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OPERATOR: Good morning, everyone. Welcome to this conference call to discuss the 2010 second quarter financial and operating results of Anvil Mining Limited announced this morning, August 16th, 2010.

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 this time, simply press * then the number 1 on your telephone keypad. If you would like 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, Corporate Affairs, Anvil Mining Ltd.): Thank you, Christophe. 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's website and will be available for rebroadcast for a period of seven days following the completion of this call. The full second quarter and Q2 MD&A and unaudited financial tables, along with the notes are available on our website at www.anvilmining.com, Investor Relations section or on the SEDAR website at www.sedar.com.

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's performance will be forward-looking statements within the meaning of applicable law. We refer you to our Q2 2010 MD&A filed today on our website and our 2009 annual report and annual information form filed last March 2010 with the Canadian and Australian securities authorities concerning factors that could cause results to be different than contemplated in today's discussion.

A Q&A session will follow immediately after the remarks of Bill Turner, and the operator will state again the instruction of 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 Limited): Thank you, Robert, and good morning or good afternoon, good evening, everybody.

Firstly I'll just run through some of the highlights for the second quarter of this year. The Kinsevere HMS plant has continued to perform well and has generated cash flow before changes in working capital of $3.3 million and operating income of $1.6 million. And this is on sales of $14.5 million.

Copper production was 4,412 tonnes in a concentrate form running 25% copper. Net income from continuing operations for the quarter was $5.1 million, and the net income of $11 million in the financial statements that have been released is due to the gain on the sale of the Dikulushi project, again of $5.9 million.

With Kinsevere Stage II the SX-EW plant that we're in construction on, it's very pleasing to report that this project has so far had an excellent safety record. The project has over 1,000 employees and contractors currently on site, and the project has just recently exceeded 750,000 LTI injury-free... loss-time injury-free man hours. That's quite an achievement.

Up to the 31st of July we have spent $83 million on this project, $64 million attributed to the Ausenco Lump Sum Turnkey contract, and $19 million attributable to owner's costs.

A further $84 million has been committed for a total spend and committed of $167 million on the remaining $200 million to complete the project. Keep in mind that this is a $400 million project, and this work that we're doing now is the second half of this project, the second $200 million. So we have spent a total and committed of $367 million on the $400 million value of the project.

There's been significant progress achieved in the crusher area. The CCD thickeners, the pipe racks, the acid tank area, the high-grade and low-grade SX-EW areas, the reagent tanks, the electro-winning tank house, and the tailings storage facility.

Civil construction, concrete work, stainless-steel tankage are almost complete to the extent of somewhere between 85 and 97% for these items. Mechanical construction is about 35% complete, and the ordering of major capital items is approximately 98% complete.

The critical path activities relate to the installation of the internal site utilities. I think as you know the power supply from the regional grid has been in place now for a couple of years. And that has power at the cost of 3.8 cents a kilowatt hour. Other critical path activities include the acid proofing, the electricals and the instrumentation, and some of these critical path activities have caused us to push the full commissioning period out into just across the border into the second quarter of 2011 from the first quarter originally planned.

I'd like to now pass this call over to Lui Evangelista, our Acting CFO. Thank you, Lui.

LUI EVANGELISTA (Acting Chief Financial Officer, Anvil Mining Limited): Thank you, Bill. Good morning, everyone.

I’d just like to go over our second quarter highlights. Once again, we had a profitable quarter. Production from the HMS plant produced 4,412 tonnes of copper and concentrate, average grade of 25%. We had quarterly revenues of $14.5 million at an average realized copper price of $2.95/lb.

Our quarterly operating profit was $1.6 million. Our quarterly net income from continuing operations was $5.1 million, equivalent to $3.00 per share. Our quarterly net income was $11 million. That was after the gain we achieved from the sale of our Dikulushi mine of $5.9 million. So together with the net income from continuing operations, it totalled $11 million.

Our quarterly cash flows from continuing operations before changes in working capital was $3.3 million, equivalent to $0.02 per share.

We had an operating cash cost per tonne of concentrate of $292 per tonne for the quarter.

As of last Friday, the 13th of August we had cash and cash equivalents of $51.9 million, equivalent to $0.35 per share.

I’d just like to go over our results for the year to date, representing six months from January to June. We achieved sales of $30 million at a realized copper price of $3.13/lb. We had an operating profit of $4.9 million and an operating cash cost per tonne of concentrate reduced of $305 per tonne.

