



anvilmining

## News Release

FOR IMMEDIATE RELEASE

February 10, 2012

TSX, ASX: AVM

Common shares outstanding 158 Million

All amounts are expressed in US dollars, unless otherwise stated.

### **Anvil Mining Reaches Agreements with DRC Stakeholders Regarding Takeover by Minmetals Resources Limited**

**Perth, Australia: Anvil Mining Limited (TSX, ASX: AVM)** (“Anvil” or the “Company”). Reference is made to the offer by MMG Malachite Limited (the “Offeror”), a wholly owned indirect subsidiary of Minmetals Resources Limited (“MMR”), to purchase all of the Common Shares of Anvil on a fully-diluted basis (including those Common Shares that are subject to CHES Depository Interests) at a purchase price of C\$8.00 per share in cash (the “Offer”). As previously announced, the expiry time for the Offer is 8:00 p.m. (Toronto time) on February 16, 2012 (unless the Offer is further extended or withdrawn) and the “CDI Expiry Time”, as defined in the Offer and Offer documents, is 7:00 p.m. (Sydney time) on February 14, 2012 (unless the Offer is further extended or withdrawn).

Since the initial announcement of the takeover bid on September 29, 2011, and as previously announced, Anvil and MMR have been consulting with stakeholders in the Democratic Republic of Congo (“DRC”). Anvil is now pleased to report that it has reached agreement with La Générale des Carrières et des Mines Sarl (“Gécamines”) on the terms of revised commercial agreements, which include the acknowledgement and welcome by Gécamines of the change of control of Anvil that will result from completion of the Offer. In addition, Mining Company Katanga SPRL (“MCK”), which has a 5% interest in the Kinsevere Project, has also acknowledged and welcomed the acquisition of control of Anvil that will result from completion of the Offer and further agreed to suspend the potential claims it had previously raised for a period of six months in order to allow MMR to integrate Anvil into its business.

MMR has advised Anvil that the terms of the agreements with Gécamines and the acknowledgement and welcome by MCK are satisfactory to it. Completion of the Offer continues to be subject to the approval of MMR’s shareholders.

The agreements with Gécamines cover both the Kinsevere Project and the Mutoshi Project and include confirmation that Anvil’s title to the Kinsevere and Mutoshi Projects is valid and in good standing, agreement that all claims and historic allegations of breach are cured, and payments by Anvil to Gécamines in the amount of \$55 million.

These payments include a commercial payment to restructure certain terms of the agreements governing the Kinsevere Project and the Mutoshi Project and a pre-payment of royalties on

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<b>people</b>	<b>mine</b>
<b>explore</b>	<b>grow</b>
<b>develop</b>	<b>sustain</b>



normal commercial terms. Anvil will also pay a tonnage based cash payment for new copper reserves discovered at the Kinsevere Project.

Upon a change of control of Anvil, Trafigura Beheer B.V. ("**Trafigura**"), Anvil's major shareholder and the lender under Anvil's project loan facility for the Kinsevere Project, has the option to require payment in full of its project loan facility. The current principal amount outstanding under the facility is \$43 million as of the end of January 2012. Trafigura has agreed not to exercise this option for 90 days following the change of control of Anvil, to assist Anvil in meeting the financial obligations under its agreements with Gécamines.

In return for MCK suspending its previous claims, Anvil has agreed to waive its pre-emptive rights, on a one-time basis, should MCK elect to transfer its 5% interest in the Kinsevere Project to a third party.

Under the agreements with Gécamines, \$12.5 million of the royalty pre-payment will be payable by Anvil at signing of the agreements with Gécamines and the balance, including the \$15 million commercial payment, will be payable upon completion of the change of control of Anvil. If for any reason the Offer is not completed, Anvil may affirm the agreements with Gécamines, in which event the pre-paid royalty will be reduced to \$10 million and the excess \$2.5 million of pre-paid royalty paid at signing of the agreement with Gécamines will be credited to the commercial payment. Anvil will also pay Gécamines \$35 per tonne for new copper reserves discovered at the Kinsevere Project.

Restructuring of the agreements with Gécamines will also include a limited right for Gécamines to audit past royalties paid to it for a period of 6 months; clarification that any future ultimate change of control will be assessed by Gécamines based only on a financial and technical assessment, as well as any material adverse impact on Gécamines' activities; a 12-month option in favour of Gécamines to purchase Anvil's interest in the Mutoshi Project for \$52.5 million; and an agreement to negotiate in good faith to replace the agreements currently in place with respect to the Mutoshi Project. If Gécamines does not exercise its option, Anvil will have three years to complete a feasibility study for the Mutoshi Project.

The Kinsevere Project is currently held by a Congolese company that holds a lease from Gécamines of the underlying mineral tenures. The Congolese company is held as to a 95% interest by Anvil and as to a 5% interest by MCK.

The Mutoshi Project is held by Société Minière de Kolwezi SPRL ("**SMK**"), which is held as to 70% by Anvil (through a DRC subsidiary) and 30% by Gécamines. As already announced, MMR and Anvil previously agreed that Anvil's 70% interest in the Mutoshi Project has a value of US\$52.5 million.

The Offeror has retained Kingsdale Shareholder Services Inc. ("**Kingsdale**") as information agent to respond to inquiries from Anvil shareholders regarding the Offer. Kingsdale may be contacted toll-free at 1-866-581-1392 or collect from outside North America at +1-416-867-2272. The Depositary for the Offer is Computershare Investor Services Inc. Inquiries should be directed to 1-800564-6253 or [corporateactions@computershare.com](mailto:corporateactions@computershare.com).

This news release is for information purposes only and is not a substitute for the filed Offer and takeover bid circular and Anvil directors' circular. There can be no assurance that the conditions of the Offer will be satisfied, or that the transaction will be completed as proposed, or at all.



Anvil Mining Limited is a copper producer whose shares are traded on the Toronto Stock Exchange (as Common Shares) and the Australian Securities Exchange (as CDIs) under the symbol AVM.

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***Caution Regarding Forward Looking Statements:***

*This news release contains “forward-looking statements” and “forward-looking information”, based on assumptions and judgments of management regarding future events and results. Such “forward-looking statements” and “forward-looking information may include, but is not limited to, the completion of agreements with DRC stakeholders and the Offer (as defined). Many of these assumptions are based on factors and events that are not within the control of Anvil and there is no assurance they will prove to be correct. Often, but not always, forward-looking information can be identified by the use of words such as “intends” (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “would”, or “will” be taken, occur or be achieved. The purpose of forward-looking information is to provide the reader with information about management's expectations regarding the agreements with DRC stakeholders and the Offer. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anvil to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. There can be no assurance that the agreements with the DRC stakeholders or the Offer will be completed. There can be no assurance that forward-looking information will prove to be accurate. Accordingly, readers should not place undue reliance on forward looking information.*