

MANAGEMENT'S DISCUSSION AND ANALYSIS

First Quarter Ended March 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 first quarter and three months ended March 31, 2010. The discussion below should be read in conjunction with the unaudited consolidated financial statements of the Company for the period ended March 31, 2010 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 ("Canadian GAAP").

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 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 year ended December 31, 2009.

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 May 13 2010.

Operations: Kinsevere Heavy Media Separation plant

The Group recommenced operation of the Kinsevere Heavy Media Separation ("HMS") plant on March 27, 2009, focused on achieving a low-cost operation to enable the Group to generate positive cash flow until such time as the Stage II Solvent Extraction – Electrowinning ("SX-EW") plant becomes operational.

Based on 2010 forecast production of 15,000 tonnes of copper and an assumed average realized copper price of \$2.50 for 2010, the HMS plant is expected to generate sufficient cash to allow the Group to maintain an adequate cash balance.

During the first quarter of 2010, the HMS plant generated net revenue of \$15.4 million and incurred cash operating expenses of \$6.3 million, resulting in a positive cash flow from HMS operations of \$9.1 million. After accounting for expenses of \$4.0 million related to care and maintenance of the Dikulushi and Mutoshi mines, corporate overheads, exploration, social development and sustaining capital expenditure, operation of the HMS plant provided a net cash flow of \$5.1 million for the March quarter.

The table below illustrates the cash performance of the Kinsevere HMS plant for the quarter ended March 31, 2010.

Performance of the Kinsevere HMS Plant	Quarter ended March 31, 2010 \$ 'million
Sales from HMS plant	15.4
Operating expenses from HMS plant	(6.3)
Cash generated from HMS plant	9.1
Care and maintenance expenses	(1.3)
Sustaining capital expenditure	(0.6)
Corporate overhead expenses	(2.1)
Cash flow	5.1

During the first quarter of 2010, the HMS plant produced 16,320 tonnes of concentrate, at an average grade of 25.1% copper for 4,093 tonnes of copper contained in concentrate.

Key performance details of the HMS plant for the March quarter are set out in the table below.

	Quarter ended March 31, 2010
Ore processed – HMS plant (dmt)	61,491
Feed grade – HMS	8.6
Contained copper (tonnes)	5,307
Recovery Cu (%)	68.4
Concentrate produced – HMS and spirals (tonnes)	16,320
Concentrate grade – HMS and spirals (% Cu)	25.1
Copper produced in concentrate – HMS and spirals (tonnes) ¹	4,093

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.

Liquidity and Cash Position

As at May 13, 2010, Anvil had approximately \$84.1 million in cash, \$22.3 million in available-for-sale investments and \$6.6 million of trade receivables, which it expects to realize during the second quarter of 2010. During the next twelve months the Company's commitments include \$155.0 million that relates to the Kinsevere Stage II development and \$7.2 million for a *Pas de Porte* (Entry Premium) payment due to Gécamines with respect to the Mutoshi amended agreements and.

Excluding funding designated specifically for the development of Kinsevere Stage II, as at May 13, 2010, the Company has approximately \$26.0 million held as cash. Based on forecast production for the remainder of 2010 and an assumed copper price of \$2.50 per pound, the Company expects to generate sufficient cash to enable the Company to maintain an adequate cash balance.

Sensitivity analysis carried out by the Company shows that for each \$0.25 that the realized copper price is above \$2.50 per pound, the Company realizes additional revenue of approximately \$0.45 million per month.

In addition to its existing cash balance and expected cash generation from the operation of the Kinsevere HMS plant, the Company has available-for-sale investments of \$22.3 million, comprised of an equity investment in Chalice Gold Mines Ltd (previously known as Sub-Sahara Resources NL) with a fair value of \$3.9 million and debt investments of \$18.4 million.

The Company seeks to reduce the risk to the value of the available-for-sale investments by diversifying the portfolio of available-for-sale 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 the primary counterparties related to its available-for-sale investments carry investment grade ratings of BBB+ or above.

After receiving approval of shareholders at a special meeting in December 2009, the Company completed the previously announced private placement (the "Private Placement") to Trafigura Beheer B.V. ("Trafigura"). Aggregate proceeds to Anvil from the Private Placement were \$100 million.

