

A ANVIL MINING LIMITED

04



ANNUAL REPORT 2004

- 1** Company highlights
- 2** President's Letter
- 4** Directors' Review of Operations
- 15** Financial Highlights and Production Statistics
- 16** Tenement Schedule
- 18** Statement of Corporate Governance Practices
- 21** Management Discussion and Analysis
- 35** Management's Responsibility for Financial Reporting
- 36** Auditors' Report to the Shareholders of Anvil Mining Limited
- 37** Consolidated Balance Sheets
- 38** Consolidated Statements of Earnings and Retained Earnings
- 39** Consolidated Statements of Cash Flows
- 40** Notes To The Financial Statements
- 60** Additional Australian Stock Exchange Information

CORPORATE DIRECTORY

Directors and Officers

Philip K. R. Pascall - Chairman
 William S. Turner - President, Director and Chief Executive Officer
 Peter J. L. Bradford - Director
 John W. Sabine - Director
 Lance S. Tigert - Director
 Craig R. Munro - Chief Financial Officer
 Choong H. Tan - Financial Controller
 Michael T. O'Sullivan - General Manager Development
 Tara A. Robson - Corporate Secretary

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Stock Symbol

AVM (Toronto Stock Exchange, Australian Stock Exchange)

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HIGHLIGHTS

- Operating Profit (before amortization) of \$12.4 million for 2004 (2003: \$1.9 million).
- EBITDA of \$10.5 million for 2004 (2003: \$0.9 million).
- Cash resources at June 30, 2004, increased to \$7.2 million (2003: \$0.6 million).
- Production of 33,411 tonnes of concentrate during the financial year at an average grade of 40.67% copper and 1,128g/t silver (2003: 21,929 tonnes at 36.96% copper and 866g/t silver). The concentrate contained 13,587 tonnes of copper (2003: 8,105 tonnes) and 1,212,000 ozs silver (2003: 589,000 ozs).
- RMB Resources Ltd provided a project financing facility of \$5 million for the Stage II expansion of Dikulushi. It is anticipated that Stage II will result in an increase in copper and silver production of approximately 50% over the Stage I design, resulting in annualised production of approximately 20,000 tonnes of copper and 1.8 million ounces of silver.
- In March 2004, Anvil Mining NL ("AVL") announced its intention to undertake a corporate reorganization, involving a redomiciling to Canada and apply for a listing on the Toronto Stock Exchange.
- June 2, 2004, Anvil Mining Limited ("AVM"), the new Canadian holding company, listed on the Toronto Stock Exchange and on the following day, on the Australian Stock Exchange.
- In conjunction with the reorganization of the Anvil Group, a placement of 1,650,000 Common shares at C\$4.25 was made, raising C\$7 million before fees and restructuring expenses.
- Deep drilling of the Dikulushi orebody extends mineralization to a depth of 300 vertical metres below surface.
- August 2004, Anvil announces Practical Completion of the Dikulushi Stage II expansion and the beginning of Commissioning.



PRESIDENT'S LETTER TO SHAREHOLDERS

Dear Shareholder,

The last twelve months have seen a consolidation at Anvil's Dikulushi Mine in the Democratic Republic of Congo ("DRC") and a positioning of the Company on a firm foundation for the Stage II expansion at Dikulushi and future growth opportunities elsewhere in the DRC.

The Dikulushi Mine completed its first full year of production from the Heavy Media Separation ("HMS") Plant, generating a record Net Income of \$6.0 million from the sale of 29.3 million payable pounds of copper and 1.14 payable ounces of silver, shipped out as a high-grade concentrate for further processing at smelters in Southern Africa.

The Dikulushi Stage II expansion, which involved replacing the HMS Plant with more efficient ball mill and flotation circuits reached Practical Completion in August 2004, immediately after which, Commissioning began. The staged development approach utilized by the Company has been shown to be very effective for developing resource projects in emerging countries such as the DRC, which have challenging political and logistics issues balanced by highly attractive resource opportunities.

The Company has continued to test for depth extensions of the Dikulushi deposit and recently announced encouraging deep drilling results that extended the orebody to a vertical depth of 300 metres below surface. These results are currently being incorporated into a new resource model, which will be used as a basis for determining the depth at which the mining operation will change from open pit mining to underground mining. The success of the deep drilling program may result in a change to underground mining occurring earlier than previously anticipated.

The Company has continued to build on the operating capabilities of the group, particularly in the DRC. The development team responsible for bringing the Dikulushi Mine into production and placing it on a firm operational footing is now being readied for new development opportunities expected to emerge elsewhere. The Company has worked diligently to engage the local communities in the region of the Company's activities, in a meaningful and mutually beneficial manner.

The Company benefits from "First Mover Status" and is particularly well positioned to tackle new opportunities in the DRC as and when they may emerge in the future.

Operating in the DRC continues to present a range of challenges expected of such an emerging country. The Transitional Government has been in place since July 2003 and plans are afoot to hold the country's first democratic election. One must remember that the DRC is a desperately poor country with weak physical and institutional infrastructure, and that it is in the midst of a transition from a centralised form of government to one based on more democratic principles. In addition, it is in the midst of a transition from an economy which has been largely government controlled, to one based on free market principles. Such transitions are not easy to make and one cannot expect them to always proceed smoothly. The key issues for the Company are firstly, that the process generally keeps moving in a positive direction, and secondly, that the risks faced in the DRC continue to be manageable.

In order to adequately support anticipated future growth and development opportunities, a corporate reorganization was completed in June 2004, which involved a redomiciling of the company to Canada, followed by new listings of the new Canadian holding company, Anvil Mining Limited, on the Toronto (TSX), Australian (ASX) and Berlin Stock Exchanges. The reorganization included an initial public offering in Canada, which raised C\$7 million. The redomiciling to Canada is seen as an important step for the future development of the Company, which now has access to a much larger mining capital market and one in which a greater proportion of equity funds raised, is destined for African projects.

Some very significant milestones have been achieved during the last twelve months and these achievements position the Company well in terms of reaching its stated objective of becoming a highly profitable mid-tier base and precious metals producer.



Bill Turner
President & CEO



The Company has continued to test for depth extensions of the Dikulushi deposit and recently announced encouraging deep drilling results that extended the orebody to a vertical depth of 300 metres below surface.

DIRECTORS' REVIEW OF OPERATIONS

DIKULUSHI COPPER SILVER MINE (Democratic Republic of Congo)

ORE MINED during the 2003-04 financial year was 276,088 tonnes (2003: 186,710 tonnes). The average grade of the ore mined was 7.21% copper (2003: 7.68%) and 198g/t silver (2003: 172g/t).

ORE PROCESSED through the Heavy Media Separation (HMS) and Spiral Plant during the year was 266,598 tonnes (2003: 171,260 tonnes). The average grade of the ore processed was 7.25% copper (2003: 7.87%) and 201g/t silver (2003: 176g/t). Recoveries of the – 16mm +0.0 mm fraction averaged 70.3% for the year (2003: 60.1%).

The HMS plant continued to perform well at an average daily throughput of 730 tonnes, which was 6% above the designed capacity.

During the financial year, a total of 2,913,000 tonnes (1,121,000 BCMs) of waste and low-grade material (2003: 2,127,000 tonnes - 818,000 BCMs) were removed at a strip ratio of 11.4:1 compared with the life of open pit strip ratio of 8.4:1.

Cash Cost of Production

During the 2003-04 financial year, Dikulushi produced 13,587 tonnes of copper and 1,211,731 ounces of silver contained in concentrates. Payable metal from concentrate deliveries during the year amounted to 29.3 million pounds of copper (2003: 15.2 million pounds) and 1,141,000 ounces of silver (2003: 472,000 ounces) at a cash cost of 49 cents per pound of payable copper (after silver credits) (2003: 52 cents).

Stockpiles & Concentrate in Transit

As of the end of the year, the concentrate stockpiled at the mine was 784 tonnes (2003: 410 tonnes) and the concentrate in transit between Nchelenge on the Zambian side of Lake Moero and the smelters amounted to 495 tonnes (2003: 1,066 tonnes).

Concentrate Export & Smelting

During the year, 33,797 tonnes of concentrate (2003: 18,854 tonnes) with an average grade of 41% copper (2003: 38%) and 1,167g/t silver (2003: 866g/t) were delivered. Most of the concentrate was delivered to the Palabora smelter in South Africa (61%), with the remainder evenly split between the O'okiep smelter in South Africa and the Ongopolo smelter in Namibia.

Production figures for the Dikulushi mine for the 2003-04 and 2002-03 years are presented in the table below.



DIKULUSHI COPPER-SILVER MINE - Table 1 : Production Statistics for 2002-03 and 2003-04 Years

PARAMETER	UNITS	2002-03	2003-04
MINING			
Ore Mined	Tonnes	186,710	276,088
Ore Grade – Copper	%	7.68	7.21
Ore Grade – Silver	g/t	172	198
Waste Mined	BCMs	818,244	1,120,550
PROCESSING			
Ore Processed	Tonnes	171,260	266,598
Head Grade – Copper	%	7.87	7.25
Head Grade – Silver	g/t	176	201
Recovery (-16mm +0.5mm fraction)	%	60.1	70.3
Copper Produced	Tonnes	8,105	13,587
Silver Produced	Ounces	589,074	1,211,731
PRODUCTION OF CONCENTRATE			
Concentrate produced	Tonnes	21,929	33,411
Concentrate Grade - Copper	%	36.96	40.67
Concentrate Grade – Silver	g/t	866	1,128
DELIVERED CONCENTRATE			
Concentrate Delivered	Tonnes	18,854	33,797
Payable - Copper	Tonnes	6,891	13,303
Payable - Silver	Ounces	472,341	1,141,241
CASH COST OF PRODUCTION			
Ex Mine gate (after Ag credit)	US \$/lb	0.14	0.21
Total cash cost (after Ag credit)	US \$/lb	0.52	0.49

The **CASH COST FIGURES** for the 2003-04 financial year were 21 cents per pound of payable copper (ex-mine gate after silver credit) and 49 cents per pound of payable copper (total cash cost after silver credit). The total cash operating cost (after silver credits) includes all mine operating costs, concentrate transportation costs, smelting and refining costs and realization costs.





Commissioning of the Dikulushi Stage II expansion commenced in mid-August 2004 and will result in an increase in copper and silver production of approximately 50% over Stage I design.

Spiral Circuit

In late June 2003, Anvil commissioned a small Spiral Circuit at the Dikulushi Mine in order to retreat the tailings discharging from the Heavy Media Separation ("HMS") Plant. This resulted in a significant improvement in the operational performance of the plant and the financial performance of the operation. The cost of the Spiral Circuit was \$91,000 and the payback period for this additional capital expenditure was less than 15 days.

As a result of these plant modifications, overall metallurgical recoveries increased from approximately 65% to around 70% and the grade of the concentrate has increased from around 37% copper and 870 g/t silver to over 41% copper and 1,128 g/t silver.

These improvements in operating performance demonstrated that the strategy adopted at Dikulushi whereby initial capital investment was kept to a minimum with upgrades to be financed from internally generated cashflow surpluses was working extremely well.

Preparations for Dikulushi Stage II Development

In anticipation of completing the financing required for Stage II, work was commenced in mid-2003 to secure critical items of equipment for the Stage II expansion. In July 2003, the Company purchased two ball mills each with a capacity of 350,000 tonnes per year. These ball mills were located in Darwin, Australia and they were shipped to South Africa where they underwent final checks prior to being road transported to Dikulushi. In September 2003, agreement was reached to purchase a dismantled flotation circuit, also located in Australia. The total cost of the ball mills and flotation circuit was \$405,000, which was funded from Dikulushi cash flows.

In addition, during late 2003, the Company agreed to purchase a low-speed 4.8 MW electric power generator plant costing \$718,000, and which subsequently underwent refurbishment in Perth and was shipped to South Africa. This, together with orders placed for additional flotation cells, a concentrate plate filter and thickener, completed the purchase of the critical path items for the Stage II expansion.

In early September 2003, a contract was entered into with Metallurgical Design & Management Pty Ltd ("MDM") to the value of \$439,000 for the detailed engineering design and procurement for the Stage II expansion.

Commissioning of Dikulushi Stage II Expansion

Commissioning of the Dikulushi Stage II expansion (addition of ball mill and flotation circuit) commenced in mid-August 2004 and will result in an increase in copper and silver production of approximately 50% over Stage I design. The delay of approximately six weeks for the start of the commissioning is a result largely of the logistics issues associated with sourcing second-hand equipment for Stage II from diverse locations in Australia and having refurbishment work carried out in Perth and Johannesburg



Attractive benefits of the Stage II expansion include a) an increase in plant recoveries from the current 70.3% to approximately 92%, and b) an increase in concentrate grades from an average of 40.7% copper and 1,128g/t silver to over 55% copper and 1,700 g/t silver. In addition, because the concentrate grades from the flotation circuit will increase by approximately 40%, the Company expects that there will be a reduction of almost 30% in both the concentrate transportation charges and the smelting charges, per pound of payable copper.

Dikulushi Stage II Development Funding

In October 2003, Anvil announced that agreement has been reached with RMB Resources Ltd ("RMB Resources"), part of the Rand Merchant Bank Group of South Africa, on a project financing facility of \$5 million for the Stage II expansion of the Dikulushi copper-silver mine.

The \$5 million facility was provided by way of an expansion of the existing facility provided by RMB Resources for the Stage I development, and has an interest rate of LIBOR plus 2.5%, an establishment fee of 5% and a commitment fee of 0.75%. Drawdown was conditional on a number of conditions precedent, usual for this kind of funding.

In addition, Anvil issued RMB Resources 5 million options (pre reorganization) at an exercise price of Australian 30 cents, which was 20% above the weighted average share price over the 40 trading days up to October 14, 2003. The exercise price for the options was renegotiated up from the indicative offer position of Australian 20 cents agreed to in June 2003. The options will expire on 31 August 2006.

The new facility increased Anvil's existing debt to RMB Resources from \$2.625 million at December 31, 2003 to \$7.625 million when fully drawn down, all of which is expected to be repaid by March 2006. The total outstanding debt to RMB Resources (including that relating to Stage I) as at year-end stands at \$6.125 million. An undrawn amount of \$0.75 million was finally drawn down in August 2004.

Dikulushi Reserves & Resources Statement

During August-September 2003, Anvil re-modelled the Dikulushi orebody in compliance with the JORC Code of the Australasian Institute of Mining and Metallurgy. The re-evaluation followed a diamond drilling program of 885 metres and a reverse circulation program of 1,370 metres completed in May 2003, which targeted resources below the previous open pit design, as well as targeting disseminated mineralization associated with the hanging wall orebody.

The Dikulushi copper and silver resources to a depth of 200 metres below surface, as at June 30, 2003, using a cut-off of 1.5% copper, were estimated as follows:

DIKULUSHI COPPER-SILVER MINE - Table 2: Reserves and Resources Statement					
Resource Category	Tonnes	Cu (%)	Ag (g/t)	Cu metal (tonnes)	Ag metal (tonnes)
Measured	573,000	7.48	205	42,900	118
Indicated	939,000	7.15	209	67,200	197
Inferred	210,000	6.45	153	13,500	32
Total ⁽¹⁾	1,722,000	7.18	201	123,600	347

A large proportion of the resource (88%) falls into the Measured and Indicated categories confirming the adequacy of the drilling down to a depth of approximately 150 metres below surface.

Following the completion of the above estimate, the resource was re-optimised and a revised mine plan was completed utilizing cost information derived from the first ten months of operations. The resulting design increased the depth of the Dikulushi open pit from 120 metres to 150 metres and added 15,770 tonnes of copper and 453,000 ounces of silver to the open pit reserves, which equates to one year's additional production.

The optimisation assumes ore will continue to be treated through the Heavy Media Separation ("HMS") Plant until the second quarter 2004, after which it will be treated through the Stage II ball mill and flotation plant.

(1) The mineral resource estimates are based on geologically controlled interpretations of copper mineralised zones, defined by intersections from 59 diamond core drillholes and 49 RC drillholes, and augmented by information from open pit mining. Cu and Ag grades have been interpolated, using Ordinary Kriging, into a 3D cell model, constrained by wireframes of the interpretation. High grade cuts of between 30% and 45% Cu and 800 g/t and 1600 g/t Ag have been differentially applied to mineralised domains. Resource tonnages and grades are reported using a 1.5% Cu cut-off, and represent the remaining estimated resources as at 30 June 2003, to a vertical extent of 200m below surface.

