

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fourth Quarter Ended December 31, 2010

Set out below is a review of the activities, results of operations and financial condition of Anvil Mining Limited (the "Company") and its subsidiaries (collectively, the "Group" or "Anvil") for the fourth quarter and 12 months ended December 31, 2010. The discussion below should be read in conjunction with the audited consolidated financial statements of the Company for the fourth quarter and twelve months ended December 31, 2010 and the notes accompanying. The Company's consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Capitalized terms used and not defined below have the meanings given to them in the consolidated financial statements and the notes accompanying. References below to "\$" or "US dollar" refer to United States dollars. The Company uses the US dollar as its reporting currency. Certain financial information relating to Anvil set out below originates in Canadian dollars ("C\$"), or Australian dollars ("A\$"), and has been translated into US dollars, based on prevailing exchange rates and in accordance with Note 2 to the audited consolidated financial statements for the 12 months ended December 31, 2010.

Additional information relating to the Company, including the Company's most recent annual information form, is available on SEDAR at www.sedar.com under the Company's profile.

This management's discussion and analysis of financial condition and results of operations is as of December 31, 2010. Please note that balances as of a date other than December 31, 2010 are unaudited, for discussion purposes only and represent an approximation by management.

1. Performance Summary and Outlook

Key points for the quarter

- 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.

Key points for the 12 months

- 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.

Operations: Kinsevere Heavy Media Separation ("HMS") plant

During the fourth quarter of 2010, the HMS and spirals plants 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 12 months ended December 31, 2010, the HMS and spirals plants produced 16,538 tonnes of copper contained in concentrate.

Key performance details of the HMS plant for the December quarter and 12 months ended December 31, 2010 and comparative information for the corresponding periods in 2009 are set out in the table below:

Operating Performance: Kinsevere HMS Plant	Q4 2010	Q4 2009	Year 2010	Year 2009
Ore processed – HMS plant (dmt)	88,044	65,313	303,162	231,823
Feed grade – HMS (%)	6.0	8.9	7.1	8.2
Contained copper – HMS (tonnes)	5,319	5,782	21,398	19,066
Recovery Cu – HMS (%)	64.5	77.0	68.3	76.0
Concentrate produced – HMS and spirals (tonnes)	15,082	18,911	67,128	62,468
Concentrate grade – HMS and spirals (% Cu)	25.4	26.3	24.6	26.3
Copper produced in concentrate – HMS and spirals (tonnes) ¹	3,817	4,970	16,538	16,406
Copper sold – tonnes Cu	3,803	7,816	16,866	19,577
Average realized price – \$ / lb	3.55	3.09	3.27	2.56
Operating cash cost (ex mine gate) – \$ / tonne concentrate	456	304	349	218

1. In addition to producing a coarse concentrate from the HMS plant, a fine grained, slightly lower grade concentrate is produced from a spirals circuit, through which the fines (<0.6mm) that are screened off before the HMS circuit, are treated.

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.

The table below illustrates the cash performance of the Kinsevere HMS plant for the fourth quarter and 12 months ended December 31, 2010:

Financial Performance: Kinsevere HMS Plant	3 months ended December 31, 2010 \$ million	12 months ended December 31, 2010 \$ million
Sales	15.2	59.1
Operating expenses	(8.2)	(28.6) ¹
Cash generated from HMS operations after operating expenses	7.0	30.5
Care and maintenance expenses	(1.6)	(3.6)
Sustaining capital expenditure	(0.6)	(3.0)
Corporate overhead expenses	(3.0)	(10.7)
Cash generated from HMS operations after operating and Group expenses	1.8	13.2

1. Includes sales costs of \$5.2 million.

Copper Production

Kinsevere copper production for the last eight quarters is shown in the following table:

	2010 Year	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09
Tonnes	16,538	3,817	4,216	4,412	4,093	4,970	5,865	5,372	199

Mutoshi

During February 2011, the Company signed an agreement with Alexander Mining plc (“Alexander”) for Alexander to build and operate a pilot plant (the “Pilot Plant”) to treat up to 150,000 tonnes of cobalt ore at Anvil’s Mutoshi deposit located in the Kolwezi region. The Pilot Plant will utilize Alexander’s proprietary ammonia-based leaching technology to process ore from Anvil’s Mutoshi deposit, for the production of cobalt metal. Under the terms of the agreement with Alexander, Alexander is responsible for financing the construction and development of the Pilot Plant.

Kinsevere Stage II

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, with a further \$33 million committed for a total spent and committed amount of \$185 million of the remaining \$200 million required to complete the project.

Restart of Exploration

With the Group's focus on the completion of Kinsevere Stage II and achieving a low-cost operation of the Stage I Heavy Media Separation ("HMS") plant at Kinsevere, there has not been available capacity to carry out exploration. During 2011, the Group plans to restart exploration, targeting the following areas:

- Identification of opportunities in close proximity to Kinsevere, which is currently the immediate priority of the Manager of Exploration and an expatriate exploration geologist, both of whom were recruited during the fourth quarter of 2010.
- Further drilling at Kinsevere in order to delineate an expanded sulphide resource. Results from previous drilling at Kinsevere identified the following sulphide resource:
 - A Measured and Indicated Resource of 3.76 million tonnes with a total copper grade of 3.70% for approximately 139,000 tonnes of contained copper; and
 - An Inferred sulphide resource of 12.6 million tonnes with a total copper grade of 3.54% for approximately 447,000 tonnes of contained copper.
- Prior to being placed on care and maintenance, a 55,000 metre drilling program was completed at Mutoshi and the Group plans to start an in-fill drilling program later in 2011, the objective of which is to define sufficient near-surface oxide copper and cobalt mineralization to enable evaluation of development options.

Liquidity, Cash and Debt Financing

As at February 28, 2011, Anvil had approximately \$51.4 million in cash, all of which is 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. The Group has commitments of approximately \$33.0 million that relate to the Kinsevere Stage II development. In January 2011 \$7.2 million for a *Pas de Porte* (Entry Premium) payment was paid to La Générale des Carrières et des Mines ("Gécamines"), being the second and final payment with respect to the Mutoshi amended agreements.

