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OPERATOR: Good morning, everyone. Welcome to this conference call to discuss the 2010 Q3 financial and operating results of Anvil Mining Ltd. announced this morning, November 15th, 2010.

Today's call is being recorded. After the speakers' remarks there will be a question-and-answer session. If you would like to ask a question during this time, simply press * then the number 1 on your telephone keypad. If you would like to withdraw your question, press the # key.

At this time I would like to turn the call over to the Vice President of Corporate Affairs for Anvil Mining, Mr. Robert La Vallière. Please go ahead, sir.

ROBERT LA VALLIÈRE (Vice President, Corporate Affairs, Anvil Mining Ltd.): Thank you, Christopher. Good morning and thank you for joining us. With me today are Bill Turner, President and CEO; Mr. Philippe Monier, Vice President, Corporate and CFO; Lui Evangelista, Financial Controller; and Stuart McKenzie, Corporate Secretary.

Today's call is being webcast at CNW Group's website, and will be available for rebroadcast for a period of seven days following the completion of this call. The full third quarter and Q3 MD&A and unaudited financial tables, along with the notes are available on our website at www.anvilmining.com on the Investor Relation tab section or on SEDAR website at www.sedar.com.

Before we begin I would like to draw your attention to the fact that some of the matters to be discussed in today's call with respect to the future company performance will be forward-looking statement within the meaning of applicable law. We refer you to our Q3 2010 MD&A filed today on SEDAR and on our website, and on our annual report and annual information form filed last March 2010 with the Canadian and Australian securities authorities concerning factors that could cause results to be different than contemplated in today's discussion.

A Q&A session will follow immediately after the remarks of the President and CFO, and the operator will state again the instructions for the Q&A session.

At this time I would like to turn the call over to Bill Turner. Bill?

BILL TURNER (President and Chief Executive Officer, Anvil Mining Ltd.): Yes, thank you, Robert.

First of all I'd just like to welcome Philippe Monier as our Vice President, Corporate and CFO who joined the company on October the 1st. Philippe is the former CFO of Bateman Engineering, and BHP Billiton Base Metals.

Now to move onto the Q3 highlights the operational performance of the company, and the Kinsevere project. The Kinsevere HMS plant continued to perform well during the third quarter, and it generated net cash flow before working capital movements of $5.9 million, and an operating profit of $1.2 million with sales of $14.9 million.

Copper production was 4,216 tonnes of copper in a concentrate form which averaged 24.3% copper. And this was from the HMS plant and Spirals plant with an HMS feed grade of around 6.7% copper.

Net income for the quarter was $6.1 million, and following the challenges of last year this was the fifth consecutive quarter of positive cash flows and the fourth consecutive quarter of positive net income.

On Kinsevere Stage II, construction works are continuing, and they're gathering pace with approximately 1,100 employees and contractors currently on site. The Ausenco commissioning manager has been appointed, and the Anvil commissioning team is due to mobilize in early December. Overall the project is about 70% complete, and we're on track for all commissioning in the second quarter of next year.

The capex spent and committed is $171 million as of October 31st. $116 of that is spent, and $55 million is committed. This is for a current project of $200 million. The project is the second part of this $200 million tranche, keep in mind that this is a $400 million project.

The engineer and design, the procurement, the steel work and plate work are somewhere between 92 and 100% completed. The mechanical and piping is about 66% completed. Electrical and instrumentation is about 22% completed.

The project has so far exceeded one and three quarter million LTI-free man-hours. This is a remarkable achievement for a project in the DRC.

I'd now like to pass the call over to group financial controller, Lui Evangelista.

LUI EVANGELISTA (Financial Controller, Anvil Mining Ltd.): Thank you, Bill. Good morning, everyone.

I'll just walk through the quarterly performance, Q3. We had quarterly sales of $14.9 million at an average realized copper price of $3.28 per pound.

Our net income for the quarter was $6.1 million, equivalent to $0.04 per share, a portion of that of which $3.5 million relates to income tax benefits.

