delivering and building value

ANNUAL REPORT 2007

anvilmining

Anvil Mining is the leading copper producer in the Democratic Republic of Congo (DRC) in central Africa, with a strong production profile, a proven development record and experienced management.

corporate profile

The Company currently produces a copper and silver concentrate from the high-grade Dikulushi mine and copper concentrates from the Kulu copper tailings retreatment operation and the new Kinsevere mine, which was commissioned mid-2007. In addition, the Company is currently expanding Kinsevere with the construction of a 60,000 tonnes of copper per annum SX-EW copper processing plant at an estimated capital expenditure of $298 million in order to undertake more downstream processing and add value to the Company's products.

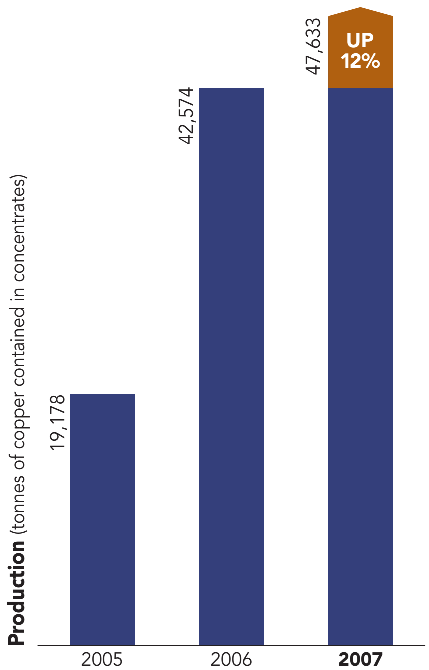
Anvil is committed to improving shareholder returns through the responsible and profitable growth of its core copper business. It will accomplish this by optimizing copper production from its current pipeline of mines and projects through multiple expansion phases. The Company's medium-term objective is to become a mid-tier copper miner, producing in excess of 100,000 tonnes of copper per year, with a considerable proportion in the form of cathode copper. In 2007, Anvil employed approximately 2,550 people and had sales revenue of $263 million.

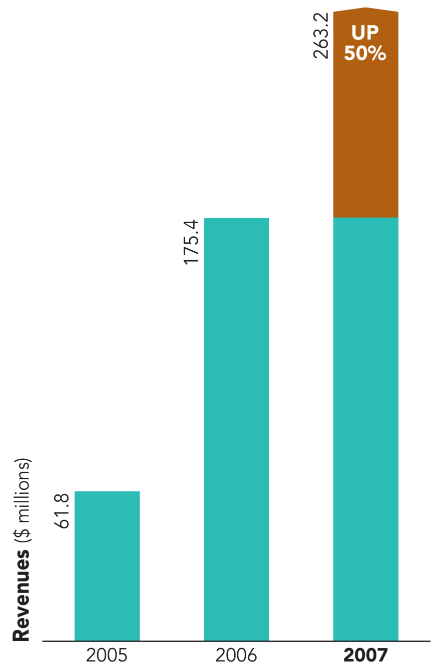
Anvil common shares are listed on the Toronto Stock Exchange and the Australian Securities Exchange (ticker symbol: AVM for both exchanges). Anvil is part of the S&P/TSX Global Mining Index.

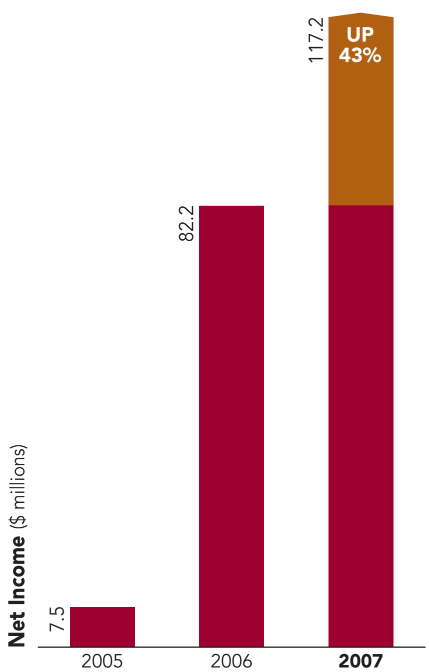
All amounts in this report are in US dollars unless otherwise indicated.

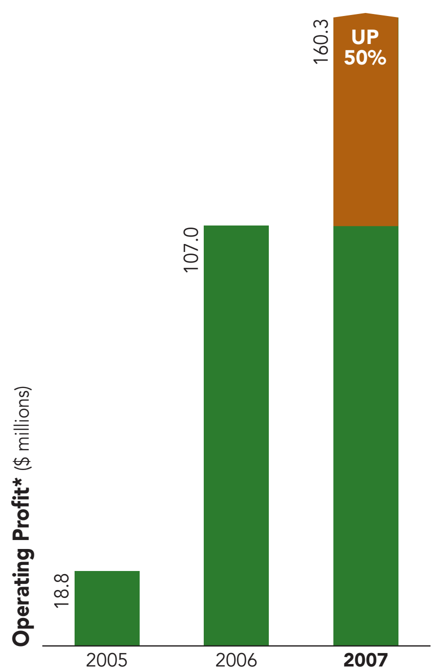
Cover photo: The new Kinsevere mine, Tshifufia open pit

record year









*After depreciation and amortization

FORWARD-LOOKING STATEMENTS

The forward-looking statements made in this annual report are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the Company's plans for expansion of the Kinsevere copper mine and estimated future production at the Dikulushi, Kulu and Kinsevere mines, reserve and resource estimates, cost and timing of the development of new deposits, timing and amount of estimated future production, estimated cost of future production, operational capabilities and copper and silver prices, involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual prices of copper and silver, the actual results of current exploration, development and mining activities and changes in project parameters and the possibility of cost overruns as plans continue to be evaluated, as well as those factors disclosed in the Company's filed documents.

In this report, "Anvil", "Anvil Mining", "Anvil and its subsidiaries", "the Company" and "the Corporation" refer to Anvil Mining Limited.

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Photo, left: Copper concentrate at Kinsevere

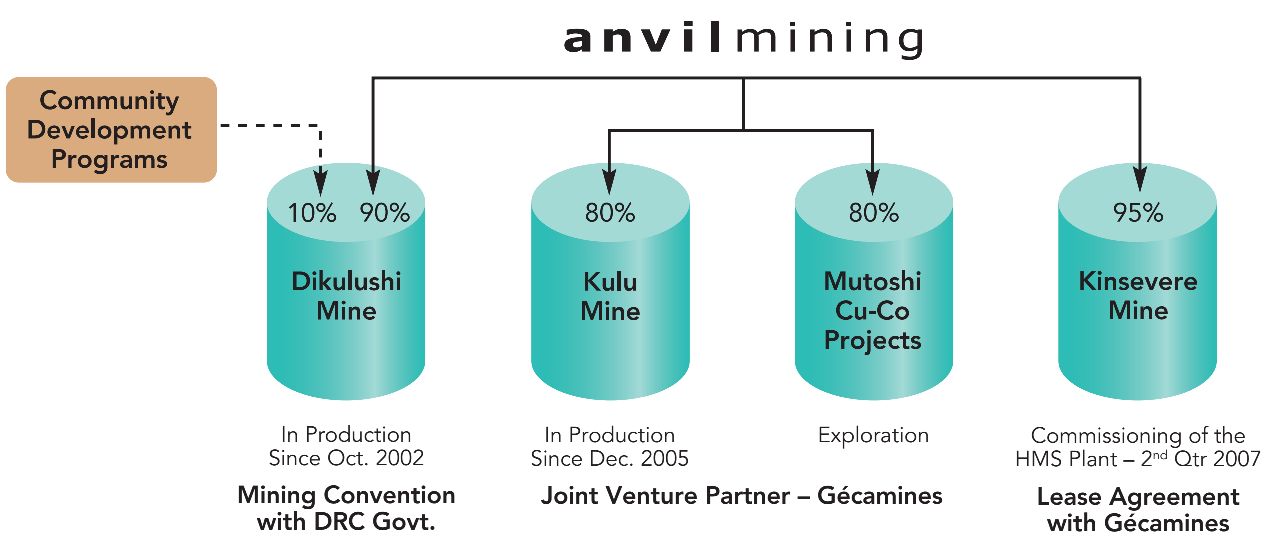
2007 highlights

KEY FINANCIAL AND PRODUCTION DATA

YEAR ENDED DECEMBER 31,		2007	2006
Financial Statistics			
Revenues ($ millions)		263.2	175.4
Operating profit[1] ($ millions)		160.3	107.0
Net income ($ millions)		117.2	82.2
Earnings per share ($/share)	– Basic	1.81	1.65
	– Diluted	1.77	1.61
Cash flows from operations before changes in non-cash working capital ($ millions)		166.3	102.0
Average realized metal prices[2]	– Cu ($/lb)	3.14	2.59
	– Ag ($/oz)	13.54	11.20
Cash, restricted cash and investments ($ millions)		279.9	155.3
Total assets ($ millions)		688.7	402.5
Long-term debt or net obligations ($ millions)		0.0	12.0
Shareholders' equity ($ millions)		592.1	279.8
Weighted average number of common shares outstanding		64,715,747	49,729,151
Common shares outstanding at year-end		71,115,244	56,707,554
Production Statistics			
Copper produced (tonnes)		47,633	42,574
Silver produced (ounces)		2,451,269	2,174,448
Global measured and indicated resources (thousand tonnes of contained copper)		1,400	1,100
Employees		2,550	1,900

1. Operating profit represents the net attributable revenues after deducting mine operating costs and amortization.
2. Average realized copper and silver prices are for the Dikulushi mine only.

- Record year for production, revenues, net income and cash flows
- Revenues and net income up by 50% and 43% respectively
- Commencement of the construction of the $298 million Stage II SX-EW plant at Kinsevere
- Successful completion of a C$201.25 million bought deal equity financing
- Commissioning of the Kinsevere Stage I HMS plant
- Cash, restricted cash and investments of $279.9 million at year-end, with no debt



The year 2007 was another exceptional year, with records set in production, sales of our copper concentrates, cash flows and net income.

report to shareholders

Our net income for the year reached $117.2 million or $1.81 per share, the highest level in the history of the Company. Our results were positively affected by growth in production and a favourable metals market. The year 2007 was also highlighted by the entry into commercial production of the Kinsevere mine, our third mine in the Democratic Republic of Congo (DRC). The Kinsevere mine is the future flagship of our Company, with high-grade copper proven and probable reserves of 1.0 million tonnes of contained copper. As of 2010, Kinsevere will generate levels of copper production and cash flow considerably higher than those of the Dikulushi and Kulu mines combined.

2007 PERFORMANCE

In our stated 2007 goal, we indicated we would focus on growth, deliver the new Kinsevere Heavy Media Separation (HMS) plant, complete the transition to full-scale underground operations at Dikulushi and finalize a bankable feasibility study for a Stage II expansion at Kinsevere. We kept our promises and delivered as planned.

We produced a consolidated 47,633 tonnes of copper (up 12%) and 2.5 million ounces of silver (up 13%) in concentrates, mainly driven by the strong performance of the Dikulushi copper-silver mine and by the commissioning of the HMS plant at the Kinsevere mine in mid-2007. We also completed a feasibility study on the Stage II 60,000 tonnes of copper per annum SX-EW plant at Kinsevere. The construction and development work on this Stage II expansion has already begun, and we have appointed Ausenco Limited of Australia as the provider of Engineering, Procurement, Construction and Management (EPCM) services. We plan to deliver the first LME Grade A copper cathodes at a production cost of less than $0.80/lb of copper towards the end of the second half of 2009. During the fourth quarter of 2007 we also commenced underground production of high-grade copper and silver ores at the Dikulushi mine.

Our operating cash flow is strong. It increased to $166.3 million, up 64% from last year. To maintain our mines, pursue our exploration drilling programs and start construction of the Stage II 60,000 tpa SX-EW processing plant at Kinsevere, we raised C$201.25 million during the second quarter of 2007 through a bought deal equity financing. Despite investments of $112 million in 2007, we ended the year with a solid financial position of $280 million in cash and cash equivalents, including investments.

2008 Objectives

The top priorities in the year ahead will be to advance the construction of the Stage II SX-EW processing plant at Kinsevere for an on-time and on-budget commissioning in the second half of 2009, to increase our resource and reserve base at the Kinsevere and Dikulushi mines and to aggressively explore our tenements on the famous Kolwezi Klippe. Some key objectives include:

- Produce more than 55,000 tonnes of copper;
- Focus on organic growth with an aggressive exploration budget of approximately $16 million;
- Complete 60% of construction of the Stage II processing plant at Kinsevere;
- Intensify our acquisition and alliance activities in the DRC and elsewhere, especially on the African continent.

EXPLORATION: GREAT POTENTIAL AT KINSEVERE AND ON THE KOLWEZI KLIPPE

Anvil owns seven drill rigs, all operating in Katanga Province, giving the Company the internal capacity to test targets and drill out new resources as they are identified. In 2007, we spent $20 million ($17.5 million in the DRC) for more than 106,000 metres of drilling, including 45,400 metres for the Kinsevere property. Efforts have been concentrated on the Kinsevere property for more than two years due to the exceptional discovery rate, which was 24 tonnes of copper per metre drilled in 2007. The shallow drilling results demonstrated the continuity and extension of the malachite footprint in the oxide zone between the north and south pits as well as the extension to depth of the sulphide zone.

We foresee 25,000 metres of drilling being completed at Kinsevere in 2008. Following three airborne magnetic and radiometric surveys at Dikulushi, targets have been identified for 2008 with the aim of discovering new open-pit copper resources within trucking distance of the mine plant to supplement the high-grade feed from the underground mine and maximize utilization of the Dikulushi plant. We have identified drilling targets on our tenements on the Kolwezi Klippe that will be tested in 2008 in order to establish hard rock open-pittable oxide copper resources to supplement feed from the Kulu river to the HMS plant, and to provide additional resources for the future SX-EW processing facility. A budget of $16 million is planned for 2008 to test our DRC targets, with the objective of increasing our resources by 500,000 tonnes of contained copper.

On February 4, 2008, the Company announced an updated feasibility study for the Stage II 60,000 tpa SX-EW plant at its Kinsevere copper project as a result of significant increases in the Mineral Resources and Reserves. The results of the economic analysis, based on capital expenditures of $298 million, are very robust, with an internal rate of return of nearly 40%, reflecting the exceptional quality of these deposits.

DRC INVESTMENT CLIMATE

The investment climate in the DRC is improving, despite a few ups and downs in 2007. Following an electoral process supported by multilateral agencies, a new democratic government came into power at the beginning of 2007. Since 2006, more than $2 billion has been raised on the international financial markets for companies involved in the mining industry in the DRC. However, the leak of an unofficial report from the commission appointed to review mining rights was widely circulated in the fourth quarter of 2007 by certain international news agencies and NGOs. This had an extremely negative impact on all the mining companies operating in the DRC. With this disclosure and the weakness of the copper market, the value of our stock on the Toronto and Australian stock exchanges lost close to 30% during the fourth quarter.

In mid-February 2008, the Company received letters from the Minister of Mines for the DRC notifying Anvil of the results of the review by the DRC Government of the Mining Convention governing the Dikulushi copper-silver mine and of its agreements relating to the Kinsevere and Kulu copper mines, both of which are governed by the new mining code. The letters from the Minister of Mines invited Anvil to respond to the Government's position. The Company has submitted responses to the letters and will seek discussions with the Minister of Mines. We are currently working with the DRC government to resolve these matters while continuing with our expansion at Kinsevere and other development activities.

CORPORATE RESPONSIBILITIES

Economic contribution and environmental and social responsibility are closely linked, and finding a good balance among these three elements is an integral part of our day-to-day corporate responsibilities. Anvil enjoys a solid reputation with regard to social programs in the DRC and is viewed as the leader in this area. Certain companies operating in the DRC see us as the benchmark for our community-based social programs. Our association with Pact Inc., an NGO from Washington, has only enhanced our capabilities in this area. In 2007, we directly injected more than $91 million into the economy of the DRC, including $11 million in social programs. Our scorecard with regard to the environment and occupational health is excellent. We have sound Environment Management Programs (EMPs) at all levels of all our activites thanks to the use of international mining practices and the best technology. We are committed to improving our processes and monitoring our EMPs on an ongoing basis to achieve an incident-free work environment. A brochure explaining our community commitment and our social programs, as well as our social, environment and health and safety goals, will be available at the beginning of April 2008 in the Community section of our Website, www.anvilmining.com.

OUTLOOK

Capital and development expenditures for 2008 are budgeted at approximately $216 million and will be applied to the construction of the SX-EW plant at Kinsevere ($194 million) and for sustaining capital expenditures for our three operations ($22 million).

We have the discipline, the resourcefulness and the focus to deliver our production target of over 100,000 tonnes of copper per annum by 2010, of which more than half will be in the form of pure LME Grade A cathodes. In addition, production of a pure copper product through our investment in the SX-EW process meets two primary objectives. Firstly, it will greatly reduce our transportation and refining costs, thus increasing our revenues and profit margins. Secondly, it meets the DRC Government's firm wish that base metal mining companies invest in downstream processing within the country in order to add value to the product. This will contribute to the country's economy while also being beneficial for job creation, with a positive and direct effect on the communities located in the vicinity of the Company's operations.

Our excellent operational and financial performance enables us to keep our promises. Our greatest strength, however, remains our 2,550 employees and our local and international contractors, who have demonstrated exceptional talent and dedication to achieving the Company's objectives. Our Board continues to provide strong, on-going guidance, and we thank them. Together we will continue to be disciplined and focus on delivering our 2008 and mid-term objectives.

B Turner

Bill Turner
President and Chief Executive Officer
March 1, 2008


Mbandaka
Democratic Republic of Congo
Kinshasa
Matadi
Kananga
Katanga Province
Dikulushi (90%)
Tanzania
LEGEND
200 km
Anvil Mining Operations
Kulu (80%)
Lubumbashi
Kinsevere (95%)
Zambia
HITACHI

Kinsevere is an important milestone of the Company's strategic growth, with resources of 1.8 million tonnes of copper contained and a mine life of over 16 years with tremendous potential to increase resources.

operations overview

The main focus in 2008 will be the construction of the Kinsevere $298 million Stage II SX-EW processing plant, which represents the largest investment in the history of the Company. Kinsevere is our future flagship operation in terms of copper production, revenues and cash flow.

We experienced another record breaking year in 2007 with the development and commencement of production at Kinsevere, our third copper mine in the DRC. In 2007, we had consolidated production of 47,633 tonnes of copper and nearly 2.5 million ounces of silver in concentrates. For 2008, the Company is targeting production of more than 55,000 tonnes of copper, a 15% increase over 2007 production. An estimated $216 million in capital expenditures for 2008 will serve to pursue the development and construction of the Stage II 60,000 tpa SX-EW processing plant at Kinsevere.

KINSEVERE (95%)

Our future flagship, located near Lubumbashi, is a conventional open-pit copper oxide operation. The Stage I HMS plant was commissioned during the second quarter of 2007. The HMS plant throughput has already surpassed the design capacity, at a rate of 1,380 tonnes of ore per day. In 2007, the plant produced 13,006 tonnes of copper from concentrates grading 27% copper. Pending the commissioning of the Electric-Arc Furnace, which is expected to produce 90-95% "black copper" ingots, concentrates are exported or sold to local smelters.

The Kinsevere operation is forecast to produce 26,000 tonnes of copper in 2008, of which 16,900 tonnes will be produced in a form of a "black copper." An intense drilling program is ongoing in mineralized areas in the vicinity of the three open pits and to date indicates strong potential for increasing resources in the copper oxide and sulphide zones.

Following the April 2007 study, several enhancements were made to the Stage II SX-EW processing flow-sheet to include "milling in raffinate" and "direct tailings disposal" and this will result in lower acid and lime consumption. While the combined effects of these modifications resulted in an increase in the capital cost to $298 million, overall processing costs are expected to be reduced by 4 cents per pound of copper, which improves the internal rate of return of the project. The construction of the SX-EW plant is underway for commissioning during the second half of 2009.

Our Mid-term Objectives

- Produce over 100,000 tonnes of copper by year 2010, of which 60% will be LME Grade A copper cathode metal
- Reduce our overall average operating cash cost to below $0.85/lb Cu
- Increase our resource and reserve base
- Focus on M&A activities with a priority on emerging base metal discoveries, especially on the African continent

Photo: Tshifufia open pit deposit

DIKULUSHI MINE (90%)

Transition to underground mining is complete

The Dikulushi mine is situated 270 kilometres north of Lubumbashi, the capital of Katanga Province. This mine is considered one of the richest copper mines in the world, with exceptionally high copper and silver grades. Since it began production in 2002, the Dikulushi mine has been the largest contributor to Anvil's annual production and cash flow. Dikulushi completed the transition from an open cut to an underground mining operation in late 2007. The underground operation reached full production during the first quarter of 2008 with production of 52 tonnes of copper in ore per day. Dikulushi continues to perform well, with production reaching a record in 2007 of 24,561 tonnes of copper and nearly 2.5 million ounces of silver in concentrates. For the full year of 2007, operating cash costs at the mine gate (after silver credits) were $0.14 per payable pound of copper produced and total cash costs (after silver credits, TC, RC and transit) were $0.57 per payable pound of copper.

The Dikulushi operation is forecast to produce 17,000 tonnes of copper and 1.3 million ounces of silver in concentrates in 2008. A diamond drilling program of more than 14,000 metres is scheduled for 2008 in order to evaluate the potential to extend the mineralized lenses at depth.

KULU TAILINGS OPERATION (80%)

The Kulu tailings operation is located 6 kilometres east of Kolwezi in the heart of the famous Congo Copperbelt, in an area known as the Kolwezi Klippe, a major copper-cobalt district. The mining of the coarse reject tailings deposits, which require no waste stripping, drilling or blasting, started in late 2005. Production in 2007 was disappointing, 37% lower than the 16,000 tonnes planned due to persistent artisanal mining activity and heavy rainfall from October to April, which removed and redistributed the coarser-grained, higher-grade fraction of the resources further downstream. The remaining material is finer and lower grade, which negatively impacts the HMS copper recovery rate, which was 57% in 2007.

The Company will complete a feasibility study in the second quarter of 2008 for the construction of an expandable SX-EW plant with an initial design capacity of 15,000 tonnes per year that is expected to improve overall recovery. In 2008, Kulu is expected to produce 12,000 tonnes of copper in concentrates.

2007 OPERATIONAL SUMMARY

Year-end December 31	Kinsevere (95%)[1]	Dikulushi (90%)	Kulu (80%)
Ore processed (tonnes)	173,161	353,437	340,628
Average copper head grade (%)	10.5	7.7	5.2
Average silver head grade (g Ag/t)	—	309	—
Average copper recovery rate (%)	72	91	57
Copper produced (tonnes)	13,006	24,561	10,066
Silver produced (million ounces)	—	2.45	—
Operating cash cost	$312/tonne concentrate	$0.14/lb Cu[2]	$581/tonne concentrate

1. Start up of the HMS plant at Kinsevere in July 2007.
2. Operating cash costs per pound (after silver credits) (ex mine gate).

Photo: Dikulushi underground longhole drill rig

Exploration expenditures in the DRC totalled $17.5 million in 2007 and were concentrated primarily on the Kinsevere property, with 45,400 metres of drilling.

exploration

Exploration results were spectacular, with a discovery rate of 24 tonnes of copper per metre drilled since the beginning of the Kinsevere drilling program in 2005. Phase 3 of the Kinsevere drilling program has allowed the Company to increase Kinsevere measured, indicated and inferred resources to 1.8 million of tonnes of copper contained, representing more than 85% of the total consolidated resources of the Company as of December 31, 2007.

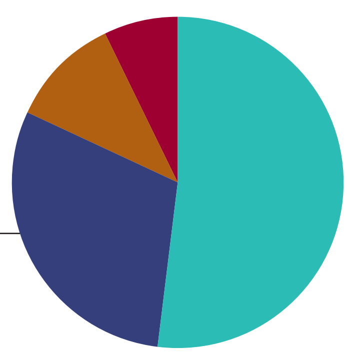
The 2007 drilling results on the Lufupa property adjacent to the Nambulwa tenement were very disappointing. Grades were moderate, and the overall size of the deposit proved too small. The Company therefore decided not to exercise its option to acquire further exploration licences in the Nambulwa region and consequently wrote off $3.3 million in exploration expenditures.

We must continue to increase our mineral resources in proximity to our producing assets and tenements located in Katanga Province. To this end, an exploration budget of almost $16 million (87,500 metres of drilling) has been budgeted for 2008 with the following priorities:

- Complete Kinsevere definition drilling to at least 250 metres below surface;
- Continue drilling at Dikulushi and in the surrounding area for identification of satellite deposits;
- Define new copper oxide resources in the Kolwezi region to justify the construction of a small, expandable SX-EW processing plant.

2008 Exploration Budget
($16 million)

Mutoshi (Kolwezi)	$8.2M	52%
Kinsevere	$4.7M	30%
Dikulushi	$1.7M	11%
Regional	$1.4M	7%
TOTAL	**$16.0M**	**100%**



Moreover, the Company has signed strategic alliances with other exploration companies to search for new opportunities in base or precious metals. The Company expects to be more active in acquisition and alliance activities in the upcoming years in order to elevate the Company to mid-tier copper producer level.

Photo: Aerial view of the Kinsevere deposits

Not just mines — a better quality of life

corporate responsibility

MAKING A DIFFERENCE

From its first day of production, Anvil has been committed to integrating social, environment and economic considerations into its business decisions in order to achieve sustainable development.

Anvil is committed to making a positive contribution to the development of regions where it operates and to improving the well-being of local communities. In 2007, the Company invested $11 million in social programs, mainly promoting education, building new healthcare facilities, training, creating micro-enterprises, developing infrastructure, providing access to water and power supply and creating jobs.

In broad terms, Anvil strives for:

- a safe work environment where employees can meet production targets without risk of injury;
- a healthy, well-trained workforce;
- effective management of its environmental impact;
- sustainable rehabilitation of mine sites;
- the best possible return to the community through:
  - development projects,
  - community services,
  - infrastructure investment, and
  - the creation of jobs and business opportunities;
- a viable business capable of making a lasting contribution to the DRC economy; and
- transparency and accountability in all of its operations.