During December 2010, the Group completed the liquidation of its available-for-sale debt investments for proceeds of approximately \$24.5 million, which together with the sale of the available-for-sale equity investment (Chalice Gold Mines Limited, \$5.6 million) generated total proceeds of \$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. In addition to its cash, as at March 17, 2011 \$43 million of the \$100 million project loan facility (the "Loan Facility") provided by Trafigura remains undrawn.

Together with the \$100 million project loan facility (the "Loan Facility") provided by Trafigura, the proceeds of 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; and Trafigura's exercise of the Warrants, the Group anticipates that it is fully funded to take Kinsevere Stage II to construction completion, commissioning and ramp up.

Although the development of Kinsevere Stage II is fully funded, the Company is continuing work on refinancing the Loan Facility with a group of banks, however that refinancing is no longer critical to the completion of Kinsevere Stage II.

The Group continues to operate the Kinsevere HMS plant with a focus on achieving low-cost production and enabling the Group to generate positive cash flow to meet non-Stage II costs, including: care and maintenance of the Mutoshi mine, corporate overheads, social development and sustaining capital expenditure, until such time as the SX-EW plant becomes operational.

Hedging

While there are no hedging requirements under the Loan Facility, in order to protect the expected cash flows from the HMS plant until such time as the full commissioning of Kinsevere Stage II has been completed, in January

2011, the Company entered into a zero-cost collar transaction (the "Hedging Transaction") with an international bank, to hedge 250 tonnes per month of payable copper for the first half of 2011. Under the terms of the Hedging Transaction, the Company has locked in a floor price of \$3.86 per pound and a cap price of \$4.37 per pound and will receive the market price where the copper price is between \$3.86 per pound and \$4.37 per pound. On this basis, the HMS plant is expected to generate sufficient cash to allow the Group to meet its non-Kinsevere Stage II expenses until commencement of SX-EW processing, which is expected to take place during the second quarter of 2011.

2. Quarterly Performance

Q4 2010 Group Net Sales

	Q4 2010 \$ million	Q4 2009 \$ million
Kinsevere	15.2	22.9
Mutoshi	-	0.6
Net sales ¹	15.2	23.5
Copper selling price	\$/lb	\$/lb
Current period sales ¹	3.90	3.04
Provisional pricing adjustment	(0.35)	0.05
Realized copper price	3.55	3.09

1. Sales of copper concentrate at Kinsevere and Mutoshi are at mine gate at a discount to the LME price and record

Net sales decreased to \$15.2 million owing to a reduction in the tonnes of copper sold (down 53% to 3,803 tonnes of payable copper) offset partially by a higher realized copper prices during the year (up 15% to \$3.55 per pound of payable copper). Copper sold was higher in the fourth quarter of 2009 due to sale of stockpile existing at end of third quarter of 2009.

Q4 2010 Group Operating Profit

	Q4 2010		Q4 2009	
	\$ million	% of Sales	\$ million	% of Sales
Kinsevere	3.7	24	10.5	45
Mutoshi	(0.7)	(5)	(0.9)	(4)
CDA ¹	(0.4)	(3)	(0.9)	(4)
Total operating profit	2.6	16	8.7	37

1. These are administration and technical support costs required to support the mine operations and development.

Driven by the performance of the Kinsevere HMS plant, the Group recorded an operating profit of \$2.6 million for the fourth quarter of 2010, compared to an operating profit of \$8.7 million for the fourth quarter of 2009, which was primarily due to lower copper sales in the fourth quarter of 2010.

Kinsevere records operating profit of \$3.7million

During the December quarter, the Kinsevere HMS plant generated an operating profit of \$3.7 million, with production of 3,817 tonnes of copper in concentrate at an operating cash cost of \$456 per tonne of concentrate for sales of copper of 3,803 tonnes at an average realized price of \$3.55 per tonne. The increase in the operating cash cost was primarily due to higher mining costs incurred in connection with the commencement of a cutback program in the central pit in order to ensure continued supply of feed to the HMS plant during the wet season and to provide waste material for the raising of the walls at the Stage II tailings storage facility.

Mutoshi records operating loss of \$0.7 million

As a result of the cessation of the Mutoshi HMS processing operation during the fourth quarter of 2008 and continuation of a care and maintenance program at Mutoshi, there was no production at Mutoshi during the fourth quarter of 2010. The operating loss of \$0.7 million for the December quarter of 2010 related primarily to costs associated with care and maintenance.

Q4 2010 Group Net income

	Q4 2010		Q4 2009	
	\$ million	% of Sales	\$ million	% of Sales
Operating income	2.6	17	8.7	37
Other income	5.2	34	0.5	2
General administrative and marketing costs	(4.1)	(28)	(2.7)	(12)
Provision for impairment of assets	-	-	(0.6)	(2)
Write back provision for impairment of assets	4.2	28	8.1	34
Gain/ (loss) on derivative instrument	0.8	5	(0.4)	(2)
Interest expenses	(0.8)	(5)	-	-
Other (expenses)	(3.8)	(24)	(0.6)	(2)
Income tax	(2.3)	(15)	(2.1)	(9)
Non-controlling interest	0.5	3	-	-
Net income from continuing operations	2.3	15	10.9	46
Loss from discontinued operations	(0.8)	(6)	(1.4)	(6)
Net income	1.5	9	9.5	40
Earnings per share				
- basic & diluted	0.01		0.09	
Weighted average shares outstanding				
- basic	150.3		122.9	
- diluted	157.1		125.0	

The Group recorded net income of \$1.5 million, compared to net income of \$9.5 million for the fourth quarter of 2009. The decrease in net income was primarily due to lower sales. In addition there was a \$8.1 million reversal of provision for impairment of available-for-sale investments in the fourth quarter of 2009, compared to \$4.2 million for the fourth quarter of 2010 and general, administrative and marketing costs in the fourth quarter of 2010 were \$4.1 million, up from \$2.7 million, primarily attributed to increasing staffing and associated costs in 2010.

