MINING COMPANY ANALYSIS: ANVIL MINING LIMITED

1. Corporate Profile

1.1 Company Description
- The company is a mineral producing, development & exploration company with a focus on base & precious metal exploration & mine development.
- The company holds a 90% beneficial interest in the Dikulushi Mine & surrounding exploration areas.
- Dikulushi commenced commercial production in October 2002.

1.2 Corporate structure
- Anvil NL shares were traded on the Australian stock exchange since 1993.
- March 2004, Anvil Mining NL undertakes corporate reorganization to apply for a listing on the Toronto Stock Exchange (TSX).
- Anvil Mining Limited formed, following implementation of Scheme Arrangement, listing on TSX and ASX.

1.3 Shareholders
- Major shareholders
  - First Quantum Minerals Ltd: 13.9%
  - Deans Knight management: 7.6%
  - Colonial first Estate: 5.2%

1.4 Listing
- Toronto, Australia & Berlin. Symbol AVM.

1.5 # Shares
- Issued shares: 29 mill.
- Fully diluted: 33.4 mill.

1.6 Share price
- Aus$ 0.70 (Dec 2005), US$ 0.53s.

1.7 Market cap
- Aus$ 20.3mill (Dec 2005), US$15.38s.

2. Company Strategy

2.1 Vision & Mission
- Expanding copper growth company developing the resource potential of the Congo.

2.2 Strategy
- First Mover Status” DRC
- Staged development approach
- Initial capital investment was kept at a minimum with upgrades to be financed from internal generated cashflow surpluses.
- Strong cashflow, acceptable gearing, unhedged producer
- Ability to balance risk & reward
- Strong management team with African experience
- Initiate 2 starter projects to produce combined 30,000 tpa cathode copper each within 2-3 yrs
- Expand new operations to 45-60,000 tpa
- Move to mid tier producer status 75,000 tpa within 5 yrs
- Enter cobalt market within 2 yrs
- “First Mover Status” DRC
- Increase reserve base 3-4x by 2005
- Prove up resource potential for 15-20 LOM
- Build strong partnerships with the community.
3. Review of Operations

3.1 Mining Operations

i) Dikulushi Copper Silver Mine

<table>
<thead>
<tr>
<th>Operation Description</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commenced October 2002</td>
</tr>
<tr>
<td></td>
<td>Mine established using staged development method</td>
</tr>
</tbody>
</table>

1. **Stage 1 (Sep 2002):** Openpit mining & heavy medium separation to produce concentrate grading 40% Cu & 1000g/t Au. Capex US$ 6.2 mil

2. **Stage 2 (Oct 2004):** Openpit mining & ball mill & floatation circuit to produce concentrate grading 55-58% Cu & 1700g/t Au. Capex US$ 7.5 mil

3. **Stage 3:** (2006-2008): Underground mining

<table>
<thead>
<tr>
<th>Host Country Location</th>
<th>DRC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>South-east part in Haut Katanga District</td>
</tr>
</tbody>
</table>

| Legal | 100% |

<table>
<thead>
<tr>
<th>Geology &amp; Exploration</th>
<th>Remodelling of ore body in compliance with JORC Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Diamond drilling program of 850m &amp; reverse circulation programme of 1,370m, targeting reserves below previous openpit design &amp; disseminated mineralization associated with hanging wall orebody</td>
</tr>
<tr>
<td></td>
<td>Resources to a depth of 200m, using cut off of 1.5% copper</td>
</tr>
<tr>
<td></td>
<td>Ore reserves based on copper price of $1650/ton (=US75c/lb) &amp; silver price of $4.5/oz</td>
</tr>
<tr>
<td></td>
<td>Dilution: 5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mineral Resources &amp; Reserves</th>
<th>Reserves &amp; Resource Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orebody</td>
<td>Tons</td>
</tr>
<tr>
<td>Measured</td>
<td>573,000</td>
</tr>
<tr>
<td>Indicated</td>
<td>939,000</td>
</tr>
<tr>
<td>Inferred</td>
<td>210,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,722,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mining</th>
<th>Stage 1 &amp; 2: Openpit mining to 120m depth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stage 3: Underground mining</td>
</tr>
<tr>
<td></td>
<td>Use of South African Mining Contractor</td>
</tr>
</tbody>
</table>