MEANINGFUL ENGAGEMENT WITH LOCAL COMMUNITIES

Early on, the Company recognized the need to engage expert social development agencies to provide the expertise and knowledge required for its community development activities to deliver meaningful results. A core team of experienced, local social development staff and a strategic partnership with a Washington-based international development agency, Pact Inc. (Pact), brings significant international experience and expertise to the communities in the Company's area of operations.

Giving Communities a Say in the Future

Through meaningful engagement with local communities and their governments, civil society organizations and other interested parties, Anvil is better able to understand local issues and concerns and, together with the communities, identify priorities for community development projects and programs. This approach began through World Vision Congo, when Anvil commissioned a needs assessment and scoping study in 2004, and continued with a community mobilization activity through Pact beginning in 2005. The development of community-based data had a significant impact on how Anvil could fulfill its obligations to the communities through respected agencies and donors. It also became the cornerstone of community involvement in the decisions that would affect community programs.

Pact provides an intensive and broad basis of support to 48 communities to enable them to develop community planning committees, build prioritization skills and participate in conflict resolution training. While this work is not as visible when compared to building schools or clinics, it is a critical component of responsible social and economic development. Without this effort, it would be difficult to meet Anvil's commitment to ensuring that communities and local institutions have the necessary skills and resources to leverage the benefits associated with responsible mining.

Anvil's collaboration with Pact is a strong example of how a company can initiate a sustainable, long-term community development program based on a planned, smooth transition from company-initiated implementation to full community implementation.

Looking forward, Anvil is planning for the continued support of the Extractive Industries Transparency Initiative (EITI) that focuses on transparent reporting by government regarding the tax and royalties revenue it receives from companies engaged in mining, oil and gas.

The Company is also working on a major sustainability initiative — the comprehensive adoption of the Voluntary Principles on Security and Human Rights (VPSHR). A diagnostic study of the Company's implementation of the VPSHR at the corporate, country and site levels was completed in 2007, in collaboration with the Multilateral Investment Guarantee Agency (MIGA). Using the results of this study, a practical implementation plan was developed to assure the comprehensive integration of the Principles into the Company's operations. This project will also lead to the development of a resource tool for similarly-sized mining companies, and it is hoped that this tool will help support the mining industry's capacity to manage security and human rights effectively in areas of potential conflict or weakened governance.

Anvil is establishing a comprehensive, transparent approach to corporate social responsibility, building on successful community development programs from its first years of operation.

Today's social responsibility programs have been broadened to include a major focus on accountability. In this context, the Company is increasing its level of community engagement, developing more effective governance structures, stepping up the level of reporting on safety and environmental issues and encouraging external scrutiny of its operations.

ENVIRONMENT, HEALTH AND SAFETY

Not one significant environmental infraction or incident was reported in 2007. However, our lost-time injury frequency rate (LTIFR) rose slightly due to a substantial increase in personnel at our three operations, notably due to the start-up of Kinsevere and the transition of the Dikulushi mine from open pit to underground. At the end of 2007, we employed 2,550 people, and 1,750 contractor employees. The health and safety of our employees and contractors is an important aspect of our business, with all our operations practicing a zero-tolerance approach, and we are increasing efforts to improve our performance. Recently, the Company employed an expert group safety advisor to modify and oversee our existing site safety programs. Our excellent environmental performance for 2007 was attributable to our Environmental Management Programs (EMPs). We have sound EMPs at all levels of all of our activities thanks to the use of international mining practices and the best technology. We are committed to improving our processes and monitoring our EMPs on an ongoing basis. To this end, a group environmental advisor will also join the Company in March 2008.

Social Performance Highlights

Anvil's contribution to local community and regional development projects over the years has amounted to $12.7 million (2007: $11 million) and has produced:

- 48 community wells / one pipeline distribution project: clean water for 125,000 people
- 2 refurbished hospitals / 3 health clinics: 40,000 patients treated annually
- 56 community development committees: 600 community members trained
- 8 new / 10 renovated schools: 6,500 students in attendance
- Community literacy programs: 500 adult members
- Community savings programs: 1,200 members
- Assistance to 1,780 farmers: 20 tonnes of food produced
- 2 permanent markets: 160 small entrepreneurs doing business
- Employment opportunity and livelihood: over 1,000 artisanal miners participate

In 2008, the Company expects to invest approximately $11 million in social programs, with an increasing emphasis on local employment and training initiatives, and capacity-building support for local businesses.

The Company's Sustainable Development Report, to be published in the second quarter of 2008, will contain a fuller discussion of the activities, initiatives and commitments referred to in this summary.

The Company seeks to achieve high standards of corporate governance and has designed its corporate governance practices to be consistent with this objective.

corporate governance

Unless otherwise noted, Anvil complies with all aspects of the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations," second edition. As a Canadian incorporated company, Anvil is also required to produce a Management Information Circular with further disclosure on corporate governance, in accordance with Canadian regulatory requirements. This will be circulated to shareholders separately and will also be available on the Company's website, www.anvilmining.com, in April 2008.

The Company seeks to achieve high standards of corporate governance and has designed its corporate governance practices to be consistent with this objective. The Board of Directors has adopted its governance practices in response to Canadian regulatory initiatives as well as Australian regulatory requirements. The Board will continue to revise its practices as new rules and policies come into effect.

The Board operates according to a Board Charter that sets out the role, composition and responsibilities of the Boards of the Company and its subsidiaries, as derived from the policies of the Toronto Stock Exchange, the Australian Securities Exchange, the Articles of Incorporation of the Company and certain administrative policies adopted by the Board. In accordance with Canadian National Instrument (NI) 58-101, the text of the Board Charter is included in the Company's Management Information Circular.

BOARD OF DIRECTORS

The Board of Directors is responsible for supervising the management of the business and affairs of the Company in a way that ensures that the interests of shareholders and stakeholders are promoted and protected.

The composition of the Board is determined using the following principles:

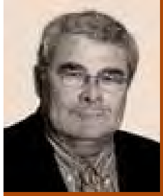
- The Board shall comprise a minimum of four directors. This number may be increased where it is believed additional expertise is required in specific areas or when the growth of the Company warrants additional directors.
- The Board shall consist of a majority of independent non-employee directors. The independence of directors will be determined in accordance with the definitions contained in NI 58-101.
- The Chairman of the Board shall be a non-employee director.

MEMBERSHIP OF THE BOARD

John W. Sabine, B.A., LL.B.

Chairman, Independent Director

Mr. Sabine is a partner in the Canadian law firm, Fraser Milner Casgrain LLP. He is recognised as a leading mining practitioner in Canada with experience in mining and resource law and corporate finance, and lectures on various legal topics, including those relating to securities, mergers and acquisitions and corporate governance. He has been a member of the Securities Advisory Committee to the Ontario Securities Commission. During 35 years of practice, he has served as a director of several mining and resource companies. Mr. Sabine became a director in 2004 and is also a member of the Nomination, Compensation and Corporate Governance Committee.



John W. Sabine

William S. Turner, B.Sc., M.Sc., M.B.A., F. Aus. I.M.M.

President and Chief Executive Officer, Director

Mr. Turner has been a Board member of Anvil Mining Limited since September 1996. He has a Bachelor of Science (Geology and Mineralogy) from the University of Queensland, a Master of Science from James Cook University and an M.B.A. from Monash University, and worked internationally at a senior level for over 15 years in Central and Southeast Asia and Africa. Prior to joining Anvil in 1995, he worked with Dominion Mining Limited over a period of 10 years as the General Manager – Indonesia and Special Projects Manager — Australia. Mr. Turner is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Turner is also a member of the Corporate Responsibility and Sustainability Committee.

William S. Turner

Peter J. Bradford, B.Sc., F. Aus. I.M.M.

Chairman of the Nomination, Compensation and Corporate Governance Committee and Independent Director

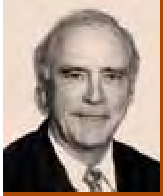
Mr. Bradford has been a Director of Anvil Mining Limited since September 1998. He was Managing Director of Anvil Mining Limited from September 1998 to October 1999 and then President and Chief Executive Officer of Golden Star Resources Ltd from 1999 to 2007. Mr. Bradford is also a director of Copperbelt Resources plc. He is a qualified metallurgist with over 30 years of experience in the mining industry and is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Bradford is a member of the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Corporate Responsibility and Sustainability Committee.

Peter J. Bradford

Thomas C. Dawson, B.Comm., C.A.

Chairman of the Audit Committee and Independent Director

Mr. Dawson has been a Board member of Anvil Mining Limited since May 2005. He received his B.Comm. from Concordia University, Montreal, Canada, in 1959. He has been a Chartered Accountant since 1961 and is a retired senior audit and accounting partner with 40 years of experience at Deloitte & Touche LLP, Chartered Accountants. He currently serves as a director of several other companies, including WFI Industries Ltd., Energy Split Corp., Energy Split II Corp., R Split II Corp. and Seabridge Gold Inc. Mr. Dawson is also a member of the Nomination, Compensation and Corporate Governance Committee.

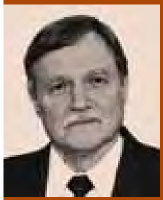


Thomas C. Dawson

Ambassador (ret.) Kenneth L. Brown

Chairman of the Corporate Responsibility and Sustainability Committee and Independent Director

Mr. Brown has been a Board member since November 2006. He has a B.A. and M.A. in International Relations from Pomona College and Yale University, an M.A. in Political Science from NYU and a Ph.D. in Political Sociology from the University of Cape Coast in Ghana. Mr. Brown is President of the Association for Diplomatic Studies and Training in Washington, DC. In the U.S. Foreign Service, his positions included: Ambassador to the Republic of Congo, Côte d'Ivoire and Ghana, Consul General in Johannesburg, Political Officer in Kinshasa, Deputy Assistant Secretary of State for Africa, Associate Spokesman, Director of Central African Affairs and Deputy Director of UN Political Affairs. He is also a trustee of the Ghana Heritage Conservation Trust, Treasurer of the Global Alliance for Women's Health and former Director of the Dean Rusk Program in International Studies at Davidson College. Previously he served as a director of Pioneer Goldfields, Ltd. and as a member of the Senior Advisory Group of the U.S. European Command. Mr. Brown is also a member of the Audit Committee.



Kenneth L. Brown

Independent Professional Advice

Each director has the right to seek independent professional advice at the Corporation's expense. However, prior approval of the Chairman is required, which approval will not be unreasonably withheld.

Performance Evaluation of the Board

The Nomination, Compensation and Corporate Governance Committee of the Board has been delegated responsibility for all matters in relation to evaluating the performance of the Board and key executives. The performance of the Board and key executives is reviewed against both measurable and qualitative indicators. The Board also discusses with each director their requirements, performance and involvement in the Corporation.

Compensation Policies and Procedures

Compensation-related matters are the responsibility of the Nomination, Compensation and Corporate Governance Committee (see below under Committees of the Board).

Code of Business Conduct

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. This commitment has been formalized in the Code of Business Conduct, a copy of which is available at www.anvilmining.com.

The Code of Business Conduct is supported by a number of specific policies that prescribe the manner in which all employees are required to act when undertaking specific activities. In particular, the sale and acquisition of securities of the Corporation must take place in accordance with the Corporation's Insider Trading and Continuous Disclosure Policy, which defines the protocol by which directors and insiders must trade in the Corporation's securities, including the application of designated blackout periods during which trading is not allowed.

Risk Oversight and Management

The Board of Directors is charged with primary responsibility for identifying principal risks to the Corporation's business and ensuring that appropriate systems are implemented to manage these risks and mitigate their impact in the event that they materialize. At Board of Director meetings, areas of risk are reviewed, including risks relating to operating performance, exploration and development, the political environment in which the Corporation operates, budget control, asset safeguarding and information technology security.

COMMITTEES OF THE BOARD

The Board of Directors has established the following committees:

- Audit Committee
- Nomination, Compensation and Corporate Governance Committee
- Corporate Responsibility and Sustainability Committee

The Board of Directors has approved charters for the Audit Committee and the Nomination, Compensation and Corporate Governance Committee. A charter for the Corporate Responsibility and Sustainability Committee is expected to be approved during the first half of 2008. Each charter must be periodically reviewed and approved by the Board of Directors. As necessary, the Board considers for review those matters that have been delegated to Board committees for review.

Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through overseeing management's conduct of the Corporation's accounting and financial reporting process and systems of internal accounting and financial controls; selecting, retaining and monitoring the independence and performance of the Corporation's external auditors, including overseeing the audits of the Corporation's financial statements, and approving any non-audit services; and providing an avenue of communication among the external auditors, management and the Board. The Committee's key responsibilities are:

- Evaluating whether management is setting the appropriate "control culture";
- Reviewing annually the adequacy and quality of the Corporation's financial and accounting staff, the need for and scope of internal audit reviews, and the plan, budget and designations of responsibilities for any internal audit;
- Reviewing the performance and material findings of internal audit reviews;
- Reviewing annually with the external auditors any significant matters regarding the Corporation's internal controls and procedures over financial reporting that have come to their attention during the conduct of their annual audit;
- Reviewing the implementation status of internal control recommendations made by the auditors;
- Reviewing major risk exposures (whether financial, operating or other) and the guidelines and policies that management has put in place to manage such exposures; and
- Establishing procedures for the receipt, retention and treatment of any complaints received by the Corporation regarding internal controls or auditing matters.

A copy of the Audit Committee's charter is available at www.anvilmining.com. In accordance with NI 52-110, the text of the Corporation's Audit Committee charter is also included in the Corporation's Annual Information Form.

Nomination, Compensation and Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee has been delegated the responsibilities for all compensation-related matters. The responsibilities of the Nomination, Compensation and Corporate Governance Committee are outlined in its charter. Disclosures on director and executive remuneration are contained in the Company's AIF and Management Information Circular. Copies of the charter, AIF and Management Information Circular are available at www.anvilmining.com.

Corporate Responsibility and Sustainability Committee

The Corporate Responsibility and Sustainability Committee advises the Board of Directors in regard to the conduct of management in the following areas:

- Sustainability
- Safety
- Social development and community relations
- Health and physical environment
- Employee relations
- Political and operational risks associated with host country environments
- Code of business conduct and implementation of guiding principles
- Reputational risk

STAKEHOLDER COMMUNICATIONS

The Corporation regularly communicates with shareholders and other interested stakeholders. This communication takes the form of news releases announcing material business developments, the release of periodic operating and financial results, conference calls, and continuous disclosure of information as required under Australian and Canadian securities law and Australian Securities Exchange and Toronto Stock Exchange listing rules.

Photo: Construction of the two electric-arc furnaces at Kinsevere

Consolidated Mineral Reserves and Mineral Resources at year-end 2007

Classification	Thousand Tonnes	Total Copper Grade (%)	Copper Metal (Tonnes)	Cobalt Grade (%)	Cobalt Metal (Tonnes)	Silver (g/t)	Silver Metal (million oz)
MINERAL RESERVES							
Kinsevere Mine							
Proven	15,700	4.05	636,700	—	—	—	—
Proven (stockpiles)	896	2.60	23,300	—	—	—	—
Probable	9,300	4.03	374,900	—	—	—	—
Total Proven and Probable	**25,896**	**4.00**	**1,034,900**	**—**	**—**	**—**	**—**
Dikulushi Mine							
Proven (stockpiles)	41	5.41	2,200	—	—	157	0.2
Total Proven and Probable	**41**	**5.41**	**2,200**	**—**	**—**	**157**	**0.2**
MINERAL RESOURCES							
Kinsevere Mine							
Measured	17,570	3.97	695,000	0.22	38,000	—	—
Measured (stockpiles)	896	2.60	23,300	0.22	1,900	—	—
Indicated	14,790	3.41	504,300	0.18	26,900	—	—
Total Measured and Indicated	**33,256**	**3.68**	**1,222,600**	**0.20**	**66,800**	**—**	**—**
Inferred	2,600	3.29	85,500	0.18	4,600	—	—
Inferred (sulphide)	15,340	2.90	444,800				
Dikulushi Mine							
Measured	194	9.64	18,700	—	—	289	1.8
Indicated	869	6.50	56,500	—	—	155	4.3
Indicated (stockpile)	41	5.41	2,200	—	—	157	0.2
Total Measured and Indicated	**1,104**	**7.01**	**77,400**	**—**	**—**	**179**	**6.3**
Inferred	336	4.30	14,400	—	—	112	1.2
Kulu Mine							
Indicated (coarse tailings)	2,900	3.25	102,600	0.14	4,300	—	—
Indicated (stockpile)	224	4.00	9,000	0.14	300	—	—
Total Measured and Indicated	**3,124**	**3.57**	**111,600**	**0.14**	**4,600**	**—**	**—**
Total Indicated (fine tailings)	4,900	0.89	44,000	0.09	4,400	—	—

Footnotes: 1. Mineral Resources are reported inclusive of Mineral Reserves. **2.** Mineral Resources and Mineral Reserves are reported in accordance with both the JORC Code and CIM guidelines. **3.** Mineral Resources and Mineral Reserves have been reported as depleted by production as at 31-12-2007. **4.** Artisanal workers have been mining in the Kulu River and an on-going evaluation of the effects of this activity is being undertaken. **5.** Underground extraction at Dikulushi has commenced in development and ore drives, and from initial stoping horizons within the flanks of the depleted open pit. Mine planning is on-going with the objective of confirming the longer term stoping method, and developing a mine plan and Mineral Reserve during 2008. **6.** Cut-off grades applied for reporting Mineral Resources were 1.5% Cu for Dikulushi and 0.5% Cu for Kinsevere and Kulu.

Additional Note: The Mineral Resource information in this report relates to information compiled by Ivor Jones of Anvil Mining Limited. Similarly, the Mineral Reserve information in this report relates to information compiled by Michael Lawlor of Anvil Mining Limited.

Ivor Jones is a Chartered Professional and a Fellow of the Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Qualified Person in terms of Canadian National Instrument 43-101.

Michael Lawlor is a Fellow of the Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Qualified Person in terms of Canadian National Instrument 43-101.

Ivor Jones and Michael Lawlor consent to the inclusion of such information in this Mineral Resource and Mineral Reserve tabulation in the form and context in which it appears.

management's discussion

and Analysis of Financial Condition and Results of Operations

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 fourth quarter and year ended December 31, 2007. This information is presented as of February 26, 2008. The discussion below should be read in conjunction with the audited consolidated financial statements of the Company for the fourth quarter and year ended December 31, 2007 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 fourth quarter and year ended December 31, 2007.

Additional information relating to the Company, including the Company's most recent annual information form is available on SEDAR at www.sedar.com.

This management's discussion and analysis of financial condition and results of operations is as of February 26, 2008.

Highlights

Fourth quarter ended December 31, 2007

- Record net copper concentrate sales of $79.3 million, an increase of 86% compared to the same period in 2006.
- Net income of $21.7 million ($0.31 per share), an increase of 2% compared to the same period in 2006.
- Record cash flows from operating activities, before working capital movements, of $47.2 million ($0.67 per share), an increase of 98% compared to the same period in 2006.
- Record quarterly production of 16,878 tonnes of copper and 717,402 ounces of silver contained in concentrates, an increase of 60% and 26% respectively compared to the same period in 2006.
- Stage III Dikulushi underground mine decline development to a total advance of approximately 2,806 metres by December 31, 2007.
- Completion of an updated Feasibility Study (the "Feasibility Study") for the Stage II Solvent Extraction and Electrowinning ("SX-EW") development at the Kinsevere Copper Project. The Feasibility Study follows a preliminary study prepared by the Company in April 2007 on the establishment of a 60,000 tonnes per annum capacity SX-EW processing plant and includes several enhancements to the Stage II processing flow-sheet and adjustments to the overall capital costs for the Kinsevere Copper Project.
- Completion of a 45,370 metre drilling program during 2007 at the Kinsevere Copper Project which allowed for an increase of 34% in Measured and Indicated Mineral Resources and a subsequent 32% increase in the Proven and Probable Mineral Reserves.

Year Ended December 31, 2007

- Record Net Income for the year of $117.2 million or $1.81 per share, an increase of 43% and 10% respectively, compared to the prior year.
- Record Operating profit for the year of $160.3 million or $2.48 per share, an increase of 50% and 15% respectively, compared to the prior year.
- Record Cash flows from operating activities, before working capital movements of $166.3 million or $2.57 per share, an increase of 63% and 25% respectively compared to the prior year.
- Record annual production of 47,633 tonnes of copper contained in concentrate and production of 2,451,269 ounces of silver contained in concentrate, an increase of 12% and 13% respectively, compared to the prior year.

1. OVERVIEW

The Group operates in the mineral production, development and exploration industry with a focus on base and precious metal exploration, mine development and mine operation.

The Group holds a 90% beneficial interest in the Dikulushi mine and surrounding exploration areas, which are held under the terms of the Dikulushi Mining Convention (the "Convention"). The remaining 10% equity interest in the Dikulushi mine is indirectly held in trust by the Company (the "Dikulushi Trusts") for the economic, social and infrastructure development of the Dikulushi region.

Anvil also has an 80% interest in the Mutoshi Copper-Cobalt project in the Kolwezi region in the Democratic Republic of Congo ("DRC"). The Mutoshi project, is held by subsidiary Société Minière de Kolwezi sprl ("SMK"), and includes the old Mutoshi mine, the Kulu mine (coarse rejects/tailings deposit), the Mutoshi Northwest prospect, the Nioka prospect, the Kamukonko cobalt prospect and areas situated on the relatively under-explored southern edge of the Kolwezi Klippe, a prominent geological feature in the area. The total area included in the Mutoshi project is 136.92 square kilometres. The remaining 20% interest in SMK is held by La Générale des Carrières et des Mines (Gécamines).

Anvil also has a 95% interest in the mining rights of the Kinsevere-Nambulwa Exploitation Permits, held by its subsidiary company AMCK Mining sprl ("AMCK"). The remaining 5% interest in AMCK is held by Mining Company Katanga SPRL. The Kinsevere properties and Nambulwa properties lie approximately 30 kilometres and 55 kilometres north of the provincial capital of Lubumbashi, respectively. The two Exploitation Permits, Kinsevere (PE528) and Nambulwa (PE539), cover a total area of 29.6 square kilometres and contain four distinct mineralized zones that outcrop at surface.

Dikulushi Copper-Silver mine

The Company's Dikulushi mine is situated in the southeast part of the DRC in the Haut Katanga district. The mine was initially established using a staged development approach. Stage I involved installation of a 250,000 tonnes per annum Heavy Media Separation ("HMS") plant. Stage II consisted of an expansion comprised of a 350,000 tonnes per annum ball mill and flotation circuit to treat the open-pit ore, which replaced the HMS plant. Stage III involves the development of the underground mine, which started in June 2006 following deep drilling below the existing open pit and commenced ore production in September 2007.

Kulu Copper mine

The Kulu mine is located east of the town of Kolwezi in the southeast part of the DRC. The mine was commissioned in December 2005 following commencement of construction in July 2005. Kulu Stage I comprised the relocation of the refurbished HMS plant from Dikulushi and the construction of associated support infrastructure.

The HMS plant is currently treating the coarse rejects/tailings from the Kulumaziba watercourse which were discharged from a previous operation at the Mutoshi open pit mine. Following commissioning, the HMS plant has undergone a number of upgrades involving the installation of a scrubber and larger screens to increase throughput.

As the mining of the material in the watercourse has progressed further downstream, the proportion of higher-grade coarser material has reduced, as expected. It is this higher-grade, coarser material that is most suitable for HMS processing. Persistent artisanal mining activity, combined with heavy rainfall in 2006 and the first half of 2007 has further removed and redistributed a significant amount of the coarser-grained, higher-grade fraction of the Kulu resource from upstream to locations further downstream, leaving behind a finer lower-grade fraction which has lower metallurgical recoveries through an HMS plant. As a result, the Company decided to undertake an engineering cost study for a SX-EW processing facility. This study commenced in February 2008 and is expected to be completed in the second quarter of 2008. Lower than expected rainfall along with the engagement of a new mining contractor, resulted in increased mining during the December quarter, in areas of high artisanal mining activity yielding lower grade finer plant feed material causing lower recoveries.

Exploration work in the Mutoshi lease adjacent to the Kulu deposit continued during the fourth quarter ended December 31, 2007. The initial drilling program is expected to be completed in the second quarter of 2008.

Kinsevere Copper mine

The Kinsevere-Nambulwa project ("Kinsevere project") is located in the Katanga Province in the southeast of the DRC. It is situated in the central section of the Congo Copperbelt, in an area approximately 30 to 55 kilometres north of the provincial capital, Lubumbashi.

The Kinsevere project comprises two separate exploitation permits Kinsevere (PE 528) and Nambulwa (PE 539). Kinsevere (PE 528), the area in which the Stage I and Stage II developments are taking place, consists of three deposits, Kinsevere, Tshifufia and Tshifufiamashi and covers an area of 16.1 square kilometres. All three deposits lie within 2 kilometres of one another.

In May 2006, following completion of a feasibility study, Anvil committed to a $35 million Stage I development at Kinsevere. The Stage I development, which comprises an HMS Plant and an Electric-Arc Furnace ("EAF") is expected to produce approximately 23,000-25,000 tonnes per annum of "black copper" ingots assaying 90%-95% copper. The HMS Plant was successfully commissioned in June 2007 and the EAF is expected to be commissioned during the first quarter of 2008. Until the commissioning of the EAF, copper concentrates produced at Kinsevere are being sold locally.

