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OPERATOR: Good morning everyone. Welcome to this conference call to discuss the first quarter 2011 financial and operating results of Anvil Mining Limited, announced this morning, June 9th, 2011. Today's call is being recorded. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question and answer session. If you would like to ask a question during this time, simply press star, then the number one, on your telephone keypad. If you would like to withdraw your question, press the pound key.

At this time I would like to turn the call over to the Vice President, Corporate Affairs of Anvil Mining, Mr. Robert La Valliere. Please go ahead, sir.

ROBERT LA VALLIERE (Vice President, Corporate Affairs, Anvil Mining Limited): Thanks, Matthew. Good morning and thank you for joining us. With me today are Darryll Castle, President and CEO; Bill Turner, Director; Philippe Monier, Vice President Corporate and CFO; Paul Chare, VP Operations. We have also from sites, Brendan Moseley, Operations Manager, Kinsevere and from Perth Stuart McKenzie, Corporate Secretary, and Lui Evangelista, Financial Controller.

Today's call is being webcast at CNW's group website and will be available for rebroadcast for a period of seven days following the

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completion of this call. The full first quarter 2011 MD&A and financial tables along with the notes are available on our website at www.anvilmining.com, Investor Relations section or on the SEDAR website at www.sedar.com.

Before we begin, I would like to draw your attention to the fact that some of the matters to be discussed in today's call with respect to the future company performance will be forward-looking statements within the meaning of applicable law. We refer you to our Q1 2011 MD&A, filed on SEDAR and on our website, and to our Annual Information Form (AIF), filed last March 2011 with the Canadian and Australian securities authorities concerning factors that could cause results to be different than contemplated in today's discussion. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such information.

At this time I would like to turn the call over to Darryll. Darryll?

DARRYLL CASTLE (President and Chief Executive Officer, Anvil Mining Limited): Thank you, Robert. Welcome everybody. Good morning, good afternoon, depending where you are. I'd like to jump straight into the operational performance. Anvil produced an operating profit in the quarter

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of \$6.7 million based on sales of \$17.6 million for the quarter. Copper production was 3,316 tonnes of copper in a 26% concentrate form for the quarter. Net income from continuing operations was \$37.5 million but this did include an exceptional non-recurring item regarding our Mawson West investment which Philippe Monier will take you through shortly.

However, the real story is not about the last quarter and the HMS production. The HMS will in all likelihood be discontinued from the end of the second quarter. The story is more about the commissioning of a world-class SX-EW facility which is currently underway. I'd like to take you through some highlights of the commissioning process and the ramp-up process today as encapsulated in our announcement which we put out to the markets on Monday.

As you know, our plant is on-track for full commissioning by the end of the second quarter and is approximately 95% complete at this stage. We have an excellent safety track record for the entire commissioning period with only one lost time injury to-date. In May, we produced—we began production of copper cathodes and we produced over 1,300 tonnes of copper cathodes in May. Provisional assays do indicate that we have an LME-A grade copper cathode already. We are on the ramp-up phase and we do expect to reach full production in the fourth quarter of this year.

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CAPEX to-date, spent and committed, on the plant is \$384 million which includes the previous \$200 million spent before the global financial crisis.

Now I'd like to take you through some highlights of the commissioning. Again, as mentioned, these were—this is a summary of our announcements which we put out earlier this week. I do have some of our production guys on the line if there are further questions regarding this later.

We were in production for approximately 28 days in May and produced 1,353 tonnes of copper cathodes and provisional assays did indicate A-grade specifications. Going through the plants, our crushing and grinding circuit have operated at above 200 dry tonnes per hour and this is therefore above the initial specifications of the circuit. The plant was filled with stockpiled ore and therefore was at a lower grade than what we envisage in the future and over time feed-grade will rise to about 4% acid soluble copper. The leaching circuit has operated at its designed flows and the leach kinetics are good with over 30% of the copper leaching as a result of the milling-in-raffinate approach that we've adopted at Kinsevere. The full complement of six post-leaching thickeners and the wash circuit thickeners have been in operation and they have been operating at design

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since commissioning. The low-grade SX part of the operation was commissioned and operated and the higher-grade circuit is currently being commissioned as we bring in the second tankhouse. The Electro-winning circuit comprises the two modules; the first tankhouse was loaded up from the fourth of May, and the second has recently begun being loaded up. All solution ponds have been commissioned and all reagent services are operating at design levels. Therefore with the small amount of outstanding work required, we say that we are above 95%—the plant is above 95% under the control of the Anvil personnel at the moment.

