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Kinsevere Stage II – Construction February 2011

## ***Investor Presentation***

### ***Making the Transition to SX–EW Cathode Copper Production***

**Anvil Mining Limited**



**Caution Regarding Forward-Looking Information:** Statements in this presentation that are not historical statements constitute “forward-looking information” within the meaning of applicable securities laws. This forward-looking information includes but is not limited to statements and information regarding the completion and commissioning of the Stage II SX-EW Plant, production from the Stage I HMS Plant and the Stage II SX-EW Plant, the Kinsevere Project’s operating parameters, including operating costs, payback and mine life and the availability and sources of financing for completion of the Stage II SX-EW Plant. Assumptions upon which such forward-looking information is based include that the development and commissioning of the Stage II SX-EW Plant will proceed as planned, the Stage I HMS plant will continue to operate as expected and that conditions to the availability of future financing will be satisfied or that future financing otherwise we continue to be or become available. You are cautioned that actual results may vary materially from those assumed or implied by the forward-looking information. Material risk factors that could cause actual results to vary materially from those assumed or implied by the forward-looking information include, among others, risks related to mining operations, including political risks and instability, risks related to international operations, including currency risks and risks of global markets, the actual market price of copper, actual results of current construction, development, mining and processing activities, the possibility of cost overruns, conclusions of economic evaluations and changes in project parameters as plans continue to be refined, as well as those factors discussed in the section entitled “Risk Factors” in the Company’s annual information form, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although Anvil has attempted to identify important factors that could cause actual results to differ materially from those assumed or implied in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

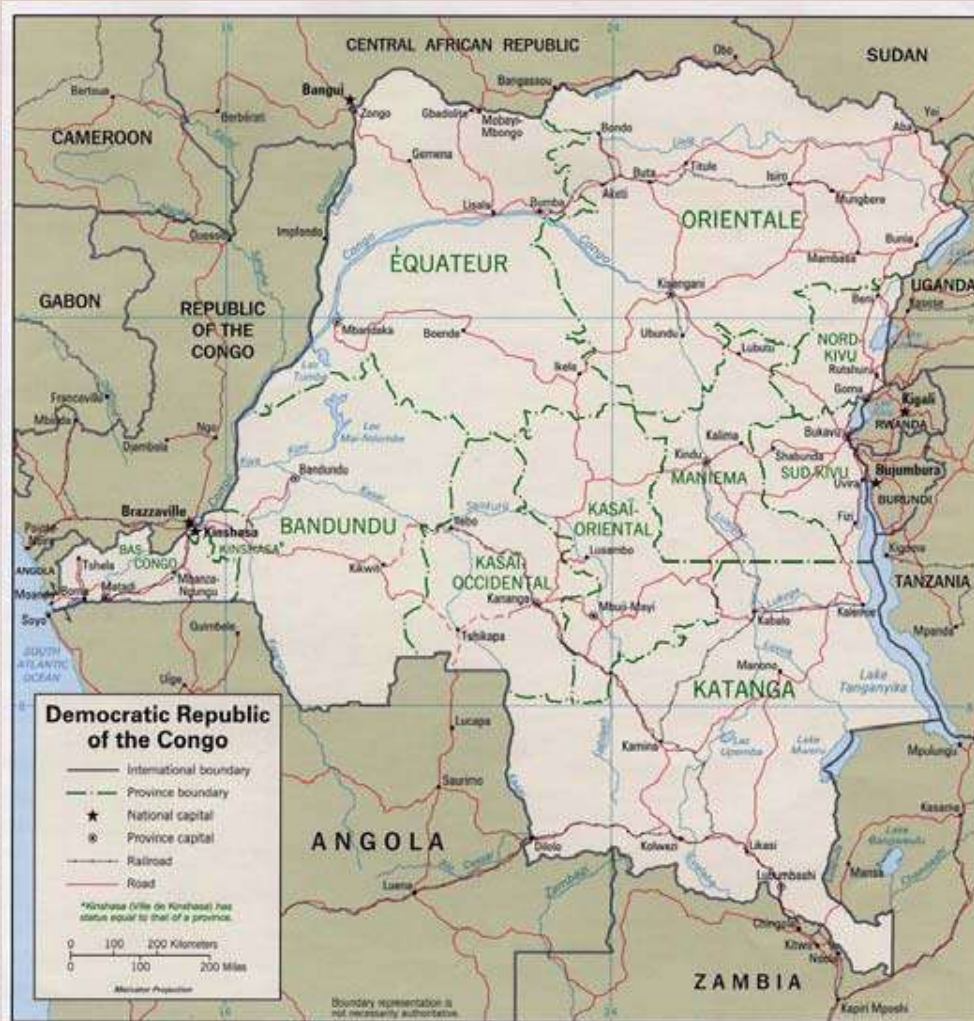
**Scientific & Technical Information:** Scientific and technical information in this presentation has been reviewed by Michael Lawlor, the Company’s Manager of Group Technical Services. Mr. Lawlor is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Qualified Person as defined by Canadian National Instrument 43-101. Mineral Resources and Mineral Reserves have been taken from “Anvil Mining Limited – NI 43-101 Technical Report – Kinsevere Copper Project – Katanga Province, Democratic Republic of Congo” dated March 31, 2010 and filed under the Company’s profile at [www.sedar.com](http://www.sedar.com). For further information, including as to data verification and QA/QC procedures, please refer to the Technical Report.

