



anvilmining

News Release

FOR IMMEDIATE RELEASE

May 14, 2010

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

TSX, ASX: AVM

Common shares outstanding 150.4 million

Anvil Mining Reports First Quarter 2010 Results

Net income of \$6.6 million (\$0.04 per share)

Cash flows from continuing operations of \$6.4 million

Construction of Kinsevere Stage II SX-EW plant on track

Montréal, Canada: Anvil Mining Limited (TSX, ASX: AVM), (“Anvil” or the “Company”), today announced net income from continuing operations for the first quarter ended March 31, 2010, of \$6.6 million (\$0.04 per share), compared to a net loss of \$18.8 million (-\$0.27 per share) for the first quarter of 2009. Cash flows from continuing operations, before working capital movements, were \$6.4 million (\$0.04 per share), compared to negative cash flows, before working capital movements, of \$11.9 million (-\$0.17 per share) for the first quarter of 2009. Net copper sales for the first quarter of 2010 totalled \$15.5 million and copper production, in concentrate form for the first quarter of 2010 totalled 4,093 tonnes.

Bill Turner, President and CEO of Anvil, commented, “Owing to the performance of the Kinsevere HMS plant and a favourable copper price, we have generated positive cash flows for the last two quarters. We continue to maintain a low-cost HMS processing operation at Kinsevere, with a focus on generating positive cash flows until Kinsevere Stage II, a 60,000-tonne per year SX-EW plant, becomes operational. Construction work on Kinsevere Stage II is proceeding on schedule and is expected to be approximately 60% complete in July. With the end of the wet season in April, the pace of construction work is beginning to increase significantly, with over 600 construction personnel now on site. We maintain our objective of commissioning the SX-EW plant during the first quarter of 2011.”

The complete March quarter 2010 unaudited financial statements together with the related Management’s Discussion and Analysis (MD&A) are available on Anvil’s website at www.anvilmining.com under the heading “Financial Reports” within the Investor Relations section.

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people	mine
explore	grow
develop	sustain



Key points for the quarter

- Net 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 a 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 (\$0.04 per share).
- Quarterly production of 4,093 tonnes of copper in concentrate, 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 Heavy Media Separation (“HMS”) plant.
- Continuation of construction works at the Kinsevere Stage II Solvent Extraction-Electrowinning (“SX-EW”) plant.
- Refinancing of the \$100 million loan facility established with Trafigura Beheer B.V. (“Trafigura”) in December 2009, 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 expand production at Kinsevere beyond 60,000 tonnes per year, by heap-leaching material in parallel with SX-EW production.
- Identification of investment opportunities to consolidate the Company’s position and to develop a pipeline of future growth prospects.
- Initiation of further drilling at Kinsevere to expand the sulphide resource.
- Commencement of preliminary studies on the mining and processing of the sulphide resource at Kinsevere.
- Initiation of additional drilling to allow the Company to further evaluate the Mutoshi project.

Status of Kinsevere Stage II

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 installation 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 and assessment 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.

Kinsevere HMS Production

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.

		March quarter 2010	March quarter 2009⁽²⁾
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 ⁽¹⁾	tonnes	4,093	199
Copper sold	tonnes	4,650	1,061
Operating cash cost (ex mine gate)	\$/tonne concentrate	319	-

(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, that treats fines (<0.6mm) which are screened off before the HMS circuit.

(2) The Kinsevere HMS plant recommenced operations on March 27, 2009.



Cash and liquidity and the Company's commitments for the next twelve months

As at March 31, 2010, Anvil had \$87.4 million in cash and cash equivalents. As at May 13, 2010, the Company had approximately \$84.1 million in cash, \$22.3 million in available-for-sale investments and \$6.6 million in trade receivables, the latter of which it expects to realize during the second quarter of 2010.

During the next twelve months the Company's commitments include \$155 million that relate to the Kinsevere Stage II development and \$7.2 million for *Pas de Porte* (Entry Premium) payments due to La Générale des Carrières et des Mines ("Gécamines") with respect to the Mutoshi amended agreement.

Refinancing of Trafigura Loan Facility

In December 2009, the Company 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 previously announced 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 a position to draw down the Loan Facility when required.

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 commence shortly and is expected to be completed during the third quarter.

