

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Set out below is a review of the activities, results of operations and financial condition of Anvil Mining Limited (the "Company") and its subsidiaries (the "Group" or "Anvil") for the year ended December 31, 2006 and the year ended December 31, 2005, together with certain trends and factors that are expected to impact its December 2007 financial year. This information is presented as of February 26, 2007. The discussion below should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2006 and year ended December 31, 2005 and the notes thereto. The Company's consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles.

Capitalized terms used and not defined below have the meanings given to them in the consolidated financial statements and the notes thereto. References below to "\$" or "US dollar" refer to United States dollar. The Company uses the US dollar as its reporting currency. Certain financial information relating to Anvil Mining Limited set out below originates in Canadian dollar ("C\$") or the Australian dollar ("A\$") and has been translated into US dollar based on prevailing exchange rates and in accordance with note 2 to the consolidated financial statements.

Additional information relating to the Company, including the Company's most recent annual information form (once filed), is available on SEDAR at www.sedar.com.

HIGHLIGHTS for the year ended December 31, 2006 and the Fourth Quarter 2006.

Fourth quarter ended December 31, 2006.

- Net earnings for the fourth quarter of \$21.3 million or \$0.38 per share.
- Operating profit for the fourth quarter of \$25.8 million or \$0.46 per share
- Cash flows from operating activities for the quarter, before working capital movements, were \$17.7 million or \$0.31 per share.
- Quarterly copper production of 10,523 tonnes of copper contained in concentrates and the production of 569,655 ounces of silver.
- Updated Mineral Resource estimate for the Kinsevere Project that resulted in a 307% increase in contained copper metal for the Measured and Indicated resource categories, and a 422% increase in the Inferred resource category, compared to the 2005 year end estimate.
- Updated Mineral Resource estimate for the Dikulushi copper-silver mine that resulted in a 31% increase in contained copper metal for the Measured and Indicated resource categories, and a 114% increase in the Inferred resource category, compared to the 2005 year end estimate.
- Global Measured and Indicated Resources of 1,150,000 tonnes of contained copper, and Inferred Resources of 815,600 tonnes of contained copper, comprised of:
 - Kulu: 8,960,000 tonnes at a grade of 2.35% (Measured and Indicated) and 286,000 tonnes at a grade of 6.50% (Inferred).
 - Dikulushi: 853,000 tonnes at a grade of 8.85% (Measured and Indicated) and 1,380,000 tonnes at a grade of 5.80% (Inferred).
 - Kinsevere: 20,090,000 at a grade of 4.30% (Measured and Indicated) and 20,920,000 tonnes at a grade of 3.40% (Inferred).

- The scale of the planned Stage II SX-EW plant at Kinsevere has been doubled from 30,000 to 60,000 tonnes per annum of copper, and is currently the subject of a feasibility study.
- Acquisition of an additional 15% interest in the mining rights for the Kinsevere-Nambulwa copper-cobalt joint venture, taking the Company's interest to 95%.
- Acquisition of an additional 10% interest in the Mutoshi copper-cobalt project, taking the Company's interest to 80%.

Year ended December 31, 2006

- Net earnings for the year of \$82.2 million or \$1.65 per share.
- Operating profit for the year of \$107.0 million or \$2.15 per share
- Cash flows from operating activities for the year, before working capital movements, were \$99.4 million or \$2.00 per share.
- Annual production for the year ended December 2006 of 42,574 tonnes of copper contained in concentrates and the production of 2,174,448 ounces of silver contained in concentrates.

1. Overview

The Group operates in the mineral producing, development and exploration industry with a focus on base and precious metal exploration and mine development.

The Group holds a 90% beneficial interest in the Dikulushi mine and surrounding exploration areas, which is held under the terms of the Dikulushi Mining Convention ("Mining Agreement") with the Government of the Democratic Republic of Congo ("DRC").

The Group also has an 80% indirect interest in the Mutoshi Copper-Cobalt project in the Kolwezi region in DRC. The Mutoshi project, which is held by subsidiary Société Minière de Kolwezi sprl ("SMK"), includes the Mutoshi mine, the Kulu mine (coarse rejects/tailings deposit), the Mutoshi Northwest deposit, the Nioka deposit, the Kamukonko cobalt prospect and areas situated on the relatively under-explored southern edge of the Kolwezi Klippe, a prominent geological feature in the area. The total area included in the Mutoshi project is 136.92 square kilometres.

The Group also has an indirect 95% interest in the mining rights of the Kinsevere-Nambulwa Exploitation Permits, held through AMCK Mining sprl ("AMCK"). Agreement was reached in December 2006 to acquire an additional 15% interest in the mining rights for the Kinsevere-Nambulwa joint venture, taking the Company's interest to 95%. The Kinsevere-Nambulwa properties lie approximately 30 kilometres north of the provincial capital of Lubumbashi and include two separate Exploitation Permits, Kinsevere and Nambulwa, totalling 29.6 square kilometres. The two exploitation-permitted areas, approximately 25 kilometres apart, contain four distinct mineralized zones that outcrop at surface.

Dikulushi Copper-Silver mine

The Dikulushi mine is situated in the southeast part of the DRC in the Haut Katanga District. The mine was initially established using a staged development approach. Stage I involved a 250,000 tonnes per annum Heavy Media Separation ("HMS") production circuit and the Stage II expansion comprised a 350,000 tonnes per annum ball mill and flotation circuit. The Stage III underground mine development, which commenced in 2006 following completion of deep drilling below the existing open pit and known resource extension will begin production during the fourth quarter of 2007, building up to full scale production in the first quarter of 2008.