The mineral resource estimates have been prepared by Chris Arnold BSc, MSc, MAusIMM, MMICA, CPGeo, of DevMin Pty Ltd, who has relevant experience in resource evaluation and the mineralisation being reported to qualify as a Competent Person, as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (1999). Chris Arnold consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



The Proved and Probable open pit ore reserves as at 1 September 2003 were estimated to be 1.138 million tonnes at an average grade of 8.11 % copper and 238 g/t silver as follows:

DIKULUSHI COPPER-SILVER MINE - Table 3: Reserves and Resources Statement by Orebody				
Orebody	Reserve Category	ROM Tonnes	ROM Grade Cu %	ROM Grade Ag g/t
Main Orebody	Proved	426,000	8.22	228
Hanging Wall Orebody	Proved	26,000	4.85	106
Subtotal		452,000	8.03	221
Main Orebody	Probable	402,000	11.08	343
Hanging Wall Orebody	Probable	284,000	4.02	116
Subtotal		686,000	8.16	249
Total Reserves		1,138,000	8.11	238

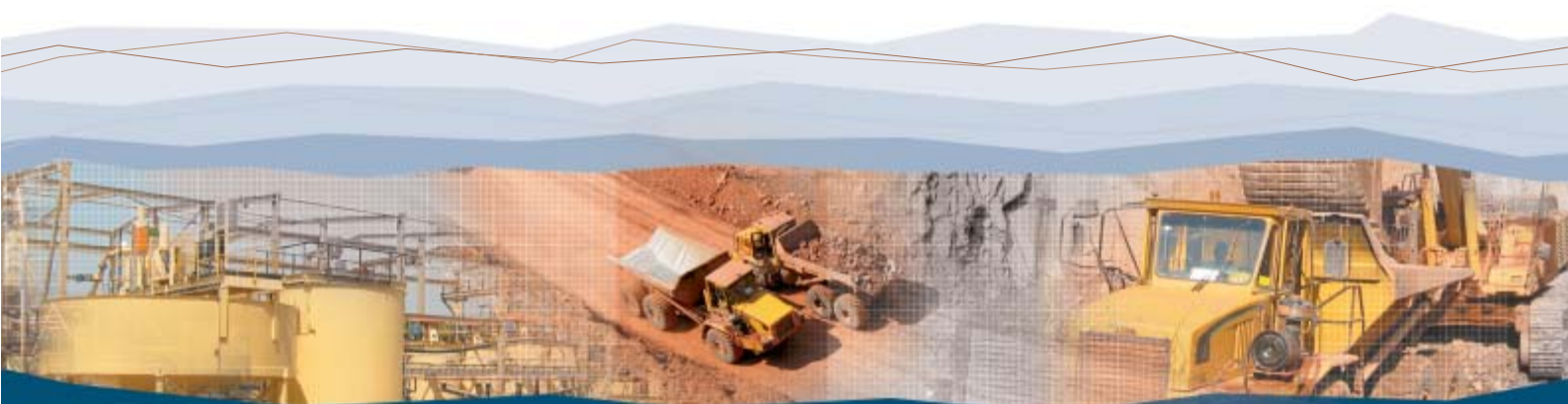
The ore reserves set out in the table above are based on a constant copper price of \$1,650 per tonne (or US75c/lb) and a constant silver price of \$4.50 per ounce. These metal prices were considered conservative at the time and at year end had improved to approximately \$2,664 per tonne for copper and \$5.91 per ounce for silver.

The ore reserves are inclusive of 5% dilution at an assumed grade of zero percent. Inferred resources not included in the above total 58,000 tonnes at an average grade of 6.43% copper and 207 g/t silver. The revised waste to ore ratio for the proposed pit to a depth of 150 metres is estimated to be 11.8:1.

Not included in the reserve statement set out above are the stockpiles of HMS floats and tailings, which have been produced by the HMS plant during the previous eleven months of operation. As at June 2004, the stockpiles of floats and tailings were estimated by survey as follows:

DIKULUSHI COPPER-SILVER MINE - Table 4: Resources of Floats and Tails			
Description	Tonnes	Grade Cu %	Grade Ag g/t
HMS Floats (<16mm)	342,000	2.7	65
HMS Tailings (<0.5mm)	37,000	6.2	160

The HMS floats and tails can be economically processed through the ball mill and flotation circuit, which is scheduled to commence operations in August 2004. Recoveries are expected to be better than 90%.



Exploration

During the year, regional exploration work continued within a 30 kilometre radius of the Dikulushi mine where several encouraging indications of sulphide copper (chalcocite) and secondary copper (malachite and azurite) mineralisation have been located. Geophysical programs (Induced Polarisation and Electromagnetics) have been run over several of these copper occurrences, with encouraging results. A diamond drill rig arrived on site in mid October 2003 to begin drill testing these targets.

Drilling of stratabound copper mineralisation in other parts of the exploration concession area produced mixed results. At the Mwitapile prospect (8 kms west of Dikulushi) sub-economic copper grades were intersected in nine short diamond drillholes which targetted exposed chalcocite-malachite mineralisation in sandstones of the Upper Kundelungu Sonta Sandstone. In the Lufukwe anticline, 80 kms south of the Dikulushi mine, six diamond drillholes tested exposed malachite-chrysocolla mineralisation in coarse sandstone of the Lower Kundelungu Monwesi Sandstone. The drilling confirmed a 12m wide zone of low to medium grade stratabound chalcocopyrite mineralisation extending for a

strike length of at least 1,500 metres. Oxide mineralisation comprises malachite with lesser chrysocolla, cuprite and native copper. Mineralisation is open along strike and down dip. Final analytical results are not available but preliminary results indicate grades in the order of 1% to 2% copper. Further work is required following the wet season.

Exploration work during early 2004 was confined, because of the wet season conditions, to the infill and deeper drilling of the Dikulushi orebody. A total of five drill holes had been completed by March 2004 for 1,318.5 metres of drilling which targeted gaps in the existing drill pattern above and below the base of the open pit design.

In July 2004, the Company announced the results of a 14 drill hole program (totaling 3,767 metres of diamond drilling) completed during the June 2004 Quarter at the Dikulushi Mine. The aim of the program was to test for extensions of the Dikulushi deposit below the base of the current 120 metre open pit design. The drilling program was extremely successful in extending the resource down dip to a vertical depth of around 300 metres. Furthermore, all indications are that the mineralization will continue below 300 metres vertical depth.

DIKULUSHI DEEPS DRILLING PROGRAM - Table 5: Main Footwall Orebody Intersections

Drill Hole ID	INTERSECTION (METRES)		Length (m)	Cu (%)	Ag (g/t)
	From	To			
DDH-20	110.00	129.00	19.00	17.54	381
DDH-21A	141.00	155.00	14.00	10.39	300
DDH-22	153.00	158.00	5.00	11.12	246
DDH-23	184.00	189.00	5.00	9.83	172
DDH-24	271.00	273.00	2.00	16.15	121
DDH-25	218.40	226.00	7.60	8.88	271
DDH-26	304.80	312.00	7.20	17.44	294
DDH-28	244.00	246.90	2.90	14.13	251
DDH-29	295.00	300.00	5.00	20.36	319
DDH-30	241.28	246.30	5.02	18.36	591
DDH-31	254.50	255.50	1.00	0.10	8
DDH-33	277.37	280.24	2.87	6.06	292
DDH-35	299.70	314.50	14.80	16.32	355
DDH-36	274.80	284.00	9.20	11.90	314

The deepest two holes from the program, DDH26 and DDH35, returned respectively:

- 7.2m @ 17.4% Cu and 294g/t Ag at a vertical depth of 314 metres below surface, and
- 14.8m @ 16.3% Cu and 355g/t Ag at a vertical depth of 293 metres below surface.

The strike distance between these two deep drill holes is approximately 150 metres.

The drill intercepts from the Main Footwall Orebody are listed above in Table 5 and full details, including drill collar coordinates, drill collar inclinations and true widths of intersections can be found in Tables 6 and 7.



The Dikulushi Mine completed its first full year of production from the Heavy Media Separation (“HMS”) Plant, recording a record Net Income of \$6.0 million for the production of 29.3 million payable pounds of copper and 1.14 payable ounces of silver.

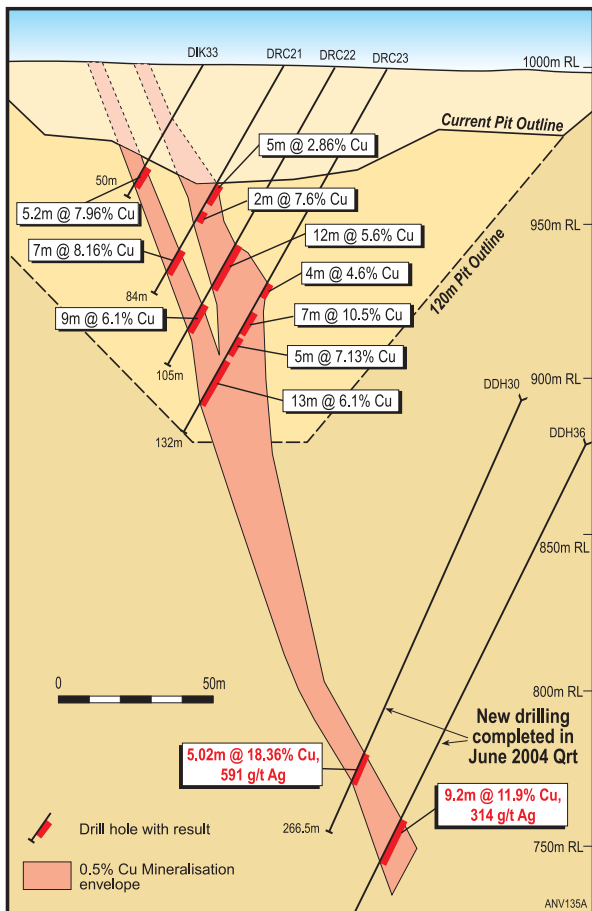


Figure 1: Dikulushi deposit, cross section 50220E, showing results of latest deep drilling.

Prior to the completion of this drilling program, the deepest significant intersection was 16.7m at 16% Cu and 522g/t Ag at a vertical depth of 165 metres below surface. Indications from this recently completed drilling program are that the resource is still very much open down dip and along strike, particularly to the east.

The drilling program was carried out by Stanley Mining Services Limited, a subsidiary of Layne Christensen Company. Drill collars were surveyed by a professional surveyor, who is a full-time employee of the Company. Down hole surveys were completed at 50 metre intervals on all holes. Eight holes had 100 metre RC collars and the remainder were collared with HQ diamond.

All mineralized intersections were drilled with NQ sized core. Mineralised drill core was split with a diamond saw and half-core sampled with due regard for geology and core recovery. The sample interval was mostly one metre. Overall Core recovery in mineralized sections was close to 100%. Anvil personnel conducted all sampling and organized the shipment of samples from site to the laboratory via DHL courier.

The core samples were assayed by Genalysis Laboratory Services Pty Ltd at their laboratory in Perth according to the requirements of industry standard AS ISO/IEC 17025.

A new resource model to JORC standards (Joint Ore Reserve Committee of the Australasian Code of Reporting of Mineral Resources and Reserves, September 1999) is currently being developed and will be used as the basis for the underground feasibility study expected to be completed by September 2004. The Company believes the results of the recent drilling are expected to increase the proposed underground mine life by at least two years at current production rates. Further deep drilling will be carried out to evaluate the resource below 300 metres vertical depth.

DIKULUSHI DEEPS DRILLING PROGRAM - JUNE QUARTER 2004 - Table 6: MAIN FOOTWALL OREBODY INTERSECTIONS

Drill Hole Number	COLLAR POSITION			Drill Collar Inclination	INTERSECTION		ASSAY RESULTS			
	Easting	Northing	RL		From	To	Length (metres)	True Width (metres)	Cu (%)	Ag (g/t)
DDH-20	50,100	19,891	988	-60°	110.00	129.00	19.00	12.04	17.54	381
DDH-21A	50,120	19,876	987	-59°	141.00	155.00	14.00	9.00	10.39	300
DDH-22	50,120	19,855	988	-60°	153.00	158.00	5.00	3.17	11.12	246
DDH-23	50,099	19,861	988	-60°	184.00	189.00	5.00	3.18	9.83	172
DDH-24	50,079	19,801	1,001	-60°	271.00	273.00	2.00	1.26	16.15	121
DDH-25	50,180	19,821	998	-60°	218.40	226.00	7.60	4.91	8.88	271
DDH-26	50,120	19,783	999	-60°	304.80	312.00	7.20	4.08	17.44	294
DDH-28	50,122	19,821	998	-60°	244.00	246.90	2.90	1.71	14.13	251
DDH-29	50,161	19,785	999	-61°	295.00	300.00	5.00	3.06	20.36	319
DDH-30	50,232	19,838	999	-62°	241.28	246.30	5.02	2.99	18.36	591
DDH-31	50,200	19,817	998	-63°	254.50	255.50	1.00	0.58	0.10	8
DDH-33	50,274	19,824	1,002	-62°	277.37	280.24	2.87	1.58	6.06	292
DDH-35	50,290	19,790	1,002	-63°	299.70	314.50	14.80	9.48	16.32	355
DDH-36	50,235	19,806	999	-63°	274.80	284.00	9.20	5.50	11.90	314

DIKULUSHI DEEPS DRILLING PROGRAM - JUNE QUARTER 2004 - Table 7 : HANGING-WALL OREBODY INTERSECTIONS

Drill Hole Number	COLLAR POSITION			Drill Collar Inclination	INTERSECTION			ASSAY RESULTS		
	Easting	Northing	RL		From	To	Length (metres)	True Width (metres)	Cu (%)	Ag (g/t)
DDH-20	50,100	19,891	988	-60°	35.00	38.00	3.00	1.90	4.27	114
DDH-20	50,100	19,891	988	-60°	41.00	59.00	18.00	11.40	2.96	113
DDH-20	50,100	19,891	988	-60°	83.00	96.00	13.00	8.24	1.99	39
DDH-20	50,100	19,891	988	-60°	141.00	144.00	3.00	1.90	5.05	127
DDH-20	50,100	19,891	988	-60°	146.00	147.00	1.00	0.63	9.14	118
DDH-22	50,120	19,855	988	-60°	160.00	170.00	10.00	6.35	1.56	31
DDH-23	50,099	19,861	988	-60°	60.00	72.00	12.00	7.64	2.05	37
DDH-23	50,099	19,861	988	-60°	165.00	171.00	6.00	3.82	6.10	135
DDH-23	50,099	19,861	988	-60°	175.00	180.00	5.00	3.18	2.89	37
DDH-24	50,079	19,801	1,001	-60°	265.00	268.00	3.00	1.90	3.23	41
DDH-28	50,122	19,821	998	-60°	223.00	233.00	10.00	5.91	2.10	46
DDH-28	50,122	19,821	998	-60°	235.00	241.00	6.00	3.55	2.02	23
DDH-29	50,161	19,785	999	-61°	306.00	307.00	1.00	0.61	2.52	9
DDH-33	50,274	19,824	1,002	-62°	255.00	266.00	11.00	6.05	1.13	2
DDH-36	50,235	19,806	999	-63°	236.00	239.30	3.30	1.97	9.48	11

FINANCIAL

The operating profit (before amortization) for the 2003-04 financial year was \$12.4 million (2003: \$1.9 million).

The EBITDA for the 2003-04 financial year was \$10.5 million (2003: \$0.9 million). Interest, financing fee and amortization expense for the 2003-04 year was \$2.2 million and \$2.3 million respectively (2003: interest and financing fee \$0.8 million and amortization \$0.9 million). The consolidated net earnings for the 2003-04 year was \$6.0 million (2003: loss \$0.8 million). The 2003-04 year result includes a profit of \$1.4 million (2003: \$0.2 million) from the sale of 492,300 shares in Golden Star Resources Ltd (2003: 250,000 shares).

Consolidated cash inflow generated from operations for the 2003-04 year was \$4.6 million (2003: \$0.6 million). This resulted from higher payable pounds of copper delivered and from the better production achieved for the year as well as the increase in copper price.

During the year, capital expenditure including the construction costs of Stage II amounted to \$7.7 million (2003: \$5.0 million – Stage I completion) and exploration expenditure capitalised was \$0.8 million (2003: \$0.4 million). Proceeds from the sale of 492,300 Golden Star Resources Ltd shares realized \$1.6 million (2003: \$0.3 million).



The exercise of options, conversion of partly paid shares (in Anvil Mining NL prior to the reorganization) and the funds raised from the initial public offering post the reorganization realized \$6.6 million (2003: \$0.8 million). The repayments on the project financing facility, sales advance facility and MDM overrun facility amounted to \$2.0 million (2003: \$1.3 million) and \$4.0 million was received from draw downs against the Stage II project financing facility (2003: \$3.8 million – Stage I project financing facility).