**All amounts are expressed in US dollars, unless otherwise stated.**



# Anvil in the DRC

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- **New Mining Code 2003 (World Bank supported)**
- **First democratically elected government 2007**
- **Previous major copper producer (500,000tpa)**
- **Population 65m**
- **Equivalent in area to approximately Western Australia or 1/3 of the USA**
- **Katanga Copperbelt known for high grade**
- **Substantial Multilateral presence; United Nations, World Bank and IMF**
- **EITI member candidate (Q2 2010)**
- **DRC Govt. Mining Reviews completed**



# Anvil in the DRC

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- Strong operational presence in DRC

- Commenced production in 2002

- Kinsevere Stage II focus now

- Complete construction Q1 2011

- High-quality project

- Average Grade 3.9% Cu (oxides)
- Waste to ore ratio 1.2:1

- Capex \$400M<sub>(E)</sub>

- \$377M (spent & committed, Dec. 2010)

- Commissioning Q2 2011

- Ramp-up period of 4-6 months
- Additional working capital ±\$25M

- Capacity of 60,000t/year Cu cathode

- Life of Mine Average Cost \$1.00/lb Cu<sup>(1)</sup>, inclusive of royalties

- Other project

- Mutoshi (Cu – Co) / Reviewing opportunities



# Capitalization Summary & Cash Position

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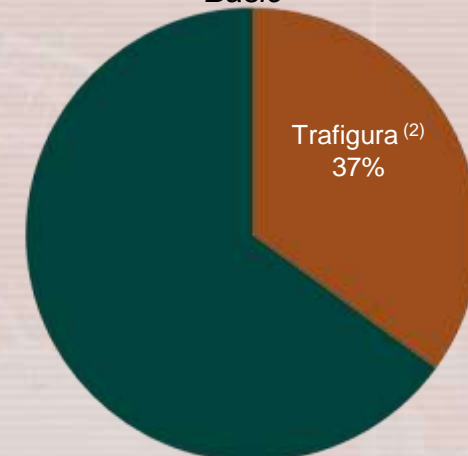
Stock exchange listings & symbols	TSX: <b>AVM</b> ASX: <b>AVM</b>	
Shares issued and outstanding	Current:	156.9 million
	Fully Diluted:	166.1 million
52-week share price range	C\$2.44-C\$7.19	
Recent share price – February 18, 2011	C\$5.96	
Market Capitalization – February 18, 2011	\$943 million	
Debt Available	\$100 million	
Drawdown <sup>(1)</sup>	\$42 million	
Cash and cash equivalents Available <sup>(1)</sup>	\$56 million	
Average daily trading volume – shares for 2010	0.6 million	

<sup>(1)</sup> As at December 31, 2010 (preliminary figures).

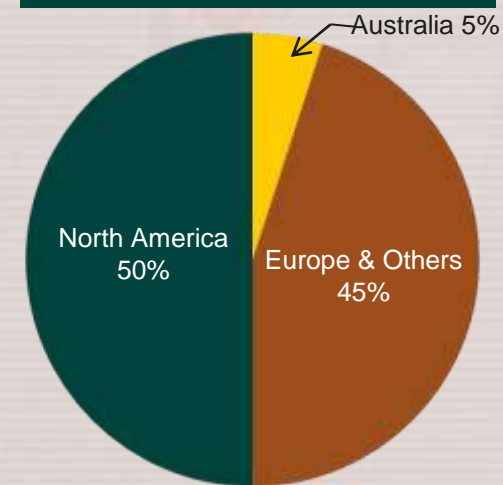
<sup>(2)</sup> Trafigura ownership increased to 39% on a fully diluted basis.