In December 2009, the Company also completed a debt financing transaction with Trafigura, for an available commitment of \$100 million (the "Loan Facility"). The term of the Loan Facility is five years from the first drawdown and funds available under the Loan Facility can be drawn down only after funds from the Private Placement have been utilized for the development of Kinsevere Stage II.

The Company expects that the first drawdown under the Loan Facility will be required during the third quarter of 2010. The Loan Facility is subject to other typical conditions consistent with a commercial debt financing and the Company is currently working to satisfy such conditions in order to ensure that it is in position to draw down the Loan Facility when necessary.

The Company has mandated a group of commercial banks to arrange, on a commercially reasonable efforts basis, a debt facility of \$140 million (the "Debt Facility") to replace the Loan Facility. Under the terms agreed with the syndicate of banks, the Debt Facility is expected to include a hedging facility for a period of not more than three years, the details of which are yet to be determined. The process of preparing the necessary documentation for the Debt Facility will shortly commence and is expected to be completed during the third quarter.

Discontinuance of Operations at Dikulushi

During December 2008, Anvil postponed underground development work and initiated a care and maintenance program at its Dikulushi mine. While the Dikulushi mine was critically important in the Company establishing a mining operation in the Democratic Republic of Congo ("DRC"), the current focus of effort is on the development of significantly larger projects, with Kinsevere Stage II due for commissioning during the first quarter of 2011. In addition, work is underway to extend the processing life of Kinsevere Stage II and the Group continues to look for suitable merger and acquisition opportunities in the DRC.

As a result, during the fourth quarter of 2009, the Company determined that recommencement of operations at Dikulushi was not consistent with its overall growth strategy and began work to divest its interest in the Dikulushi mine.

In February 2010, the Company reached agreement with Mawson West Limited ("Mawson West") on the terms and conditions for the sale of the Company's 90% interest in Anvil Mining Congo SARL ("AMC"), the holder of the Dikulushi Mining Convention and the Dikulushi copper-silver mine in the DRC.

Under the terms of the agreement with Mawson West, the shares in AMC held by Anvil will be transferred to Mawson West, in consideration for which Anvil received 83,070,000 shares in Mawson West, representing approximately 28% of the issued and outstanding shares in Mawson West, on an undiluted basis.

The agreement also provides that so long as Anvil holds at least 15% of the issued and outstanding shares in Mawson West, Anvil will have top-up rights to ensure that it may participate in any future share issues or placements so that it is able to maintain its percentage shareholding in Mawson West and the right to appoint one director to the Mawson West Board of Directors.

The Company completed the sale of AMC on April 9, 2010.

Owing to the status of the Dikulushi mine during the first quarter of 2010, for accounting treatment purposes Dikulushi is classified as a discontinued operation and accordingly, the Group's operating results for the first quarter of 2010 exclude Dikulushi. To assist the reader's understanding of overall performance for the first quarter of 2010, information on costs incurred at Dikulushi is presented separately in this MD&A.

Key points for the quarter

- Net copper sales of \$15.5 million compared to net sales of \$1.6 million in the first quarter 2009.
- Net income from continuing operations of \$6.6 million (\$0.04 per share), compared to net loss of \$18.8 million (-\$0.27 per share) in the first quarter of 2009.
- Positive cash flows from continuing operations, before working capital movements, of \$6.4 million (\$0.05 per share).
- Quarterly production of 4,093 tonnes of copper, compared to production of 199 tonnes of copper in the first quarter of 2009.

Near-term objectives (next three months)

- Continued cash positive operation of the Kinsevere HMS plant.
- Continuation of construction works at Kinsevere Stage II.
- Refinancing of the Loan Facility to an amount of \$140 million.

Longer term objectives (2010 onwards)

- Completion of construction, commissioning and ramp-up of the Kinsevere Stage II SX-EW plant.
- Completion of a scoping study on options to heap-leach low-grade material (0.3% to 0.7%Cu) in order to provide additional feed to the SX-EW plant.
- Identification of investment opportunities in the DRC to consolidate the Company's position and to develop a pipeline of growth prospects.
- Initiation of further drilling at Kinsevere to enable the delineation of an expanded sulphide resource.
- Completion of preliminary studies on the mining and processing of the sulphide resource at Kinsevere.
- Completion of additional drilling to allow the Company to further evaluate the Mutoshi project.