At June 30, 2004, the Company had cash resources of \$7.2 million increasing from \$0.6 million at the end of June 30, 2003. The Corporation also holds 100,061 shares in Golden Star Resources Ltd at 30 June 2004, which had a quoted market value of approximately \$460,000.

CORPORATE

Anvil Group Reorganization to Allow Listing on TSX and ASX

In March 2004, the directors of Anvil Mining NL ("AVL") announced their intention, subject to shareholders' and regulatory approvals, to undertake a corporate reorganization and apply for a listing on the Toronto Stock Exchange ("TSX").

A new Canadian holding company, Anvil Mining Limited ("AVM") was subsequently formed, as part of this process and following the implementation of a Scheme of Arrangement, this company applied for and obtained listings on both the Toronto Stock Exchange ("TSX") and the Australian Stock Exchange ("ASX").

In connection with these transactions, in March 2004, Anvil lodged for review, a preliminary prospectus in Canada. During April 2004, Anvil was advised that it had been cleared to file its final prospectus by each of the Securities Commissions in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

The listing of AVM in both North America and Australia is expected to bring the following benefits:

- greater access to the larger North American capital markets;
- increased exposure to investors with an awareness and understanding of mining opportunities in Africa; and
- an enhanced ability to use its securities as consideration for corporate or project acquisitions.

Under the reorganization, AVL shareholders received shares in AVM in exchange for their ordinary shares of AVL. Just prior to completion of the Canadian initial public offering, Anvil's existing shareholders had exactly the same proportionate interest in AVM as they previously had in AVL. This included holders of AVL's listed options who exercised their options prior to the expiry date of 28 April 2004.

Upon completion of the transactions and the listings, shareholders were able to trade their shares on either the ASX or the TSX, as shares of AVM could be switched between the ASX and TSX at any time without cost to the shareholder. Because of differences in the way shares are registered in Canada, AVM shares are traded on the ASX as CHESS Depository Interests ("CDI") at a ratio of 10 CDIs to one AVM share.

During June 2004, the Company completed the corporate reorganization and redomiciling to Canada as well as an initial public offering enabling it to list on the Toronto Stock Exchange and obtain secondary listings on both the Australian and Berlin Stock Exchanges as Anvil Mining Limited ("AVM").

In conjunction with the reorganization of AVL, a placement of 1,650,000 common shares of AVM at C\$4.25 was made through Haywood Securities Inc in Canada raising C\$7,012,500 before fees and reorganization expenses.

Additional Notes:

Information of a scientific or technical nature in this report has been prepared under the supervision of Bill Turner, President and Chief Executive Officer of Anvil Mining Limited, a Fellow of the Australasian Institute of Mining and Metallurgy who have had more than five years experience in the field of activity reported herein and a qualified person under National Instrument 43-101.

Caution Regarding Forward Looking Statements: Statements regarding the Company's plans with respect to the development of the Dikulushi Mine are forward-looking statements. There can be no assurance as to the amount by which drill results will increase resources and reserves, if any, or the impact of any increased resource or reserve on the planned mine life. Similarly, there can be no assurance as to the exact amount by which plant recoveries and concentrate grades will increase or costs will decrease as a consequence of the commissioning of the Stage II expansion of the Dikulushi Mine.



Non-GAAP Financial Measures: The terms "total cash cost" and "cash cost of production" are used on a per pound of copper basis. Total cash cost per pound is equivalent to mining operations, transport and smelting expenses (including the net credits for silver revenues) for the period divided by the number of pounds of copper produced during the period. Cash cost of production per pound of copper is equivalent to total cash cost per pound less transport and smelting expenses. Cash operating cost information is included to provide information about the cost structure of the mining operations. The term "operating profit" represents the net attributable revenues after deducting mine operating costs. The mine operating costs exclude exploration expense, foreign exchange gains and losses, amortization and interest and financing fees. This information differs from measures of performance determined in accordance with GAAP in Canada and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and may not be comparable to similarly titled measures of other companies.

FINANCIAL HIGHLIGHTS AND PRODUCTION STATISTICS

FINANCIAL HIGHLIGHTS (\$ millions) Financial years ended June 30			
	2004	2003 ⁽¹⁾	2002
INCOME STATEMENT DATA			
Copper-silver concentrate sales	29.1	10.4	0.0
Cost of operations	16.7	8.5	0.0
Operating profit ⁽²⁾	12.4	1.9	0.0
Other income	1.4	0.2	2.3
Other expenses ⁽³⁾	7.8	2.9	0.7
Net earnings (loss)	6.0	(0.8)	1.6
BALANCE SHEET DATA			
Net earnings per share (\$)	0.31	(0.04)	0.1
Diluted net earnings per share (\$)	0.29	(0.04)	0.11
BALANCE SHEET DATA			
Cash and cash equivalents	7.2	0.6	1.7
Current assets	11.1	3.3	2.2
Total assets	32.0	15.1	8.6
Current liabilities	7.8	6.4	3.0
Total long-term liabilities	3.1	2.1	0.0
Total liabilities	10.9	8.5	3.0
Non controlling interest	0.6	0.0	0.0
Shareholder's equity	20.5	6.6	5.6
Working capital	3.3	(3.1)	(0.8)
Leverage (%)	23.0	39.6	17.8
Operating cash flow per share (\$)	0.23	0.04	(0.07)

(1) Includes 8 months of operations at the Dikulushi Mine

(2) Before amortization

(3) Includes amortization



PRODUCTION STATISTICS			
	2004	2003 ⁽¹⁾	2002
Ore mined (tonnes)	276,088	186,710	0
Low-grade mined (tonnes)	230,302	175,102	0
Waste mined (tonnes)	2,913,431	2,127,435	0
Strip ratio	11.4	12.3	0.0
Ore processed (tonnes)	266,598	171,262	0
Copper grade %	7.25	7.87	0.00
Contained copper (tonnes)	19,322	13,476	0
Recovery %	70.3	60.1	0.0
Copper produced (tonnes)	13,587	8,105	0
Silver produced (ounces)	1,211,731	589,074	0
Copper contained in concentrate delivered (payable million pounds)	29.3	15.2	0.0
Silver contained in concentrate delivered (payable ounces)	1,141,241	472,341	0

SUMMARY OF MINING TENEMENTS

PROJECT	TENEMENT	COMMODITY	CONSOLIDATED ENTITY'S INTEREST	JOINT VENTURE PARTNERS
AUSTRALIAN PROJECTS				
Sunrise Dam	E38/449	Gold	20%	Gascoyne Gold NL
	MLA39/597-8	Gold	10%	Gascoyne Gold NL
Laverton (Spinifex Well)	E38/625	Gold	20% (diluting)	Metex Resources NL
AFRICAN PROJECTS				
DIKULUSHI-KAPULO MINING CONVENTION				
PWETO	546	Copper/Silver	90%	
PWETO	547	Copper/Silver	90%	
PWETO	548	Copper/Silver	90%	
MOBA AND PWETO	549	Copper/Silver	90%	
MOBA	1680	Copper/Silver	90%	
MOBA	1681	Copper/Silver	90%	
MOBA	1682	Copper/Silver	90%	
MOBA	1683	Copper/Silver	90%	
MOBA AND PWETO	1684	Copper/Silver	90%	
MOBA	1685	Copper/Silver	90%	
MOBA	1686	Copper/Silver	90%	
PWETO	1687	Copper/Silver	90%	
PWETO	1688	Copper/Silver	90%	
MOBA AND PWETO	1689	Copper/Silver	90%	
MOBA AND PWETO	1690	Copper/Silver	90%	
PWETO	1691	Copper/Silver	90%	
PWETO	1692	Copper/Silver	90%	
PWETO	1693	Copper/Silver	90%	
PWETO	1694	Copper/Silver	90%	
PWETO	1695	Copper/Silver	90%	
MOBA	1696	Copper/Silver	90%	
PWETO	1697	Copper/Silver	90%	
PWETO	1698	Copper/Silver	90%	
PWETO	1699	Copper/Silver	90%	
PWETO	1700	Copper/Silver	90%	
PWETO	1701	Copper/Silver	90%	
PWETO	1702	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%	
MOBA AND PWETO	1712	Copper/Silver	90%	
PWETO	1713	Copper/Silver	90%	
LUNGESHI ACCORD				
LUBUDI	831	Copper	80%	
MITWABA	832	Copper	80%	
LUBUDI AND BUKAMA	833	Copper	80%	
KALEMIE ACCORD				
FIZI	818	Gold/Copper/PGMs	80%	
FIZI	819	Gold/Copper/PGMs	80%	
FIZI	820	Gold/Copper/PGMs	80%	
FIZI	821	Gold/Copper/PGMs	80%	
FIZI	822	Gold/Copper/PGMs	80%	
FIZI	823	Gold/Copper/PGMs	80%	
FIZI AND KALEMIE	824	Gold/Copper/PGMs	80%	
KALEMIE	825	Gold/Copper/PGMs	80%	
KALEMIE	826	Gold/Copper/PGMs	80%	
KALEMIE	827	Gold/Copper/PGMs	80%	
KALEMIE	828	Gold/Copper/PGMs	80%	
KALEMIE	829	Gold/Copper/PGMs	80%	
ZAMBIA PROJECTS				
Nchelenge	LS204	Gold/Copper/Cobalt/Lead	100%	
Nchelenge	LS205	Gold/Copper/Cobalt/Lead	100%	
VIETNAM PROJECTS				
Duc Bo	1360/GP-DCKS	Zinc/Copper/Silver	50%	earning 90%



18	Statement of Corporate Governance Practices
21	Management Discussion and Analysis
35	Management's Responsibility for Financial Reporting
36	Auditors' Report to the Shareholders of Anvil Mining Limited
37	Consolidated Balance Sheets
38	Consolidated Statements of Earnings and Retained Earnings
39	Consolidated Statements of Cash Flows
40	Notes To The Financial Statements
60	Additional Australian Stock Exchange Information

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 all aspects of the ASX Corporate Governance Council's "PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND BEST PRACTICE RECOMMENDATIONS." ("The Principles")

The Company 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 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 Company in a way that ensures that the interests of shareholders and stakeholders are promoted and protected. These responsibilities are outlined in the Board Charter (available at www.anvil.com.au)

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

- The Board should comprise five Directors. This number may be increased where it is felt 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-executive directors. The independence of directors will be determined in accordance with the definitions contained in Proposed Multilateral Policy 58-201.
- The Chairman of the Board should be a non-executive director.

COMMITTEES OF THE BOARD

- Audit Committee,
- Nomination & Compensation Committee, and
- Corporate Governance Committee.

MEMBERSHIP OF THE BOARD

Philip K.R. Pascall, B. Sc., M.B.A. – Director and Independent ⁽¹⁾, Chairman

Mr. Pascall has been a Board member of Anvil NL since October 1998. Mr. Pascall has over 26 years experience in mineral development projects throughout the world. He holds a Bachelor of Science (Honours) Degree in Control Engineering from Sussex University in the UK and a MBA from the University of Cape Town, South Africa. Mr. Pascall is Chairman and Chief Executive Officer of First Quantum Minerals Ltd., the Company's principal shareholder. Mr. Pascall is the chairman of the Nomination and Compensation Committee.

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

Mr. Turner has been a Board member of Anvil NL since September 1996. Mr. Turner 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. Mr. Turner has worked internationally at a senior level for over 15 years in Central and Southeast Asia and Africa. Prior to joining Anvil NL in 1995, Mr. Turner 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.

(1) The Board has determined that Mr. Pascall is independent despite the fact that he is the President of First Quantum Minerals Ltd, a substantial shareholder of Anvil. In reaching this conclusion the board has relied on the definition of independence as outlined in Multilateral instrument 58-101 (this definition is not compliant with the ASX Corporate Governance Principles) and has given consideration to the lack of voting control Mr. Pascall has on the Board of Directors.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Peter J. Bradford, B.Sc., F. Aus.I.M.M. – Independent Director

Mr. Bradford has been a Board member of Anvil NL since September 1998. Mr. Bradford was Managing Director of Anvil NL from September 1998 to October 1999. Mr. Bradford has a Bachelor of Applied Science from the Western Australian School of Mines. Mr. Bradford is a metallurgist with 20 years experience in the mining industry. Mr. Bradford is President, Chief Executive Officer and a director of Golden Star Resources Ltd. and is a director of Guyanor Resources S.A. Mr. Bradford is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Bradford is a member of the Audit Committee, the Corporate Governance Committee and the Nomination and Compensation Committee.

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

Mr. Sabine is a partner in the Canadian law firm, Fraser Milner Casgrain LLP. Mr. Sabine is recognized as a leading mining practitioner in Canada with experience in mining and resource law and corporate finance. Mr. Sabine 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. Mr. Sabine has a B.A. and an LL.B. (with Distinction) from the University of Western Ontario. Mr. Sabine is a member of the Audit Committee and the chairman of the Corporate Governance Committee.

Lance S. Tigert, B.A.Sc., M.B.A.,C.F.A. – Independent Director

Mr. Tigert has over 35 years of experience in acquisition and development of mineral properties with Noranda Inc. Mr. Tigert is a Professional Engineer (Ontario) with degrees in Mining Engineering and Masters of Business Administration and is a Chartered Financial Analyst. Over the past decade, as Senior Vice President-Business and Project Development, Mr. Tigert has worked extensively in Zambia, Congo, Peru, Chile and Argentina. Mr. Tigert is the chairman of the Audit Committee and a member of the Nomination and Compensation Committee and the Corporate Governance Committee.

Name of Director	Date Appointed Director	Audit Committee Meetings Held (Attended)	Nomination & Compensation Committee	Corporate Governance Committee
Philip K.R. Pascal ⁽²⁾	October 22, 1998		1 (1)	
William S. Turner	September 23, 1996			
Peter J.L. Bradford	September 11, 1998	1 (1)	1 (1)	0 (0)
John W. Sabine	February 29, 1994	1 (1)		0 (0)
Lance S. Tigert	March 23, 1994	Chairman 1 (1)	1 (1)	0 (0)

INDEPENDENT PROFESSIONAL ADVICE

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

PERFORMANCE EVALUATION OF THE BOARD

During the current reporting period, no performance evaluation of the Board or its members was conducted. This is a departure from Principle 8 of The Principles. The Company was incorporated during the period for the purpose of acquiring all of the shares of Anvil Mining NL. This reorganization culminated in a significant restructure of the board and its committees. As the Board has undergone a significant settling in period, it is anticipated that the process for evaluating the board, its committees, its individual members and executives will be developed and implemented in the next financial period.

(2) Mr Pascall was a member of the audit committee of Anvil Mining NL. He attended the 1 meeting held during the year of the Anvil Mining NL audit committee.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

COMPENSATION POLICIES AND PROCEDURES

The Nomination and Compensation Committee of the Board has been delegated the responsibilities for all matters in relation to compensation. The responsibilities of the committee are outlined in its charter. Disclosures on director and executive remuneration as required by Principle 9 are contained in the Company's Annual Information Form ("AIF") and Management Information Circular ("MIC"). As all shareholders will get a copy of the MIC, it is not considered necessary to reproduce it in this statement. Copies of the AIF, MIC and charter are available at www.anvil.com.au.

AUDIT COMMITTEE

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

A copy of the Committee's charter is available at www.anvil.com.au.

ENVIRONMENTAL COMMITTEE

As at the date of this report, the Company did not have an environmental committee of the Board of Directors, as the size of the Company does not warrant one. The Board as a whole carries out this function.

CODE OF 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 formalised in the Code of Business Conduct, a copy of which is available at www.anvil.com.au.

BUSINESS RISKS

As the Company is relatively small at present, all the Directors, executives and employees are charged with the responsibility of advising the Chairman of any business risk they identify. The Chairman will then take appropriate action which may include the calling of a Directors' meeting to deal specifically with the identified risk.

RISK OVERSIGHT AND MANAGEMENT

The Company is currently undertaking a review of its risk management systems including a review of internal controls. The review is being conducted as part of the Company's continual assessment of its risk management systems. At the date of this statement, the Company does not yet comply with Principle 7 but it is anticipated that full compliance will be achieved in the next reporting period.

CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

The Company aims to ensure that it complies with the principles of continuous disclosure and shareholder communication (Principles 5 and 6) at all times. At the date of this report, the Company does not have a formally written policy or procedure as the size of the Company does not warrant one. The Board as a whole carries out this function.