Strong site-based training has resulted in a very good safety and operational performance at the operation and we are currently in the process of going through and compiling a punch list of tasks and the focus is now on ramping-up towards 5,000 tonnes per month by the end of the year.

With that summary of where we are, I'd like to hand over to Philippe Monier, Vice President Corporate and the Chief Financial Officer, to take us through the financial results.

PHILIPPE MONIER (Vice President Corporate and Chief Financial Officer, Anvil Mining Limited): Thank you, Darryll, and good day to everybody. It's been quite an eventful quarter impacted by a continuing

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strong copper price environment as well as a couple of significant one-off items, mostly generated by our reporting in IFRS principles for the first time. I'll briefly comment on these as we go. You will also have noticed or have already noted a change in our MD&A presentation which hopefully comes across as clearer, easier to use and more relevant to your understanding. These documents will nonetheless continue to evolve as our organization develops and matures.

Again, a profitable quarter for us; consolidated operating profit increased by 43% over the comparable 2010 quarter, mainly driven by higher realized copper prices; \$2.50/lb versus \$3.33/lb the previous quarter. Better payable terms but somewhat offset by lower volume of copper and concentrate sold, 3,182 tonnes versus 4,424 in the comparable quarter. In addition and as expected, our concentrate cash production cost of \$738 per tonne have continued to increase significantly, both versus the comparable quarter and the previous quarter. You will recall, this is mainly due to an increase in mining costs as we have started our cut-back exercise a few months ago to enable access to a sufficient quantity of ore to feed the Stage II expansion and to provide materials for lifting the walls of the tailings storage facility. As a consequence, our waste to ore-strip ratio of 2.7 for the quarter was more than twice the life of mine, 1.2.

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Incidentally, I would expect this production cost to remain high for the next few quarters.

Our quarter consolidated net profit from continuing operations amounted to \$37.5 million or \$0.24 per share, benefitting from a large but unfortunately non-recurring and non-cash gain of \$28.8 million following the reclassification of our investment in Mawson West which you will recall was previously accounted for under the equity accounting methods. It turns out now that under IFRS principles, it becomes a non-current investment. Indeed, the reduction from 25.5% to 14.6% in our ownership as a consequence of the Company's IPO was viewed as a loss of Anvil's significant influence under IFRS principles. This investment will be fair-valued at the end of each quarter with gains or losses recorded in other comprehensive income, meaning not impacting our earnings per shares going forward but obviously are retained earnings.

Moving on to our liquidity position, our HMS operations continues to generate positive cash flows before changing working capital of \$7.7 million. We did throw an extra \$15 million on our Trafigura facility to cover the Stage II construction CAPEX and benefitted from an additional cash inflow of \$16.5 million after Trafigura exercised 6 million of their warrants back in January.

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As mentioned in our MD&A, at the end of May, our consolidated cash balances amounted to around \$41 million with access to another \$43 million from the Trafigura facility. This is more than enough to cover the completion cost of our Stage II expansion as well as that of working capital, both of which stay on track and budget.

Let me now spend a couple of minutes on our changing of accounting standards from Canadian GAAP to IFRS. As you know, these conditions were required by CICA and required to be effective no later than January 1st, 2011. No doubt, you have already been through this with most of our Canadian peers. We did undertake a very thorough and, dare I say, painful process with some external help that resulted after using various IFRS exemption options described in our notes, 4A of the financial statements, in two tangible non-cash adjustments to the 2010 P&L and balance sheet. These related mainly to the accounting for the warrants issued by Trafigura in 2009 and the re-measurement of our decommissioning liabilities.

Starting with the warrants, under CICA these instruments were recorded as equity; now under IFRS this needs to be reclassified to financial liabilities and therefore measured at fair value through profit and loss, simply because being issued in Canadian dollars, they cannot

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represent a fixed price obligation to Anvil due to our using the US dollars as our functional currency. Now I'll refrain from commenting on the sanity of this particular standard but the consequence of this application was to pretty much wipe out our entire profit for 2010 by booking the loss of around \$26 million and add a financial liability of around \$38.7 million. The reason behind the magnitude of this number is that Anvil shares' increased dramatically over the 2010 period, putting the warrants well into the money and therefore increasing their value. These warrants, going forward, will now be fair valued every quarter and the value adjustment will transit via the P&L, introducing some added earnings volatility, albeit non-cash. We recorded a \$447,000 loss on this matter in Q1 2011 and our financial liability reduced to \$20 million following Trafigura's exercise of 6 million of their warrants as previously mentioned.