Our quarterly cash flows, Q3, continuing operations before changes in working capital was $5.9 million, which was equivalent to $0.04 per share. Our operating cash cost per tonne of concentrate from the HMS operation was $344 per tonne. This was mainly due to lower levels of production due to lower grade and lower recovery compared to the same period last year. Other factors were also increasing consumable costs, including fuel costs, and we also had increasing manpower and LIBOR-related costs.

Our cash and restricted cash stands at $39.4 million, which is equivalent to $0.26 per share as at November 12.

Our year-to-date results, we had net copper sales of $44.9 million with an average realized price of $3.19 per pound. Operating profit of $6.1 million and operating cash cost of $318 per tonne. We have net income of $17.7 million. Once again that incorporated income tax benefits of $11.5 million. The net income is equivalent to $0.12 per share.

Year-to-date cash flow before changes in working capital is $15.6 million, and that's equivalent to $0.10 per share. Our production is 12,721 tonnes and our sales for the year are 13,597 tonnes of copper.

Our cash position as at November 12, as mentioned previously we have $39.4 million in cash and restricted cash. And we also have $21.4

million in available-for-sale investment, which is equivalent to $0.14 per share. Together with our cash and restricted cash of $0.26 per share, and $0.40 per share, for a total of $60.8 million.

The available-for-sale investment, which is the $21.4 million, reflects a $6.6 million increase since December 31, 2009.

As you may recall, we had also equity investments, which we realized in the last week for net proceeds of $5.5 million. This value represented an increase of $2.2 million since December 31, 2009.

Recently we also had our first draw down from the Trafigura loan facility on October the 15th for a $25 million draw down for net proceeds of $21.5 million after fees.

We also have credit committee approval subject to refinancing... the refinancing bank's satisfaction with regard to the recently announced class action application in relation to refinancing of the Trafigura loan facility.

The additional funds over and above the $100 million facility would be $25 million related to the commissioning and ramp up costs for Kinsevere Stage II in the first half of 2011, and a $25 million cost overrun facility.

That completes the financial section. I'll now hand you back over to Bill.

BILL TURNER: Thanks, Lui.

Just to look at our objectives, our short-term objectives going forward. The first is to complete the construction works on Kinsevere Stage II in the first quarter of next year, with full commissioning in Q2 next year, and ramp up to full scale production by around the middle of the year. We are proceeding with the refinancing of the Trafigura $100 million loan facility, and in light of the recently announced class action, we are considering all our funding options.

We will maintain a cash-positive operation on the Kinsevere HMS plant probably through the middle of next year. And we plan to expeditiously deal with the class action implication.

In the longer term our objectives are to complete a scoping study to expand Kinsevere beyond 60,000 tonne a year by heap leaching the low-grade material that runs between 0.3- and 0.7% copper. This material is currently being classified as low-grade waste. We will identify investment opportunities in the DRC to consolidate the company's position in the copper belt and to begin developing a pipeline of future growth projects. We will carry out further drilling at Kinsevere to expand the sulphide resource and we will complete preliminary studies on the mining and the process in the Kinsevere sulphide resource. We will also further evaluate Mutoshi by completing an additional drilling program.

I'd now like to throw the conference call open to a Q&A session.

OPERATOR: At this time I would like to remind everyone in order to ask a question, press * then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from the line of Tom Meyer from Raymond James. Your line is now open.

TOM MEYER: Thank you. Good evening, Bill. The timing of this class action suit is a bit odd given that you are working with the banks and getting this financing sorted out. Were they in contact with you or did you have any heads up that this was being planned over the last few weeks?

BILL TURNER: No, Tom, we had no heads up. We thought this had all been finished with in March 2008. And this really came in from left field.

TOM MEYER: And I know it's recent news, but you're working with the banks to get this financing sorted out and you disclosed it in the release. Is it a stumbling block for the banks or do they just need more information to get context of what's behind this class action?

BILL TURNER: I think it's the latter, but perhaps I'll ask Philippe to make a comment on that.

PHILIPPE MONIER (Vice President, Corporate and Chief Financial Officer, Anvil Mining Ltd.): Sure. Well Tom, there's no question that it's a hindrance to the process. You might have read in the MD&A that we made good progress over the last month with the banks, and as you mentioned, the timing of that action could have been better or couldn't have been worse.

