

The ANVIL

NEWS ABOUT ANVIL MINING LIMITED - DEMOCRATIC REPUBLIC OF CONGO - CANADA - AUSTRALIA

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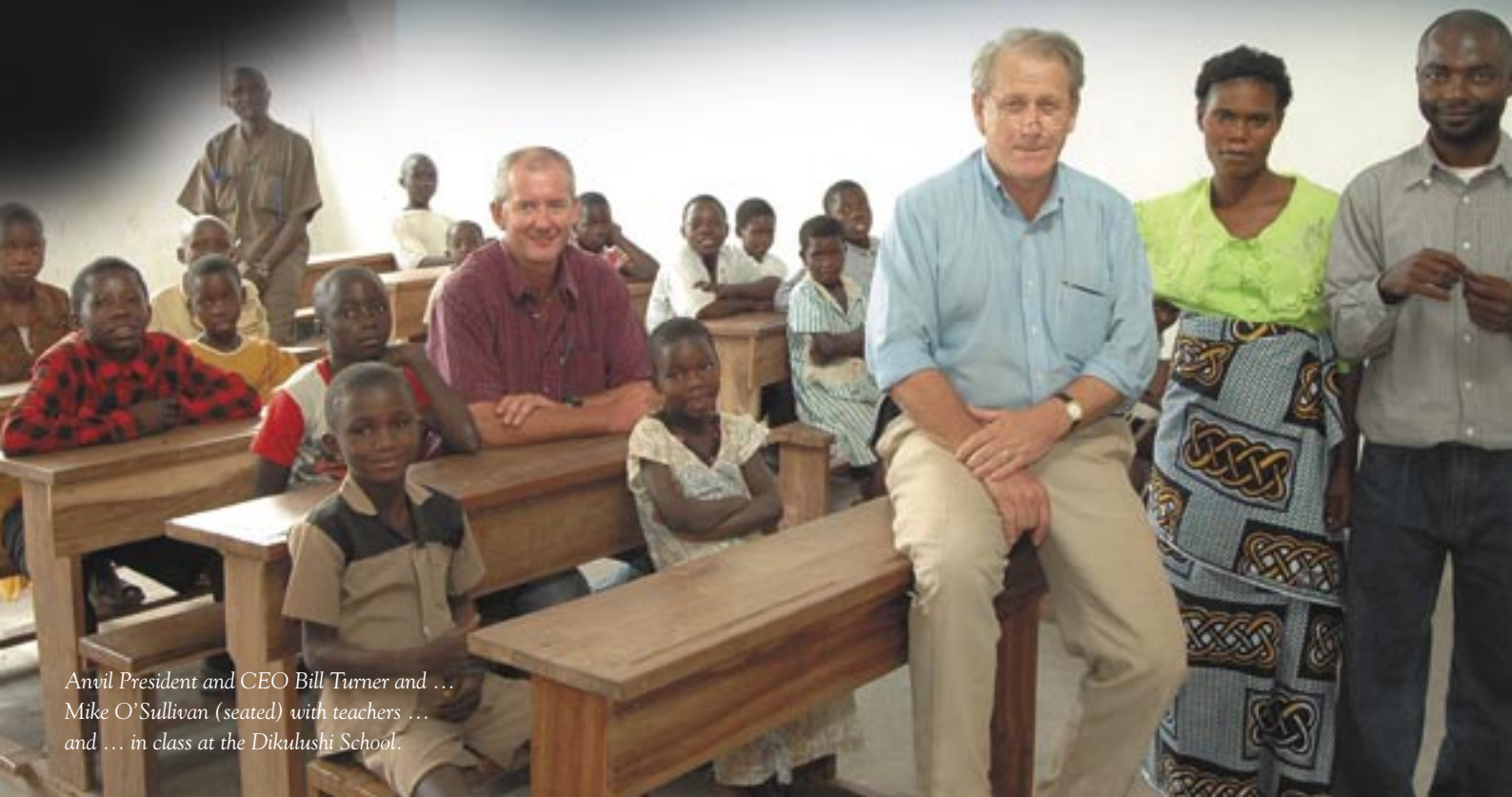
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Anvil President and CEO Bill Turner and ...
Mike O'Sullivan (seated) with teachers ...
and ... in class at the Dikulushi School.

