

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2005

This discussion and analysis of financial position and results of operations of Anvil Mining Limited (the "Company") and its subsidiaries for the quarter ended March 31, 2005 is presented as of May 11, 2005. The discussion below should be read in conjunction with the unaudited consolidated financial statements of the Company and the notes thereto for the three months ended March 31, 2005 and the audited consolidated financial statements of the Company for the six months ended December 31, 2004. The Company's consolidated financial statements and the financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles.

Capitalized terms used and not defined below have the meanings given to them in the consolidated financial statements and the notes thereto. References below to "\$" or "US dollar" refer to United States dollar. The Company uses the US dollar as its reporting currency. Certain financial information relating to Anvil Mining Limited set out below originates in Canadian dollar ("C\$") or the Australian dollar ("A\$") and has been translated into US dollar based on prevailing exchange rates and in accordance with the basis stated in note 3 to the audited consolidated financial statements for the Company for the six months ended December 31, 2004.

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

1. Overview

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 Company holds a 70% beneficial interest in the Mutoshi Copper-Cobalt Project in the Kolwezi region in DRC. The Mutoshi Project includes the Mutoshi Mine, the Kulumaziba coarse rejects/tailings deposit (Kulu Project), the Mutoshi Northwest Deposit, the Noika Deposit, the Kamukonko cobalt prospect and areas situated on the relatively under-explored southern edge of the Kolwezi Klippe, a prominent geological feature in the area. The total area included in the Mutoshi Project is 136.92 square kilometres.

The Company also holds a 70% interest in a joint venture with Mining Company Katanga s.p.r.l. ("MCK") to carry out feasibility study work on the Kinsevere-Nambulwa copper-cobalt deposits in Katanga Province of the DRC, owned by La Générale des Carrières et des Mines (Gécamines), the DRC state-owned mining company.

Dikulushi Copper-Silver Mine

The Dikulushi Mine is situated in the southeast part of the DRC in the Haut Katanga District. Using a staged development approach, Stage I comprising a 250,000 tonnes per annum Heavy Media Separation (HMS) production circuit, was established in September 2002. The Stage II expansion, comprising a 350,000 tonnes per annum ball mill and flotation circuits was completed in September 2004. The mining operations at commencement of the open pit mine were conducted by a mining contractor. The transition from contract mining to owner mining which started in June 2004 involved replacement of the mining equipment fleet with "dry hired" trucks, refurbished and new ancillary equipment and new excavators was completed during the March 2005 Quarter.

At June 2003, the resource at Dikulushi to a depth of 200 metres was estimated to be 1,722,000 tonnes of ore at an average grade of 7.18% copper and 201 g/t of silver, which included an open pit mine reserve (to a depth of 150 metres) of 1,138,000 tonnes of ore with an average grade of 8.11% of copper and 238 g/t of silver. As at March 2005, a total of 681,680 tonnes of ore grading 6.68% copper and 175 g/t of silver has been mined from the initial open pit mine reserve of June 2003.

In March 2005, a new unconstrained pit optimisation was completed which resulted in a 180 metre deep pit design. This 180 metre open pit now has a scheduled open pit Measured Resource of 199,000 tonnes grading 7.7% copper and 211 g/t of silver and an Indicated Resource of 728,000 tonnes grading 8.5% copper and 259 g/t of silver. The open pit scheduling shows a remaining life of 33 months of mining after which, stockpiles will be available for processing through the flotation plant for a further six months. The revised 180 metre deep open pit has been used to develop the budget for calendar year 2005 and for GAAP purposes. Further pit optimisation work is being undertaken in conjunction with deep drilling below the vertical depth of 300 metres from surface to determine the optimum level for the commencement of an underground mine.

Up to June 2004, the deep drilling program at Dikulushi extended the known mineralization to a vertical depth of 300 metres from the surface. Further deep drilling of the resource beyond the current 300 metres vertical depth is planned following which the Stage III underground mine plan will be re-evaluated.

Kulumaziba coarse rejects/tailings deposit (Kulu project)

The Kulu Project staged development plan will utilize the surplus HMS plant from the Company's Dikulushi Mine for a stage I HMS treatment facility to enable a more rapid development (and reduce development costs) of a stage II solvent extraction electro-winning (SXEW) facility to produce copper cathode for sale in the DRC. The Kulu Project has an inferred mineral resource, for the first 7.5 kilometres of the deposit, of 1.5 million tonnes at 6.8% copper using a top cut of 11.5% for approximately 102,000 tonnes of contained copper.