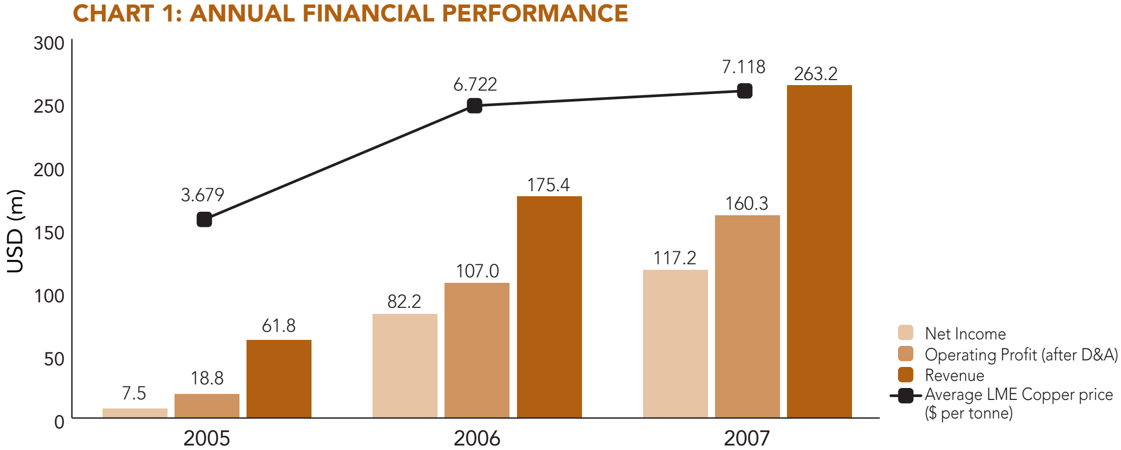
Despite an early and sustained rainy season, mining operations continued normally during the fourth quarter ended December 31, 2007. Installation of groundwater dewatering infrastructure is well advanced. Construction of the EAF and associated infrastructure was well advanced by year end with civils, steelwork and mechanical installation virtually complete.

2. FINANCIAL RESULTS

Year Ended December 31, 2007

Net income for the year ended December 31, 2007 was $117.2 million or $1.81 per basic share (weighted average common shares: 64,715,747) as compared to $82.2 million or $1.65 per basic share (weighted average common shares: 49,729,151) for the year ended December 31, 2006. The increase in net income of 43% was due to a 6% increase in the LME cash copper price, a 5% increase in copper concentrate tonnes sold at Kulu and a 9% increase in copper delivered from Dikulushi. Sale of copper concentrate from Kinsevere commenced during the third quarter of 2007. Cash flow from operations, after working capital movements, for the year ended December 31, 2007 was $123.3 million (2006: $80.4 million), or $1.91 per weighted average share outstanding (2006: $1.62).

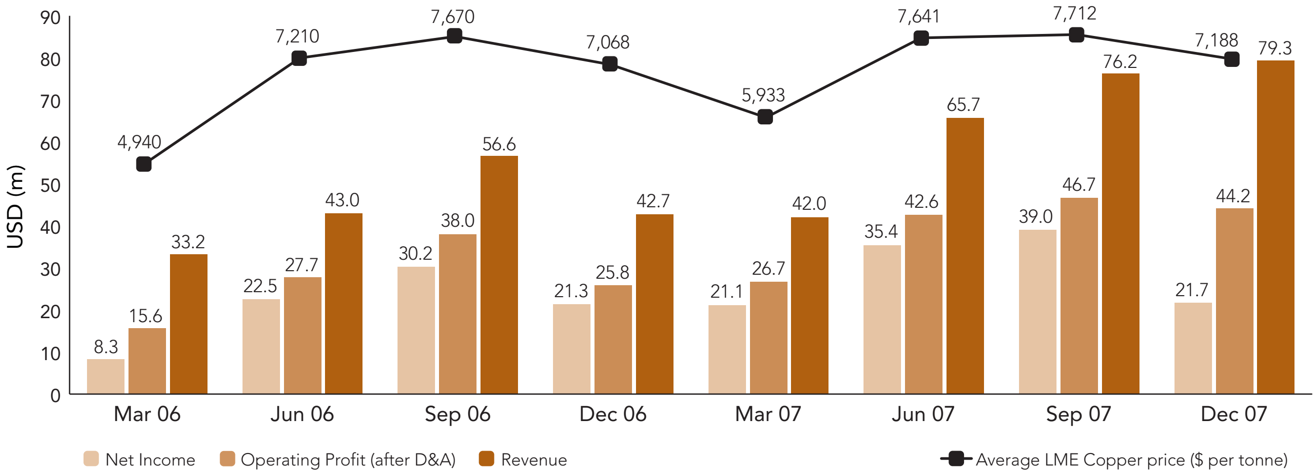
CHART 1: ANNUAL FINANCIAL PERFORMANCE



Fourth quarter ended December 31, 2007

Net income for the fourth quarter ended December 31, 2007 was $21.7 million or $0.31 per basic share (weighted average common shares: 70,547,825) as compared to $21.3 million or $0.38 per basic share (weighted average common shares: 56,696,504) in the fourth quarter of 2006. The increase in net income of 2% was due to a 2% increase in the LME cash copper price, commencement of sale of concentrate from Kinsevere and a 7% increase in copper delivered from Dikulushi. This was offset by a 5% decrease in copper concentrate tonnes sold at Kulu. Net income for the quarter was also affected by the provision for impairment of $8.6 million, equivalent to $0.12 per basic share, in relation to deterioration in value of certain investments being a medium-term floating rate note, U.S. sub-prime mortgage backed securities investments, and another investment which failed to meet its asset collateralization test resulting in a ratings downgrade. Cash flow from operations, after working capital movements, for the fourth quarter ended December 31, 2007 was $37.9 million (2006 December quarter: $43.2 million), or $0.54 per weighted average share outstanding (2006 December quarter: $0.76).

CHART 2: QUARTERLY FINANCIAL PERFORMANCE



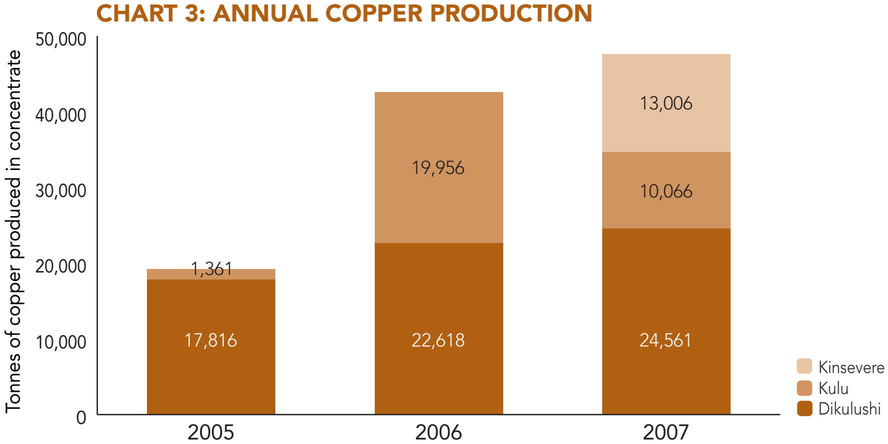
3. PRODUCTION AND STATEMENT OF INCOME DISCUSSION

Copper Production

Year Ended December 31, 2007

Copper production during the 2007 year was 47,633 tonnes, of which 52% was from Dikulushi, 21% from Kulu and 27% from Kinsevere. Combined copper production increased by 12% compared to the year ended December 31, 2006, principally due to the commencement of commercial production at Kinsevere in June 2007 although partially offset by a decrease in production from Kulu as a result of lower feed grade and lower copper recoveries from processing finer grained material.

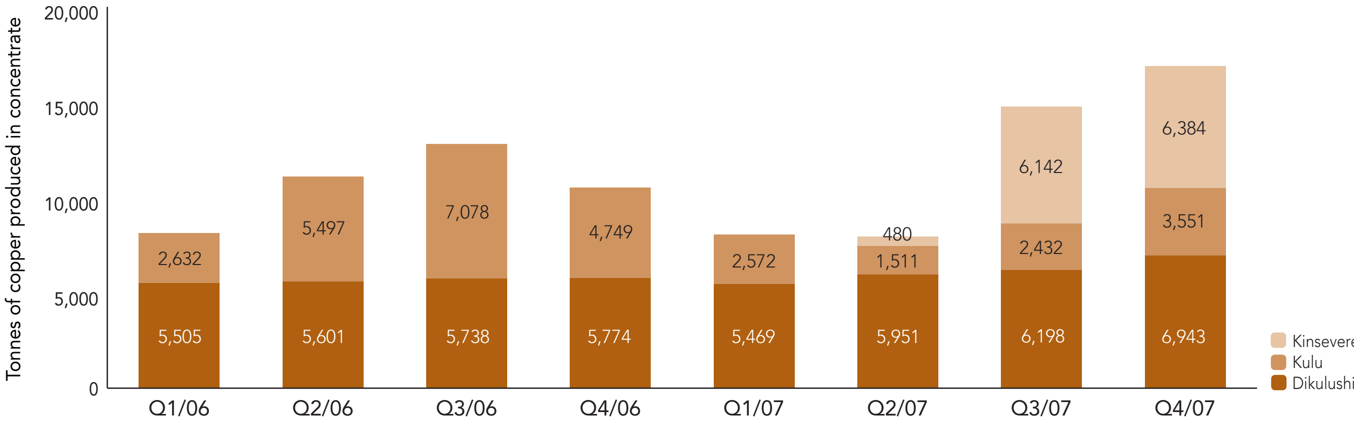
CHART 3: ANNUAL COPPER PRODUCTION



Fourth quarter ended December 31, 2007

Copper production in the fourth quarter ended December 31, 2007 was 16,878 tonnes, of which 41% was from Dikulushi, 21% from Kulu and 38% from Kinsevere. Combined copper production increased by 60% compared to the fourth quarter ended December 31, 2006, principally due to the commencement of production from Kinsevere and record production at Dikulushi.

CHART 4: QUARTERLY COPPER PRODUCTION



Revenues

TABLE 1: REVENUE STATISTICS

	December Quarter					Year ended December 31				
	2007			2006		2007			2006	
Revenue ($ million)	Dikulushi	Kulu	Kinsevere	Dikulushi	Kulu	Dikulushi	Kulu	Kinsevere	Dikulushi	Kulu
Copper	41.5	4.3	23.9	28.7	7.1	162.7	31.0	38.6	123.3	29.7
Silver	9.5	—	—	6.9	—	30.5	—	—	22.4	—
Cobalt	—	0.1	—	—	—	—	0.3	—	—	—
Total Revenue	51.0	4.4	23.9	35.6	7.1	193.2	31.3	38.6	145.8	29.7
Average realized copper price ($/lb)	2.98	—	—	2.21	—	3.14	—	—	2.59	—
Average realized copper concentrate price ($/tonne of concentrate)	—	692	919	—	1,081	—	753	956	—	756
Average realized silver price ($/oz)	15.08	—	—	12.32	—	13.54	—	—	11.20	—
Sales Statistics										
Copper (payable tonnes)	6,326	—	—	5,896	—	23,511	—	—	21,639	—
Copper concentrate (tonnes)	—	6,235	25,965	—	6,551	—	41,132	40,394	—	39,244
Silver Payable (ounces)	632,175	—	—	563,754	—	2,253,113	—	—	2,002,781	—

(1) Copper revenue is defined as realized copper selling price less treatment, refining and freight charges.

Year Ended December 31, 2007

Year to date revenues in 2007 increased by 50%, as compared to the same period in 2006, to $263.2 million (2006 December: $175.4 million), due in part to an increase in the average realized price of 21% for both Dikulushi copper and silver. In addition, the tonnes of copper delivered from Dikulushi increased by 9% and the tonnes of copper concentrate sold by Kulu increased by 5%, as compared to the same period in 2006. The sale of copper concentrate produced from Kinsevere commenced in June 2007.

Fourth quarter ended December 31, 2007

Revenue for the fourth quarter ended December 31, 2007 increased by 86%, as compared to the same period in 2006, to $79.3 million (2006 December quarter: $42.7 million). The increase was due to a 35% increase in the average realized copper price for Dikulushi and commencement of copper concentrate sales from Kinsevere which increases were partially offset by a decrease in the average realized copper concentrate price of 36% for Kulu copper concentrate, as compared to the same period in 2006. The tonnes of copper delivered from Dikulushi increased by 7%, however the tonnes of copper concentrate sold by Kulu decreased by 5% as compared to the same period in 2006 due to lower feed grade and lower copper recoveries from processing finer grade material.

Operating Expenses

Year ended December 31, 2007

Operating expenses before amortization for the year were $85.8 million (2006: $60.8 million) because of the higher level of operating activity at Dikulushi and the commencement of commercial production at Kinsevere in June 2007.

The Dikulushi total cash operating cost per pound of copper produced (after silver credits) for the year was $0.57 (2006: $1.02) due to the negotiation of lower smelter and refining charges, and a lower operating cash cost (ex-mine gate) per pound of copper produced (after silver credits) of $0.14 for the year (2006: $0.28) mainly due to higher silver credits as a result of increases in the silver price and lower mining costs due to the cessation of open pit mining operations.

The operating cash cost per tonne of oxide concentrate at Kulu for the year was $581 per tonne, equivalent to $1.07 per pound of copper contained in concentrate produced (2006: $237 per tonne, equivalent to $0.38 per pound of copper contained in concentrate). This increase is due to lower feed grade and lower copper recoveries from processing finer grained material.

The operating cash cost per tonne of oxide concentrate at Kinsevere since commencement of commercial production was $312 per tonne, equivalent to $0.53 per pound of copper contained in concentrate produced.

Social development costs for the benefit of communities surrounding the Company's Kulu and Kinsevere mine sites are administered jointly by Pact Inc. ("Pact"), a Washington-based International Development Agency, in partnership with the Company. These costs totalled $3.4 million for the year ended December 31, 2007 and were charged to operating expense. Social development costs related to community development programs for the benefit of communities surrounding the Dikulushi mine site are funded through the Dikulushi Trusts, which are held in trust by the Group and therefore disclosed in minority interest on the balance sheet and not as operating expenses. A further $5.6 million was spent for the benefit of communities surrounding the Dikulushi mine site and an additional $2.0 million was spent on works associated with the upgrade of the Kilwa-Kasomeno road, which are both disclosed in minority interest on the balance sheet not as operating expenses. The road project provides much needed improvements to the existing transportation network and will increase communities' access to markets, social amenities and health services.

Fourth quarter ended December 31, 2007

Operating expenses before amortization for the fourth quarter ended December 31, 2007 were higher at $26.4 million (2006 December quarter: $15.0 million) compared to the same period in 2006. This was mainly due to the commencement of commercial production at Kinsevere in June 2007.

The Dikulushi total cash operating cost per pound of copper produced (after silver credits) for the 2007 December quarter was $0.58 (2006 December quarter: $1.01) due mainly to the negotiation of lower smelter and refining charges, together with higher silver credits. The cessation of open pit mining operations also contributed to lower mining costs during the quarter.

The operating cash cost per tonne of oxide concentrate at Kulu for the 2007 December quarter was $669 per tonne, equivalent to $1.31 per pound of copper contained in concentrate produced (2006 December quarter: $285 per tonne, equivalent to $0.48 per pound of copper contained in concentrate produced) due to lower feed grade and lower copper recoveries from processing finer grained material.

The operating cash cost per tonne of oxide concentrate at Kinsevere for the fourth quarter ended December 31, 2007 was $262 per tonne, equivalent to $0.44 per pound of copper contained in concentrate produced.

Social development costs of $1.6 million were charged to operating expense during the fourth quarter ended December 31, 2007 for the benefit of communities surrounding the Company's Kulu and Kinsevere mine sites. A further $2.8 million was spent for the benefit of communities surrounding the Dikulushi mine site and an additional $1.0 million was spent on works associated with the upgrade of the Kilwa-Kasomeno road, which are both disclosed in minority interest on the balance sheet not as operating expenses.

CHART 5: DIKULUSHI QUARTERLY CASH COSTS

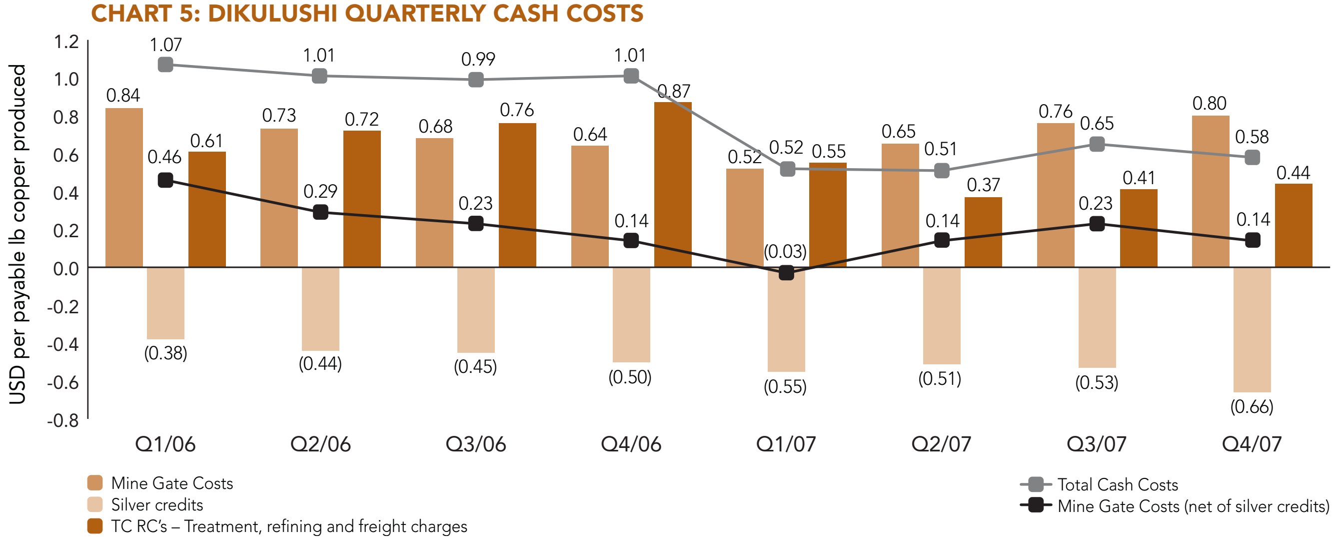
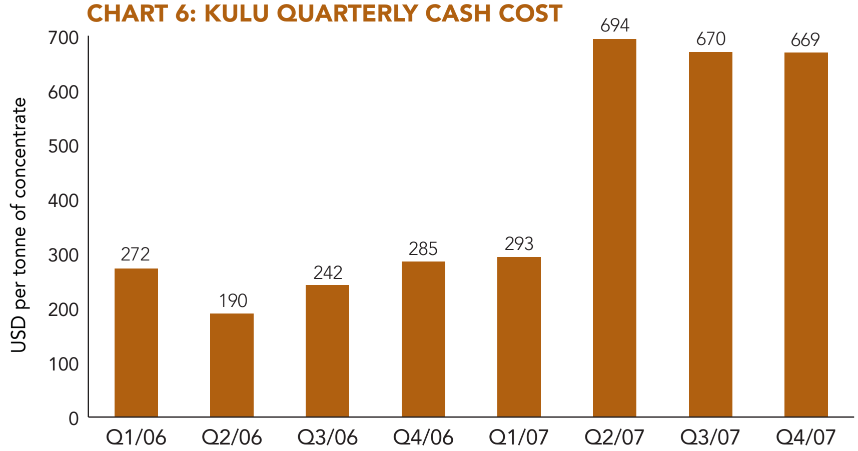


CHART 6: KULU QUARTERLY CASH COST



Other Expenses

Year Ended December 31, 2007

General, administrative and marketing expenses for the year ended December 31, 2007 were $14.8 million (2006: $10.1 million), an increase of 46% over the same period in 2006. This was mainly due to costs of additional technical and administrative staff to support the Company's expansion.

The Company provided for an impairment of investments of $9.4 million during the year. The provision relates to deterioration in value of certain investments being a medium-term floating rate note ($5.0 million), two U.S. sub-prime mortgage backed securities investments ($3.8 million), and another investment which failed to meet its asset collateralization test resulting in a ratings downgrade ($0.6 million).

Exploration expenditures written off during the year was $4.4 million (2006: nil). Of this $4.4 million, $1.1 million was in relation to expenditures incurred on the Duc Bo project in Vietnam. The title to the tenement was not renewed by government authorities in Vietnam, and the Company is currently in the process of reapplying for this tenement. A further $3.3 million of exploration expenditures was written off because the Company decided not to exercise its option to acquire further exploration licences in the Nambulwa region.

Stock based compensation costs of $2.5 million (2006: $1.4 million) represented an increase of 78.6% compared to the same period in 2006 and related to the cost of accrued options granted to new and existing employees and directors, designed as incentives for maintaining and increasing performance.

Interest and financing fees of $2.2 million (2006: $4.5 million) represented a decrease of 51%. The decrease is attributable to $2 million cost of buy-back option of NSR obligation which was exercised in January 2006 and lower interest charges related to a loan from Fortis Bank ("Fortis"), which was repaid during the current year. The decrease in costs were offset by $0.7 million accretion expense related to asset retirements obligations for the Kinsevere mine.

Fourth quarter ended December 31 2007

General, administrative and marketing expenses for the fourth quarter ended December 31, 2007 were $5.9 million (2006 December quarter: $4.0 million), an increase of 48% over the same period in 2006. This was due to the recruitment of additional technical and administrative staff to support the Company's expansion.

Stock based compensation costs of $0.7 million (2006 December quarter: $0.4 million) for the current quarter represented an increase of 66% compared to the same period in 2006 and related to the cost of accrued options granted to employees and directors.

Increase in interest and financing fees is attributable to a $0.7 million accretion expense related to asset retirement obligations for Kinsevere mine.

4. DISCUSSION OF CASH FLOWS

	Fourth quarter		Year ended December 31	
$ million	**2007**	2006	**2007**	2006
CASH FLOWS FROM:				
Operating activities	37.9	43.2	123.3	80.4
Investing activities	(31.5)	(28.4)	(131.4)	(165.8)
Financing activities	(6.1)	(3.1)	163.8	136.8
Net increase/(decrease) in cash and cash equivalents	0.3	11.7	155.7	51.4

Cash Flow (Year ended December 31, 2007)

Cash flow from operations for the year ended December 31, 2007 was $123.3 million (2006: $80.4 million), or $1.91 per share (2006: $1.62). The increase in operating cash flows was due to higher copper production from Dikulushi and the commencement of commercial production at Kinsevere during the year, together with higher realized metal prices. The net increase in non-cash working capital to $42.9 million included an increase in accounts receivable of $36.6 million at December 31, 2007 mainly due to increased concentrate sales revenue compared to the previous year. The increase in inventory of $14.2 million is attributable mainly to the commencement of commercial production at Kinsevere during the year.

Investing cash outflows were $131.4 million (2006: $165.8 million), which included the payment of $6.1 million for 90 million shares (an 18% interest) in Sub-Sahara Resources NL ("Sub-Sahara"), an ASX listed company (ASX: SBS) with interests in a number of exploration projects in Eritrea and Tanzania, countries in which Sub-Sahara has been active for five to ten years. The Company also incurred exploration expenditure of $20.4 million, which included $7.3 million on the Kinsevere-Nambulwa tenements and $6.2 million on Mutoshi projects. Payments for property, plant and equipment of $92.0 million for the year were predominantly attributable to the development of Kinsevere Stage II and the Dikulushi underground mine. A payment of $36 million as part consideration for the acquisition of an additional 15% interest in AMCK was made during the year.

Net financing cash inflow for the year was $163.8 million (2006: $136.8 million) representing the net proceeds ($178.8 million) from a bought deal equity financing that was completed in July 2007 and proceeds from the exercise of warrants ($3.7 million) after giving effect repayment of the Fortis loan facility of $12.0 million during the 2007 year and $7.6 million of disbursements made on behalf of the Dikulushi Trusts.

Cash Flow (Fourth quarter ended December 31, 2007)

Cash flow from operations in the fourth quarter ended December 31, 2007 was $37.9 million (2006 December quarter: $43.2 million), or $0.54 per share (2006 December quarter: $0.76). Operating cash flows were affected by an increase in inventory of $9.3 million due to a build up of ore in preparation for the rainy season.

Investing cash outflows in the fourth quarter ended December 31, 2007 were $31.5 million (2006 December quarter: $28.4 million). The Company incurred exploration expenditures of $5.2 million, which included $4.7 million on the Kinsevere-Nambulwa tenements. Payments for property, plant and equipment of $27.8 million for the quarter were predominantly incurred in connection with the development of Kinsevere Stage II and the Dikulushi underground mine.

Net financing cash outflows for the fourth quarter ended December 31, 2007 were $6.1 million (2006 December quarter: $3.1 million). An amount of $6.0 million was paid during the quarter to Fortis as final repayment of a loan facility, $3.8 million disbursements made on behalf of the Dikulushi Trusts offset by $3.7 million realized from the exercise of 600,000 warrants.

5. FINANCIAL POSITION AND LIQUIDITY

$ million	**December 31, 2007**	December 31, 2006
ASSETS		
Cash and cash equivalents (including restricted cash)	216.1	59.5
Investments	63.8	95.8
Current assets	399.3	209.9
Total assets	688.7	402.5
LIABILITIES		
Current liabilities	31.4	72.5
Long-term debt	—	4.0
Future income tax liability	39.6	36.5
Asset retirement obligations	11.7	1.4
Total liabilities	82.7	114.4
Non controlling interests	13.9	8.3
Shareholders' equity ($ million)	592.1	279.8
Working capital ($ million)	367.9	137.4
Weighted average number of shares (for basic earnings per share)	64,715,747	49,729,151
Outstanding shares	71,115,244	56,707,554

Cash and cash equivalents

The increase in cash and cash equivalents (including restricted cash) to $216.1 million for the year ended December 31, 2007 (December 2006: $59.5 million) was mainly due to the receipt of $178.8 million, net of share issue expenses, from the bought deal equity issue completed in the second quarter of 2007. The majority of the cash and cash equivalents ($165.0 million) is invested in short term deposits with major international banks. The balance of cash and cash equivalents is held on call with major banking institutions.

Current Investments

The decrease in current investments to $63.8 million for the year ended December 31, 2007 (December 2006: $95.8 million) is attributable to investments maturing ($23.0 million) and being converted into cash and a provision for impairment on investments ($9.4 million). Current investments consist of the conversion of the proceeds received from the bought deal equity financing in March 2006 into investment grade assets. The Company and its investment advisor continue to actively monitor its investments.