Development: Kinsevere Stage II SX-EW Plant

The Company continues to make good progress with the construction and fabrication works for the Kinsevere Stage II SX-EW development, with significant progress being achieved in the crusher area, the CCD thickeners, the pipe racks and solvent extraction areas. With the end of the wet season and mobilization of construction personnel well advanced, construction work is ramping up and is expected to be approximately 60% complete by the end of July 2010. Key areas of progress as at April 30, 2010 include:

- Design and engineering work is now complete.
- In line with manning schedules, Ausenco and its subcontractors have mobilised more than 600 construction personnel to site, with manning levels expected to peak at over 800 towards the end of June and into July.
- Key areas of the project have progressed as follows:
 - Civil construction is approximately 95% complete.
 - Concrete works are approximately 75% complete.
 - Construction of the stainless steel tanks is approximately 50% complete.
 - The Tailings Storage Facility is approximately 65% complete.
 - Mechanical construction is approximately 30% complete.
 - Ordering of major capital items is approximately 95% complete.

- Plant and equipment previously held in storage continues to be transported to site and previously suspended orders are being reactivated and re-negotiated.
- Handover of free-issue equipment from Anvil to Ausenco continues, supported by a specialist engineer from the Owner's Representative Team for the inspection, assessment and (where necessary) remediation of equipment that had been in storage. The handover process is expected to be completed during May.
- The project schedule continues to be revised as the construction work progresses, and although internal completion dates continue to move marginally, the project completion date remains unchanged.

Key Group results

First Quarter (Q1)		Q1 2010		Q1 2009	
			% of Sales		% of Sales
Production	t Cu	4,093		199	
Sales ¹	t Cu	4,424		1,478	
Concentrate stockpiles	t Cu	574		5,132	
Net sales	\$ million	15.5	100	1.6	100
Operating profit / (loss)	\$ million	3.5	23	(14.5)	(880)
Net income / (loss)	\$ million	6.6	43	(18.8)	(1,145)
Basic earnings / (loss) per share	\$	0.04		(0.27)	

1. Production and sales of copper reflect Kinsevere and Mutoshi copper concentrate sold at mine gate at a discount to the London Metal Exchange ("LME") price.

Copper Production (tonnes)

	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08	Q3/08	Q2/08
Kinsevere	4,093	4,970	5,865	5,372	199	4,457	7,113	6,433
Dikulushi	-	-	-	-	-	1,743	1,813	2,607
Mutoshi	-	-	-	-	-	1,288	2,392	1,481
Total	4,093	4,970	5,865	5,372	199	7,488	11,318	10,521

Q1 2010 Net Sales

(After treatment and refining charges ("TC/RCs"))		Q1 2010 \$ million	Q1 2009 \$ million
Kinsevere	- Copper	15.4	(0.9)
Dikulushi	- Copper	-	2.5
	- Silver	-	0.7
Mutoshi	- Copper	0.1	(0.7)
Net sales		15.5	1.6
Copper selling price		\$/lb	\$/lb
Current period sales ¹		3.34	1.53
Provisional pricing adjustment		(0.01)	(1.00)
TC/RC and freight charges		-	(0.20)
Realized copper price		3.33	0.33

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 components which are outside the control of the Company are therefore difficult to determine and are thus accounted for in the current period realized selling price. Concentrate from Dikulushi has not been sold at mine gate and thus the TC/RCs and freight charges are known and separately disclosed in the calculation of the total realized copper price.

Group net sales increase to \$15.5 million

Owing to an increase in the tonnes of copper sold (4,424 tonnes of copper, compared to 1,478 tonnes of copper in the first quarter of 2009) and an increase in the realized copper price recognized during the quarter (\$3.33, compared to \$0.33 in the first quarter of 2009), net sales increased to \$15.4 million. Pricing on current period sales was 118% higher than that for the same period last year.

Q1 2010 Operating Profit / (Loss)

	Q1 2010		Q1 2009	
	\$ million	% of Sales	\$ million	% of Sales
Kinsevere	4.7	30	(9.8)	(594)
Mutoshi	(0.7)	(4)	(4.1)	(41)
CDA ¹	(0.5)	(3)	(0.7)	(251)
Dikulushi	-	-	0.1	6
Total Operating (Loss) / Profit	3.5	23	(14.5)	(880)

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

Group records operating profit of \$3.5 million

The Group recorded an operating profit of \$3.5 million for the first quarter of 2010, compared to an operating loss of \$14.5 million for the first quarter of 2009. The increase in operating profit was primarily due to the continued strong performance of the Kinsevere HMS plant, which was under care and maintenance during the first quarter of 2009.

