MANAGEMENT'S DISCUSSION AND ANALYSIS

Third Quarter Ended September 30, 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 third quarter and nine months ended September 30, 2010. The discussion below should be read in conjunction with the unaudited consolidated financial statements of the Company for the third quarter and nine months ended September 30, 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 November 12, 2010. Please note that balances as of October 31, 2010 and November 12, 2010 are unaudited, for discussion purposes only and represent an approximation by management.

Key points for the quarter

- Net copper sales of $14.9 million compared to net copper sales of $18.1 million for the third quarter of 2009.
- Net income from continuing operations of $6.1 million ($0.04 per share), compared to net loss of $0.2 million ($0.00 per share) for the third quarter of 2009.
- Positive cash flows from operating activities, before working capital movements, of $5.9 million ($0.04 per share), compared to positive cash flows from operating activities, before working capital movements, of $6.6 million ($0.06 per share) for the third quarter of 2009.
- Quarterly production of 4,216 tonnes of copper, compared to production of 5,865 tonnes of copper in the third quarter of 2009.
- Reversal of provision for impairments of available-for-sale debt investments of $0.7 million.

Key points for the year to date

- Net copper sales of $44.9 million compared to net copper sales of $27.5 million for the same period of 2009.
- Net income from continuing operations of $17.7 million ($0.12 per share), compared to net loss of $30.4 million (-$0.34 per share) for the same period of 2009.
- Positive cash flows from continuing operations, before working capital movements, of $15.6 million ($0.10 per share) compared to negative cash flows from operating activities, before working capital movements, of $11.7 million (-$0.13 per share) for the same period of 2009.
- Year-to-date production of 12,721 tonnes of copper, compared to production of 11,436 tonnes of copper during the same period of 2009.
- Reversal of provision for impairments of available-for-sale debt investments of $5.5 million.

Near-term objectives (next three months)

- Continued cash positive operation of the Kinsevere Heavy Media Separation ("HMS") plant.
- Completion of the refinancing of the $100 million loan facility (the " Trafigura Loan Facility") currently in place with Trafigura Beheer B.V. ("Trafigura") to an amount of $150 million (the "Refinancing Facility").
- Continuation of construction works and commencement of commissioning of the Kinsevere Stage II Solvent Extraction–Electrowinning ("SX-EW") plant.

Longer term objectives (2011 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%Cu to 0.7%Cu) in order to provide additional feed to the SX-EW plant.
- Identification of investment opportunities in the Democratic Republic of Congo ("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

As at October 31, 2010, $116 million of the $200 million budget for completion of construction had been spent, $90 million of which relates to Ausenco EPC (Lump Sum Turn Key) Contract costs and $26 million to Owner's Costs, with a further $55 million committed for a total spent and committed amount of $171 million of the remaining $200 million required to complete the project. The on-site construction workforce is now 1,060, of whom 747 are direct labour. The project has exceeded 1,750,000 LTI (lost time injury) free man hours.

The Company continues to progress with the construction and fabrication works for the Kinsevere Stage II SX-EW development and a range of initiatives to ensure that the Company is 'operational ready' to take over the SX-EW plant. Progress remains on track for full commissioning to commence in the second quarter of 2011, with progressive commissioning of some sections of the SX-EW plant expected to commence early in 2011.

There has been consistent progress across all areas of the construction and in all disciplines, with exception of the control systems / instrumentation, work on which will commence during the December quarter.

Key areas of progress have been:

- Ordering of major capital items is complete, including an additional EW crane.
- Earthworks:
  - Main earthworks are almost complete, with only minor terracing, drains and roads to be completed.
  - The Tailings Storage Facility ("TSF") is almost fully completed.
  - Lining of the in-plant ponds is well advanced and has also commenced in the trench to the TSF.
  - The Run of Mine Pad extension has been completed.
- Civil and Buildings:
  - Construction of most control centre and switch-room buildings is well advanced.
  - Concrete works are almost complete, only the completion of minor bases remains.
  - Transformer bays have been constructed, with only gates and stone filling to be completed.
  - Acid protection of the concrete commenced and is well advanced.
  - Civil works for the diluent system are well advanced.
- Structural and Platework:
  - The main pipe racks are completed, as are the support structures for the control room.
  - All stainless steel tanks have been essentially completed.
  - Acid storage tanks have been primed, with only the last few nozzles to be fitted.
- Mechanical and Piping:
  - Most pumps have been positioned.
  - All 78 cells for EW Tankhouse 1 have been positioned and are being prepared for installation of cell furniture. Almost half of the cells for Tankhouse 2 have been delivered to the site.
  - All major mechanical equipment has been delivered to site.
  - Mill halves have been assembled and girth gear fitted.
  - Conveyor gantries are almost fully assembled, idlers fitted.
  - All agitators are fitted inside tanks.
  - Hydrotesting of leach tanks has commenced.
  - Reagent systems are installed – piping is in progress.
  - Installation of stainless steel piping has commenced.
  - CCD's are almost complete (CCD 5 in progress)
  - Pinned Bed Clarifiers are almost completed.
  - The Cathode stripping machine and ancillary equipment are almost fully assembled.
- Electrical and Instrumentation:
  - Cable racks have been installed in the main racks and installation of minor racks has commenced.
  - Cable pulling / installation is now over 50% complete.
  - Most transformers have been positioned.
  - All high voltage switchgear has been delivered to site.
  - Earthing systems are being installed.
  - The 33kV overhead line/ tie-in is not yet installed.
  - On-site alterations to the transformers for the rectifiers has started.
  - The EW rectifiers have been placed.

