



News Release

FOR IMMEDIATE RELEASE

August 10, 2009

All amounts are in U.S. dollars unless otherwise stated.

TSX, ASX: AVM

Common Shares outstanding 102 million

Anvil and Trafigura Announce Strategic Alliance \$200 Million Funding Package to Fast-Track Kinsevere Stage II

Montréal, Canada: Anvil Mining Limited (TSX, ASX: AVM) (“**Anvil**” or the “**Company**”) and Trafigura Beheer B.V. (“**Trafigura**”) are pleased to announce that an agreement has been reached for a combined debt and equity financing arrangement for an aggregate amount of \$200 million (the “**Transaction**”). The proceeds of the Transaction will be used to recommence construction of the Kinsevere Stage II 60,000 tonnes of copper per year Solvent Extraction - Electrowinning (“**SX-EW**”) project located in Katanga Province in the Democratic Republic of Congo (“**DRC**”) and for general working capital purposes. The Transaction includes both debt and equity finance with the equity financing occurring in two tranches. The second tranche of the equity financing, the debt finance and the additional agreements described below will be subject to shareholder approval.

On completion of both tranches of the equity component of the Transaction, assuming current exchange rates and no exercise of outstanding options, Trafigura will hold approximately 36% of the issued and outstanding common shares of Anvil, with an opportunity to increase its shareholding to approximately 39% on a fully-diluted basis, should it exercise the warrants issued as part of the equity financing.

Transaction Highlights

- **Comprehensive strategic alliance with Trafigura - the second largest independent trader in the non-ferrous market, with annual turnover (as at September 2008) in excess of \$70 billion,**
- **\$200 million funding package from Trafigura for completion of Kinsevere Stage II Project consisting of a \$100 million equity investment and \$100 million fully underwritten debt commitment,**
- **Provides a fully financed solution for the development of Kinsevere Stage II,**
- **Potential for additional funds of approximately C\$31.2 million upon the exercise of warrants, and**
- **Funding package and technical expertise expected to fast track Kinsevere Stage II SX-EW into production.**



Bill Turner, President and CEO of Anvil commented, “The involvement of Trafigura as a strategic partner will allow us to rapidly recommence construction of our flagship Kinsevere Stage II project, a significant high-grade copper resource. With approximately 50% of the Stage II capital cost already incurred, this financing package will enable us to commence commissioning of Kinsevere Stage II in late 2010 and achieve commercial production in 2011. Annual production is expected to be 60,000 tonnes of Grade A copper cathode at an estimated “C1”¹ cash cost of \$0.89 per pound of copper. We believe that Trafigura, an internationally renowned, independent commodities trading company, represents an excellent long-term partner for Anvil and we look forward to working with them to successfully complete Kinsevere Stage II and further develop the Company’s interests in the DRC.”

Jeremy Weir, Executive Director of Trafigura commented, “The strategic alliance Trafigura is forming with Anvil will provide a fully-financed structure, with significant technical support, to enable the Company to complete the construction of the Kinsevere SX-EW project and bring it into production on a timely basis. Anvil has an attractive strategic position in the Congo and our support will significantly enhance its capability to deliver on our combined, future growth objectives.”

BMO Capital Markets acted as financial advisor to Anvil on this transaction. BMO Capital Markets was engaged by a special committee of the Board of Directors of Anvil (the “**Anvil Board**”) and has provided a fairness opinion that the consideration offered pursuant to the Transaction is fair, from a financial point of view, to Anvil.

Paradigm Capital Inc. was engaged by the Anvil Board and has provided a fairness opinion that the consideration offered pursuant to the Transaction is fair, from a financial point of view, to the shareholders of Anvil.

In connection with the Transaction, Anvil has been advised by its counsel, Lawson Lundell LLP, and Trafigura has been advised by its counsel, Stikeman Elliott LLP.

Equity Financing

Under the terms of the Transaction, Trafigura will subscribe for Anvil equity units (the “**Units**”) by way of private placement, which will result in proceeds to Anvil of \$100 million. Each Unit will be issued at a price of C\$2.20 and consist of one common share of Anvil and 0.232 of one common share purchase warrant (a “**Warrant**”). Each whole Warrant will entitle the holder to acquire one common share of Anvil upon payment of C\$2.75 (for a period of thirty months from the date of issuance of the Warrant). The equity placement price of C\$2.20 per unit represents a 16% premium to the 30-day VWAP of the common shares of Anvil on the Toronto Stock Exchange.

¹ The C1 Cash cost is the mine gate cash cost that includes export duties and transportation and marketing charges but does not include royalties.



The equity financing will be undertaken in two tranches. Initially 15,644,293 Units will be issued, bringing Trafigura's aggregate equity interest in Anvil to 19.9% (calculated giving effect to the exercise of the Warrants and Trafigura's pre-existing holdings of 4,850,800 common shares of Anvil, on completion of the first tranche). The first tranche is expected to be completed during the week ending August 21, 2009. The number of Units to be issued in the second tranche of the equity financing component of the Transaction will depend on the US / Canadian dollar exchange rate when they are issued. At the current exchange rate of C\$1.00 = US\$0.9228, the number of Units in the second tranche would be approximately 33.6 million.

Completion of the second tranche of the equity financing is subject to satisfaction of a number of conditions, including regulatory approval and the approval of Anvil's shareholders. A special meeting of Anvil's shareholders to approve the Transaction (other than the first tranche of the equity financing) is expected to be held during October 2009. The members of Anvil's Board are unanimously recommending that shareholders vote in favour of the Transaction and have each executed support agreements to vote in favour of the Transaction.