Anvil's second project close to production

The Kulu copper project at Kolwezi is on-track to begin production before the end of this year.

Construction of the tailings treatment operation, initially designed to produce 16,500 to 17,000 tonnes a year of copper in concentrate, is almost complete.

Anvil has started recruiting locally for personnel to operate the plant, ultimately expected to employ more than 300 people.

Kulu will be Anvil's second copper mine in the DRC. It will be established in the Kulumaziba Valley downstream from the former Mutoshi mining operation at Kolwezi. The valley was used for the disposal of coarse reject material, which contains more than 3.5% residual copper.

A starter-project, Kulu will use the refurbished heavy media separation (HMS) plant originally used in 2002 to establish the Company's first mine at Dikulushi.

Once the Kulu project is operational, tailings will be processed to extract the copper in concentrate for further processing. Within the next four years, the Company plans to replace the separation plant with a solvent extraction electro-winning (SX-EW) facility to produce high value copper cathode on site for sale in the DRC.

The Kulu project will be the platform for exploration and resource assessment of other leases in the Kolwezi area where Anvil has significant copper and cobalt interests.

Resident Manager of the project Peter Allen said the Company would be able to draw on extensive local expertise in establishing a Kulu workforce.

"The area has an 80 year history of mining but the recent decline in the industry's fortunes has meant that many qualified people are currently out of work," he said.

"We will be recruiting as many local people as practical to begin this project and expand the business."

One of the features of the project will be a land rehabilitation program to convert the disused tailings area into a revegetated river valley.

The Kulu project is a partnership between Anvil (70%), the Government-owned Gécamines (20%) and a private Congolese company (10%).



The project crew at Kulu.

Leading the industry revival

By CEO Bill Turner

Anvil is preparing to take the next step in the Company's evolution towards becoming a significant mineral producer in the Democratic Republic of Congo.

The commissioning of the Kulu copper project at Kolwezi in the next few months will be an important milestone in the Company's growth plans.

The project will almost double the Company's copper production, establishing Anvil as one of the leaders of the DRC's resurgent mining industry. It will provide a platform for further development in the famous Kolwezi region of the Congo Copperbelt.

Most importantly, Kulu will enhance our reputation as a Company which delivers on its commitments.

Anvil's credibility is one of the Company's most important assets as we prepare to develop new projects in the region.

This credibility has been tested and scrutinized in the past year - and I believe that we have shown conclusively that our Company is meeting all of its commitments to the shareholders and the community.

At each stage of the planning process, we have followed through on our development proposals to convert the region's undoubted potential into mineral production.

Since we began production in 2002 we have delivered a profitable and sustainable operation. When Anvil faced a serious challenge in 2004, with the failure of our Dikulushi mining contractor, we took control of this aspect of the mine site operation and re-established Dikulushi as a viable operation.

As promised when we began business in the DRC, we have recruited and trained a large number of local employees. Approximately 95% of our workforce is now local and many of our employees have acquired the skills to build successful careers in the mining industry.

We have also met our commitments to the community by establishing local health services; building and funding education services; developing fresh water and power supplies - and improving transport services.



Anvil's CEO
Bill Turner.

Some of these projects are covered in separate stories in this newsletter. I believe the same sense of integrity and commitment is reflected in the way the Company operates its business.

We have made safety our top operating priority and we have worked to achieve high standards of environmental management.

Anvil has also cooperated fully with the United Nations inquiry into the tragic events at Kilwa last year when a number of villagers died in a military action. Although Anvil was not responsible for the events at Kilwa, the Company is currently working on protocols to ensure that the impact of such events is minimised.

It is important to me, as CEO, that everyone in the business understands and adopts the principles of openness and honesty in dealing with people inside - and outside - the organization. If our people are acting with integrity, they can expect the support and encouragement of the Company and the broader community

These are the essential ingredients of Company credibility - and they are the basis for Anvil's operations.

If we are to be successful in the future, we should be welcomed and respected in the areas in which we plan to operate.