The commissioning team from Ausenco has commenced mobilisation and preparation for the commissioning is well advanced. Transfer of sections from construction to commissioning is expected to commence during December 2010.

Maintenance and operations teams for Stage II have been established, with managers and process and maintenance personnel mobilized during the quarter. In addition, safety and process training of personnel has commenced and the stores have been prepared for receipt of spare parts.

All orders for first fill chemicals have been placed and initial deliveries of some first fill materials and consumables have been received.

Liquidity, Cash and Debt Financing

As at November 12, 2010, Anvil had approximately $31.6 million in cash and $21.4 million in available-for-sale investments. During November the Company liquidated its equity investment in Chalice Gold Mines Limited for net proceeds of approximately $5.5 million. The Company has commitments of approximately $55.0 million that relate to the Kinsevere Stage II development and $7.2 million for a *Pas de Porte* (Entry Premium) payment due in January 2011 to La Générale des Carrières et des Mines ("Gécamines") with respect to the Mutoshi amended agreements.

Excluding funding designated specifically for the development of Kinsevere Stage II, as at November 12, 2010, the Company had approximately $20.0 million held as cash. 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 $21.4 million.

In December 2009, the Company completed the previously announced $200 million financing agreement with Trafigura, comprised of a private placement (the "Private Placement") to Trafigura for proceeds to Anvil of $100 million and the Trafigura Loan Facility. The term of the Trafigura Loan Facility is five years from the first drawdown and funds available under the Trafigura Loan Facility can be drawn down only after funds from the Private Placement have been utilized for the development of Kinsevere Stage II, a condition which has now been met.

The proceeds from the Trafigura Loan Facility are being used exclusively to meet costs associated with the completion of construction of Kinsevere Stage II and the first drawdown of $25.0 million for net proceeds of $21.5 million under the Trafigura Loan Facility occurred on October 15, 2010.

The Company has recently agreed on a term sheet with a group of banks (the "Refinancing Banks") that will form the basis of the Refinancing Facility. The term sheet proposes an available commitment under the Refinancing Facility of $150 million, the increase in the Refinancing Facility from $140 million being a result of additional contingency required by the Refinancing Banks due to the anticipated date of commencement of full commissioning of the SX-EW plant in the second quarter of 2011 being later than previously announced, comprised of a $125 million project finance facility from the Refinancing Banks and a $25 million cost overrun facility. The term sheet contains other terms and conditions that are consistent with a commercial project debt financing.

Initial responses from the credit committees of the respective Refinancing Banks have been positive, though final approval is subject to their satisfaction with regard to the recently announced class action application. In anticipation of receiving final approval from the Refinancing Banks, work on preparation of loan documentation is now being undertaken in order for the commitment under the Refinancing Facility to be available as soon as possible.

In addition to construction and certain commissioning costs which are currently funded through the Trafigura Loan Facility, the Company is undertaking various activities (the "Stage II Operational Readiness Activities") in order to be positioned for commencement of operation of the Stage II SX-EW plant as soon as possible; such activities including: recruitment of Stage II operational personnel, first-fill overrun, purchase of Stage II consumables and employee training. It may take some time to complete loan documentation and satisfy conditions for utilization of the Refinancing Facility. Until the Refinancing Facility is available for drawdown, costs incurred in connection with Stage II Operational Readiness Activities will continue to be met by revenue from the HMS plant and, if necessary, liquidation of the available-for-sale investments. The Company is currently reviewing all funding options should the availability of the Refinancing Facility be either subject to a lengthy delay or not be available at all.

Operations: Kinsevere HMS plant

The Group continues to operate the Kinsevere HMS plant with a focus on achieving low-cost production and enabling the Group to generate positive cash flow to meet the non-Stage II construction and commissioning costs until such time as the SX-EW plant becomes operational.

The Group is on track to meet forecast production of 15,000 tonnes of copper for the 2010 year, with an average realized copper price of $3.00 for the remainder of 2010. On this basis, the HMS plant is expected to generate sufficient cash to allow the Group to maintain an adequate cash balance until commencement of SX-EW processing, which is expected to take place during the second quarter of 2011.

During the third quarter of 2010, the HMS plant generated net revenue of $14.8 million and incurred cash operating expenses of $7.3 million, resulting in a positive cash flow from HMS operations of $7.5 million. After accounting for expenses of $3.6 million related to care and maintenance of the Mutoshi mine, corporate overheads, social development and sustaining capital expenditure, operation of the HMS plant provided a net cash flow of $3.9 million for the September quarter.

The table below illustrates the cash performance of the Kinsevere HMS plant for the last three months and the last nine months ended September 30, 2010.