Kinsevere records operating profit of \$4.7 million

		Q1 2010	Q1 2009
Ore mined	tonnes	89,922	-
Ore processed – HMS	tonnes	61,491	2,695
Feed grade – HMS	% Cu	8.6	10.2
Contained copper – HMS	tonnes	5,307	275
Copper recovery – HMS	%	68.4	72.2
Copper produced in concentrate – HMS	tonnes	3,629	199
Copper produced in concentrate – Spirals	tonnes	464	-
Copper produced in concentrate – HMS & Spirals	tonnes	4,093	199
Copper sold	tonnes	4,650	1,061
Operating cash cost (ex mine gate)	\$/tonne concentrate	319	-

During the March quarter, the Kinsevere HMS plant continued to perform well, generating an operating profit of \$4.7 million and recording an operating cash cost per tonne of oxide concentrate of \$319 per tonne.

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, there was no production at Mutoshi during the first quarter of 2010. Operating costs of \$0.7 million for the March quarter of 2010 related primarily to costs associated with care and maintenance and were partly offset by the sale of 226 tonnes of copper in concentrate.

Dikulushi records loss on discontinued operations of \$0.3 million

As a result of the cessation of mining and processing operations during the fourth quarter of 2008, there was no production and no sales during the first quarter of 2010, compared to sales of 231 tonnes of copper in concentrate and 20,472 ounces of silver during the first quarter of 2009. The loss of \$0.3 million represents the care and maintenance costs incurred during the March quarter.

Q1 2010 Net income / (loss)

	Q1 2010		Q1 2009	
	\$ million	% of Sales	\$ million	% of Sales
Operating profit / (loss)	3.5	23	(14.5)	(880)
Other income	0.5	3	0.3	18
General administrative and marketing costs	(2.4)	(15)	(2.6)	(158)
Provision for impairment of assets	-	-	(4.7)	(285)
Gain on derivative instrument	0.4	2	-	-
Write back provision for impairment of assets	0.9	6	-	-
Interest expenses	(0.5)	(3)	(0.2)	(12)
Other expenses	0.1	1	(0.7)	(49)
Income tax	3.6	23	3.6	219
Non-controlling interest	0.5	3	-	2
Net income / (loss)	6.6	43	(18.8)	(1,145)
Earnings / (loss) per share				
- basic	0.04		(0.27)	
- diluted	0.04		(0.27)	
Weighted average shares outstanding				
- basic	150.4		71.2	
- diluted	154.7		71.2	

Group records net income of \$6.6 million

The Group recorded net income of \$6.6 million for the first quarter of 2010, compared to a net loss of \$18.8 million for the first quarter of 2009, which was due to the HMS plant being on care and maintenance along with related redundancy and termination expenses. Lower operating costs of \$7.3 million (excluding care & maintenance costs for Dikulushi of \$0.3 million) and a higher realized copper price of \$3.33 per pound during the quarter further contributed to net income, compared to the first quarter of 2009.

The income tax benefit of \$3.6 million during the March quarter of 2010 relates to tax losses which are expected to be recouped from future taxable income within the relevant tax jurisdiction.

During October 2009, the Company entered into a forward contract with its off-take partner Trafigura to hedge some of its anticipated copper production for the first half of 2010. Under the terms of the transaction, the Company locked in a floor price of \$2.50 per pound (\$5,500 per tonne) and a cap price of \$3.53 per pound (\$7,775 per tonne). Under this agreement the Company will receive the market price where the copper price is between \$2.50 per pound and \$3.53 per pound. The fair value of this financial instrument at March 31, 2010 was a net gain of \$0.1 million.

Q1 2010 Cash Flows

	Q1 2010 \$ million	Q1 2009 \$ million
Cash flows from operations:		
Operating activities		
- before working capital changes	6.4	(11.9)
- after working capital changes	1.4	(1.1)
Investing activities	(34.0)	(18.3)
Financing activities	(0.7)	-
Cash flow from discontinued operations	(0.5)	-
Net (decrease) / increase in cash and cash equivalents	(33.8)	(19.4)
Cash flow from continuing operations per share		
- before working capital	0.05	(0.17)
- after working capital	0.01	(0.02)

Cash inflows from operations before working capital changes were \$6.4 million, an increase of \$18.3 million compared to the first quarter of 2009. The increase in cash inflows from operations was due mainly to higher revenue resulting from higher copper prices and the HMS plant being non-operational during the March quarter of 2009 when the plant was on care and maintenance.

