



# ANVIL MINING LIMITED

357 Bay St., Suite 700, Toronto, ON M5H 2T7 • Tel: (416) 368-1446, Fax: (416) 368-3762

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## News Release

FOR IMMEDIATE RELEASE  
November 17, 2004

TSX, ASX: AVM  
Shares outstanding: 23.6 million

### **Anvil Mining to Acquire 70% Interest in Mutoshi Copper-Cobalt Project, Kolwezi Region, DRC**

**TORONTO** – **Anvil Mining Limited** (TSX, ASX: AVM) is pleased to announce it has entered into an agreement with La Générale des Carrières et des Mines (Gécamines), a state-owned mining company in the Democratic Republic of Congo (DRC) and Emiko s.p.r.l. (Emiko), a DRC private company, to acquire a 70% interest in the Mutoshi copper-cobalt Project in the Kolwezi Region of the DRC.

Under the terms of the agreement, Anvil will pay a total of US\$12.5 million in cash and shares for its 70% interest in the project with US\$3 million in cash and US\$750,000 in shares payable on closing. Subject to approval of the TSX, the shares are to be issued at a price based on the average price of the previous five days trading on the TSX immediately preceding the closing. When issued, the shares will be subject to a four-month hold period in accordance with Canadian securities regulations. The remainder of the purchase price will be paid in cash as follows: US\$2.0 million 90 days after closing; US\$1.25 million six months after closing; US\$1.25 million 12 months after closing and US\$4.25 million in 18 equal monthly payments beginning four months after the start of commercial production.

The Mutoshi Project includes the Mutoshi Mine, the Kulumaziba coarse rejects/tailings deposit, the Mutoshi Northwest Deposit, the Nioka Deposit, the Kamukonko cobalt prospect and some highly prospective ground situated on the relatively under-explored southern edge of the Kolwezi Klippe, a prominent geological feature in the area. The total area covered by the agreement is 136.92 square kilometers. A location map is attached to this news release.

The Company proposes to focus initially on evaluating the Kulumaziba deposit, estimated to contain 5-7 million tonnes of mineralized material at an average grade of 2-4% copper. This estimate was determined using historical data provided by Gécamines and from the results of subsequent work including 140 pit samples taken from the Kulumaziba deposit under a previous joint venture. The pit samples were assayed at the Antech laboratory in Zimbabwe using acid digest and AAS finish. No more recent data or more recent estimates of mineralized material are available to the Company.

The Company believes this historical information is relevant in considering the Mutoshi acquisition. However, the Company has not done the work necessary to verify its accuracy and therefore does not consider the information to attain the standards required by National Instrument 43-101. Accordingly, the Company cautions that investors should not rely on this historical information. Further, investors are cautioned that the potential quantity and grade of the Kulumaziba deposit must be considered to be conceptual in nature, as there has been insufficient exploration to define a mineral resource on the property. It is uncertain if further exploration will result in the discovery of a mineral resource on the Kulumaziba property.

The Company has already commenced metallurgical test work on a 200 kg sample taken from the coarse reject/tailings of the Kulumaziba deposit. This work is being carried out at Independent Metallurgical Laboratories Pty Ltd (IML) in Perth Australia and is aimed at confirming the results reported from previous test work, which showed that processing these gravel/tailings through a Heavy Media Separation (HMS) Plant could produce an oxide concentrate averaging approximately 30% copper. Should results of current metallurgical test work at IML be sufficiently encouraging, the Company would expect to initiate the construction of an HMS plant to treat this mineralized material. Such a plant would be expected to be in production within 18 months and have an annual production rate of at least 15,000 tonnes of copper contained in concentrate. This HMS plant would be similar to, but on a larger scale than the HMS plant the Company initially employed at its profitable Dikulushi Mine.

Concurrent with the evaluation of the Kulumaziba deposit, the Company will commence an aggressive exploration program to evaluate the Mutoshi Northwest and Nioka deposits. The Company also intends to begin an evaluation of the southern edge of the Kolwezi Klippe, a region of significant potential for widespread, high-grade stratiform copper and cobalt mineralization. The surface strike length of favorable Roan Mines Group Rocks contained within the Nioka mining permit alone is estimated to be 15 km, most of which is very under-explored. The Kamukonko cobalt prospect will also undergo early preliminary evaluation. It lies within a separate permit of 7.65 square kilometres within a major fault zone immediately to the south of the Kolwezi Klippe.