<p>| Metallurgy | Stage 1: 250,000 tpa Heavy Media Separation production circuit |
|           | Stage 2: 350,000 tpa ball mill circuit |
|           | June 2003: commissioned small spiral circuit to retreat tailings discharging from HMS plant |</p>
<table>
<thead>
<tr>
<th>Parameter</th>
<th>UoM</th>
<th>2003-03</th>
<th>2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore processed</td>
<td>Tons</td>
<td>276,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Cu tons</td>
<td></td>
<td>13,500</td>
<td>20,000</td>
</tr>
<tr>
<td>Silver (000oz)</td>
<td></td>
<td>1,200</td>
<td>1,600</td>
</tr>
<tr>
<td>Recovery</td>
<td></td>
<td>71%</td>
<td>93%</td>
</tr>
<tr>
<td><strong>Concentrate grade</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cu (%)</td>
<td></td>
<td>41%</td>
<td>56%</td>
</tr>
<tr>
<td>Silver (g/t)</td>
<td></td>
<td>1,000</td>
<td>1,700</td>
</tr>
<tr>
<td><strong>Production Statistics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mining</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore mined</td>
<td>Tons</td>
<td>186,710</td>
<td>276,088</td>
</tr>
<tr>
<td>Ore grade Cu</td>
<td>%</td>
<td>7.68</td>
<td>7.21</td>
</tr>
<tr>
<td>Ore grade g/t</td>
<td>g/t</td>
<td>172</td>
<td>198</td>
</tr>
<tr>
<td>Waste mined</td>
<td>BCM</td>
<td>818,244</td>
<td>1,120,550</td>
</tr>
<tr>
<td><strong>Processing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore processed</td>
<td>Tons</td>
<td>171,260</td>
<td>266,598</td>
</tr>
<tr>
<td>Head grade Cu</td>
<td>%</td>
<td>7.87</td>
<td>7.25</td>
</tr>
<tr>
<td>Head grade Ag</td>
<td>g/t</td>
<td>176</td>
<td>201</td>
</tr>
<tr>
<td>Recovery</td>
<td></td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>Cu produced</td>
<td>Tons</td>
<td>8,105</td>
<td>13,587</td>
</tr>
<tr>
<td>Ag produced</td>
<td>oz</td>
<td>589,074</td>
<td>1,211,731</td>
</tr>
<tr>
<td><strong>Production of Concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concentrate produced</td>
<td>Tons</td>
<td>21,929</td>
<td>33,411</td>
</tr>
<tr>
<td>Concentrate grade Cu</td>
<td>%</td>
<td>36.9</td>
<td>40.7</td>
</tr>
<tr>
<td>Concentrate grade Ag</td>
<td>g/t</td>
<td>866</td>
<td>1,128</td>
</tr>
<tr>
<td><strong>Delivered Concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concentrate delivered</td>
<td>Tons</td>
<td>18,854</td>
<td>33,797</td>
</tr>
<tr>
<td>Payable Cu</td>
<td>Tons</td>
<td>6,891</td>
<td>13,303</td>
</tr>
<tr>
<td>Payable Ag</td>
<td>oz</td>
<td>472,341</td>
<td>1,141,241</td>
</tr>
<tr>
<td><strong>Cash cost of production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ex Mine</td>
<td>$/lb</td>
<td>0.14</td>
<td>0.21</td>
</tr>
<tr>
<td>Total cash cost</td>
<td>$/lb</td>
<td>0.52</td>
<td>0.49</td>
</tr>
</tbody>
</table>