Q4 2010 Group Cash Flows

	Q4 2010 \$ million	Q4 2009 \$ million
Cash flows from operations:		
Operating activities		
- before working capital changes	-	11.5
- after working capital changes	8.3	6.4
Investing activities	(20.1)	(16.4)
Financing activities	38.6	62.1
Cash flow from discontinued operations	(0.8)	(4.5)
Net increase in cash and cash equivalents	25.9	52.1
Cash flow from continuing operations per share		
- before working capital changes	-	0.09
- after working capital changes	0.06	0.05

Cash inflows from operations before working capital changes were nil, a decrease of \$11.5 million compared to the fourth quarter of 2009. The decrease in cash flow from operating activities before working capital changes was primarily due to a reduction in the tonnes of copper sold in the fourth quarter of 2010 compared to the fourth quarter of 2009.

Investing cash outflows related largely to expenditures for property, plant and equipment of \$50.2 million in connection with the development of Kinsevere Stage II.

3. Year 2010 Performance

2010 Group Net Sales

	Year 2010 \$ million	Year 2009 \$ million
Kinsevere - Copper	59.1	49.4
Dikulushi - Copper	-	(0.2)
Mutoshi - Copper	1.0	-
Net sales	60.1	49.2
Copper selling price		\$/lb
Current period sales ¹	3.39	2.74
Provisional pricing adjustment	(0.12)	(0.15)
TC/RC and freight charges	-	(0.03)
Realized copper price	3.27	2.56

1. Sales of copper concentrate at Kinsevere and Mutoshi are at mine gate at a discount to the LME price and recorded as sales revenue. The TC/RC and freight component is difficult to extract and is thus included in the current period realized selling price. Concentrate from Dikulushi was not sold at mine gate and thus the TC/RCs and freight charges were known and separately disclosed in the calculation of the total realized copper price.

Group net sales increased by 22% to \$60.1 million, the effect of a lower quantity of copper sales (17,400 tonnes of copper sold in 2010, compared to 19,577 tonnes of copper sold during 2009) which was more than offset by an increase in the realized copper price recognized during 2010 (\$3.27/lb Cu compared to \$2.56/lb Cu in 2009).

2010 Group Operating Profit / (Loss)

	Year 2010		Year 2009	
	\$ million	% of Sales	\$ million	% of Sales
Kinsevere	12.8	21	2.1	4
Mutoshi	(2.6)	(4)	(3.0)	(6)
CDA ¹	(1.5)	(2)	(6.1)	(19)
Total operating profit / (loss)	8.7	14	(7.0)	(14)

1. Please refer to segment information on page 12. These are administration and technical support costs based in the DRC to support the mine operations and development.

An increase in Group operating profit to \$8.7 million (2009: -\$7.0 million) was primarily due to an increase in revenue from sales of concentrate that resulted from a higher realized copper price (\$3.27 compared to \$2.56 during 2009). In addition, operating costs were lower in 2010 as the 2009 costs included a number of one-off payments, such as staff redundancy payments of \$4.1 million.

Kinsevere records operating profit of \$12.8 million

The Group's results for the 12 months ended December 31, 2010 were driven largely by the performance of the Kinsevere Stage I HMS plant, which for the 12 months ended December 31, 2010, produced 16,538 tonnes of copper in concentrate at an operating cash cost of \$349 per tonne of concentrate for sales of copper of 16,866 tonnes at an average realized price of \$3.27 per tonne and an operating profit of \$12.8 million.

The operating cash costs per tonne of oxide concentrate at Kinsevere for the 12 months ended December 31, 2010 were \$349 per tonne (2009: \$218 per tonne), the increase in operating cash costs due primarily to higher mining costs incurred during the fourth quarter.

2010 Group Net Income / (Loss)

	Year 2010		Year 2009	
	\$ million	% of Sales	\$ million	% of Sales
Operating profit / (loss)	8.7	14	(7.0)	(14)
Other income	7.1	12	1.3	2
General administrative and marketing costs	(12.6)	(21)	(10.1)	(20)
Provision for impairment of assets	-	-	(2.9)	(6)
Write back for impairment of assets	9.7	16	4.1	8
Exploration expenditure written off	(1.3)	(2)	(3.2)	(7)
Gain / (loss) on derivative instrument	0.8	1	(0.6)	(1)
Interest expenses	(2.4)	(4)	(1.1)	(2)
Other expenses	(2.1)	(4)	(1.5)	(3)
Income tax	9.2	15	3.3	7
Non-controlling interest	2.9	5	-	-
Net income / (loss) from continuing operations	20.0	33	(17.7)	(36)
Gain on sale of discontinued operation	5.9	10	-	-
Loss from discontinued operations	(0.9)	(1)	(3.2)	(7)
Net Income / (Loss)	25.0	42	(20.9)	(43)
Earnings / (Loss) per share per continuing operations				
- basic	0.13		(0.18)	
- diluted	0.13		(0.18)	
Weighted average shares outstanding				
- basic	150.3		97.3	
- diluted	154.7		97.3	

Group net income of \$25.0 million for the 12 months ended December 31, 2010 (2009: -\$20.9 million) was due to a number of factors, including: an operating profit of \$8.7 million, recognition of a gain on the sale of Dikulushi of \$5.9 million, recognition of gain on sale of available-for-sale investments of \$4.7 million, reversal of impairment relating to the available-for-sale debt investments of \$9.7 million and income tax benefits of \$9.2 million that relate to tax losses which are expected to reduce future taxable income within the relevant tax jurisdiction.

A write-off of exploration expenditure of \$1.3 million was due to the relinquishment of certain tenements in which the Group has no further exploration interest or development plans.