Despite this, I'm having some comfort from the various credit committees. It is now subject to the banks understanding better the potential repercussions of that action. They are all aware and certainly we did a good job in reminding them the history behind this action, so it's not an entire surprise, but these banks have committees to report to. Not all these committees are aware of the history, and in the face of it this is a bit hair raising for some people.

So what it means for us is unfortunately although we made progress in the development of the bank commitments and term sheets and so forth, this has put a damp on the timing, and I think that's why we're stating that we have to look at alternatives should we not be in a position to resolve this action, so at least it'll give clarity to the market, the banking market of this action, and then therefore should we not be able to utilize any of this financing in the short term.

TOM MEYER: Okay. And then finally, do you have any flexibility with the Kinsevere HMS plant to optimize it and run at a different feed grade by a different approach so that you're more than covering your overhead to actually build additional cash balances?

BILL TURNER: Look, we're planning to push that through till the middle of the year. Initially we're planning to shut it down at the end of March. We'll continue operating it for a little longer. There is potential to put higher-grade material through and to improve the economics, but we need to complete some of the de-watering wells that need to be drilled to take the water table down a little bit.

With the currently available ore over the next several months, there's probably not a great deal of opportunity to have the HMS plant work much harder because of the limitations on accessing the higher-grade material, which tends to be right at the bottom of the current pit, and we haven't been able to complete the water drawdown for that area yet, Tom.

TOM MEYER: Okay, thanks. I'll pass it on. Thank you very much.

BILL TURNER: Thanks.

OPERATOR: Your next question comes from the line of John Hayes from BMO Capital Markets. Your line is now open.

JOHN HAYES: Good day, Bill.

BILL TURNER: Yeah, hi, John.

JOHN HAYES: Thanks. I just have a question on the timing of commissioning production. You talk about a delay. I was wondering if you could put a little finer point on it and let us know like when commissioning is going to start? How long the commissioning process is going to be? When you're actually going to hit the run rate 60,000 tonnage a year of copper production?

And then finally, could you give us a little insight into how much of delay you're expecting or how much, over the last guidance?

BILL TURNER: We have stated to the market that we'll start commissioning in Q2. We hope it will be towards the beginning of Q2. There are several stages of commissioning, and the commissioning process going from what we call C-North commissioning through C1, C2, and finally C3 commissioning, which is the introduction of ore. That whole commissioning process on a plant this size will take several months.

And probably in the early part of the first quarter we'll start some commissioning on the front end of the plant. The crusher, for example, is in a position where we'll start that commissioning probably, that'll be one of the first pieces of equipment to be commissioned. And then we'll work through the plant.

We expect, from a technical point of view, this project is reasonably simple, and we would expect the ramp up to Q3. I mean we have been saying six months, but I suspect we're going to do better than that. And certainly in the third quarter we should be in a position where we're getting pretty close to design capacity of 60,000 tonnes a year.

JOHN HAYES: Now I notice like you seem to be... on the construction uptake you seem to be doing very well on the piping and plumbing. Is the electrical a bit behind or is that… is that slowing you down or what's… or is it just a little bit of everything?

BILL TURNER: Well, I mean, the piping, all these things happened sequentially, as I'm sure you appreciate, and we've got about 66 per cent of the mechanical and piping done. The next thing is the electrical and we seem to be pulling cables at a great rate of knots, and we're starting to get electricians in to do the terminations. There are a lot of terminations. But the good thing about terminations is it's usually inside the buildings and it's something that you can run 24 hours a day. So we expect to gather a bit of pace of that as we move forward. And the instrumentation is pretty much the last thing that gets done before the commissioning starts.

So it's just a sequence, John, of moving through all these different things, and certain parts of the work obviously need to be done before subsequent parts can be done. But I mean we have 1,100 people on sight. This is a pretty big team, and we're moving through the work.

JOHN HAYES: Great, sir. Thanks very much.

BILL TURNER: Good, John.

