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THE  
anvil

AUGUST 2007 ◦ VOLUME 3 . . . ISSUE 2



*Development of mine at Kinsevere*



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## message from CEO bill turner

You will have heard that we have successfully commissioned the crusher and heavy media separation circuits at Kinsevere, bringing the first part of this important project on line. Our congratulations go to Harry Linnevelt and Denham Vickers and their respective teams whose performance under challenging conditions has been outstanding.

As we move towards completing the first stage of the development of the Kinsevere project, we are also very busy readying ourselves to initiate construction works on the second stage, which will see a major increase in production levels by 2009. As a result, we have recently appointed the EPCM contractors who will take care of the development of the second stage of what promises to be a successful project both for our employees and the Democratic Republic of Congo and its people. Recent exploration success with early stage drilling completed this year, point to a long life for this mine.

Our company continues to grow in terms of diversity with our current and future developments at Kinsevere and our underground development at Dikulushi fast nearing a point where we will soon begin underground mining of this wonderful resource.

Running hand in hand with all this progress is our position that the safety of our employees, as well as those of our contractors and consultants,



remains a top priority. We can never be too vigilant in this regard as the recent unfortunate death of a contractor felling trees at Kinsevere, illustrates.

Safety in the workplace and at home, needs to become a top priority for everyone. Think and live safety.

It is very pleasing to see that our approach to social responsibility is gaining the momentum that we had planned for. We have had valuable input from internationally credible organisations such as USAID, IFC and MIGA and with the enthusiastic help our partners at PACT Inc. are providing, we are confident that we are making a significant contribution to rebuilding the social and physical infrastructure of the Katanga mining industry.

Yours sincerely,

**Bill Turner**  
President and Chief Executive Officer



## paluku batsotsi — senior exploration geologist at kinsevere

The benefits of academic research are often only realised after a long period of time. Not so though with Paluku Batsotsi's research and Anvil Mining. This research is a rare two-way street with immediate benefits going both ways.

Paluku is Anvil Mining's senior exploration geologist at the Kinsevere Project.

Having completed his BSc. Geology and Honours degrees in South Africa in 1995, Paluku has gained valuable experience as an exploration geologist while working in South Africa, Tanzania, Zambia and the DRC. He has now embarked on obtaining an MSc in Exploration Geoscience from the University of Tasmania in Australia, which is being sponsored by Anvil.

"The course consists of eight modules but as I'm doing a research project, I get credited with two modules leaving six to be completed over the next two years," he tells us happily. Paluku spent a month in Australia during November 2006, attending lectures and also doing some work at Anvil's head office in Perth.

"I really enjoyed Australia and look forward to going back in June of this year as I was very well received by heaps of friendly people," he says. "Hobart and the university proved to be a very stimulating environment and I felt at home especially presenting papers during our workshops on ore deposit models and ore found in sediments."

But what about Paluku's research project? The study on the geology and geochemistry of Kinsevere will be tailored to generate results that can be used immediately in ongoing exploration in the Copperbelt, and there is no doubt that with Paluku's academic record to date, both he and Anvil Mining will benefit hugely.

*Construction of EAF at Kinsevere*

## rapid progress at anvil's kinsevere project

The new Kinsevere project is moving forward rapidly with the first phase of its development nearing completion. Major planned project milestones were reached in June this year when the crushing and heavy media separation (HMS) plants were successfully commissioned.

Mining of the central pit had been taking place since January with the ore stockpiled according to grade. This ore is now being blended and after passing through the primary and secondary crushers, goes through the HMS plant to emerge as a copper concentrate.

This paves the way for the exciting second phase of the project. In April of this year, the Board of Directors of Anvil approved the construction of a Stage II, 60,000 tonnes per year Solvent Extraction and Electro-Winning (SX-EW) copper facility to the total value of US\$238 million. This plant is designed to produce LME Grade A copper cathode on site.



Anvil has appointed Australian Company Ausenco to undertake the State II engineering, procurement and construction management or EPCM. Ausenco specialises in EPCM services to the mining industry and has successfully completed major projects all over the world.

Anvil's Vice-President Project Development, Mike Newman, comments on the progress at Kinsevere when he says: "It's a major task finding good construction resources to match the rate at which we are finding good mineral resources, especially with the logistic challenges of the DRC and the unprecedented level of development activity in the region. The scale of Kinsevere Stage II is a quantum leap compared with our previous projects. However, with the sound knowledge and experience gained from the previous achievements of both Anvil and Ausenco we are well equipped to succeed in developing our showpiece SX-EW plant to be producing cathode in early 2009."