Net income from continuing operations was $11.6 million, equivalent to $0.08 per share.

Our cash flow before changes in working capital was $9.7 million, equivalent to $0.06 per share. And our production for the six months was 8,505 tonnes.

I just highlighted just before, we had $51.9 million in cash and cash equivalents. In addition to that we had $24 million in available for sale investments. As of 13th of August we had a total of $75.9 million in cash, cash equivalents and investment, which equated to $0.51 per share.

Our available-for-sale investments have increased to $24 million. This is made up of our available-for-sale debt investments of $20.2 million, and we also have an equity investment Chalice of $3.8 million.

It's pleasing to note that since June 30, these investments have increased by $1.4 million.

We have a line facility provided by Trafigura of $100 million, which will enable us to complete the construction of Stage II. We are yet to utilize, to draw down on these funds. We're at the moment utilizing our own cash reserves, and we expect to draw down on the loan facility in September.

In the meantime we have mandated a group of commercial banks to refinance that Trafigura, $100 million loan facility up to $140 million loan facility. We expect that to be completed by the end of the year. The refinancing will include a hedging facility for a period of not more than three years, the details of which are yet to be determined. The additional $40 million of funds are actually required for a $25 million for the commissioning and ramp-up costs at Kinsevere Stage II, for the first half of 2011 and a $15 million project overrun facility as back up insurance.

In summary, the HMS plant has continued to be cash positive for the third consecutive quarter, from which we are able to pay operational and company corporate costs. In addition, in order to provide greater certainty of our existing cash balance, the company was hedged during this month 100% of anticipated copper production for the remainder of 2010. This is in two parts: 50% of the production has been locked in at $3.24/lb; the remainder, 50% of production, has been locked in at a floor price, between a floor price of $3.00 and a cap price of $3.41/lb.

We also, the Kinsevere Stage II construction, we expect to still be within budget. We plan to draw down $100 million Trafigura line facility as indicated in September, and we are progressing well with the refinancing of $140 million debt facility, which should be completed end of Q4.

I'll now hand it back to Bill. Thank you.

WILLIAM TURNER: Yes, thanks, Lui. I'd now like to just outline our short- and long-term objectives. The short-term objectives include continued cash positive operation from the Kinsevere HMS plant, a continuation of the construction works on Kinsevere Stage II, and the completion of the financing or the refinancing of the $100 million facility currently in place with Trafigura up to the level of $140 million, which Lui referred to.

On the longer term our objectives include the completion of the construction and the commissioning and the ramp-up of the Kinsevere Stage II SX-EW plant; the completion of a scoping study on options to heap leach the low-grade material. If you recall the resource cut-off grade is 0.7% copper, and there's quite a bit of material that is in the range of say 0.3 up to 0.7% that will come out of the open pit anyway, and we are looking at heap leaching some of this material, particularly with the current level of copper price. And that should provide a reasonable amount of additional feed to the SX-EW plant.

Then the identification of investment opportunities in the DRC to consolidate the company's position and develop a pipeline of growth projects. There are some significant opportunities in the DRC at the moment. The initiation of further deep drilling at Kinsevere to further delineate the sulphide resource. We have 0.5 million tonnes of copper in the sulphide resource, and we expect to expand that. And the completion of preliminary studies on the mining and processing of the sulphide resource in Kinsevere, and finally some additional drilling to further evaluate the Mutoshi project up in the Kolwezi region.

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

OPERATOR: At this time I'd like to remind everyone in order to ask a question, * 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 Tom Meyer from Raymond James. Your line is now open.

TOM MEYER: Thank you. Good evening, Bill. Can you give us the volumes that are hedged or should we just take the… whatever it was, 16,500 tonnes minus what you've done? Is that total volume of those copper hedges?

WILLIAM TURNER: Lui, would you like to take this one?

LUI EVANGELISTA: Yes. Hi, Tom. We are looking at production from September through to the end of the year. And that is equivalent to approximately set between 4,000 and 5,000 tonnes of copper.

TOM MEYER: And then they expire in December. So it's just on that volume being produced and then it's…

LUI EVANGELISTA: Yes.

TOM MEYER: Okay. And then given the delay with Kinsevere commissioning, does the operating strategy around the HMS plant change at all into the New Year? Are you going to run it for longer or how's that going to work?

WILLIAM TURNER: Well we might, Tom. We have the option to do that, and to keep the HMS operation going there's no difficulty in doing that. And the production from that we could sell or we could put that production into the front end of the SX-EW plant. So we have that flexibility, and maybe that's what we may well do that if we decide that we need to.