The second item was related to at the mine we have rehabilitation and closure provision and there the adjustment is driven essentially by a change in discount rate determination methodology which we have explained in our financials and this resulted in an increase in the present value of the liability of the re-commission cost of \$6.3 million as of the opening balance sheet, i.e., 1st of January, 2010, partially offset by an increase of \$5.4 million in the related rehabilitation division assets. A

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related asset is calculated by discounting the liability to date in which liability arose and then we calculated the accumulated amortization.

So really the total impact on our P&L for 2010 is that these adjustments effectively cleared the results that were reported under CGAAP. We had \$25 million profit under CGAAP; we have minus \$2.5 million after IFRS adjustments.

I will finish by talking about a couple of policy changes that we have decided to implement again as the organization matures and the first one revolves around exploration, evaluation and development expenditures. The group accounting policy for exploration and evaluation expenditure has been amended in the current financial year to reflect management's view that capitalization of exploration and evaluation expenditure should only commence when there is a high degree of confidence in the related project viability and therefore that it is probable that future economic benefit will flow to the group as a result of that exploration or evaluation cost incurred. Previously, we would record exploration and evaluation expenditures were systematically accumulated, specifically for each area of interest and assessed for impairment in subsequent periods. Therefore, we would have a bit more judgment of funds before deciding to capitalize or expense a cost, an exploration cost. The revised accounting

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policy has been applied retrospectively in accordance with the requirement of IAS 8 and the cumulative impact of this change in accounting policy resulted in a decrease of the carrying amount of our capitalized exploration assets of \$4.6 million at the end of December 2010 and this is described in more precision in our Note 3.10.

In the interest of thoroughness, you will also notice a slight amendment to our accounting policy for property, plants and equipment, regarding other PP&E and increasing their potential useful life duration from 15 to 30 years. We made this modification in order to cater for our SX-EW plant and recession policy after capitalization occurs. It is most likely that we will go beyond 15 years.

Finally, you will also see in our MD&A that the new IAS standards are coming and as you can imagine we can't wait.

That concludes it for me at this point and I will hand it back to Darryll.

DARRYLL CASTLE: Thank you, Philippe. As you can hear, the company has been very focused on delivering the SX-EW facility that we are now currently in the process of commissioning. However, with me joining the company now it's time for us to start thinking more about the future and about where we are going. We will spend most part of this year looking at our strategy for the future and we hope to be able to articulate

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longer term strategy quite clearly by the end of this year. However, we need something to operate by between now and the end of this year. We have divided our strategy for the remainder of this year into a defensive and an offensive segment of strategy. We will be looking to complete our comprehensive long-term strategy by the end of the year and be able to articulate it clearly by the end of 2011. However, our defensive strategies in the near-term, our first one is to commission and ramp up to our design capacity of 5,000 tonnes per month and this must be our complete focus for the remainder of this year. Ensuring that we can do that is the basis for this company to move forward. It will produce the cash flows which we require to be able to execute any strategy as we move forward.

The second defensive strategy is to optimize our organizational design. We are now operating a world-class facility and we do need to look at our processes, our management and our people to ensure that we've properly structured to be able to deliver sustainably.

The third defensive strategy is to optimize our resources and here we mainly talk about our sulphide resources. We have a program of 15,000 metres of drilling for the remainder of 2011 and we are looking to update our resource statement on sulphide by the end of this year or early in 2012. I'll remind you that we currently have 11.8 million tonnes of

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measured and indicated sulphides in our resource statement, as well as an additional 12.3 million tonnes of inferred sulphide resources. Clearly, our objective will be to move as much of the inferred resources into the measured and indicated category and to be able to commence with mining studies around us. If we are able to do that, our sulphide resources should start to approximate our oxide resources in terms of quantum.

On the offensive side of our strategy, again there are three points. The first point is to look at the expansion of the existing facilities at Kinsevere to a probable 90,000 tonnes. We are quite far progressed in terms of this and it's looking positive and we have formulated various studies and we will hopefully be talking to the markets in the near future if there's a positive outcome to this.

Secondly, we are re-focusing in terms of regional exploration. We've put in place an exploration team with the objective of increasing our oxides resources which can be delivered to the Kinsevere operation, and this is looking at a 50 kilometre radius around the current Kinsevere operation. The other area in terms of our regional exploration is to look at our Mutoshi assets and we've got a substantial endowment at Mutoshi. We've instituted a drilling program of 33,000 metres at Mutoshi and we are also

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engaging in further met test work in terms of understanding the ore body to be able to try and bring that asset to accounts for shareholders.