9 **Infrastructure**

- Road base needed to start the project: dropped truck load of sledge hammers at Dikulushi village. Showed local villagers size of stone needed & they set out to work
- Purchase of low speed 4.8 MW power generator plant costing $718,000
- New projects
  - Pwato water reticulation
  - Kilwa water reticulation expansion
  - Dikulushi-Pweto road
- Proposed projects
  - Koni-Pweto transmission line
<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilwa-Kasomeno road</td>
<td></td>
</tr>
<tr>
<td>Scoping studies</td>
<td>$132,000</td>
</tr>
</tbody>
</table>
| Logistics & Suppliers| Material & equipment came from Zambia across Lake Mweru in refurbished old Zambian Ministry of Transport Barge  
Sourcing second-hand equipment for Stage 2 from diverse locations in Australia. Refurbishment work carried out in Perth and Johannesburg |
| Marketing            | Outlook for copper  
Recent substantial increases in metal price  
Strong global economies  
Increasing demand from Asia, particularly China  
Declining exploration & capital expenditure since 1997  
Erosion of pipeline of development projects  
Constrained new sources of supply  
Concentrate export & smelting: 60% of concentrate delivered to Phalaborwa SA, remainder between O’okiep smelter in SA & Ongopolo smelter in Namibia |
| Human Resources      | Senior executives with considerable experience in the Congo mining industry  
More than 600 people employed at Dikulushi  
Most employees recruited and trained locally  
Key appointments:  
Former Secretary General of National Government as Administration Manager  
Former Manager of Financing Strategy department for Gécamines as Administration Superintendent  
Metallurgist Gecamines appointed as plant manager  
Teamwork essential  
Limited experience by many of new recruits  
Building of a “can do” culture |
| Environmental & Social| Anvil community health program: able to reduce incidents of Malaria by 30% Projects being implemented:  
Dikulushi School: $75,000  
Lumakete School: $30,000  
Kilwa Hospital: $175,000 |
| Financial            |                                                                                                                                                                                                 |
| **Capex**            | **Opex**                                                                                                                                                                                                |
| Stage 1: $6 million   | Stage 1: $0.52/lb                                                                 |
| Stage 2: $7.5 million | Stage 2: $0.49/lb                                                                 |
| NPV: No information   |                                                                                                           |
| IRR: No information   |                                                                                                           |
| Operations Risks     | No information                                                                                             |
## 3.2 Mine Development

No mine development projects.

## 3.3 Feasibility Studies

### i) Mutoshi Joint Venture Pre-Feasibility

<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>Mutoshi JV</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Allows for staged development approach that will double AVM’s production, rapid transition to significant cashflow</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Paves way for developing 15 – 20 year mine life in the kolwezi Klippe region</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Low entry cost relative to resource potential</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Quick entry into Co market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Project Stage</th>
<th>Prefeasibility.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Host Country / Location</th>
<th>DRC, Southeast</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Adjacent to world class historical copper &amp; cobalt producing region, confined region 25km x 10 km, accountable for 70% of Cu &amp; Co production of DRC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Legal</th>
<th>Anvil Mining 70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td>Gecamines 20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>De Monta Enterprises 10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Geology &amp; Exploration</th>
<th>High quality copper &amp; cobalt resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Mineral Resources &amp; Reserves</th>
<th>No information provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Mining</th>
<th>No information</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td></td>
<td>Presume rehabilitation old mines</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Metallurgy</th>
<th>Kulumziba Coarse Rejects Starter Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td></td>
<td>➢ Coarse rejects deposit grading &gt;4% Cu</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Possible resource 5-7 mill tons</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Amenable to simple HMS processing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Indicative recoveries: 70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Concentrate grades: 25-30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Stage 1:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ 1 mtpa HMS plant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ 25,000 tpa of Cu in oxide concentrate form</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Stage 2:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ SXEW plant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Subsequent significant expansion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Infrastructure</th>
<th>Reasonable infrastructure including access to hydroelectric grid</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Marketing</th>
<th>No information</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Human Resources</th>
<th>Close proximity to technically skilled workforce in Kolwezi</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Environmental</th>
<th>No information</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Mutoshi Acquisition Costs: total: $12.5 mill

Payable on closing:
- $3 mill in cash
- $750,000 in AVM stock

Payable following closing
- $2 mill 90 days after closing
- $1.25 mill at 6 months after closing
- $1.25 mill at 12 months after closing
- $4.25 in 18 equal instalments, beginning 4 months after start of production

<table>
<thead>
<tr>
<th>Capex</th>
<th>Opex</th>
</tr>
</thead>
<tbody>
<tr>
<td>No information</td>
<td>$0.56/lb</td>
</tr>
</tbody>
</table>

**NPV:** No information  
**IRR:** No information

3.4 Exploration

3.4.1 Exploration Strategy
- Exploration work within a 30km radius of the Dikulushi Mine, where encouraging indications of sulphide copper and secondary copper mineralization have been located.