Exploration targets located in the Kolwezi Region including Mutoshi NorthWest, Nioka and the discrete cobalt targets at the western end of the Mutoshi open pit are being readied for drilling during the June 2005 quarter.

Kinsevere-Nambulwa Project

A program of regional sampling, termite sampling, trench sampling and 5,849 metres of RC drilling was completed on the Kinsevere, Tshifufiamashi, Tshifufia Central and South exploration areas during the quarter to verify indicated resources down to at least 40m depth and inferred down beyond 75m. All the samples from the above RC holes are ready for dispatch to ALS Chemex in Johannesburg for analysis. The area around Tshifufiamashi, Kinsevere, Tshifufia Central and South is also anomalous in cobalt.

2. March Quarterly Information

	Quarter ended March 31	
	2005	2004
Revenues: (\$ millions)		
Copper-silver concentrate sales	7.7	7.3
Payable pounds of copper in concentrate delivered (lbs millions)	5.6	6.7
Payable ounces of silver in concentrate delivered (ozs)	230,168	226,997
Operating profit (loss): (\$ millions)	(0.2)	3.2
Net earnings (loss): (\$ millions)	(1.7)	1.6
Production statistics:		
Copper produced (tonnes)	2,559	3,365
Silver produced (ounces)	245,044	255,953
Ore mined (tonnes)	91,862	44,654
Waste mined (tonnes)	1,321,719	679,966
Costs of production: (\$)		
Operating cash costs per pound (ex mine gate after silver credit)	0.65	0.19
Total cash costs (after silver credit)	1.11	0.45

3. Discussion of Earnings and Operations

Revenues

The sales of copper-silver concentrate from the Dikulushi Mine for the quarter realized \$7.7 million (Mar 2004 quarter: \$7.3 million) from the sale of 5.6 million pounds of contained copper and 230,168 ounces of contained silver (Mar 2004 quarter: 6.7 million pounds of contained copper and 226,997 ounces of contained silver).

The lower production level of contained copper and silver in concentrates for the quarter was due to lack of fresh ore from the open pit during the transition from contractor mining to owner mining which was initiated by the financial failure of the contract miner in June 2004. Waste stripping which was deferred during the mining equipment fleet change out continued to accumulate. The plant feedstock for the quarter mainly comprised of lower grade floats (averaging 2.5% copper) from the previous HMS operation and was supplemented with tailings (averaging 6.4% of copper) and occasional pods of fresh ore from the open pit. During the quarter the change out of the contractor's poorly maintained mining fleet was effected with final delivery of two new Bell B50 trucks to improve the trucking capacity and prior to the end of March 2005 significant progress has been made towards clearing the deferred accumulation of waste which was not capable of being mined until a suitably matched mining fleet was finally delivered to the remote mine site.

The impact on revenue of the lower copper and silver production was however, offset by the higher copper and silver prices achieved.

Operating Expenses

Operating expenses before amortization for the quarter were \$6.5 million (March 2004 quarter: \$3.6 million) and were higher from increased labour costs and the higher average operating costs associated with the increased number of employees for the Stage II flotation plant and from the manning of owner mining operations.

The total cash operating cost per pound of copper produced (after silver credits) was \$1.11 (March 2004 quarter: \$0.45) which was reflective of the low copper production achieved due to the lower grade feedstock used in the flotation plant against largely fixed costs for the quarter. The average realized copper and silver prices were \$1.32 per pound (March 2004 quarter: \$1.11 per pound) and \$6.77 per ounce (March 2004 quarter: \$6.16 per ounce) respectively.

The operating result (after amortization) for the quarter ended March 31, 2005 was a loss of \$0.2 million (March 2004 quarter: \$3.2 million) mainly from lower copper production during the quarter. This quarter's result is from a combination of the higher realized sales prices for both copper and silver which is offset by the lower production output, higher operating costs and amortization expense of \$1.4 million (March 2004 quarter: \$0.5 million) relating to the increased asset base of the Stage II expansion being depreciated during the quarter.

Net Earnings

The net loss for the quarter was \$1.7 million (March 2004 quarter: profit \$1.6 million). The basic loss per share was 5.89 cents per share (March 2004 quarter: earnings 9.02 cents per share) due to the low production output.