Performance of the Kinsevere HMS Plant	3 months ended September 30, 2010 $ 'million	9 months ended September 30, 2010 $ 'million
Sales from HMS plant	14.8	43.9
Operating expenses from HMS plant	(7.3)	(20.4)[1]
Cash generated from HMS plant	**7.5**	**23.5**
Care and maintenance expenses	(0.3)	(2.0)
Sustaining capital expenditure	(0.6)	(2.4)
Corporate overhead expenses	(2.7)	(7.7)
Cash flow	**3.9**	**11.4**

1. Includes sales costs of $3.9 million for the year to date.

During the third quarter of 2010, the HMS and spirals plants produced 17,357 tonnes of concentrate, at an average grade of 24.3% copper for 4,216 tonnes of copper contained in concentrate. For the 2010 year-to-date, the HMS and spirals plants have produced 12,721 tonnes of copper contained in concentrate.

Key performance details of the HMS plant for the September quarter and YTD 2010 are set out in the table below.

	3 months ended September 30, 2010	9 months ended September 30, 2010
Ore processed – HMS plant (dmt)	80,911	215,118
Feed grade – HMS (%)	6.7	7.5
Contained copper – HMS (tonnes)	5,455	16,079
Recovery Cu - HMS (%)	68.1	69.5
Concentrate produced – HMS and spirals (tonnes)	17,357	52,046
Concentrate grade – HMS and spirals (% Cu)	24.3	24.4
Copper produced in concentrate – HMS and spirals (tonnes)[1]	4,216	12,721

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.

Key Group results

Third Quarter (Q3)		Q3 2010		Q3 2009	
			% of Sales		% of Sales
Production	t Cu	4,216		5,865	
Sales[1]	t Cu	4,301		7,093	
Concentrate stockpiles	t Cu	276		4,673	
Net sales	$ million	14.9	100	18.1	100
Operating profit / (loss)	$ million	1.2	8	4.2	23
Net income / (loss)	$ million	6.1	41	(0.2)	(1)
Basic earnings / (loss) per share	$	0.04		0.00	

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.

Year to date (YTD)		YTD 2010		YTD 2009	
			% of Sales		% of Sales
Production	t Cu	12,721		11,436	
Sales[1]	t Cu	13,597		11,761	
Net sales	$ million	44.9	100	27.5	100
Operating profit / (loss)	$ million	6.1	13	(17.9)	(65)
Net income / (loss)	$ million	17.7	39	(30.4)	(111)
Basic earnings / (loss) per share	$	0.12		(0.34)	

Copper Production (tonnes)

	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09	Q4/08
Kinsevere	4,216	4,412	4,093	4,970	5,865	5,372	199	4,457
Dikulushi	-	-	-	-	-	-	-	1,743
Mutoshi	-	-	-	-	-	-	-	1,288
Total	**4,216**	**4,412**	**4,093**	**4,970**	**5,865**	**5,372**	**199**	**7,488**

Q3 2010 Net Sales

(After treatment and refining charges ("TC/RCs")		**Q3 2010 $ million**	**Q3 2009 $ million**
Kinsevere	- Copper	14.8	18.1
Mutoshi	- Copper	0.1	-
Net sales		14.9	18.1
Copper selling price		**$/lb**	**$/lb**
Current period sales[1]		3.32	2.67
Provisional pricing adjustment		(0.04)	0.06
TC/RC and freight charges		-	-
Realized copper price		3.28	2.73

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.

Group net sales decrease to $14.9 million

Net sales decreased to $14.9 million owing to a reduction in the tonnes of copper sold (down 65% to 4,301 tonnes of payable copper) offset partially by a higher realized copper prices during the year (up 20% to $3.28 per pound of copper payable).

Q3 2010 Operating Profit / (Loss)

	Q3 2010		**Q3 2009**	
	$ million	**% of Sales**	**$ million**	**% of Sales**
Kinsevere	2.4	16	4.3	24
Mutoshi	(0.6)	(4)	(0.7)	(4)
CDA[1]	(0.6)	(4)	(0.2)	(1)
Dikulushi	-	-	0.8	4
Total operating profit / (loss)	**1.2**	**8**	**4.2**	**23**

1. These are administration and technical support costs required to support the mine operations and development.

Group records operating profit of $1.2 million

The Group recorded an operating profit of $1.2 million for the third quarter of 2010, compared to an operating profit of $4.2 million for the third quarter of 2009. The decrease in operating profit for the third quarter of 2010 was primarily due to a decrease in operating profit at Kinsevere and CDA. Operating profit at Kinsevere was lower due to lower production recorded in the third quarter of 2010 compared to 2009 (down 28% to 4,216 tonnes of copper production).

Kinsevere records operating profit of $2.4 million

		Q3 2010	**Q3 2009**
Ore mined – High grade	tonnes	135,290	132,493
Ore processed – HMS	tonnes	80,911	80,730
Feed grade – HMS	% Cu	6.7	8.0
Contained copper – HMS	tonnes	5,455	6,443
Copper recovery – HMS	%	68.1	80.6
Copper produced in concentrate – HMS	tonnes	3,713	5,192
Copper produced in concentrate – Spirals	tonnes	503	673
Copper produced in concentrate – HMS & Spirals	tonnes	4,216	5,865
Copper sold	tonnes	4,301	7,093
Operating cash cost (ex mine gate)	$/tonne concentrate	344	249

During the September quarter, the Kinsevere HMS plant generated an operating profit of $2.4 million and recording an operating cash cost per tonne of oxide concentrate of $344 per tonne. The increase in the operating cash cost can be attributed to a lower feed grade and thus lower copper recovery.