And finally, in an offensive stance for the remainder of 2011, we are looking at initiating groundwork in terms of looking at any potential corporate action which may come at us or we may identify in 2012 and beyond.

So that's our focus internally at Anvil for the remainder of 2011. In terms of some guidance for the remainder of the year, in our announcement we have put out the fact that we think we will produce between 36,000 and 38,000 tonnes of copper this year in total; that includes our cathode production as well as our HMS production.

Our cash costs in the second half of the year are expected to be in the range of \$1.10 to \$1.25 per pound of copper. The range is really a function of the variability in terms of volume and also efficiency variations which we may experience during the commissioning of the plant. We do expect that in 2012 the costs will improve substantially, firstly, as we get the benefits of moving to a sustainably higher volume, and secondly, as we move into the stage of optimizing our efficiencies.

Right, that concludes my comments and I'd like to open the call then to questions.

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OPERATOR: At this time, I'd like to remind everyone that in order to ask a question, please press star and the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from the line of Kerry Smith with Haywood Securities. Your line is open.

KERRY SMITH: Thanks, Operator. Hi Darryll and Philippe and Bill. Just on the drawdown of the debt, how much do you think you'll actually draw down by the time you complete the ramp-up to full commercial production?

BILL TURNER (Director, Anvil Mining Limited): It's Bill. Perhaps Darryll will answer this one.

PHILIPPE MONIER: Hey, Kerry. I think we—I think at this point in time for this particular project, I believe that we won't—if we have to draw a little bit more, it's going to be the minimum. We are tracking under budget for the construction phase; in fact we are sitting on a cumulated of contingency but it's too early to release but we are on budget because of doing a good job on the construction side.

On the ramp-up and commissioning, we are also on budget, maybe with a tendency for good reason to perhaps go slightly faster than our budget but it's under control. So at this point in time, Kerry, I don't expect

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to draw much more than what we have and if we do, this might be another \$5 or \$10 million but, for that purpose, we're fully funded.

KERRY SMITH: Okay. And then would I assume then that the bulk of the \$40 million in cash that's left, that that would get drawn down as you built up your working capital and so the cash might be sort of relatively modest but the debt doesn't get drawn down much more by the time you get to commercial production?

PHILIPPE MONIER: That's correct, Kerry. In fact, Darryll mentioned quite a lot of initiatives that we are starting, you know, on the exploration side and so forth and in fact we're going to spend \$10 million on exploration as you'll see, plus or minus, in our MD&A and obviously this cash will be put to that effect. Of course, as soon as we are in a full design capacity on the cathode side, you know, we will think about redeeming that debt sooner rather than later if we have no CAPEX funding. Having said that, we are looking into the 90,000 tonnes expansion and I think according to Darryll's timing, within a couple of months we should be able to have a better view of that exercise and we will reassess the situation as far as cash is concerned.

KERRY SMITH: Okay. And just in the current model, what is the strip ratio for 2011 and 2012 then?

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PHILIPPE MONIER: I'll pass it on to Paul or Brendan for this one but from a financial standpoint, we are above—for the rest of the year, we are above the 1.2 which is life of mine. Brendan and Paul, perhaps you want to give some colour on that?

BRENDAN MOSELEY (Operations Manager, Kinsevere, Anvil Mining Limited): I'll jump in there, Paul, if you want. Yes, Kerry, as Philippe just mentioned, life of mine is the 1.2. We're currently tracking in the high 2's due to the increased waste movement and for a cutback to access the western cutback of our mine central pit and to deliver waste to the TSF. We would expect to see in late Q4 that starting to back off back down to the low 2's and as we sort of complete the major portion on the cutback and the space and the major lift on the TSF. So you'll likely see it will start coming back down.

Paul Chare: It's certainly not a long-term, it's just a short-term aberration, that's right.

KERRY SMITH: Okay. And so is 2012 going to be around 2 to 1 then or is it going to get back to sort of the life of mine then in 2012?

BRENDAN MOSELEY: It will be pushing back down towards life of mine.

Paul Chare: Life of mine.

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KERRY SMITH: Okay, okay. And Philippe, just on the depreciation on a go-forward basis, what will the total dollars, millions or—could you give me a depreciation in terms of dollars per pound that you would use for the company on a go-forward basis? It sounds like you're going to extend out the depreciation life to 30 years, even though you don't have 30 years' reserves. Is that correct?