Current assets

Total current assets for the year ended December 31, 2007 increased by $189.4 million to $399.3 million (December 2006: $209.9 million). In addition to the movement in cash and investments outlined above, there was an increase in accounts receivables to $65.8 million (December 2006: $29.6 million). This was due to the commencement of copper sales from Kinsevere in June 2007 and extended payment terms included in current year sales contracts, which payment terms management believes are offset by other beneficial terms agreed with customers. Prepaid expenses and deposits increased by $14.5 million to $21.4 million, consisting mainly of amounts paid to suppliers for plant and equipment required for the Kinsevere Stage II development.

Current liabilities

Current liabilities for the year ended December 31, 2007 decreased to $31.4 million (December 2006: $72.5 million). This decrease is due to (a) the reduction of $45.0 million in the purchase consideration payable for the additional 15% interest in AMCK, accrued at December 31, 2006 but paid in full during the March quarter, (b) repayment of the current portion of the Fortis loan facility ($8.0 million); and (c) the waiver of deferred purchase consideration payable ($1.2 million) with respect to Mutoshi which was mutually agreed between all parties during the year. An increase in accounts payable of $10.8 million was attributable to increased activity levels in connection with the development of the underground mine at Dikulushi and the Kinsevere Stage I and II developments. An increase of $1.8 million in income taxes payable is mainly due to expiration of the concessionary tax benefit at Dikulushi in September 2007.

Total liabilities

Total liabilities as at December 31, 2007 were $82.7 million (December 2006: $114.4 million). The decrease was mainly due to changes in current liabilities as outlined above. A liability of $11.7 million exists for asset retirement obligations, of which $10.3 million is allocated to the Kinsevere mine rehabilitation.

Non-Controlling Interests

The increase in non-controlling interests to $13.9 million as at December 31, 2007 (December 2006: $8.3 million) consists of profits attributable to non-controlling interests of $0.2 million in SMK (December 2006: $2.5 million), $0.5 million in AMCK (December 2006: nil) and $12.5 million in Anvil Mining Congo sarl ("AMC") (December 2006: $8.0 million). These were partially offset by $7.6 million disbursed on behalf of the Dikulushi Trusts during the year.

Shareholders' equity

Shareholders' equity at December 31 increased by $312.3 million to $592.1 million as a result of:

- an increase in share capital of $193.9 million, of which $178.8 million relates to the bought deal equity financing completed in March 2007, $9.0 million relates to the purchase consideration payable for the additional 15% interest investment in Kinsevere (872,093 shares at US$10.32 per share) and $6.1 million relates to the exercise of options and warrants; and
- an increase in retained earnings of $116.8 million due mainly to net income from the current year.

Outstanding Share Data

At February 26, 2008, the Company had outstanding 71,115,244 common shares. In addition there were outstanding 2,162,879 director and employee stock options with exercise prices ranging between C$3.80 and C$17.04 per share.

6. OTHER FINANCIAL STATEMENT MATTERS

Contractual Obligations

The following table summarizes the Company's contractual and other obligations, as at December 31, 2007.

	Total $ million	Less than 1 year $ million	1 – 3 years $ million	4 – 5 years $ million	More than 5 years $ million
PAYMENTS DUE BY PERIOD					
Environmental and mine closure liabilities	11.2	—	0.7	0.9	9.6
Capital commitments – Dikulushi, Kulu and Kinsevere mines and Anvil Mining Services s.p.r.l.	35.2	35.2	—	—	—
Equipment operating lease	2.1	0.5	1.3	0.3	—
Exploration expenditure commitments	0.1	0.1	—	—	—
Non-controlling interest commitments – comprises the 10% equity interest in AMC held by the Dikulushi Trusts	11.4	11.4	—	—	—

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.

Dikulushi copper/silver operation – 90% ownership

The Dikulushi operation is located in the Katanga province of the DRC. The operation commenced in 2002, and produces a sulphide copper concentrate with a silver credit.

Kulu copper operation – 80% ownership

The Kulu operation is located in the Katanga province of the DRC. The operation commenced in 2005, and produces an oxide copper concentrate.

Kinsevere copper operation – 95% ownership

The Kinsevere operation is located in the Katanga province of the DRC. The operation is currently being developed in two stages. Stage I consists of an HMS Plant and an EAF. The HMS plant was successfully commissioned in June 2007 producing copper concentrates, and the EAF is expected to be commissioned during the first quarter of 2008. Stage II includes development of a 60,000 tonnes per annum SX-EW plant which will produce LME grade A copper cathodes.

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. It also holds the rights to evaluate and develop mineral properties in the Philippines.

For the year ended December 31, 2007, segmented information is presented as follows:

	Dikulushi	Kulu	Kinsevere	CDA	Inter-segment	2007 Total
Concentrate sales	193,250	31,380	38,619	—	(15)	263,234
Operating expenses	(46,204)	(21,978)	(13,080)	(4,538)	15	(85,785)
Amortization	(5,556)	(2,917)	(7,932)	(758)	—	(17,163)
Segmented operating profit (loss)	141,490	6,485	17,607	(5,296)	—	160,286
Interest and financing fees	(121)	(2,254)	(706)	(1,415)	2,254	(2,242)
Other income	368	102	110	22,361	(11,089)	11,852
Other expenses	(3,283)	(2,898)	(4,596)	(29,044)	8,835	(30,986)
Segmented profit before under noted items	138,454	1,435	12,415	(13,394)	—	138,910
Income taxes	(4,407)	9	(3,934)	(205)	—	(8,537)
Non-controlling interest	(12,486)	(179)	(544)	—	—	(13,209)
Segmented profit	121,561	1,265	7,937	(13,599)	—	117,164
Property, plant and equipment	31,085	14,163	175,447	7,357	—	228,052
Total assets	95,767	71,642	229,246	292,000	—	688,655
Capital expenditures	10,950	3,631	72,601	4,779	—	91,961

Exploration and Acquisition Expenditure

At December 31, the Company had deferred exploration and acquisition costs of $49.7 million (December 2006: $127.1 million), comprising exploration and acquisition expenditures on the Dikulushi mining and exploration tenements ($5.1 million), Mutoshi mining, tailings and exploration tenements ($32.6 million), Kinsevere-Nambulwa mining tenements ($8.8 million) and Philippines mining and exploration tenements ($3.3 million). A significant portion of these exploration and acquisition expenditures consist of the acquisition, at fair value, of exploration property at the Mutoshi project ($26.4 million) and the Kinsevere-Nambulwa project ($1.5 million). Upon commencement of production at Kinsevere, $90.3 million was transferred to mine properties. Deferred purchase consideration payable for Mutoshi of $1.25 million was waived by mutual consent of the parties and $4.4 million of exploration expenditure in relation to exploration activities in Vietnam and near Nambulwa in the DRC was written off.

Philippines Evaluation and Development Agreement

Following the completion of due diligence in December 2006, the Company elected in February 2007 to proceed with a detailed evaluation of the Itogon Suyoc Resources Inc. ("Itogon") mineral properties in the Philippines. The Company made a cash payment of $2.0 million to Itogon on February 16, 2007 and will provide a minimum of $2.0 million in exploration funding and use its best efforts to complete a detailed evaluation within a two-year period. Diamond drilling has begun and sampling of the underground workings at the old Itogon mine is underway.

7. OTHER MATTERS

Exploration Activity

Dikulushi: During the fourth quarter ended December 31, 2007 exploration activities concentrated on near mine targets around Dikulushi which were delineated by ground magnetics and geochemical prospecting during the prior quarters. During the fourth quarter ended December 31, 2007, 13,574 metres of Reverse Circulation ("RC") drilling was completed using two contracted rigs. Copper mineralisation was intercepted at the Boom Gate anomaly situated just over a kilometre from the Dikulushi open pit. The steeply dipping mineralisation which has been disrupted by faulting is over 200 metres long, at least 7 metres wide and open ended beyond 85 metres depth. The near surface mineralisation is mainly oxide, but sulphide veinlets occur increasingly at depth. Further follow-up RC drilling is expected to be completed on this prospect during the first quarter of 2008. Diamond Drilling ("DD") drilling will likely commence in March to depth test the sulphide mineralisation. Before this happens the Company plans to undertake an IP ground geophysical survey to "finger print" this Dikulushi style mineralisation. This will determine whether the technique is effective for exploring for hidden sulphide mineralisation on the rest of the near-mine area. Exploration efforts in the first half of 2008 will continue to be focused on near mine anomalies to supplement plant feed to the Dikulushi flotation plant.

Kinsevere: An initial 25,000 metre Phase 4 drilling program has commenced to determine down dip sulphide extensions of the deposits to a depth of 250 metres. This consists of RC pre-collars drilled to approximately 130 metres, with the rest of the hole being tailed by DD. During the quarter 2,909 metres of RC (26 holes) and 1,349 metres of DD (9 holes) were completed as part of this Phase 4 drilling program. An aircore ("AC") program of 7,765 metres (173 holes) has been drilled across the mining permit. This program to sterilise the whole Permit de Exploitation ("PE") down to a depth of 60 metres is expected to be completed in early February, 2008. As previously reported the Phase 3 drilling of the Tshifufia, Tshifufiamashi, Kinsevere Hill and Kinsevere NW (Kilongo) extension deposits has been completed and 90% of the assays have been received from ALS in Johannesburg, South Africa.

Mutoshi: During the fourth quarter ended December 31, 2007 9,341 metres of RC scope drilling (108 holes) and 6 DD holes (738m) were completed on the RAT breche prospect situated to the west of the Mutoshi open pit. This drilling concluded that the RAT breche prospect contains two sets of mineralisation, a relatively tabular mineralised orebody contained within the brecciated RAT and a deeper orebody contained within the Mines Series units. Due to delays in the turnaround of assays from external laboratories it is not expected that JORC compliant results of this program can be reported until the third quarter of 2008. Drilling programs also commenced on the Mutoshi North and Mulusonoi prospects contained within the Mutoshi lease.

Philippines: The local government authorities and the Barangay Poblacion community that is located near the Itogon project endorsed the Company's work program in July which allowed for the planned drilling at Frog Vein North to proceed. The first two surface DD holes have intersected Frog Vein, and a third hole is in progress. Channel sampling of the underground workings at the old Itogon mine has begun.

Community Development

The Company's community development programs in the DRC continue to focus on health, education, local employment and small business development.

The two local schools and a health clinic under construction in the Kinsevere region and the community centre at Kilwa, near the Dikulushi mine remain on schedule for completion during 2008.

At the same time, the Company and its development partner, Pact, have been working to find new economic opportunities, and peaceful solutions to the transition challenges facing artisanal miners located on or near the Company's Kulu concession. More than 700 of them were employed or received assistance to start new livelihoods. This was over and above the local employment figures for formal work with the Company, and included work as security guards, exploration support workers and site rehabilitation workers.

The rollout of the Company's comprehensive implementation plan for the Voluntary Principles on Security and Human Rights was conducted, as scheduled, through site meetings, workshops and scenario simulations and will continue to be a top priority in 2008.

Building on the construction of the first community centre in Kilwa, several adjoining soccer fields were rehabilitated this quarter and soccer tournaments were held over several weekends, with 40 local teams participating, including eight women's teams.

The future outlook is for the Company's community development clinics to focus on local capacity building programs.

8. OUTLOOK

Mining Commission Review

In February 2008, Anvil received letters from the Minister of Mines for the DRC notifying Anvil of the results of the review by the Congolese Government with respect to the Dikulushi, Kulu and Kinsevere mining properties held by Anvil's subsidiaries.

Dikulushi

The Dikulushi copper-silver mine is held under the terms of the Convention. The Convention is held by AMC in which Anvil holds 90% of the shares. A 10% equity interest is held in trust for the benefit of the communities surrounding the Dikulushi mine. The letter from the Minister includes a statement of terms upon which the Government proposes discussions be based to balance the partnership between the DRC and Anvil. The position of the Government under their proposed terms is that the Convention should be cancelled but that the Dikulushi mine project may be transferred to the current DRC Mining Code. The Dikulushi Convention pre-dates the current Mining Code. By its terms, the Mining Code specifically "grandfathers" all mining conventions that predate the adoption of the Mining Code and provides that the holders of mining rights described in a duly signed and approved mining convention are governed by that convention and not by the Mining Code.

The Minister further advised that it is the Government's position that AMC should pay to the Government of the DRC an amount in respect of the 10% interest in the Dikulushi mine held for local communities, from the date of inception of the Convention. Anvil has also been requested to submit to the Government a plan for social programs that will have a visible impact. The 10% interest has been held in trust for the benefit of the people of the DRC since the inception of the Dikulushi project. Using earnings allocated for the trust, Anvil has financed, developed and continues to maintain numerous social and infrastructure projects including, among others, medical clinics and equipment, schools, fresh water wells, and a water pipeline to Pweto. In addition Anvil is rebuilding a 192 kilometre road from Kilwa to connect with the road to Lubumbashi at Kasomeno.

Kinsevere

The mining rights to the Kinsevere project tenement areas are currently held through a 25 year mining lease agreement between Gécamines, a Congolese para-statal entity that is the mining title holder, and MCK. MCK is in the process of assigning the lease to AMCK Mining sprl, which is a joint venture company owned as to 95% by Anvil and 5% by MCK.

The Minister's position is that the existing contractual arrangements with Gécamines have financial terms that ought to be renegotiated. The specific requirements stated by the Minister are that:

- the cash bonus paid to Gécamines should be increased to $150 million,
- the ceiling on rent paid of a maximum of $70 per tonne of copper equivalent should be removed and the contract altered to reflect changes in metal prices,
- the term of the contract with Gécamines (which extends for 25 years) should coincide with the term of the underlying mineral tenures, which have an initial term that expires on 3 April 2009 and which are renewable thereafter for successive periods of fifteen years, and
- AMCK should submit to the Government a plan for social programs that will have a visible impact.

Rent is payable on a sliding scale that varies with the price of copper and is between $35 and $70 per tonne of copper equivalent, with the maximum rent payable being reached at a copper price of $4,000 per tonne. In addition, a 2% net smelter return royalty is payable to the DRC Government pursuant to the Mining Code.

Kulu

The Kulu copper tailings operation is an incorporated exploration and mining joint venture between a subsidiary of Anvil, Emiko, and Gécamines. The mineral rights to the Kulu operation are held under two principal tenements, both of which were originally in the name of Gécamines and were transferred to SMK in 2005 and 2006. Emiko holds 80% of the shares of SMK and Gécamines hold the remaining 20%.

The Minister's position is that the interest of Gécamines in SMK is unfairly low, in part due to the absence of a feasibility study, and that the joint venture must therefore be renegotiated. The specific requirements stated by the Minister are that:

- a feasibility study be submitted which identifies the actual contributions of the parties in order to establish a fair balance of shares in SMK as between Emiko and Gécamines,
- a royalty of at least 2% of gross revenue be provided in favour of Gécamines,
- Gécamines must be actively involved in the day to day management of SMK, and
- SMK should submit to the Government a plan for social programs that will have a visible impact.

A feasibility study was submitted to Gécamines in 2005. The current agreements with Gécamines provide for a 2% net smelter return royalty to be paid to Gécamines. In addition, a 2% net smelter return royalty is payable to the DRC Government pursuant to the Mining Code. The agreements governing SMK provide that Gécamines has the right to appoint three of the eight members of the management board of SMK and Emiko has the right to appoint the other five members. The President of the management board is to be chosen from the members appointed by Emiko and the Vice President of the management board is to be chosen from the members appointed by Gécamines. In addition, the position of General Manager shall be filled by a candidate presented by Emiko and the position of Assistant General Manager shall be filled by a candidate presented by Gécamines.

Anvil will submit a response to the letters received from the Minister of Mines in respect of all three of its properties in the DRC within the Government's timeframe and is seeking further discussions with the Minister of Mines.

Operations

Dikulushi

Ore from the underground operation will be fed to the process plant after being blended with existing stockpiles to achieve a stable plant feed grade. The mechanised underground mining operation is being developed, primarily to remove ore pillars left in site during the open pit operation and secondarily to access the first full sub-level below the crown pillar. Development of three pump chambers is complete and construction is in progress. The main decline is expected to reach the 810 metre horizon during the first quarter of 2008. During 2008 the plant feed is expected to be increasingly sourced from underground operations and it is expected the plant will treat 380,000 tonnes at an average copper grade of 5.2% to produce 17,000 tonnes of copper and 1.3 million ounces of silver contained in high-grade concentrates.

Kulu

As mining continues further downstream and material mined becomes finer, additional modifications to the plant will be required in order to maximize recoveries and further increase throughput. These modifications are scheduled to be completed in the second quarter of 2008. A review of existing sales contracts together with negotiation of new sales contracts is being undertaken in the first quarter of 2008.

It is expected that in 2008 the HMS plant will treat 522,000 tonnes of material at an average grade of 4.2% copper for the production of approximately 12,000 tonnes of copper in concentrates. This includes the reprocessing of lower grade concentrates expected to be purchased during the first quarter of the year from artisanal miners.

A pre-feasibility study into the construction and implementation of an expandable 15,000 tonnes of contained copper per year SX-EW processing facility, combined with dredging of the fine tailings once the coarse tailings are mined out, is expected to be completed during the first quarter of 2008. Depending on the outcome of the pre-feasibility study, a full feasibility study will be undertaken and is expected to be complete by the second quarter of 2008.

Exploration work commenced during the fourth quarter ended December 31, 2007 in the Mutoshi lease adjacent to the Kulu deposit, following a long process to gain access due to the high level of artisanal mining activity in this area. The initial drilling program is expected to be completed early in the second quarter of 2008.

Kinsevere

The initial phase of the Stage I development of Kinsevere, comprises the establishment of an open pit mining operation and the construction of an HMS plant. The HMS plant was successfully commissioned in June 2007. The second phase of the Stage I development is the construction of the EAF which is expected to be commissioned in the first quarter of 2008.

Open pit mining on both the Tshifufia and Tshifufiamashi deposits has operated at full capacity since January 2007. Substantial advance waste stripping at the Tshifufia pit was completed by June 2007, providing the Company with significant flexibility in its mining operations and increased ability to blend ore feed to the HMS plant. The tailings dam is now operational and allows for storage of the fine effluent from the concentrator.

The tailings (average grade of 2.9% copper) are being retained in the tailings dam, and the HMS floats (average grade 4.3% copper) are being stockpiled. Both of these reject products are expected to be re-processed through the Stage II SX-EW plant.

A power purchase agreement was signed in December 2007 with Société Nationale d'Électricité ("SNEL"), the DRC government electricity company, for the supply of 39.5MW of hydro-electrical power. The new 27 km 120KV transmission line which connects the Kinsevere mine to the DRC national hydroelectric grid is now completed and associated connection infrastructure near completion. The new transmission line has been designed so as to be capable of fully supporting the power demands of the planned Stage II development of a 60,000 tonnes per year SX-EW plant. On-site diesel powered generators are providing the electrical power needs for the mine until the connection infrastructure has been completed.

Construction of a new 24 kilometre mine access road alongside the 120kV transmission line is nearing completion and will result in a substantial reduction of traffic through villages located on the refurbished access road located further to the west.

For 2008, Kinsevere target production is 26,000 tonnes of copper, over 60% of which is expected to be in the form of "black copper" grading approximately 93% copper.

Following the Feasibility Study completed in April 2007, several enhancements have been made to the Stage II SX-EW processing flow-sheet to include 'milling in raffinate' and 'direct tailings disposal'. While their combined effects result in an increase in the SX-EW capital costs to $298 million, overall processing costs are expected to be reduced by $0.04/lb Cu, thereby improving the internal rate of return ("IRR") of the project. These enhancements, capital cost increases and operating cost reductions have now been included in the updated Feasibility Study, announced on February 4, 2008.

9. 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 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

Future Changes – Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on January 1, 2008. Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments — Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

New accounting standards for financial instruments

On January 1, 2007, the Group adopted, on a prospective basis, two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). The standards require a greater portion of Anvil's consolidated balance sheet to be measured at fair value. With the exception of the Group's investments, changes in the fair value of financial instruments over the reporting period are reported in income. Changes in the fair value of the Group's investments are reported in Accumulated Other Comprehensive Income ("AOCI"), a new component of shareholders' equity. For further details, refer to Note 2 of Anvil's consolidated financial statements as at December 31, 2007.

Impact of EIC 160 "Stripping Costs Incurred in the Production Phase of a Mining Operation"

New recommendations of the CICA with respect to stripping charges (EIC 160), require that the costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations be charged to income in the period in which they are incurred, except when the costs represent a betterment to the mineral property. Such costs represent a betterment when the stripping activity provides access to reserves that would not have been accessible in the absence of the stripping activity. When costs are deferred in relation to a betterment, the costs are amortized over the reserves accessed by the stripping activity using the units of production method. The Company has transferred $7.8 million of deferred stripping costs to mine properties during the third quarter of 2007, which shall be amortized using the unit of production method over the life of mine.

Impact of the transition adjustments on selected consolidated balance sheet line items

	Transition adjustment as at January 1, 2007 $ '000
Investments	56
Retained Earnings	(190)
Accumulated Other Comprehensive Income	615
Cumulative Translation Adjustments	(559)

At December 31, 2006, the Group had $0.791 million of capitalized financing fees that related to the loans payable to Fortis. Changes to the CICA standards since this date have allowed the Group to offset these fees against the loan payable to Fortis, and to amortize these fees over the term of the loan using the effective interest rate. This treatment was adopted prospectively but calculated retrospectively, and as a result, the Group has recognised an expense related to the 2006 year of $0.190 million. This has been recorded as an adjustment to the opening retained earnings available to shareholders as at January 1, 2007.

The Group has recognised, in the AOCI, for the year ended December 31, 2007, $0.432 million, net of taxes, related to the net unrealized gain on available-for-sale financial assets. A net unrealized gain of $0.127 million was recorded as an adjustment to the opening balance of the AOCI, and a net unrealized loss of $0.254 million was recorded for the year ended December 31, 2007 through Other Comprehensive Income. The Group has also reclassified $0.559 million to the opening balance of the AOCI relating to net foreign currency gains that were previously treated as a separate item of Shareholders' Equity.

CICA 1506 "Accounting Changes"

In July 2006, the Accounting Standards Board ("AcSB") replaced Section 1506, Accounting Changes of he Canadian Institute of Chartered Accountants' Handbook ("CICA Handbook"). The new standard (a) allows for voluntary changes in accounting policy only when the result is that the financial statements will provide reliable and more relevant information, (b) requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, (c) requires prior period errors to be corrected retrospectively; and (d) requires enhanced disclosures about the effects of changes in accounting policies, estimates and errors on financial statements. The impact of new Section 1506 on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

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 the estimate of the 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 December 31, 2007, the Group had deferred exploration and acquisition costs of approximately $49.7 million associated with exploration properties in Africa and Southeast Asia.

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 CICA in relation to Asset Retirement Obligations.

Income Taxes

As at December 31, 2007, the Group has estimated its future recoverable income tax losses in Canada, Australia, the DRC and Zambia. The recoverability of losses is dependent upon the ability to generate positive future taxable income to offset the existing carry forward losses.

Under the Dikulushi Mining Convention (the "Convention") granted by the DRC Government, the Dikulushi mine operations in the DRC currently enjoy reduced income tax rates for the first fifteen years from the date of first commercial mine production, which commenced in October 2002. These concessionary tax rates, based on the applicable DRC Professional income tax rate of 40% in effect when the Convention was granted, are as follows:

Period	% of Professional tax rate	Effective income tax rate
First five years of production	0%	0%
Sixth through to tenth years of production	40%	16%
Eleventh through to fifteenth years of production	45%	18%
Thereafter	100%	30%(1)

(1) The Convention holder elected, as entitled, to adopt the more favourable rate of 30%.

As set out above, commencing in October 2007, the Dikulushi operations completed its initial 5 years of production and as a result is subject to income tax at a rate of 16% for the ensuing 5 years.

The Kulu 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 Kulu and Kinsevere mines is 30%.

10. 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.

11. 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 disclosure regarding the speculative nature of mineral exploration and development, political stability, liquidity and future financings, 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. In relation to the DRC Commission appointed by the DRC government to review mining agreements, no assurance can be given as to the outcome of any future discussions or negotiations between Anvil and the DRC Government or that Anvil's security of tenure and its ability to secure additional financing in the future may not be adversely affected so as to have a material adverse effect on its business, operating results and financial position. 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.

12. SUMMARY OF QUARTERLY RESULTS

The financial performance, financial position and operating statistics for the last eight quarters are shown in the table below:

STATEMENT OF OPERATIONS AND INCOME

	Dec 07 Quarter	Sep 07 Quarter	Jun 07 Quarter	Mar 07 Quarter	Dec 06 Quarter	Sep 06 Quarter	Jun 06 Quarter	Mar 06 Quarter
Concentrate sales ($ million)[1]	79.3	76.2	65.7	42.0	42.7	56.6	43.0	33.2
Operating profit[2] before amortization ($ million)	52.9	51.2	44.8	28.5	27.7	40.1	29.5	17.4
Amortization ($ million)	(8.7)	(4.5)	(2.2)	(1.8)	(1.9)	(2.1)	(1.8)	(1.8)
Operating profit[2] ($ million)	44.2	46.7	42.6	26.7	25.8	38.0	27.7	15.6
Net income ($ million)	21.7	39.0	35.4	21.1	21.3	30.2	22.5	8.3
Basic earnings per share ($)	0.31	0.55	0.58	0.37	0.38	0.54	0.42	0.26
Diluted earnings per share ($)	0.30	0.54	0.57	0.36	0.37	0.53	0.41	0.25
Production Statistics – Total								
Copper produced in concentrates (tonnes)	16,878	14,772	7,942	8,041	10,523	12,816	11,098	8,137
Production Statistics – Dikulushi mine								
Ore processed (tonnes)[3]	92,121	88,574	85,480	87,262	92,755	114,154	135,234	128,259
Copper grade %	8.14	7.74	7.68	7.03	6.92	5.61	4.64	4.95
Contained copper (tonnes)	7,507	6,836	6,564	6,138	6,417	6,409	6,278	6,352
Recovery Cu %	92.5	90.7	90.7	89.1	89.9	89.5	89.1	86.7
Copper produced in concentrates (tonnes)	6,943	6,198	5,951	5,469	5,774	5,738	5,601	5,505
Silver produced in concentrates (ounces)	717,402	612,739	583,269	537,858	569,655	545,438	526,513	532,842
Payable pounds of copper contained in concentrate delivered (million)	13.9	13.7	14.1	10.0	13.0	12.2	10.4	12.1
Payable ounces of silver contained in concentrate delivered	632,175	583,172	610,417	427,349	563,754	491,242	441,277	506,508
Production Statistics – Kulu mine								
Ore processed (tonnes)[3]	98,054	87,342	74,987	80,245	92,509	82,424	80,848	51,808
Copper grade %	5.03	5.11	4.59	6.03	7.61	8.20	8.54	7.95
Contained copper (tonnes)	4,918	4,439	3,446	4,847	7,038	6,757	6,920	4,118
Recovery Cu %	72.2	54.8	44.5	52.8	62.6	70.1	72.6	58.0
Copper produced in concentrates (tonnes)	3,551	2,432	1,511	2,572	4,749	7,078	5,497	2,632
Copper concentrate sold (tonnes)	6,235	7,542	12,292	14,825	10,641	19,131	7,340	9,615
Production Statistics – Kinsevere mine								
Ore processed (tonnes)[3]	92,155	72,639	8,367					
Copper grade %	10.3	10.9	9.0					
Contained copper (tonnes)	9,448	7,951	754					
Recovery Cu %	67.6	77.0	63.7					
Copper produced in concentrates (tonnes)	6,384	6,142	480					
Copper concentrate sold (tonnes)	25,965	14,429						

1. Concentrate sales include copper and silver concentrates from Dikulushi and copper concentrates from Kulu & Kinsevere
2. Refer to Non-GAAP Financial Measures on page 35
3. Ore processed at Dikulushi relates to ore processed through the ball mill and flotation plant, while ore processed at Kulu and Kinsevere relates to ore processed through the HMS plant.