Kulu Copper mine

The Kulu mine is located northeast of the Kolwezi town in the southwest part of the DRC. The mine was established in November 2005 following commencement of construction in September 2005. Stage I of the mine involved refurbishing the HMS plant from Dikulushi and construction of the mine support infrastructure. The HMS plant, which commenced operations in December 2005, is currently treating the coarse rejects/tailings deposit from the Kulumaziba watercourse which were discharged from a previous operation at the Mutoshi open pit mine. A subsequent upgrade, which involved the commissioning of a scrubber and larger screen to increase throughput of the existing HMS plant was completed during the March quarter, and resulted in a steady improvement in production, reaching design throughput in May 2006. In February 2007, following the completion of a feasibility study, board approval was given to proceed with the construction of an Electric-Arc Furnace (“EAF”) and power transmission line for the Kulu mine. The total capital cost is estimated at \$13 million, with the construction expected to be completed at the end of the fourth quarter of 2007. The EAF is expected to be fully operational during the first quarter of 2008.

Kinsevere mine development

The Kinsevere-Nambulwa project (“Kinsevere project”) is located in the Katanga Province in the southeast of the DRC. It is situated in the central section of the Congo Copperbelt, approximately 30 kilometres north of the provincial capital, Lubumbashi.

The Kinsevere project comprises two separate exploitation permits Kinsevere (PE 528) and Nambulwa (PE 539) the area of which totals 29.6 square kilometres. The focus of exploration to date has been the Kinsevere PE. No exploration activities have been carried out yet on the Nambulwa prospect by Anvil or its joint venture parties. Kinsevere (PE 528) consists of three deposits, Kinsevere, Tshifufia and Tshifuamashi and covers an area of 16.1 square kilometres. All three deposits lie within 2 kilometres of each other.

In May 2006, following completion of a feasibility study, Anvil committed to a \$35 million Stage I development at Kinsevere. The Stage I development, which comprises a HMS Plant and an EAF is expected to produce approximately 23,000-25,000 tonnes per annum of “black copper” ingots assaying 90%-95% copper. The HMS is expected to be commissioned in late April 2007 and the EAF in the third quarter of 2007. Kinsevere Stage II, which involves a Solvent Extraction and Electrowinning (“SX-EW”) development for 60,000 tonnes per annum of copper, is currently the subject of a feasibility study. The Stage II feasibility study is expected to be completed during the second quarter of 2007.

Mining of ore and waste commenced in December 2006, with production from the Kinsevere mine expected to begin during the third quarter of 2007.

2. Fourth Quarter and Year ended December 31, 2006

Selected Annual Information

	12 Months ended Dec 31, 2006	12 Months ended Dec 31, 2005	6 Months ended Dec 31, 2004	12 Months ended Jun 30, 2004
Statement of operations				
Total revenues and other income (\$ millions)	181.4	61.9	16.2	30.5
Net earnings (loss) (\$ millions)	82.2	7.5	0.9	6.0
Net earnings per share (\$) Basic	1.65	0.26	0.04	0.31
Diluted net earnings per share (\$)	1.61	0.25	0.04	0.29

	12 Months ended Dec 31, 2006	12 Months ended Dec 31, 2005	6 Months ended Dec 31, 2004	12 Months ended Jun 30, 2004
Balance sheet (\$ millions) total assets	402.5	87.5	56.6	32.0
Total long-term liabilities	4.0	7.2	1.5	2.8
Shareholders' equity (\$ millions)	187.1	52.8	42.3	20.5
Cash flow from: Operating activities (\$ millions)	74.6	9.9	(1.9)	4.6
Operating cash flow per share (\$)	1.32	0.34	(0.08)	0.23

	Fourth Quarter		Year ended December 31	
	2006	2005	2006	2005
Revenues: (\$ millions)				
Copper-silver and copper concentrate sales	42.7	25.9	175.4	61.8
Operating profit: (\$ millions)	25.8	10.0	107.0	18.8
Net earnings : (\$ millions)	21.3	6.1	82.2	7.5
Realized Price: (\$)				
<i>Dikulushi mine:</i>				
Copper per pound	2.72	1.86	3.04	1.63
Silver per ounce	12.32	7.75	11.20	7.16
<i>Kulu mine:</i>				
Copper concentrate per tonne (ex mine gate)	652	-	643	-

PRODUCTION STATISTICS:

Dikulushi mine

Ore processed (tonnes)	92,755	127,222	470,402	410,374
Copper grade (%)	6.92	5.49	5.41	5.07
Contained Copper in Ore (tonnes)	6,417	7,049	25,456	20,802
Recovery (%)	89.9	86.3	88.9	85.7
Copper produced in concentrates (tonnes)	5,774	6,085	22,618	17,816
Silver produced in concentrates (ounces)	569,655	587,882	2,174,448	1,721,768
Ore mined (tonnes)	41,300	135,002	607,132	382,344
Waste mined (bcm)	33,597	620,807	1,261,963	2,461,098

Costs of production¹: (\$)

Operating cash costs per pound (after silver credits) (ex mine gate)	0.14	0.43	0.28	0.42
Total cash costs (after silver credits)	1.01	0.93	1.02	0.88

¹ Refer to Non-GAAP Financial Measures on page 19

	Fourth Quarter		Year ended December 31	
	2006	2005	2006	2005
PRODUCTION STATISTICS:				
Kulu mine				
Ore processed (tonnes)	92,509	17,981	307,589	17,981
Copper grade (%)	7.61	7.67	8.07	7.67
Contained copper in ore (tonnes)	7,038	1,379	24,833	1,379
Recovery (%)	62.6	51.6	66.51	51.6
Copper produced in concentrates (tonnes) ²	4,749	1,361	19,956	1,361
Ore mined (tonnes)	51,968	122,125	272,759	122,125
Costs of production²: (\$)				
Operating cash costs per tonne of concentrate (ex mine gate)	285	166	237	166

3. Discussion of Earnings and Operations

Revenues (twelve months)

The increased metal prices, production and delivery quantities of concentrates have contributed to the record high revenues for the 2006 year compared with 2005. Revenues from the Dikulushi mine increased to \$145.8 million (2005: \$60.8 million) from the delivery of 47.7 million payable pounds of copper (2005: 35.6 million pounds). The average realized copper and silver prices from Dikulushi sales for the year were \$3.04 per pound (2005: \$1.63 per pound) and \$11.20 per ounce (2005: \$7.16 per ounce) respectively.