Investing cash outflows related largely to expenditures for property, plant and equipment of \$33.5 million in connection with the development of Kinsevere Stage II.

Financing cash outflows were \$0.7 million (first quarter of 2009: nil) which was attributable to additional costs incurred in relation to the Loan Facility.

Q1 2010 Balance Sheet

	March 31, 2010	December 31, 2009
Assets (\$ million)		
Cash and cash equivalents (including restricted)	87.4	121.6
Current available-for-sale investments	1.4	1.2
Other current assets	37.9	58.1
Property, plant & equipment	370.5	324.5
Non-current available-for-sale investments	17.6	16.8
Other non-current assets	95.1	92.0
Assets related to discontinued operations	7.3	7.3
Total assets	617.2	621.5
Liabilities (\$ million)		
Current liabilities	14.3	14.6
Long-term debt	-	0.1
Purchase consideration payable	-	6.7
Future income tax liability	17.5	21.0
Asset retirement obligations	12.7	12.9
Liabilities related to discontinued operations	2.7	2.7
Total liabilities	47.2	58.0
Non-controlling interests	0.1	0.3
Shareholders' equity (\$ million)	569.9	563.2
Working capital (\$ million)	112.4	166.3
Weighted average number of shares (for basic earnings per share) (millions)	150.4	97.3
Outstanding shares (millions)	150.4	150.4

Cash and cash equivalents

The decrease in cash and cash equivalents to \$87.4 million for the three months ended March 31, 2010 (December 31, 2009: \$121.6 million) was due mainly to cash expenditure for property, plant and equipment of \$33.5 million relating to capital expenditure for Kinsevere Stage II.

Available-for-sale investments

The increase in available-for-sale investments to \$18.9 million (\$1.4 million represented as current assets and \$17.5 million as non-current assets) for the period ended March 31, 2010 (December 31, 2009: \$18.1 million) was primarily attributable to a reversal of prior years impairment charge of \$0.9 million resulting from an appreciation in the market value of the available-for-sale investments.

Current assets

Current assets for the period ended March 31, 2010 decreased by \$20.2 million to \$37.9 million (December 31, 2009: \$58.1 million). This was due to transfers from prepayments to property, plant and equipment for capital equipment upon commencement of the construction of Kinsevere Stage II.

Current liabilities

Current liabilities for the period ended March 31, 2010 decreased by \$0.3 million to \$14.3 million (December 31, 2009: \$14.6 million). During the quarter, the Company made net creditor payments of \$7.0 million, however, this was offset by the reclassification of the *Pas de Porte* payment in respect of Mutoshi that is due in January 2011, from non-current liabilities to current liabilities.

Total liabilities

Total liabilities for the period ended March 31, 2010 decreased by \$10.8 million to \$47.2 million (December 31, 2009: \$58.0 million). The decrease in total liabilities was due to a decline in the future income tax liability of \$3.6 million relating to tax losses which are expected to be recouped from future taxable income within the relevant tax jurisdiction.

Foreign exchange risk management

Under the terms of the engineering, procurement and construction contract with Ausenco Limited in connection with the development of the Kinsevere SX-EW plant, a portion of the costs for which the Company is responsible is denominated in Australian Dollars (AUD) and South African Rand (ZAR).

In total, the Company will be required to purchase AUD17.3 million and ZAR159.6 million during 2010. In order to mitigate the risk of an adverse movement in the AUD and ZAR exchange rates, the Company has entered into a series of forward contracts in which it has locked in the exchange rates at which the required AUD and ZAR will be purchased during 2010.

At March 31, 2010, the Company would have realized a gain of \$0.23 million, if it had to settle these forward contracts.

Shareholders' equity

At March 31, 2010 shareholders' equity had increased by \$6.7 million to \$569.9 million, due mainly to an increase in retained earnings of \$6.4 million during the first quarter of 2010.

Contractual Obligations

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

Payments due by period	Total	Less than 1 Year	1 – 3 Yrs	4 – 5 Yrs	More than 5 Years
	\$ million	\$ million	\$ million	\$ million	\$ million
Environmental and mine closure liabilities	12.7	-	-	-	12.7
Capital commitments – Kinsevere Stage II	171.0	171.0	-	-	-
Equipment operating lease	1.1	0.4	0.7	-	-

Outstanding share data

At May 13, 2010, the Company had 150,403,159 Common Shares outstanding. In addition, there were 4,234,385 director and employee stock options outstanding with exercise prices ranging between C\$1.16 and C\$14.06 per share and 11,228,320 warrants with an exercise price of \$2.75 per warrant.