13. ADDITIONAL NOTES

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, Anvil Mining Management NL, Central African Holdings Pty Ltd, Congo Development Pty Ltd, Anvil Mining No 2 Pty Ltd, Anvil Mining No 3 Pty Ltd, Leda Mining Pty Ltd and Bannon Mining Pty Ltd.

Technical Information

The commentary in this MD&A that relates to in-situ Mineral Resources is based on information compiled by Gerry Fahey of CSA (previously FinOre Pty Ltd) and Ivor Jones of Anvil. Similarly, the commentary in this MD&A that relates to Ore Reserves is based on information compiled by Mike Lawlor of Anvil. Gerry Fahey is a Chartered Professional, a member of the Australasian Institute of Mining and Metallurgy, a member of the Australian Institute of Geoscientists, and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking, to qualify as a Qualified Person as defined by Canadian National Instrument 43-101. Ivor Jones is a Chartered Professional and a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking, to qualify as a Qualified Person as defined by Canadian National Instrument 43-101. Mike Lawlor is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking, to qualify as a Qualified Person as defined by Canadian National Instrument 43-101. Each of Gerry Fahey, Ivor Jones and Mike Lawlor has consented to the inclusion of such information in this news release in the form and context in which it appears. Other technical information in this news release has been reviewed by the following Anvil personnel: Mike O'Sullivan, Anvil's Senior Vice President Strategy and Business Development who is member of the Australasian Institute of Mining and Metallurgy, Malcolm Hillbeck, Anvil's Senior Vice President Operations DRC, who is a Fellow of the Australasian Institute of Mining and Metallurgy, and Roger Tyler, Anvil's Exploration Manager DRC, all of whom have consented to the inclusion of such information in this news release in the form and context in which it appears.

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 at www.sedar.com.

Non-GAAP Financial Measures

The terms "total cash cost" and "operating cash cost (ex-mine gate)" are used on a per pound of payable copper produced basis and after by-product silver credits are applied. The operating cash cost (ex-mine gate) per payable pound of copper produced is equivalent to the costs of mining and processing operations (after net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the same period. The total cash cost of production per payable pound of copper produced is equivalent to the ex-mine gate cash cost including the relevant unit transport, smelting and refining and realization costs (after net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the same period.

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. 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.

Evaluation of Disclosure Controls & Procedures

The Company's certifying officers have 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 twelve months and the quarter ended December 31, 2007 is made known to them to. The certifying officers have evaluated the effectiveness of the disclosure controls and procedures and have concluded that these disclosure controls and procedures are effective at the reasonable assurance level. Management of the Company was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. 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.

During the fourth quarter ended December 31, 2007, 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

The forward-looking statements made in this MD&A are based on assumptions and judgements of management regarding future events and results. Such forward-looking statements, including but not limited to those with respect to the Company's plans for expansions of the Kinsevere copper mine and estimated future production at the Company's Dikulushi, Kulu and Kinsevere mines, involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual market prices of copper and silver, 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 or be successfully completed within expected time limits and budgets or that, when completed, the expanded facility will operate as anticipated. In addition, there can be no assurance that the final outcome of the DRC Commission appointed to review mining agreements in the DRC, will not have an adverse effect on the Company.

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.

anvil mining limited

consolidated financial statements

As at and for the year ended December 31, 2007

Expressed in thousands of United States dollars
except per share amounts and as otherwise stated

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Anvil Mining Limited were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note 2 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

PricewaterhouseCoopers LLP, the Company's independent auditors, conduct an audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. As well, they make an assessment of the accounting principles used and significant estimates made by management and they evaluate the overall financial statement presentation.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are not officers of the Company. The Audit Committee meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee also reviews the Annual Report to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

William S. Turner
President and Chief Executive Officer

Craig R. Munro
Senior Vice President Corporate and Chief Financial Officer

February 26, 2008

Auditors' Report to the Shareholders of Anvil Mining Limited

We have audited the consolidated balance sheets of Anvil Mining Limited as at December 31, 2007 and 2006 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants
Toronto, Ontario, Canada

February 26, 2008

Consolidated Balance Sheets

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

	Notes	**December 31 2007 $**	December 31 2006 $
ASSETS			
Current assets			
Cash and cash equivalents		215,754	59,302
Restricted cash	5	322	219
Accounts receivable	6	65,761	29,594
Inventories	7	32,221	18,020
Investments	8	63,800	95,819
Prepaid expenses and deposits		21,449	6,936
		399,307	209,890
Equity accounted investment	9	5,766	—
Long term receivable		3,966	—
Deferred financing fees	10	—	791
Deferred mining costs	11	—	—
Exploration and acquisition expenditure	12	49,680	127,138
Property, plant and equipment	13	228,052	63,930
Future income tax asset	4	1,884	737
		688,655	**402,486**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14	25,044	14,285
Income taxes payable		5,116	3,281
Other liabilities		1,296	676
Current portion of long term debt	15	—	8,000
Purchase consideration payable	16	—	46,250
		31,456	72,492
Long-term debt	15	—	4,000
Future income tax liability	4	39,587	36,505
Asset retirement obligations	17	11,668	1,402
		82,711	114,399
Non-controlling interest	18	13,880	8,291
		96,591	122,690
Shareholders' equity			
Equity accounts		382,108	186,523
Retained earnings		209,524	92,714
Accumulated other comprehensive income		432	559
Total shareholders' equity		592,064	279,796
		688,655	**402,486**
Commitments	20		
Subsequent events	21		

Approved by the Board of Directors **William S. Turner** **Thomas C. Dawson**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income and Comprehensive Income

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

	Notes	**Year Ended December 31 2007 $**	Year Ended December 31 2006 $
Concentrate sales		263,234	175,443
Operating expenses	18(d)	(85,785)	(60,845)
Amortization		(17,163)	(7,561)
		160,286	107,037
Other income	3	11,852	5,974
Other expenses			
General, administrative and marketing		(14,841)	(10,134)
Provision for impairment of investments	8	(9,367)	—
Exploration expenditure written off		(4,389)	(42)
Foreign exchange gains/(losses)		95	(370)
Stock based compensation		(2,484)	(1,367)
Interest and financing fees	3	(2,242)	(4,505)
Earnings before income tax and non-controlling interest		138,910	96,593
Income tax	4(a)	(8,537)	(3,830)
Non-controlling interest		(13,209)	(10,586)
Net Income		117,164	82,177
Other comprehensive income, net of taxes:			
Net unrealized gains/(losses) on available-for-sale securities		(254)	—
Total comprehensive income		116,910	82,177
Basic earnings per share ($)	24	1.81	1.65
Diluted earnings per share ($)	24	1.77	1.61

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

	Notes	Year Ended December 31 2007 $	Year Ended December 31 2006 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		117,164	82,177
Items not affecting cash			
Amortization		17,163	7,561
Provision for impairment of investments		9,367	—
Exploration expenditure written off		4,389	42
Non-controlling interest		13,209	10,586
Borrowing costs – amortized		715	1,770
Unrealized foreign exchange gains		(169)	(2,048)
Future tax		1,935	549
Stock based compensation		2,484	1,367
Changes in non-cash working capital	25	(42,932)	(21,637)
		123,325	80,367
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(91,961)	(39,276)
Proceeds from sale of assets		11	84
Payment for acquisition of initial interest in Mutoshi Project		—	(6,491)
Payments for exploration and evaluation expenditure		(20,377)	(4,412)
Payment for acquisition of additional interest in AMCK Mining s.p.r.l		(36,000)	(10,000)
Payment for investment in Sub-Sahara		(6,090)	—
Payment for acquisition of additional interest in Emiko s.p.r.l.		—	(9,873)
Payments for investments		—	(132,288)
Proceeds of principal repayments from investments		22,996	36,469
		(131,421)	(165,787)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of issue expenses)		183,666	139,398
Proceeds from borrowings (net of fees incurred)			14,250
Payment for borrowing fees		(115)	—
Movement in restricted cash		(103)	—
Repayment of borrowings		(12,000)	(13,646)
Disbursements on behalf of Dikulushi trusts		(7,620)	(3,224)
		163,828	136,778
Net increase/ (decrease) in cash and cash equivalents		155,732	51,358
Cash and cash equivalents at beginning of the year		59,302	7,945
Effects of exchange rate changes on cash held in foreign currencies		720	(1)
Cash and cash equivalents at end of the year		215,754	59,302

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

	December 31, 2007		December 31, 2006	
	Number	Amount	Number	Amount
COMMON SHARES				
Balance at beginning of year	56,707,554	183,503	29,086,847	35,077
Exercise of stock options	550,982	2,439	101,666	5,278
Share issue	12,384,615	188,771	23,000,000	128,359
Exercise of warrants	600,000	3,694	—	—
Conversion of special warrants to common shares		—	2,620,000	14,807
Conversion of ordinary warrants to common shares		—	1,296,631	3,998
Issue of shares for acquisition	872,093	9,000	602,410	4,000
Shares issue expenses		(10,057)		(8,016)
Balance at end of year	71,115,244	377,350	56,707,554	183,503
CONTRIBUTED SURPLUS				
Balance at beginning of year		3,020		6,674
Employee stock based compensation recognised		2,484		1,367
Transfer to common shares		(746)		(5,021)
Balance at end of year		4,758		3,020
Equity accounts		382,108		186,523
RETAINED EARNINGS				
Balance at beginning of year		92,714		10,537
Adjustment to opening retained earnings[1]		(190)		—
Share of loss in equity accounted investments Associates		(164)		—
Net income for the year		117,164		82,177
Balance at end of year		209,524		92,714
ACCUMULATED OTHER COMPREHENSIVE INCOME				
Balance at beginning of year		559		559
Adjustment to opening other comprehensive income[1]		127		—
Net change in unrealized gains/(losses) on available for sale securities		(254)		—
Balance at end of year		432		559
Shareholders' equity at end of year		**592,064**		**279,796**

1. This treatment is in accordance with the new financial instruments accounting standard. Refer to significant accounting policies note 2.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Financial Statements

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

1. NATURE OF OPERATIONS

Anvil Mining Limited (the "Company") and its subsidiaries (the "Group" or "Anvil") operate in one operating segment, namely the acquisition, exploration, development and mining of mineral properties. Its principal assets are a 90% interest in the Dikulushi copper-silver mine (the "Dikulushi mine"), an 80% interest in the Kulumaziba copper mine (the "Kulu mine"), a 95% interest in the Kinsevere-Nambulwa copper project ("Kinsevere") and the associated Dikulushi, Mutoshi and Kinsevere-Nambulwa exploration tenements situated in the Democratic Republic of Congo ("DRC"). Anvil also holds interests in other exploration properties in the DRC, Zambia and South East Asia.

Anvil's cash flow and profitability are affected by the market price of copper and silver, operating costs and exploration and development activity costs. The recoverability of the amounts shown in the consolidated balance sheet for deferred exploration and mine properties is dependent upon the existence of economically recoverable reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Summarized below are the significant accounting policies used in these consolidated financial statements.

a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company and their results for the year since the acquisition date. The effects of all transactions between entities in the consolidated group are eliminated in full.

b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. Significant areas where management's judgement is applied are asset and investment valuations, asset retirement obligations and estimates of ore reserves. Actual results may differ from those estimates.

c) Reporting currency

The functional currency of the Group is the United States Dollar and the functional currency used in the principal operations at the Dikulushi, Kinsevere and Kulu mines and in Anvil's other principal businesses is the United States Dollar ("US$" or "US Dollar"). Accordingly, the Company has adopted the United States Dollar as its reporting currency.

d) Foreign currency translations

The Company employs the temporal method of translation for its integrated operations. Under this method, monetary assets and liabilities are translated at the year-end rates and all other assets and liabilities are translated at applicable historical exchange rates. Revenue and expense items are translated at the rate of exchange in effect at the date the transactions are recognized as income. Realized exchange gains and losses and currency translation adjustments are included in income.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

e) Revenue recognition

Revenue from sales of copper-silver concentrate is recorded net of smelter treatment charges and deductions. Copper products are sold under pricing arrangements whereby final prices are determined at a specified future date based on market copper prices. Revenue is recognised when title and risk pass to the customer using forward prices for the expected date of final settlements. Changes between the prices recorded upon recognition of revenue and final price due to fluctuation in copper market prices result in the existence of an embedded derivative in the accounts receivable. This embedded derivative is recorded at fair value, with changes in fair value classified as a component of revenue. At December 31, 2007, the Company had 2,744 tonnes of contained copper that had been provisionally priced at an average LME copper price of $2.98 per pound.

f) Cash and cash equivalents

Cash and cash equivalents are comprised of highly liquid investments with maturity of three months or less at the date of original issue.

g) Receivables

All receivables are recognized at the amounts due for settlement no more than 60 days from the date of recognition. The collectibility of receivables is reviewed on an ongoing basis. Accounts, which are known to be uncollectible, are written off. A provision for impairment is recognized when there is evidence that the Company will not be able to collect all amounts due.

h) Inventories

Inventories of broken ore and concentrate are physically measured or estimated and valued at the lower of cost and net realizable value.

Cost represents weighted average cost and includes direct costs and an appropriate portion of fixed and variable overhead expenditure, including depreciation and amortization.

Inventories of consumable supplies and spare parts to be used in production are valued at weighted average cost. Obsolete or damaged inventories are valued at net realizable value. A regular and ongoing review is undertaken to establish the extent of surplus items, and a provision is made for any potential loss on their disposal.

i) Transaction costs

Costs incurred (including the fair value of shares and options granted) to obtain long-term debt or finance facilities are deferred and amortized over the respective terms of the underlying debt.

Interest and financing fees are recognized as expenses in the year in which they are incurred, except where they are included in the cost of qualifying assets. Interest and financing fees incurred in direct connection with financing a qualifying asset are included in the cost of the qualifying asset.

At December 31, 2006, the Group had $0.79 million of capitalized financing fees that related to the loans payable to Fortis Bank (“Fortis”). Changes to the Canadian Institute of Chartered Accountants (“CICA”) standards since this date have allowed the Group to offset these fees against the loans payable to Fortis, and to amortize these fees over the term of the loan using the effective interest rate. This treatment was adopted prospectively but calculated retrospectively, and as a result, the Group has recognized an expense that related to the 2006 year of $0.190 million. This has been recorded as an adjustment to the opening Retained Earnings as at January 1, 2007.

j) Deferred mining costs

Certain mining costs, principally those that relate to the stripping of waste and which relate to the future economically recoverable ore to be mined, have been capitalised. These costs are deferred or taken to the production cost as the case may be, so that each tonne of ore mined bears the average cost of waste removal per tonne of ore, as determined by the waste to ore ratio derived from the current pit plan. The waste to ore ratio is regularly assessed by management to ensure the carrying value and the rate of deferral is appropriate. The Company has adopted, on a prospective basis, the new recommendations of the CICA with respect to stripping charges, EIC 160 Stripping Costs Incurred in the Production Phase of a Mining Operation (“EIC 160”). The new recommendations require the costs associated with the removal of overburden an d other mine waste materials that are incurred in the production phase of mining operations to be charged to income in the year in which they are incurred, except when the costs represent a betterment to the mineral property. Costs represent a betterment when the stripping activity provides access to reserves that would not have been accessible in the absence of the stripping activity. When costs are deferred in relation to betterment, the costs are amortized over the reserves accessed by the stripping activity using the units of production method. As at December 31, 2007 the balance of deferred stripping costs of $7.8 million was transferred to Mine properties. In accordance with EIC 160, the carrying value of the deferred stripping costs will be amortized over the life of the related mining assets on a unit of production basis.

k) Exploration, evaluation and development expenditure

Exploration and evaluation expenditure incurred is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest, which is expensed in the year it is incurred.

Property acquisition costs relating to exploration properties and expenditures incurred on properties identified as having development potential are deferred as mine development costs on a project basis until the viability of the project is determined.

If, after management review, it is determined that the carrying amount of an exploration property is impaired, that property is written down to its estimated fair value. An exploration property is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company’s rights of tenure to that area of interest are current.

l) Property, plant and equipment

The cost of each item of buildings, fixed plant, mobile machinery and equipment is written off over its expected useful life. Either the units-of-production or straight-line method may be used. The unit-of-production basis results in an amortization charge proportional to the depletion of the recoverable mineral resources. Each item’s economic life has due regard to both its own physical life limitations and to present assessment of recoverable mineral resources of the mine property at which the item is located, and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all mine buildings, fixed plant and mobile machinery and equipment, with annual reassessments for major items.

The expected useful lives are as follows:

- mine buildings – the shorter of applicable mine life on units-of-production basis and 15 years
- fixed plant – the shorter of applicable mine life on units-of-production basis and 15 years
- mobile machinery and equipment – the shorter of applicable useful life and 7 years, depending on the nature of the asset

Major spares purchased specifically for particular plant are capitalized and amortized on the same basis as the plant to which they relate. The Company reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable based on future undiscounted cash flows. When assets are determined to be impaired, recorded asset values are revised to fair value and an impairment loss is recognized.

Construction in progress is accumulated and carried forward at cost until the construction is complete. On completion the asset is transferred to property, plant and equipment and is amortized over its expected useful life.

m) Mine properties

Mine properties comprise the accumulation of all exploration, evaluation and development expenditure, incurred by or on behalf of the entity, in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are likely to be realized, otherwise such expenditure is classified as part of the cost of production.

Amortization of costs is provided on the unit of production method with separate calculations being made for each mineral resource.

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its fair value, that excess in carrying value is either fully provided against or written off in the financial year in which this is determined.

n) Asset retirement obligations

The Company records asset retirement obligations at fair value in the period in which the liability is incurred. Fair value is determined based on the estimated future cash flows required to settle the liability discounted at the Company's credit adjusted risk free interest rate. The liability is adjusted for changes in the expected amounts and timing of cash flows required to discharge the liability and accreted over time to its full value. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and amortized over the expected useful life of the asset.

o) Income tax

The Company accounts for income taxes under the asset and liability method. Under this method, future tax assets and liabilities are recognized for future tax consequences attributable to differences between financial statement carrying values and tax bases of assets and liabilities. Future tax assets and liabilities are measured using tax rates expected to be recovered or settled. The effect on future tax assets and liabilities of changes in tax rates is recognized in income in the year in which the change is applied. Future tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not they will be realized.

p) Earnings per share

The Company follows the "treasury stock" method in calculating diluted earnings per share. Under this method, dilution is calculated based upon the net number of common shares issued, assuming "in the money" options were exercised and the proceeds used to repurchase common shares at a weighted average market price.

q) Stock-based compensation

The Company accounts for stock options granted to employees and directors using the fair value method. For option awards, fair value is measured at the grant date using a Black-Scholes valuation model and is recognized as a charge to compensation expense and an increase in contributed surplus over the vesting period of the options granted. Cash Consideration received from employees when they exercise the option is credited to share capital.

r) Investments

Investments are classified as available-for-sale and recorded at fair value. Changes in their fair value net of tax are recorded in other comprehensive income. The change in fair value of an investment appears in net income only when it is sold or impaired. Valuations of the investments have been determined based on a hierarchy of valuation principles, which have been applied based on publicly available information. The valuation approach applied is as follows:

- fair values of instruments traded in active markets are based on quoted market prices at the reporting date.
- where instruments are not traded in an active market, fair value is determined using valuation techniques taking into account market information for financial instruments with similar characteristics as the underlying instrument being valued.
- where there is no comparable market information to determine the fair value of the instrument, fair value is calculated using other techniques, such as estimated discounted cash flows using contractual terms of the instrument, discount rates considered appropriate for the credit risk of the instrument and the current volatility in the market place.

When information or events indicate other than a temporary decline in value, the impairment loss is taken to the income statement in the period in which such events occur. Impairment losses recognized in net income for a financial instrument classified as available for sale are not reversed.

Equity Accounted Investments

Investments in which the company has significant influence but does not have control are accounted for using the equity method. Under the equity method the investment is initially recorded at cost and the carrying value is adjusted thereafter, semi-annually in arrears, to reflect the Company's pro-rata share of post acquisition income or loss. The amount of adjustment is included in the determination of net income of the Company, and the investment account of the Company is also increased or decreased to reflect the Company's share of capital transactions and changes in accounting policies. The carrying values of equity investments are regularly reviewed against market values, based on closing prices of recognised security exchanges, to ensure there is no impairment. When there is a loss in value other than temporary decline, the investment is written down to recognise the loss.

s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

t) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

u) Significant accounting changes

On January 1, 2007, the Group adopted two new accounting standards that were issued by the CICA: Handbook Section 1530, Comprehensive Income and Handbook Section 3855, Financial Instruments-Recognition and Measurement. The Group has not restated prior years and comparative amounts, as these new standards have been adopted prospectively with retrospective treatment of transitional adjustments to Retained Earnings as at January 1, 2007.

Section 1530: Comprehensive Income

Section 1530 introduces Comprehensive Income, which consists of net income and other comprehensive income (“OCI”). OCI represents changes in shareholders’ equity during a year arising from transactions and other events with non-owner sources and includes unrealized gains and losses on financial assets classified as available-for-sale. The Group has included in these Consolidated Financial Statements a Statement of Comprehensive Income for the changes in the comprehensive income during 2007. The cumulative changes in the OCI are included in Accumulated Other Comprehensive Income (“AOCI”), which is presented as a new category of Shareholders’ Equity on the Consolidated Balance Sheet.

Section 3855: Financial Instruments – Recognition and Measurement

Section 3855 established standards for recognizing and measuring financial assets and financial liabilities. It requires that financial assets and financial liabilities be recognized on the Consolidated Balance Sheet when the Group becomes a party to the contractual provisions of the financial instrument contract. Under this standard, all financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent years is dependent on whether the financial instrument has been classified as held-for-trading, held-to-maturity, loans and receivables, or other financial liabilities.

Financial assets and financial liabilities held-for-trading are measured at fair value with changes in those fair values recognized in non-interest income. Financial assets held-to-maturity, loans and receivables, and other financial liabilities, are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are included as Investments on the Group’s Consolidated Balance Sheet and measured at fair value, with unrealized gains and losses being recognized in OCI.

Impact upon adoption of Sections 1530 and 3855

The Group has recognized in the AOCI $0.13 million, net of taxes, related to the net unrealized loss on available-for-sale financial assets for the year ended December 31, 2007. A net unrealized gain of $0.13 million was recorded as an adjustment to the opening balance of the AOCI, and a net unrealized loss of $0.26 million was recorded for the year ended December 31, 2007 through OCI. The Group has also reclassified $0.559 million to the opening balance of the AOCI relating to net foreign currency gains that were previously treated as a separate item of equity in the Shareholders’ Equity.

CICA 1506 Accounting Changes

In July 2006, the Accounting Standards Board issued a replacement of the CICA Handbook ("CICA Handbook") Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior year errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company’s results of operations and financial condition will depend on the nature of future accounting changes.

Future Changes – Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These standards are effective for interim and annual consolidated financial statements for the Company’s reporting period beginning on January 1, 2008. Section 1535 specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

	Year Ended December 31 2007 $	Year Ended December 31 2006 $
3. OTHER INCOME AND INTEREST AND FINANCING FEES		
Interest received	11,936	5,296
Other Income/ (Expenses)	(84)	678
	11,852	5,974
Interest and financing fees		
Financing fee	—	2,227
Interest	1,536	508
Amortization of deferred borrowing costs	—	1,770
Accretion of asset retirement obligation	706	—
	2,242	4,505

4. INCOME TAX

(a) The income taxes shown in the consolidated statement of earnings differ from amounts calculated by applying the statutory rates to earnings before provision for income taxes due to the following:

	Year Ended December 31 2007 $	Year Ended December 31 2006 $
Earnings before income tax and non controlling interest	138,910	96,593
Income taxes at Canadian statutory rates – 32% (2006 – 32%)	44,479	30,910
Difference in tax rates	(39,871)	(27,358)
Non-deductible expenses	390	3
Tax losses recognised and other	—	(270)
Differences in tax and accounting treatment	3,539	545
Taxation expense	8,537	3,830
Comprising:		
Current income taxes	6,602	3,281
Future income taxes	1,935	549

	December 31 2007 $	December 31 2006 $
(b) Future Tax		
Exploration expenditure	34,164	35,223
Non-capital loss carry forwards	1,763	2,764
Other temporary differences	3,539	545
	39,466	38,532
Valuation allowance	(1,763)	(2,764)
Net future tax liability	37,703	35,768
Future tax liability	39,587	36,505
Future tax asset	(1,884)	(737)
	37,703	35,768

The Company has Canadian non-capital loss carry-forwards as at December 31, 2007 of $5.5 million (December 31, 2006–$8.6 million) that are available for tax purposes and which expire after twenty years. The use of these losses arising from operating losses and exploration and development expenditures are subject to certain restrictions.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

A full valuation allowance has been recorded against the potential income tax benefits of these carry forward losses, as realization thereof cannot at this time be considered more likely than not.