In addition to the impact from changes in revenues, operating costs and amortization expense during the March 2005 quarter, the net loss result for the quarter ended March 31, 2005 compared with March 31, 2004 quarter, also reflect the following changes:

- General, administrative and marketing costs, primarily relating to the corporate office costs in Australia and Canada was \$0.8 million (March 2004 quarter: \$0.5 million) an increase of 60% due to a higher level of corporate activity since the reorganisation and establishment of the Company in Canada associated with the expanded corporate governance, financial control and administrative support infrastructure for the management, administration, accounting and other administrative support services being provided from the corporate offices, to support the expanding business units in DRC which now include the Mutoshi and Kinsevere Projects in the DRC Copperbelt.
- The stock based compensation cost in the quarter ended March 31, 2005 of \$0.1 million (March 2004 quarter: \$0.1 million) relates to the accrued cost of option plans granted to employees and directors designed as incentives for maintaining and increasing performance.
- Interest and financing fees of \$0.7 million (March 2004 quarter: \$0.7 million) in the quarter ended March 31, 2005 and in the comparative quarter both include the finance cost associated to the RMB Resources International (Dublin) Limited ("RMBI") facility fee (which includes a 6.25% net smelter return).

4. Discussion of Cash Flows

	Quarter ended March 31	
	2005	2004
Cash flows from: (\$ millions)		
Operating activities	(3.6)	1.0
Investing activities	(7.9)	(2.6)
Financing activities	12.7	1.5

The cash outflow from operating activities was \$3.6 million (March 2004 quarter: inflow of \$1.0 million). This quarter's cash operating outflow was attributable to an increase in "run of mine" ore stockpiles and an increase in inventory levels arising from higher levels of spares and consumables being carried in particular those spares associated with the mining fleet following the change over to owner mining operations.

The cash outflow from investing activities of \$7.9 million (March 2004: outflow \$2.6 million) was mainly in relation to costs capitalised for exploration projects during the quarter of \$6.2 million (March 2004 quarter: \$0.5 million) which included \$3.25 million paid in relation to settlement of the Mutoshi Project acquisition and payments for drilling equipment and consumables associated with the exploration and development activity at the Mutoshi and Kinsevere-Nambulwa projects and development and exploration on the Kulu Project.

The cash inflow from financing activities generated a net \$12.7 million (March 2004 quarter: net inflow \$1.5 million). This net movement arose from the release of escrow funds associated with the Private Placement of 3,240,000 shares and 1,620,048 share purchase warrants which was completed in December 2004 and approved by shareholders in a general meeting in January 2005. The quarterly repayment of \$1.375 million against the RMB loan facility was also made during the quarter.

5. Discussion of Financial Position and Liquidity

	March 31	December 31
	2005	2004
Assets (\$ millions)		
Cash and cash equivalents (including restricted cash)	5.8	18.7
Current assets	17.0	27.0
Total assets	62.4	56.6
Liabilities (\$ millions)		
Current liabilities	16.7	11.8
Long-term debt	-	1.5
Total liabilities	20.8	14.2
Shareholders' equity (\$ millions)	41.5	42.3
Working capital (\$ millions)	0.3	15.2
Weighted average number of shares	28,294,271	19,081,449
Outstanding number of shares	29,029,348	25,624,229

Cash and cash equivalents

The Company is currently in negotiations on a facility to finance the Kulu Project stage I capital development including the unpaid acquisition costs on the Mutoshi Project.

The cash and cash equivalents (including restricted cash) decrease to \$5.8 million at March 31, 2005 (Dec 2004: \$18.7 million), was attributable primarily to the outflows from operating activities and investing activities associated with the acquisition of the Mutoshi Project plus payments for drilling equipment and consumables associated with the exploration and development activity at the Mutoshi and Kinsevere-Nambulwa projects and development and exploration on the Kulu Project.

Current assets

The total current assets decrease to \$17.0 million at March 31, 2005 (Dec 2004: \$27.0 million) was mainly due to a decrease in cash offset by increases in receivables and inventories.

Total assets

The net increase in total assets at March 31, 2005 to \$62.4 million (Dec 2004: \$56.6 million) was attributable to an increase in exploration and development costs (\$15.3 million), the majority being for the acquisition of the Mutoshi project, an increase in receivables (\$1.7 million) from financing of earthmoving trucks and spares for the contractor providing the "dry hire" trucking fleet, an increase in deferred waste movement (\$0.3 million), and an increase in inventories (\$1.4 million) offset by a net decrease in cash and restricted cash balances (\$12.9 million).