## Ownership

Basic<sup>(2)</sup>



## Geographic Distribution

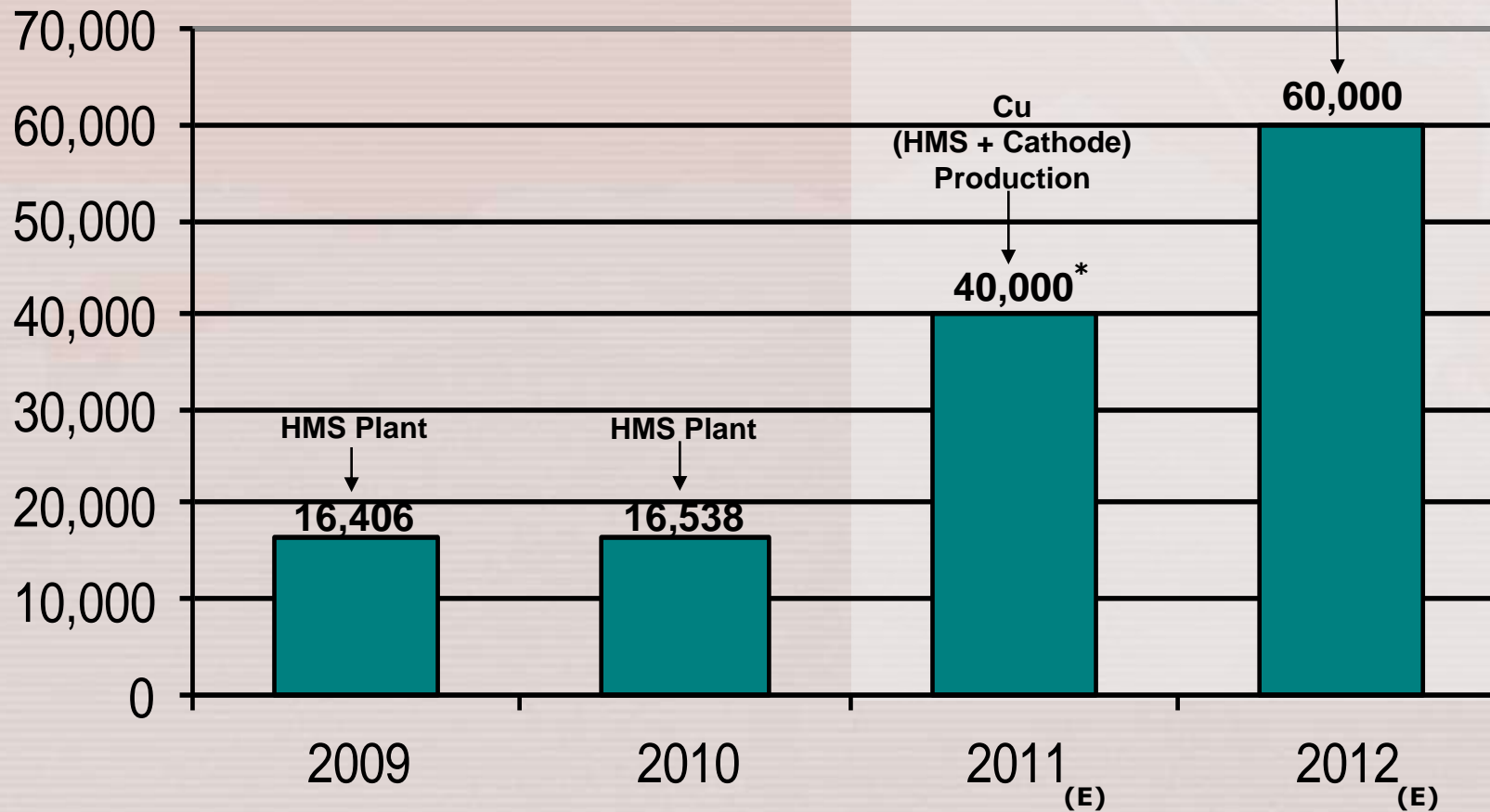


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# Kinsevere Production Growth Profile

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Tonnes of  
Contained Copper



\* Depending on  
Stage II commissioning



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# Kinsevere Stage II Overview

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- **High quality open pit copper mine:**
  - 95% ownership with remaining 5% owned by Mining Company of Katanga (MCK)
  - 25+ year lease agreement with Gécamines
  - Sulphide resource yet to be drilled out
  - Best oxide & sulphide intersection 357m @ 4.6% Cu
  - Currently in production as HMS operation
- **Amendment Agreement with Govt & Gécamines:**
  - Finalised January 2009
- **Expected Operating Parameters:**
  - Annual production 60kt Cu cathode<sup>(1)</sup> (SX-EW)
  - Cash cost + royalties of \$1.00/lb Cu<sup>(2)</sup>
  - Total operating cost of \$1.33/lb Cu (C3), excluding cost of debt
  - Operational life of 14+ years (oxides only)
  - Industry standard SX-EW Copper technology



Reserves and Resources <sup>(5)</sup>				
Category <sup>(3)</sup>	Ore	Grade		Contained Metal
	Mt	TCu (%)	ASCu <sup>(4)</sup> (%)	Cu (kt)
P & P - Oxide	20.8	3.9	3.3	690
Inferred Resources	14.2	3.6	N/A	507

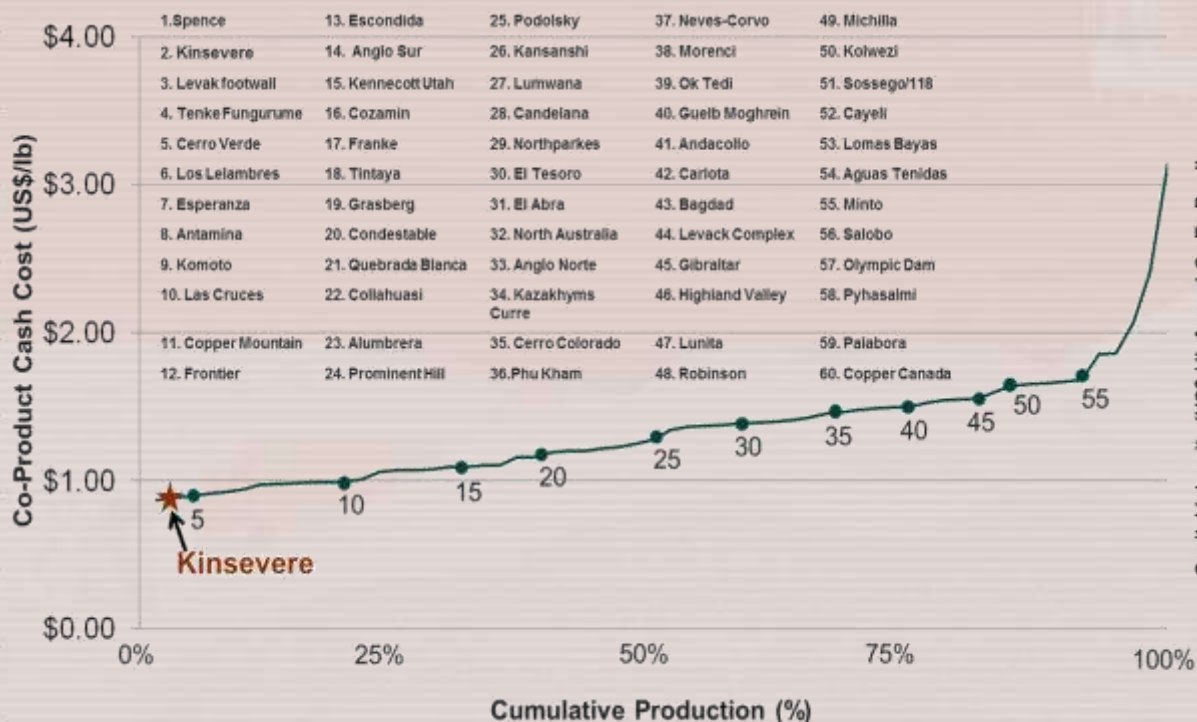
(1) Once Kinsevere Stage II SX-EW plant is fully operational.  
 (2) Based on the NI 43-101 Kinsevere Technical report dated March 31, 2010  
 (3) P&P: Proven & Probable reserves as at December 31, 2009.  
 The P&P reserve is included within the M & I oxide Mineral Resource and use a cut-off of 0.7% TCu  
 (4) Acid soluble copper (ASCu).  
 (5) Mineral Reserves and Resources update to December 31, 2010 currently in progress.