Canadian Non-capital tax loss carry-forwards	Year of Expiry
$4.0 million	2025
$1.5 million	2027
$5.5 million	

Under the Mining Convention (the "Convention") granted by the DRC Government, the Dikulushi mine operations in the DRC currently enjoy a concessionary tax benefit of reduced income tax rates for the first fifteen years from the date of first commercial mine production, which commenced in October 2002. The tax concessionary rates based on the applicable DRC Professional income tax rate of 40% which was in effect when the Convention was granted are as follows:

Year	% of Professional Tax Rate	Effective income tax rate
First five years of production	0%	0%
Sixth through to tenth year of production	40%	16%
Eleventh through to fifteenth year of production	45%	18%
Thereafter	100%	30%[(i)]

(i) The Convention holder elected, as entitled, to adopt the more favourable rate of 30%.

The Kulu and Kinsevere mines operate under the fiscal regime at the time the DRC Mining Code came into effect in June 2003. The DRC Professional income tax rate applicable to the Kulu and Kinsevere mine operations is 30%.

	December 31 2007 $	December 31 2006 $
5. RESTRICTED CASH		
Cash deposits held as security or on escrow	322	219

At December 31, 2007 and December 31, 2006, cash deposits were held by the Company's bankers against a rental bond guarantee and trade credit facilities granted to the Company, and deposits held for future mine property rehabilitation.

	December 31 2007 $	December 31 2006 $
6. ACCOUNTS RECEIVABLE		
Trade receivables	59,366	25,498
Accrued interest income	598	1,178
Advances to suppliers and contractors	5,045	2,210
Other	752	708
	65,761	29,594
7. INVENTORIES		
Raw materials and stores – at cost	11,997	7,007
Ore stockpiles – at cost	8,504	2,719
Concentrate in stockpiles and in transit – at cost	11,720	8,294
	32,221	18,020
8. INVESTMENTS		
Available-for-sale investments at cost	**73,295**	**95,819**
Available-for-sale investments at fair value	**63,800**	**95,946**

During the year the Company recognized an impairment loss of $9.4 million relating to certain investments, which was recognized in the income statement. Mark to market movements related to all other available for sale investments was a loss for the year of $0.25 million and was recorded as part of other comprehensive income.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

	December 31, 2007			December 31, 2006		

9. EQUITY ACCOUNTED INVESTMENTS

a) Carrying amounts

Name of Company	Ownership interest %	No. Shares	$	Ownership interest %	No. Shares	$
Sub-Sahara Resources NL ("SBS")	18	90,000,000	5,667	—	—	—

SBS is incorporated in Australia and listed on Australian Stock Exchange.

b) Movements in carrying amounts	December 31, 2007 $	December 31, 2006 $
Opening carrying value in SBS – at cost	—	—
Cost of investments purchased during the year	5,830	—
Share of (loss)	(164)	—
Carrying value at end of the year	**5,666**	—

c) Options

Name of Company	Expiry	No. Options	Exercise Price	Expiry	No. Options	Exercise Price
SBS	July 2009	25,000,000	A$0.15	—	—	—

	December 31, 2007	December 31, 2006
Fair Value of Options on acquisition of shares	260	—
Mark to Market	(160)	—
Closing Fair Value	100	—
Equity Accounted Investments	**5,766**	—

10. DEFERRED FINANCING FEES

	December 31, 2007 $	December 31, 2006 $
Balance at beginning of year	—	1,584
Deferred fees paid and value of options granted	—	977
Amortization	—	(1,770)
Balance at end of year	—	791

11. DEFERRED MINING COSTS

	December 31, 2007 $	December 31, 2006 $
Costs at the beginning of year	—	4,078
Waste stripping costs deferred during the year	7,778	—
Waste stripping costs amortized during the year	—	(4,078)
Transfer to mine properties	(7,778)	—
Costs at end of year	—	—

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

12. EXPLORATION AND ACQUISITION EXPENDITURE

	December 31 2007 $	December 31 2006 $
Exploration and acquisition expenditure at beginning of year	127,138	27,578
Expenditure transferred to mine properties	(92,196)	(1,699)
Fair value of exploration properties acquired	—	96,034
Expenditure incurred	20,377	5,267
Waiver of purchase consideration payable	(1,250)	—
Expenditure written off	(4,389)	(42)
Exploration and acquisition expenditure at end of year	**49,680**	**127,138**
Exploration expenditure[1]:		
Dikulushi mine and regional projects	5,100	3,637
Mutoshi projects	6,200	2,735
Kinsevere-Nambulwa projects	7,299	4,200
Philippines regional exploration projects	3,270	431
Duc Bo exploration project – Vietnam	—	1,020
	21,869	12,023
Acquisition expenditure[2]:		
Mutoshi projects	26,354	27,604
Kinsevere-Nambulwa projects	1,457	87,511
	27,811	115,115
Total Exploration and Acquisition expenditure	**49,680**	**127,138**
Total exploration and acquisition expenditure:		
Dikulushi mine and regional projects	5,100	3,637
Mutoshi projects	32,554	30,339
Kinsevere-Nambulwa projects	8,756	91,711
Philippines regional exploration projects	3,270	431
Duc Bo exploration project – Vietnam	—	1,020
	49,680	**127,138**

The carrying value of expenditure on areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation of the tenements, or alternatively the sale of the tenements for at least carrying value

1 Refers to exploration expenditure directly incurred by the Group on tenements as part of general exploration activity.
2 Refers to the fair value of exploration property acquired.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2007		
	Cost $	Accumulated depletion, amortization and write-down $	Net book value $
Dikulushi[1]			
Land and buildings	2,958	(1,530)	1,428
Plant and equipment	26,112	(13,049)	13,063
Mine property	19,440	(5,452)	13,988
Construction work in progress	2,606	—	2,606
	51,116	(20,031)	31,085
Kulu[2]			
Land and buildings	277	(45)	232
Plant and equipment	5,784	(2,825)	2,959
Mine property	10,832	(2,057)	8,775
Construction work in progress	2,197	—	2,197
	19,090	(4,927)	14,163
Kinsevere[3]			
Land and buildings	4,865	(528)	4,337
Plant and equipment	25,787	(4,887)	20,900
Mine property	112,770	(4,425)	108,345
Construction work in progress	41,865	—	41,865
	185,287	(9,840)	175,447
Services[4]			
Land and buildings	801	(92)	709
Plant and equipment	4,344	(1,589)	2,755
Construction work in progress	1,749	—	1,749
	6,894	(1,681)	5,213
Corporate and other[5]	2,621	(477)	2,144
Total	**265,008**	**(36,956)**	**228,052**

1 The Dikulushi property, plant and equipment includes all property, plant and equipment located at Dikulushi or used in the support of the Dikulushi operations situated in the DRC and elsewhere in Central and Southern Africa.

2 The Kulu property, plant and equipment include all property, plant and equipment located at Kolwezi in the DRC.

3 The Kinsevere property, plant and equipment includes all property, plant and equipment located at Kinsevere in the DRC.

4 The Services property, plant and equipment includes all property, plant and equipment at Lubumbashi in the DRC or used in the drilling, development, logistics and administrative services operations in the DRC.

5 The Corporate and other assets are all located in Australia, Canada and Philippines.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT (cont.)

	December 31, 2006		
	Cost $	Accumulated depletion, amortization and write-down $	Net book value $
Dikulushi[1]			
Land and buildings	2,909	(1,086)	1,823
Plant and equipment	22,588	(8,449)	14,139
Mine property	6,661	(5,215)	1,446
Construction work in progress	4,322	—	4,322
	36,480	(14,750)	21,730
Kulu[2]			
Land and buildings	68	(9)	59
Plant and equipment	3,560	(1,287)	2,273
Mine property	10,620	(852)	9,768
Construction work in progress	921	—	921
	15,169	(2,148)	13,021
Kinsevere[3]			
Construction work in progress	24,655	—	24,655
Services[4]			
Land and buildings	662	(27)	635
Plant and equipment	2,180	(567)	1,613
Construction work in progress	1,790	—	1,790
	4,632	(594)	4,038
Corporate and other[5]	724	(238)	486
Total	**81,660**	**(17,730)**	**63,930**

1 The Dikulushi property, plant and equipment includes all property, plant and equipment located at Dikulushi or used in the support of the Dikulushi operations situated in the DRC and elsewhere in Central and Southern Africa.

2 The Kulu property, plant and equipment include all property, plant and equipment located at Kolwezi in the DRC.

3 The Kinsevere property, plant and equipment includes all property, plant and equipment located at Kinsevere in the DRC.

4 The Services property, plant and equipment includes all property, plant and equipment at Lubumbashi in the DRC or used in the drilling, development, logistics and administrative services operations in the DRC.

5 The Corporate and other assets are all located in Australia, Canada and Philippines.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

	Notes	**December 31 2007 $**	December 31 2006 $
14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES			
Trade creditors		10,217	6,835
Creditor and other accruals		14,827	7,450
		25,044	14,285
15. LONG-TERM DEBT FACILITIES			
Fortis Bank facility	15(a)	—	12,000
Less: financing fees		—	—
		—	12,000
Less: current portion		—	(8,000)
		—	4,000
The scheduled minimum repayments are as follows:			
Financial year 2007		—	8,000
Financial year 2008		—	4,000
		—	12,000

(a) Fortis Bank facility

On September 16, 2006, the Group finalised all documentation for the Fortis $15 million finance facility. As at December 31, 2006 the Group had fully drawn down $15 million of the facility, of which $3 million had been repaid. The loan bears interest at the London Interbank Offer Rate (“LIBOR”) + 2.92% per annum. As at December 31, 2007 the loan was fully repaid.

16. PURCHASE CONSIDERATION PAYABLE

Mutoshi Acquisition

At December 31, 2006 $1.25 million purchase consideration for the initial acquisition of the 70% interest in Mutoshi had not been settled, as the legal documentation regarding a tenement transfer had not been completed. During the current year, an agreement was concluded whereby the seller shall forfeit the claim for the remaining purchase consideration payable and the Company agreed not to pursue the seller for the remaining tenement.

Kinsevere acquisition of additional 15% interest

In December 2006, the Group acquired an additional 15% interest in the mining rights for the Kinsevere-Nambulwa copper-cobalt deposits from Mining Company Katanga s.p.r.l., a private DRC company that is Anvil’s joint venture partner in the project. The consideration was $45 million, $36 million in cash, and $9 million in common shares (872,093) at $10.32 per share).

17. ASSET RETIREMENT OBLIGATION

The Company has restoration and remediation obligations associated with its operating mines and processing facilities. The following table summarizes the movements in the asset retirement obligation for the years ended December 31, 2007 and 2006:

	December 31 2007 $	December 31 2006 $
At January 1	1,402	778
Obligation incurred	9,560	551
Accretion expense	706	73
At December 31	11,668	1,402

The asset retirement obligations have been recorded initially as a liability at fair value, assuming a credit adjusted risk-free discount rate between 7.38% and 7.89%. Although the ultimate amount to be incurred is uncertain, management has at December 31, 2007 revised the estimated liability and the asset retirement cost has been based on management’s revision of the independent Environmental Impact Assessment, completed for the Kulu operation in May 2005 and Kinsevere operation in December 2007, and the Revised Environmental Impact Statement, completed for the Dikulushi operation in August 2006. The Kinsevere operation is based on a continuing expected life of mine of 19 years and total undiscounted amount of estimated cash flows of $27.0 million. Payments are expected to occur over a period exceeding 19 years. During the year ended December 31, 2007 the accretion expense in relation to the liability was $0.7 million (year ended December 31, 2006: $0.07 million).

The commencement of production at the Kinsevere mine has resulted in an initial asset retirement obligation of $9.6 million recognized during the year.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

18. NON-CONTROLLING INTERESTS AND SOCIAL DEVELOPMENT EXPENDITURE

The Group holds an indirect 90% equity interest in Anvil Mining Congo s.a.r.l. ("AMC") and, in addition, has administrative responsibility for the economic benefit of the remaining 10% equity interest, which is held in trust by the Group for the social, economic and infrastructure development of the region of the Group's activities at the Dikulushi mine. Wholly-owned subsidiaries of the Group are the trustees of the trusts that hold the remaining 10% equity interest.

The Group also holds an indirect 80% interest in Société Minière de Kolwezi SPRL ("SMK") which is the owner and operator of the Kulu mine and an indirect 95% interest in AMCK Mining s.p.r.l ("AMCK") which is the owner and operator of the Kinsevere mine.

The movements in non controlling interests during the year ended December 31, 2007 are as follows:

	December 31 2007 $	December 31 2006 $
(a) AMC – non-controlling interests		
Balance – beginning of year	6,495	1,661
Amounts disbursed on behalf of the Trusts during the year	(7,620)	(3,224)
Interests in net earnings of AMC	12,486	8,058
Balance – end of year	11,361	6,495
(b) SMK – non controlling interest		
Balance – beginning of year	1,784	61
Interests in net earnings of SMK	179	2,528
Minority shareholding in Entreprise Minière de Kolwezi SPRL ("Emiko") (12.5%) – owner of 80% interest in SMK	—	551
Non-controlling interest bought back via purchase of 12.5% shares in Emiko	—	(1,356)
Balance – end of year	1,963	1,784
(c) AMCK – non controlling interests		
Balance – beginning of year	12	—
Interests in net earnings of AMCK	544	—
Minority shareholding in AMCK (20%)	—	46
Non-controlling interest bought back via purchase of 15% shares in AMCK	—	(34)
Balance – end of year	556	12
Total non-controlling interests – end of year	13,880	8,291
(d) Social development expenditure		
Social development expenses in operating expense (Kulu and Kinsevere)	3,401	—
Social development expenses disbursed on behalf of the Trust as disclosed in non controlling interest (Dikulushi)	7,620	3,224
Total Social development expenditure	**11,021**	**3,224**

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

19. COMMON SHARES, SHARE OPTIONS AND SHARE WARRANTS

(a) Issued:		December 31, 2007 Number of shares	December 31, 2007 Amount $	December 31, 2006 Number of shares	December 31, 2006 Amount $
Balance – Beginning of year		56,707,554	183,503	29,086,847	35,077
Exercise of stock options	(i)	550,982	2,439	101,666	5,278
Share issue	(ii)	12,384,615	188,771	23,000,000	128,359
Exercise of Warrants	(i),(iii)	600,000	3,694	—	—
Conversion of special warrants to common shares	(iv)		—	2,620,000	14,807
Conversion of ordinary warrants to common shares	(i)		—	1,296,631	3,998
Issue of shares for acquisitions	(v)	872,093	9,000	602,410	4,000
Share issue expenses	(vi)	—	(10,057)	—	(8,016)
Balance – End of year		71,115,244	377,350	56,707,554	183,503

(i) During the year ended December 31, 2007, employee stock option and warrant holders exercised their options/warrants over 1,150,982 (December 31, 2006: 1,398,297) common shares. The transfer from Contributed Surplus relates to the fair value ascribed to stock options/warrants exercised during the year.

(ii) In June 2007, the Company completed a bought deal financing when it issued an aggregate of 12,384,615 common shares. The common shares were issued at a price of C$16.25 per share for total gross proceeds of C$201,249,994. The issue included 1,615,385 common shares issued pursuant to the exercise of an over-allotment option granted to the underwriters.
On March 21, 2006, the Company completed the sale of 23,000,000 common shares at a price of C$6.50 per share pursuant to an Underwriting Agreement with Paradigm Capital Inc., Haywood Securities Inc. and GMP Securities L.P.

(iii) 600,000 warrants issued to Deans Knight Capital Management Ltd were exercised at C$6.25 per share in December 2007.

(iv) On December 16, 2004, the Company completed the sale of 5,240,000 special warrants convertible at a price of C$5.25 each through a brokered private placement. A total of 2,000,000 of the special warrants were immediately converted into 2,000,000 common shares and 999,952 share purchase warrants as allowed under the Australian Stock Exchange 15% placement capacity rule. The balance of 3,240,000 special warrants was convertible to common shares and one half of a share purchase warrant (1,620,048 warrants) for each special warrant on receipt of shareholders' approval at a meeting held on January 20, 2005. By June 19, 2006, all 2,620,000 share purchase warrants exercisable at C$6.25 per share, with an original expiry date of December 16, 2007 and subsequently accelerated to June 5, 2006, were exercised.

(v) On March 30, 2007, the Company issued 872,093 common shares at US$10.32 per share as part consideration for an additional 15% interest in AMCK, the holder of the mining rights for the Kinsevere-Nambulwa copper-cobalt deposits.
On September 11, 2006, the Company issued 602,410 common shares at US$6.64 per share as part consideration for an additional 10% interest in AMCK.

(vi) The total share issue expenses relating to the bought deal financing described in (ii) above amounted to $10.1 million.
The total share issue expenses relating to the brokered private placement described in (ii) above amounted to $8.0 million.

(b) Stock option plan

The Company has a Director and Employee Stock Option Plan (the "Plan"), under which it may grant options to directors and employees of the Company for up to ten percent of the total shares on issue. At December 31, 2007, the Company is able to issue an additional 4,948,645 (December 2006 - 3,804,421) common shares under the Plan.

The Black-Schöles option pricing model and the valuation assumptions below are used to estimate the fair values of stock options granted.

The assumptions used in determining the fair values of stock options granted under the Plan are as follows:

	CANADIAN DOLLAR BASED OPTIONS
Risk free interest rate:	4.24%
Expected life:	72 months
Expected volatility:	46.1%
Expected dividend yield:	0%

During the year ended December 31, 2007, 75,000 stock options with an exercise price of C$12.04 each, with a total fair value of $0.341 million were issued to non-executive Directors pursuant to the terms of the Plan. During the year ended December 31, 2006, 75,000 stock options with an exercise price of C$7.06 each and with a total fair value of $0.217 million and 50,000 stock options with an exercise price of C$3.80 each, with a total fair value of $0.086 million were issued to non-executive directors pursuant to the terms of the Plan.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

During the year ended December 31, 2007, 807,966 stock options with an exercise price ranging from C$9.41 to C$17.04 each, with a total fair value of $3.550 million were issued to employees under the Plan and 550,982 employee stock options were exercised. During the year ended December 31, 2006, 703,000 stock options with an exercise price, ranging from C$3.80 to C$11.28 each, with a total fair value of $2 million were issued to employees under the Plan and 85,000 employee stock options were exercised.

The stock option expense for the year ended December 31, 2007 amounted to $2.48 million (year ended December 31, 2006 – $1.37 million). As at December 31, 2007, the aggregate fair value of unvested stock options remaining to be charged to income amounted to $3.1 million (December 31, 2006 – $1.71 million).

OUTSTANDING STOCK OPTIONS

	December 31, 2007		December 31, 2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Australian Dollar based options				
Outstanding at beginning of year	340,000	A$2.16	400,000	A$2.10
Granted under plan	—	—	—	—
Exercised	(335,000)	A$2.15	(60,000)	A$1.65
Expired & forfeited	(5,000)	A$2.60		
Outstanding at the end of year	—	—	340,000	A$2.16
Options vested and exercisable at the end of the year	—	—	320,000	A$1.88
Canadian Dollar based options[1]				
Outstanding at beginning of year	1,526,334	C$5.46	740,000	C$4.16
Granted under plan	882,966	C$10.67	828,000	C$6.60
Exercised	(215,982)	C$5.20	(41,666)	C$4.98
Expired & forfeited	(30,439)	C$6.93		
Outstanding at the end of year	2,162,879	C$7.59	1,526,334	C$5.46
Options vested and exercisable at the end of the year	666,224	C$4.76	308,333	C$4.24

(1) These stock options have been issued to the Directors and Employees of the Company pursuant to the Plan.

The following table summarizes information about stock options outstanding at December 31, 2007:

	Options outstanding			**Options exercisable**		
Range of exercise prices	Number of stock options outstanding at Dec. 31, 2007	Remaining contractual life (months)	Weighted average exercise price	Number of stock options outstanding at Dec. 31, 2007	Remaining contractual life (months)	Weighted average exercise price
C$3.80	528,334	41	C$3.80	268,889	41	C$3.80
C$4.25-C$4.66	288,335	33	C$4.31	273,890	33	C$4.31
C$7.06	300,334	51	C$7.06	100,112	51	C$7.06
C$9.41	600,000	57	C$9.41	—	—	—
C$10.54	125,000	61	C$10.54	—	—	—
C$11.06-C$11.84	145,000	60	C$11.37	23,333	59	C$11.26
C$12.04	75,000	62	C$12.04	—	—	—
C$14.06	60,876	63	C$14.06	—	—	—
C$17.04	40,000	65	C$17.04	—	—	—
Total	2,162,879	50	C$7.59	666,224	40	C$4.76

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

(c) Warrants

Warrants to purchase common shares that have been granted or cancelled were as follows:

Date	Details	Notes	No. of Warrants	Exercise Prices	Fair Values $
December 31, 2005	Closing balance		4,516,631		5,567
January 2006	Exercise of warrants	(i)	(296,631)	A$1.20	(116)
March 2006	Exercise of warrants	(ii)	(500,000)	A$3.00	(499)
March to September 2006	Exercise of warrants	(iii)	(2,620,000)	C$6.25	(3,925)
August 2006	Exercise of warrants	(iv)	(500,000)	C$5.25	(335)
December 31, 2006	Closing balance		600,000		692
December 2007	Exercise of warrants	(v)	(600,000)		(692)
December 31, 2007	Closing balance		—		—

Details of movements in warrants are as follows:

(i) In January 2006, 296,631 warrants issued through the conversion of Convertible Notes, issued by Anvil Mining Management NL (prior to the reorganization of the Anvil group of companies) in January 2004, were exercised by the warrant holder.

(ii) In March 2006, 500,000 warrants issued in respect of the grant of financing facilities by RMB International (Dublin) Limited ("RMBI") were exercised.

(iii) During the year March to September 2006, 2,620,000 share purchase warrants issued as part of the special warrants issued in December 2004 were exercised.

(iv) In August 2006, 500,000 warrants issued in respect of the grant of financing facilities by RMBI were exercised.

(v) In December 2007, 600,000 warrants issued to Deans Knight Capital Management Ltd were exercised at C$6.25 per share.

20. COMMITMENTS

(a) Exploration Expenditure Commitments

In order to maintain the mining tenements in which the Company has interests, the Company is committed to meet prescribed conditions under which the tenements were granted. The Company's exploration expenditure commitment as at December 31, 2007 is $0.07 million (December 31, 2006: $0.1 million).

No estimate has been given of commitments beyond one year as this is dependent upon the Directors' review of operations in the short to medium term. Commitments for all tenement expenditure can be terminated at any date by forfeiture, exemption, sale or assignment of the tenements, subject to certain constraints.

(b) Dikulushi mine

The outstanding capital commitments of the Dikulushi mine contracted for at December 31, 2007 were $2.5 million (December 31, 2006 – $3.0 million).

(c) Kulu mine

The outstanding capital commitments of the Kulu mine contracted for at December 31, 2007 were $5.5 million (December 31, 2006 – $1.5 million). Under the Mutoshi acquisition agreement, SMK has an ongoing obligation to pay a mining royalty of 2% of sales of copper extracted from the acquired mining properties. SMK also has a similar royalty obligation of 2% of net sales to the DRC Government.

(d) Kinsevere mine

The outstanding capital commitments of the Kinsevere mine contracted for at December 31, 2007 were $26.7 million (December 31, 2006 – $19.0 million). Under the Kinsevere acquisition agreement, AMCK has an ongoing obligation to pay a mining royalty on a sliding scale that varies with the price of copper and is between $35 and $70 per tonne of copper equivalent extracted from the mine property, with the maximum royalty payable being reached at a copper price of $4,000 per tonne. AMCK also has a similar royalty obligation of 2% of net sales to the DRC Government.

(e) Anvil Mining Services SPRL ("AMS")

The outstanding capital commitments of AMS contracted for at December 31, 2007 were $0.2 million (December 31, 2006 – $0.6 million)

(f) Corporate development, administration and other

The outstanding capital commitments of Anvil Mining Australia Pty Ltd. contracted for at December 31, 2007 were $0.3 million (December 31, 2006 nil).

(g) Central Bank of Congo

Anvil subsidiaries operating in the DRC are required to comply with the Central Bank of Congo regulations regarding repatriation of sales proceeds received in to bank accounts located outside the DRC. The subsidiaries are required to repatriate no less than 40% of the realized sales receipts, within certain time periods, into US dollar denominated bank accounts located in the DRC. At December 31, 2007 the amount to be repatriated was $6 million (December 31 2006 – $5.0 million). These funds, once repatriated, are available to the Company to meet obligations both within and outside the DRC.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

21. SUBSEQUENT EVENTS

In February 2008, Anvil received letters from the Minister of Mines for the DRC notifying Anvil of the DRC Government's position as a consequence of the review by the DRC Government of the mining rights which Anvil's subsidiaries hold in respect of Anvil's Dikulushi, Kinsevere and Kulu mining properties.

The letters from the Minister include a statement of terms upon which the Government proposes discussions be based to balance the partnership between the DRC and Anvil. The office of the Minister of Mines has also advised Anvil that the deadline for responding to the Government's position has been extended to February 27, 2008.

Anvil will submit a response to the letters received from the Minister of Mines in respect of all three of its properties in the DRC within the Government's timeframe and is seeking further discussions with the Minister of Mines.

The mining concessions on which the Company is currently operating and developing are all located in the DRC. As a result, the Company is subject to certain risks, including possible political or economic instability in the DRC, which may result in the impairment, loss of mineral concessions or renegotiation of joint venture contracts with Gecamines. Any changes in laws or regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. In relation to the DRC Commission appointed by the DRC Government to review mining agreements, no assurance can be given as to the outcome of any future discussions or negotiations between Anvil and the DRC Government or that Anvil's security of tenure and its ability to secure additional financing in the future may not be adversely affected so as to have a material adverse effect on its business, operating results and financial position.

22. 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.

Dikulushi copper/silver operation – 90% ownership

The Dikulushi operation is located in the Katanga province of the DRC. The operation was developed in 2002, and produces a sulphide copper concentrate with a silver credit.