PHILIPPE MONIER: No, no, it's not correct. What it does Kerry is give us the flexibility to go beyond 15 years which was the constraint we had in our previous policies. But to answer your question, I think it's a little bit early to say. First of all, we have decide when we are going to capitalize the plant and IFRS has got some reasonably prescriptive views on that but it's fair to say at this point in time that it would be sometime during Q3 and then it's a matter of useful life. You know, the reality is that plant obviously designed and the quality of it is designed to last for, if well maintained, much more than the life of mine and our current mining plans, that's for sure. But that doesn't mean we're going to depreciate it over a period of time greater than the life of mine. I think at this point in time we are leaning towards a policy whereby we will depreciate it on the basis of our reserves and on the basis of a throughput. But, you know, by the time we are fully depreciated—by the time we get to full depreciation, I'm sure

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we will have found other use to prolong the life of mine either by increasing, as Darryll mentioned, the oxide life of our mine, you know, to Kinsevere or other tenements around it, or using the sulphide from our—by tweaking the process but expanding through the process of sulphide or eventually by also processing third-party ore. So I think it will be depreciated on the longer rather than a shorter basis over time.

KERRY SMITH: Okay. And just a couple of quick ones and then I'll get off here. What do you think the total amount will be that the depreciable base by the time you finish the construction? Is it going to be sort of \$420 million or what should that—a number that we can sort of think about?

PHILIPPE MONIER: Yes, it wouldn't—a little bit early. As you know, we are in the process of reconciling all these items and it's quite a massive exercise, particularly under IFRS purposes but I would not expect it to be higher than \$420 million. I think if you recall, I mentioned that as far as the construction is concerned, we are on track to \$400 million and as far as ramp-up cost and commissioning costs are concerned, yes, they come on top of the \$420 million but you are allowed to use your early sales of cathode against that cost. So by the time we do the net net of all of that,

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I think we will end up being below \$420 million but, you know, it's still a little bit premature.

KERRY SMITH: Okay. And is the Mutoshi drilling oxide focused only?

BILL TURNER: Darryll?

DARRYLL CASTLE: Yes, it's primarily—it's primarily oxide focused, yes.

KERRY SMITH: Okay. And in the 36,000 to 38,000 tonnes of guidance, Darryll, how much of that is HMS production or, the other side of it, how much of it is cathode production?

DARRYLL CASTLE: We've got about 7,000 tonnes of HMS production in that number?

KERRY SMITH: Okay. That's great. Thanks very much.

DARRYLL CASTLE: Thank you.

OPERATOR: Your next question comes from the line of John Hayes with BMO Capital Markets. Your line is open.

JOHN HAYES: Thank you. Seems that commissioning is going well there which is good to hear. I've just got a question. You're talking about getting the plant up to 3,000 tonnes a month; when is it going to hit five?

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DARRYLL CASTLE: Okay. No, sorry, that was a misquote. Intention is to get it to 5,000 tonnes a month and it's by the fourth quarter of 2011.

JOHN HAYES: Oh, okay. I just wanted to make sure I heard that there's no change in guidance.

The second question I've got, you know, just looking through the level of guidance we're given here, you're providing us per pound costs and, you know, we've got changing strip ratios. I was wondering how close is your current operating plan to the original feasibility plan and if it isn't, could you give us an update on tonnes moved, grade, expected recoveries and things? In the next couple of years.

DARRYLL CASTLE: All right. Well I can't do that and I'm not sure we're in a position to give you that kind of detail on the call but, Paul, maybe you can make some general comments around that?

PAUL CHARE (Vice President, Operations, Anvil Mining Limited): With regards to the next couple of years, I think Darryll, you've asked a question and said we can't get any further details, but at this time we don't see that we should move too far away from the feasibility study. I think that's as far as we can say at this time.

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JOHN HAYES: Oh, okay. How long are you going to continue to process stockpile versus get into pit material at 4% Cu?

PAUL CHARE: Oh this is only—this is only just while we commission. Basically there is—the run of mine takes up to the stock piles as we can blend reconcile. So we will—as with many mines, we will have rehandled from the stockpile so we could reconcile and blend.

JOHN HAYES: So what would your blend grade be in say 2011 and 2012?

PAUL CHARE: Basically as was alluded to earlier, we should be moving towards the 4% Cu?