Record production at Dikukushi

Copper production at Dikulushi hit a record 5,777 tonnes for the September 2005 quarter - a significant achievement by the Company mine site and mineral processing plant workforce.

Anvil employees took responsibility for the mining operations last year after the Company's mining contractor ran into difficulties.

Since then, production changes have put the operation on a

sound footing - ahead of the quarterly rate required for the Company's target production of 20,000 tonnes of copper a year.

The changes have cleared a backlog of waste and returned the open pit operation to the main high grade section of the Dikulushi deposit.

Peter takes the reins at Kulu



Susan and Peter Allen

Peter Allen, newly appointed Resident Manager for the Kulu operation, is a man for the long haul.

An operations manager with 25 years of experience in the minerals business, his two passions are mining and marathons. Until last year, when he was injured, he was running two marathons a year.

At 48, he is not sure if his marathon days are over, but he is looking forward to the start of an exciting new chapter in his mining career as the Resident Manager of Anvil's second copper mine in the DRC

He and his wife Susan have moved to Kolwezi to take charge of the final stages of construction and commissioning at Kulu, due to begin production before the end of 2005.

A metallurgy and engineering graduate from Queensland University, in 1980, he has worked in Guinea, Papua New Guinea, the Solomon Islands, Indonesia, New Zealand and Australia.

He has experience in gold, copper and nickel production.

"This is an excellent project with a lot of potential upside," he said.

"Kulu has been referred to as a relatively low-cost starter project, so it's just the beginning."

"I'm very confident this operation will go well and take Anvil into a significant expansion phase."

Peter is assembling his operations team to begin processing coarse tailings through the refurbished Dikulushi heavy media separation (HMS) plant no longer required at Dikulushi.

With two adult children living away from home, Peter and Sue have the opportunity to share a new culture and life experience in the DRC.

And the major challenge at Kulu?

"Learning French as soon as we can."

Katende steps up

Four years ago Katende (Calvin) Ngombe had little concept of computer equipment.

He lived in a single room, grass roofed house without power in the small port town of Kilwa on the shores of Lake Mweru.

His basic schooling and limited employment opportunities had left him with few options for raising his family.

Today things are very different.

He is a skilled control room operator, overseeing the technical functions of a modern mineral processing plant.

One of many success stories in the local recruitment and training program at Anvil's operations, he has been working at the Dikulushi plant

since the first days of construction in May 2002.

Dikulushi Resident Manager Denham Vickers says that Katende (25) has acquired the skills and experience to handle one of the most important roles in the business.

"He is very reliable and competent – and he has a very positive attitude to his work," said Denham.

Most of the 650 employees at Dikulushi were recruited from villages in the region. Many had no prior practical working experience in the mineral sector or any other industries.

The recruits were trained by Anvil to take on nearly all of the operational and administrative roles at the site.

The Dikulushi project was Katende's first regular job.

"I hope the mining operation keeps going," he said

"Work is very hard to get in this area."

"The mine has helped me and my family. And I think it is helping everyone who lives in this area."



Katende (Calvin) Ngombe

Owen sets a challenge



Newly appointed operations Manager Malcolm Hillbeck had a special task when he first joined Anvil early this year. He had to deliver a pair of king size safety boots to Boilermaker Foreman Owen Mubvuti at the Company's Kulu project, because none were available locally. The imported boots gave Owen and the team the chance to finish the job – on time and in comfort.

New operations chief for Anvil

After more than 40 years in the mining industry, Malcolm Hillbeck is well placed to guide the Anvil operations to a new and exciting phase of the Company's development.

Pictured above (left) at the Kulu project site. He joined Anvil in August as Vice President Operations, with overall responsibility for existing production at Dikulushi and a new project at Mutoshi.

In a lifetime of mineral production, Malcolm (63) has worked on almost every commodity in the mineral sector – in five countries and four different continents. This includes a memorable stint three kilometres underground in the gold mining operations of Johannesburg.

"I am really enjoying the chance to work in Africa again," he said.

"The place has a vitality and an excitement – a lot of challenges and some tremendous potential."

One of his priorities at Anvil will be the smooth transition at the Dikulushi mine as it goes from an open cut to underground operations.