Kulu copper operation – 80% ownership

The Kulu operation is located in the Katanga province of the DRC. The operation was developed in 2005, and produces an oxide copper concentrate.

Kinsevere copper/cobalt operation – 95% ownership

The Kinsevere operation is located in the Katanga province of the DRC. The operation was developed in 2007, and produces an oxide copper concentrate.

Corporate development, administration and other

The corporate development, administration ("CDA") and other segment is responsible for the evaluation and acquisition of new mineral properties, regulatory reporting and corporate administration. It also holds the rights to mineral interests in the Philippines.

For the year ended December 31, 2007, segmented information is presented as follows. The inter-segment eliminations relate to intercompany interest charged on loan balances, and the charging of corporate marketing, finance and agency fees within the Group.

	Dikulushi	Kulu	Kinsevere	CDA	Inter-segment	Total
2007						
Concentrate sales	193,250	31,380	38,619	—	(15)	263,234
Operating expenses	(46,204)	(21,978)	(13,080)	(4,538)	15	(85,785)
Amortization	(5,556)	(2,917)	(7,932)	(758)	—	(17,163)
Segmented operating profit (loss)	141,490	6,485	17,607	(5,296)	—	160,286
Interest and financing fees	(121)	(2,254)	(706)	(1,415)	2,254	(2,242)
Other income	368	102	110	22,361	(11,089)	11,852
Other expenses	(3,283)	(2,898)	(4,596)	(29,044)	8,835	(30,986)
Segmented profit before under noted items	138,454	1,435	12,415	(13,394)	—	138,910
Income taxes	(4,407)	9	(3,934)	(205)	—	(8,537)
Non-controlling interest	(12,486)	(179)	(544)	—	—	(13,209)
Segmented profit	121,561	1,265	7,937	(13,599)	—	117,164
Property, plant and equipment	31,085	14,163	175,447	7,357	—	228,052
Total assets	95,767	71,642	229,246	292,000	—	688,655
Capital expenditures	10,950	3,631	72,601	4,779	—	91,961

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

For the year ended December 31, 2006, segmented information is presented as follows.

	Dikulushi	Kulu	Kinsevere	CDA	Inter-segment	Total
2006						
Concentrate sales	145,770	29,673	—	—	—	175,443
Operating expenses	(49,748)	(10,003)	—	(1,094)	—	(60,845)
Amortization	(4,930)	(1,762)	—	(869)	—	(7,561)
Segmented operating profit (loss)	91,092	17,908	—	(1,963)	—	107,037
Interest and financing fees	(2,705)	(2,122)	—	(1,800)	2,122	(4,505)
Other income	523	250	—	10,587	(5,386)	5,974
Other expenses	(8,332)	(3,521)	—	(3,325)	3,264	(11,914)
Segmented profit (loss) before under noted items	80,579	12,515	—	3,499	—	96,593
Income taxes	—	(3,799)	—	(31)	—	(3,830)
Non-controlling interest	(8,058)	(2,528)	—	—	—	(10,586)
Segmented profit (loss)	72,521	6,188	—	3,468	—	82,177
Property, plant and equipment	20,662	10,960	24,655	7,653	—	63,930
Total assets	70,591	37,794	89,903	204,198	—	402,486
Capital expenditures	8,610	5,119	23,424	2,123	—	39,276

Geographical Reporting

The operations in DRC comprise the Dikulushi copper-silver mine, Kulu copper mine, Kinsevere copper mine, as well as exploration on tenements held in the DRC. The Group's Zambia operations comprise the infrastructure support to the Dikulushi mine and exploration tenements in Zambia. The Group's Philippines operations comprise interests in exploration tenements in the Philippines. The Group's Australia and Canada segment carry all corporate activity costs.

All material assets comprising property, plant and equipment and associated inventories and other current assets relate primarily to the Dikulushi, Kulu and Kinsevere mines. The total assets located by geographic areas are as follows:

	December 31, 2007 $	December 31, 2006 $
TOTAL ASSETS – GEOGRAPHICAL REPORTING		
Democratic Republic of Congo	402,409	232,941
Zambia	885	678
Vietnam	—	1,021
Philippines	3,720	431
Australia[1]	5,535	52,753
Canada[1]	276,106	114,662
	688,655	**402,486**

1. These assets are physically held in the geographical region and relate mainly to the corporate and management activity.

The geographic distribution of the Group's external revenues, which are attributed to regions based on the location of the principal underlying asset, is as follows:

	Year ended December 31, 2007 $	Year ended December 31, 2006 $
REVENUES – GEOGRAPHICAL REPORTING		
Democratic Republic of Congo	263,234	175,443

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

23. FINANCIAL INSTRUMENTS

Credit risk exposure

Credit risk relates to the risk that the counter-party will default on its contractual obligations resulting in financial loss to the Group. The credit risk on financial assets of the Group, which have been recognized on the balance sheet, is generally the carrying value net of any provision for doubtful debts. The Group has adopted a policy of dealing only with credit worthy counterparties and where appropriate obtaining sufficient collateral or other security, as a means of mitigating the risk of financial loss from any defaults.

Fair value of financial assets and liabilities

The fair value of financial assets and financial liabilities of the Company approximates their carrying value.

24. EARNINGS PER SHARE

	Year ended December 31 2007	Year ended December 31 2006
Basic earnings per share ($ per share)	1.81	1.65
Diluted earnings per share ($ per share)	1.77	1.61
Weighted average number of common shares outstanding – basic earnings per share	64,715,747	49,729,151
Weighted average number of common shares outstanding – diluted earnings per share	66,224,739	51,006,948

The reconciliation of basic and diluted earnings per share where relevant, is as follows:

	Year ended December 31, 2007		
	Income $	Shares Number	Per share amount $
Basic earnings per share – Income available to shareholders	117,164	64,715,747	1.81
Effect of dilutive securities: Options and warrants	—	1,508,992	—
Diluted earnings per share – Income available to shareholders and assumed conversions	117,164	66,224,739	1.77

	Year ended December 31, 2006		
	Income $	Shares Number	Per share amount $
Basic earnings per share – Income available to shareholders	82,177	49,729,151	1.65
Effect of dilutive securities: Options and warrants	—	1,277,797	—
Diluted earnings per share – Income available to shareholders and assumed conversions	82,177	51,006,948	1.61

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

25. SUPPLEMENTARY CASH FLOW INFORMATION

	Year ended December 31 2007	Year ended December 31 2006
(a) Changes to non-cash working capital		
Accounts receivable	(36,638)	(21,679)
Inventories	(14,202)	(10,667)
Prepaid expenses and deposits	(3,162)	(6,126)
Deferred mining	—	4,078
Accounts payable and accrued liabilities	8,180	6,327
Income taxes	2,271	3,206
Other liabilities	619	3,224
	(42,932)	(21,637)
(b) Other information		
Interest and financing fees paid	(821)	(2,735)
Income tax paid	(4,765)	(75)
Interest received	11,934	5,296
Exploration expenditure transferred to mine properties	(92,196)	(1,699)

Non-cash financing and investing activities

On December 21, 2006 the Group completed its acquisition of an additional 15% interest in AMCK. The consideration of $45.0 million, being $36 million in cash and $9 million in common shares of Anvil Mining Limited, was paid during 2007.

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

26. DEED OF CROSS GUARANTEE

Information in relation to the Deed of cross guarantee is presented for the purposes of the Company's reporting obligations in Australia which requires a disclosing entity, which is a registered foreign holding company to disclose condensed statements of earnings and balance sheets of both "the Closed Group" and "the Extended Closed Group" as defined by the Australian Securities and Investments Commission ("ASIC") Class Order 98/1418.

On June 30, 2004, Anvil Mining Limited, Anvil Mining Management NL, Central African Holdings Pty Ltd, Congo Development Pty Ltd, Anvil Mining No 2 Pty Ltd, Anvil Mining No 3 Pty Ltd, Leda Mining Pty Ltd and Bannon Mining Pty Ltd (together the "Closed Group") entered into a Deed of Cross Guarantee and in August 2004 a Deed of Variation (together the "Deeds"), under which each company guarantees the liabilities of all other companies that are party to the Deeds. A benefit arising from the Deeds is to relieve eligible entities from the requirements to prepare audited financial reports under the Australian Corporations Act 2001 and ASIC accounting and audit relief Orders.

The following entities form part of the consolidated entity but are not members of the Closed Group:

Anvil Mining Congo sarl, Anvil Mining Investments Limited, L'Entreprise Minière de Kolwezi sprl, Société Minière de Kolwezi sprl, AMCK Mining sprl, Anvil Mining Holdings Ltd, Anvil Mining Zambia Ltd, Anvil Mining Services sprl, Anvil International Holdings Limited, Anvil Mining Australia Pty Ltd, Anvil International Finance Limited and Anvil Mining Investment Company South Africa (Pty) Ltd (together the "Extended Closed Group").

Set out below are the condensed statements of earnings and balance sheets for the year ended December 31, 2007 and December 31, 2006 of the Closed Group and the Extended Closed Group:

CONDENSED STATEMENT OF EARNINGS

	Closed Group		Extended Closed Group[1]	
	Year Ended December 31 2007 $	Year Ended December 31 2006 $	**Year Ended December 31 2007 $**	Year Ended December 31 2006 $
Copper-silver concentrate sales	—	—	263,234	175,443
Cost of operations	—	—	(85,785)	(60,845)
Amortization	—	—	(17,163)	(7,561)
Operating profit	—	—	160,286	107,037
Other income[2]	128,248	14,385	11,852	5,974
Other expenses				
General, administrative and marketing	(5,664)	(9,931)	(14,841)	(10,134)
Exploration expense	(1,063)	(42)	(4,389)	(42)
Foreign exchange gains/(losses)	1,666	(316)	95	(370)
Provision for impairment of investment	(9,367)	—	(9,367)	—
Stock based compensation	(2,484)	(1,367)	(2,484)	(1,367)
Interest and financing fees	(3)	(1,271)	(2,242)	(4,505)
Earnings (loss) before income tax and non controlling interests	111,331	1,458	138,910	96,593
Income tax (expense) revenue	283	381	(8,537)	(3,830)
Non controlling interests	—	—	(13,209)	(10,586)
Net income	111,614	1,839	117,164	82,177
Retained earnings (deficit) at beginning of the year	(6,844)	(8,683)	92,714	10,537
Adjustment to opening retained earnings	(190)	—	(190)	—
Share of loss in associates	(164)	—	(164)	—
Retained earnings (deficit) at end of the year	104,416	(6,844)	209,524	92,714

(Expressed in thousands of US dollars, except per share amounts and as otherwise stated)

CONDENSED BALANCE SHEETS

	Closed Group		Extended Closed Group[1]	
	Year Ended December 31 2007 $	Year Ended December 31 2006 $	**Year Ended December 31 2007 $**	Year Ended December 31 2006 $
ASSETS				
Current assets				
Cash and cash equivalents	196,824	49,736	215,754	59,302
Restricted cash	—	219	322	219
Accounts receivable	3,886	4,593	65,761	29,594
Inventories	—	—	32,221	18,020
Investments	63,800	95,819	63,800	95,819
Prepaid expenses and deposits	2,245	1,783	21,449	6,936
	266,755	152,150	399,307	209,890
Receivables from subsidiaries[3]	216,578	32,682	—	—
Deferred financing fees		—	—	791
Deferred mining costs		—	—	—
Equity accounted investments	5,766		5,766	—
Long term receivable	—		3,966	—
Exploration and evaluation expenditure	255	52	49,680	127,138
Property, plant and equipment	26	590	228,052	63,930
Future income tax asset	1,581	737	1,884	737
	490,961	**186,211**	**688,655**	**402,486**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	2,914	4,180	25,044	14,285
Current income taxes	1,091	299	5,116	3,281
Other liabilities	—	192	1,296	676
Current portion of long term debt	—	—	—	8,000
Purchase consideration payable	—	1,250	—	46,250
	4,005	5,921	31,456	72,492
Long term debt	—	—	—	4,000
Purchase consideration payable	—	—	—	—
Asset retirement obligations	—	—	11,668	1,402
Future income tax liability		52	39,587	36,505
		5,973	82,711	114,399
Non controlling interest	—	—	13,880	8,291
Shareholders' equity				
Equity accounts	382,540	187,082	382,540	187,082
Retained earnings (deficit)	104,416	(6,844)	209,524	92,714
Total shareholders' equity	486,956	180,238	592,064	279,796
	490,961	**186,211**	**688,655**	**402,486**

1. The members of the consolidated entity comprising the Extended Closed Group are the same as those entities, which comprise the consolidated entity, as Anvil Mining Limited is the ultimate parent entity.
2. Other income of the Closed Group includes inter-company charges between the Closed Group and entities outside the Closed Group amounting to $(0.7) million for the year ended December 31, 2007 (year ended 31 December 2006: $9.7 million) and dividends received from entities outside the Closed Group amounting to $118.0 million.
3. These long-term receivables relate to receivables from controlled entities, which are outside the Closed Group, as is listed above.

additional **australian securities exchange** information

as at February 29, 2008

PLACE OF INCORPORATION

Anvil is incorporated in the Northwest Territories, Canada.

CHAPTERS 6, 6A, 6B AND 6C OF THE AUSTRALIAN CORPORATIONS ACT

Anvil is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares in Anvil in relation to substantial holdings and takeovers.

SUMMARY OF CANADIAN LEGAL REQUIREMENTS RESPECTING THE ACQUISITION OF SECURITIES OF ANVIL

The following highlights the Canadian legal requirements applicable to persons who wish to acquire a substantial shareholding in Anvil.

The applicable Canadian laws, like their Australian equivalent, are very technical. Shareholders should therefore consult their own Canadian legal advisors with respect to these matters rather than relying upon this summary.

Early Warning Reporting and Conduct of Takeover Bids

Canadian securities laws include a comprehensive code governing both the reporting of the acquisition of significant shareholdings and the conduct of takeover bids. For the purposes of these rules, a person is deemed to own all Common Shares and securities convertible into Common Shares that are owned directly or indirectly by or over which control or direction is exercised by, persons acting jointly or in concert with that person. Anvil's Common Shares trade on the Australian Securities Exchange in the form of CHESS Depositary Instruments (CDIs), with each CDI being equal to one Common Share. For the purposes of these rules, the CDIs are considered to be a security convertible into Common Shares.

Early Warning Reporting

Under applicable Canadian securities legislation, any person who directly or indirectly acquires beneficial ownership of, or the power to exercise control or direction over, Common Shares (or securities convertible into Common Shares) of Anvil that, together with any Common Shares held by that person, would constitute 10% or more of the outstanding Common Shares, must forthwith issue a news release in Canada announcing the number of such securities they hold and their intentions with respect to the securities of Anvil. A formal report (an "early warning report") setting forth this information is also required to be filed with the Canadian Securities Commissions in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec within two business days of the acquisition of Common Shares (or convertible securities) that results in the person holding 10% or more of such securities.

Whenever a person who has filed an early warning report acquires an additional 2% of Anvil's Common Shares (including securities convertible into Common Shares), or if there is a change in a material fact disclosed in a previously filed report, an additional report must be filed within the same time limits.

Takeover Bid Rules

Any person who acquires or offers to acquire 20% or more of Anvil's Common Shares is deemed to be making a takeover bid. The applicable Canadian securities legislation generally provides that takeover bids must:

- be made available to all shareholders,
- be open for acceptance for a minimum of 35 days,
- offer identical consideration to all shareholders, and
- be made by a takeover bid circular containing prescribed information about the bidder and its intentions with respect to Anvil.

There are also rules that require the bidder to offer at least as high a price and offer to acquire at least as great a percentage as any the bidder gave to any other person in the 90-day period preceding the bid.

There are various statutory exemptions available from these rules. In particular, a person may acquire up to 5% of Anvil's Common Shares in any 12 month period at prices not in excess of "market price" (plus brokerage). Also, a person may acquire Common Shares of Anvil from no more than five persons in private transactions at no more than 115% of "market price".

Insider Reporting

A person who acquires direct or indirect beneficial ownership of or the power to exercise control or direction over more than 10% of the Common Shares of Anvil is considered to be an "insider" of Anvil. Each insider must file an initial insider report in prescribed form within 10 days of becoming an insider disclosing the holdings of that person. A further insider report must be filed within 10 days of any change in the ownership or control or direction over securities of Anvil by that insider.

Insider reports are filed electronically using the System for Electronic Disclosure by Insiders (or SEDI) established by the Canadian Securities Administrators. Further information about SEDI can be found at the SEDI website: www.sedi.ca.

Compulsory Acquisition

A person who acquires 90% of the outstanding Common Shares in a takeover bid (other than any Common Shares owned by that person, its affiliates and associates at the commencement of the bid) may acquire any remaining Common Shares. The shares will be acquired at the price paid in the takeover bid unless the minority shareholder demands that they be acquired at fair value, as determined by the Court.

RESTRICTIONS ON FOREIGN INVESTMENT – INVESTMENT CANADA ACT

The Structure of the Act

The Investment Canada Act requires acquisitions of existing Canadian businesses by foreign nationals to be reviewed by the Investment Canada division of Industry Canada when the value of the acquired business exceeds C$5 million. However, under the agreement establishing the World Trade Organization (WTO), a special status is conferred upon nationals of WTO member states and entities controlled by them. The investment threshold limit applicable to WTO investors (which includes Australians and Australian-controlled companies) is currently (2007 year) businesses with assets valued at C$281 million. The threshold limit is adjusted annually based on the change to the Canadian GDP in each succeeding year. Any transaction below the current threshold is not reviewable unless the Canadian business is a "cultural business", provides any financial service, engages in the production of uranium or provides any transportation service. Anvil does not currently carry on any business that would require review for an acquisition under the threshold.

In order for a reviewable transaction to be approved by Investment Canada, it must result in a "net benefit" to Canada. The Investment Canada Act sets out a number of factors that are to be taken into account in determining whether the proposed investment is of net benefit to Canada, including the effect of the investment on the level and nature of economic activity in Canada and the degree and significance of participation by Canadians in the existing and proposed businesses. Factors such as continued employment and infusion of capital by the acquiror are particularly significant to Investment Canada and assist in meeting the net benefit test. Conversely, plans to downsize following a merger can be impediments to achieving approval for the investment.

Investments by non-Canadians in non-reviewable acquisitions and in the establishment of a new business are subject only to a notice filing requirement that must be made within 30 days following implementation of the investment.

Investment Review

If a proposed investment is subject to review, the Minister of Industry who is responsible for Investment Canada will, on recommendation of Investment Canada, either approve or not approve the proposed investment. The Minister of Industry has the power to order divestiture of control of a Canadian business that is the subject of an investment. The Investment Canada Act allows for negotiations to take place between Investment Canada and the investor to amend the terms of the application to provide for commitments, plans and undertakings, including with respect to the expenditure of certain amounts on capital or technology as well as the maintenance of employment levels or retaining head office functions in Canada so that the application is more acceptable to the Minister. Investment Canada, in the course of its review, will seek input from provincial governments or other government departments that they believe may be affected by, or have an opinion on, the investment.

Waiting Periods

If a review is required, then Investment Canada must, within 45 days after receipt of a complete review application, advise the investor whether or not the investment is, in the view of the Minister, of net benefit to Canada. The Minister is entitled to a 30-day extension, on notice to the investor, for completion of the review. After such time, the Minister may request an extension, which must be mutually agreed to by the investor.

Competition Review of Mergers

The Competition Act (Canada) defines a merger to include any acquisition, direct or indirect, by one or more persons, by any means, of control over, or significant interest in, the whole or part of a business of a competitor, supplier, customer or other person. An acquisition of control of Anvil would therefore be a merger for the purposes of this legislation.

The Commissioner of Competition may apply to the Competition Tribunal for a review of any merger or proposed merger. If the Tribunal determines that a merger or proposed merger prevents or lessens or is likely to prevent or lessen competition substantially, then the Tribunal has the power to prohibit or dissolve the merger or order divestiture of assets or shares. The Commissioner may make the application at any time up to three years after a merger has been consummated if, in the Commissioner's opinion, the merger raises concerns of substantial lessening of competition in the relevant market.

Pre-Merger Notification

The parties to a proposed merger must notify the Competition Bureau prior to completion of the transaction where the transaction exceeds two threshold tests.

The first threshold is met if the parties to the transaction, together with their affiliates, have assets in Canada or gross annual revenues from sales in or from Canada, that exceed C$400 million. For the purposes of this test, the Competition Act deems the parties to a proposed acquisition of shares to be the person or persons who propose to acquire the shares and the corporation the shares of which are to be acquired.

The second threshold is met if the transaction is an acquisition, direct or indirect, of an operating business that has assets in Canada the value of which exceeds C$50 million or gross revenues from sales in or from Canada generated from those assets exceeding C$50 million. In the case of an amalgamation where at least one of the amalgamating corporations carries on, or controls a company that carries on, an operating business in Canada, the threshold is met if the continuing corporation (or corporations controlled by the continuing corporation) has assets in Canada the value of which exceeds C$70 million or gross revenues from sales in or from Canada generated from those assets exceeding C$70 million. Given the broad definition of merger, an acquisition of 20% of all outstanding publicly trading voting shares of a company or the acquisition of 35% of all outstanding voting shares of a private company that is, or controls, an operating business with assets or gross revenues that meet the prescribed threshold will require pre-merger notification.

Filing and Waiting Periods

Where pre-notification is required, one or more of the parties involved in the transaction must file a notice of the proposed merger and provide the prescribed information. There are two possible filings, a "long form" and a "short form". The Bureau reserves the right to require a party submitting a short form filing to file the information contained in a long form filing.

If a short form is filed and accepted as complete by the Bureau, the parties may not complete the merger until 14 days after the short form notification has been receipted by the Bureau, provided that the Bureau does not require the applicant to file a long form. Generally speaking, if the short form has been correctly completed, the Bureau will issue its receipt within one business day following submission. However, the Bureau may notify the applicant that its application is incomplete, and the waiting period will not commence until the Bureau is satisfied that all required information has been received.

If a long form is filed, and accepted as complete by the Bureau, the parties may not complete the merger until 42 days after the long form notification has been receipted by the Bureau.

Advance Ruling Certificates

Where the Commissioner is satisfied, upon application by a party or parties to a proposed transaction, that there would not be sufficient grounds on which to apply to the Tribunal for an order under the merger provisions regarding the transaction, the Commissioner may issue an advance ruling certificate ("ARC") to this effect. The Commissioner is required to consider any request for an ARC as expeditiously as possible.

If the transaction to which an ARC relates is substantially completed within one year after the ARC is issued, the Commissioner may not apply to the Tribunal for a review of the transaction solely on the basis of information that is the same or substantially the same as the information on the basis of which the ARC was issued.

ISSUED CAPTIAL AND SHAREHOLDER INFORMATION

Statement of issued capital at February 29, 2008.

Distribution of fully paid holders of Common Shares

Size of Holding	Number of Shareholders	No. of Common Shares
1 – 1,000	615	290,133
1,001 – 5,000	307	766,097
5,001 – 10,000	55	441,578
10,001 – 100,000	72	1,995,417
100,001 – and over	14	67,635,352
Total Shareholders	1,063	71,128,577

At the date of this statement there existed zero shareholders who held less than a marketable parcel of shares.

Number of Anvil securities quoted on ASX

There are 9,000,455 Common Shares of Anvil quoted on the ASX in the form of CDIs.

Number of Anvil securities not quoted on ASX

Number	Class
2,284,546	Stock options (Anvil Stock Option Plan)

Voting rights

All Anvil Common Shares carry one vote per share.

Each CDI represents an interest in one Common Share.

CDI holders are the beneficial owners of Common Shares and although they are not entitled to attend and vote at Anvil shareholder meetings, CDI holders may direct CHESS Depositary Nominees Pty Ltd, as the legal holder of their Common Shares, to cast proxy votes at the relevant meeting.

Substantial shareholders

Name	No. of Common Shares	%
Omers Administration Corporation	5,189,650	7.2
Colonial First State Investments Limited	3,533,523	5.0

Quotation

The Common Shares are quoted as "AVM" on the Toronto Stock Exchange and the CDIs are quoted as "AVM" on the Australian Securities Exchange Limited.

Twenty Largest Shareholders

As at February 29, 2008 the twenty largest shareholders as known by Anvil, held 95.69% of the total Common Shares as follows:

Rank	Name of Shareholder	Common Shares	% of Common Shares Held
1	CDS & CO.[1]	57,865,220	81.35%
2	Deans Knight Capital	3,264,444	4.59%
3	ANZ Nominees Limited Cash Income Account	3,081,865	4.33%
4	Stadiums Pty Ltd	630,500	0.89%
5	Wintercoast Pty Ltd	683,685	0.96%
6	HSBC Custody Nominees	344,320	0.48%
7	National Nominees Limited	358,405	0.50%
8	Michael Thomas O'Sullivan	275,000	0.39%
9	Peter Bradford	208,348	0.29%
10	Miningnut Pty Ltd	220,000	0.31%
11	JP Morgan Nominees Australia Limited	253,455	0.36%
12	Goldman Sachs & Co	144,500	0.20%
13	Trevor and Jasmine Green	120,000	0.17%
14	Craig Rennie Munro	115,999	0.16%
15	Citcorp Nominees Pty Limited	95,233	0.13%
16	Anthony Neil Wallis	75,100	0.11%
17	Merrill Lynch (Australia) Nominees	71,000	0.10%
18	Cogent Nominees Pty Limited	59,048	0.08%
19	Hedley James Clayton	50,000	0.07%
19	Mark Andrew Copley	50,000	0.07%
19	Pierre Prudent Mercier	50,000	0.07%
20	Robert David Hall	47,000	0.07%
Total		**68,063,122**	**95.69%**
Total No. of Shares Issued		**71,128,577**	

1. CDS & Co. is Canada's central securities depository, providing custodial services for Canadian and international securities. The vast majority of shareholders' holdings of AVM shares are held through CDS and registered as held by CDS.