In addition, the Kulu mine copper concentrate production and sales generated revenue of \$29.7 million from the sale of 45,957 tonnes of copper concentrate. The average revenue per tonne of Kulu concentrate for the year was \$643 per tonne.

Revenues (fourth quarter)

The increased copper price has been the main contributor to the increase in revenues for the fourth quarter of 2006 compared with the corresponding quarter in 2005. Revenues from the Dikulushi mine increased to \$35.7 million (December 2005 quarter: \$23.9 million) from the delivery of 13.0 million payable pounds of copper (December 2005 quarter: 12.9 million pounds). The average realized copper and silver prices from Dikulushi sales for the December quarter were \$2.72 per pound (December 2005 quarter: \$1.86 per pound) and \$12.32 per ounce (December 2005 quarter: \$7.75 per ounce) respectively.

In addition the Kulu mine copper concentrate production and sales generated revenue of \$7.0 million from the sale of 10,652 tonnes of copper concentrate. The average revenue per tonne of Kulu concentrate for the fourth quarter was \$652 per tonne.

² Includes concentrate purchased from local artisanal miners

Operating Expenses (twelve months)

Operating expenses before amortization for the year were \$60.8 million (2005: \$37.1 million) from the higher level of operating activity at Dikulushi and the inclusion of Kulu mine operating costs for the full year.

The increase in operating level for both the mining and production operations at the Dikulushi mine led to a greater than 27% increase in production of contained copper in concentrate for the year of 22,618 tonnes (2005 – 17,816 tonnes) and contained silver in concentrate to 2,174,448 ounces (2005 – 1,721,768 ounces) compared with that of the corresponding period.

The Dikulushi total cash operating cost per pound of copper produced (after silver credits) for the year was \$1.02 (2005 - \$0.88) which was reflective of the continuing higher concentrate transport costs resulting from industry-wide increases in fuel costs and the export of concentrate to overseas markets. The operating cash cost (ex-mine gate) per pound of copper produced (after silver credits) for the mine was \$0.28 (2005 - \$0.42) mainly from higher silver credits as a result of increases in the silver price.

For the first full year of production, The Kulu mine produced 70,244 tonnes of concentrate, containing 19,956 tonnes of copper. A total of 272,759 tonnes of ore was mined.

The operating cash cost per tonne of oxide concentrate at Kulu was \$237 per tonne.

The Group operating result (after amortization) for the year to December 2006 was an operating profit of \$107.0 million (2005 - \$18.8 million) mainly from a combination of the increased copper production and the higher realized sales prices for both copper and silver which more than offset the increased operating costs. The amortization expense for the year to December 2006 was \$7.6 million (2005 - \$5.9 million) an increase of \$1.7 million over the corresponding period relating mainly to the additional amortization from the Kulu mine.

Operating Expenses (fourth quarter)

Operating expenses before amortization for the fourth quarter were \$15.0 million (December 2005 quarter: \$13.9 million) from the higher level of operating activity at Dikulushi and the inclusion of Kulu mine operating costs for a full quarter compared to the corresponding period in 2005 when the mine commenced in December 2005.

The Dikulushi total cash operating cost per pound of copper produced (after silver credits) for the year was \$1.01 (2005 - \$0.93) which was reflective of the continuing higher concentrate transport costs resulting from industry-wide increases in fuel costs and the export of concentrate to overseas markets. The operating cash cost (ex-mine gate) per pound of copper produced (after silver credits) for the year was \$0.14 (2005 - \$0.43) mainly from higher silver credits as a result of increases in the silver price.

The operating cash cost per tonne of oxide concentrate at Kulu was \$285 per tonne.

Net Earnings (twelve months)

The net earnings for the year were \$82.2 million (2005: \$7.5 million). The basic net earnings per share were \$1.65 per share (2005: \$0.26 per share).

In addition to the impact from changes in revenues, operating costs and amortization during the year, the net profit result for the year compared with 2005, also reflect the following changes:

- The rapid expansion in activity from operating one mine (Dikulushi) in 2005 to the operation of 2 mines (Dikulushi and Kulu) and the development of another mine (Kinsevere) in 2006 has increased general, administrative and marketing costs to \$10.1 million (2005: \$4.3 million). Salary and on costs represented 60% of the \$5.8 million increase in costs due to the recruitment of additional technical and administrative support to assist all operations. Other cost increases were travel and accommodation, legal costs, insurance and corporate consulting fees.
- The stock based compensation cost in the year of \$1.4 million (2005 nine months: \$0.6 million) which relates to the accrued cost of option plans granted to employees and directors designed as incentives for maintaining and increasing performance.
- Interest and financing fees of \$4.5 million (2005: \$4.9 million) in the year ended December 31, 2006. The current year includes the cost of the buy-back option of the NSR obligation, which was exercised for \$2.0 million in January 2006. The buy-back has resulted in a saving of \$7.0 million for the current year. Loan borrowing costs in relation to the loans provided by Deans Knight and RMBI were fully written off as both loans were repaid in full in March 2006.

Net Earnings (fourth quarter)

The net earnings for the fourth quarter were a profit of \$21.3 million (December 2005 quarter: \$6.1 million). The basic net earnings per share was \$0.37 per share (December 2005 quarter: \$0.21 per share) due mainly to higher realized copper and silver prices and increases in production output.