2010 Group Cash Flows

	Year 2010 \$ million	Year 2009 \$ million
Cash flows from:		
Operating activities		
- before working capital changes	16.2	0.8
- after working capital changes	17.7	5.3
Investing activities	(115.8)	(45.6)
Financing activities	34.5	120.9
Cash flow from discontinued operations	(0.9)	(4.5)
Net (decrease) / increase in cash and cash equivalents	(64.5)	76.1
Cash flow per share		
- before working capital changes	0.11	0.01
- after working capital changes	0.12	0.05

Cash flows from operations for the 12 months ended December 31, 2010 were \$17.7 million (12 months ended December 31, 2009: \$5.3 million cash inflow). The increase in cash flows from operations was due primarily to the Kinsevere HMS plant operating for the full twelve months of 2010, compared to 2009, during which it operated for only nine months and an increase in realized copper prices. Investing cash outflows of \$115.8 million included

cash expenditures on plant and equipment of \$138.9 million (12 months ended December 31, 2009: \$49.3 million) in connection with the development of Kinsevere Stage II and cash inflow from the sale of the available-for-sale investments of \$30.1 million (12 months ended December 31, 2009: nil).

Financing cash inflows were \$34.5 million (12 months ended December 31, 2009: \$120.9 million) which were due mainly to the proceeds received under the Project Loan Facility (net of financing fees).

4. Balance Sheet

	December 31, 2010	December 31, 2009
Assets (\$ million)		
Cash and cash equivalents (including restricted)	64.2	121.6
Current available-for-sale investments	-	1.2
Other current assets	27.2	58.1
Property, plant & equipment	482.6	324.5
Non-current available-for-sale investments	-	16.8
Other non-current assets	101.9	92.0
Assets related to discontinued operations	-	7.3
Total assets	675.9	621.5
Liabilities (\$ million)		
Current liabilities	36.8	14.7
Long-term debt	31.8	0.1
Other non-current liabilities	0.1	6.7
Future income tax liability	10.8	21.0
Asset retirement obligations	13.4	12.9
Liabilities related to discontinued operations	-	2.7
Total liabilities	92.9	58.1
Shareholders' equity (\$ million)	583.0	563.4
Working capital (\$ million)	54.1	165.8
Weighted average number of shares (for basic earnings per share) (millions)	150.3	97.3
Outstanding shares (millions)	150.3	150.4

Cash and cash equivalents

The decrease in cash and cash equivalents to \$64.2 million for the 12 months ended December 31, 2010 (December 31, 2009: \$121.6 million) was due mainly to cash expenditure for property, plant and equipment of \$138.9 million that related to capital expenditure for Kinsevere Stage II.

Available-for-sale investments

The decrease in available-for-sale investments to nil for the period ended December 31, 2010 (December 31, 2009: \$18.0 million) was due to the sale in the fourth quarter of 2010 of all available-for-sale investments, for proceeds of \$30.1 million.

Other current assets

Other current assets for the period ended December 31, 2010 decreased by \$30.9 million to \$27.2 million (December 31, 2009: \$58.1 million), which was due to the transfer of prepayments for capital equipment to property, plant and equipment upon recommencement of construction works at Kinsevere Stage II.

Current liabilities

Current liabilities for the period ended December 31, 2010 increased by \$22.2 million to \$36.8 million (December 31, 2009: \$14.7 million), reflecting increased operating and construction activity.

Long-term debt

Long-term debt for the period ended December 31, 2010 increased by \$31.7 million to \$31.8 million (December 31, 2009: \$0.1 million) due to draw downs of \$42.0 million under the Project Loan Facility. Deferred financing fees relating to the establishment of the facility have been offset proportionately against the current and long term portion of the debt.

5. Other Information

Contractual Obligations

The following table summarizes the Group's contractual and other obligations, as at December 31, 2010.

Payments due by period	Total \$ million	Less than 1 Year \$ million	1 – 3 Years \$ million	4 – 5 Years \$ million	More than 5 Years \$ million
Environmental and mine closure liabilities	13.4	-	-	-	13.4
Capital commitments – Kinsevere Stage II	39.1	39.1	-	-	-
Equipment operating lease	0.7	0.4	0.3	-	-
<i>Pas de Porte</i> – Mutoshi	7.2	7.2	-	-	-
Settlement of cancellation of contract ¹	3.2	3.2	-	-	-

1. Relates to the settlement of a claim received in December 2010 relating to the termination of a mining contract in 2008 at Kinsevere.

Outstanding share data

At March 17, 2011, the Company had 157,303,159 Common Shares outstanding. In addition, there were 3,538,361 director and employee stock options outstanding with exercise prices ranging between C\$1.16 and C\$14.06 per share and 5,228,320 warrants with an exercise price of \$2.75 per warrant.

Exploration

The only exploration expenditure incurred during the 12 months ended December 31, 2010 related to the payment of annual rents on 12 of the Group's tenements in the DRC. During the fourth quarter of 2010, the Group recruited two senior geologists to drive the restart of the Group's exploration efforts in the DRC.

Artisanal mining at Mutoshi

Given Anvil's focus on the completion of Kinsevere Stage II, the Group has not had the capacity recently to carry out further evaluation of the Mutoshi project, located in the Kolwezi region of the Katanga province in the Democratic Republic of Congo (DRC). As a result, a number of artisanal miners became active in the area and continue to have a presence on part of the Mutoshi tenements.

Class Action

During November 2010, a group of NGOs calling itself the Canadian Association Against Impunity, comprised of the groups Rights and Accountability in Development, the Canadian Centre for International Justice and Global Witness has lodged a class action application against Anvil in a Montréal court. The action appears to be supported by two Congolese advocacy groups: ASADHO and ACIDH.

The action is apparently based upon an incident at Kilwa in the north-east part of the Katanga Province of the DRC, which occurred in 2004. Over the past several years, the incident and Anvil have been subject to numerous investigations and court proceedings both in and outside the DRC. No findings adverse to Anvil or any of its employees have arisen in respect of the Kilwa incident in any of the foregoing.