ANVIL MINING LIMITED
MANAGEMENT DISCUSSION AND
ANALYSIS AND FINANCIAL REVIEW

(Expressed in United States Dollars except where indicated)

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

1. OVERVIEW

The Company was established on January 8, 2004, for the purpose of becoming the new Canadian holding company of Anvil Mining NL ("Anvil NL"), an Australian company, pursuant to a court-approved scheme of arrangement under Australian law (the "Reorganization"). The Reorganization was approved by a majority of shareholders of Anvil NL on May 18, 2004, following which the Supreme Court of Western Australia approved the Reorganization.

Prior to the Reorganization, the ordinary shares of Anvil NL were traded on the Australian Stock Exchange (the "ASX"), where they have traded since November 1993 and on the Berlin Stock Exchange (the "BSX"), where they have traded since July 1997. Upon the Reorganization becoming effective, Anvil NL became a wholly-owned subsidiary of the Company, the ordinary shares of Anvil NL were de-listed from the ASX and the BSX, the shareholders of Anvil NL received one Common Share in the Company in exchange for each ten ordinary shares held in Anvil NL held immediately before the Reorganization (the "Exchange Ratio"), and holders of convertible securities in Anvil NL (including incentive stock options) received equivalent convertible securities of the Company adjusted to reflect the Exchange Ratio. Subsequent to the Reorganization and listing of the Company on the Toronto Stock Exchange (the "TSX") the Company's shares were relisted on the ASX and BSX.

Prior to completion of the Reorganization, the Company had no previous operating history. As a result, the financial statements, historical financial information and activities described in this Management Discussion and Analysis relate to the operations of Anvil NL and its subsidiaries prior to completion of the Reorganization. Thereafter the statements and information relate to the reorganized Company and its subsidiaries.

The Company is a mineral producing, development and exploration company with a focus on base and precious metal exploration and mine development. The Company holds a 90% beneficial interest in the Dikulushi Mine and surrounding exploration areas, which is held under the terms of the Dikulushi Mining Convention ("Mining Agreement") with the Government of the Democratic Republic of Congo ("DRC"). The Dikulushi Mine commenced commercial production in October 2002 following the completion of the Stage I, HMS development. The Stage II, ball mill and flotation circuit expansion of the ore processing facilities commenced in November 2003 and is scheduled for completion in August 2004.

The Company prior to June 2002 held a 20% interest in Bogoso Gold Limited ("BGL"), in joint venture with Golden Star Resources Limited ("GSR"), a Canadian company listed on the TSX. The Company acquired its interest in BGL in September 1999. BGL operates the Bogoso gold mine in Ghana. In September 2001, the Company disposed of its interest in BGL and as consideration received three million shares (at US 40 cents each) in the capital of GSR. The Company disposed of 2,407,639 of these shares between January 2002 and June 2003 for net aggregate proceeds of \$1.4 million.

Prior to the acquisition of its interest in BGL, the Company was engaged in the exploration and evaluation of mineral projects in Africa, Southeast Asia and Australia. After the acquisition of its interest in BGL in September 1999, the Company has mainly focussed its attention on mining activities in Africa.

Dikulushi Copper-Silver Mine

The mine production at Dikulushi commenced during October 2002 and the results in the financial year ending June 2004 includes a full twelve months of operations compared with only eight months of operations in the financial year ending June 2003.

The Dikulushi Mine is situated in the Southeast part of the Democratic Republic of Congo in the Haut Katanga District. The mine was initially established using a staged development method, Stage I, which involved an initial 250,000 tonnes per annum Heavy Media Separation ("HMS") production circuit, was commissioned during September 2002. The next phase of the development, Stage II expansion, comprising a 350,000 tonnes per annum, ball mill and flotation circuit was commenced during November 2003 and is targeted for completion in August 2004.

At June 2003, the open pit mine had a resource of 1,138,000 tonnes of ore grading an average 8.11% of copper and 238 g/t of silver. During the year ended June 2004, 276,088 tonnes of ore grading 7.21% copper and 198g/t silver were mined from the open pit. Near mine deeper drilling exploration of up to 300 metres from the surface and immediately below the resource was completed in June 2004. Results of the drilling are being incorporated in a new study on the Stage III underground mine development. In conjunction with the resource estimation a revised mine optimization model is expected to be completed during September 2004.

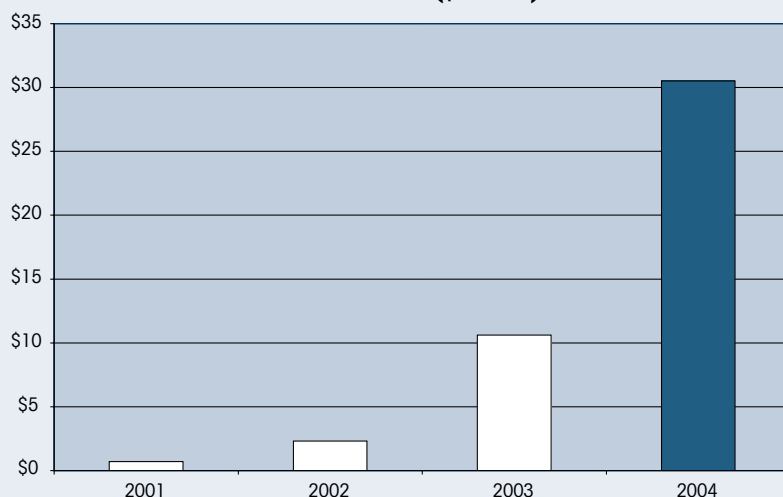
MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

2. SELECTED ANNUAL INFORMATION

	June 30 2004	June 30 2003	June 30 2002	June 30 2001
Statement of Operations				
Total revenues (\$ millions)	30.5	10.6	2.3	0.7
Net earnings (loss) (\$ millions)	6.0	(0.8)	1.6	0.1
Net earnings per share (\$)	0.31	(0.04)	0.11	0.01
Diluted net earnings per share (\$)	0.29	(0.04)	0.11	0.01
Balance Sheet (\$ millions)				
Total assets	32.0	15.1	8.6	4.1
Total long-term liabilities	3.1	2.1	0.0	0.0
Shareholders' equity (\$ millions)	20.5	6.6	5.6	2.4
Cash flow from:				
Operating activities (\$ millions)	4.6	0.6	(1.0)	(0.2)
Operating cash flow per share	0.23	0.04	(0.07)	(0.01)

Total Revenues (\$ millions)



3. DISCUSSION OF EARNINGS AND OPERATIONS

Total Revenue

The full year total revenue increased to \$30.5 million (2003: \$10.6 million) from the sale of 33,797 tonnes of copper-silver concentrate (2003: 18,854 tonnes of copper-silver concentrate) yielding 29.3 million payable pounds of copper (2003: 15.2 million payable pounds of copper) and 1,141,000 ounces of payable silver (2003: 472,000 ounces of payable silver). In addition other income in the financial year to June 30, 2004 increased to \$1.4 million (2003: \$0.2 million). In 2004, this income was mainly from the gain on the sale of 492,300 shares in the capital of GSR (2003: mainly from the gain on the sale of 250,000 shares in the capital of GSR).

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

Annual Revenues

Copper-silver concentrate Sales (\$ millions)
Other income
Total revenue

June 30
2004

June 30
2003

29.1
1.4
30.5

10.4
0.2
10.6

Sales Statistics

Copper contained in concentrate delivered (payable pounds)
Silver contained in concentrate (payable ounces)

29.3 Million
1.14 Million

15.2 Million
0.47 Million

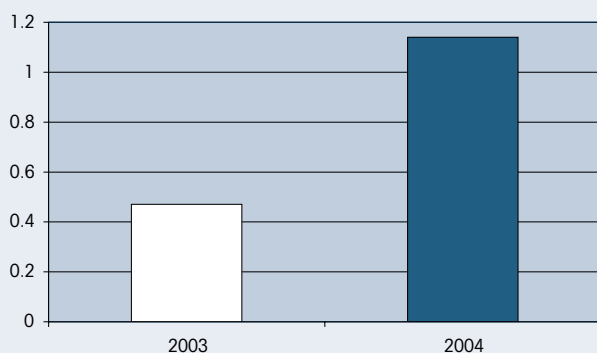
Realized Price

Copper (\$ per pound)
Silver (\$ per ounce)

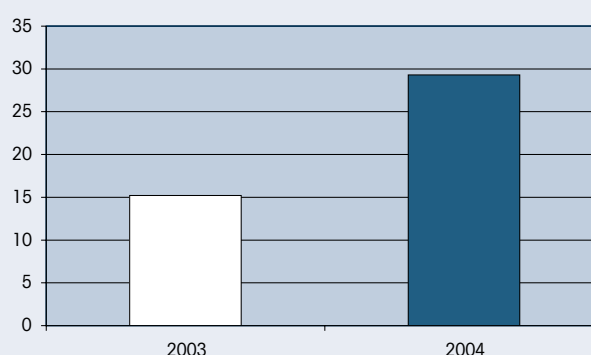
0.97
5.39

0.70
4.46

Silver contained in concentrate (payable million ounces)



Copper contained in concentrate (payable million pounds)



The realized copper price rose to \$0.97 per pound (2003: \$0.70 per pound) and silver to \$5.39 per ounce (2003: \$4.46 per ounce) which was a reflection of the LME copper price rising to a peak during April 2004 to \$1.44 per pound and silver rising during April 2004 to \$8.29 per ounce.

Costs of Operations

Costs of Operations was \$16.7 million (2003: \$8.5 million) reflecting the full twelve months of operations during 2004 compared with eight months of operations in 2003. The higher average monthly operating costs were from increases in transport and labour costs. Transport costs per month have increased, reflecting higher volumes of concentrate being delivered. Transport costs per tonne have fallen, due to lower transport rates for delivery to the Palabora smelter in South Africa. Higher labour costs are mainly due to the increased number of employees by approximately a third. This was due to overall development of the mine's infrastructure in advance of the Stage II expansion.

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

	June 30 2004	June 30 2003
Costs		
Cost of operations (\$ millions)	16.7	8.5
Cash costs (ex mine gate – after silver credit) (\$ per pound)	0.21	0.14
Total cash costs (after silver credits) (\$ per pound)	0.49	0.52
Production Statistics		
Copper produced (tonnes)	13,587	8,105
Silver produced ('000s ounces)	1,212	589
Ore mined (tonnes)	276,088	186,710
Ore grade mined – Copper (%)	7.21%	7.68%
Ore grade mined – Silver (g/t)	198	172
Waste mined (tonnes)	2,913,431	2,127,435

The total cash operating cost per pound of copper after silver credits was \$0.49 per pound of copper (2003: \$0.52 per pound of copper) and the average realized copper and silver sales prices were \$0.97 per pound (2003: \$0.70 per pound) and \$5.39 per ounce (2003: \$4.46 per ounce) respectively.

The operating profit (before amortization) increase in the financial year ended June 30, 2004 to \$12.4 million (2003: \$1.8 million) reflects the higher production volume and improved recovery and the higher realized sales prices for both copper and silver. Offsetting these factors were increased production costs arising from Australian Dollar and South African Rand inputs due to the weakening US Dollar as well as an increased monthly operating costs.

Net Earnings

	June 30 2004	June 30 2003
Earnings (\$ millions)		
Basic earnings per share	6.0	(0.8)
Diluted earnings per share	0.31	(0.04)
	0.29	(0.04)

The net earnings for the year increased to \$6.0 million (2003: loss \$0.8 million). Basic earnings per share increased to 31 cents per share (2003: loss 4 cents per share).

The net earnings result for the financial year ending June 30, 2004 compared with June 30, 2003 also reflect the following changes:

- General, administrative and marketing costs related mainly to the activity of the Perth corporate office in Australia. In 2004, this cost was \$1.6 million (2003: \$0.7 million), which represents an increase of 129%. The increase in costs in 2004 related mainly to the expansion of the corporate governance and support infrastructure for the management, administration, accounting and related development of the reporting systems and other support services being provided from the corporate office following the initial establishment of this infrastructure in 2003. The 2004 costs also include \$87,500 relating to the cost of reorganization expensed and \$26,394 relating to the initial establishment of a corporate office in Toronto, Canada. A total of \$1.2 million of costs relating to the reorganization was set against the capital of the Company as costs relating to the initial public offering, which raised Canadian Dollars 7.0 million in capital.
- Exploration costs expensed in the financial year ended June 30, 2004 increased to \$0.5 million was incurred on regional work that was carried out in the vicinity of the Dikulushi Mine (2003: \$0.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

- Foreign exchange gains/losses in 2004 of \$0.3 million (2003: \$0.2 million) results from the movement in exchange rates between the time the costs are incurred and when the liabilities are settled largely due to the weakening US\$ in 2004 compared with other currencies such as the Australian Dollar and South African Rand as a proportion of costs are incurred in these currencies.
- The stock based compensation cost in the financial year ended June 30, 2004 of \$0.2 million (2003: \$0.2 million) was from the grant of options to employees and directors option plans designed as incentives for maintaining performance.
- The higher depreciation and amortization expense of \$2.3 million (2003: \$0.9 million) in the financial year ended June 30, 2003 relates to the depreciation and amortization of the plant and equipment and development expenditure at the Dikulushi Mine for the full twelve months of operations compared with eight months of operations in 2003.
- The interest and financing fees increase to \$2.2 million (2003: \$0.8 million) in the financial year ended June 30, 2004 relates to the higher finance facility fee (6.25% of net smelter return) coming from the higher volume of copper produced and sold and the increase in interest paid at 2.5% over LIBOR on the RMBI expanded project financing facility, which was drawn down during the year to finance the Stage II expansion at Dikulushi. An increase in the amortisation of deferred borrowing costs to \$0.2 million (2003: \$0.1 million) also contributed to the interest and financing fees increase.

4. DISCUSSION OF CASH FLOWS

	June 30 2004	June 30 2003
Cash flows from: (\$ millions)		
Operating activities	4.6	0.6
Financing activities	(6.7)	(5.1)
Investing activities	8.5	3.3

The cash inflow from operating activities was \$4.6 million (2003: \$0.6 million) or \$0.23 per share (2003: \$0.04 per share). The increase in operating cash inflow was attributable to the increase in revenue arising from increased production and the higher copper and silver prices realized.

Operating cash outflows also increased due to the build up of ore and concentrate stockpiles, spares and consumables of \$1.2 million (2003: \$0.9 million) and further deferred stripping during the year of \$1.3 million (2003: \$0.6 million) as well as a reduction of accounts payable of \$0.5 million (2003: increase \$2.5 million).

The cash outflows from investing activities of \$6.7 million (2003: \$5.1 million) was in relation to payments for construction labour, materials and components for the Dikulushi Stage II expansion of \$7.7 million (2003: completion of Stage I of \$5.0 million) and further regional exploration and the deep drilling of the Dikulushi resource \$0.8 million (2003: \$0.4 million). These outflows were offset by inflows from the sale of GSR shares of \$1.6 million (2003: \$0.3 million).

The cash inflow from financing activities generated \$8.5 million (2003: \$3.3 million). This resulted in part from the issue of 1,650,000 Common shares at Canadian Dollars 4.25 each pursuant to the Initial Public Offering ("IPO") issue (net of the issue expenses) following the Reorganization of the Company and exercise of options to acquire fully paid shares and conversion of partly paid shares into fully paid shares in Anvil NL prior to the Reorganization which generated in total \$6.6 million (2003: \$0.8 million from share placements).

Under the RMB International (Dublin) Ltd ("RMBI") increased Stage II project finance facility of \$5.0 million, the Company drew down \$4.0 million (net of facility fees of \$0.25 million) (2003: Stage I facility \$3.75 million drawn down) and repaid \$1.5 million (2003: \$1.125 million) of the Stage I project finance facility. The Company repaid in full the sales advance facility of \$0.25 million provided by Republic House AG, the Company's concentrate off-taker. The Company also repaid \$0.286 million (2003: \$0.15 million) (net of deductions of \$0.064 million) of the Metallurgical Design and Management Ltd overrun facility in relation to the Stage I construction of \$0.5 million.

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

5. DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

	June 30 2004	June30 2003
Assets (\$ millions)		
Cash and cash equivalents	7.2	0.6
Current assets	11.1	3.3
Total assets	32.0	15.1
Liabilities (\$ millions)		
Current liabilities	7.8	6.4
Long-term debt	2.8	2.1
Total liabilities	10.9	8.5
Shareholders' equity (\$ millions)	20.5	6.6
Working capital (\$ millions)	3.3	(3.1)
Weighted average number of shares	19,746,568	17,859,091
Outstanding number of shares	23,554,229	18,628,999

Cash and cash equivalents

The cash and cash equivalents increase to \$7.2 million at June 30, 2004 (2003: \$0.6 million), was attributable to the positive cash flow from operating activities, the proceeds from the initial public offering following the Reorganization and the exercise of options and conversions of partly paid shares prior to the completion of the Reorganization.