“The Mutoshi Project represents first-class exploration upside,” said Anvil’s Chief Exploration Geologist Terry Lemmon. “The Mutoshi mining site is located on the Kolwezi Klippe, an extremely well mineralized region which has historically accounted for approximately 70% of the copper production from the entire DRC Copperbelt, which in 1986 reached an annual production rate of approximately 500,000 tonnes of copper.”

“The participation in these new projects in and around the Kolwezi Klippe represent the next logical step towards our goal of building a mid-tier, low-cost copper producer based on the well-recognized and enormous mineral potential of the DRC,” said Anvil President and CEO, Bill Turner. “This participation provides Anvil with the kind of resource potential needed to meet the Company’s long-term growth objectives. The project also lends itself to a staged development that could generate cash flow quickly from the Kulumaziba deposit with a modest initial capital investment. Furthermore, we intend to use our success at Dikulushi and our experience in the DRC since 1996 to target additional opportunities that best suit our strategy for growth, as this emerging country opens its vast mineral wealth to foreign investment.”

The properties included in the Mutoshi Project will be held in a special purpose joint venture company, SRM s.p.r.l. (SRM), the shareholders of which will be Gécamines and Emiko. Gécamines will retain a 20% carried equity interest in SRM, plus a 2% net smelter royalty (net of smelting, refining, transportation, assay and selling costs). The cost of Gécamines’ 20% interest will be carried by Anvil and be recovered by Anvil from future cash flows of the project.

Emiko, which acquired its interest in the properties as compensation for debts owed by Gécamines for past contracting services, will hold an 80% interest in the project. Upon completion of the transaction, Anvil will hold an 87.5% direct equity interest in Emiko. The current sole shareholder of Emiko will receive US\$7 million of the total purchase price and retain a 12.5% interest in Emiko of which 80% will be carried by Anvil, to be recovered (together with financing charges) by Anvil out of future dividends from the project.

Anvil has until December 16, 2004 to conduct legal and technical due diligence to its satisfaction. The agreement with Gécamines and Emiko has received the approval of the Ministry of Mines of the DRC. Approval of the TSX to issue shares to the vendors is required.

Anvil Mining Limited is an unhedged copper and silver producer whose shares are listed for trading on the Toronto Stock Exchange and the Australian Stock Exchange under the symbol AVM. It owns and operates the Dikulushi copper-silver mine in the Katanga Province of the DRC, which was brought into production in October 2002 and recently underwent an expansion to increase production by approximately 50% to 20,000 tonnes of copper and 1.6 million ounces of silver per year.

For additional information, please contact:

**Bill Turner**

President & CEO

Tel: +61-8-9481 4700 or Mobile: +61-41-1188018

Email: [billt@anvil.com.au](mailto:billt@anvil.com.au) (Perth) Company Web site: [www.anvil.com.au](http://www.anvil.com.au)

**Craig Munro**

Chief Financial Officer

Tel: +61-8-9481 4700 or Mobile: +61-41-7963206

Email: [craigm@anvil.com.au](mailto:craigm@anvil.com.au) (Perth)

**Jim Borland**

Manager Investor Relations

Tel: +1-416-368-1446 or Mobile: +1-416-272-7387

Email: [jimb@anvil.com.au](mailto:jimb@anvil.com.au) (Toronto)

***Additional Notes:***

Scientific or technical information in this news release has been prepared under the supervision of Bill Turner, President and Chief Executive Officer of the Company, a Fellow of the Australasian Institute of Mining and Metallurgy and a qualified person under National Instrument 43-101.

Caution Regarding Forward Looking Statements: Statements regarding the Company's plans with respect to the acquisition of an interest in the Mutoshi Project and to the expansion of the Dikulushi operation are forward-looking statements. There can be no assurance that Anvil's due diligence will be successfully completed, that future required regulatory approvals will be obtained or that the transaction will be completed. The Company has independently verified none of the disclosure concerning historical production and remaining resources for the Mutoshi Project and there can be no assurance that either is accurate. There can be no assurance that the Company will be able to confirm the presence of a mineral deposit or that any mineralization will be proven to be economic. Similarly, there can be no assurance as to the exact result of the recent expansion of the Dikulushi operation.

Attach: Mutoshi Project Tenement Map.