3.4.2 Exploration Projects
i) Dikulushi Deeps

<table>
<thead>
<tr>
<th>1</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Infill &amp; deeper drilling of Dikulushi Orebody</td>
</tr>
<tr>
<td></td>
<td>Indications of sulphide copper &amp; secondary copper</td>
</tr>
<tr>
<td></td>
<td>Geophysical programs have been run</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Project Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Advanced exploration</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Host Country / Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DRC, southeast</td>
</tr>
<tr>
<td></td>
<td>Exploration within a 30km radius of the Dikulushi Mine</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ownership Structure</td>
</tr>
<tr>
<td></td>
<td>100%?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5</th>
<th>Exploration Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6 x diamond drillholes</td>
</tr>
<tr>
<td></td>
<td>2004: 5 drill holes for 1,318m of drilling</td>
</tr>
<tr>
<td></td>
<td>Extension of resource down dip to vertical depth of 300m</td>
</tr>
<tr>
<td></td>
<td>Downhole surveys at 50 m intervals</td>
</tr>
</tbody>
</table>
Drilling program by *Stanley Mining Services Ltd*, samples analysed by *Genalysis Laboratory Services Ltd*

| 6 Results | ➢ New resource model currently being developed  
            ➢ Underground feasibility study expected to be completed by Sep 2004  
            ➢ Expected to increase proposed mine life by 2 years |

---

### ii) Kinsevere-Nambulwa Project

<table>
<thead>
<tr>
<th></th>
<th>Project Description</th>
<th>6 Results</th>
<th>7 Results</th>
</tr>
</thead>
</table>
| 1 | **Project Description** | ➢ 9 Quality Cu & Co Co prospects  
    ➢ 25 km from sealed road & hydroelectric grid  
    ➢ Kinsevere project: Cu – Co  
    ➢ Tshifufia project: Cu- Co  
    ➢ Tshifufiamashi prospect: Cu- Co  
    ➢ Nambulwa Prospect: Cu-Co | ➢ No information | ➢ No information |
| 2 | **Project Stage** | ➢ Early stage exploration | | |
| 3 | **Host Country / Location** | ➢ DRC, southeast | | |
| 4 | **Legal** | ➢ Ownership structure  
    ➢ Anvil Mining 70%  
    ➢ MCK 30% | | |
| 5 | **Attributes of Project** | ➢ Exploitation permits 19.5 km²  
    ➢ Exploration Permits 819 km²  
    ➢ Option to acquire or lease  
    ➢ Low cost entry into project  
    ➢ Close to technically skilled workforce in Lubumbashi | | |
| 6 | **Exploration Activities** | ➢ No information | | |
| 7 | **Results** | ➢ No information | | |
3.5 Anvil Project Locations

[Map showing project locations with markers for Dikulushi, Mustoshi, and Kinsevere]
3.6 Company Portfolio Overview

1. Dikulushi
2. Mutoshi Joint Venture
3. Dikulushi Deeps
4. Kinsevere-Nambulwa Project
4. The Team

4.1 Board of Directors

Non Exec Chairman: Philipp Pascali
- BSc Control Engineering Sussex, MBA UCT
- 26 years experience in mineral development projects
- CEO of First Quantum Minerals

Director, President & CEO: Bill Turner
- BSc Geology & Mineralogy, MSc, MBA Monash
- Worked internationally for 15 years in central & southeast Asia & Africa
- Joined Anvil 1995
- Worked for Dominion Mining Ltd for 10 years as GM / Indonesia & Special Projects Manager
- Fellow of Australasian Institute of Mining & Metallurgy