First Quarter 2010 Results Conference Call and Webcast

The Company will hold a conference call at 8:30 a.m. (Canada, Toronto time) on Monday, May 17, 2010, coinciding with 8:30 p.m. (AWST – Australia, Perth time) on the same day, to discuss the results.

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

Conference call:

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

- **Toll-free within North America: 1-888-231-8191**
- **For local and overseas calling: 1-647-427-7450**

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

- **CNW Group website at:**
<http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3062180> (English)
<http://www.cnw.ca/fr/webcast/viewEvent.cgi?eventID=3062180> (French)



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

The conference call will be recorded and a playback of the call will be available after the event by dialling: Toll Free: 1-800-642-1687 or local at 416-849-0833, 514-807-9274, 613-667-0035, 403-451-9481, 778-371-8506 or 902-455-3955.

Conference ID/Password number: 72458685 followed by the pound (#) key.

Anvil Mining Limited is a copper producer whose shares are listed for trading on the Toronto Stock Exchange (as common shares) and the Australian Securities Exchange (as CDIs) under the symbol AVM.

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Caution Regarding Forward Looking Statements: *This news release contains “forward-looking statements” and “forward-looking information”, based on assumptions and judgements of management regarding future events and results. Such “forward-looking statements” and “forward-looking information” which may include, but are not limited to the operation of the Kinsevere HMS plant, the refinancing of the Loan Facility, the drawdown of the Loan Facility 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 and beyond. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anvil and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, the actual market price of copper, changes in project parameters as plans continue to be evaluated, the possibility of cost overruns, the actual market prices of the available-for-sale investments, 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.*



Appendix

Key Financial and Production Data (unaudited)

	3 months ended March 31	
	2010	2009
Sales: (\$ millions)	15.5	1.6
Operating profit / (loss) : (\$ millions)	3.5	(14.5)
Provision for impairment: (\$ millions)	-	(4.7)
Write back provision for impairment of assets	0.9	
Net Income / (loss): (\$ millions)	6.6	(18.8)
PRODUCTION STATISTICS:		
Consolidated Group		
Copper produced in concentrates (tonnes)	4,093	199
Silver produced in concentrates (ounces)	-	-
Per Mine		
Kinsevere mine		
Ore mined (tonnes)	89,922	-
Ore processed ¹ (tonnes)	61,491	2,695
Feed grade – HMS (% Cu)	8.6	10.2
Contained copper in ore (tonnes)	5,307	275
Recovery Cu (%)	68.4	72.2
Copper produced in concentrates – HMS (tonnes)	3,629	199
Copper produced in concentrate – Spirals (tonnes)	464	-
Copper produced in concentrate – HMS and Spirals (tonnes)	4,093	199
Costs of production (\$)		
Operating cash costs per tonne of concentrate (ex mine gate) \$/t	319	-

1. Ore processed at Kinsevere relates to ore processed through the HMS plant.



Consolidated Balance Sheets (Unaudited)
(Expressed in thousands of United States dollars)

	March 31 2010 \$	December 31 2009 \$
ASSETS		
Current assets		
Cash and cash equivalents	87,440	120,753
Accounts receivable	14,895	17,967
Inventories	13,229	14,220
Available-for-sale ("AFS") investments	1,373	1,243
Prepaid expenses and deposits	9,803	25,899
Derivative financial instrument	229	-
Current assets classified as held for sale	1,729	2,114
	128,698	182,196
Non-current assets		
Restricted cash	970	887
Available-for-sale ("AFS") investments	17,563	16,827
Deferred financing fees	2,990	2,865
Long-term inventory	11,963	11,163
Long-term receivable	16,124	15,468
Exploration and acquisition expenditure	62,613	62,384
Property, plant and equipment	377,632	324,562
Non-current assets classified as held for sale	5,531	5,156
	495,386	439,312
Total assets	624,084	621,508
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	19,225	12,037
Derivative financial instrument	467	586
Income taxes payable	54	6
Provisions	1,685	1,712
Current portion of long-term debt	295	290
Current portion of liabilities directly associated with non-current assets classified as held for sale	1,175	1,764
	22,901	16,395
Non-current liabilities		
Future income tax liability	17,450	21,048
Other non-current liability	-	6,711
Long-term debt	-	74
Asset retirement obligations	12,702	12,858



Consolidated Balance Sheets (Unaudited) (cont.)