Anvil intends to defend itself and has appointed counsel, with the first stage of the process involving the hearing of preliminary motions, which is expected to take place during the second quarter of 2011.

Transactions with related parties

As at March 16, 2011, Trafigura is the beneficial owner of 59,248,729 Common Shares, representing 37.7% of the Company's issued and outstanding Common Shares. During the December quarter, the Group entered into transactions with Trafigura for the sale of copper concentrates, the provision of technical services and the supply of fuel to Kinsevere, all of which were on arms-length commercial terms.

Sale of copper concentrates

In January 2010, the Group entered into contracts with Trafigura (the "Sales Contracts"), under which it agreed to sell its 2010 forecast production of concentrate from its Kinsevere HMS plant. The Sales Contracts are benchmarked to LME prices and are on standard commercial terms for comparable sales contracts.

During the December quarter, the Group sold to Trafigura, 15,021 tonnes of copper concentrates from its Kinsevere Stage I operation, for revenue (on a provisional payment basis) of \$16.3 million. For the 12 months ended December 31, 2010 the Group received \$58.6 million from Trafigura for the sale of copper concentrates.

Technical services

In November 2009, the Company entered into a Technical Services Agreement (the "TSA") with Trafigura, under the terms of which, a Technical Committee (the "Technical Committee") was established, comprising an equal number of Anvil and Trafigura appointees, to address all material technical issues relating to the development of Kinsevere Stage II. The Technical Committee makes recommendations to the Anvil Board and can take appropriate and additional steps to promote and safeguard Kinsevere Stage II.

The Technical Committee (upon approval of the Anvil Board) may appoint Trafigura, on a case-by-case basis, to provide services related to project management support, data processing, technical services support, coordination and consulting at Kinsevere Stage II. Where Trafigura is unable or unavailable to perform any services which it has been appointed to provide to Anvil or AMCK, Trafigura may engage independent contractors to provide such services. During the December quarter, the Group paid to Trafigura an amount of \$0.1 million in connection with the provision of technical services provided during the December quarter. For the 12 months ended December 31, 2010 the Group paid to Trafigura an amount of \$0.8 million for the provision of technical services.

Fuel and acid supply

The Group has ongoing requirements for diesel fuel at its Kinsevere operations. Trafigura is one of several fuel suppliers from whom the Group obtains quotations for the supply of fuel to Kinsevere. During the December quarter, the Group purchased fuel for its Kinsevere operations to a value of \$0.9 million. For the 12 months ended December 31, 2010 the Group purchased fuel for its Kinsevere operations to a value of \$3.2 million. Fuel supplied to support the Group's care and maintenance activities at Mutoshi is not provided by Trafigura.

In January 2011, following a tender process, the Company entered into an agreement with Trafigura under which Trafigura shall supply sulphuric acid to meet the requirements for the Stage II SX-EW plant for a period of 12 months.

Exercise of Warrants

During January 2011, Trafigura exercised six million Common Share Purchase Warrants (the "Warrants") for proceeds of approximately \$16.6 million.

For a description of the Group's relationship with Trafigura, please refer to the sections headed "Interest of Informed Persons in Material Transactions" and "Particulars of Matters to be Acted Upon" in the Corporation's management information circular dated November 16, 2009, which is available on the Company's website at www.anvilmining.com or under the Company's profile on SEDAR at www.sedar.com.

Additional Information

Refer to Appendix A for the Summary of Quarterly Results and to Appendix B for Additional Regulatory Disclosures.

Appendix A

Summary of Quarterly Results

The financial performance, financial position and operating statistics for the last eight quarters (unaudited) are shown in the table below:

Statement of Operations and Income	Dec 10 Quarter	Sep 10 Quarter	Jun 10 Quarter	Mar 10 Quarter	Dec 09 Quarter	Sep 09 Quarter	Jun 09 Quarter	Mar 09 Quarter
Net sales (\$ million) ¹	15.2	14.9	14.5	15.5	23.5	18.1	7.7	1.7
Average realized copper price	3.55	3.28	2.95	3.33	3.09	2.73	1.80	0.33
Operating profit ² / (loss) before amortization (\$ million)	7.2	5.8	5.8	8.2	14.4	8.0	(3.7)	(10.8)
Amortization (\$ million)	(4.6)	(4.5)	(4.2)	(4.7)	(5.7)	(3.8)	(4.0)	(3.7)
Operating profit ² / (loss) (\$ million)	2.6	1.2	1.6	3.5	8.7	4.2	(7.7)	(14.5)
Net income / (loss) from continued operations (\$ million)	2.3	6.1	5.1	6.6	10.9	(0.2)	(11.3)	(18.8)
Basic earnings / (loss) per share (\$)	0.01	0.04	0.03	0.04	0.09	(0.00)	(0.13)	(0.27)
Diluted earnings / (loss) per share (\$)	0.01	0.04	0.03	0.04	0.09	(0.00)	(0.13)	(0.27)
Production Statistics – Total								
Copper produced in concentrate (tonnes)	3,817	4,216	4,412	4,093	4,970	5,865	5,372	199
Production Statistics – Kinsevere mine								
Ore processed (tonnes) ³	88,044	80,911	72,716	61,491	65,313	80,730	83,084	2,695
HMS feed grade % Cu	6.0	6.7	7.3	8.6	8.9	8.0	7.9	10.2
Contained copper (tonnes)	5,319	5,455	5,317	5,307	5,782	6,443	6,566	275
Recovery Cu %	64.5	68.1	72.1	68.4	77.0	80.6	70.9	72.2
Copper produced in concentrate - HMS (tonnes)	3,431	3,713	3,835	3,629	4,455	5,192	4,653	199
Copper produced in concentrate – Spirals (tonnes)	386	503	577	464	515	673	719	-
Copper produced in concentrate – HMS & Spirals (tonnes)	3,817	4,216	4,412	4,093	4,970	5,865	5,372	199
Copper concentrate sold (tonnes)	15,019	17,707	18,057	17,610	30,993	27,589	18,549	479
Production Statistics – Mutoshi mine⁴								
Copper concentrate sold (tonnes)	-	-	3,007	226	1,665	-	-	-

1. Concentrate sales have included concentrates from Mutoshi and Kinsevere.

2. Refer to Non-GAAP Financial Measures on page 13.

3. Ore processed at Kinsevere relates to ore processed through the HMS plants.

4. Mutoshi was placed on care and maintenance during the fourth quarter of 2008.

Segment Information

The Group's reportable operating segments are strategic business units that produce different but related products or services. Each business unit is managed separately because each requires different technology and marketing strategies.

