



## ANVIL MINING LIMITED

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# News Release

FOR IMMEDIATE RELEASE  
May 4, 2005

TSX, ASX: AVM  
Common shares outstanding: 29 million

## **Anvil Mining Limited Secures Political Risk Insurance from World Bank Agency for Mine in the DRC**

**TORONTO** – **Anvil Mining Limited** (TSX, ASX: AVM) is pleased to announce that the Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group has approved political risk insurance cover for Anvil's Dikulushi Mine in the Democratic Republic of Congo (DRC). Dikulushi represents the first guarantee to be put in place by MIGA for a mining project in the DRC, which became a member of the agency in 2003. MIGA's announcement of yesterday's date is reproduced in full on the next three pages of this News Release.

The MIGA guarantees cover investments and loans by Anvil Mining Limited of Canada and RMB International (Dublin) Limited of Ireland to Anvil Mining Congo SARL against the risks of transfer restriction, expropriation, breach of contract, war and civil disturbance, under a Cooperative Underwriting Program involving Lloyd's insurer Beazley and Chubb.

“Securing the support of MIGA for the Dikulushi Mine represents a very effective way of mitigating the political risk associated with operating in the DRC,” said Anvil's President and CEO, Bill Turner. “We are very pleased to be the first mining project in the DRC to have the backing of an important multilateral organization such as MIGA, and very pleased to have been the first mining project Worldwide to have secured MIGA support for political risk insurance since the completion of the Extractive Industries Review carried out by the World Bank from 2001-03. The recent re-engagement of the DRC by the World Bank and MIGA bodes well for Anvil and for the people of the DRC, to whom we are committed as partners in development.”

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.

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**Additional Notes:**

Caution Regarding Forward Looking Statements: Statements regarding the Company's plans with respect to future mining activities in the DRC and to the expansion of the Dikulushi operation are forward-looking statements. There can be no assurance that Anvil's future plans will materialize or that future required regulatory approvals will be obtained. There can be no assurance as to the exact result of the recent expansion of the Dikulushi operation.



Multilateral Investment  
Guarantee Agency

## press release

FOR IMMEDIATE RELEASE

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### **MIGA Insures Copper and Silver Mine in the Democratic Republic of Congo**

MAY 3, 2005, WASHINGTON, DC—The Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, announced today its decision to provide \$13.3 million in guarantee coverage for the Dikulushi copper and silver mine in the Democratic Republic of Congo (DRC). Half of the guarantee amount will be covered by Lloyd's of London insurer Beazley and by Chubb through MIGA's Cooperative Underwriting Program.

This is the first extractive industries project to be considered and approved by the Board of the World Bank Group since conclusion of the Bank-sponsored Extractive Industries Review in August 2004. The guarantee also marks MIGA's first guarantee for a project in the DRC, which became a member of the agency in 2003.

The guarantees will cover investments and loans by Anvil Mining Ltd. of Canada and RMB International (Dublin) Limited of Ireland to Anvil Mining Congo, SARL, of the DRC against the risks of transfer restriction, expropriation, breach of contract, war and civil disturbance. The project involves open pit mining of copper and silver ores to produce a concentrate, which will then be trucked to smelters in South Africa and Namibia for further processing.

In coordination with MIGA, Anvil has established a profit-sharing mechanism to ensure that local communities will benefit from the development of the Dikulushi deposit. The company has pledged 10 percent of its interest in the mine to a trust structure. Dividends will fund a community development program administered by a local nongovernmental organization (NGO). Anvil is currently evaluating potential associations with a suitable NGO, already active in the DRC, to help implement the community development programs.

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**MULTILATERAL INVESTMENT GUARANTEE AGENCY**  
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This innovative profit-sharing structure reflects lessons learned from the Extractive Industries Review. Previous models of revenue sharing in the mining sector usually involved a minority percentage payment to the central government, to be used as the authorities saw fit. This did not always translate into benefits for the local communities impacted by the development of mine sites. In this case, Anvil Mining held the view that investing in the community was just as important as investing in capital, and was eager to ensure local ownership in the investment.

“We believe this project offers significant and innovative development impacts,” says MIGA Executive Vice President Yukiko Omura. “The collaboration between MIGA, government officials, the investors, and local communities has been in the works for a long time, and we look forward to seeing the people of DRC begin to derive benefits from this undertaking.”

The community development program, which is expected to receive \$5 to \$7 million in funds over the next five or six years, includes investments in education, health care, and micro-enterprise and infrastructure development. Anvil has already begun implementation of a number of the community projects:

- A primary school of seven classrooms is 90 percent complete and now functioning in the village of Dikulushi. Construction of a preschool in the village of Lumketi (9 km north of the mine) is about to start. The mine also provides free busing between Dikulushi and Kilwa for mine staff and their families, many of whom are students.
- Anvil is funding a small clinic at the mine site for miners and their families. The facility is staffed by a part-time doctor and full-time nurse. A preventative HIV/AIDs program is being implemented. The mine is working with Kilwa’s village council to upgrade and overhaul the clinic, which is the only facility in the district providing basic surgery and maternity support.
- Anvil has begun installing a water reticulation system in the village of Pweto and plans to extend the system to the village of Kilwa.
- The investor has begun refurbishing the regional base hospital in Kilwa.

The project is also spurring infrastructure improvements, including the construction and maintenance of a 54 km road from the Dikulushi mine to the port of Kilwa. Locals from villages located

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near this road now use it for travel, and a micro-enterprise biking industry has also sprung up. The project has also developed port facilities on Lake Mweru, on the DRC and Zambia sides, where the ore is transported for processing by trucks for further processing. In addition, the company has constructed a water pipeline to Dikulushi village (4 km from the mine site) and set up additional water tanks to distribute potable water. Anvil has also drilled water wells for several local villages and plans to improve the distribution of potable water to other nearby towns.

This is a greenfield investment that currently employs 614 people, 590 of whom are Congolese, and 24 of whom are from various other countries. Before establishment of the mine, per capita income in the region was less than \$.50 per day, derived almost exclusively from subsistence farming and fishing. Dikulushi miners are paid at levels in line with miners throughout the DRC Copperbelt. Because the mine is a new greenfield operation, MIGA's due diligence also included an evaluation of the first phase of development, including the port sites and access roads.

“This project is an important step in using the DRC's natural resources in an environmentally and socially responsible way, while also maximizing the benefit to local communities,” says Omura.

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*MIGA was created in 1988 as a member of the World Bank Group to promote foreign direct investment into emerging economies to support economic growth, reduce poverty, and improve people's lives. In addition to providing technical assistance to investment promotion agencies, MIGA fulfills this mandate by offering political risk insurance (guarantees) to investors and lenders (covering expropriation, breach of contract, currency transfer restriction, and war and civil disturbance), and by mediating investment disputes. Since its inception, MIGA has issued 761 guarantees for projects in 86 developing countries, totaling more than \$14 billion in coverage. Nearly 38 percent of MIGA's net outstanding portfolio is in IDA-eligible (world's poorest) countries. MIGA's gross exposure totals \$5.5 billion.*

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