# Cash Cost Curve – Capital Intensity Comparison / IRR

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## Co-Product Cash Curve by Mine (US\$/lb)



## Capital Intensity of Selected Projects



### Kinsevere Stage II<sup>(3)</sup>

NPV<sup>(1)</sup>

IRR

Payback<sup>(2)</sup>

Construction Capex<sub>(E)</sub> of \$400 million

\$473M

36%

<4.0 years

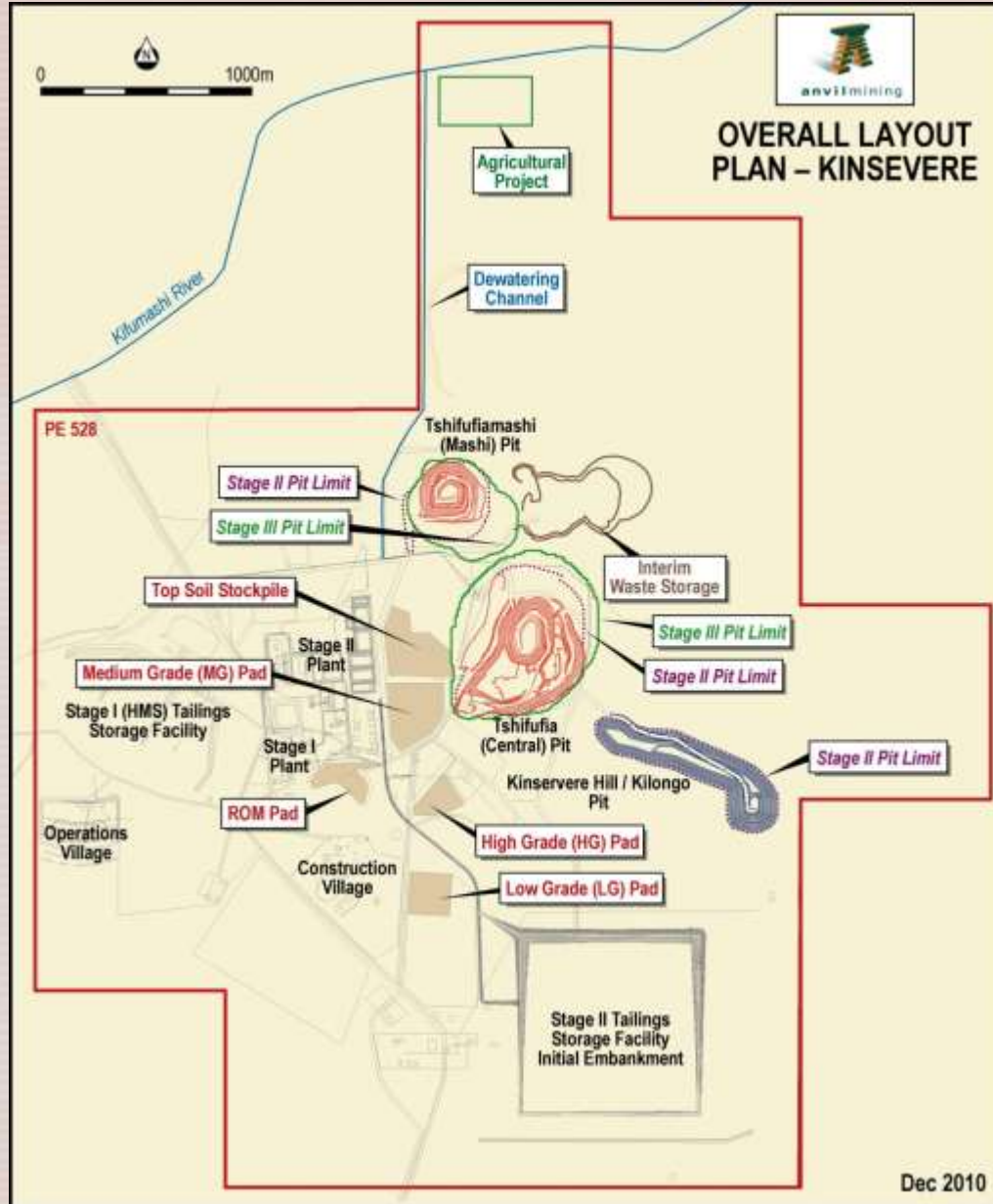
- (1) Calculated at an average real price of \$2.44/lb Cu.
- (2) Payback period after loan drawdown, based on cash flows after loan repayment.
- (3) Quoted as from January 1, 2010, to be updated in Q1 2011.