Kinsevere

The Group holds a beneficial interest of 95% in the Kinsevere operation. The Stage I HMS plant was commissioned in June 2007 and produces an oxide copper concentrate. Stage II involves development of a 60,000 tonnes per year SX-EW plant which will produce LME Grade A copper cathode.

Mutoshi

The Group holds a beneficial interest of 70% in Société Minière de Kolwezi sprl ("SMK") which is the owner of the Mutoshi project, including the Stage I HMS development that processed material from the Kulumaziba River tailings deposit at the Kulu operation and the holder of other exploration tenements in the Kolwezi region. Gécamines holds the remaining 30% interest in SMK on a non-dilutable basis.

CDA

The corporate development, administration and other segment, accounts for the evaluation and acquisition of new mineral properties, regulatory reporting and corporate administration. The inter-segment eliminations relate to inter-company interest charged on loan balances and the charging of corporate marketing, finance and agency fees within the Group.

For the 12 months ended December 31, 2010, segmented information is presented as follows:

	2010				
	Kinsevere	Mutoshi	CDA	Inter-segment	Total
Net sales	59,148	1,001	-	-	60,149
Operating expenses	(30,718)	(2,456)	(116)	-	(33,290)
Amortization	(15,626)	(1,097)	(1,388)	-	(18,111)
Segmented operating profit / (loss)	12,804	(2,552)	(1,504)	-	8,748
Interest expense and financing fees	(55,663)	(538)	(1,015)	54,789	(2,427)
Gain on derivative instruments	768	-	-	-	768
Write-back of provision for impairment	-	-	9,688	-	9,688
Other income	135	118	73,041	(66,145)	7,149
Exploration expenditure written off	-	(880)	(435)	-	(1,315)
Other expenses	(14,108)	(1,107)	(10,887)	11,356	(14,746)
Segmented (loss) / profit before under noted items	(56,064)	(4,959)	68,888	-	7,865
Income taxes recovery / (expense)	9,878	(280)	(377)	-	9,221
Non-controlling interest	1,726	1,160	-	-	2,886
Segmented (loss) / profit from continuing operations	(44,460)	(4,079)	68,511	-	19,972
Loss from discontinued operation	-	-	(896)	-	(896)
Gain on sale of discontinued operation	-	-	5,911	-	5,911
Segmented (loss) / profit	(44,460)	(4,079)	73,526	-	24,987
Property, plant and equipment	469,435	9,208	3,927	-	482,570
Total assets	552,380	50,429	73,137	-	675,946
Capital expenditures	138,934	-	-	-	138,934

Appendix B

Regulatory Disclosures

Non-Generally Accepted Accounting Principles (“GAAP”) financial measures

The terms “total cash cost” and “operating cash cost (ex-mine gate)” are non-GAAP measures calculated on a per tonne of copper concentrate produced at the Kinsevere and Mutoshi mines. Operating cash cost (ex-mine gate) includes all mining and processing costs less any profits from by-products. Copper concentrates from Mutoshi and Kinsevere are sold at the mine gate, thus total cash cost does not include any transport, treatment and refining charges from these mines.

Cash operating cost information is included to provide information about the cost structure of the mining and processing operations.

The term “operating profit” represents the net attributable revenues after deducting mine operating costs and amortization. Mine operating costs exclude exploration expense, foreign exchange gains and losses and interest and financing fees. “Working capital” equals current assets less current liabilities. The term “Cash flow from operations per share, before changes in non-cash working capital”, for any period is based on a calculation using the weighted average number of common shares outstanding during the same period. The term “EBIT” represents earnings before interest and tax and “EBITDA” represents earnings before interest, tax, depreciation and amortization. This information differs from measures of performance prepared in accordance with Canadian GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under Canadian GAAP and may not be comparable to similarly titled measures of other companies.

Critical accounting estimates

The accounting policies that involve significant management judgement are discussed in this section. For a complete list of the significant accounting policies, reference should be made to Note 2 of the December 31, 2010 and December 31, 2009 consolidated financial statements. A more detailed analysis of the risk factors that face the Group can be found in the most recent annual information form available under the Company’s profile on SEDAR at www.sedar.com.

Mine properties

The Group adopts a unit-of-production method to depreciate its mine properties. This method requires estimates to be made of economically recoverable reserves of the Group’s mine properties. Independent qualified surveyors and geologists are engaged to estimate the economically recoverable reserves. The estimation process involves sampling and other statistical tools.

Variations in estimates of recoverable reserves from period-to-period when the recoverable reserves are re-calculated affect both the carrying value of plant, property and equipment as well as the depreciation charges for any given financial period.

Exploration costs

The Group accumulates certain costs associated with exploration activities on specific areas of interest where the Group has rights of tenure. The Group’s policy is to expense any exploration and associated costs relating to non-specific projects and properties. Significant property acquisition, exploration, evaluation and development costs relating to specific properties for which economically recoverable reserves are believed to exist are deferred until the project to which they relate is sold, abandoned or placed into production. No costs are deferred on a mineral property that is considered to be impaired in value. As at December 31, 2010, the Group had deferred exploration and acquisition costs of approximately \$61.4 million associated with exploration properties in the DRC.

Restoration, rehabilitation and environmental expenditure

Expenditures related to ongoing restoration, rehabilitation and environmental obligation activities are accrued and expensed as incurred and included in the relevant exploration activity cost or as part of the cost of production, where the expenditures are in relation to current mining operations.