Exploration

The only exploration expenditure incurred during the first quarter of 2010 related to annual rents paid on 12 of the Company's tenements in the DRC. The Company did incur cash calls of \$0.2 million in connection with the Kapulo project, which is included in non-current assets classified as held for sale.

Transactions with related parties

As at May 13, 2010, Trafigura is the beneficial owner of 53,248,729 Common Shares, representing 35.4% of the issued and outstanding Common Shares. During the March quarter, the Company 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 commercial terms.

Sale of copper concentrates

In January 2010, the Company 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 March quarter, the Company sold to Trafigura, 3,902 tonnes of copper in concentrates from its Kinsevere Stage I operation, for revenue of \$13.9 million.

Technical services

In November 2009, the Company entered into a technical services agreement (the "TSA") with Trafigura, under the terms of which, a technical services 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 March quarter, the Company incurred costs of \$157,000 in connection with the operation of the Technical Committee and the provision of technical services by Trafigura pursuant to the recommendations of the Technical Committee.

Fuel supply

The Company has ongoing requirements for diesel fuel at its Kinsevere operations. Trafigura is one of several fuel suppliers from whom the Company obtains quotations for the supply of fuel to Kinsevere. During the March quarter, the Company purchased fuel for its Kinsevere operations to a value of \$0.3 million. Fuel supplied to support the Company's care and maintenance activities at Mutoshi is not provided by Trafigura.

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	Mar 10 Quarter	Dec 09 Quarter	Sept 09 Quarter	Jun 09 Quarter	Mar 09 Quarter	Dec 08 Quarter	Sept 08 Quarter	Jun 08 Quarter
Concentrate sales (\$ million) ¹	15.5	23.5	18.1	7.7	1.7	13.9	42.3	59.8
Operating profit ² / (loss) before amortization (\$ million)	8.2	14.4	8.0	(3.7)	(10.8)	(37.7)	5.0	31.9
Amortization (\$ million)	(4.7)	(5.7)	(3.8)	(4.0)	(3.7)	(12.4)	(7.6)	(15.9)
Operating profit ² / (loss) (\$ million)	3.5	8.7	4.2	(7.7)	(14.5)	(50.1)	(2.6)	16.0
Net income / (loss) (\$ million)	6.6	10.9	(0.2)	(11.3)	(18.8)	(151.2)	(17.3)	8.5
Basic earnings / (loss) per share (\$)	0.04	0.09	(0.00)	(0.13)	(0.27)	(2.12)	(0.24)	0.12
Diluted earnings / (loss) per share (\$)	0.04	0.09	(0.00)	(0.13)	(0.27)	(2.12)	(0.24)	0.12
Production Statistics – Total								
Copper produced in concentrate (tonnes)	4,093	4,970	5,865	5,372	199	7,488	11,318	10,521
Production Statistics – Kinsevere mine								
Ore processed (tonnes) ³	61,491	65,313	80,730	83,084	2,695	59,219	104,414	94,404
Copper grade % Cu	8.6	8.9	8.0	7.9	10.2	9.9	9.1	10.0
Contained copper (tonnes)	5,307	5,782	6,443	6,566	275	5,849	9,467	9,424
Recovery Cu %	68.4	77.0	80.6	70.9	72.2	76.2	78.4	68.3
Copper produced in concentrate - HMS (tonnes)	3,629	4,455	5,192	4,653	199	4,457	7,741	6,433
Copper produced in concentrate – Spirals (tonnes)	464	515	673	719	-	-	-	-
Copper produced in concentrate – HMS & Spirals (tonnes)	4,093	4,970	5,865	5,372	199	4,457	7,741	6,433
Copper concentrate sold (tonnes)	17,610	30,993	27,589	18,549	479	11,644	22,586	18,084
Production Statistics – Dikulushi mine								
Ore processed (tonnes) ³	-	-	-	-	-	117,577	134,994	110,990
Copper grade % Cu	-	-	-	-	-	2.3	2.2	3.1
Contained copper (tonnes)	-	-	-	-	-	2,689	2,935	3,399
Recovery Cu %	-	-	-	-	-	64.8	61.8	76.7
Copper produced in concentrate (tonnes)	-	-	-	-	-	1,743	1,813	2,607
Silver produced in concentrate (ounces)	-	-	-	-	-	174,463	189,867	248,816
Payable pounds of copper contained in concentrate delivered (million)	-	-	-	-	-	6.3	4.3	15.6
Payable ounces of silver contained in concentrate delivered	-	-	-	-	-	249,086	187,372	303,611
Production Statistics – Mutoshi mine								
Ore processed (tonnes) ³	-	-	-	-	-	89,296	135,772	130,693
Copper grade % Cu	-	-	-	-	-	3.6	3.8	3.7
Contained copper (tonnes)	-	-	-	-	-	3,243	5,152	4,872
Recovery Cu %	-	-	-	-	-	39.7	46.4	30.4
Copper produced in concentrate (tonnes)	-	-	-	-	-	1,288	2,392	1,481
Copper concentrate sold (tonnes)	226	1,665	-	-	-	8,290	12,057	17,165