4. Discussion of Cash Flows

	Fourth Quarter		Year ended December 31	
	2006	2005	2006	2005
Cash flows from: (\$ millions)				
Operating activities	41.0	9.8	74.6	9.9
Investing activities	(27.4)	(8.0)	(163.2)	(23.5)
Financing activities	(1.9)	3.6	140.0	17.0

As a result of net earnings of \$82.2 million, the company was able to generate cash inflows from operations of \$74.6 million for the year (2005: \$9.9 million). This was due to increased copper production from both the Dikulushi and Kulu operations, improved operational performance and the higher realized metal prices achieved in 2006. The net increase in non-cash working capital to \$24.9 million included an increase in accounts receivable of \$21.7 million (from increased production and higher realized copper and silver prices), an increase in inventory of \$10.7 million (of which \$5.7 million was an increase in concentrate stock and concentrate in transit), and an increase in prepayments of \$6.1 million (predominantly for capital purchases for Kinsevere).

The cash outflow from investing activities for the year was \$163.2 million (2005: \$23.5 million). The outflow relates mainly to cash received from the capital raising in March 2006 being placed into highly secure and liquid investments. These investments can, and will, be readily converted into cash when required for the development of the Kinsevere project and other working capital requirements. Other outflows relate to acquisition payments in relation to the purchase of additional equity interests in the Mutoshi and Kinsevere-Nambulwa joint ventures of \$19.9 million, installation of the scrubber at Kulu, purchases of mining equipment for the proposed Stage III underground mine development at Dikulushi, development of the Kinsevere project.

Exploration and evaluation expenditure incurred was \$4.4 million. The company also realised \$2.6 million in interest and coupon payments received on the short-term investments held.

The cash inflow from financing activities for the year was \$140.0 million (2005: \$17.0 million). This inflow was mainly the result of receiving the net proceeds (\$121.9 million) on completion of the C\$149.5 million capital raising, and also the exercise of all C\$6.25 warrants, originally due to expire on December 16, 2007 but accelerated to June 5, 2006, raising C\$16.4 million. This was offset by the repayments of the RMBI project finance facility of \$5.5 million and Deans Knight loan facility of \$5.2 million during the 2006 year. The Fortis Bank \$15.0 million loan facility was fully drawn down during the year, of which \$3.0 million had been repaid by 31 December, 2006.

Cash Flow (fourth quarter)

The strong cash flow from operations of \$39.5 million (2005: \$9.8 million), or \$0.70 per share, was from the increased receipts from the delivery of 11,248 tonnes of payable contained copper and the higher realized copper and silver prices. Investing cash outflows were \$26.0 million, predominantly for the development of the Kinsevere-Nambulwa mine plant and infrastructure (payments for property, plant and equipment totalled \$19.4 million). Payments incurred on the acquisition of an additional 10% interest in the Mutoshi joint venture totalled \$9.9 million. Net financing cash outflows amounted to \$1.9 million, predominantly the result of repaying \$2.0 million of the loan held with Fortis Bank.

5. Financial Position and Liquidity

	Dec 31, 2006	Dec 31, 2005
Assets (\$ millions)		
Cash and cash equivalents (including restricted cash)	59.5	8.1
Investments	95.8	-
Current assets	209.9	24.2
Total assets	402.5	87.5
Liabilities (\$ millions)		
Current liabilities	72.5	18.5
Long-term debt	4.0	5.1
Total liabilities	114.4	33.0
Non controlling interests	8.3	1.7
Shareholders' equity (\$ millions)	279.8	52.8
Working capital (\$ millions)	137.4	5.7
Weighted average number of shares (for basic earnings per share)		
	49,729,151	28,861,658
Outstanding shares	56,707,554	29,086,847

Cash and cash equivalents

The increase in cash and cash equivalents (including restricted cash) to \$59.5 million (December 2005: \$8.1 million) was due to the increased production of copper and higher copper prices.

Investments

The increase in investments to \$95.8 million (December 2005: \$0.0 million) was attributable to the C\$149.5 million capital raising and exercise of all C\$6.25 warrants, originally due to expire on December 16, 2007 but accelerated to June 5, 2006, raising C\$16.4 million. These investments have low-risk profiles that generate income via interest and coupon payments, and have been purchased for the purpose of managing the Group's cash position and funding requirements following the capital raising. The investments are capable of reasonably prompt liquidation, and

will be converted to cash as and when the Group's funding requirements necessitate this. The Group's directors and management view these investments as a low-risk alternative to holding cash and cash equivalents. The investments are highly liquid and are intended to provide a return greater than that which would have been achieved if the funds were held as cash.

Current assets

The total current assets increase to \$209.9 million (December 2005: \$24.2 million) was mainly from investments (\$95.8 million) and cash and cash equivalents (\$59.3 million) Other current assets were an increase in receivables to \$29.6 million from higher deliveries and higher copper prices and an increase in the level of exports of concentrates to smelters offshore of Southern Africa. The inventory balance of \$18.0 million includes concentrate in stockpiles and in transit amounting to \$8.3 million. Prepaid expenses and deposits increased to \$6.9 million, which are mainly amounts paid for plant and equipment required for the Kinsevere development.

Total assets

The increase in total assets to \$402.5 million (December 2005: \$87.5 million) was attributable mainly to cash received from the capital raising in March 2006 being invested into highly secure and liquid investments, and also an increase in receivables. Property, plant and equipment have increased by \$33.9 million to \$63.9 million, largely due to the approval of the Stage I development at Kinsevere and subsequent capital expenditure incurred. Capitalised exploration and evaluation expenditure has increased by \$99.6 million to \$127.1 million, which mainly consists of the fair value of additional equity interests in exploration property acquired as a result of the purchase of an additional 25% interest (in two separate acquisitions of 10% and 15%) in the Kinsevere-Nambulwa project (\$84.1 million), and the fair value of exploration property acquired via the purchase of an additional 10% interest in the Mutoshi project (\$11.8 million).

All deferred mining costs at December 31, 2005 (\$4.1 million) have been amortized during the year, with no further deferred mining costs capitalized as at December 31, 2006. This is due to the open pit operations ceasing at Dikulushi in November. Development of the underground mine is ongoing and is expected to be completed by second quarter 2007.

A future income tax asset of \$0.7 million has been recorded at year end, which is the result of timing differences between the accounting and tax treatments of certain corporate items.