JOHN HAYES: Pardon? Sorry, you cut out at the end.

PAUL CHARE: As I said earlier, our target is to be at the feasibility which is around the 4% Cu.

JOHN HAYES: Around 4%. Thank you. And with the IFRS, is this the level of disclosure we are to expect on an ongoing basis or are you going to provide additional disclosures as things develop like per tonne mining costs, for example?

DARRYLL CASTLE: Yes, I think—if I could just answer it, I think what we need to do is to—we'll have a look internally in terms of what numbers we would like to disclose to the market on an ongoing basis. I

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think for now this quarter has been, as Philippe mentioned, a lot of hard work and congratulations to the guys who have been able to do it. Just in terms of getting our accounts into an IFRS state. So as part of our strategic process as well as our ongoing look internally at how we are going to run the company, we are going to look at exactly what disclosure we will give to the markets and I've got no doubt that we'll improve it as we go forward and as we become more certain of what our numbers are going to look like going forward as well.

JOHN HAYES: Okay. No, that's the big question I had here this morning. Thank you very much and congratulations on getting the project advancing the way it is.

DARRYLL CASTLE: Thank you.

OPERATOR: Your next question comes from the line of Alec Kodatsky with CIBC. Your line is open.

ALEC KODATSKY: Thanks, good morning everyone. I just wanted to first follow-up on a question that Kerry asked. With respect to the guidance for this year, how much pre-commercial production cathode do you have in that 36,000 to 38,000 tonnes? If any.

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PHILIPPE MONIER: The answer is none. That is the physical cathode we are going to produce and the physical HMS we are going to produce.

ALEC KODATSKY: Okay. So, I mean, if you're targeting full commissioning in the end of June, then effectively you're almost implying that you hit full production rates at the end of June if it's a 60,000 tonne-year plan, correct?

DARRYLL CASTLE: No, that's not correct. So when we say we're going to have the plant fully commissioned, that means we will be as Anvil Mining in full control. In other words, it would have been handed over to us and signed over to us by Ausenco who are the LSTK contractors. We then will go through a process between now and the end of the year in terms of optimizing it, going through the punch list as I mentioned earlier, redesigning parts that need redesigning or aren't operating optimally, correcting imbalances in the plant and so on and that's the process between having the plant commissioned and having it operating at full capacity which is expected to be toward the end of the year.

ALEC KODATSKY: Okay but I'm just having a challenge here reconciling that if it's a 60,000 tonne a year plant and you expect to produce roughly 30,000 to 31,000 tonnes this year. You know, before you

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can recognize revenue on some of this, I'm assuming that there is material that is being produced prior to June and I'm just trying to get a sense for how much that is.

PHILIPPE MONIER: That's correct, Alec. I think your question is how much of the production would be recognized as a decrease of the CAPEX versus revenues and...

ALEC KODATSKY: Exactly.

PHILIPPE MONIER: And cathode sales. So, you know, in May I think we put on deck 1,300 tonnes or 1,350 tonnes from memory. This is the production but it is, nonetheless, included in the 36,000-30,000 tonne range that we have indicated to you. In June we are obviously going to make a bigger number than that. I'm not too sure what it will be and I'm not too sure what portion of that, if not all of it, how it's going to be treated from an accounting standpoint, whether it's going to be revenues or decreasing costs. We'll have to see the magnitude of these numbers. We'll have to see whether the plant in June operates as defined or intended by Management which is the key track area from an IFRS standpoint to move from pre-production to production, if you wish, i.e. to start capitalizing the plant. So give us a few more weeks. At this point in

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time I think from your modeling purposes, 36,000 to 38,000 includes all the tonnes, pre-production and post pre-production tonne.

ALEC KODATSKY: Okay, perfect. That's great. And just a quick follow-on question, with respect to the expansion to 90,000 tonnes a year, I understand it's preliminary in terms of what you're willing to tell the market but just conceptually, what are the constraints around that that you're looking at? Is it a requirement to upgrade the resource further? Is it infrastructure or, you know, just some thoughts around what may prevent it from actually going ahead?

DARRYLL CASTLE: You know, firstly, we've got to finish all the design work and make sure that the returns are adequate and secondly we've got to make sure that we've got the right sort of capacity to be able to deliver to the operation in terms of that. And finally, we've go to decide exactly how we kick it off in terms of not—making sure we don't lose the focus on what we're trying to do right now which is produce 5,000 tonnes of copper a month sustainably, so we've got to look at our resourcing behind that. And also, you know, we've got to make sure that the Board is comfortable with the state of the market and finally, cashflow. We've got to make sure that we have sufficient resources, either internally or externally,

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to be able to fund something like this. So, you know, there are a few things we still have to look at in terms of this.