(Expressed in thousands of United States dollars)

	March 31 2010	December 31 2009
	\$	\$
Non-current portion of liabilities directly associated with non-current assets classified as held for sale	1,370	983
	31,522	41,674
Total liabilities	54,423	58,069
Non-controlling interest	55	260
	54,478	58,329
Shareholders' equity		
Equity accounts	510,344	510,347
Retained earnings	56,548	50,067
Accumulated other comprehensive income	2,714	2,765
Total shareholders' equity	569,606	563,179
	624,084	621,508



Consolidated Statements of Income and Comprehensive Income
 (Expressed in thousands of United States dollars except per share amounts)

	3 Months Ended March 31	
	2010	2009
Revenue from continuing operations	15,486	1,645
Operating expenses	(7,267)	(12,452)
Amortization	(4,730)	(3,664)
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	3,489	(14,471)
Other income	542	321
Provision for impairment of assets	-	(4,677)
Write back of provision for impairment of assets	905	-
Gain on derivative instruments	348	-
General, administrative and marketing	(2,354)	(2,635)
Foreign exchange gains	359	641
Stock based compensation	(268)	(1,360)
Interest and financing fees	(535)	(238)
	<hr/>	<hr/>
Profit / loss before income tax and non-controlling interest	2,486	(22,419)
Income tax expense / credit benefit	3,597	3,542
Non-controlling interest share of (gain) / loss	530	44
	<hr/>	<hr/>
Net profit / (loss) from continuing operations	6,613	(18,833)
Loss from discontinued operation before non-controlling interest share of loss	(144)	-
Non-controlling interest share of loss	11	-
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Net profit / (loss)	6,480	(18,833)
Other comprehensive income, net of taxes		
Net unrealized gains on available-for-sale investments	(51)	-
	<hr/>	<hr/>
Total comprehensive income / (loss)	6,429	(18,833)
Profit / (loss) per share from continuing operations:		
Basic & Diluted loss per share (\$)	0.04	(0.27)
Profit / (loss) per share:		
Basic & Diluted loss per share (\$)	0.04	(0.27)



Consolidated Statement of Cash Flows (Unaudited)

(Expressed in thousands of United States dollars)

	Three months ended	March 31
	2010	2009
	\$	\$
Cash flows from operating activities		
Net income / (loss) for the period	6,613	(18,833)
Items not affecting cash:		
- Amortization	4,730	3,664
- Provision for impairment of assets	(905)	4,677
- Gain on derivative instrument	(348)	-
- Non-cash finance costs	503	215
- (Gain) / loss on sale of assets	-	(10)
- Non-controlling interest share of loss	(530)	(44)
- Unrealized foreign exchange (gain) / loss	(355)	612
- Future income tax	(3,597)	(3,546)
- Stock based compensation	268	1,360
Changes in non-cash working capital	(4,978)	10,781
	1,401	(1,124)
Cash flows from investing activities		
Payments for property, plant and equipment	(33,529)	(17,648)
Proceeds from sale of assets	-	10
Payments for exploration expenditure	(526)	(1,066)
Proceeds of principal repayments from investments	-	468
	(34,055)	(18,236)
Cash flows from financing activities		
Share issue expenses	(271)	-
Deferred borrowing costs	(276)	-
Movement in restricted cash	(83)	(14)
Payments of debt	(69)	-
Disbursements on behalf of Dikulushi Trusts	-	(3)
	(699)	(17)
Cash flows from discontinued operations		
Cash flows from operating activities	(509)	-
Cash flows from financing activities	30	-
Net (decrease) / increase in cash & cash equivalents from discontinued operations	(479)	-
Net (decrease) / increase in cash and cash equivalents	(33,832)	(19,377)
Cash & cash equivalents at beginning of the period	121,234	45,033
Effects of exchange rate changes on cash held in foreign currencies	40	(39)
Total cash & cash equivalents at end of the period	87,442	25,617
Less cash & cash equivalents at the end of the period relating to discontinued operations (note 7)	2	-
Cash & cash equivalents at the end of the period for continuing operations	87,440	25,617