Current liabilities

Current liabilities increased to \$72.5 million (December 2005: \$18.5 million). The significant changes result from the short-term portion of the Fortis Bank loan facility being recorded at \$8.0 million; an amount of \$3.2 million provided for income tax payable, predominantly in relation to the Kulu operation; an increase in accounts payable and accrued liabilities of \$6.3 million and the accrual of the purchase consideration payable of \$45.0 million in relation to the acquisition of an additional 15% interest in the Kinsevere-Nambulwa joint venture in December.

Total liabilities

Total liabilities at year end were \$114.4 million (December 2005: \$33.0 million). The increase is due to the changes in current liabilities above and an additional \$30.1 million as future income tax liability (mainly \$25.3 million as a result of the additional 25% acquisition in the Kinsevere-Nambulwa joint venture, and \$3.5 million as a result of the additional 10% acquisition in the Mutoshi joint venture). [This represents the tax effect at 30% of the temporary difference arising on the acquisition fair valued exploration and evaluation expenditure which is expected to reverse upon subsequent amortization or disposal of the asset.] The total liabilities also include the long term portion of the Fortis Bank loan facility recorded at \$4.0 million and an additional \$0.6

million in asset retirement obligations from increased operational activity at both the Dikulushi and Kulu mines.

Non Controlling Interests

The increase in non-controlling interests to \$8.3 million (December 2005: \$1.7 million) at year end is undistributed profits attributable to non-controlling interests of \$1.8 million in SMK (December 2005: \$0.0 million) and AMC of \$6.5 million (December 2005: \$1.7 million).

Long Term Debt

The long term debt of \$4.0 million represents the long term portion of the Fortis Bank loan facility. The long term debt of \$5.1 million existing at December 31, 2005, was repaid during the year.

Working capital

Working capital increased to \$137.4 million at year-end, mainly due to:

- receipt of funds from the bought deal equity financing of C\$149.5 million (\$121.9 million) net of the equity raising costs,
- exercise of all C\$6.25 warrants, originally due to expire on December 16, 2007 but accelerated to June 5, 2006, raising C\$16.4 million (\$14.6 million),
- increase in receivables from changes in the cut-off dates of payments, higher quantities of deliveries of concentrates to smelters offshore of Southern Africa and the higher achieved copper and silver prices, as well as the beneficial effect of longer Quotational Periods in a period of rising copper prices, and
- net earnings of \$82.2 million.

Shareholders' equity

Shareholders' equity at year-end increased to \$279.8 million as a result of the completion of the bought deal equity financing of C\$149.5 million; exercise of all C\$6.25 warrants, originally due to expire on December 16, 2007 but accelerated to June 5, 2006, raising C\$16.4 million.

At February 26, 2007, the Company had outstanding 56,720,887 common shares. In addition there were outstanding 2,053,001 director and employee stock options with exercise prices ranging between A\$1.20 to A\$6.50 and C\$3.80 to C\$11.84 per share. The Company also had outstanding 600,000 share purchase warrants which are exercisable as follows:

Issued	Expiry date	Number	Exercise price
December 22, 2005	December 22, 2007	600,000	C\$6.25

6. Other Financial Statement Matters

Contractual Obligations

The following table summarizes the Company's contractual and other obligations, as at December 31, 2006.

<i>Payments due by period</i>	Total	Less than 1 year	1 – 3 years	4 – 5 years	More than 5 years
	\$ million	\$ million	\$ million	\$ million	\$ million
Long term debt	12.0	8.0	4.0	-	-
Environmental and mine closure liabilities	1.4	-	0.5	0.9	-
Capital commitments – Dikulushi, Kulu and Kinsevere mines	23.5	23.5	-	-	-
Equipment operating lease	1.0	0.3	0.7	-	-
Exploration expenditure commitments	0.1	0.1	-	-	-
Purchase consideration upon acquisition of initial interest in SMK. To be paid upon transfer of tenements	1.3	1.3	-	-	-
Acquisition of 15% interest in AMCK Mining	45.0	45.0	-	-	-
Non-controlling interest commitments – comprises the 10% outside equity interests in the retained earnings of Anvil Congo	6.5	6.5	-	-	-

Segment Information

The Company'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.

Dikulushi copper/silver operation – 90% ownership

The Dikulushi operation is located in the Katanga province of the Democratic Republic of Congo. The operation commenced in 2002, and produces a sulphide copper concentrate with a silver credit.

Kulu copper operation – 80% ownership

The Mutoshi operation is located in the Katanga province of the Democratic Republic of Congo. The operation commenced in 2005, and produces an oxide copper concentrate.

Kinsevere copper/cobalt operation – 95% ownership

The Kinsevere operation is located in the Katanga province of the Democratic Republic of Congo. The operation is currently being developed, and will initially produce black copper ingots using an EAF. The Stage II development will later produce grade A copper cathodes through an SX-EW process.

Corporate development, administration and other (CDA)

The corporate development, administration and other segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting and corporate administration. It also holds the rights to mineral interests in Vietnam and the Philippines.