Mutoshi records operating loss of $0.6 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 third quarter of 2010. The operating loss of $0.6 million for the September quarter of 2010 related primarily to costs associated with care and maintenance.

Q3 2010 Net income / (loss)

	Q3 2010		Q3 2009	
	$ million	% of Sales	$ million	% of Sales
Operating income	1.2	17	4.2	23
Other income	0.8	5	0.5	2
General administrative and marketing costs	(3.1)	(21)	(1.5)	(8)
Provision for impairment of assets	-	-	(2.4)	(12)
Write back provision for impairment of assets	0.7	5	-	-
Gain/ (loss) on derivative instrument	0.4	3	-	-
Interest expenses	(0.6)	(4)	(0.2)	(1)
Other (expenses) / income	2.4	16	(1.2)	(7)
Income tax	3.5	23	0.6	3
Non-controlling interest	0.7	5	(0.2)	(1)
Net income / (loss)	**6.0**	**40**	(0.2)	(1)
Earnings / (loss) per share				
- basic & diluted	0.04		0.00	
Weighted average shares outstanding				
- basic	150.2		104.2	
- diluted	153.9		104.2	

Group records net income of $6.0 million

The Group recorded net income of $6.0 million, compared to a net loss of $0.2 million for the third quarter of 2009. The increase in net income was due to lower operating costs of $9.1 million compared to operating costs of $10.1 million in the third quarter of 2009 and a reversal of provision for impairment relating to available-for-sale debt investments of $0.7 million, compared to expense in the same period in 2009 of $2.4 million. Finally, general, administrative and marketing costs in the third quarter of 2010 were $3.1 million, up from $1.5 million, primarily attributed to increasing staff costs in 2010.

The income tax benefit of $3.5 million during the third quarter of 2010 relates to tax losses which are expected to reduce future taxable income within the relevant tax jurisdiction.

Q3 2010 Cash Flows

	Q3 2010 $ million	Q3 2009 $ million
Cash flows from operations:		
Operating activities		
- before working capital changes	5.9	6.6
- after working capital changes	0.5	1.9
Investing activities	(31.7)	(12.7)
Financing activities	(2.0)	31.1
Net (decrease) / increase in cash and cash equivalents	(33.2)	20.3
Cash flow from continuing operations per share		
- before working capital	0.04	0.06
- after working capital	0.00	0.02

Cash inflows from operations before working capital changes were $5.9 million, a decrease of $0.7 million compared to the third quarter of 2009.

Investing cash outflows related largely to expenditures for property, plant and equipment of $31.7 million in connection with the development of Kinsevere Stage II.

YTD 2010 Net Sales

(After TC/RCs)		YTD 2010 $ million	YTD 2009 $ million
Kinsevere	- Copper	43.9	26.5
Dikulushi	- Copper	-	1.7
	- Silver	-	0.1
Mutoshi	- Copper	1.0	(0.8)
Net sales		44.9	27.5
Copper selling price		**$/lb**	**$/lb**
Current period sales[1]		3.24	2.55
Provisional pricing adjustment		(0.05)	(0.28)
TC/RC and freight charges		-	(0.05)
Realized copper price		3.19	2.22

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 component is difficult to extract and is thus included 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 were known and separately disclosed in the calculation of the total realized copper price.

Group net sales increase 163% to $44.9 million

Owing to an increase in the tonnes of copper sold (13,063 tonnes of copper sold during the nine months ended September 30, 2010, compared to 11,761 tonnes of copper sold during the same period of 2009) and an increase in the realized copper price recognized during the nine months ended September 30, 2010 ($3.19 compared to $2.22 during the same period of 2009), net sales increased by $17.4 million compared to the same period of 2009.

YTD 2010 Operating Profit / (Loss)

	YTD 2010		YTD 2009	
	$ million	% of Sales	$ million	% of Sales
Kinsevere	9.1	20	(8.4)	(31)
Dikulushi	-	-	(2.0)	(8)
Mutoshi	(1.9)	(4)	(2.2)	(8)
CDA[1]	(1.0)	(2)	(5.3)	(19)
Total operating profit / (loss)	**6.2**	**15**	**(17.9)**	**(65)**

1. Please refer to segment information on page 15. These are administration and technical support costs based in the DRC to support the mine operations and development.

Group records operating profit of $6.2 million

Group operating profit of $6.2 million was primarily due to an increase in revenue from sales of concentrate resulting from a higher realized copper price ($3.19 compared to $2.22 during the same period of 2009) and higher sales (13,597 tonnes of copper sold during the nine months ended September 30, 2010, compared to 11,761 tonnes of copper sold during the same period of 2009). In addition, operating costs were significantly less in 2010 as the 2009 costs included a number of one-time costs including redundancy payments of $4.1 million.