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# Site Layout Plan

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# View Looking South Over Tshifufia Pit (August 2010)

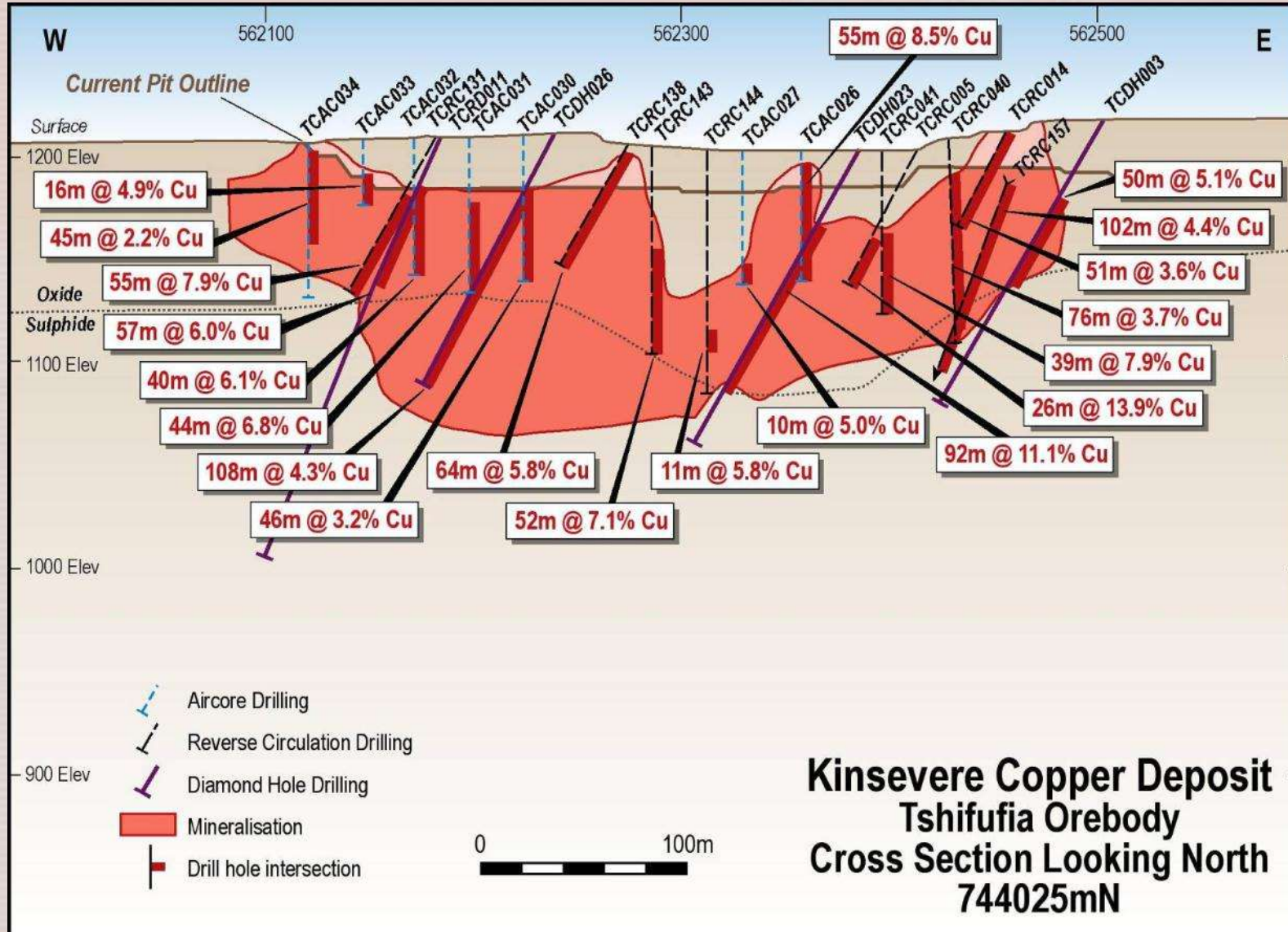
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# Cross Section

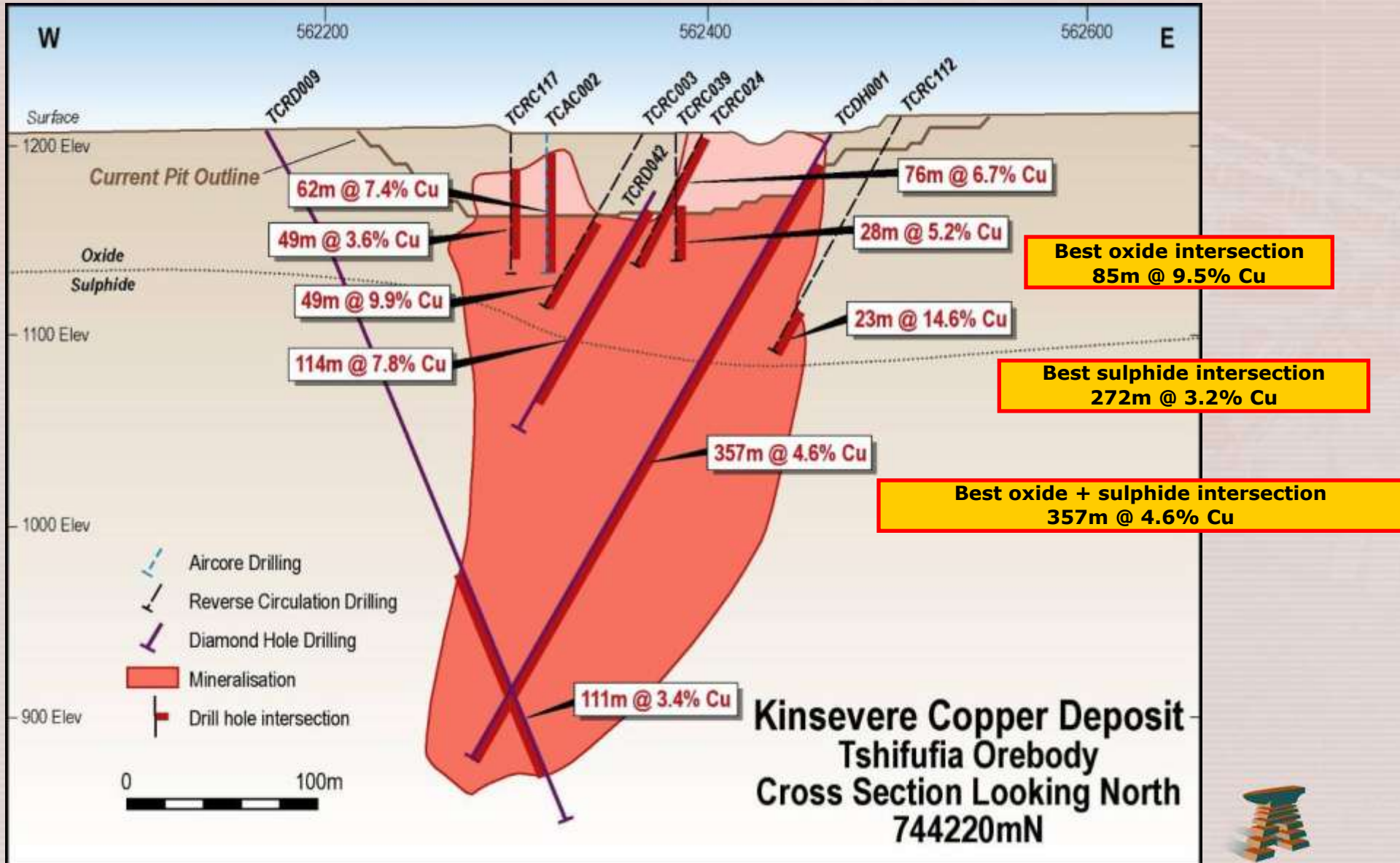
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## Quality deposit supporting 14+ years of operating life