For the year ended December 31, 2006, segmented information is presented as follows:

	2006					
	Dikulushi	Kulu	Kinsevere	CDA	Inter-segment	Total
Concentrate sales	145,770	29,673	-	-	-	175,443
Operating expenses	(49,748)	(10,003)	-	(1,094)	-	(60,845)
Amortization	(4,930)	(1,762)	-	(869)	-	(7,561)
Segmented operating profit (loss)	91,092	17,908	-	(1,963)	-	107,037
Interest and financing fees	(2,705)	(2,122)	-	(1,800)	2,122	(4,505)
Other income	523	250	-	10,587	(5,386)	5,974
Other expenses	(8,332)	(3,521)	-	(3,325)	3,264	(11,914)
Segmented profit (loss) before undernoted items	80,579	12,515	-	3,499	-	96,593
Income taxes	-	(3,799)	-	(31)	-	(3,830)
Non controlling interest	(8,058)	(2,528)	-	-	-	(10,586)
Segmented profit	72,521	6,188	-	3,468	-	82,177
Property, plant and equipment	20,662	10,960	24,655	7,653	-	63,930
Total assets	70,591	37,794	89,903	204,198	-	402,486
Capital expenditures	8,610	5,119	23,424	2,123	-	39,276

Exploration and Evaluation Expenditure

At year end, the Company had deferred exploration costs of \$127.1 million (December 2005: \$27.6 million), comprising exploration and evaluation expenditure on the Dikulushi mining and exploration tenements (\$3.7 million), Mutoshi mining, tailings and exploration tenements (\$30.3 million), Kinsevere-Nambulwa mining tenements (\$91.7 million), and the Philippines and Vietnam mining tenements (\$1.4 million). A significant portion of this exploration and evaluation expenditure consists of fair value exploration property arising on the acquisition of the Mutoshi project (\$27.6 million) and Kinsevere-Nambulwa project (\$87.5 million).

Philippines Evaluation and Development Agreement

During the year, the Company signed an Evaluation and Development Agreement with Itogon Suyoc Resources Inc. ("Itogon"), a private Philippines minerals company, for their gold properties in the Baguio District on Luzon Island in the Philippines. The Itogon properties cover an area of 2,896 hectares and are located 12 km to the southeast of Baguio City and approximately 200 km north of Manila, the capital of the Philippines.

The agreement provided for the Company to acquire 100% of the Itogon mineral properties by completing a staged evaluation process, which included the following terms and conditions:

- A cash payment of \$120,000 upon signature of the agreement and subsequent carrying out of a legal, social and environmental due diligence evaluation within a four-month period;
- A cash payment of \$2.0 million to Itogon, and funding to a minimum of \$2.0 million in exploration expenditures, if the Company elects to proceed with detailed evaluation of the properties;
- Following the detailed evaluation, completion of a feasibility study on a 'best efforts' basis, to take place within a period of two years; and

- A cash payment of \$500,000 upon transfer of Itogon's mineral properties to the Company.

The Company announced in February 2007 that cash payment of \$2.0 million had been made to Itogon and it will now provide funding to a minimum of \$2.0 million in relation to detailed evaluation of the properties.

Social and Development Programs

In April 2006, the Company signed an agreement with Pact Inc., ("Pact") a Washington-based non-government organization, for the design and implementation of the Company's social and community development programs in the vicinity of its Dikulushi mine. This agreement was subsequently extended to include the design and implementation of the Company's social and community development programs in the vicinity of its Kinsevere and Kulu mines.

- Dikulushi

At the end of the December Quarter, the Company had drilled 22 boreholes that provide safe drinking water to an estimated 22,000 people from villages near the Dikulushi mine. To enhance the sustainability of these projects, PACT is assisting with the training of local villagers in basic maintenance techniques and is coordinating the formation of Water Management Committees that will oversee all activities related to the utilization of water. During the December Quarter, other initiatives included training of farmers in agricultural management in order to improve food security, literacy training, development of business plans and training of Village Development Committees in the basics of conflict resolution, roles and responsibilities. In the area of infrastructure development, PACT completed the construction of a three classroom school and a village market. Two schools previously constructed by Anvil now have 1,200 pupils.

- Kulu

PACT has been involved in the Company's social and development programs at the Kulu mine since October 2006. During the December Quarter, a number of initiatives were implemented, including: training of Village Development Committee members in the basics of conflict resolution, roles and responsibilities, feasibility studies for building improved community sanitary conditions, a health centre, a school and a store house for agricultural products, training in agricultural techniques, literacy training and support for income generating activities. An association has also been established by SMK comprising 33 women producing and selling vegetables to SMK in Kolwezi. Following a series of interviews conducted by PACT, access to safe drinking water has been identified as a priority need and efforts will be targeted to this area during 2007.

- Kinsevere

Efforts continue to be directed towards the provision of clean drinking water for the villages located in the vicinity of the Kinsevere mine. During the December Quarter, a 10,000 litre water tank was installed to provide clean water to 3,500 people in three neighbouring villages. Plans are underway to install additional tanks, with approximately US\$120,000 earmarked for water projects. Drilling of boreholes is expected to commence in March 2007. Other initiatives undertaken during the December Quarter included: training of Water Management Committee members in management and maintenance of the water infrastructure that will be installed, training of local villagers in agricultural techniques, literacy training, and formation of management committees for small and medium business activities. A Social Impact Assessment has been conducted that will help to benchmark progress against social indicators.

7. Outlook

Dikulushi

The Dikulushi mine is expected to produce 21,000 tonnes of copper and 2,000,000 ounces of silver, contained in concentrates, for 2007. Open pit mining at Dikulushi ceased in November, 2006, with all feed to the plant now sourced from the Run-of-Mine stockpiles of high-grade ore and stockpiles of low-grade ore. There is sufficient ore at the high-grade stockpile to supply approximately 12 months of plant feed and this will adequately maintain current levels of copper production until the underground mine comes on stream.

During the December Quarter, work progressed on the development of the Stage III underground mine development. At the end of the December Quarter, the decline had progressed approximately 720 metres into the footwall on the northern side of the open pit. The first ore was encountered in the underground development during December, and was consistent with expected grades. Production from the underground mine will commence during the fourth quarter of 2007, building up to full scale production in the first quarter of 2008.

Kulu

The Kulu mine is expected to produce 16,000 tonnes of copper contained in concentrates for 2007. A project to construct an EAF and a 14 kilometre power line and sub-station to supply hydro-electric power from the DRC national hydro-electric grid is expected to be completed during the fourth quarter of 2007. Installation of the EAF and connection to the DRC national hydro-electric grid is expected to enable significant improvements in revenue and cost performance at the Kulu mine.