Current assets

The total current assets increase to \$11.1 million at June 30, 2004 (2003: \$3.3 million) was due to the increases in cash, accounts receivable and inventories. The increase in accounts receivable was due to higher average monthly sales from higher copper and silver prices and the increase in inventories was from a higher holding of spares and consumables to support the Dikulushi mine operations and a higher level ore stockpiles.

Total assets

The increase in total assets at June 30, 2004 of \$32.0 million (2003: \$15.1 million) was attributable to increased current assets and capital assets. The higher a level deferred financing fees, deferred mining and mine closure costs, exploration and evaluation expenditure and property, plant and equipment was from:

- Fees paid of \$0.25 million and options granted, valued at \$0.5 million, to RMBI in relation to the Stage II expanded project finance facility obtained to fund the Stage II expansion at Dikulushi.
- Deferred stripping costs of \$1.3 million (2003: \$0.6 million) due to mining above the average mine plan strip ratio during the year.
- Exploration expenditure on deep drilling of the Dikulushi resource and regional exploration in the Dikulushi mining convention area and IP survey studies carried out on the Duc Bo prospect in Vietnam.
- Capital expenditure on the Dikulushi Stage II expansion of \$6.6 million and other fixed asset and infrastructure acquisitions for the support of the Dikulushi mine operations of \$1.3 million (before depreciation and amortization).

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

Current liabilities

Current liabilities were \$7.7 million (2003: \$6.4 million) arising from a higher current repayable amount of long-term debt over the next twelve months of \$0.9 million and an increase of \$0.4 million accounts payable attributable to the Stage II expansion at Dikulushi.

Total liabilities

Total liabilities increased to \$10.9 million at June 30, 2004 (2003: \$8.5 million). This increase is from the net effect of draw down of additional debt for the Stage II expansion net of repayments.

The following Table summarizes the Company's contractual and other obligations, as at June 30, 2004.

Contractual Obligations

Payments due by period	Total	Less than 1 year	1 – 3 years	4 – 5 years	More than 5 years
	\$ million	\$ million	\$ million	\$ million	\$ million
Long term debt	6.125	3.300	2.825		
Environmental and mine closure liabilities	0.295			0.295	
Capital commitments – Dikulushi Stage II	1.142	1.142			
Exploration expenditure commitments	0.075	0.075			

Long Term Debt

Long-term debt increased to \$6.125 million at June 30, 2004 (2003: \$3.375 million) from the draw down of \$4.25 million during the year to finance the Dikulushi Stage II expansion. The RMBI Stage II project expansion facility of \$5.0 million, which bears interest at LIBOR plus 2.5% and is fully repayable by March 2006, was not fully drawn as at June 30, 2004. At June 30, 2004, an amount of \$750,000 of the facility remained undrawn.

Working capital

Working capital has increased to \$3.3 million at June 30, 2004 (2003: working capital deficit \$3.1 million) due to higher level of cash balances and inventories.

Shareholders' equity

Shareholders' equity has increased to \$20.5 million at June 30, 2004 (2003: \$6.6 million) arising from the IPO, pre-reorganization share issues, from the exercise of options and the conversion of partly paid shares to fully paid shares. Share issue expenses and reorganization costs offset this.

At August 24, 2004, the Company had outstanding 23,554,229 common shares. In addition there were outstanding, 702,500 director and employee stock options with exercise prices ranging between A\$1.20 to A\$4.50 and C\$4.25 per share. The Company had outstanding 796,631 share purchase warrants, of which 296,631 are exercisable at an exercise price of A\$1.20 and 500,000 at an exercise price of A\$3.00 per share, which expire on January 15 and August 31, 2006 respectively. Further details of these instruments are set out in note 13 of the company's financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

6. OTHER MATTERS

Segment Information

Geographical Reporting

	June 30, 2004			
	DRC	Other Africa	Corporate	Total
Revenues	29.1	1.4	-	30.5
Cost of production	(16.7)	-	-	(16.7)
Other expenses	(5.6)	-	(1.6)	(7.2)
Non controlling interests	(0.6)	-	-	(0.6)
	6.2	1.4	(1.6)	6.0

DRC revenues and expenses relate to the Dikulushi Mine. The revenue in Other Africa represents the income from the sale of GSR shares. Corporate expenses relate to the general, administrative and marketing costs of the activities of the Perth and Canadian offices.

Deferred Exploration

As at June 30, 2004, the Company had deferred exploration costs of \$2.2 million (2003: \$0.6 million), which consisted of deferred expenditure in relation to Dikulushi deep drilling \$1.0 million, Lufukwe \$0.2 million, DRC exploration projects \$0.4 million and Duc Bo \$0.6 million. Lufukwe is a copper exploration prospect located in the Dikulushi Mining Agreement exploration area. The deferred exploration expenditure for Duc Bo is cost associated with the potential zinc-lead-copper mineral property in Vietnam.

During the year ended June 2004, the Company expensed \$0.5 million (2003: \$0.2million) on other exploration targets that were predominantly located within the vicinity of the Dikulushi Mine.

7. OUTLOOK

Following the completion of the Stage II expansion of the ore processing facilities at the Dikulushi Mine during August 2004, the Company has budgeted to produce 20,000 tonnes of copper contained in concentrates on an annualized basis. The concentrates produced from the Stage 2 flotation concentrate plant is expected to contain 1,800,000 ounces of silver on an annualized basis.

The production of flotation concentrate from the Stage II expansion at Dikulushi is expected to reduce cash costs per pound of copper produced as the higher grade of copper contained in the concentrate will have the direct impact of reducing the unit transport costs and smelter charges per pound of copper contained in the concentrate sold. In addition, the higher contained grade of silver in the concentrate produced is expected to increase the silver credits.

Based on the results of deep drilling on the Dikulushi orebody to a vertical depth of 300 metres below surface achieved by the end of June 2004 the Company expects that the potential mine life for the underground mine at Dikulushi to be increased by a further two years from the current expected life of 2008. The Company intends to undertake deeper drilling to evaluate the resource below 300 metres vertical depth, as the orebody beyond this level is still open.

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

8. CRITICAL ACCOUNTING POLICIES

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:

Mine properties

The Company adopts a unit-of-production method to depreciate its mine properties. This method requires estimates of economically recoverable reserves of the Company's mine properties. Qualified independent surveyors and geologists are engaged to estimate the economic recoverable reserves. The estimation process involves sampling and other statistical tools to estimate the amount of recoverable reserves.

Variations in the calculated 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 Company accumulates certain costs associated with exploration activities on specific areas of interest where the Company has rights of tenure. The Company'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 June, 30, 2004, the Company has deferred exploration costs of approximately \$2.2 million associated with exploration properties in Africa and Southeast Asia.

Deferred Mining Costs

The Company uses the deferred stripping accounting method for mining costs associated with waste rock removal, which is in excess of the life-of-mine average. Waste rock mining costs are deferred and charged to operations on the basis of the average stripping ratio for the life of the mine. The waste to ore ratio and remaining life of the mine are both regularly assessed to ensure the carrying value and rate of deferral are appropriate.

The amount deferred or charged to cost of production is subject to management's estimate of the stripping ratio over the life of the mine. Any change in the stripping ratio or mine life estimate could have a material effect on the financial results. During the year ended June 30, 2004, the Company deferred \$1.3 million for deferred stripping costs based on a life of mine strip ratio of 8.4:1 compared to the actual strip ratio for 2004 of 11.4:1.

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 new standard issued by the Canadian Institute of Chartered Accountants ("CICA") in relation Asset Retirement Obligations ("ARO"). The Company early adopted the standard and the previous years figures have been retroactively restated on the basis that the standard were applied for the first time as at July 1, 2002.

Future Income Taxes

The Company has adopted the use of the accounting standard in relation to Future Income Taxes. Under the standard, the Company is required to estimate the existence of both taxable losses and the recoverability of these losses.

As at June 30, 2004, the Company 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.

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

Estimates, Risks and Uncertainties

Financial statements prepared in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

The Company'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 mining and processing, mine development, copper and silver prices, estimation of carrying values, government and environmental regulations, international operations, health, currency, inflation, key personnel, share market and capital requirements risks. A more detailed analysis of the risk factors the Company is faced with can be found in the most recent annual information form, which will be available on SEDAR at www.sedar.com.

Deed of Cross Guarantee

In June and August 2004, Anvil Mining Limited and certain Australian incorporated companies 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.

Additional Notes

Information of a scientific or technical nature in this management discussion and analysis and financial review has been prepared under the supervision of Bill Turner, President and Chief Executive Officer of Anvil Mining Limited, a Fellow of the Australasian Institute of Mining and Metallurgy who has more than five years experience in the field of the activity reported herein and is a qualified person under National Instrument 43-101.

Non-GAAP Financial Measures

The terms "total cash cost" and "cash cost of production" are used on a per pound of copper basis. Total cash cost per pound is equivalent to mining operations, transport and smelting expenses (including the net credits for silver revenues) for the period divided by the number of pounds of copper produced during the period. Cash cost of production per pound of copper is equivalent to total cash cost per pound less transport and smelting expenses. Cash operating cost information is included to provide information about the cost structure of mining operations. The term "operating profit" represents the net attributable revenues after deducting mine operating costs. The mine operating costs exclude exploration expense, foreign exchange gains and losses, amortization and interest and financing fees. This information differs from measures of performance determined in accordance with GAAP in Canada and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and may not be comparable to similarly titled measures of other companies.

Forward Looking Statements

The forward-looking statements made in this Management's Discussion and Analysis 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 prices of copper and silver, estimated future production, estimated costs of future production involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any 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, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's filed documents.

MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

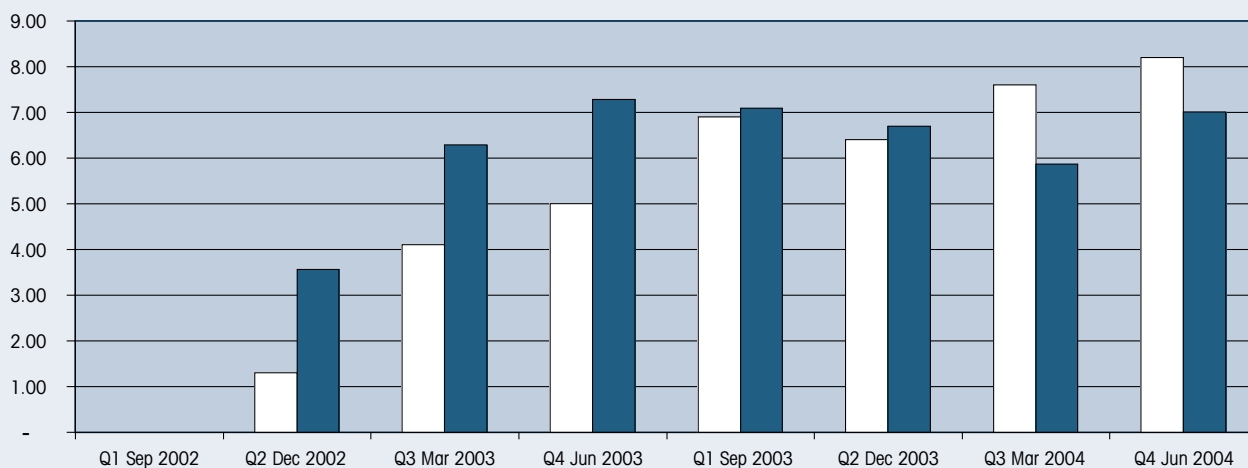
(expressed in US Dollars)

9. SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

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

	Jun 2004 Q4	Mar 2004 Q3	Dec 2003 Q2	Sep 2003 Q1	Jun 2003 Q4	Mar 2003 Q3	Dec 2002 Q2	Sep 2002 Q1
Statement of Operations and Earnings								
Copper-silver concentrate sales (\$ millions)	8.2	7.6	6.4	6.9	5.0	4.1	1.3	0.0
Operating profit (loss) (\$ millions)	3.3	4.0	2.3	2.8	1.6	0.5	(0.2)	0.0
Net earnings (loss) (\$ millions)	1.3	2.1	0.2	2.5	(0.0)	(0.0)	(0.6)	(0.1)
Basic earnings per share (cents)	6.35	11.08	0.79	14.35	(0.32)	(0.02)	(3.50)	(0.60)
Diluted earnings per share (cents)	5.93	10.20	0.72	12.68	(0.32)	(0.02)	(3.50)	(0.60)
Production Statistics								
Ore processed	70,053	58,674	66,956	70,915	72,798	62,866	35,598	0
Copper grade %	6.42	7.84	6.80	7.99	7.46	8.51	7.56	0
Contained copper (tonnes)	4,500	4,603	4,552	5,667	5,436	5,347	2,693	0
Recovery %	71.0	73.1	67.5	69.8	65.4	61.4	46.9	0
Copper produced (tonnes)	3,189	3,365	3,074	3,960	3,555	3,286	1,264	0
Silver produced (ounces)	301,315	255,953	331,555	322,908	261,128	233,410	94,536	0
Copper contained in concentrate delivered (payable million pounds)	7.1	6.7	6.8	8.7	7.1	5.8	2.3	0
Silver contained in concentrate delivered (payable ounces)	287,780	226,997	323,297	303,167	232,228	184,910	55,203	0

□ Copper-silver sales (\$ millions)
■ Ore Processed (10,000 tonnes)



MANAGEMENT DISCUSSION AND ANALYSIS AND FINANCIAL REVIEW

(expressed in US Dollars)

Fourth quarter, 2004 (three months ended June 30, 2004) - Unaudited

	Q4 June 2004 3 months	Q4 June 2003 3 months
Revenues: (\$ millions)		
Copper-silver concentrate sales	8.2	5.0
Operating profit (loss)	3.3	1.6
Net Earnings	1.3	0.0
Production Statistics		
Copper produced (tonnes)	3,189	3,555
Silver produced (ounces)	301,315	261,128
Ore mined (tonnes)	76,677	76,239
Waste mined (tonnes)	544,320	988,000
Costs of Production		
Operating cash costs per pound (ex mine gate after silver credit)	0.28	0.28
Total cash costs (after silver credit)	0.55	0.62

Revenue

The fourth quarter revenues were \$8.2 million (2003: \$5.0 million). The increase in revenues reflects the higher realized copper and silver prices.

Costs of Operations

Costs of operations from the quarter were \$4.9 million (2003: \$3.4 million). The higher average monthly cost of operations was due to increases in transport and labour costs.

Net Earnings

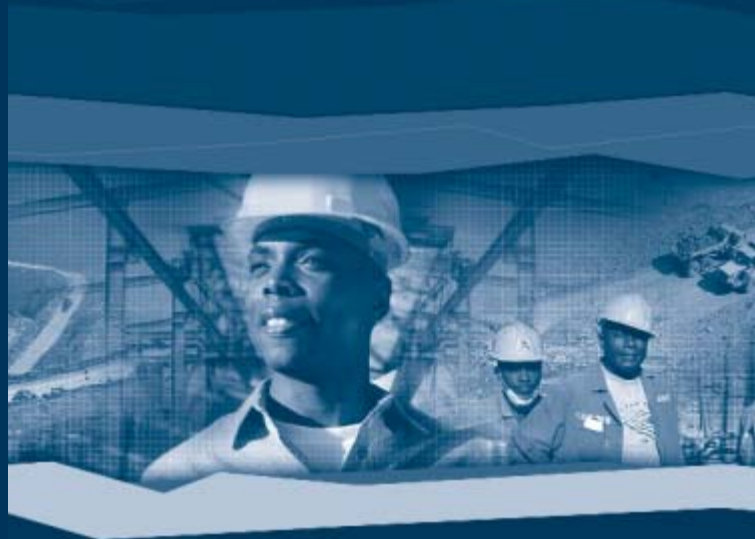
Net earnings of \$1.3 million (2003: \$0.0 million), was generated by the increased revenues, which were offset by the increase in operation and other expenses.

Other expenses of \$2.6 million (2003: \$1.6 million) include general, administrative and marketing costs, depreciation, amortisation, exploration, interest and financing fees. These were higher in the fourth quarter due to:

- Increase in employee numbers at corporate offices in Australia and Canada.
- Higher depreciation and amortisation
- The Reorganization of the Group
- Higher financing fees, resulting from higher volume of concentrate sold and higher copper and silver prices realized.