1. Concentrate sales include copper and silver concentrates from Dikulushi and copper concentrates from Mutoshi and Kinsevere.

2. Refer to Non-GAAP Financial Measures on page 17.

3. Ore processed at Dikulushi relates to ore processed through the ball mill and floatation plant, while ore processed at Mutoshi and Kinsevere relates to ore processed through the HMS plants.

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. During 2009, the Company completed amended agreements with Gécamines and the DRC Government for its Kinsevere lease agreement and Mutoshi joint venture agreement. In addition, in 2009, the Company received notification from the DRC Government that the commercial terms and conditions of the Dikulushi Mining Convention remain unchanged.

Kinsevere

The Group holds a beneficial interest of 95% in the Kinsevere operation located in the Katanga province of the DRC. The HMS operation commenced in 2007 and produces an oxide copper concentrate. On March 27, 2009, the Company recommenced HMS processing operations, after being placed in suspension during November 2008. During August 2009, following the depletion of the ROM stockpiles, the Company resumed mining in the central pit in order to extend the operation of the Kinsevere HMS plant.

Mutoshi

In July 2009, as a result of the DRC Government's review of mining contracts, Anvil's interest in the Mutoshi Joint Venture reduced from 80% to 70%. Gécamines interest increased from 20% to 30% on a non-dilutable basis. The Group now holds a beneficial interest of 70% in the Mutoshi tenements located in the Kolwezi region within the Katanga province of the DRC. The Mutoshi Stage I HMS operation was developed in 2005 to produce an oxide copper concentrate, with HMS processing ceasing operations during the fourth quarter of 2008. The Group has previously referred to its Stage I HMS plant that processes material from the Kulumaziba river tailings deposit as the Kulu operation. This is now referred to as Mutoshi Stage I, being part of the broader Mutoshi project that includes other exploration tenements in the Mutoshi area.

Dikulushi

During the March quarter, the Group held a beneficial interest of 90% in the Dikulushi mine and in April 2010 completed the sale of this interest. The operation, which was placed on care and maintenance in December 2008 and is now classified as a discontinued operation, is located in the Katanga province of the DRC. The operation was developed in 2002 and produced a sulphide and oxide copper concentrate with a silver credit.

Corporate development, administration and other (CDA)

The corporate development, administration and other segment of the Company is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting and corporate administration.

For the three months ended March 31, 2010, segmented information is presented in the following table. Please note that all amounts are expressed in thousands, of US dollars.

	Quarter Ended March 31, 2010						
	Kinsevere \$	Mutoshi \$	CDA \$	Inter \$	Total continued operations \$	Discontinued operations (Dikulushi) \$	Total operations \$
Revenue	15,421	65	-	-	15,486	-	15,486
Operating expenses	(6,776)	(438)	(53)	-	(7,267)	(301)	(7,568)
Amortization	(3,996)	(333)	(401)	-	(4,730)	-	(4,730)
Segmented operating profit / (loss)	4,649	(706)	(454)	-	3,489	(301)	3,188
Interest and financing fees	(13,857)	(135)	(181)	13,638	(535)	-	(535)
Other income	49	84	16,967	(16,558)	542	204	746
Write back of provision for impairment of assets	-	-	905	-	906	-	906
Gain on derivative instrument	348	-	-	-	348	-	348
Other expenses	(2,555)	-	(2,628)	2,920	(2,263)	(47)	(2,310)
Segmented (loss) before under noted items	(11,366)	(757)	14,609	-	2,487	(144)	2,342
Income taxes	3,533	-	64	-	3,597	-	3,597
Non-controlling interest	405	125	-	-	530	11	541
Segmented (loss)	(7,428)	(633)	14,673	-	6,614	(133)	6,480
Property, plant and equipment	362,798	9,958	4,877	-	377,632	2,433	380,065
Total assets	480,635	57,398	78,791	-	616,824	7,260	624,084
Capital expenditures	33,497	-	31	-	33,529	-	33,529