OPERATOR: Again, ladies and gentlemen, in order to ask a question, * then the number 1 on your telephone keypad.

Your next question comes from the line of Kerry Smith from Haywood Securities. Your line is now open.

KERRY SMITH: Good evening, Bill and everybody. I had just a couple of questions. Firstly, have you changed your thoughts in terms of what you think the working capital would be for start up in terms of dollars millions?

BILL TURNER: No, we haven't, Kerry. We're still $25 million there for the commissioning and the ramp up.

KERRY SMITH: Okay. And do you have... or which positions do you still need to fill in terms of the... at the operating level for sort of key people for start up?

BILL TURNER: We've got pretty much…

LUI EVANGELISTA: We just hired a commissioning manager.

BILL TURNER: Yeah. Sorry, for the commissioning or the operations?

KERRY SMITH: Well for both. Like I mean the commissioning is going to effectively be done by Ausenco anyhow, but I'm just thinking about the people.

BILL TURNER: No. A certain amount of the commissioning will be done by Ausenco, but we have our own commissioning team from Perth called PPM Solutions. And they will be going in in early December. They'll start to mobilize in early December. Ausenco has just recently appointed their commissioning manager, and they have been doing some ground work on that up to the appointment of this person. And they will do the C-North, C1 and C2 commissioning, which is up to wet commissioning. And then we will be responsible, with our consultants, PPM Solutions for the C3 or the ore commissioning.

KERRY SMITH: Okay. And so then once PPM is done with the commissioning then, do you have the team in place that will actually run the operation or are there still a few holes to be filled?

BILL TURNER: There are still a few holes to be filled, but maybe three or four positions yet to be filled. But most of the positions have been filled. And we've been steadily working on this since about July-August.

And people have been coming in progressively over that period up until now.

KERRY SMITH: Okay. And just on the first tranche of the Trafigura debt that you've pulled down, the fees, there were $3.5 million of fees there. Is that like sort of some one-time fees that get paid back to Trafigura as part of the…?

BILL TURNER: Yes.

KERRY SMITH: Okay. So we shouldn't expect the number to be that high when you draw down the next tranche then, is that right?

BILL TURNER: The rate is LIBOR plus 4%..

KERRY SMITH: Okay.

BILL TURNER: Plus the percentages for the establishment fees and other fees. But the basic interest rate is LIBOR plus 4%, and that's been in a previous announcement.

KERRY SMITH: Right. But on the next... let's say you draw another $25 million in two or three months, should we expect to see another $3.5 million of fees or would it be...?

BILL TURNER: No.

LUI EVANGELISTA: No, no.

BILL TURNER: No, no.

KERRY SMITH: Okay.

LUI EVANGELISTA: Far from it.

KERRY SMITH: Yeah, so...

BILL TURNER: It's still a bit early.

KERRY SMITH: Yeah, effectively...

BILL TURNER: Really painful, painful stuff.

KERRY SMITH: Right, okay. So all the fees get paid on this first drawdown, and then the rest of it is really effectively you get it all.

BILL TURNER: Yes.

KERRY SMITH: Okay. And when will the scoping study be done for the heap leach option?

BILL TURNER: Look, Kerry, we'd like to get into that reasonably soon, but the focus at the moment is getting this refinancing done, and we have plans to do that scoping study, but it's not something we want to push the button on right now until we're comfortable that the funding is in place to finish Stage II.

KERRY SMITH: Okay.

BILL TURNER: We're ready to go on all that other stuff though.

KERRY SMITH: Okay. So… but it would be likely that we would see that in 2011 though or...?

BILL TURNER: That work would be done in 2011, yes.

KERRY SMITH: Okay. And...

BILL TURNER: Before the end of 2011.

KERRY SMITH: And Bill or Philippe maybe, somebody can answer, roughly what would happen or will you be in a position to close some other form of funding if you can't get the banks across the goal line here? If they won't pony up and you can't resolve the whole class action suit, what is your fallback?

PHILIPPE MONIER: Sure. Well that's the subject of our reflection right now, but there are some obvious lines. The first one is as you may recall there's about $21 or $22 million worth of investments available-for-sale on our balance sheet, so these are prime candidates for realization. And that's really in terms of a burn rate, about a month or a month-and-a-half of oxygen.