*The Kolwezi ladies' market garden*



## kolwezi ladies - successful market gardeners

A group of women from Kolwezi have been given a rewarding and viable alternative to the exhaustive labour that artisanal mining demands.

Anvil Mining's SMK project at Kolwezi mining the copper tailings in the Kulumaziba River identified the need for the women of the area to be gainfully employed while their husbands either worked on the mine or were involved in the artisanal mining. An area of land was set aside on the eastern side of the river to be developed into a market garden that could produce vegetables for sale to the mine and the people in nearby villages.

Kalenga Dengo has been tasked with managing the project and he has this to say about its obvious success: "The 33 ladies we have participating in the garden project cannot seem to get enough of cultivating and harvesting their products. They have been quick to grasp the basics of successfully growing vegetables and now even give us their thoughts on production programs."

We spoke to Jolie Mutombo and Goya Kazamba who have been cultivating vegetables in the garden since its inception 11 months ago: "We are very pleased with this opportunity that SMK have given us as we find this work more manageable than digging for copper," they say. "We're happy to work in the garden because those of us with small children or babies can bring them along."

The ladies grow a whole host of vegetables which include aubergines, tomatoes, onions, cabbage, celery, chillies, lettuce, ground nuts, beans, potatoes, cucumber and radishes.

The SMK catering department buys most of the vegetables with the balance being sold on the open market.

## anvil helps to save rare plant

It is a well-known fact that the copper-rich soil of the Katanga province means a livelihood to many people but this same soil represents a unique growing habitat for some very special plants.

High concentrations of heavy metals in soils make it difficult for normal plants to grow. Plants generally need to adapt to these soils and can rightly be called copper-loving plants. Renewed mining activities within the Katanga province have unfortunately destroyed many habitats of these plants. The same could have been said of the Kinsevere area had it not been for Anvil Mining and the Botany Faculty of the University of Lubumbashi.

The University has, with Anvil's support, embarked on a unique monitoring and conservation program to save the endemic copper plants found on and around Kinsevere Hill within the Kinsevere mining lease area. The task team is headed by Bruno Mongoli of the University who says: "We are undertaking a vegetation survey and taxonomic study of these 'copper-loving' plants on the hill and we are excited to report that we have identified a rare and endangered plant that was thought to exist only in three other locations in the province."

The endangered plant is known as *Crotalaria Peschiana*. It has been replanted in a specially created nursery where the soil conditions of its natural habitat have been recreated. This nursery is situated near the Kinsevere camp garden and is under the watchful eye of the gardeners.

This is a fine example of how mining and caring for the environment can proceed in a balanced manner.



*Munik Kavul & Tony Woodward*



## teamwork — the key to village water at kilongo and kalilanda

The new Kinsevere mining project is, through its various contractors, employing many men from the surrounding villages close to the mine. The wives of these men however are not sitting still and have been hard at work, improving their living conditions with the supply of that most important of commodities, water.

Edo Ngoy, Anvil's social development officer for Kinsevere tells us that an agreement with the villages of Kilongo and Kalilanda, to the north of the mine, saw Anvil sink a number of boreholes which would supply the various villages. Although Anvil would supply the pipes, the responsibility of laying the pipes to water pumps within the villages would rest with the inhabitants of the villages concerned.

"Each village nominated a group of women who not only dug the trenches, but also filled them in after the pipes had been laid and connected," Edo says. "What impressed us was the willingness of the women to voluntarily work and do so in the spirit of serving their communities for the greater good."

Kitenge Sulutani, the chairman of the community development committee for Kilongo Village praised Anvil for its role in providing the water facilities: "Our people used to have to walk 1km to fetch water from the Kifumanshi River which caused much hardship, especially for the elderly, but now everyone can get water from the pump in the village."

Kalilanda Musoyo heads up the neighbouring Kalilanda village and he too expressed his village's appreciation for the water facilities. "It goes to show what team work can do," he told us. "First we worked together with the mine and now we work together as a village and everyone wins."

Four more boreholes are planned for villages to the north of Kinsevere.



*Locals take advantage of running water at Kilongo*

## sanath warusawithana

Big mining projects such as the Kinsevere project are money hungry and costs can quickly get out of hand if not managed properly. Companies traditionally employ project accountants to look after the finances for such projects.

Anvil Mining also has such a person in Sanath Warusawithana. He is the Project Management Accountant in the Perth office. "Working for Anvil Mining has been a tremendous opportunity for me so far and I have been given the chance to experience a lot of personal growth," he says when we meet at the Kinsevere site.