Kinsevere records operating profit of $6.7 million

		YTD 2010	YTD 2009
Ore mined – High grade	tonnes	360,697	132,493
Ore processed – HMS	tonnes	215,118	166,510
Feed grade – HMS	% Cu	7.5	8.0
Contained copper – HMS	Tonnes	16,133	13,320
Copper recovery – HMS	%	69.3	75.9
Copper produced in concentrate – HMS	Tonnes	11,177	10,045
Copper produced in concentrate – Spirals	Tonnes	1,544	1,391
Copper produced in concentrate – HMS & Spirals	Tonnes	12,721	11,436
Copper sold	Tonnes	13,063	11,761
Operating cash cost (ex mine gate)	$/tonne concentrate	318	300

The operating cash costs per tonne of oxide concentrate at Kinsevere for the nine months ended September 30, 2010 were $318 per tonne, the increase due primarily to both lower feed grade and lower recovery.

YTD 2010 Net Income / (Loss)

	YTD 2010		YTD 2009	
	$ million	**% of Sales**	**$ million**	**% of Sales**
Operating profit / (loss)	6.2	14	(17.9)	(65)
Other income	1.9	4	0.9	3
General administrative and marketing costs	(8.5)	(19)	(7.3)	(27)
Provision for impairment of assets	5.5	12	(7.3)	(27)
Exploration expenditure written off	(1.3)	(3)	(3.2)	(12)
Gain on derivative instrument	0.1	1	-	-
Interest expenses	(1.6)	(4)	(0.8)	(3)
Other expenses	1.5	3	(0.8)	(3)
Income tax	11.5	25	5.8	22
Non-controlling interest	2.4	5	0.2	1
Net income / (loss) from continuing operations	17.7	39	(30.4)	(111)
Gain on sale of discontinued operation	5.9	13	-	-
Net Income / (Loss)	**23.6**	**53**	(30.4)	(111)
Earnings / (Loss) per share				
- basic	0.12		(0.34)	
- diluted	0.11		(0.34)	
Weighted average shares outstanding				
- basic	150.3		88.6	
- diluted	154.1		88.6	

Group records net profit of $23.6 million

The net profit during the nine months ended September 30, 2010 was primarily attributable to an operating profit of $6.2 million, recognition of a gain on the sale of Dikulushi of $5.8 million, reversal of impairment relating to available-for-sale debt investments of $5.5 million and income tax benefits of $11.5 million relates to tax losses which are expected to reduce future taxable income within the relevant tax jurisdiction.

A write off of exploration expenditure of $1.3 million was due to the relinquishment of certain tenements in which the Company has no further exploration interest or development plans.

YTD September 2010 Cash Flows

	YTD 2010 $ million	YTD 2009 $ million
Cash flows from:		
Operating activities		
- before working capital changes	17.6	(11.7)
- after working capital changes	8.8	(4.6)
Investing activities	(95.7)	(29.2)
Financing activities	(4.0)	57.8
Net (decrease) / increase in cash and cash equivalents	(90.9)	24.0
Cash flow per share		
- before working capital changes	0.10	(0.13)
- after working capital changes	0.06	(0.05)

Cash inflow from operations in the nine months ended September 30, 2010 was $8.8 million (nine months ended September 30, 2009: $4.6 million outflow). The increase in cash flows from operations can be primarily attributed to the Kinsevere HMS plant operating for the complete nine months of 2010, compared to only six months in 2009 and an increase in realized copper prices. Investing cash outflows of $95.7 million included cash expenditures on plant and equipment of $88.7 million (nine months ended September 30, 2009: $40.8 million) in connection with the development of Kinsevere Stage II.

Financing cash outflows were $4.0 million (nine months ended September 30, 2009: $57.8 million inflows) which were due mainly to further financing costs incurred in relation to the Loan Facility.

Q3 2010 Balance Sheet

	September 30, 2010	December 31, 2009
Assets ($ million)		
Cash and cash equivalents (including restricted)	38.0	121.6
Current available-for-sale investments	-	1.2
Other current assets	32.0	58.1
Property, plant & equipment	451.0	324.5
Non-current available-for-sale investments	25.7	16.8
Other non-current assets	105.9	92.0
Assets related to discontinued operations	-	7.3
Total assets	652.6	621.5
Liabilities ($ million)		
Current liabilities	44.1	14.6
Long-term debt	-	0.1
Purchase consideration payable	-	6.7
Future income tax liability	9.5	21.0
Asset retirement obligations	13.1	12.9
Liabilities related to discontinued operations	-	2.7
Total liabilities	66.7	58.0
Non-controlling interests	(2.4)	0.3
Shareholders' equity ($ million)	588.2	563.2
Working capital ($ million)	44.2	166.3
Weighted average number of shares (for basic earnings per share) (millions)	150.3	97.3
Outstanding shares (millions)	150.6	150.4

Cash and cash equivalents

The decrease in cash and cash equivalents to $38.0 million for the nine months ended September 30, 2010 (December 31, 2009: $121.6 million) was due mainly to cash expenditure for property, plant and equipment of $88.7 million relating to capital expenditure for Kinsevere Stage II.