The development of an underground mining operation at Dikulushi is expected to begin in the first half of next year. The transition will be managed in a way which maintains productivity and safety, making the most of Dikulushi's high grade copper and silver deposits.

Denham Vickers Returns

A familiar face is back at Dikulushi.

Denham Vickers – the first Mining Manager at Dikulushi in 2002 – has returned as Resident Manager in August 2005.

Denham was a member of the original team which created a successful mining operation at Dikulushi, when the area had no infrastructure, no other industry and no real precedent for mining.

It was an undeveloped region where every element of the operation was brought in or created on site.

"It took us four months from the time we arrived, to production of the first copper product. It was very satisfying," he said this week.

Denham and his partner Anne Normandin worked at the operation for two years, before moving to Australia and a job in the magnesium business.

He returned to Dikulushi to be part of the new team expanding the business in the DRC.

"I am very pleased to be back," he said.

"This is a fantastic orebody and Anvil is a good company.

"We don't stand on ceremony here – we just get things done."



Denham Vickers at Dikulushi

Plan to make traditional mining safer

The traditional business of artisanal mining at Kulu is becoming safer and more predictable – with the implementation of an agreement between Anvil and contractors representing a group of Kolwezi miners.

The Company has set up the arrangement to allow for modern mineral production and processing alongside traditional production at the Kulu project at Kolwezi.

Approximately 180 artisanal miners have been working the coarse tailings in Kulumaziba Valley near the former Mutoshi mine in the Congo Copperbelt.

After Anvil and its joint venture partners acquired an interest in the Kulumaziba Mining Lease last year, the Company introduced an innovative scheme to support the old and new technologies for copper production in the Valley.

Anvil will operate an efficient modern mining operation and processing plant near the former Mutoshi mine, while artisanal miners will work in designated areas where minerals are more accessible to small scale operators.

The Company has taken steps to make the hand mining easier and safer. At the same time, Company safety experts have provided operating guidelines and first aid facilities.

The miners are represented by an established local contracting company Semex, which has organised for the mineral products to be bought by Anvil.

In the latest round of negotiations, Semex and Anvil are discussing plans for the use of more protective equipment at the artisanal workings.

Kulu's Resident Manager Peter Allen said Anvil was confident the arrangement would establish a positive operating environment for artisanal mines in the Kulumaziba area.

He said the Company's plans for Kulu would bring important economic benefits to the region, employing more than 300 people and generating significant business opportunities.

At the same time, Anvil believed the project could accommodate continued production by traditional self employed miners.



Artisanal miners at Mutoshi

Vote of confidence in Anvil

Community leaders have sent a petition of support for Anvil to the DRC Government and the United Nations. The petition is in response to criticism by Australian news media and certain NGOs.

The statement was signed by the Traditional Chiefs of villages in the Kilwa district, including:

- Michel Kabundi the Head of Kilomba Grouping;
- Ndoba Mambwa, Head of Kyaka Grouping;
- Kabwende Ngoy, Head of Katenge village;
- Sepwe Kibambo, Head of Kinsale village;
- Kabengele Kalaba, Head of Ktuti village;
- Ngoyi Mangazini, co-ordinator of AC Team; and
- Roger and Shula Mwelwa Kamakombwe, Head of the Land.

“We the Traditional Chiefs of Moero Sector at a meeting in Kilwa, the Capital City of Moero Sector, take this opportunity to issue a firm denial of the involvement of Anvil Mining Congo in the massacre perpetrated on the Kilwa population during the sad events that happened in Kilwa.”

“We take this opportunity to issue the firm denial of any implication of this Company in the massacre because we think that those who are behind this accusation only want to destabilize the population of the area, which is pleased with Anvil’s presence. For the local population, the company is a ray of hope. Anvil Mining Congo is among the few who take the risk to come and invest in our country during a very troubling period.”

“In the Congo, our country like many others in Africa, the Traditional Chiefs are the guarantors of the people in the villages. Therefore, we are not to be ignored because we are well placed to be aware of anything that happens in our villages. We are aware and informed of everything about our people. Given this, we are wondering why those investigators from Australia did not bother to get in touch with us if really they wanted reliable information.”