Sanath, whose father was the general manager of a fishing corporation, was born in Colombo, Sri Lanka. His mother was a nurse and he has two brothers and a sister. Graduating from university in Sri Lanka with a degree in business administration majoring in marketing and accounting, Sanath emigrated to Australia in 2001.

"When I started working for Anvil Mining soon after arriving in Perth, there were only four people working in its head office," Sanath tells us. "I started work as an accounts payable clerk and soon realised that I would need to



qualify as an accountant or CPA, to keep up with the rapid growth of this dynamic company." Sanath has continued with his studies, and successfully completed these only recently.

Sanath is married to Lakmini and their three-year old daughter Senuri, is going to have a brother to play with by December of this year. Sanath is passionate about his family but also enjoys playing cricket and watching movies in his free time.



*Steve Panza receives a warm handshake and honourary gift at his 10-year service dinner*

## steve panza — 10 year milestone

Ten years of service is an important milestone for any company employee but when one considers the relative young age of Anvil Mining, this feat really stands out. But one Anvil employee attained this milestone during the past year.

Steve Panza, engaging, gregarious and warm, is the man of the moment. During a dinner organised in his honour on Thursday, 19 July 2007, Steve was honoured for his years of service and being the first Anvil employee to reach the ten-year milestone. "I have in fact been with Anvil Mining since 1996 which makes it a little over eleven years," Steve tells us. Steve works as Anvil's Company Representative in the DRC's capital, Kinshasa, acting as a facilitator for Anvil with various governmental bodies.

Both Steve and his wife Johnnie were trained as English school teachers. Steve worked as Programme Assistant for five years at the US Agency for International Development. However, the challenge of self-employment was too strong and they soon found themselves offering translation services at the Business Centre of the Inter-Continental Hotel where Johnnie works as a full-time employee.

## “maison simon” in kolwezi

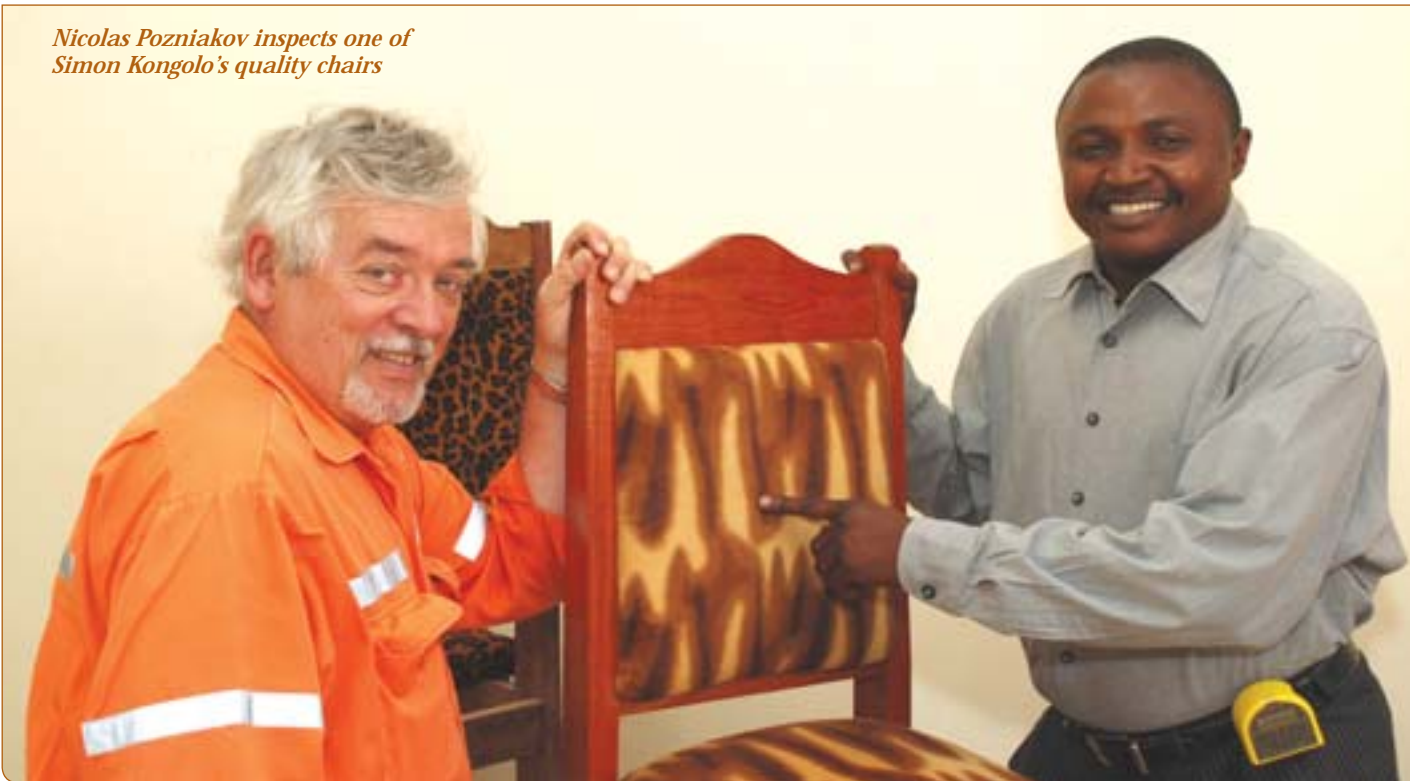
Simon Kongolo's business in Kolwezi is “Maison Simon” – or “The House of Simon”. He builds all types of furniture and his talents even extend into building houses.