ALEC KODATSKY: Great, thank you very much.

OPERATOR: Again, if you would like to ask a question, press star and then the number one on your telephone keypad.

Your next question comes from the line of Kerry Smith with Haywood Securities. Your line is open.

KERRY SMITH: Thanks for taking my follow-up call. Just on the expansion again, Darryll, at 90,000 tonnes, could you—I know you—it sounds like you've done a fair amount of work already. What would be the rough CAPEX range? Can you give us kind of a min/max bracket in terms of what you think that would cost?

DARRYLL CASTLE: Kerry, I'd prefer not to be talking specifics around this yet. You know, as I've said, there's still some i's to dot and t's to cross and the Board still needs to consider this so, you know, I don't want to start putting the story out there that it will happen. I think, as you've said, we've done a substantial amount of work in this regard and internally management is quite positive regarding it but I don't want to start putting numbers out there and we haven't got to the point yet where we can put a definitive number on the table so I'd prefer not to.

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KERRY SMITH: Okay. Okay. And just—is there any constraint on the power, on the grid power to get to 90,000 tonnes? Like would you need some sort of a power upgrade from the grid or is there adequate power in the grid to get you to that 90,000 tonne a year rate?

DARRYLL CASTLE: There is adequate power conceptually. So in other words, our systems can handle it. The substation can handle it. But certainly power in general in the Congo is one of the risks and the more power you do draw, I guess the higher that risk becomes so, you know, it is a consideration in our decision. But on the face of it, it's not an immediate constraint.

KERRY SMITH: Okay. So so far the power has been reasonably reliable I guess and you're happy with the way it's working?

DARRYLL CASTLE: You know, if you talk about reasonably reliable in a North American sense, the answer is no and though there has been a period where the power has been, in the short-term, quite unreliable due to maintenance which has been done up in the north of the grid at Inga as well as in Katanga, we expect that volatility to be over by the end of this month. But, you know, in my history, in the Congo is that they go through these patches where there's maintenance going on on the grid and then

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power becomes a little bit unreliable for several weeks. So we are going through that at the moment but it should stabilize in the next month or so.

KERRY SMITH: Yes, okay. Because that could affect your ability to get to LME certification, too. Just having the power cut off and on is hard on the quality.

DARRYLL CASTLE: Correct but you know the very interesting thing and the very positive thing is we had very, very good copper produced in our first month of commissioning with unstable power so it seems that our process is reasonably robust from a quality perspective.

KERRY SMITH: Okay. Well, that's good. And is the mining contractor completely in place and has all his gear there and, you know, everything is running well with him?

DARRYLL CASTLE: Yes, everything is running well with the mining contractor. No problems on that side.

KERRY SMITH: Okay, okay. And maybe just one last thing if I could; just for Bill, I know he's retiring. I just wanted to express my appreciation. We've had a lot of interaction over the years and I just wanted to wish him well in his retirement. That's all from me. Thank you.

BILL TURNER: Thank you, Kerry. Much appreciated.

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OPERATOR: Your next question comes from the line of John Hayes with BMO Capital Markets. Your line is open.

JOHN HAYES: Okay so I just want to ask you a question on your expansion strategy and sulphides. How much would that expansion strategy rely on sulphides and would that involve a roaster to be added to the plant?

DARRYLL CASTLE: When I talk about our immediate expansion plans, that's purely oxide.

JOHN HAYES: Purely oxide.

DARRYLL CASTLE: That's the low-hanging fruit for us. Then after that we look at sulphides and other potential oxides expansion, depending on what the regional exploration throws up in terms of identifying other opportunities within the right radius of the plant.

JOHN HAYES: Okay. So the immediate trade-off is to shorten a mine life and expand the plant, increase throughput, shorten mine life and then look at sources of feed to continue. Is that kind of the way it's being looked at or is it looked at in the view of a broader, overall, you know, copper producing complex that treats sulphide and oxide ores over the life of a longer mine life? Is that eventually where you end up?