Then we have some flexibility around the HMS plant. Then we have, probably a bit of discretionary latitude on some payments and timing of some cash flows. And they would be our alternatives.

Just remember that we have some very supportive shareholders and so forth.

So we are reviewing all of that, but most likely in terms of the pecking order, first would be the available-for-sale investments. And that would already take us, just that, to March. So we've got some time to get organized here.

KERRY SMITH: Yeah, okay. And are you actively, right now trying to liquidate the investments?

PHILIPPE MONIER: Well, we just finished Chalice, which I think was good timing on our side. In fact, the price has closed pretty much where we sold it, I think just $0.02 above, and we are in discussions with various institutions as to the available-for-sale investments. And it's just a question of, for our shop; do we liquidate that in a whole lot in one shot? Do we stagger it a little bit better? Don't forget that these investments actually produce some income on the interest side. So we just have to work along the modalities but it will happen in the next few weeks, I'm sure.

KERRY SMITH: Okay. And have the banks changed their thought process towards a hedging requirement for the debt if you would put it in place or is the only thing that's really changed this class action suit that is kind of hampered their interest?

PHILIPPE MONIER: In terms of the structure of the financing package, we can't really say that the class action has changed anything yet. There have been some discussions and there have been some talks around hedging with the banks, and the form of that would have to be further discussed.

But I mean all of these is a little bit academic for the time being to the extent I think the banks really want to see where this class action goes. Hopefully we will be hiring a Quebec counsel in the next few days, and we, ourselves, will see a little clearer about the process, and then we should be in a position to answer your question a bit more… with a bit more colour.

But just on the hedging side, there might be a little bit of hedging involved, but nothing that should really scare the analysts.

KERRY SMITH: Okay, and just one last question, if I could? Just on… Bill, on the contingency within the $200 million of capex, I forget exactly what the number was, but could you just remind me what it was and how much of that you've actually used so far? Have you used sort of proportionally the allocated contingency or are you using less of it than you thought?

PHILIPPE MONIER: As you may recall, Tom, on the Ausenco side it's an LSTK contract.

KERRY SMITH: Yes.

PHILIPPE MONIER: So the question… sorry Kerry, the question is a bit mute on our side. Bill, did we disclose to the market previously?

BILL TURNER: Yeah, we had a contingency of $12 million, and I think we've spent so far…

PHILIPPE MONIER: Seven something.

BILL TURNER: Seven million.

PHILIPPE MONIER: So we've got another 5 million, Kerry, on our side and it's tracking quite well with the progress rate of the contract. Barring any exceptional event, we're okay with that contingency for the time being.

KERRY SMITH: Okay. Okay, great. Thanks very much.

OPERATOR: There are no further questions at this time. Mr. Turner, I turn the call back over to you.

BILL TURNER: Thanks, Christophe. Just in summary then, Kinsevere Stage II is now moving towards the finishing line. All of the essential equipment and materials are on site, and it's now pretty much a matter of connecting it all together and making it work.

Overall the project is about 70% completed and keep in mind, this is 70% of the $200 million project. And that's how we've been talking of percentage completion in all the documents that were released that relates to the $200 million and the second $200 million on this project. There are many work fronts, and there's a great deal of construction flexibility because of that.

Kinsevere Stage II SX-EW is now Anvil's flagship project. It will be a low cost long life, 60,000 tonne a year cathode copper producer. The C1 cash cost is estimated to be $0.89 a pound, and including royalties that total cash cost is about $1.00 a pound. Production will be about 130 million pounds of copper a year. Our focus is now on delivering this project and we are very strongly focused on that.

In addition to the development of Stage II, there's also significant upside potential in the sulphide resource, and you will recall that our best sulphide intersection is 272 metres at an average grade of 3.2, which is a pretty fancy intersection.

That concludes this conference call. Thank you all for your participation.

OPERATOR: Again, ladies and gentlemen, this concludes today's conference call. You may now disconnect.

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