Current liabilities

Current liabilities at March 31, 2005, increased to \$16.7 million (Dec 2004: \$11.8 million) arising from the net present value of payments (\$4.8 million) due in relation to the acquisition of the Mutoshi project, plus the offsetting reclassification of \$1.5 million of debt from long term to current, less a repayment of \$1.375 million of current debt.

Total liabilities

Total liabilities at March 31, 2005 were \$20.8 million (Dec 2004: \$14.2 million). The increase is due to the unpaid net present value of payments (\$8.2 million) due in relation to the acquisition of the Mutoshi project less the repayment of \$1.375 million of current debt.

Long Term Debt

Total long-term debt was \$nil at March 31, 2005 (Dec 2004: \$1.5 million) as all repayments of the RMB debt have been classified as current liabilities due to the repayment instalments being repayable by March 31, 2006.

Working capital

Working capital reduced to \$0.3 million at March 31, 2005 (Dec 2004: \$15.2 million) mainly due to;

- acquisition of the Mutoshi Project,
- exploration expenditure in relation to Mutoshi and Kinsevere tenements, and
- expenditure on drilling equipment for the increased exploration activity on Mutoshi tenements and other capital items associated with the Dilukushi project.

The Company's current negotiations on a facility to finance the Kulu Project stage I capital development including the unpaid acquisition costs on the Mutoshi Project is aimed at improving the working capital position.

Shareholders' equity

Shareholders' equity at March 31, 2005 decreased slightly to \$41.5 million (Dec 2004: \$42.3 million) mainly from the net loss incurred for the quarter.

At March 31, 2005, the Company had outstanding 29,029,348 common shares. In addition there were outstanding 827,500 director and employee stock options with exercise prices ranging from C\$4.25 to C\$5.60 and ranging from A\$1.20 to A\$6.50 per share. The Company had 2,916,631 share purchase warrants outstanding, of which 296,631 are exercisable at a price of A\$1.20, 500,000 are exercisable at a price of A\$3.00 per share and 2,620,000 exercisable at a price of C\$6.25, expiring on January 15, 2006, August 31, 2006 and December 16, 2007 respectively. Further details of these instruments are set out in note 14 of the Company's December 31, 2004 annual financial statements.

6. Other Matters

Segment Information

Geographical Reporting	Quarter ended March 31, 2005			
	DRC	Other Africa	Corporate	Total
Revenues	7.7	-	-	7.7
Cost of production	(7.9)	-	-	(7.9)
Other expenses	(0.8)	-	(0.8)	(1.6)
Non controlling interest	0.1	-	-	0.1
	<u>(0.9)</u>	<u>-</u>	<u>(0.8)</u>	<u>(1.7)</u>

	Quarter ended March 31, 2004			
	DRC	Other Africa	Corporate	Total
Revenues	7.3	-	-	7.3
Cost of production	(4.2)	-	-	(4.2)
Other expenses	(0.7)	-	(0.5)	(1.2)
Non controlling interest	(0.3)	-	-	(0.3)
	<u>2.1</u>	<u>-</u>	<u>(0.5)</u>	<u>1.6</u>

DRC revenues and expenses relate to the Dikulushi Mine operations. Corporate expenses relate to the general, administrative and marketing costs of the activities of the Perth and Toronto offices.

Deferred Exploration

As at March 31, 2005 the Company had deferred exploration costs of \$20.0 million (Dec 2004: \$4.7 million), which increased by \$15.3 million arising from the acquisition of the Mutoshi project and exploration expenditure on the Kinsevere Project as well as development and engineering design and scoping studies related to the Kulu Project in Kolwezi.

7. Outlook

Following the completion of the Stage II expansion of the ore processing facilities at the Dikulushi Mine in September 2004 and the successful commissioning in October 2004, the Company has

budgeted to produce 20,000 tonnes of copper and 1,600,000 ounces of silver contained in concentrates on an annualized basis. The temporary set back, due to lack of waste movement from inadequate mining equipment fleet capacity during the transition from contractor mining to owner mining (where the mine owner owns and operates the primary mining equipment), was corrected by the end of the March 2005 quarter and the backlog waste removal has caught up during the second half of April 2005 allowing the flotation plant to again achieve the budgeted feed processing rates and concentrate production.

The adoption of a revised 180 metre deep pit from April 2005 will enable the Company to operate the open pit for a further 33 months and investigate and evaluate the Stage III underground mine after a programme of deep drilling below the vertical depth of 300 metres below surface is commenced during the third quarter of 2005. The ore body beyond the vertical depth of 300 metres below surface is still open.