Appendix B

Regulatory Disclosures

Non-GAAP financial measures

The terms “total cash cost” and “operating cash cost (ex-mine gate)” are non-Generally Accepted Accounting Principles 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, 2009 and December 31, 2008 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 March 31, 2010, the Group had deferred exploration and acquisition costs of approximately \$62.6 million associated with exploration properties in DRC and Zambia.

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 March 31, 2010, 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.

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%.

Changes in accounting policies

On January 1, 2010 the Company adopted two new accounting standards issued by the CICA: *Section 1582 Business combinations*, *Section 1601 consolidated financial statements* and *Section 1602 non-controlling interests*.

The adoption of these new standards resulted in changes to the Company's current period earnings (refer note 2 and 19 of the consolidated financial statements as at March 31, 2010). For an analysis of these new changes, please refer to notes 2 and 19 of the consolidated financial statements as at March 31, 2010

Initial adoption of International Financial Reporting Standards

Accounting standards in Canada will be adopting International Financial Reporting Standards ("IFRS") for financial years commencing on or after January 1, 2011. This will replace Canadian GAAP under which the Company currently prepares its financial statements. 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 balance sheet will therefore be required as at January 1, 2010.

The Company has initiated assessment of the impact of the change by preparing a summary of the key differences between Canadian GAAP, as applied by the Company, and IFRS which may materially impact the Company's consolidated financial statements.

Anvil have employed the technical support services of Deloitte, Perth in an effort to ensure timely and effective transition from Canadian GAAP reporting standards to IFRS by January 1, 2011. Adequate internal staff resources have also been allocated to ensure draft IFRS financial statements by October 2010. The transition will be managed in two steps; a Business Impact Study and Implementation.

Step one as an impact study will result in the following;

- A comparison of Anvil's existing accounting policies (under Canadian GAAP) with the requirements under International Accounting Standards;
- Identification of significant areas of difference in accounting treatments with a risk rating attached on which areas should have high, medium and low priority;
- Assessment of how the IFRS transitional provisions may apply to Anvil;
- Identification of alternative policies and treatments available;
- Assessment of the impact on both internally and externally communicated financial information;
- Developing, writing and communicating revised accounting policies and procedure manuals; and
- Developing models for accounting under IFRS, including for example, functional currency, income tax and tax effect accounting, asset impairment testing and cash generating unit identification and analysis.

Step two provides for implementation of transition to IFRS compliant financial statements. This will require preparation of an IFRS opening balance sheet as at January 1, 2010 and preparation of internally generated management accounts during 2010 in anticipation of adoption of IFRS on January 1, 2011.

The Company utilises a single, centralized electronic accounting package, which is accessed by each of the Company's operations and offices. Management of changes to any of the accounting modules that comprise the accounting package will be undertaken from the Perth office prior to December 31, 2010.

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.

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 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 under the Company's profile on SEDAR at www.sedar.com.

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, 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 & 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 ended March 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 March 31, 2010 financial 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 March 31, 2010.

During the quarter ended March 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 liquidation of the Company's available-for-sale investments and the Company's plans for expansions of the Kinsevere copper mine. In addition, assumptions upon which such forward looking information is based include that Anvil and Trafigura will be able to satisfy the conditions to availability of the Loan Facility, including obtaining all third party and governmental approvals, including approvals of Anvil's joint venture partner, Gécamines, the Central Bank of Congo and applicable departments of the government of the DRC and that all other conditions to availability of the Loan Facility will be satisfied or waived. 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 2010. 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 prices of the available-

for-sale investments, 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 Copper Project will operate as anticipated, or that the Kinsevere Stage I HMS plant will operate in accordance with forecast performance or that the Company will complete the refinancing of the Trafigura loan facility as planned. 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.