ANVIL MINING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 2004 AND 2003

(Expressed in United States Dollars except where indicated)



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 judgements 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

August 24, 2004



Craig R. Munro

CHIEF FINANCIAL OFFICER

AUDITORS' REPORT TO THE SHAREHOLDERS OF ANVIL MINING LIMITED

We have audited the consolidated balance sheets of Anvil Mining Limited as at June 30, 2004 and 2003 and the consolidated statements of earnings, retained earnings 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 June 30, 2004 and 2003 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

CHARTERED ACCOUNTANTS

Toronto, Ontario

August 24, 2004

CONSOLIDATED BALANCE SHEETS

(expressed in US Dollars)

	Notes	June 30 2004 \$	June 30 2003 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		7,170,172	644,737
Restricted cash	5	134,628	165,197
Accounts receivable		1,144,345	786,151
Inventories	6	2,227,798	1,076,371
Investments		54,753	307,870
Prepaid expenses and deposits		390,380	274,458
		11,122,076	3,254,784
DEFERRED FINANCING FEES	7	709,334	124,887
DEFERRED MINING COSTS	8	1,975,478	673,942
EXPLORATION AND EVALUATION EXPENDITURE	9	2,194,087	621,984
PROPERTY, PLANT AND EQUIPMENT	10	16,021,597	10,389,076
		32,022,572	15,064,673
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		4,233,778	3,839,184
Current portion of long term debt	11	3,300,000	2,429,556
Current income taxes	4	40,526	0
Other liabilities		195,286	87,253
		7,769,590	6,355,993
LONG TERM DEBT	11	2,825,000	1,875,000
ENVIRONMENTAL AND MINE CLOSURE LIABILITIES		294,629	254,073
		10,889,219	8,485,066
NON CONTROLLING INTEREST		637,454	0
SHAREHOLDERS' EQUITY			
Share capital	12 (a)	16,800,122	9,811,250
Contributed surplus	12 (c)	982,767	291,904
Cumulative translation adjustments	12 (e)	558,940	375,136
Retained earnings (deficit)		2,154,070	(3,898,683)
		32,022,572	15,064,673
Commitments for expenditure	13		
Contingent liabilities	14		
Subsequent events	21		

APPROVED BY THE BOARD OF DIRECTORS

WILLIAM S TURNER

JOHN W SABINE

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

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(expressed in US Dollars)

	Notes	June 30 2004 \$	June 30 2003 \$
COPPER-SILVER CONCENTRATE SALES		29,081,216	10,402,665
Operating expenses		(16,657,604)	(8,536,882)
Amortization		(2,300,446)	(888,876)
Operating profit		10,123,166	976,907
Other income	3	1,408,006	220,228
General, administrative and marketing		(1,608,692)	(675,478)
Exploration expense		(517,729)	(171,947)
Foreign exchange gains/(losses)		(328,447)	(152,467)
Stock based compensation		(191,394)	(175,900)
Interest and financing fees	3	(2,154,177)	(814,517)
Earnings (loss) from ordinary activities before income tax and non controlling interest		6,730,733	(793,174)
Income tax	4	(40,526)	0
Non controlling interest		(637,454)	0
NET EARNINGS (LOSS)		6,052,753	(793,174)
Deficit at beginning of the period		(3,898,683)	(3,105,509)
RETAINED EARNINGS (LOSS) AT END OF THE PERIOD		2,154,070	(3,898,683)
Basic earnings (loss) per share (cents)	18	30.65	(4.44)
Diluted earnings (loss) per share (cents)	18	28.67	(4.44)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(expressed in US Dollars)

	Notes	June 30 2004 \$	June 30 2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net earnings (loss) for the period		6,052,753	(793,174)
Items not affecting cash			
Amortization		2,300,446	888,876
Exploration expenditure written off		93,633	1,791
(Gain)/loss on disposal of investments		(1,374,596)	(210,351)
Non controlling interest		637,454	0
Borrowing costs		0	48,917
Unrealised foreign exchange losses		6,237	149,548
Stock based compensation		191,394	175,900
Capitalized borrowing costs		0	(47,004)
Changes in non-cash working capital	19	(3,280,802)	415,460
		4,626,519	629,963
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(7,670,640)	(5,028,229)
Proceeds from sale of investments		1,633,392	320,692
Payments for exploration and evaluation expenditure		(752,489)	(389,037)
		(6,789,737)	(5,096,574)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of issue expenses)		6,558,610	818,580
Proceeds from borrowings		4,000,000	3,750,000
Repayment of borrowings		(2,036,380)	(1,275,000)
		8,522,230	3,293,580
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		6,395,012	(1,173,031)
Cash and cash equivalents at beginning of the period		644,737	1,678,709
Effects of exchange rate changes on cash held in foreign currencies		166,423	139,059
Cash and cash equivalents at end of the period		7,170,172	644,737
NON CASH FINANCING AND INVESTING ACTIVITIES			
	20		

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

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Anvil Mining Limited ("Anvil" or the "Company") was incorporated under the Business Corporations Act (Northwest Territories) on January 8, 2004 for the purpose of acquiring all of the issued and outstanding shares of Anvil Mining NL ("Anvil NL") an Australian company listed on the Australian Stock Exchange, pursuant to a scheme of arrangement ("Scheme") under Australian law.

Anvil operates in one operating segment, namely the acquisition, exploration, development and mining of mineral properties. Its principal asset is a 90% interest in the copper-silver mine (the "Dikulushi Mine") situated in the Democratic Republic of Congo ("DRC"), which at June 30, 2004 was in commercial production and undergoing the completion of the Stage II expansion of its processing facilities. Anvil also holds interests in other exploration properties in the DRC, Zambia and South East Asia.

The mine production at Dikulushi commenced during October 2002 and the results in the financial year ended June 2004 includes a full twelve months of operations compared with only eight months of operations in the financial year ended June 2003.

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, confirmation of the company's interest in the underlying mining claims, and the political and economic conditions in the relevant African and South East Asian countries involved.

Reorganization

The Scheme was completed in June 2004 and in conjunction with the Scheme, in Australia, the Company completed its initial public offering ("IPO") on the Toronto Stock Exchange in June 2004. As part of the Scheme and IPO, the Company also listed its shares as Chess Depository Interests ("CDIs") on the Australian Stock Exchange in June 2004. The events, actions and transactions involved in the reorganization to effect the Scheme and IPO are hereinafter collectively referred as the "Reorganization".

Pursuant to the Scheme, the shareholders of Anvil NL received one common share of the Company for ten (10) ordinary shares of Anvil NL held immediately prior to the Scheme becoming effective. Consequently, the economic interest of the shareholders of Anvil NL did not change. Accordingly, these consolidated financial statements present the continuity of interest and reflect the operations of the Company as if the Scheme had been in effect prior to July 1, 2002.

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 period since the acquisition date (see also Note 1). 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 Company is the United States Dollar and the functional currency used in the principal operations at the Dikulushi Mine 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.

NOTES TO THE FINANCIAL STATEMENTS

d) Foreign currency translations

The Company employs the current rate method of translation for its self-sustaining operations. Under this method, all assets and liabilities are translated at the year-end rates and all revenue and expense items are translated at the average monthly exchange rates for recognition in income. Differences arising from these foreign currency restatements are recorded in shareholders' equity as a cumulative translation adjustment until they are realized by a reduction in the investment.

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.

e) Revenue recognition

Revenue from sales of copper-silver concentrate is recorded net of smelter treatment charges and deductions. Sales are recognized when shipments are delivered at the smelters and title passes to the customer.

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 doubtful accounts is raised where some doubt as to collection exists.

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 amortisation.

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) Investments

Investments, which are comprised of publicly listed securities, are accounted for using the lower of cost and market value method.

j) Deferred financing fees

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 period 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.

k) 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 and the remaining life of the mine are both regularly assessed by management to ensure the carrying value and the rate of deferral is appropriate.

NOTES TO THE FINANCIAL STATEMENTS

l) 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 or exploration expenditure on mining property, 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.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Evaluation expenditure for each area of interest/mineral resource is carried forward, but only to the extent to which its recovery out of revenue to be derived from the relevant area of interest/mineral resource, or from sale of that area of interest, is reasonably assured.

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.

m) 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 to the Company. 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.

Total net carrying value of property, plant and equipment is reviewed regularly and, to the extent to which these values exceed their recoverable amounts that excess is fully provided against in the financial year in which this is determined.

n) 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.

Amortisation 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 recoverable amount based on undiscounted future cash flows, that excess in carrying value is either fully provided against or written off in the financial year in which this is determined.

NOTES TO THE FINANCIAL STATEMENTS

o) Asset retirement obligations

The Company has adopted the new provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110 on asset retirement obligations. Under this standard future costs to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site have been recognized and recorded as a liability at fair value, assuming a credit adjusted risk-free discount rate of 7.5% and an inflation factor of 2.5%. The liability is accreted over time through periodic charges to earnings. In addition the asset retirement cost is capitalized as part of the asset's carrying value and amortized over the asset's useful life. Previously, the Company accrued these costs on a straight-line basis over the useful life of the facility. The previous year's balances have been retroactively restated and the increase to property, plant and equipment was \$234,073 with a corresponding increase in long term-liability.

Although the ultimate amount to be incurred is uncertain, the estimated liability and asset retirement cost has been based on the assessments made in an independent Environmental Impact Assessment, completed in April 2003, using an initial expected life of mine of 5 years and total undiscounted amount of estimated cash flows of \$251,720. During the year ended June 30, 2004, the accretion expense in relation to the liability was \$20,555. There were no revisions to the estimated cash flows during the year.

Subsequent to the initial recognition of the asset retirement obligation and associated asset retirement cost any changes resulting from a revision to either timing or amount of estimated cash flows are prospectively reflected in the year those estimates change.

p) 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 period in which the change is applied.

q) 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, should "in the money" options be exercised and the proceeds used to repurchase common shares at the weighted average market price in the period.

r) Stock-based compensation

Effective July 1, 2002, Anvil adopted the new CICA standard for accounting for stock based compensation. Under the standard, the fair value of options granted has been recognized as an expense against income and the corresponding value recorded in contributed surplus.

Anvil stock options issued to persons other than employees are accounted for at fair value and deferred and amortized over the period over which the relevant service is provided. Where financing facilities are made available to Anvil but there is no term or the term does not exceed 12 months then the cost of stock based compensation is expensed in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

3. OTHER INCOME

Gain on sale of Golden Star Resources Ltd ("GSR") shares
Interest received – other persons
Other

	June 30 2004 \$	June 30 2003 \$
	1,374,596	210,351
	26,410	7,220
	7,000	2,657
	1,408,006	220,228

INTEREST AND FINANCING FEES

Financing fee (net smelter return – Note 14)
Interest
Amortization of deferred borrowing costs
Less: amounts capitalised

	1,806,364	683,120
	152,792	129,485
	195,021	48,916
	0	(47,004)
	2,154,177	814,517

4. INCOME TAX

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

Earnings (loss) before income tax and non controlling interest

	6,730,733	(793,174)
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Income taxes at statutory rates - 38%⁽¹⁾ (2003 – 30%⁽²⁾)

	2,557,679	(237,952)
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Difference in tax rates

	(2,493,034)	149,295
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Non deductible expenses

	28,045	67,851
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Tax losses not recognized

	61,349	20,806
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Recovery of prior year foreign tax losses

	(113,513)	0
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Taxation expense

	40,526	0
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Comprising:

Current income taxes

	40,526	0
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Future income taxes

	0	0
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Anvil has non-capital loss carry-forwards as at June 30, 2004 of US\$5,100,000 (June 30, 2003: US\$3,800,000) that may be available for tax purposes. These losses are primarily in Canada and Australia. The losses in Canada expire after seven years and in respect to the Australian losses there is no specific expiry date. The use of these losses arising from operating losses and exploration and development expenditures are subject to certain restrictions.

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

(1) The Canadian corporate tax rate is used for income tax purposes, as the Company is dual resident in Canada and Australia.

(2) In 2003, the applicable corporate tax rate in Australia was used.

NOTES TO THE FINANCIAL STATEMENTS

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 applicable based on the current DRC Professional income tax rate of 40% 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%	40%

	June 30 2004 US\$	June 30 2003 US\$
5. RESTRICTED CASH		
Cash deposits held as security	134,628	165,197

As at June 30, 2004, a deposit was pledged to secure a letter of credit issued by the Company's bankers in favour of a supplier. The letter of credit is irrevocable and expected to be drawn on the earlier of November 1, 2004 or on the completion of commissioning of the power station as part of the Stage II expansion at Dikulushi. As at June 30, 2003, the deposit held was in relation to a bank guarantee, which was subsequently returned to the bank and cancelled following the satisfaction of the conditions under which the bank guarantee was provided.

Anvil Mining Congo sarl ("Anvil Congo") the 90% controlled subsidiary operating in the DRC, has entered into an agreement with the Central Bank of Congo, under which Anvil Congo is permitted to deposit sales proceeds into bank accounts located outside the DRC. The agreement requires that Anvil Congo repatriate no less than 40% of the realized sales receipts, within certain time periods, into Anvil Congo's bank account in the banking system within the DRC.

	June 30 2004 US\$	June 30 2003 US\$
6. INVENTORIES		
Raw materials and stores – at cost	1,127,556	336,550
Ore stockpiles – at cost	497,128	239,986
Concentrate in stockpiles and in transit – at cost	603,114	499,835
	2,227,798	1,076,371
7. DEFERRED FINANCING FEES		
Deferred fees paid and value of options granted (Note 12 (c))	968,070	188,602
Amortization	(258,736)	(63,715)
	709,334	124,887

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED MINING COSTS

	June 30 2004 US\$	June 30 2003 US\$
Costs at the beginning of period	673,942	0
Waste stripping costs deferred during the period	1,301,536	673,942
Costs at end of period	1,975,478	673,942

During the year ended June 30, 2004, the Company deferred \$1.3 million for deferred stripping costs based on a life of mine strip ratio of 8.4:1 compared to the actual strip ratio for 2004 of 11.4:1.

9. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure at beginning of period	621,984	183,209
Expenditure transferred to development properties	0	0
Expenditure incurred	1,658,489	440,566
Expenditure written off	(93,633)	(1,791)
Foreign exchange movement	7,247	0
Exploration and evaluation expenditure at end of period	2,194,087	621,984
Costs incurred on:		
Exploration joint venture - Australia	0	64,395
Dikulushi, Lufukwe and DRC Copperbelt exploration projects – DRC	1,646,424	200,939
Philippines regional exploration project	29,895	0
Duc Bo exploration project – Vietnam	517,768	356,650
	2,194,087	621,984

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.

10. PROPERTY, PLANT AND EQUIPMENT

	June 30 2004		
	Cost US\$	Accumulated depletion, amortization and writedown US\$	Net book value US\$
DIKULUSHI ⁽¹⁾			
Land and buildings	890,958	(166,692)	724,266
Plant and equipment	5,356,290	(1,236,100)	4,120,190
Mine property	6,191,842	(1,779,467)	4,412,375
Construction work in progress	6,654,459	0	6,654,459
	19,093,549	(3,182,259)	15,911,290
CORPORATE AND OTHER ⁽²⁾	190,586	(80,279)	110,307
TOTAL	19,284,135	(3,262,538)	16,021,597

NOTES TO THE FINANCIAL STATEMENTS

	June 30 2003		
	Cost US\$	Accumulated depletion, amortization and writedown US\$	Net book value US\$
DIKULUSHI			
Land and buildings	569,797	(46,345)	523,452
Plant and equipment	4,377,638	(363,081)	4,014,557
Mine property	6,170,006	(496,851)	5,673,155
Construction work in progress	85,048	0	85,048
	11,202,485	(906,277)	10,296,212
CORPORATE AND OTHER	135,576	(42,712)	92,864
TOTAL	11,338,065	(948,989)	10,389,076

- (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 but situated in the Democratic Republic of Congo and elsewhere in Central and Southern Africa
- (2) The corporate and other assets are all located in Australia and Canada.

	June 30 2004 US\$	June 30 2003 US\$
11. LONG TERM DEBT FACILITIES		
RMBI project financing (a)	6,125,000	3,375,000
MDM overrun (b)	0	286,380
Convertible notes (c)	0	393,176
Republic House sales advance (d)	0	250,000
Total long-term debt	6,125,000	4,304,556
Less: current portion	(3,300,000)	(2,429,556)
	2,825,000	1,875,000
The scheduled minimum repayments are as follows:		
Financial year 2004	0	2,429,556
Financial year 2005	3,300,000	1,875,000
Financial year 2006	2,825,000	0
	6,125,000	4,304,556

- (a) RMB International (Dublin) Limited ("RMBI") a subsidiary of the Rand Merchant Bank Group provided the project financing facility to a subsidiary for the purpose of developing Stage I of the Dikulushi Mine. The total facility was \$4,500,000 of which \$1,500,000 was repaid during the twelve months

NOTES TO THE FINANCIAL STATEMENTS

period ended June 30, 2004 (\$1,125,000 million in the year ended June 30, 2003). The loan is secured by a fixed and floating charge over the assets of the Company and a negative pledge by all entities owned by the Company. The loan bears interest at the London Interbank Offer Rate ("LIBOR") + 2.5% per annum and is payable in arrears, quarterly. The effective interest rate for the year ended June 30, 2004 was 3.9%. A 6.25% net smelter return financing fee is payable to RMBI until the Company has sold 65,000 tonnes of copper cathodes from ore which is being mined from the Dikulushi Mine. Repayments commenced on December 31, 2002.