Future restoration, rehabilitation and environmental obligations based on reasonably determinable current regulatory requirements are provided for in accordance with the standard issued by the Canadian Institute of Chartered Accountants (“CICA”) in relation to Asset Retirement Obligations.

Income taxes

As at December 31, 2010, the Group has estimated its future recoverable income tax losses in Canada, Australia and the DRC. The recoverability of losses is dependent upon the ability to generate positive future taxable income to offset the existing carry forward losses.

The Mutoshi and Kinsevere mines operate under the fiscal regime in effect at the time the DRC Mining Code came into effect in June 2003. The DRC Professional income tax rate applicable to the Mutoshi and Kinsevere mines is 30%.

Initial adoption of International Financial Reporting Standards

The Accounting Standards Board of Canada (the "AcSB") has approved a plan for the adoption of International Financial Reporting Standards ("IFRS") for financial years commencing on or after January 1, 2011 for all publicly accountable profit-oriented enterprises. As such, IFRS will replace Canadian GAAP as the financial reporting framework under which the Company currently prepares its financial statements, first effective for the financial year ending December 31, 2011. The presentation of interim and annual financial statements in 2011 will require comparative results to be disclosed for the year ending December 31, 2010 and an opening statement of financial position will therefore be required as at January 1, 2010.

The Company's IFRS conversion plan addresses the required changes to existing accounting systems, business processes, and requirements for personnel training and development.

The Company continues to work through the major deliverables of the conversion plan and estimates completion of this plan in the first quarter of 2011. The conversion plan from Canadian GAAP to IFRS by January 1, 2011 is being managed under a 14-step process, comprised of three phases as follows:

Phase one – Scoping and Impact Analysis

Phase two – Evaluation and Design

Phase three – Implementation and Review

Phase one has been concluded, with the Company having completed a business impact study summarizing the key differences between Canadian GAAP (as applied by the Company) and IFRS which may materially impact the Company's consolidated financial statements. Key differences that have been identified are set out below and these areas will be addressed to quantify any impact on the financial statements.

High Impact areas

IFRS1 – First time adoption of IFRS

IAS16 – Property, Plant and Equipment

IAS36 – Impairment of Assets

Key Medium Impact Areas

IFRS2 – Share based payments

IAS12 – Income Taxes

IAS18 – Revenue

IAS32 – Financial Instruments: Presentation

IAS37 – Provisions, Contingent Liabilities and Contingent Assets

IAS39 – Financial Instruments: Recognition and Measurement

Phase two is almost complete, the main task of which has been the preparation of an IFRS opening Statement of Financial Position as at January 1, 2010. This has been approached at an account balance level across all entities. Key areas addressed to date are:

Functional Currency

Assessment of the appropriate functional currency of each of the group entities – this has been determined to be USD for each entity, in accordance with the principles described by IAS 21, *The Effects of Changes in Foreign Exchange Rates*; and

Asset Retirement Obligation (ARO)

Consistent with IFRS, rehabilitation provisions have been measured under Canadian GAAP based on the estimated cost of rehabilitation, discounted to its net present value upon initial recognition. However, adjustments to the discount rate have not been reflected in the provisions or the related assets under Canadian GAAP unless there was an upward revision of the future cost estimates. The Company has elected to apply the available exemption from full retrospective application as allowed under IFRS 1. In accordance with the exemption, the Company has remeasured the rehabilitation liability as at January 1, 2010 under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The corresponding amount to be included in the related asset has been estimated by discounting the liability to the date in which the liability arose, and recalculating the accumulated amortization under IFRS. The ARO provision will increase, but the impact is not expected to be material.

Financial Instruments

Reassessment of the appropriate classification of financial instruments in accordance with the requirements of IAS 32 Financial Instruments: Presentation has resulted in a reclassification of the Warrants issued to Trafigura from equity to financial liabilities measured at fair value through profit or loss. Under IAS 32, the financial liability will be accounted for at fair value through profit or loss until such time that the Warrants are exercised, at which point the liability will be transferred to equity. The impact of this reclassification is the recognition of a financial liability of \$21.7 million at January 1, 2010. No other material changes have been identified.

Property, plant and equipment

The accounting for property, plant and equipment (PPE) under IAS 16 Property, Plant and Equipment (IAS 16) is broadly consistent with the Company's accounting policies adopted under Canadian GAAP. The standard requires that where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Canadian GAAP requires that the cost of an item of PPE made up of significant separable component parts is allocated to the component parts when practicable. The concept of practicability is not specifically mentioned in IAS 16. While the requirements are similar, there is a common view that implementing this element of IFRS requires more detailed accounting records than were maintained under Canadian GAAP. The Company has performed an analysis of fixed asset registers across all entities and has not identified significant adjustments required to the componentization of PPE as the existing accounting records are considered sufficiently detailed for the purpose of IFRS compliance. The Company has elected to apply the available deemed cost exemption as allowed under IFRS 1 for selected items of PPE. In accordance with the exemption, the Company has determined that the impaired value of selected PPE as at December 31, 2008 is considered to meet the definition of a revaluation that is broadly comparable to fair value and has therefore been treated as the assets' deemed cost for the purpose of applying IAS 16. In addition, the Company has performed an impairment review of all assets as at January 1, 2010 and has not noted any material impairment adjustments to the carrying amount of PPE at that date. This is largely due to the significant impairment review performed at December 31, 2008 that resulted in material write downs to a number of the Company's assets.

Share based payments

The Company has elected to apply the available exemption from full retrospective application as allowed under IFRS 1. In accordance with the exemption, the Company is not required to apply IFRS 2, Share-based Payment for equity-settled share-based payments granted before 7 November 2002, or granted after 7 November 2002 that vested before the date of transition to IFRS. On review of all the Company's share-based payment transactions within the scope of IFRS 2, no material adjustments have been identified.

Other

Assessment of the appropriate accounting treatment of financial instruments, inventories, property, plant and equipment and share based payments in accordance with IFRS.