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DARRYLL CASTLE: Yes, the immediate expansion would definitely shorten the life and bring production forward but it wouldn't be a lack-for-lack shortening of the life because hopefully there will be lower costs and we'll be able to reduce cut-off grades, bring some more material into the life of the operation. So not one-for-one but conceptually you are right. That's correct and then same we've got to bring in other material from the region and to the extent that we can do that, we can consider further expansion of the current footprint and extend the life. I mean the key thing here is this plant is a 20 or 30 year plant. It's a world-class plant facility and we've got to be able to bring the resources to it. So our regional exploration strategy becomes quite important, I think, in the longer term of Anvil and we've got to optimize our return on what we have which is a world-class plant facility.

JOHN HAYES: Perfect. Thank you.

OPERATOR: Your next question comes from the line of Daniel McConvey with Rossport Investments. Your line is open.

DANIEL MCCONVEY: Good morning, Darryll, Phil and everyone. Just in terms of the ramp-up, for the rest of this year what are the main challenges? Things have gone very smoothly so far but just when you loko at the things that you're worried about in terms of making the 5,000

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tonnes per month happen, what are the key things you want to see happen?

DARRYLL CASTLE: Okay, Paul or Brendan, could you take this, please?

PAUL CHARE: All right, Brendan...

BRENDAN MOSELEY: Yes, okay. That's fine. Thanks, Paul. Daniel, yes, the main sort of short-term challenges we've got is the integration of Tank-house 2 and high-grade SX which are coming online now, as Darryll mentioned. That integration seems to be, on face value, going very well and then obviously by the end of this month with our final metal production that will prove that. Through the rest of the circuit itself, as Darryll mentioned early on, we've slightly surpassed design on the crushing-grinding circuit; the leach efficiencies, leach kinetics are very good initially, and the remainder of the circuit seems to be progressing well. To be honest, the hurdle that, or the issue that we're looking at the moment is to ensure in the back end the tank-house is ready paper-wise to strip fast enough and because we are getting copper units into the solvent extraction and the lead electro-winning plant extremely well and we're extremely positive with the rate that's going and then we've got very good grade coming in. So we're focusing heavily on the back end of our circuit,

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the electro-winning and then the stripping efficiencies and abilities of the equipment there. Also Darren—Darryll mentioned was the short-term power-related inconsistencies from the DRC grid with regards to their maintenance which should be completed by the end of this month.

DANIEL MCCONVEY: Okay. When I saw you in February, you were pretty confident about there was a ramp-up here. Things look like they've gone as well as you would have expected and it sounds like from a chemical perspective that things have been very smooth. Is that a fair statement?

BRENDAN MOSELEY: I think Daniel, the positive attitude I had earlier in the year, that positive attitude hasn't changed at all and, as you say, we had a very good first month in May and yes, chemically, everything is going well and so yes, the positive attitude is still—certainly still remains. It's very strong.

DANIEL MCCONVEY: Okay. Thanks, Brendan.

OPERATOR: Again, to ask a question, star, one, on your telephone keypad. And your next question comes from the line of David Charles with GMP Securities. Your line is open.

DAVID CHARLES: Daniel just asked my question. Thank you very much.

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OPERATOR: There are no further questions at this time. I turn the call over to Darryll Castle, President and CEO of Anvil Mining Limited for a concluding remark.

DARRYLL CASTLE: Thank you. If I could just end off then by summarizing some of the things we've said today. We've said that Kinsevere is now Anvil's flagship project. It's going to be a low-cost, long-life producer of about 60,000 tonnes per annum of LME quality copper cathode. In terms of the commissioning of the plant, we've produced over 1,350 tonnes of LME-A Grade quality copper in May, which is the first month of production and by the end of this year, 2011; we intend to reach our design capacity of 5,000 tonnes of copper per month.

In terms of strategy, we've got a clear medium-term strategy in place to take us forward to the end of the year and this includes quality possibilities to expand our existing operations, to investigate sulphides, to do further brownfields exploration and to enhance our Mutoshi asset. We want to ensure that we've got an effective organizational design so that we can leverage the assets which the company currently has and also to be able to produce a plan and a strategy for the future beyond 2011.

That's where the company is going and finally what I'd like to do is to thank Bill Turner. He is retiring and he's been 15 years with the company

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and I think he's brought the company and made it into what it is and he's essentially delivered a world-class asset for this company and for the shareholders and it's my job to take it forward from here but without the hard work that Bill has done I don't think that any of us would be in this position that we are today. So thank you, Bill, and good luck for the future.

BILL TURNER: Thanks, Darryll.

DARRYLL CASTLE: And with that, we end the call. Thank you.

OPERATOR: This concludes today's conference call. You may now disconnect.

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