Available-for-sale investments

The increase in available-for-sale investments to $25.7 million for the period ended September 30, 2010 (December 31, 2009: $16.8 million) was attributable to a reversal of prior years' impairment charge of $5.5 million resulting from an appreciation in the market value of the available-for-sale debt investments.

Other Current assets

Other current assets for the period ended September 30, 2010 decreased by $26.1 million to $32.0 million (December 31, 2009: $58.1 million). This was due to transfers of capital equipment prepayments to property, plant and equipment related to Kinsevere Stage II.

Current liabilities

Current liabilities for the period ended September 30, 2010 increased by $29.0 million to $44.1 million (December 31, 2009: $14.6 million) reflecting increased operating and construction activity.

Contractual Obligations

The following table summarizes the Company's contractual and other obligations, as at September 30, 2010.

Payments due by period	**Total** **$ million**	**Less than 1 Year** **$ million**	**1 – 3 Years** **$ million**	**4 – 5 Years** **$ million**	**More than 5 Years** **$ million**
Environmental and mine closure liabilities	13.1	-	-	-	13.1
Capital commitments – Kinsevere Stage II	81.0	81.0	-	-	-
Equipment operating lease	1.1	0.4	0.7	-	-
Pas de Porte - Mutoshi	7.2	7.2	-	-	-

Outstanding share data

At November 12, 2010, the Company had 150,748,159 Common Shares outstanding. In addition, there were 4,164,385 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 nine months ended September 30, 2010 related to the payment of annual rents on 12 of the Company's tenements in the DRC.

Operations

The Group continues to operate the Kinsevere HMS plant, with a focus on achieving low-cost operation and enabling the Group to maintain an adequate cash balance until such time as the Stage II SX-EW plant becomes operational, which is expected to be during the second quarter of 2011.

Given Anvil's focus on the completion of Kinsevere Stage II, the Company has not had the capacity recently to carry out further evaluation of the Mutoshi project. As a result, a number of artisanal miners have become active in the area. In order to help address a significant social issue in the area, in conjunction with the Provincial Government, the Company has agreed to allow such artisanal mining activity until such time as evaluation work at Mutoshi resumes, which is expected to be during 2011. The Provincial Government has given an assurance that at the time the Company plans to recommence evaluation work at Mutoshi, assistance will be provided to ensure a satisfactory outcome for the artisanal miners currently operating at Mutoshi.

Filing of Class Action

During November, a group of NGO's calling itself the Canadian Association Against Impunity, comprised of the groups Rights and Accountability in Development, the Canadian Centre for International Justice and Global Witness has commenced a class action against Anvil in a Montréal court. The action appears to be supported by two Congolese advocacy groups: ASADHO and ACIDH.

The action is apparently based upon an incident at Kilwa in the northeast part of the Katanga Province of the DRC, which occurred in 2004. Over the past several years, the incident and Anvil have been subject to numerous investigations and court proceedings both in and outside the DRC. No findings adverse to Anvil or any of its employees have arisen in respect of the Kilwa incident in any of the foregoing.

Anvil has not had the opportunity to review the allegations in detail but intends to defend itself.

Transactions with related parties

As at November 12, 2010, Trafigura is the beneficial owner of 53,248,729 Common Shares, representing 35.4% of the Company's issued and outstanding Common Shares. During the September quarter of 2010, 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 arms-length commercial terms.

<u>Sale of copper concentrates</u>

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 September quarter, the Company sold to Trafigura, 17,184 tonnes of copper concentrates from its Kinsevere Stage I operation, for revenue of $14.0 million.

<u>Technical services</u>

In November 2009, the Company entered into a Technical Services Agreement (the "TSA") with Trafigura, under the terms of which, a Technical 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 September quarter, the Company paid to Trafigura an amount of $0.53 million in connection with technical services provided during both the June quarter and the September quarter.