Project	Tenement	Commodity	Consolidated Entity's Interest	Joint Venture Partners
AUSTRALIAN PROJECTS				
Kalgoorlie – Boulder City	MLA24/516, 524-5	Gold	100%	
Kalgoorlie – Boulder City	MLA28/230	Gold	100%	
Laverton (Spinifex Well)	MLA38/951	Gold	20% (diluting)	Metex Resources NL
Sunrise Dam	MLA39/597-8 MLA38/635-6,815	Gold	10%	Gascoyne Gold NL
Murrin Murrin	MLA40/274-5	Gold/base metals	100%	
AFRICAN PROJECTS				
DIKULUSHI-KAPULO MINING CONVENTION				
PWETO/Dikulushi	606	Copper/Silver	90%	
PWETO	546	Copper/Silver	90%	
MOBA AND PWETO	1684	Copper/Silver	90%	
MOBA	1685	Copper/Silver	90%	
MOBA	1686	Copper/Silver	90%	
PWETO	1688	Copper/Silver	90%	
MOBA AND PWETO	1689	Copper/Silver	90%	
MOBA AND PWETO	1690	Copper/Silver	90%	
PWETO	1693	Copper/Silver	90%	
PWETO	1694	Copper/Silver	90%	
PWETO	1695	Copper/Silver	90%	
PWETO	1697	Copper/Silver	90%	
PWETO	1700	Copper/Silver	90%	
PWETO	1703	Copper/Silver	90%	
PWETO	1704	Copper/Silver	90%	
PWETO	1705	Copper/Silver	90%	
PWETO	1706	Copper/Silver	90%	
PWETO	1707	Copper/Silver	90%	
PWETO	1708	Copper/Silver	90%	
PWETO	1709	Copper/Silver	90%	
PWETO	1710	Copper/Silver	90%	
PWETO	1711	Copper/Silver	90%	
LUNGESHI ACCORD				
LUBUDI	831	Copper	100%	
MITWABA	832	Copper	100%	
LUBUDI AND BUKAMA	833	Copper	100%	

Project	Tenement	Commodity	Consolidated Entity's Interest	Joint Venture Partners
KALEMIE ACCORD				
FIZI	818	Gold/Copper/PGMs	100%	
FIZI	819	Gold/Copper/PGMs	100%	
FIZI	820	Gold/Copper/PGMs	100%	
FIZI	821	Gold/Copper/PGMs	100%	
FIZI	822	Gold/Copper/PGMs	100%	
FIZI	823	Gold/Copper/PGMs	100%	
FIZI AND KALEMIE	824	Gold/Copper/PGMs	100%	
KALEMIE	825	Gold/Copper/PGMs	100%	
KALEMIE	826	Gold/Copper/PGMs	100%	
KALEMIE	827	Gold/Copper/PGMs	100%	
KALEMIE	828	Gold/Copper/PGMs	100%	
KALEMIE	829	Gold/Copper/PGMs	100%	
MUTOSHI PROJECTS				
Kulumaziba River Tailings	2182	Copper/Cobalt/Gold	80%	
Mutoshi	2604	Copper/Cobalt/Gold	80%	
Kamukonko	663	Copper/Cobalt/Gold	80%	
Kampese and Nioka	2605	Copper/Cobalt/Gold	80%	
ZAMBIAN PROJECTS				
Nchelenge	LS204	Copper/Cobalt/Gold	100%	
Nchelenge	LS205	Copper/Cobalt/Gold	100%	
KINSEVERE PROJECTS				
Kinsevere	528	Copper/Cobalt/Gold	95%	
Nambulwa	539	Copper/Cobalt/Gold	95%	
PHILIPPINES PROJECTS				
Baguio District	EPA-31	Gold	100%	
Baguio District	MRD-479	Gold	100%	

Statement of Corporate Governance Practices

This statement outlines the main Corporate Governance practices that were in place at the date of this annual report. Unless otherwise noted, Anvil complies with the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations," second edition (the "Principles")

The Corporation was incorporated on January 8, 2004 for the purpose of becoming the new Canadian holding company of Anvil Mining NL, pursuant to a court approved scheme of arrangement (the "Reorganization"). In conjunction with the Reorganization, the composition of the board was substantially changed and new corporate governance documentation which supports the need of both the Canadian and Australian legislation and regulatory requirements was prepared. This report is based wholly on the Board of Anvil Mining Limited as at the date of this report.

BOARD OF DIRECTORS

The Board of Directors is responsible for supervising the management of the business and affairs of the Corporation in a way that ensures that the interests of shareholders and stakeholders are promoted and protected.

The composition of the Board is determined using the following principles:

- The Board shall comprise a minimum of four Directors. This number may be increased where it is felt additional expertise is required in specific areas or when the growth of the Corporation warrants additional Directors.
- The Board shall consist of a majority of independent non-executive Directors. The independence of Directors will be determined in accordance with the definitions contained in Canadian National Instrument 58-101.
- The Chairman of the Board shall be a non-executive Director.

COMMITTEES OF THE BOARD

The Board of Directors has established the following committees:

- Audit Committee
- Nomination, Compensation and Corporate Governance Committee
- Corporate Responsibility and Sustainability Committee

The Board of Directors has approved charters for the Audit Committee and the Nomination, Compensation and Corporate Governance Committee. A charter for the Corporate Responsibility and Sustainability Committee is expected to be approved during the first half of 2008. Each charter must be periodically reviewed and approved by the Board of Directors. As necessary, the Board considers for review those matters that have been delegated to Board committees for review.

MEMBERSHIP OF THE BOARD

John W. Sabine, B.A., LL.B.
Chairman, Independent Director

Mr. Sabine is a partner in the Canadian law firm, Fraser Milner Casgrain LLP. He is recognised as a leading mining practitioner in Canada with experience in mining and resource law and corporate finance, and lectures on various legal topics, including those relating to securities, mergers and acquisitions and corporate governance. He has been a member of the Securities Advisory Committee to the Ontario Securities Commission. During 35 years of practice, he has served as a director of several mining and resource companies. Mr. Sabine became a director in 2004 and is also a member of the Nomination, Compensation and Corporate Governance Committee.

William S. Turner, B.Sc., M.Sc., M.B.A., F. Aus. I.M.M.
President and Chief Executive Officer, Director

Mr. Turner has been a Board member of Anvil Mining Limited since September 1996. He has a Bachelor of Science (Geology and Mineralogy) from the University of Queensland, a Master of Science from James Cook University and an M.B.A. from Monash University, and worked internationally at a senior level for over 15 years in Central and Southeast Asia and Africa. Prior to joining Anvil in 1995, he worked with Dominion Mining Limited over a period of 10 years as the General Manager – Indonesia and Special Projects Manager — Australia. Mr. Turner is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Turner is also a member of the Corporate Responsibility and Sustainability Committee.

Peter J. Bradford, B.Sc., F. Aus. I.M.M.
Chairman of the Nomination, Compensation and Corporate Governance Committee and Independent Director

Mr. Bradford has been a Director of Anvil Mining Limited since September 1998. He was Managing Director of Anvil Mining Limited from September 1998 to October 1999 and then President and Chief Executive Officer of Golden Star Resources Ltd from 1999 to 2007. Mr. Bradford is also a director of Copperbelt Resources plc. He is a qualified metallurgist with over 30 years of experience in the mining industry and is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Bradford is a member of the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Corporate Responsibility and Sustainability Committee.

Thomas C. Dawson, B.Comm., C.A.
Chairman of the Audit Committee and Independent Director

Mr. Dawson has been a Board member of Anvil Mining Limited since May 2005. He received his B.Comm. from Concordia University, Montreal, Canada, in 1959. He has been a Chartered Accountant since 1961 and is a retired senior audit and accounting partner with 40 years of experience at Deloitte & Touche LLP, Chartered Accountants. He currently serves as a director of several other companies, including WFI Industries Ltd., Energy Split Corp., Energy Split II Corp., R Split II Corp. and Seabridge Gold Inc. Mr. Dawson is also a member of the Nomination, Compensation and Corporate Governance Committee.

Ambassador (ret.) Kenneth L. Brown
Chairman of the Corporate Responsibility and Sustainability Committee and Independent Director

Mr. Brown has been a Board member since November 2006. He has a B.A. and M.A. in International Relations from Pomona College and Yale University, an M.A. in Political Science from NYU and a Ph.D. in Political Sociology from the University of Cape Coast in Ghana. Mr. Brown is President of the Association for Diplomatic Studies and Training in Washington, DC. In the U.S. Foreign Service, his positions included: Ambassador to the Republic of Congo, Côte d'Ivoire and Ghana, Consul General in Johannesburg, Political Officer in Kinshasa, Deputy Assistant Secretary of State for Africa, Associate Spokesman, Director of Central African Affairs and Deputy Director of UN Political Affairs. He is also a trustee of the Ghana Heritage Conservation Trust, Treasurer of the Global Alliance for Women's Health and former Director of the Dean Rusk Program in International Studies at Davidson College. Previously he served as a director of Pioneer Goldfields, Ltd. and as a member of the Senior Advisory Group of the U.S. European Command. Mr. Brown is also a member of the Audit Committee.

Name of Director	Date Appointed Director	Audit Committee Meetings Attended (Held)	Nomination, Compensation and Corporate Governance Committee Meetings Attended (Held)
William S. Turner	September 23, 1996		
Peter J.L. Bradford	September 11, 1998	5 (5)	Chairman 2 (2)
John W. Sabine	February 29, 2004	3 (5)	2 (2)
Thomas C. Dawson	May 27, 2005	Chairman 5 (5)	2 (2)
Kenneth L. Brown	November 9, 2006	2 (5)	

Mr. Brown replaced Mr. Sabine as a member of the Audit Committee at a meeting of the Board of Directors on May 10, 2007. During 2007, both Mr. Brown and Mr. Sabine attended each of the meetings of the Audit Committee held during the term of their membership of the Audit Committee.

INDEPENDENT PROFESSIONAL ADVICE

Each director has the right to seek independent professional advice at the Corporation's expense. However, prior approval of the Chairman is required, which approval will not be unreasonably withheld.

PERFORMANCE EVALUATION OF THE BOARD

The Nomination, Compensation and Corporate Governance Committee of the Board has been delegated responsibility for all matters in relation to evaluating the performance of the Board and key executives. The performance of the Board and key executives is reviewed against both measurable and qualitative indicators. The Board also discusses with each director their requirements, performance and involvement in the Corporation.

COMPENSATION POLICIES AND PROCEDURES

Compensation-related matters are the responsibility of the Nomination, Compensation and Corporate Governance Committee. The responsibilities of the committee are outlined it its charter. Disclosures on director and executive remuneration as required by Principle 8 are contained in the Corporation's Annual Information Form and Management Information Circular. As all shareholders will get a copy of the Management Information Circular, it is not considered necessary to reproduce it in this statement. Copies of the AIF, Management Information Circular and charter are available at www.anvilmining.com

AUDIT COMMITTEE

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through overseeing management's conduct of the Corporation's accounting and financial reporting process and systems of internal accounting and financial controls; selecting, retaining and monitoring the independence and performance of the Corporation's external auditors, including overseeing the audits of the Corporation's financial statements, and approving any non-audit services; and providing an avenue of communication among the external auditors, management and the Board.

The Committee's key responsibilities are:

- Evaluating whether management is setting the appropriate "control culture";
- Reviewing annually the adequacy and quality of the Corporation's financial and accounting staff, the need for and scope of internal audit reviews, and the plan, budget and the designations of responsibilities for any internal audit;
- Reviewing the performance and material findings of internal audit reviews;
- Reviewing annually with the external auditors, any significant matters regarding the Corporation's internal controls and procedures over financial reporting that have come to their attention during the conduct of their annual audit;
- Review implementation status of internal control recommendations made by the auditors;
- Reviewing major risk exposures (whether financial, operating or otherwise) and the guidelines and policies that management has put in place to manage such exposures; and
- Establishing procedures for the receipt, retention and treatment of any complaints received by the Corporation regarding internal controls or auditing matters.

A copy of the Audit Committee's charter is available at www.anvilmining.com.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The Corporate Responsibility and Sustainability Committee advises the Board of Directors in regard to the conduct of management in the following areas:

- Sustainability
- Safety
- Social development and community relations
- Health and physical environment
- Employee relations
- Political and operational risks associated with host country environments
- Code of business conduct and implementation of guiding principles
- Reputational risk

CODE OF BUSINESS CONDUCT

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. This commitment has been formalized in the Code of Business Conduct, a copy of which is available at www.anvilmining.com.

The Code of Business Conduct is supported by a number of specific policies that prescribe the manner in which all employees are required to act when undertaking specific activities. In particular, the sale and acquisition of securities of the Corporation must take place in accordance with the Corporation's Insider Trading and Continuous Disclosure Policy, which defines the protocol by which directors and insiders must trade in the Corporation's securities, including the application of designated blackout periods during which trading is not allowed.

RISK OVERSIGHT AND MANAGEMENT

The Board of Directors is charged with primary responsibility for identifying principal risks to the Corporation's business and ensuring that appropriate systems are implemented to manage these risks and mitigate their impact in the event that they materialize. At Board of Director meetings, areas of risk are reviewed, including risks relating to operating performance, exploration and development, the political environment in which the Corporation operates, budget control, asset safeguarding and information technology security.

glossary & conversion table

GLOSSARY

Ag	The chemical symbol for the metallic element silver.
Bornite	A reddish brown to iridescent purple mineral made up of copper (up to 63%) iron and sulphur.
Chalcocite	A mineral that is made up of copper (up to 80%) and sulphur.
Cu	The chemical symbol for the metallic element copper.
Cut-off	The minimum concentration (grade) of the valuable component in a mass of rock that will produce sufficient revenue to pay for the cost of mining, processing and marketing.
Dilution	A term used to describe the waste or non-economic materials included when mining ore.
Dip	The angle that a structural surface makes with the horizontal.
Disseminated	Ore carrying fine particles, usually sulphides, scattered throughout the rock.
Flotation	An industrial process widely used to concentrate valuable minerals after mining that treats finely-ground rock in a water-based pulp with chemicals that allow them to float to the surface, where they are recovered in preference to waste or gangue minerals, which sink.
g/t	grams per tonne.
Hangingwall	A generic term used to describe the rock mass above a dipping orebody.
HMS	**Heavy Media Separation**, a mineral processing method that uses high-density fluids or suspensions to separate valuable minerals from waste or gangue by exploiting differences in the specific gravity of minerals.
JORC	An acronym for **Joint Ore Reserve Committee**, the Australian committee formed by the Australian Stock Exchange and Australasian Institute of Mining and Metallurgy responsible for the regulatory enforceable standards for the Code of Practice for the reporting of mineral resources and reserves.
Malachite	A mineral containing copper (up to 57%) carbonate and water found mainly in the weathered zone of a copper orebody.
Massive	A term used to describe a large occurrence of a pure mineral species, often with no structure.
Mineral Reserve	The term for the economic quantities and grade of valuable materials as strictly applied in compliance with the definition in National Instrument 43-101.
Mineral Resource	The term for the estimate of the quantities and grade of valuable materials but with no economic considerations as strictly applied in compliance with the definition in National Instrument 43-101.
Raffinate	In solvent extraction, a raffinate is a liquid stream that remains after the extraction with the immisciable liquid to remove solutes from the original liquour.
Recovery	A measure in percentage terms of the efficiency of a process, usually metallurgical, in gathering the valuable minerals from an ore. The measure is made against the total amount of valuable mineral present in the ore.
RC	**Reverse Circulation**, a drilling method whereby drilling fluid or air is pumped into the space between a dual drill tube and returned through the inner tube, bringing cuttings from the drill bit to the surface.
ROM	**Run of Mine**, a description applied to the physical characteristics of ore (including dilution) as presented to the processing plant.
Stockpile	A mound or pile of material.
SX-EW	**Solvent Extraction and Electrowinning**, a processing method utilizing synthetic organic liquids that are able to extract copper from ore, allowing the copper to be deposited by electrolysis. This processing method allows the smelting and refining stages in ore processing to be bypassed.
Vein	A single continuous planar occurrence of a suite of minerals, generally valuable, introduced into the pre-existing rock mass.

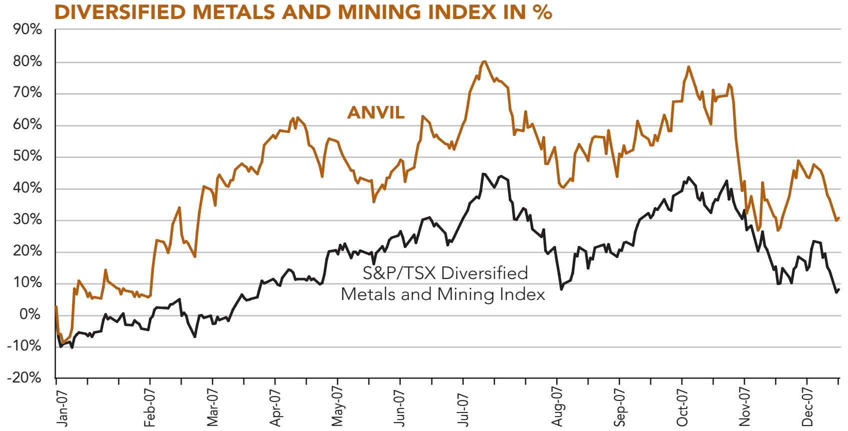
CONVERSION TABLE

Metric System		Imperial System
1 metre (m)	=	3.2808 feet
1 kilometre (km)	=	0.62137 miles (mi)
1 square kilometre (km^2)	=	0.3861 square mile (mi^2)
1 gram (g)	=	0.03527 ounce (oz)
1 tonne (t)	=	1.1023 tons (t)
1 tonne (t)	=	2,204.6 pounds (lb)
1 kilogram (kg)	=	2.2046 pounds (lb)

investor information

ANVIL SHARES TRADING STATISTICS

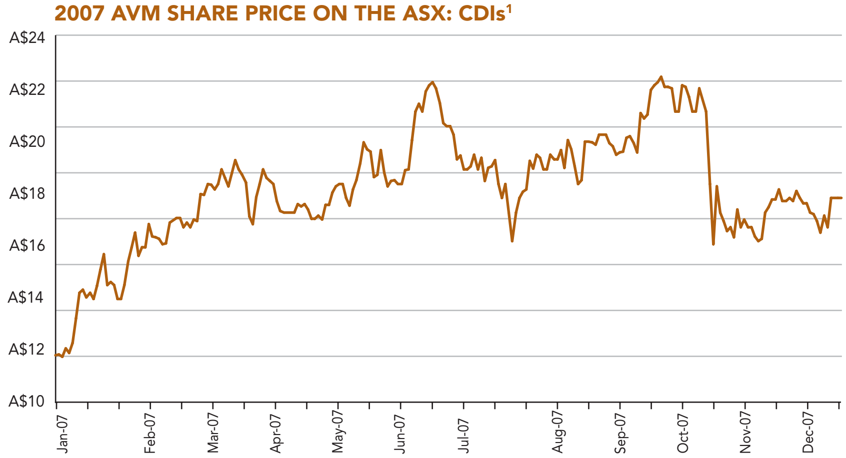
2007 AVM SHARE PRICE VARIATION VS S&P/TSX DIVERSIFIED METALS AND MINING INDEX IN %



Toronto Stock Exchange (TSX) C$

2007	High	Low	Close	Volume Traded
Q1	$16.85	$9.00	$16.38	11,858,804
Q2	$18.49	$14.93	$17.00	20,089,740
Q3	$20.31	$14.69	$17.30	18,933,286
Q4	$20.14	$13.60	$15.24	25,336,750
Year	**$20.31**	**$9.00**	**$15.24**	**76,218,580**

2007 AVM SHARE PRICE ON THE ASX: CDIs[1]



Australian Securities Exchange (ASX)[1] A$

2007	High	Low	Close	Volume Traded
Q1	$17.40	$12.00	$17.00	1,019,109
Q2	$19.92	$16.90	$18.61	895,619
Q3	$22.00	$16.45	$19.57	812,482
Q4	$22.08	$16.25	$18.00	576,193
Year	**$22.08**	**$12.00**	**$18.00**	**3,303,403**

1. As the Corporation participates in the CHESS system in Australia, the Common Shares are traded on the ASX in the form of CDIs. During 2006, each Common Shares was represented by ten CDIs. Pursuant to a consolidation of the Corporation's CDIs that was completed on February 7, 2007, each Common Share is now represented by one CDI. On the TSX, each Common Share is traded individually. As CDIs are traded in Australian dollars, there is an exchange rate effect on the trading prices in Canada as compared to Australia.

corporate directory

ANVIL MINING LIMITED OFFICES

Australian Office (Principal place of business)

76 Hasler Road, Herdsman Business Park
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Australia 6017
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Facsimile: +61 (8) 9201 0125

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Canada H3B 2C4
Telephone: 1 514 448 6664
Facsimile: 1 514 448 6665

DRC Office

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Lubumbashi, Katanga
Democratic Republic of Congo
Telephone: +61 (8) 6465 2310

INVESTOR RELATIONS

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Cell: 1 514 944 9036
Email: robertl@anvilmining.com

TRANSFER AGENTS

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Computershare Investor Services Pty Ltd
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Telephone: +61 (8) 9323 2000

AUDITORS

PricewaterhouseCoopers LLP
Suite 3000, Box 82
Royal Trust Tower, TD Centre
Toronto, Ontario
Canada M5K 1G8

STOCK SYMBOL

AVM (Toronto Stock Exchange, Australian Securities Exchange)

Security Code Number

A0B5NR (Berlin Stock Exchange)

EXECUTIVE OFFICERS

William S. Turner
President and Chief Executive Officer

Craig R. Munro
Senior Vice President Corporate and Chief Financial Officer

Malcolm Hillbeck
Senior Vice President Operations, DRC

Mike O'Sullivan
Senior Vice President Strategy and Business Development

Lee Nehring
Vice President Social Development

Robert LaVallière
Vice President Investor Relations

Jeff Knuckey
Vice President Human Resources

Lui Evangelista
Financial Controller

Stuart McKenzie
Company Secretary

Annual and Special Meeting of Shareholders

The Annual and Special Meeting of Shareholders of Anvil Mining Limited will be held on Monday, May 12, 2008 at 4:00 p.m. local time, at the TSX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario.

www.anvilmining.com

The site contains the latest news releases on Anvil developments as well as quarterly financial reports and MD&As

The Anvil website is your best way of keeping up to date with our exploration, mining and expansion activities year-round. Email: info@anvilmining.com

To receive copies of corporate documents:

Copies of Anvil's annual information form, information circular and other corporate documents can be obtained from the Company's website or by written request to the Company Secretary in Osborne Park, Western Australia or the Investor Relations Department in Montréal, Canada.

Printed on recycled paper

Photos: Charles Corbett

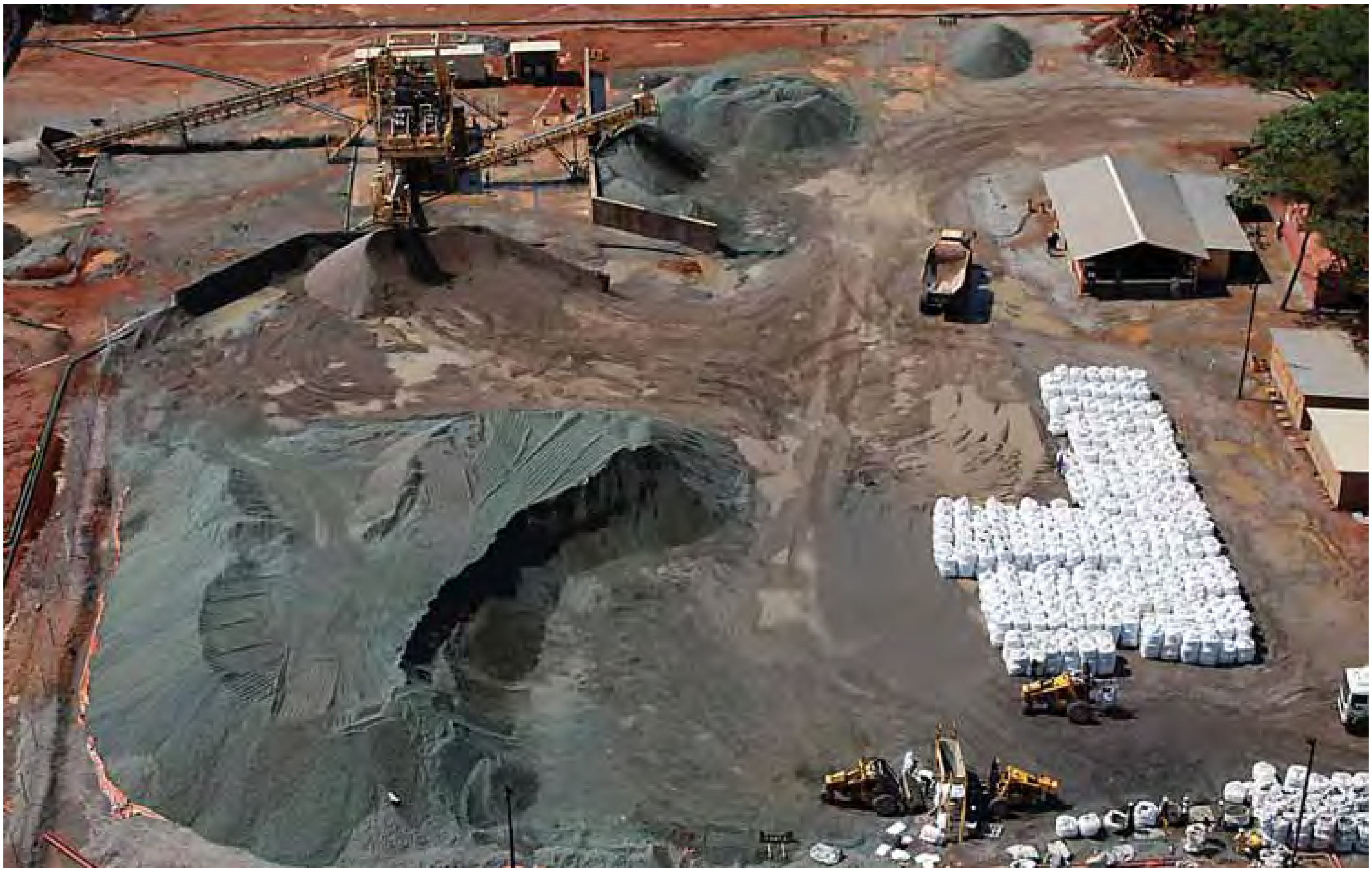

Photo: Heavy media separation plant at Kinsevere

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