TOM MEYER: Okay. Okay, great. I'll pass it on. Thanks very much.

WILLIAM TURNER: Okay. Thanks, Tom.

OPERATOR: Your next question comes from the line of David Charles from GMP Securities. Your line is now open.

DAVID CHARLES: Hi, yes. Good morning. Or good morning here, good evening there. I have just one question and that is on the debt facility that you're currently in the process of negotiating with the banks, the commercial banks, I'm just wondering where you are in that process and are you comfortable that your timeline till the end of the year is pretty solid?

WILLIAM TURNER: Look, thanks, David. This is something that we've been working on with the support of Trafigura. And as you can imagine, Trafigura has significant more capability than Anvil does on its own to put a facility like this in place. This is not a highly leveraged situation. We're looking at $140 million on a capital cost of $400 million. And we have gone through a due diligence process with SRK engaged by the banks to do that work, and we expect to get this facility in place during the fourth quarter, probably in October, November.

DAVID CHARLES: Is it safe to say that there's an appetite out there by the banks for these type of loans or are we still suffering to some extent from the overhang from the credit crunch?

WILLIAM TURNER: We're suffering from the overhang of the credit crunch in terms of the seriousness with which the due diligence work has been approached, and that has been probably more diligent than it might have been a year ago. But this is a very attractive project with very good copper ratios, and we've been in discussions with the banks, and lawyers have been appointed for the banks and for Anvil. And we're moving along on this. There's no indication that this is going to fall over, and everybody is working towards this being completed somewhere around the end of October, early November.

DAVID CHARLES: Excellent, Bill. Thanks very much.

WILLIAM TURNER: Okay, David.

OPERATOR: Your next question comes from the line of Kerry Smith from Haywood Securities. Your line is now open.

KERRY SMITH: Thanks, Operator. Hi, Bill. Hi, Lui. I had a couple of questions. Firstly, within the $200 million of capex that was left to spend originally, I can't remember how much contingency you had built into that number. But can you just remind me how much has been spent so far?

WILLIAM TURNER: Well the $200 million, there was $200 million spent essentially at the closing of the project or six months after by the time we closed the project down, we'd spent approximately, spent right on about $200 million. And with this next $200 million it's made up of $130 million of lump sum cost for Ausenco. That's a lump sum cost.

KERRY SMITH: Right.

WILLIAM TURNER: And $70 million for owner's costs. In the lump sum number there's a $20 million contingency. And in the owner's costs there's a $12 million contingency. And so far we've spent about $4 million of that contingency on our side.

KERRY SMITH: And how much on the other side then?

WILLIAM TURNER: I don't know how much on the other side. But it is a lump sum contract.

KERRY SMITH: Yes, so it doesn't matter. Right, okay, and so you've spent $4 million. And how much have the owner's costs has been incurred so far?

WILLIAM TURNER: Owner's costs so far, $19 million.

KERRY SMITH: Okay. Okay, so you spent a third of the contingency on about a third of the owner's costs, I guess roughly. So it's tracking then.

WILLIAM TURNER: Yes, it's tracking okay. We're comfortable with that.

KERRY SMITH: Okay. And Bill or Lui, what are the remaining conditions that have to be satisfied before you could actually draw down under the Trafigura facility? Which you will do obviously because you're not going to have the other debt in place.

WILLIAM TURNER: Stuart, do you want to respond to Kerry's question? We're pretty well there actually, Kerry.

KERRY SMITH: And so… like is there anything, is there any issue there that will be problematic or are you telling...?

WILLIAM TURNER: No, there are no issues. There are no problematic issues in being able to...

STUART MCKENZIE (Corporate Secretary, Anvil Mining Limited): It's essentially formalities, Kerry.

KERRY SMITH: Okay.

STUART MCKENZIE: It relates to legal opinion from the respected jurisdictions of the entities.

KERRY SMITH: Okay. Okay. So you're basically saying there should be no issues in terms of drawing down that facility in September then?

WILLIAM TURNER: None. And it's not in anyone's interest for there to… I mean we've been… we have... all the important and critical things that needed to be done have been done earlier on this year, and as Stuart has indicated there is some formalities that need to be tidied up. But there is nothing contentious.

KERRY SMITH: Okay. And the capex, can you just lay out the timing of the capex spend? There's $117 million let's say left to actually spend on the $200 million. How much of that gets spend in the back half of this year versus how much actually gets physically spent in 2011?