<u>Fuel supply</u>

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 September quarter, the Company purchased fuel for its Kinsevere operations to a value of $0.94 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	Sep 10 Quarter	Jun 10 Quarter	Mar 10 Quarter	Dec 09 Quarter	Sep 09 Quarter	Jun 09 Quarter	Mar 09 Quarter	Dec 09 Quarter
Concentrate sales ($ million)[1]	14.9	14.5	15.5	23.5	18.1	7.7	1.7	13.9
Operating profit[2] / (loss) before amortization ($ million)	5.8	5.8	8.2	14.4	8.0	(3.7)	(10.8)	(37.7)
Amortization ($ million)	(4.5)	(4.2)	(4.7)	(5.7)	(3.8)	(4.0)	(3.7)	(12.4)
Operating profit[2] / (loss) ($ million)	1.2	1.6	3.5	8.7	4.2	(7.7)	(14.5)	(50.1)
Net income / (loss) ($ million)	6.1	5.1	6.6	10.9	(0.2)	(11.3)	(18.8)	(151.2)
Basic earnings / (loss) per share ($)	0.04	0.03	0.04	0.09	(0.00)	(0.13)	(0.27)	(2.12)
Diluted earnings / (loss) per share ($)	0.04	0.03	0.04	0.09	(0.00)	(0.13)	(0.27)	(2.12)
Production Statistics – Total								
Copper produced in concentrate (tonnes)	4,216	4,412	4,093	4,970	5,865	5,372	199	7,488
Production Statistics – Kinsevere mine								
Ore processed (tonnes)[3]	80,911	72,716	61,491	65,313	80,730	83,084	2,695	59,219
HMS feed grade % Cu	6.7	7.3	8.6	8.9	8.0	7.9	10.2	9.9
Contained copper (tonnes)	5,455	5,317	5,307	5,782	6,443	6,566	275	5,849
Recovery Cu %	68.1	72.1	68.4	77.0	80.6	70.9	72.2	76.2
Copper produced in concentrate - HMS (tonnes)	3,713	3,835	3,629	4,455	5,192	4,653	199	4,457
Copper produced in concentrate – Spirals (tonnes)	503	577	464	515	673	719	-	-
Copper produced in concentrate – HMS & Spirals (tonnes)	4,216	4,412	4,093	4,970	5,865	5,372	199	4,457
Copper concentrate sold (tonnes)	17,707	18,057	17,610	30,993	27,589	18,549	479	11,644
Production Statistics – Dikulushi mine								
Ore processed (tonnes)[3]	-	-	-	-	-	-	-	117,577
Copper grade % Cu	-	-	-	-	-	-	-	2.3
Contained copper (tonnes)	-	-	-	-	-	-	-	2,689
Recovery Cu %	-	-	-	-	-	-	-	64.8
Copper produced in concentrate (tonnes)	-	-	-	-	-	-	-	1,743
Silver produced in concentrate (ounces)	-	-	-	-	-	-	-	174,463
Payable pounds of copper contained in concentrate delivered (million)	-	-	-	-	-	-	-	6.3
Payable ounces of silver contained in concentrate delivered	-	-	-	-	-	-	-	249,086
Production Statistics – Mutoshi mine	-	-	-					
Ore processed (tonnes)[3]	-	-	-	-	-	-	-	89,296
Copper grade % Cu	-	-	-	-	-	-	-	3.6
Contained copper (tonnes)	-	-	-	-	-	-	-	3,243
Recovery Cu %	-	-	-	-	-	-	-	39.7
Copper produced in concentrate (tonnes)	-	-	-	-	-	-	-	1,288
Copper concentrate sold (tonnes)	-	3,007	226	1,665	-	-	-	8,290

1. Concentrate sales have included copper and silver concentrates from Dikulushi and copper concentrates from Mutoshi and Kinsevere.
2. Refer to Non-GAAP Financial Measures on page 16.
3. Ore processed at Dikulushi related to ore processed through the ball mill and flotation 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.

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. After being placed in suspension during November 2008, on March 27, 2009, the Company recommenced HMS processing operations and during August 2009, following the depletion of the ROM stockpiles, the Company resumed mining in the central pit.

Mutoshi

In July 2009, as a result of the DRC Government’s review of mining contracts, Anvil’s interest in the Mutoshi Joint Venture, located in the Kolwezi region within the Katanga province of the DRC, reduced from 80% to 70% and Gécamines interest increased from 20% to 30% on a non-dilutable basis. 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.

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 nine months ended September 30, 2010, segmented information is presented in the following table. Please note that all amounts are expressed in thousands, of US dollars.

	9 Months ended September 30, 2010				
	Kinsevere	**Mutoshi**	**CDA**	**Inter-segment**	**Total**
Sales	43,937	1,010	-	-	44,947
Operating expenses	(23,308)	(2,002)	(7)	-	(25,317)
Amortization	(11,507)	(920)	(1,063)	-	(13,490)
Segmented operating profit / (loss)	**9,122**	**(1,912)**	**(1,070)**	**-**	**6,140**
Interest expense and financing fees	(45,996)	(404)	(604)	45,341	(1,663)
Loss on derivative instruments	(52)	-	-	-	(52)
Write back of provision for impairment	-	-	5,518	-	5,518
Other income	131	88	55,955	(54,213)	1,961
Exploration expenditure written off	-	(880)	(435)	-	(1,315)
Other expenses	(8,924)	(870)	(5,929)	8,872	(6,851)
Segmented (loss) / profit before under noted items	**(45,719)**	**(3,978)**	**53,435**	**-**	**3,738**
Income taxes recovery / (expense)	11,553	-	(10)	-	11,553
Non-controlling interest	1,466	954	-	-	2,420
Segmented (loss) / profit from continuing operations	**(32,700)**	**(3,024)**	**53,425**	**-**	**17,711**
Loss from discontinued operation	-	-	(107)	-	(107)
Gain on sale of discontinued operation	-	-	5,911	-	5,911
Segmented (loss) / profit	**(32,700)**	**(3,024)**	**59,229**	**-**	**23,515**
Property, plant and equipment	437,354	9,365	4,275	-	450,994
Total assets	540,114	52,517	59,972	-	652,603
Capital expenditures	(90,082)	-	-	-	(90,082)

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 September 30, 2010, the Group had deferred exploration and acquisition costs of approximately \$61.4 million associated with exploration properties in the DRC.