Kinsevere

The Kinsevere mine is expected to be commissioned during the second quarter of 2007 with budgeted production of 13,000 tonnes of copper to December 31, 2007. Design of the crushing circuit and HMS plant is now almost complete, with only a small amount of design detail outstanding. Keech Furnace Technologies, who have been engaged to design and supply two 7.5 MW electric-arc furnaces are progressing with design work and current indications are that the EAF building and supporting civil engineering works will be completed during the third quarter of 2007. Powerline Africa which has been engaged to construct the 120 KVA power line which will link Kinsevere to the DRC national hydro-electric grid has delivered equipment to site and has commenced clearing works. An agreement was signed with SNEL (the DRC electricity company) in December 2006 for the supply of electrical power sufficient to support the planned Stage II Solvent Extraction and Electrowinning ("SX-EW") development.

The drilling results from the Tshifufia Deposit at Kinsevere have exceeded the Company's expectations and, due to the size of the latest Mineral Resource estimate and the significant further potential that exists, the scale of the planned Stage II SX-EW plant has been doubled from 30,000 to 60,000 tonnes of copper per annum. Given this unexpected, but positive change in plan, the Feasibility Study on the Stage II SX-EW development will now be completed during the second quarter of 2007. Lycopodium Pty Ltd, an engineering company based in Perth, Western Australia has been retained to complete preliminary design and costing of the Kinsevere Stage II SX-EW Plant.

Based on the budgeted production from the Dikulushi, Kulu and Kinsevere mines for 2007, and the Company's current financial position, the Company expects that there will be sufficient financial resources to meet its 2007 development plans.

8. Critical accounting policies

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 consolidated financial statements and a more detailed analysis of the risk factors that face the Group can be found in the most recent annual information form available 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 of economically recoverable reserves of the Group's mine properties. Independent qualified surveyors and geologists are engaged to estimate the economic recoverable reserves. The estimation process involves sampling and other statistical tools to estimate the amount of recoverable reserves.

Variations in the calculated estimate of the 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, 2006, the Group has deferred exploration costs of approximately \$127.1 million associated with exploration properties in Africa and Southeast Asia.

Deferred Mining Costs

The Group uses the deferred stripping accounting method for mining costs associated with waste rock removal, which is in excess of the life-of-mine average. Waste rock mining costs are deferred and charged to operations on the basis of the average stripping ratio for the life of the mine. The waste-to-ore ratio and remaining life of the mine are both regularly assessed to ensure the carrying value and rate of deferral are appropriate.

The amount deferred or charged to cost of production is subject to management's estimate of the stripping ratio over the life of the mine. Any change in the stripping ratio or mine life estimate could have a material effect on the financial results. In March 2005, the Company adopted a revised open pit mine plan for the Dikulushi mine on the basis of an enlarged 180 metre deep open pit requiring a prospective strip ratio of 19.2:1, to give a revised combined whole life of open mine strip ratio of 15.3:1. The Group further revised the mine plan in September 2005 to a shallower 150 metre deep open pit and a subsequent underground mine. This plan required a prospective strip ratio of 13.3:1 to be adopted for subsequent production. At December 31, 2006, all stripping costs had been amortized as mining in the open pit ceased in November 2006. Production from the Stage III underground mine is expected to commence during the fourth quarter of 2007, building up to full scale production in the first quarter of 2008.

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

The Company follows CICA 3465 “Income Taxes”.

As at December 31, 2006, the Group has estimated its future recoverable income tax losses in Canada, Australia, the DRC and Zambia. The recoverability of losses is dependent upon the ability to generate positive future taxable income to offset the existing carry forward losses.

Under the Mining Convention (“Convention”) granted by the DRC Government, the Dikulushi mine operations in the DRC currently enjoy a concessionary tax benefit of reduced income tax rates for the first fifteen years from the date of first commercial mine production, which commenced in October 2002. The tax concessionary rates based on the applicable DRC Professional income tax rate of 40% which was in effect when the Convention was granted are as follows:

<u>Period</u>	<u>% of Professional Tax Rate</u>	<u>Effective income tax rate</u>
First five years of production	0%	0%
Sixth through to tenth years of production	40%	16%
Eleventh through to fifteenth years of production	45%	18%
Thereafter	100%	30%

As from October 2007, the Dikulushi operations will be subject to income tax at an effective rate of 16% as this will be the commencement of the sixth year of operation.

Financial Instruments and Comprehensive Income

In January 2005, the CICA issued Handbook Sections 3855, “Financial Instruments – Recognition and Measurement” and 1530, “Comprehensive Income”. These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. The Company will adopt these new standards effective January 1, 2007.

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;

- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method;
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

The Company is currently assessing the impact of these new standards on its consolidated financial statements.

9. Estimates

Financial statements which are prepared in conformity with Canadian generally accepted accounting principles requires 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.

10. 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 disclosure regarding the speculative nature of mineral exploration and development, political stability, liquidity and future financings, 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 and silver 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 on SEDAR at www.sedar.com.

11. Summary of Quarterly Results (Unaudited)

The financial performance, financial position and operating statistics for the last eight quarters are shown in the table below.