Debt Financing

In addition to the equity financing, Trafigura will also make available to the Company a loan facility (the "**Loan Facility**") with a total commitment of \$100 million. All amounts outstanding from time to time in connection with the Loan Facility will bear interest at a rate per annum equal to LIBOR plus 4%, plus the cost of political risk insurance. The term of the Loan Facility is five years from the first drawdown and funds available under the Loan Facility may be drawn down only after funds made available from the equity financing have been utilised. The Loan Facility is subject to other typical conditions consistent with a commercial debt financing. Both Anvil and Trafigura intend to refinance the Loan Facility with commercial banks.

Pursuant to the Loan Facility, the Company will establish a hedging program, which is expected to involve hedging that portion of production from Kinsevere Stage II that would cover at least principal and interest repayments and operating costs. The details of the hedging program are yet to be finalized.

Additional Agreements with Trafigura

In addition to the agreements reached in connection with the equity and debt financing, the Company has reached agreement with Trafigura on the principal terms of an offtake agreement (the "**Offtake Agreement**"), a technical services agreement (the "**Technical Services Agreement**") and an ancillary rights agreement (the "**Ancillary Rights Agreement**"). These agreements will become effective only upon receipt of shareholder approval and completion of the second tranche of the equity financing component of the Transaction.



Offtake Agreement

Anvil and Trafigura will enter into a life-of-mine Offtake Agreement, on arms-length terms, for the sale of all products from the Kinsevere mine. With the assistance of Trafigura, Anvil will seek LME registration of its copper cathode product.

Technical Services Agreement

The Company will enter into an agreement with Trafigura regarding the provision, on arms-length terms, of technical services during construction, commissioning and commercial production of Kinsevere Stage II. Under the terms of the Technical Services Agreement, a Technical Services Committee shall be established, comprising an equal number of Anvil and Trafigura representatives. The Technical Services Committee will have a broad mandate, focused on the successful completion and operation of Kinsevere Stage II and will report directly to the Anvil Board.

Ancillary Rights Agreement

The Ancillary Rights Agreement sets out Trafigura's rights following completion of the second tranche of the equity financing including representation on the Anvil Board of Directors, pre-emptive financing rights, demand prospectus rights, as well as Trafigura's obligations to the Company with respect to the broad distribution of its shares in Anvil and a standstill in respect of further acquisitions of shares.

Under the terms of the Ancillary Rights Agreement, on completion of the second tranche of the equity financing, Trafigura will be entitled to nominate three of the seven members of the Anvil Board. Trafigura's entitlement to nominate members of the Anvil Board is dependent on its shareholding in Anvil such that the number of directors it is entitled to nominate reduces with a reduction in its percentage interest in the Company.

Copies of the Subscription Agreement will be made available on SEDAR at www.sedar.com under the Company's profile.

Purpose of Investment

Trafigura is acquiring the common shares and Warrants comprised in the Units for investment purposes. Depending on market and other conditions and subject to the terms of the Ancillary Rights Agreement, Trafigura may change its beneficial ownership of, or control or direction over, common shares of Anvil through market transactions, private agreements, treasury issuances, exercise of the Warrants or otherwise.

Cash and Liquidity

As at August 7, 2009, Anvil had approximately \$41.0 million in cash, \$10.4 million in available-for-sale investments and \$5.2 million of receivables, the majority of which it expects to realize during the third quarter of 2009.



Kinsevere Development

As previously announced, Anvil has commissioned Ausenco to finalize the design work for Kinsevere Stage II and this work is expected to be completed by the closing date for the second tranche of equity financing discussed above. The Company therefore expects that once the full proceeds of this financing are available to Anvil, it will be in a position to immediately recommence construction work with the benefit of a fully completed engineering and design package and a lump sum contract to complete the project.

Conference Call

Anvil will hold a conference call to discuss the Transaction on Monday, August 10, 2009 at 10:00 a.m. (Toronto, Canada), coinciding with 10:00 p.m. (AWST – Perth, Australia) on the same day.

The details to access the conference call and the live audio webcast are as follows:

Conference call: 1-416-644-3420

(Please call approximately five minutes prior to the scheduled start of the call).

Live audio webcast of the conference call (listen mode only):

CNW Group website at:

<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2772880> (English)

<http://www.cnw.ca/fr/webcast/viewEvent.cgi?eventID=2772880> (French)

Replay Information (available for a period of 7 days):

The conference call will be recorded and a playback of the call will be available after the event by dialling 1-416-640-1917, **reservation number 21312954 followed by the pound (#) key.**

The shares of Anvil Mining Limited are listed for trading on the Toronto Stock Exchange (as common shares) and the Australian Securities Exchange (as CDIs) under the symbol AVM. For further information on Anvil, please refer to the Anvil website at www.anvilmining.com.

Trafigura is one of the largest independent commodities trading companies today, actively sourcing and trading crude oil, petroleum products, renewable energy, metals, metal ores and concentrates for industrial consumers, with approximately 1,900 employees across 42 countries. For further information on Trafigura, please refer to the Trafigura website at www.trafigura.com.



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Caution Regarding Forward-Looking Statements: *This news release 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 statements with respect to the terms of the agreement with Trafigura; receipt of all necessary approvals and the timing of such requirements and the Company’s plans for expansions of the Kinsevere copper mine. 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 2009. 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 or that the transactions proposed with Trafigura will be successfully completed within expected time limits and budgets or that, when completed, the expanded production facility will operate as anticipated.*