Simon's talents first came to Nicolas Pozniakov's attention when he was looking to buy office furniture for Anvil Mining's offices in Kolwezi. “I was struck by the professional finish his products had and the attention to detail that I had not experienced in the DRC before,” Nicolas tells us. “I decided then to give him the opportunity to make some furniture for our offices and am pleased to say that we have not been disappointed with the results.”

Simon employs ten people and uses local wood for making desks, chairs, shelving, pigeonholes and boardroom tables. “I used to be in the building trade doing construction, renovations and painting but about two years ago, I decided it was time for a new challenge,” he says proudly. “I assessed the demand for furniture in the Kolwezi area and thought I could find a captive market with custom made pieces for select clients.”

His pride in his work is evident and we see a bright future for “Maison Simon,” filling Kolwezi homes and offices with beautiful and practical furniture that Simon and his team have made.

*Nicolas Pozniakov inspects one of Simon Kongolo's quality chairs*



### *Steve Panza contd ...*

“It was here that Johnnie first met Bill Turner and subsequently introduced us,” Steve continues. “From then on, I worked closely with Bill and accompanied him on many trips around the DRC.”

One such trip stands out for Steve and we are sure is embedded in Bill Turner's mind as well. “We hired a car and drove from Lubumbashi to Dikulushi to take a look at the ore body Bill wanted to mine,” he says. “The car however broke down and we were stuck at a Catholic mission in a tiny village, surviving on chicken, cassava vegetable and water for three days before a replacement vehicle arrived.”

“Despite this, we were pushed for time and spent only one hour at Dikulushi before heading back to Lubumbashi again. This is where I got to know and respect Bill Turner for his courage, tenacity and leadership,” Steve says.

According to Steve, the world has changed dramatically and shrunk since those hallowed days of exploration in true Livingstone style. Being able to talk to Perth office in Australia as if it were a local call never ceases to amaze him and he is confident that the next nine years to his twentieth year of service will fly by. We share his confidence and wish him well.



*The Tyler Family - Ross, Rebecca, Roger & Rachel*

## farewell to the congo

In early July, Roger Tyler's wife Rebecca and their two children, Ross and Rachel, left the DRC for South Africa where the children will now go to school. We wish them well in their new venture knowing that Dad Roger is staying behind to continue heading up Anvil's Exploration Department. He is however making plans to be reunited with his family as often as possible.

Before Rebecca left the Congo, she wrote the following poem about their imminent move:

On the second of July  
Rebecca, Ross and Rachel will say goodbye  
We just want you to know, we just want to say  
That we are leaving soon, that we are going away  
People once said "you are going where?!"  
You must be crazy to be going there!  
We said yes maybe you are right  
But no need to worry we will be alright

Three years have now passed  
The time seems to have gone so fast  
Sometimes it has been tough  
And sometimes we just had enough  
Many a time there was no power  
Many a night we went without a shower  
Not a day without drama, no ways  
But that's the Congo, no dull days

But good times we have had  
It has not been all that bad  
You have made us feel "a l'aise"  
We always felt at home with the Congolese  
It's been an interesting adventure  
Now it's time for a new venture  
We are going to miss you all  
Fond memories we will always recall

Merci mille fois, merci beaucoup  
We've had a great time, is so true  
It's time for us to say goodbye now  
Farewell adieu au revoir ciao now

*Best wishes -  
Rebecca, Ross & Rachel*