The Company is currently in negotiations on a facility to finance the Kulu Project stage I capital development including the unpaid acquisition costs on the Mutoshi Project and improve the Working Capital position.

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 3 of the December 31, 2004 consolidated financial statements:

Mine properties

The Company adopts a unit-of-production method to amortize 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 put into production, sold or abandoned. No costs are deferred on a mineral property that is considered to be impaired in value. As at March 31, 2005, the Company has deferred exploration costs of approximately \$20.0 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 that both 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 quarter ended March 31, 2005, the Company deferred \$0.3 million for deferred stripping costs based on a life of mine strip ratio of 8.4:1 compared to the actual strip ratio for the quarter of 14.9:1. The Company adopted the revised open pit mine plan as at March 2005 which will result in an enlarged 180 metre deep open pit and will require a prospective strip ratio of 19.2:1 to be adopted in future.

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 to Asset Retirement Obligations ("ARO").

Future Income Taxes

The Company has adopted CICA 3465 "Income Taxes". Under the standard, the Company is required to estimate the existence of both taxable losses and the recoverability of these losses. The adoption of CICA 3465 has no material impact on the financial statements.

As at March 31, 2005, 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.

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, estimation of waste:ore deferred stripping ratios, government and environmental regulations, political stability, 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 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.

Non-GAAP Financial Measures

The terms “total cash cost” and “cash cost of production” are used on a per pound of payable copper produced basis. Total cash cost per payable pound produced is equivalent to the costs of mining operations, transport and smelting (including the net credits for silver revenues) for the period divided by the number of payable pounds of copper produced during the period. Cash cost of production per pound of payable copper is equivalent to total cash cost per payable pound produced 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 and amortization. The mine operating costs exclude exploration expense, foreign exchange gains and losses 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.

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.

The information in this report that relates to in-situ mineral resources is based on information compiled by Chris Arnold (CPGeo) BSc, MSc, MAusIMM, MMICA, of DevMin Pty Ltd. Chris Arnold is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ and under Canadian National Instrument 43-101. Chris Arnold consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

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.

Statements regarding the Company’s plans with respect to the evaluation and future development of the Kulumaziba coarse rejects/tailings deposit, the evaluation of the Mutoshi and Kinsevere-Nambulwa Projects (including Tshifufia Central, Tshifufia South and Tshifufiamashi) and to the recent expansion of the Dikulushi operation are forward-looking statements. There can be no assurance that future due diligence will be successfully completed, that future required regulatory approvals will be obtained or that anticipated transactions will be completed satisfactorily. There

can be no assurance that the Company will be able to confirm the presence of a mineral deposit at any of the prospects at Mutoshi or Kinsevere-Nambulwa, nor 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.

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.

Statement of Operations and Earnings	Mar 05 Quarter	Dec 04 Quarter	Sep 04 Quarter	Jun 04 Quarter	Mar 04 Quarter	Dec 03 Quarter	Sep 03 Quarter	Jun 03 Quarter
Copper-silver concentrate sales (\$ millions)	7.7	8.7	7.2	8.2	7.3	6.4	6.9	5.0
Operating profit (loss) (\$ millions)	(0.2)	1.8	1.8	3.3	3.2	2.3	2.8	1.6
Net earnings (loss) (\$ millions)	(1.7)	0.5	0.4	1.3	1.7	0.2	2.5	(0.0)
Basic earnings per share (cents)	(5.89)	2.13	1.43	6.35	9.02	0.79	14.35	(0.32)
Diluted earnings per share (cents)	(5.89)	2.03	1.39	5.93	8.31	0.72	12.68	(0.32)
Production Statistics								
Ore processed (tonnes)	80,812	75,864	56,160	70,053	58,674	66,956	70,915	72,798
Copper grade %	3.86	4.69	6.05	6.42	7.84	6.80	7.99	7.46
Contained copper (tonnes)	3,119	3,558	3,397	4,500	4,603	4,552	5,667	5,436
Recovery %	82.1	81.3	66.8	71.0	73.1	67.5	69.8	65.4
Copper produced (tonnes)	2,559	2,894	2,268	3,189	3,365	3,074	3,960	3,555
Silver produced (ounces)	245,044	277,403	191,021	301,315	255,953	331,555	322,908	261,128
Payable pounds of copper contained in concentrate delivered (million pounds)	5.6	5.8	5.3	7.1	6.7	6.8	8.7	7.1
Payable ounces of silver contained in concentrate delivered (ounces)	230,168	240,553	195,111	287,780	226,997	323,297	303,167	232,228