Statement of Operations and Earnings	Dec 06 Quarter	Sep 06 Quarter	Jun 06 Quarter	Mar 06 Quarter	Dec 05 Quarter	Sep 05 Quarter	Jun 06 Quarter	Mar 05 Quarter
Concentrate sales (\$ millions) ³	42.7	56.6	43.0	33.2	25.9	17.8	10.5	7.7
Operating profit ⁴ (loss) before amortization (\$ millions)	27.7	38.0	29.5	17.4	11.9	7.8	3.8	1.2
Amortization (\$ millions)	(1.9)	(2.1)	(1.8)	(1.8)	(1.9)	(1.3)	(1.3)	(1.4)
Operating profit ⁵ (loss) (\$ millions)	25.8	38.0	27.7	15.6	10.0	6.5	2.5	(0.2)
Net earnings (loss) (\$ millions)	21.3	30.2	22.5	8.3	6.1	2.9	0.2	(1.7)
Basic earnings (loss) per share (\$)	0.38	0.53	0.42	0.26	0.21	0.10	0.01	(0.06)
Diluted earnings (loss) per share (\$)	0.37	0.53	0.41	0.25	0.20	0.10	0.01	(0.06)
Production Statistics – Total								
Copper produced in concentrates (tonnes)	10,523	12,816	11,098	8,137	7,446	5,777	3,395	2,559
Production Statistics – Dikulushi mine								
Ore processed (tonnes)	92,755	114,154	135,234	128,259	127,222	120,822	81,518	80,812
Copper grade %	6.92	5.61	4.64	4.95	5.54	5.52	4.87	3.86
Contained copper (tonnes)	6,417	6,409	6,278	6,352	7,049	6,663	3,971	3,119
Recovery Cu %	89.9	89.5	89.1	86.7	86.3	86.7	85.5	82.1
Copper produced in concentrates (tonnes)	5,774	5,738	5,601	5,505	6,085	5,777	3,395	2,559
Silver produced in concentrates (ounces)	569,655	545,438	526,513	532,842	587,882	586,875	301,967	245,044
Payable pounds of copper contained in concentrate delivered (millions)	13.0	12.2	10.4	12.1	12.9	10.4	6.8	5.6
Payable ounces of silver contained in concentrate delivered	563,754	491,242	441,277	506,508	542,029	432,447	262,111	230,168
Production Statistics – Kulu mine								
Ore processed (tonnes)	92,509	82,424	80,848	51,808	17,981			
Copper grade %	7.61	8.20	8.54	7.95	7.67			
Contained copper (tonnes)	7,038	6,757	6,920	4,118	1,379			
Recovery Cu %	62.6	70.1	72.6	58.0	51.6			
Copper produced in concentrates (tonnes)	4,749	7,078	5,497	2,632	1,361			
Copper concentrate sold (tonnes)	10,641	19,131	7,340	9,615				

12. Additional Notes

Deed of Cross Guarantee

For the purpose of simplifying reporting in Australia, Anvil Mining Limited and certain Australian incorporated companies 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, Anvil Mining Management NL, Central African Holdings Pty Ltd, Congo Development Pty Ltd, Anvil Mining No 2 Pty Ltd, Anvil Mining No 3 Pty Ltd, Leda Mining Pty Ltd and Bannon Mining Pty Ltd.

³ Concentrate sales include copper and silver concentrates from Dikulushi and copper concentrates from Kulu

⁴ Refer to Non-GAAP Financial Measures on page 18

Technical Information

Information of a scientific or technical nature in this management discussion and analysis and financial review has been prepared under the supervision of Bill Turner, President and Chief Executive Officer of Anvil Mining Limited, a Fellow of the Australasian Institute of Mining and Metallurgy, who has more than five years experience in the field of the activity reported herein and is a qualified person under Canadian National Instrument 43-101.

The information in this report that relates to in-situ mineral resource figures for the Kulu mine and Kinsevere-Nambulwa project are based on an independent Technical Report prepared by Mr Gerry Fahey MAIG, MAusIMM (CP) (who is a NI 43-101 Qualified person and who also qualifies as a Competent Person) of FinOre Pty Ltd, a geological consulting company in Perth, Australia. The Technical Report was prepared in accordance with Canadian National Instrument 43-101 and has been filed on SEDAR with the relevant Canadian Securities Commission. A copy is available at www.sedar.com. A copy has also been lodged with the Australian Stock Exchange for information purposes. Gerry Fahey has consented to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Non-GAAP Financial Measures

The terms “total cash cost” and “operating cash cost (ex-mine gate)” are used on a per pound of payable copper produced basis and after by-product silver credits are applied. The operating cash cost (ex-mine gate) per payable pound of copper produced is equivalent to the costs of mining and processing operations incurred (after net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the period. The total cash cost of production per payable pound of copper produced is equivalent to the ex-mine gate cash cost including the relevant unit transport, smelting and refining and realization costs (after net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the period. 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. The mine operating costs exclude exploration expense, foreign exchange gains and losses and interest and financing fees. The term working capital equals current assets less current liabilities.

The term Cash flow from operations per share, before changes in non-cash working capital, is based on a calculation using the weighted average number of common shares outstanding during the period.

This information differs from measures of performance determined in accordance with GAAP in Canada 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 GAAP and may not be comparable to similarly titled measures of other companies.

Evaluation of Disclosure Controls & Procedures

The Company’s certifying officers have designed a system of disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to them with respect to financial and operational conditions impacting disclosure with respect to the fiscal year ended December 31, 2006. The certifying officers have evaluated the effectiveness of the disclosure controls and procedures and have concluded that these disclosure controls and procedures are effective at the reasonable assurance level. The management of the Company was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. The result of 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.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Forward Looking Statements

The forward-looking statements made in this Management's Discussion and Analysis are based on assumptions and judgements of management regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the prices of copper and silver, estimated future production and estimated costs of future production involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual prices of copper and silver, the actual results of current exploration, the actual results of development and mining activities, changes in project parameters as plans continue to be evaluated, changes in the political environment in the countries in which the Group is operating, as well as those factors disclosed in the Company's filed documents.

Statements regarding the Company's plans with respect to further evaluation and future development of the Kulumaziba coarse rejects/tailings deposit, the evaluation of the Mutoshi and Kinsevere-Nambulwa Projects (including Tshifufia Central, Tshifufia South and Tshifufiamashi) and to the recent Dikulushi underground development are forward-looking statements. There can be no assurance that future due diligence will be successfully completed, that future required regulatory approvals will be obtained or that anticipated transactions will be completed satisfactorily. There can be no assurance that the Company will be able to confirm the presence of a mineral deposit at any of the prospects at Mutoshi or Kinsevere-Nambulwa, nor that any mineralization will be proven to be economic.