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 September 30, 2010, the Group has estimated its future recoverable income tax losses in Canada, Australia and the DRC. 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 of the consolidated financial statements as at September 30, 2010.

Initial adoption of International Financial Reporting Standards

The Accounting Standards Board of Canada (the "AcSB") has approved a plan for the adoption of International Financial Reporting Standards ("IFRS") for financial years commencing on or after January 1, 2011 for all publicly accountable profit-oriented enterprises. As such, IFRS will replace Canadian GAAP as the financial reporting framework under which the Company currently prepares its financial statements, first effective for the financial year ending December 31, 2011. 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 statement of financial position will therefore be required as at January 1, 2010.

Anvil has employed the technical support services of Deloitte Australia in an effort to ensure timely and effective transition from Canadian GAAP to IFRS by January 1, 2011, with adequate internal staff resources also allocated to ensure that a draft IFRS opening statement of financial position is available by the fourth quarter of 2010. The transition from Canadian GAAP to IFRS by January 1, 2011 is being managed under a 14 step process, comprised of three phases as follows:

Phase one – Scoping and Impact Analysis

Phase two – Evaluation and Design

Phase three – Implementation and Review

Phase one has been concluded, with the Company having completed a business impact study summarizing the key differences between Canadian GAAP (as applied by the Company) and IFRS which may materially impact the Company's consolidated financial statements. Key differences that have been indentified are set out below and these areas will be addressed to quantify any impact on the financial statements.

<u>High Impact areas</u>

IFRS1 – First time adoption of IFRS

IAS16 – Property, Plant and Equipment

IAS36 – Impairment of Assets

<u>Key Medium Impact Areas</u>

IFRS2 – Share based payments

IAS12 – Income Taxes

IAS18 – Revenue

IAS32 – Financial Instruments: Presentation

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

IAS39 – Financial Instruments: Recognition IAS37 – Provisions

Phase two is currently underway, the main task of which has been the preparation of an IFRS opening Statement of Financial Position as at January 1, 2010. This is being approached at an account balance level across all entities. Key areas addressed to date are:

- Assessment of the appropriate functional currency of each of the group entities – this has been determined to be USD for each entity, in accordance with the principles described by IAS 21, *The Effects of Changes in Foreign Exchange Rates;* and
- Assessment of the appropriate accounting treatment of financial instruments, inventories, property, plant and equipment and share based payments in accordance with IFRS.

Management are comfortable the transition project is well placed to prepare the IFRS Opening Statement of Financial Position as at January 1, 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.

The estimates and assumptions that have a significant risk of causing a material impact to the carrying amounts of assets and liabilities are discussed below.

(i) Estimated mineral reserves

The use of management estimates and assumptions relating to mineral reserves are the base inputs for future cash flow estimates utilized in impairment calculations and units-of-productions amortization calculations; estimates of recoverable copper in stockpile; environmental, reclamation and closure obligations.

(ii) Estimated impairment of long-lived assets

The Group assesses annually whether there are indicators of impairment. Where such indicators are present, the carrying amount of assets and liabilities are compared to the undiscounted cash flows. Where the carrying amount is in excess of these amounts an impairment loss is recognized.

The Group performs impairment tests on property, plant and equipment, mineral properties and mine development costs when events or changes in circumstances occur that indicate the value of the assets may not be recoverable. Where information is available and conditions suggest impairment, estimated future net cash flows for a mine or development project are calculated using estimated future prices, mineral resources, and operating, capital and reclamation costs on an undiscounted basis. When estimated future cash flows are less than the carrying value, the project is considered impaired. Reductions in the carrying value of a mine or development project are recorded to the extent the net book value exceeds the discounted estimated future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered.

Management estimates of mineral prices, recoverable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near-term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

(iii) Useful lives of property, plant and equipment and mine properties

The Group's management determines the useful lives of property, plant and equipment and mine properties based on a combination of applicable mine life, or where shorter for property, plant and equipment.

Given the required use of estimates in the measurement of contained mineral content, mine lives are subject to inherent measurement uncertainty. Actual mineral content may significantly differ from estimates which could result in a change to future amortization and depreciation charges. Management will increase the charge where useful lives are less than the previously estimated useful lives and reduce the charge where they are greater than those estimates. Reductions in a life of mine may indicate an impairment, in which case management would assess the recoverability of those assets.

Similarly estimates of useful lives for property, plant and equipment with lives shorter than the applicable mine life are open to measurement uncertainty. These result from uncertainties regarding future technical obsolescence, wear and tear and useful employment in the business of such assets.

(iv) Fair values of financial instruments

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. These valuations are sensitive to changes in underlying assumptions such as discount rates and credit spreads. Experience adjustments in future periods to these assumptions may materially change recorded amounts. Such adjustments may result from changes in the market's pricing of risk, credit standing of individual counterparties, default rates and other market based factors. Where quoted market prices in active markets are available, these are used.

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*.

Financial Instruments

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

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 September 30, 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 September 30, 2010 quarter 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 September 30, 2010.

During the quarter ended September 30, 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, the refinancing of the Trafigura Loan Facility and the Company's plans for expansions of the Kinsevere copper mine. 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*.