WILLIAM TURNER: Well, we're probably… we will have spent $200 million probably – I don't have the numbers to hand on that – but we will have spent probably $200 million by let's say about the end of January; and/or maybe even a bit later than that. And the extra $25 million and the refinancing is required to carry us through the commissioning and the ramp-up period through to the middle of next year well, it's for the next probably three months after that.

KERRY SMITH: Right. So the $25 million for the ramp-up, does that include the working capital then, Bill? That's everything, right?

WILLIAM TURNER: Yes, it does.

KERRY SMITH: So that's working capital plus operating costs?

WILLIAM TURNER: The working capital that we need, I mean the $200 million gets the project constructed. For a total cost for the project, the $400 million.

KERRY SMITH: Right.

WILLIAM TURNER: And then we need about $25 million to carry us through the commissioning and the ramp-up until the project becomes cash positive. And we've got… we've provided an additional $15 million cost overrun facility just in case we get into some trouble.

KERRY SMITH: So that's how you get to the $40.

WILLIAM TURNER: And that's how we get to the $40, yes.

KERRY SMITH: Okay. Okay. But then that $25 million of… that includes the working capital, just so I'm clear.

WILLIAM TURNER: Yes.

KERRY SMITH: Yes, okay.

WILLIAM TURNER: Yes, it does.

KERRY SMITH: Okay. Okay. Okay. Okay, and then do you have any rough sense as to what the tonnes and grade would be of the heap leachable ore within the Kinsevere deposit?

WILLIAM TURNER: Look, I think we could probably get another…

KERRY SMITH: Or will you give us that?

WILLIAM TURNER: …8,000 tonnes of copper a year out of that, something of that order.

KERRY SMITH: Okay. And that would be for how many years do you think, Bill?

WILLIAM TURNER: I can't remember the numbers just offhand, but it would be for several years because this is material that is in the open pit.

It's a material that's in the open pit that comes… is coming out of the open pit anyway. It's not additional material that is coming out of the walls of the pit or whatever. So it's quite leveraging. It's a low cost cover.

KERRY SMITH: And would you happen to remember what the input parameters were to that 8,000 tonnes? Like how many tonnes...?

WILLIAM TURNER: No. Look, they're just sort of preliminary numbers, Kerry. We haven't gone down the track in terms of a clear definition. This is something that we're currently doing some work on. But that's the general sort of ballpark estimate of the additional copper production that we've come under would be for a number of years. But it needs further definition, further definition before we… before we put out some numbers that have...

KERRY SMITH: Okay. So I guess once you get the scoping study done sometime in 2011 we would maybe be able to get a bit more.

WILLIAM TURNER: Yes.

KERRY SMITH: Okay. Okay, that's great. Thanks.

OPERATOR: Again, ladies and gentlemen, in order to ask a question * 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: Okay, thank you. I've got some notes here that I wanted to just run through. So in summary then the Kinsevere Stage II SX-EW project is obviously Anvil's flagship project. This is going to produce copper at a C1 cash cost of $0.89/lb. And if we include the royalties in there the total cash cost is $1.00/lb. From a C3 cost point of view it's expected to be about $1.33/lb of cathode copper, and we've got a copper price that would end up giving us at the current copper price a gross profit margin near of about 200%. So this is a very, very robust project. Low costs, long life, and 60,000-tonne-a-year copper producer.

The significant upside potential in the sulphide resources at Kinsevere with the best sulphide intersection being a very healthy 272 metres at an average grade of 3.2% copper. And this intersection is one that sits below an oxide intersection in the same hole that runs 85 metres of 9.5% copper. Very significant intersections in this Kinsevere resource.

In addition there are attractive future consolidation opportunities in the DRC. Anvil has been in the Congo now for some time, and has done several developments and from an operating presence point of view we have quite a strong position in the country.

Finally, Anvil and its strategic partner, Trafigura, have a shared vision of building a leading copper producer in the DRC. And it is the Kinsevere Stage II project that will provide the platform for us to do this.

Thank you all for joining the call. I'd now like to pass the call back to Robert.

ROBERT LA VALLIÈRE: Thank you, Bill. Just a reminder that we will conduct a mine tour at Kinsevere Stage II SX-EW on Monday, September 27. We have launched the invitation at the end of July and we look forward to seeing some of you on site then.

So that ends the conference call. Thank you very much for your participation.

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

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