Review

The review phase will involve continuous monitoring of changes in IFRS throughout the implementation process. As noted above IFRS accounting standards, and the interpretation thereof, are constantly evolving. As a result, the Company will continue to monitor and evaluate IFRS accounting developments. The review phase will continue into the first half of 2011.

Estimates

Financial statements, which are prepared in conformity with Canadian GAAP, require management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

The estimates and assumptions that have a significant risk of causing a material impact to the carrying amounts of assets and liabilities are discussed below.

(i) Estimated mineral reserves

The use of management estimates and assumptions relating to mineral reserves are the base inputs for future cash flow estimates used in impairment calculations and units-of-production amortization calculations; estimates of recoverable copper in stockpile; and environmental, reclamation and closure obligations.

(ii) Estimated impairment of long-lived assets

The Group assesses annually whether there are indicators of impairment. Where such indicators are present, the carrying amount of assets and liabilities are compared to the undiscounted cash flows. Where the carrying amount is in excess of these amounts an impairment loss is recognized.

The Group performs impairment tests on property, plant and equipment, mineral properties and mine development costs when events or changes in circumstances occur that indicate the value of the assets may not be recoverable. Where information is available and conditions suggest impairment, estimated future net cash flows for a mine or development project are calculated using estimated future prices, mineral resources, and operating, capital and reclamation costs on an undiscounted basis. When estimated future cash flows are less than the carrying value, the project is considered impaired. Reductions in the carrying value of a mine or development project are recorded to the extent the net book value exceeds the discounted, estimated future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered.

Management estimates of mineral prices, recoverable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near-term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

(iii) Useful lives of property, plant and equipment and mine properties

The Group's management determines the useful lives of property, plant and equipment and mine properties based on a combination of applicable mine life, or where shorter for property, plant and equipment.

Given the required use of estimates in the measurement of contained mineral content, mine lives are subject to inherent measurement uncertainty. Actual mineral content may significantly differ from estimates which could result in a change to future amortization and depreciation charges. Management will increase the charge where useful lives are less than the previously estimated useful lives and reduce the charge where they are greater than those estimates. Reductions in a life of mine may indicate an impairment, in which case management would assess the recoverability of those assets.

Similarly estimates of useful lives for property, plant and equipment with lives shorter than the applicable mine life are open to measurement uncertainty. These result from uncertainties regarding future technical obsolescence, wear and tear and useful employment in the business of such assets.

(iv) Fair values of financial instruments

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. These valuations are sensitive to changes in underlying assumptions such as discount rates and credit spreads. Experience adjustments in future periods to these assumptions may materially change recorded amounts. Such adjustments may result from changes in the market's pricing of risk, the credit standing of individual counterparties, default rates and other market based factors. Where quoted market prices in active markets are available, these are used.

Risks and Uncertainties

The Group's operations and results are subject to a number of different risks at any given time. These risk factors include, but are not limited to, the speculative nature of mineral exploration and development, political stability, liquidity and availability of future financing, logistics, lack of infrastructure, uninsurable risks, mineral resources and ore reserves, uncertainty of inferred resources, mine life, licences and permits, land title, Government regulations, foreign operations, environmental and regulatory requirements, conflict of interests, limited operating history, volatility of copper prices, key personnel, labour and employment matters, subsidiaries, mineral exploration and mine-carrying inherent risks, currency risk, competition, dilution, and dividend policy. A more detailed analysis of the risk factors the Group is faced with can be found in the most recent annual information form, which is available under the Company's profile on SEDAR at www.sedar.com.

Financial Instruments

The Company seeks to reduce the risk to the value of any available-for-sale debt investments by diversifying the portfolio of such investments in accordance with the limits approved by the Board to ensure that, in the opinion of the Board, the Company is not overly exposed to one company or one particular sector of the market; and by requiring that, at time of investment, the primary counterparties related to any available-for-sale investments the Company holds, carry investment grade ratings of BBB+ or above.

Deed of Cross Guarantee

For the purpose of simplifying reporting in Australia, the Company and certain of its Australian incorporated subsidiaries entered into a Deed of Cross Guarantee and Deed of Variation (the "Deeds") under which each company guarantees the liabilities of all other companies that are a party to the Deeds. The companies which form this "Closed Group" (as defined by Australian Securities and Investments Commission Class Order 98/1418) are: Anvil Mining Limited, Central African Holdings Pty Ltd and Congo Development Pty Ltd.

Technical Information

For further information regarding the Company's mine projects in the DRC, including a description of Anvil's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of these projects please refer to the various technical reports which are available under the Company's profile on SEDAR at www.sedar.com.

Evaluation of Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer has designed a system of disclosure controls and procedures to provide reasonable assurance that material information relating to financial and operational conditions impacting disclosure for the three-month period and year ended December 31, 2010 is made known to them. Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer have, as at December 31, 2010 quarter and year end:

- (a) designed disclosure controls and procedures, or caused it to be designed under the Company's supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- (b) designed Internal Controls over Financial Reporting, or caused it to be designed under the Company's supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of internal controls over financial reporting. The design includes policies and procedures that:

- Pertain to the maintenance of records;
- Provide reasonable assurance that transactions are recorded accurately and that receipts and expenditures are made in accordance with the authorizations of management and directors; and
- Provide reasonable assurance in the prevention and timely detection of material unauthorized acquisition, use or disposal of the Company's assets.

On an annual basis, management evaluates the effectiveness of internal controls over financial reporting. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with GAAP. However, due to inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Management has used the Committee of Sponsoring Organizations of the Treadway Commission ('COSO') framework to assess the effectiveness of the Company's internal controls over financial reporting. Management conducted an evaluation of the effectiveness of internal controls over financial reporting and concluded that they were effective as at December 31, 2010.

During the quarter ended December 31, 2010 there were no changes in the Company's internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Forward Looking Statements

This MD&A 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.

Additional Information

Additional information relating to the Company, including the Company's annual information form, may be found under the Company's profile on SEDAR at www.sedar.com.