In October 2003, Anvil reached agreement with RMBI to expand the existing project financing facility in an amount authorized up to \$8,000,000 in order to undertake the Stage II expansion of the Dikulushi Mine. Pending the completion of all the conditions precedent in relation to the Stage II financing facility, RMBI agreed a redraw of \$1,000,000 of previously repaid principal from the Stage I financing facility. In March 2004, all conditions precedent in relation to the Stage II financing facility were completed and subsequent to that date further drawdowns against the Stage II financing facility of \$3,250,000 were made.

- (b) Metallurgical Design and Management Ltd ("MDM") provided the Company with a cost overrun facility, on March 28, 2002, as part of the contractual arrangements in relation to the construction of Stage I of the Mine Process Facilities at Dikulushi. The total facility was \$ 500,000, which was drawn down in December 2002. The loan was unsecured and incurred interest at a rate of LIBOR +2.5% per annum. The facility was drawn down in December 2002 and fully repaid in September 2003 (in the year ended June 30, 2003 \$ 213,619 of the facility was repaid).
- (c) As approved by the shareholders on April 29, 2002, First Quantum Minerals Limited ("FQM"), Anvil's major shareholder, provided a \$500,000 unsecured convertible note facility to Anvil. The notes were issued on November 26, 2002, with a total face value of 888,731 Australian Dollars. Each note was for a term of eighteen months at an interest rate of LIBOR plus a 2.5% margin. The notes were convertible into Anvil ordinary shares (prior to the Scheme) at a price of ten (10) Australian cents per share, with each share issued having an attaching free option exercisable at twelve (12) Australian cents each at any time within two years. The convertible note had to be redeemed or converted as to one third of its face value within each six month period. Immediately upon issuance, FQM converted one third of the face value, 296,100 Australian Dollars into 2,961,000 fully paid ordinary shares and 2,961,000 options exercisable at twelve (12) Australian cents each. On July 24, 2003 a further one third of the aggregate face value of the convertible notes of 296,000 Australian Dollars was converted into 2,966,314 fully paid ordinary shares and 2,960,000 options exercisable at twelve (12) Australian cents each. The final third of the convertible notes of aggregate face value 296,631 Australian Dollars was converted on January 16, 2004 into 2,966,314 fully paid ordinary shares and 2,960,000 options exercisable at twelve (12) Australian cents each.
- (d) The sales advance facility of \$250,000 was provided by Republic House AG, incurred interest at a rate of LIBOR +2.5% and was repayable in ten equal monthly instalments which commenced September 30, 2003. As at June 30, 2004 the sales advance facility was fully repaid.

Undrawn debt facilities

The RMBI Stage II project expansion facility of \$5.0 million, which bears interest at LIBOR plus 2.5% and is fully repayable by March 2006, was not fully drawn as at June 30, 2004. At June 30, 2004, an amount of \$750,000 of the facility remained undrawn.

	June 30 2004 US\$	June 30 2003 US\$
12. SHAREHOLDERS' EQUITY SHARE CAPITAL		
Authorized:		
The Company's authorized share capital consists of an unlimited number of Common shares without par value. The Company is also authorized to issue an unlimited number of Preferred shares in one or more series.		
Issued: Common shares	16,800,122	9,811,250
NUMBER:		
June 2004 – 23,554,229		
June 2003 – 172,080,231 (Anvil NL shares prior to the Scheme and Reorganization)		

NOTES TO THE FINANCIAL STATEMENTS

(a) Movements in common shares (fully paid ordinary shares prior to the Scheme)

During the period from June 2002 to June 2004 the share capital movements were as follows:

	Details	Notes	No. of Shares	Issue Price	A\$/C\$	US\$
June 2002	Opening Balance		156,119,231		A\$13,198,609	US\$8,819,540
	Placements	(i)	13,000,000		1,400,000	818,580
	Conversion of convertible notes	(ii)	2,961,000	A\$0.10	296,100	173,130
June 2003			172,080,231		A\$14,894,709	US\$9,811,250
	Conversion of convertible notes	(ii)	5,926,314	A\$0.10	592,631	430,262
	Exercise by option holders	(iii)	26,645,987		2,997,518	2,105,672
	Issue of shares to employee	(iv)	180,000	A\$0.20	36,000	27,520
	Conversion of partly paid to fully paid shares	(v)	14,209,756	A\$0.12	1,705,171	1,194,104
			219,042,288		A\$20,226,029	US\$13,568,808
	Reorganization	(vi)	(219,042,288)			
	Reorganization	(vi)	21,904,229			
	Share issue (IPO)	(vii)	1,650,000	C\$4.25	C\$7,012,500	5,147,922
	Share issue expenses	(viii)				(1,197,372)
	Loans to Directors	(ix)				(719,236)
June 2004			23,554,229			US\$16,800,122

Details of movements in share capital are as follows:

- (i) In July 2002, Anvil NL issued 3,000,000 shares at A\$0.10 and 3,000,000 unlisted options, at an exercise price of A\$0.12, exercisable on or before April 28, 2004 through a placement as approved by the shareholders on April 29 2002. In March 2003, Anvil NL issued 10,000,000 shares at A\$0.11 through a placement.
- (ii) In November 2002, Anvil NL issued 2,961,000 shares at A\$0.10 and 2,961,000 unlisted options, at an exercise price of A\$0.12, exercisable on or before November 25, 2004 to a nominee of the convertible note holder (FQM) upon conversion of one-third of the outstanding convertible notes having a face value of A\$296,100 (see Note 11 (c)). In July 2003, Anvil NL issued 2,960,000 shares and 2,960,000 unlisted options, at an exercise price of A\$0.12, exercisable on or before November 25, 2004 to a nominee of the convertible note holder (FQM) upon conversion of one-third of the outstanding convertible notes having a face value of A\$296,000. In January, 2004, a further 2,966,314 shares and 2,966,314 unlisted options, at an exercise price of A\$0.12, exercisable on or before January 15, 2006 were issued to a nominee of the convertible note holder (FQM) upon conversion of the final one-third of the outstanding convertible notes having a face value of A\$296,631 (see Note 11 (c)).
- (iii) In March 2003, Anvil NL made a commitment to issue, at a date twelve months hence, 180,000 shares at A\$0.20 each to an employee under the terms of an employment contract. The market price at of Anvil NL shares the date of the commitment was Australian 13.5 cents each and in March 2004, the shares were issued.
- (iv) The Company issued 26,645,987 shares at various dates during the year pursuant to the exercise by option holders of options (including 725,000 options held by employees) to purchase shares at exercise prices of A\$0.10 and A\$0.12 per share.
- (v) In September and October 2003, Anvil NL issued 5,200,000 fully paid up shares following a call made by the Company on 5,200,000 partly paid shares for the outstanding A\$0.12 in unpaid capital each. On March 15, 2004, Anvil NL issued 500,000 shares upon the receipt of the outstanding A\$0.12 each in unpaid capital. In June 2004, in accordance with shareholders' approval of the loans to parties associated with

NOTES TO THE FINANCIAL STATEMENTS

Directors' William Turner and Peter Bradford (as detailed in Note 17) and following the approval of the Scheme, 8,509,756 shares were issued by Anvil NL to holders of the remaining outstanding partly paid shares.

- (vi) In accordance with the Scheme, which was formally approved by shareholders in a Special General Meeting on May 18, 2004, the Company issued 21,904,229 common shares to Anvil NL shareholders.
- (vii) On June 2, 2004, the Company issued 1,650,000 common shares at Canadian Dollars 4.25 each in accordance with the Company's IPO on the Toronto Stock Exchange.
- (viii) A total of \$1,197,372, comprising Agent's Commission of \$324,319 and expenses of \$873,053 relating to the IPO share issue and expenses incurred to complete the Reorganization of Anvil NL has been set against share capital of the Company.
- (ix) The amounts receivable from Director related entities (see details in Note 17) in relation to common shares issued under arrangements to facilitate the completion of the Scheme have been set against share capital in accordance with the recommendations of CICA - EIC 132 "Share purchase financing".

(b) Movements in issued partly paid shares:

During the period from June 2002 to June 2004 the partly paid shares (in Anvil NL) movements were as follows:

	Details	Notes	No. of Shares
June 2002 and 2003	Opening Balance		14,209,756
	Conversion to fully paid	(v)	(14,209,756)
June 2004	Closing Balance		0

(c) Warrants (Non-employee share options – prior to Reorganization)

Warrants to purchase common shares in the capital of the Company (Anvil NL prior to the Scheme) during the period from June 2002 to June 2004 that have been granted or cancelled were as follows:

Date	Details	Notes	No. of Options	Exercise Price	Fair Values US\$
JUNE 2002	Opening Balance		17,749,987		116,004
	Issue of options	(i)	3,000,000	A\$0.12	
	Issue of options	(ii)	2,961,000	A\$0.12	
	Expiry of options		(750,000)		
JUNE 2003			22,960,987		116,004 ⁽¹⁾
	Issue of options	(ii)	5,926,314	A\$0.12	
	Exercise of options (excluding employees)	(v)	(25,920,987)		
	Issue of options	(x)	5,000,000	A\$0.30	499,469
			7,966,314		615,473
JUNE 2004	Reorganization	(xi)	796,631		
JUNE 2004	Closing Balance		796,631		615,473 ⁽²⁾

(1) At June 30, 2003, this balance aggregated with the stock-based compensation awarded to employees (see (d) below) of US\$175,900, totalled US\$291,904.

(2) At June 30, 2004, this balance aggregated with the stock-based compensation awarded to employees (see (d) below) of US\$191,394 during the year and a brought forward amount of US\$175,900, totalled US\$982,767.

NOTES TO THE FINANCIAL STATEMENTS

Details of movements in non-employee share options (other than those detailed in (a) above) are as follows:

- (X) In October 2003, 5,000,000 options exercisable at A\$0.30 exercisable on or before August 31, 2006 each were issued to RMBI as part of the project financing facility conditions for Stage II.
- (XI) As part of the Reorganization, the Company issued two warrants to replace convertible securities that Anvil NL had issued. The warrants have the same terms as the securities they replaced, adjusted as necessary to reflect the fact that they are issued by the Company and not Anvil NL. One of the warrants is in respect of 500,000 common shares, has an exercise price of A\$ 3.00 per share and expires August 31, 2006. The second warrant is in respect of 296,631 common shares, has an exercise price of A\$1.20 per share and expires January 15, 2006. These warrants are transferable by the holders thereof.

(d) Stock option plan

The Anvil stock option plan ("Plan"), which replaced the employees share option plan, which was previously authorised by the Directors of Anvil NL, was approved by the Board of Directors on May 12, 2004.

An aggregate of 2,355,423 options may be issued under the Plan and on completion of the Reorganization, 702,500 options were issued, leaving 1,652,923 common shares available for issue upon the exercise of options granted pursuant to the Plan. The Company granted no further options up to June 30, 2004.

The purpose of the Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding six years.

Options may be granted under the Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian or Australian stock exchange upon which the common shares may be listed or may trade from time to time. The number of common shares reserved for issue to any one person pursuant to the Plan may not exceed 5% of the issued and outstanding common shares at the date of such grant. The exercise price of options issued may not be less than the fair market value of the common shares at the time the option is granted.

The Company's stock option plan provides for the automatic grant of an option to purchase 50,000 common shares to each person who becomes a non-employee director, as of the date such person first becomes a non-employee director, provided that, within the previous year, such person was not granted any other stock options by the Company. In addition, under the Plan, subject to regulatory approval, if required, each non-employee director is automatically granted stock options to purchase 25,000 common shares as of the date of the first Board meeting after the end of each financial year. The Board may, at its discretion, grant additional options to non-employee directors from time to time. All options granted to the non-employee directors under the Plan vest as to one-third at the end of each of the first three years after grant and have a six-year term.

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

	Australian Dollar based options	Canadian Dollar based options
Risk free interest rate:	5.28%	5.73%
Expected life:	36 months	72 months
Expected volatility:	67.8%	68.5%
Expected dividend yield:	0%	0%

On May 26, 2004, 200,000 stock options exercisable on or before May 26, 2010, at Canadian Dollars 4.25 each were issued to four non-executive directors pursuant to the terms of the Plan.

In June 2004, the holders of employee share options issued by Anvil NL agreed to convert their employee share options in the ratio of 10:1 for stock options issued by the Company as part of the Reorganization.

The fair value of employee stock and share options granted and expensed in the period ended June 30, 2004 estimated using the Black-Schöles model and the valuation parameters above amounted to \$191,394 (June 30, 2003 – \$175,900). As at June 30, 2004, the aggregate expensed fair value of vested stock options granted amounted \$367,294 and the aggregate fair value of unexpensed unvested stock options granted amounted to \$527,029.

NOTES TO THE FINANCIAL STATEMENTS

Outstanding stock options:

	June 30, 2004		June 30, 2003	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Australian Dollar based options				
Outstanding at beginning of period	4,700,000	A\$0.12	500,000	A\$0.12
Granted under Plan	1,050,000	A\$0.45	4,200,000	A\$0.12
Exercised	(725,000)	A\$0.12	0	
Expired	0		0	
Outstanding prior to Reorganization	5,025,000	A\$0.19	4,700,000	A\$0.12
Reorganization ⁽¹⁾	502,500	A\$1.93		
Options vested and exercisable at the end of the period	442,500	A\$1.31	4,700,000	A\$0.12
Canadian Dollar based options⁽²⁾				
Outstanding at beginning of period	0			
Granted under Plan	200,000	C\$4.25		
Exercised	0			
Expired	0			
Outstanding at the end of period	200,000	C\$4.25		
Options vested and exercisable at the end of the period		C\$0		

(1) The shares number is the entitlement number of common shares following the Reorganization.

(2) These stock options have been issued to the Directors of the Company pursuant to the Stock Option Plan.

NOTES TO THE FINANCIAL STATEMENTS

Information relating to employee stock options outstanding and exercisable at June 30, 2004:

Shares ⁽¹⁾	Price Range	Weighted Average Exercise Price	Weighted Average Remaining Life (months)
OUTSTANDING AND EXERCISABLE			
50,000	A\$1.20	A\$1.20	36
20,000	A\$1.20	A\$1.20	20
40,000	A\$1.20	A\$1.20	24
62,500	A\$1.50	A\$1.50	24
225,000	A\$1.20	A\$1.20	48
15,000	A\$1.60	A\$1.60	32
20,000	A\$6.50	A\$6.50	33
25,000	A\$1.80	A\$1.80	32
5,000	A\$2.60	A\$2.60	32
OUTSTANDING BUT NOT EXERCISABLE			
20,000	A\$6.50	A\$6.50	33
40,000	A\$6.50	A\$6.50	33
200,000	C\$4.25	C\$4.25	71

(1) The shares entitlement number represent the number of common shares following the Reorganization. Stock options exercisable in Australian Dollars relate to share options granted prior to the Reorganization which were converted into stock options in conjunction with the Reorganization.

(e) Cumulative translation adjustments

	June 30 2004 US\$	June 30 2003 US\$
Balance at the beginning of the period	375,136	(233,984)
Net exchange differences on translation	183,804	609,120
Balance at the end of the period	558,940	375,136

13. COMMITMENTS FOR EXPENDITURE

(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 June 30, 2004 is \$75,000 (June 2003 - \$159,225).

NOTES TO THE FINANCIAL STATEMENTS

In order to maintain the mining tenements in which the Company has a joint venture interest, the Company is committed to meet prescribed conditions under which the tenements are granted. The Company's share of exploration expenditure commitments as at June 30, 2004 is \$nil (June 2003 - \$149,937).

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.

(b) Dikulushi Mine

The outstanding capital commitment of the Company relating to the Dikulushi Stage II mine construction contracted at June 30, 2004 was \$1,142,000 (June 30, 2003 \$nil).