“It is true that Anvil Mining, at the request of Congolese government, gave some of its vehicles to be used by the Congolese Army Forces (FARDC) for transport. The Company had no choice because the instruction was in accordance with the Congolese Law No. 112. This sort of activity is not new in our Country and this type of thing happens all over the world during force majeure or times of war.”

“Anvil Mining Congo is the only Company operating in this area that we consider our duty to protect because of the good it has been doing in the area and for the risk it runs in investing in this high risk region.”

“We invite the international community to send to Kilwa its commissions of inquiry to collect reliable information and to find out what actually happened. We cannot allow any one to destroy Anvil Mining. The company’s presence has lent an air of respectability to our area and is contributing to its social development.”

Calixte leads social development programs



The appointment of one of Anvil’s senior executives to head up a program of social development has underlined the importance of community initiatives in the Company’s area of operations

Calixte Mukasa, former production superintendent and HR Manager at Dikulushi, has been

appointed Anvil Social Development Manager for the DRC.

He will be responsible for a wide range of projects providing support for health care, education, water supplies, agriculture, transport, power and other infrastructure in the region.

The funding comes from a trust structure using 10% of the mining operations’ profits for community development.

As a former engineer and metallurgist with Gécamines, Calixte has wide community experience in the Katanga Province, where all of the Company’s operations are located.

One of the current projects is the development of a fresh water supply for the Port town of Pweto on the shore of Lake Mweru. At present, Pweto’s 40,000 people have to use polluted lake water for their domestic needs.

Anvil will pipe clean fresh water from the Lubula River to a reservoir outside the town for reticulation to Pweto’s housing areas.

The Company is also building a second school for residents of the village of Lumakete, located 9km north of the Dikulushi mine site.

Anvil’s first community school at Dikulushi was officially opened in December 2004. The second, at nearby Lumakete, will be ready next year.

School's in at Dikulushi

Dikulushi's new school is making a big difference to the whole community, according to school headmaster Mr Sylvain Kalimba.

He says the school has led to a profound change in the education and social environment of the area.

He believes the Company's commitment to sustained support for education will provide new opportunities for villagers who had only limited prospects in the past.

The seven-classroom complex at the edge of Dikulushi Village was built by Anvil as the first major project in the Company's social development program.

The Company has provided the building and school equipment plus an annual contribution towards the administration costs of the school. Opened in December 2004, the school caters for villagers from Dikulushi as well as from the surrounding area.

The facility was expanded to 10 classrooms early this year.

The school has paved the way for the introduction of secondary teaching and accredited education department examinations. Anvil is working on plans for a second school in the region at the village of Lumakete, nine kilometres north of Dikulushi.

The school project at Dikulushi was nominated by the village residents as the first priority for community development. In the past, there have been few education opportunities for children living in the area.

Dikulushi's Customary Chief Lubebe says that most parents could not afford to send their children 54 kilometres to the Kilwa school which serviced the area in the past.

"Now we have an excellent school, where the children can study freely and families from surrounding villages can also send their children to Dikulushi," he said.



From hurricane lamps to modern health care



Anvil mining is changing the nature of health care in the Kilwa district.

Two important facilities – one at the port town of Kilwa on Lake Mweru, the other at Dikulushi at the entrance to Anvil's mine site - have been completed this year.

The health initiatives are part of Anvil's ongoing commitment to contribute 10% of mining project profits to community development.

One of the first steps in the Company's strategy to develop a healthy professional workforce was a management and education program to reduce the incidence of malaria and other tropical diseases.

The Company employed its own medical staff to treat employees and their families.

The Company has since set up a clinic to cater for both employees and local residents. This clinic was recently moved to a location beyond the mine site boundary to make it more accessible to local residents.

At Kilwa, the Company has refurbished the community hospital, improving the structures, installing new equipment and connecting mains power.

Doctor in charge of the hospital Phillipe Kalwazi says the new facilities make it much easier to provide effective medical care.

Previously, doctors worked without power or running water, performing operations by hurricane lamp light. Seriously ill patients often were transported by bicycle on bamboo canes.

"Nowadays, thanks to Anvil Mining we have an excellent hospital with good buildings, equipment and facilities.

"The Company's intervention has almost certainly saved many lives," he said.