Independent Director: Peter Bradford
- BSc Applied Science, F. Aus.I.M.M
- Metallurgist with 20 years experience in mining industry
- President & CEO of Golden Star Resources
- Director of Guyanor Resources
- Member of Audit Committee, Corporate Governance Committee & nomination & Compensation Committee

Independent Director: John Sabine
- B.A. LL.B
- Partner of Canadian law firm Fraser Milner Casgrain LLP
- Leading mining practitioner in Canada, experience in mining & resource law & corporate finance
- Member of Securities Advisory Committee
- Member of Audit Committee, Chairman Corporate Governance Committee

Independent Director: John Sabine
- B.A. LL.B
- Partner of Canadian law firm Fraser Milner Casgrain LLP
- Leading mining practitioner in Canada, experience in mining & resource law & corporate finance
- Member of Securities Advisory Committee
- Member of Audit Committee, Chairman Corporate Governance Committee

Independent Director: Lance Tigert
- BSc Mining Eng, MBA, CFA
- 35 years experience in acquisition & development of mineral properties with Noranda inc
- Previous Senior Vice President Business & project Development
- Worked in Zambia, Congo, Peru, Chile & Argentina
- Chairman of Audit Committee, Corporate Governance Committee & nomination & Compensation Committee

4.2 Management team

- DRC Country manager
- Resident manager – Dikulushi
- GM – Development
- CFO
- Financial Controller
5. Corporate Governance Practices

- Board responsibilities defined
- Committees:
  - Audit Committee
  - Nomination & Compensation Committee
  - Corporate Governance Committee

6. Finance

6.1 Financing: Equity

Key movements in share capital

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Capital raised</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Issued of 3 mill shares at A$0.10 and 3 mill unlisted options, at an exercisable price of A$0.12 through a placement. Issue of 2.961 mill shares at A$0.10 &amp; 2.961 mill unlisted options at an exercisable price of A$0.12 to a nominee of the convertible note holder.</td>
<td>Share capital: US$9.81mill</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>Issued 2.9 mill shares &amp; 2.96 mill unlisted options, at an exercisable price of A$ 0.12 to a nominee of convertible note holder FQM Issued 5.2 mill fully paid up shares.</td>
<td>Share capital: US$9.81mill</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>Issued 1.65 mill common shares at C$ 4.25 each in accordance with IPO on the Toronto Stock Exchange.</td>
<td>Share capital: US$16.8mill</td>
<td></td>
</tr>
</tbody>
</table>
## 6.2 Financing: Debt

<table>
<thead>
<tr>
<th>Date</th>
<th>Loan</th>
<th>Institution</th>
<th>Interest</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$5mil</td>
<td>RMB</td>
<td>LIBOR plus 2.5%</td>
<td>Facility for Stage 2 by way of an expansion of an existing facility provided by RMB for Stage 1 development. Establishment fee of 5% Commitment fee of 0.75% Drawdown conditional on conditions precedent Anvil issued RMB 5 million options at exercise price of A$0.30. Options will expire August 2006. Will increase existing debt from $2.65 mil to $7.62 mil, to be repaid by March 2006.</td>
</tr>
<tr>
<td>2004</td>
<td>$0.5 mil</td>
<td>MDM</td>
<td>LIBOR +2.5%</td>
<td>Loan unsecured As part of contractual arrangements in relation to construction of Stage I of Mine Process Facilities at Dikulushi.</td>
</tr>
<tr>
<td>2004</td>
<td>$0.5 mil</td>
<td>Shareholder FQM</td>
<td>LIBOR +2.5%</td>
<td>Unsecured convertible note facility Term: 18 months Notes convertible to shares</td>
</tr>
</tbody>
</table>
### 6.4 Financial Assessment

#### COMPANY FINANCIAL ASSESSMENT

**Company:** ANVIL MINING LTD  
**Year:** 2004

<table>
<thead>
<tr>
<th>Income ($ mil)</th>
<th>Jan 04</th>
<th>Jan 03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper/Silver concentrates sales</td>
<td>$20.09</td>
<td>$16.40</td>
</tr>
<tr>
<td>Other Africa</td>
<td>$1.41</td>
<td>$0.29</td>
</tr>
</tbody>
</table>