14. CONTINGENT LIABILITIES

Dikulushi Project

In conjunction with the RMBI financing facility, the Company granted a 6.25% net smelter return financing fee to RMBI. The net smelter financing fee is payable until the Company has sold 65,000 tonnes of copper cathodes or equivalent from copper ore which is being mined from the Dikulushi Project. At June 30, 2004, 20,000 tonnes of copper had been sold and in aggregate \$1,992,439 of financing fees have been paid. It is not practical to estimate the potential effect of this liability, which is dependent on the future price of copper and silver and the commercial smelting and refining terms.

15. SEGMENT INFORMATION

The Company operates primarily in the mining and mineral exploration industry in Africa, Southeast Asia and Australia.

The operations in DRC comprise the Dikulushi copper-silver mine as well as exploration on tenements, totalling almost 20,000 square kilometres, held in DRC. The Zambia operations comprise the infrastructure support to the Dikulushi mine, as well as 2,900 square kilometres of exploration tenements. The Ghana assets include the Company's investment in GSR. The Vietnam and Philippine operations are mainly exploration projects. The 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 Mine. The total assets located by geographic areas are as follows:

Total assets - Geographical Reporting	June 30 2004 US\$	June 30 2003 US\$
Democratic Republic of Congo	24,509,359	13,236,948
Ghana	54,753	307,870
Zambia	285,980	243,810
Vietnam	517,768	356,649
Philippines	29,895	0
Australia and Canada ⁽¹⁾	6,624,817	919,396
	32,022,572	15,064,673

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

NOTES TO THE FINANCIAL STATEMENTS

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

Revenues - Geographical Reporting

	June 30 2004 US\$	June 30 2003 US\$
Democratic Republic of Congo	29,081,216	10,402,665

The total external revenue from operating activities and the related external trade receivables balances is due from Republic House AG pursuant to an "off-take sales agreement".

16. 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 Company. The credit risk on financial assets of the Company, which have been recognized on the balance sheet, is generally the carrying value net of any provision for doubtful debts. The Company has adopted a policy of dealing only with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from any defaults.

Net Fair Value of Financial Assets and Liabilities

The net fair value of financial assets and financial liabilities of the Company approximates their carrying value, except for investments traded on organized markets. The market value of investments in Golden Star Resources Ltd, which are carried at cost, at June 30, 2004, is \$464,000.

Interest Rate Risk

The Company's long-term debt is subject to interest rate risk

17. RELATED PARTY INFORMATION

The loans by the Company to the Director associated entities, are interest free and repayable in Australian Dollars, were implemented in order that each of the partly paid shares held by each of Mr. Turner and Mr. Bradford in the capital of Anvil NL could be paid in full prior to the implementation of the Reorganization such that on completion of the Reorganization, there would be no partly paid shares in the capital of Anvil NL remaining thereafter. These loans are secured by way of a pledge agreement pursuant to which each of the companies associated with Mr. Turner and Mr. Bradford has pledged their respective shares to the Company as security. The voting rights attached to such Common shares are restricted such that only 8/20th of the aggregate number of such shares may be voted until such time as the loans relating to such shares are fully paid. The loans were made to preserve the pre-existing rights of the companies associated with Mr. Turner and Mr. Bradford and to enable the Reorganization to proceed.

- (1) Peter J.L. Bradford (through Bayfalls Pty Ltd, an associated company) is indebted to the Company for an aggregate amount of Australian Dollars 480,000 (US\$338,075). The entire loan to Mr. Bradford is payable on the earlier of demand made by the Company and six months after the date the loan is advanced (due date December 7, 2004).

The market value of these shares as at June 30, 2004, was Canadian Dollars 1,800,000 (US\$1,349,528).

- (2) William S. Turner (through Wintercoast Pty Ltd, an associated company) is indebted to the Company for an aggregate amount of Australian Dollars 541,171 (US\$381,160). In respect of the loan to Mr. Turner, Australian Dollars 132,000 (US\$92,971) of the loan is payable on the earlier of demand made by the Company and twelve months after the date the loan is advanced (due date June 7, 2005). In respect of the remaining Australian Dollars 409,171 (US\$288,189), such amount will be due and payable on the earlier of (i) 28 days from the date Mr. Turner ceases to be an executive director of the Company and (ii) November 21, 2005 (in respect of Australian Dollars 216,000 – US\$152,134) and June 27, 2006 (in respect of Australian Dollars 193,171 – US\$136,055).

The market value of these shares as at June 30, 2004, was Canadian Dollars 2,029,391 (US\$1,521,511).

NOTES TO THE FINANCIAL STATEMENTS

18. EARNINGS PER SHARE

	June 30 2004	June 30 2003
Basic earnings (loss) per share (cents per share)	30.65	(4.44)
Diluted earnings (loss) per share (cents per share)	28.67	(4.44)
Weighted average number of ordinary shares outstanding - basic earnings per share	19,746,568	17,859,091
Weighted average number of ordinary shares outstanding - diluted earnings per share	21,121,685	17,859,091

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

	JUNE 30 2004		
	Income US\$	Shares Number	Cents per share amount
Basic earnings per share			
Income available to shareholders	6,052,753	19,746,568	30.65
Effect of dilutive securities			
Options		1,091,008	
Convertible note	3,437	284,108	
Diluted earnings per share			
Income available to shareholders and assumed conversions	6,056,190	21,121,685	28.67
			JUNE 30 2003 ⁽¹⁾
Basic loss per share			
Income available to shareholders	(793,174)	17,859,091	(4.44)
Effect of dilutive securities			
Options		0	
Diluted loss per share			
Income available to shareholders and assumed conversions	(793,174)	17,859,091	(4.44)

(1) Restated for comparative purposes to the post Reorganization basis.

The partly paid shares issued by Anvil NL under the Directors' Incentive Plan approved by Shareholders on 14 July 1995 carry full entitlement to any dividends declared and therefore have been treated as ordinary shares in the determination of basic earnings per share.

The number of potentially dilutive shares excluded from the calculation of diluted earnings per share as at June 30, 2004 is nil (June 30 2003: 27,660,987).

NOTES TO THE FINANCIAL STATEMENTS

19. SUPPLEMENTARY CASH FLOW INFORMATION

	June 30 2004 US\$	June 30 2003 US\$
(a) Changes to non-cash working capital		
Accounts receivable	(358,194)	(424,701)
Inventories	(1,151,427)	(927,435)
Prepaid expenses and deposits	(113,181)	(89,482)
Deferred mining	(1,301,536)	(593,955)
Accounts payable and accrued liabilities	(582,300)	2,528,980
Tax provision	40,526	0
Other liabilities	147,984	87,250
Restricted cash movements	37,326	(165,197)
	(3,280,802)	415,460
(b) Other information		
Interest and financing fees paid	(1,804,461)	(601,317)

20. NON-CASH FINANCING AND INVESTING ACTIVITIES

In November 2002, plant and equipment, the cost of which was \$200,000 was acquired from an entity associated with the convertible note holder. Anvil NL offset this liability against part of the draw down of funds receivable from the convertible note holder (see Note 11 (c)).

On November 26, 2002, the convertible note holder converted one third of the outstanding convertible notes having a value of A\$296,100 and 2,961,000 fully paid ordinary shares and 2,961,000 options exercisable at Australian 12 cents any time before November 25, 2004 were issued by Anvil NL to the convertible note holder.

On July 24, 2003, the convertible note holder converted one-third of the total issued value of the convertible notes having a face value of A\$296,000 and 2,960,000 fully paid ordinary shares and 2,960,000 options exercisable at Australian 12 cents any time before July 23, 2005 were issued by Anvil NL to the convertible note holder.

On January 16, 2004, the convertible note holder converted the balance one-third of the total issued value of the convertible notes having a face value of Australian Dollars 296,631 and 2,966,314 fully paid ordinary shares and 2,966,314 options exercisable at Australian 12 cents any time before January 15, 2006 were issued by Anvil NL to the convertible note holder.

Anvil NL issued options to acquire shares in Anvil NL for no cash consideration to several parties for services provided. Details of these issuances and their fair value where relevant are shown in Note 12(c).

In February, 2004 RMBl, deducted \$250,000, for fees payable to RMB Resources in relation to the project financing facility for Stage II, from the redraw draw down amount of \$1,000,000 (see Note 11 (a)).

21. SUBSEQUENT EVENTS

On August 5, 2004, the final remaining amount of \$750,000 was drawn down under the RMBl project financing facility for Stage II expansion at Dikulushi.

NOTES TO THE FINANCIAL STATEMENTS

22. 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 Holdings Ltd, Anvil Mining Zambia Ltd, Anvil International Holdings Limited, 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 June 30, 2004 of the Closed Group and the Extended Closed Group:

Condensed statement of earnings	Closed Group		Extended Closed Group ⁽¹⁾	
	Year Ended June 30, 2004 US\$	Year Ended June 30, 2003 US\$	Year Ended June 30, 2004 US\$	Year Ended June 30, 2003 US\$
COPPER-SILVER CONCENTRATE SALES	0	0	29,081,216	10,402,665
Cost of operations	0	0	(16,657,604)	(8,536,882)
Amortization	0	0	(2,300,446)	(888,876)
Operating profit	0	0	10,123,166	976,907
Other income ⁽²⁾	2,000,894	707,046	1,408,006	220,228
General, administrative and marketing	(1,608,692)	(675,478)	(1,608,692)	(675,478)
Exploration expense	(117,994)	(171,947)	(517,729)	(171,947)
Foreign exchange gains/(losses)	(2,630)	(42,093)	(328,447)	(152,467)
Stock based compensation	(191,394)	(175,900)	(191,394)	(175,900)
Amortization	(80,729)	(42,712)	0	0
Interest and financing fees	(199,425)	(32,556)	(2,154,177)	(814,517)
Earnings (loss) from ordinary activities before income tax and non controlling interests	(199,970)	(433,640)	6,730,733	(793,174)
Income tax	(40,526)	0	(40,526)	0
Non controlling interests	0	0	(637,454)	0
NET EARNINGS (LOSS)	(240,496)	(433,640)	6,052,753	(793,174)
Deficit at beginning of the period	(3,247,014)	(2,876,794)	(3,898,683)	(3,105,509)
RETAINED EARNINGS (LOSS) AT END OF THE PERIOD	(3,487,510)	(3,310,434)	2,154,070	(3,898,683)

NOTES TO THE FINANCIAL STATEMENTS

Condensed balance sheets	Closed Group		Extended Closed Group ⁽¹⁾	
	June 30 2004 US\$	June 30 2003 US\$	June 30 2004 US\$	June 30 2003 US\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5,379,107	372,999	7,170,172	644,737
Restricted cash	134,628	165,197	134,628	165,197
Accounts receivable	486,758	519,771	1,144,345	786,151
Inventories	0	0	2,227,798	1,076,371
Investments	54,753	307,870	54,753	307,870
Prepaid expenses and deposits	99,566	51,874	390,380	274,458
	6,154,812	1,417,711	11,122,076	3,254,784
RECEIVABLES FROM SUBSIDIARIES ⁽²⁾	8,607,061	7,327,097	0	0
DEFERRED FINANCING FEES	490,577	124,887	709,334	124,887
DEFERRED MINING COSTS	0	0	1,975,478	673,942
EXPLORATION AND EVALUATION EXPENDITURE	554,279	444,455	2,194,087	621,984
PROPERTY, PLANT AND EQUIPMENT	110,307	92,864	16,021,597	10,389,076
	15,917,036	9,407,014	32,022,572	15,064,673
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	959,582	1,282,556	4,233,778	3,839,184
Current portion of long term debt	0	929,556	3,300,000	2,429,556
Current income taxes	40,526	0	40,526	0
Other liabilities	62,609	27,046	195,286	87,253
	1,062,717	2,239,158	7,769,590	6,355,993
LONG TERM DEBT	0	0	2,825,000	1,875,000
ENVIRONMENTAL AND MINE CLOSURE LIABILITIES	0	0	294,629	254,073
	1,062,717	2,239,158	10,889,219	8,485,066
NON CONTROLLING INTEREST	0	0	637,454	0
SHAREHOLDERS' EQUITY				
Share capital	16,800,122	9,811,250	16,800,122	9,811,250
Contributed surplus	982,767	291,904	982,767	291,904
Cumulative translation adjustments	558,940	375,136	558,940	375,136
Retained earnings (deficit)	(3,487,510)	(3,310,434)	2,154,070	(3,898,683)
	15,917,036	9,407,014	32,022,572	15,064,673

(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 \$599,888 for the year ended June 30, 2004 (2003: \$487,722).

(3) These long-term receivables relate to receivables from controlled entities, which are outside the Closed Group, as is listed above.

ADDITIONAL AUSTRALIAN STOCK EXCHANGE INFORMATION

As at 24 August 2004

PLACE OF INCORPORATION

Anvil Mining Limited ("Anvil") was incorporated in 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. As Anvil is incorporated under the laws of the Northwest Territories in Canada, chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 do not apply to Anvil or to persons acquiring interests in it.

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 Stock Exchange in the form of CDIs, with each 10 CDIs 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 and Ontario 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.

ADDITIONAL AUSTRALIAN STOCK EXCHANGE INFORMATION

As at 24 August 2004

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 (2004 year) businesses with assets valued at C\$237 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 acquirer 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.

ADDITIONAL AUSTRALIAN STOCK EXCHANGE INFORMATION

As at 24 August 2004

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 received 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 received 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.

ADDITIONAL AUSTRALIAN STOCK EXCHANGE INFORMATION

As at 24 August 2004

STATEMENT OF ISSUED CAPITAL AT 24 AUGUST, 2004.

Distribution of fully paid ordinary shareholders

Size of Holding	Number of Shareholders	No. of Shares
1 - 1,000	618	357,449
1,001 - 5,000	526	1,397,491
5,001 - 10,000	140	1,119,331
10,001 - 100,000	133	3,545,844
100,001 - and over	28	17,134,114
Total Shareholders	1,445	23,554,229

At the date of this statement there existed no shareholder who held less than a marketable parcel of shares.

NUMBER OF ANVIL SECURITIES QUOTED ON ASX

There are 23,554,229 common shares of Anvil quoted on the ASX and TSX.

NUMBER OF ANVIL SECURITIES NOT QUOTED ON ASX

Number	Class
702,500	Stock options (Employee Stock Option Plan)
500,000	Warrants to purchase common shares at A\$3.00 each
296,631	Warrants to purchase common shares at A\$1.20 each

VOTING RIGHTS

All Anvil common shares carry one vote per share.

Each CHESS Depository Interests (CDIs) represents a 1/10th interest in one Anvil common share.

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

SUBSTANTIAL SHAREHOLDERS

Name	No. of Common Shares	%
First Quantum Limited	4,029,617	17.1

QUOTATION

Anvil Mining Limited securities are quoted as "AVM" on the Toronto Stock Exchange and Australian Stock Exchange Limited. The symbol for the Berlin Stock Exchange is AOB5NR.

ADDITIONAL AUSTRALIAN STOCK EXCHANGE INFORMATION

As at 24 August 2004

TWENTY LARGEST SHAREHOLDERS

As at August 24, 2004, the twenty largest shareholders as known by the Corporation, held 73.5% of the total common shares in the Company as follows:

Name	Common Shares	% Held
1. First Quantum Minerals Ltd	4,029,617	17.1
2. CDS & Co	2,708,300	11.5
3. ANZ Nominees Limited	1,909,235	8.1
4. Wintercoast Pty Ltd	1,124,661	4.8
5. Westpac Custodian Nominees Limited	1,057,846	4.5
6. Bayfalls Pty Ltd	958,348	4.1
7. Citicorp Nominees Pty Limited <CFS W/SALE GBL RES FUND>	954,891	4.1
8. Citicorp Nominees Pty Limited	643,117	2.7
9. RMB Australia Holdings Limited	608,351	2.6
10. Miningnut Pty Ltd	600,000	2.5
11. Haywood Securities	567,615	2.4
12. CSFB Europe Ltd Prime Brokerage	443,620	1.9
13. National Nominees Limited	400,108	1.7
14. NBCN Clearing Inc	371,844	1.6
15. Stadiums Pty Ltd	362,000	1.5
16. First NZ Capital Custodians Limited	134,500	.6
17. Mr Trevor and Mrs Jasmine Green	120,000	.5
18. Purple Rain Holding Pty Ltd	120,000	.5
19. HSBC Custody Nominees (Australia) Limited	100,061	.4
20. Mr Bryan Welch	100,000	.4

SUMMARY OF OPTION CLASSES

As at August 24, 2004 the following warrants were on issue:

Name of Option Class	No. of Warrants On Issue	No. of Holders	Name of Holders with > 20%	% Held
Warrants expiring August 31, 2006, exercise price A\$3.00	500,000	1	RMB International (Dublin) Limited	100
Warrants expiring January 15, 2006, exercise price A\$1.20	296,631	1	BB Nomines Pty Ltd	100



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