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# Cross Section



# Kinsevere Stage II Operation Highlights

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Description	Stage II
Ore mined (million tonnes)	<b>18.0</b>
Average grade (% ASCu)	<b>3.5</b>
Waste mined (million tonnes)	<b>22.4</b>
Waste to ore ratio	<b>1.2 : 1</b>
Processing life (years)	<b>14</b>
Ore processed (million tonnes)	<b>21.9</b>
Average processed grade (% ASCu)	<b>3.2</b>
Recovery (%)	<b>91.9</b>
<b>Cu metal produced (tonnes)</b>	<b>648,500</b>

Note: Based on the NI 43-101 Kinsevere Technical Report dated March 31, 2010

To be updated in Q1 2011 considering:

- Mineral Reserves and Resources update
- Delayed Stage II start-up covered by continuation of Stage I HMS processing



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# Kinsevere Stage II Unit Operating Costs

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Average Stage II Operating Costs	Cash Costs (\$/lb) <sup>(1)</sup>
Mining Costs & Technical Service Costs	\$0.15
Processing Costs	\$0.34
Maintenance Costs	\$0.07
Administrative Costs	\$0.11
<b>Cash Cost at Mine Gate</b>	<b>\$0.67</b>
Transport and Marketing Costs	\$0.20
Export Duties	\$0.02
<b>Total C1 Cash Costs</b>	<b>\$0.89</b>
Royalties <sup>(2)</sup> – Paid	\$0.11
<b>Total Cash Costs</b>	<b>\$1.00</b>
Depreciation & Amortisation	\$0.33
<b>Total C3 Operating Cost (excluding cost of debt)</b>	<b>\$1.33</b>

(1) Based on the NI 43-101 Kinsevere Technical Report dated March 31, 2010. Average costs over the life of the mine.

(2) Royalties include a payment to Gécamines of 2.5% of gross revenues and a payment to the DRC Government based on a 2% NSR.

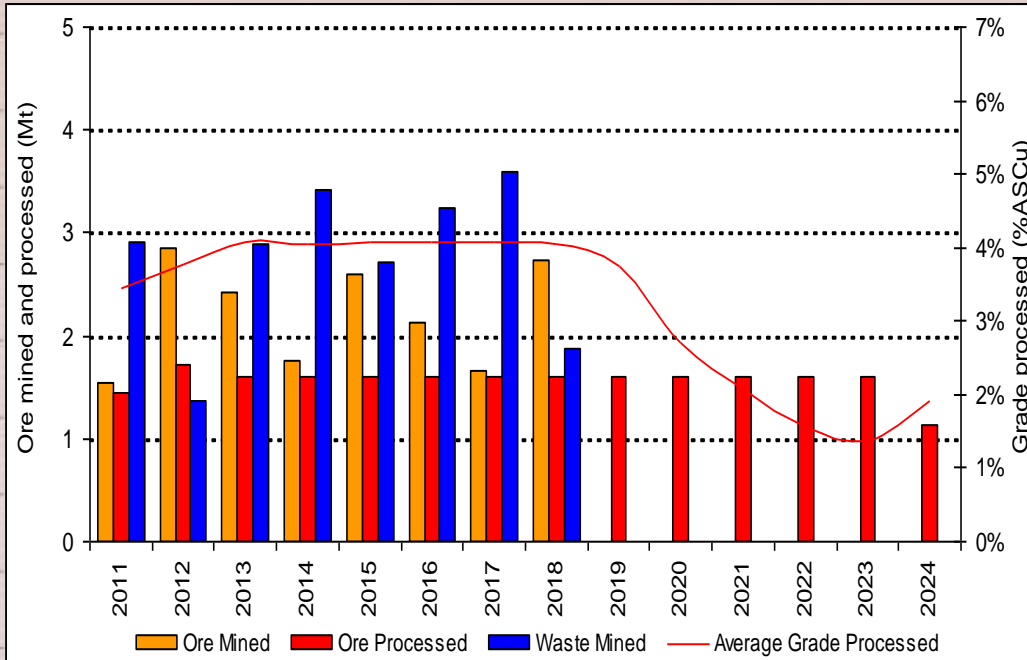
(3) Costs to be revised in first half of 2011 during the ramp-up period.