#### Consolidated Income Statement

<table>
<thead>
<tr>
<th>Expenditure ($ mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
</tr>
<tr>
<td>Administration</td>
</tr>
<tr>
<td>General, administrative &amp; marketing</td>
</tr>
<tr>
<td>Exploration expenses</td>
</tr>
<tr>
<td>Foreign exchange gains/losses</td>
</tr>
<tr>
<td>Stock-based compensation</td>
</tr>
<tr>
<td>Interest &amp; financing fees</td>
</tr>
</tbody>
</table>

#### Liabilities ($ mil)

<table>
<thead>
<tr>
<th>Liabilities ($ mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short/long term debt</td>
</tr>
<tr>
<td>Long term debt</td>
</tr>
<tr>
<td>Trade payables</td>
</tr>
<tr>
<td>Non-current provisions</td>
</tr>
</tbody>
</table>

#### Profit/Loss Analysis

<table>
<thead>
<tr>
<th>Profit/Loss Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
</tr>
<tr>
<td>Net profit</td>
</tr>
</tbody>
</table>
| Earnings per share | $0.52 | |}

### 2. CONSOLIDATED BALANCE SHEET

<table>
<thead>
<tr>
<th>Assets ($ mil)</th>
<th>Jan 04</th>
<th>Jan 03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$32.07</td>
<td>$15.06</td>
</tr>
</tbody>
</table>

#### Shareholders' Equity ($ mil)

<table>
<thead>
<tr>
<th>Shareholders' Equity ($ mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

#### Analysis

<table>
<thead>
<tr>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income increase</td>
</tr>
<tr>
<td>Costs increased</td>
</tr>
<tr>
<td>Profit increase</td>
</tr>
<tr>
<td>Earnings per share increases by</td>
</tr>
</tbody>
</table>

### 3. CONSOLIDATED CASH FLOW STATEMENT

<table>
<thead>
<tr>
<th>Cashflows ($ mil)</th>
<th>Jan 04</th>
<th>Jan 03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows provided by operating activities</td>
<td>$4.63</td>
<td>$0.63</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>($6.79)</td>
<td>($5.92)</td>
</tr>
<tr>
<td>Cashflows from financing activities</td>
<td>($6.62)</td>
<td>($3.29)</td>
</tr>
<tr>
<td>Cash at beginning of period</td>
<td>$0.64</td>
<td>$1.66</td>
</tr>
<tr>
<td>Cash at end period</td>
<td>$7.17</td>
<td>$0.64</td>
</tr>
</tbody>
</table>

### 4. FINANCIAL RATIOS

<table>
<thead>
<tr>
<th>Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIQUIDITY</td>
</tr>
<tr>
<td>Current ratio</td>
</tr>
<tr>
<td>LEVERAGE</td>
</tr>
<tr>
<td>Debt ratio</td>
</tr>
<tr>
<td>PROFITABILITY</td>
</tr>
<tr>
<td>Gross profit margin</td>
</tr>
<tr>
<td>INVESTMENT PERFORMANCE</td>
</tr>
<tr>
<td>P/E ratio</td>
</tr>
</tbody>
</table>

#### Ratio Definition

1. Current ratio = current assets / current liabilities
2. Debt ratio = total liabilities / total assets
3. Gross profit margin = gross profit / sales
4. P/E ratio = market price per share / earnings per share
5. Dividend yield = dividend per share / current market price

---

1. Source: Anvil Mining Annual Report 2004
3. All figures in US$ unless otherwise noted.
6.5. Share Price Movement

i) Comparison Share Price vs. Dow Jones Global Exploration & Mining Index (April 2006)

ii) Analysis of Share Price Movement

- Anvil's share price has exceeded the Index until Feb 2005.
- Thereafter the share price fell 60%
- In June 2005 the share price turned radically and has increased by 135%
- In April 2006 the share price caught up with the Exploration index, highlighting the market confidence in the share.

7. Information Sources

1. Anvil Mining Limited Annual Report 2004
2. "Forging a great future in the Congo". Anvil Mining Limited, Slides Mining Indaba, February 2005