, including family members and friends, other than in accordance with those procedures. You also may not discuss Anvil or its business in an internet “chat room” or similar internet-based forum. The requirement of this Policy is in addition to existing policies and agreements with respect to the non-disclosure of confidential information and the general rule that Anvil business is not to be discussed with anyone outside Anvil except as necessary in connection with the conduct of Anvil’s business.

As an employee of a public corporation, you should be aware that many people, including stock brokers, market analysts, journalists and stockholders have an interest in information about the corporation and may seek to obtain it from you. If you receive any inquiry of this kind, you should decline to respond and refer the inquiry to the Company Secretary.

b) Material Information

Material information is any information that a reasonable investor would consider important in making a decision to buy, hold, or sell securities. Any information that could be expected to affect Anvil’s stock price, whether it is positive or negative, should be considered material. Some examples of information that ordinarily would be regarded as material are:

- Changes in resources and reserves
- Projections of future earnings or losses, or other earnings guidance;
- Earnings that are inconsistent with the consensus expectations of the investment community;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- A change in management;
- Impending bankruptcy or the existence of severe liquidity problems; and
- The gain or loss of a significant customer or supplier.

c) Twenty-Twenty Hindsight

Anyone scrutinizing transactions will be doing so after the fact, with the benefit of hindsight. As a practical matter, before engaging in any transaction, carefully consider how enforcement authorities and others might view the transaction in hindsight.

d) When Information is “Public”

If you are aware of material non-public information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release or a SEDAR filing) and the investing public has had time to absorb the information fully. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until 24 to 48 hours has lapsed after the information is released. If, for example, Anvil was to make an announcement on a Monday, you should not trade in Anvil’s securities until Thursday. If an announcement was made on a Friday, Wednesday generally would be the first eligible trading day. Holidays in which securities markets are closed are not business days and therefore extend the applicable period.

e) Transactions by Family Members

The insider trading policy also applies to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Anvil securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in Anvil stock). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in Anvil stock.

f) Stock Option Exercises

Anvil’s insider trading policy does not apply to the exercise of an employee stock option. The policy does apply, however, to any sale of Anvil securities acquired on exercise of stock options, including sales as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

g) Additional Prohibited Transactions.

Anvil considers it improper and inappropriate for any director, officer or other employee of the Anvil to engage in short-term or speculative transactions in the Anvil’s securities. It therefore is the Anvil’s policy that directors, officers and other employees may not engage in any of the following transactions:

- Short-term Trading

An employee’s short-term trading of Anvil’s securities may be distracting to the employee and may unduly focus the employee on Anvil’s short-term stock market performance instead of Anvil’s long-term business objectives. For these reasons, any director, officer or other employee of Anvil who purchases Anvil securities in the open market may not sell any Anvil securities of the same class during the six months following the purchase. An employee, other than a director or executive officer, may apply for a

hardship exemption from this prohibition, but in the absence of a significant and unforeseen problem, such a request will be ordinarily denied.

- Short Sales

Short sales of Anvil's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in Anvil or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve Anvil's performance. For these reasons, this Policy prohibits short sales of Anvil's securities. Exercising employee options and then selling the shares does not constitute a short sale.

- Publicly Traded Options

A transaction in options is, in effect, a bet on the short-term movement of the Anvil's stock and therefore creates the appearance that the director or employee is trading based on inside information. Transactions in options also may focus the director's or employee's attention on short-term performance at the expense of Anvil's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities issued by persons other than Anvil, on an exchange or in any other organized market, are prohibited by this Policy Statement. (The section below captioned "Hedging Transactions" governs Option positions arising from certain types of hedging transactions.) The prohibition does not apply to trading in warrants or other publicly traded derivative securities issued by Anvil.

- Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the director or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the director or employee may no longer have the same objectives as Anvil's other shareholders. Therefore, Anvil strongly discourages you from engaging in such transactions. Any person wishing to enter into such an arrangement must first pre-clear the proposed transaction with the Company Secretary. Any request for pre-clearance of a hedging or similar arrangement must be submitted to the Compliance Officer at least two weeks prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.

- Post-Termination Transactions:

The Policy Statement continues to apply to your transactions in Anvil stock even after you have terminated employment. If you are in possession of material non-public information when your employment terminates, you may not trade in Anvil stock until that information has become public or is no longer material. You are reminded that the prohibition under securities laws on trading while in possession of material non-public information applies to anyone and is not limited to employees of the issuer. Accordingly, the risk of a violation and the imposition of penalties as

outlined above does not end when you terminate your employment with Anvil.

Any person who has a question about this Policy or its application to any proposed transaction may obtain additional guidance from the Company Secretary. Ultimately, however, the responsibility for adhering to this Policy Statement and avoiding unlawful transactions rests with the individual.