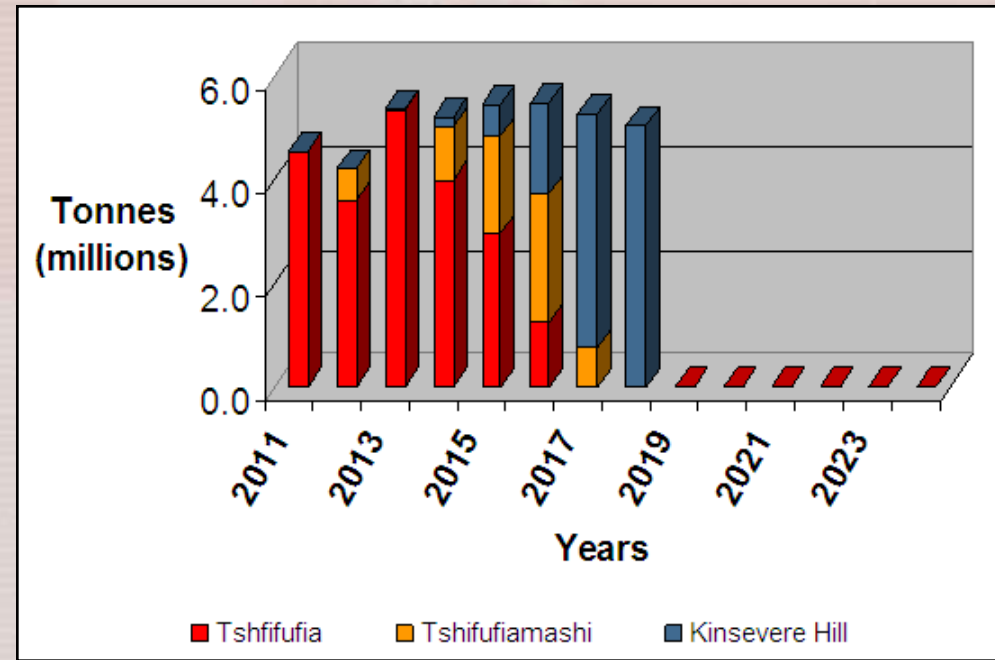
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# Kinsevere Life-of-Mine Production Profile

## Annual Production Profile



## Life-of-Mine Mining Sequence (Total Ore + Waste)



- Mining (at an increased scale) commences in Q1 2011. Stage II processing commences in Q2 2011
- Mining sequence proceeds from Tshifufua to Tshifufiamashi and then Kinsevere Hill/Kilongo
- Long-term stockpiles generated and progressively reclaimed over life-of-mine, with low-grade stockpile processed post-mining
- Average processed grade reduces from 4.0% post mining, due to stockpile reclaim



# Fast Tracking Kinsevere Stage II

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## ■ Capital Expenditures

- \$400 million budgeted,
- Funds spent & committed to end of December 2010: \$377M,
- Commissioning and Ramp-up working capital an additional \$25M.

## ■ Ausenco Lump Sum Contract

- Engineering and construction teams include Ausenco from Australia & Group 5 from SA, and include a number of local Congolese contractors such as, MCK and CCC,
- The project benefits from having the Design and Engineering already completed, construction teams with considerable previous experience in the DRC, and a great deal of the materials already on site which has opened up many work faces providing considerable flexibility in construction.

## ■ Timetable

- Complete construction Q1 2011,
- Begin full commissioning in Q2 2011,
- Ramp-up (Capex<sub>(E)</sub> of \$25M) to 60,000 tpa cathode copper by Q3 2011.

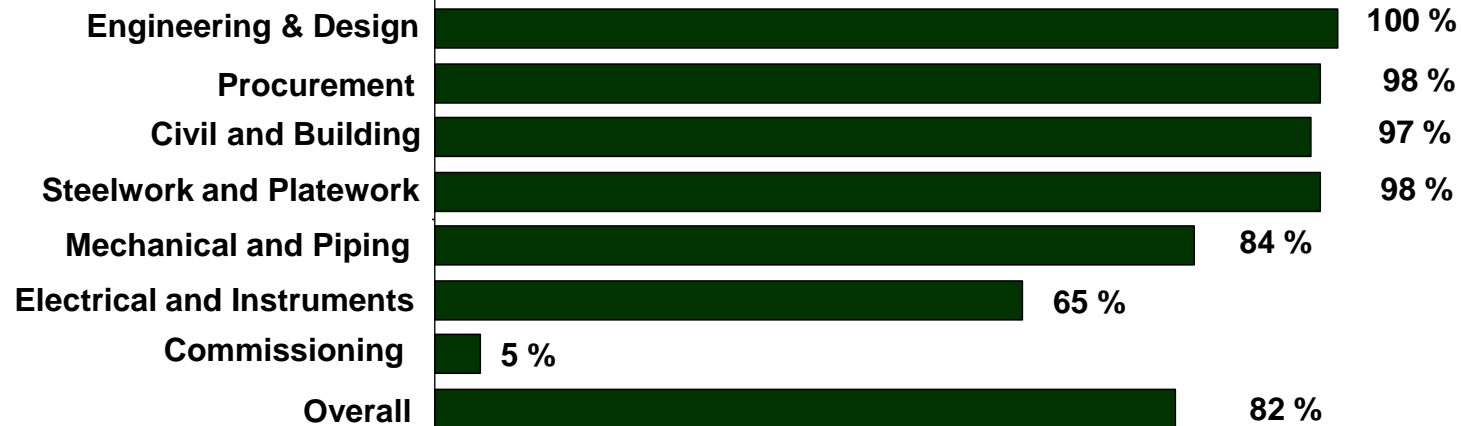


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# Kinsevere Stage II Construction

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## Project status – Q4 2010



- Exceeded 2.5 million LTI (lost time injury) free man hours
- 1,060 workers on site of whom 756 are direct labour
- Commissioning teams are on site



Mill & Cyclone Tower

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# Kinsevere Stage II Construction Progress (Q1 2011)

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CCD #5 & Lime Slaking



Electro-Winning Building  
Multi-Media Filters



Mill & Cyclone Tower



Main Control Room Structure



Grinding Sub-Station

# Kinsevere Stage II Construction Progress (Q1 2011)

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Mill Feed Conveyor  
Leach Tanks



Acid Storage Tanks



CCD Tanks & Pin Bed Clarifiers (right)



Crusher  
Mill & Leach Tanks in Background



Mill Feed Conveyor  
Cyclones and Leach tanks

# Kinsevere Stage II Construction Progress (Q1 2011)

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Pin Bed Clarifiers



Cyclones & Cyclone Jib Crane



CCD Tanks #2, 3 & 4



20 Mill, Cyclones & Leach



Electro-Winning Tankhouse 1

# 2010 Preliminary Highlights

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All amounts are expressed in US\$, unless otherwise stated.

## ■ HMS Plant Production

- 3,817 tonnes of copper in concentrate in Q4
- 16,538 tonnes of copper in concentrate for full year
- Around 25% Cu concentrate grade

## ■ Financials

- Consolidated cash balances \$64M
  - Restricted cash \$8M
  - Financial investments realised \$30M
- Debt drawdown \$42M
- Financial results to be released end of March, 2011



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# First Nine Months Profit & Loss Statement (\$M)

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<b>Highlights – First Nine Months</b>		
	<b>2010</b>	<b>2009</b>
	<b>(9-Months)</b>	<b>(9-Months)</b>
<b>Net Copper Sales \$M</b>	<b>44.9</b>	<b>27.5</b>
<b>Realised Cu Price (\$)</b>	<b>3.19</b>	<b>2.22</b>
<b>Operating Profit (loss) \$M (After D&amp;A)</b>	<b>6.1</b>	<b>(17.9)</b>
<b>Op Cash Cost/t Concentrate Produced (\$)</b>	<b>318</b>	<b>300</b>
<b>Net Income (loss)</b>		
- in millions \$( <sup>1</sup> )	<b>17.7</b>	<b>(30.4)</b>
- per share amount (\$)	<b>0.12</b>	<b>(0.34)</b>
<b>Cash flow before Changes in WC</b>		
- in millions \$	<b>15.6</b>	<b>(11.7)</b>
- per share amount (\$)	<b>0.10</b>	<b>(0.13)</b>
<b>Production (t) - Copper</b>	<b>12,721</b>	<b>11,436</b>
<b>Sales (t) – Copper</b>	<b>13,597</b>	<b>11,761</b>

- 2010 full-year production 16,538t of Cu

1. Net income from continuing operations



# Quarterly Profit & Loss Statement (\$M)

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## Quarterly Highlights

	2010 Q3	2010 Q2	2010 Q1
<b>Net Copper Sales \$M</b>	<b>14.9</b>	14.5	15.5
<b>Realised Cu Price (\$)</b>	<b>3.28</b>	2.95	3.33
<b>Operating Profit (loss) \$M (After D&amp;A)</b>	<b>1.2</b>	1.6	3.5
<b>Op Cash Cost/t Concentrate Produced (\$)</b>	<b>344</b>	292	319
<b>Net Income (loss)</b>			
- in millions \$	<b>6.1</b>	5.1	6.6
- per share amount (\$)	<b>0.04</b>	0.03	0.04
<b>Cash Flow before Changes in WC</b>			
- in millions \$	<b>5.9</b>	3.3	6.4
- per share amount (\$)	<b>0.04</b>	0.02	0.04
<b>Production (t) - Copper</b>	<b>4,216</b>	4,412	4,093
<b>Sales (t) – Copper</b>	<b>4,301</b>	4,872	4,424

- Q4 2010 production of 3,817t of Cu



# Social & Community Development Programs

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- **Anvil committed to sharing the benefits with the local community and making a meaningful difference**
- **Anvil is one of the leading international mining companies in social development of the DRC**
- **\$22M invested in the DRC to date:**
  - 9 Schools (over 4,000 students)
  - Refurbishing of the Kilwa Hospital and the Mwangeji Hospital; 2 medical clinics
  - 71 fresh water wells (in over 60 villages)
  - Over 100km of road refurbishment work
  - Support to at least 5,400 small-scale farmers
    - Local farmers: 500ha in 2008, 170ha in 2009 and 510ha in 2010
- **Artisanal miner issues**
- **Voluntary Principles on Security & Human Rights**
- **EITI Supporting Company**



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# Social Programs

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Water Borehole Program - Kinsevere



Sponsorship - Soccer Team



Kawama Market Building



Piping for fresh water well



Kilwa Clinic



Social Program - Agriculture



Lumekete School - 2006



Kinika Bridge - 2010



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- **Kinsevere Stage II is starting to gain momentum:**
  - All essential equipment on site,
  - Overall completion of 82%,
  - Great deal of construction flexibility,
- **Kinsevere Stage II SX-EW is now Anvil's flagship project:**
  - It will be a low-cost, long-life, 60,000 tpa cathode copper producer,
  - Cash Cost expected to be \$1.00 per pound, including royalties<sup>(1)</sup>
  - Production will be approximately 130 million pounds of copper per year,
  - Our focus now is on delivering the SX-EW project for Q2 2011.
- **There is significant upside potential with sulphide resources at Kinsevere with the best sulphide intersection being 272 metres at an average grade of 3.2% Cu**
- **Finally, Anvil and its strategic partner Trafigura have a shared vision of building a leading copper producer in the DRC, and Kinsevere Stage II will provide the platform to do this.**



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## Contact

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