五礦資源有限公司
MINMETALS RESOURCES LIMITED

*( Incorporated in Hong Kong with limited liability )*
**(Stock Code: 1208)**

# ANNOUNCEMENT

Reference is made to the announcement of Minmetals Resources Limited (the "**Company**") dated 30 September 2011 (Hong Kong time) (the "**Announcement**") in relation to an agreement to make a recommended takeover offer to acquire all of the common shares in Anvil Mining Limited (the "**Offer**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Attached are regulatory overseas announcements, containing the:

1) offer and circular issued by MMG Malachite Limited (a wholly owned indirect subsidiary of the Company) in respect of the Offer which formally commenced on 19 October 2011 (Toronto time) (the "**Offer and Circular**"); and

2) Anvil's directors' circular, recommending Anvil Shareholders accept the offer by MMG Malachite Limited to purchase all of the outstanding common shares of Anvil for C$8.00 in cash per common share, which was commenced on 19 October 2011 (Toronto time) (the "**Anvil Directors' Circular**").

Copies of the Offer and Circular and the Anvil Directors' Circular are also available on SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com and on the website of the Australian Securities Exchange at www.asx.com.au.

Pursuant to the Offer and Circular, the Offer Period commenced on 19 October 2011 (Toronto time). Subject to satisfaction or waiver of the Offer Conditions, the Company expects the Offer to be completed on or before 24 November 2011 (Toronto time), unless extended.

By order of the Board
**Minmetals Resources Limited**
**Andrew Gordon Michelmore**
*CEO and Executive Director*

Hong Kong, 20 October 2011

*As at the date of this announcement, the Board comprises eleven directors, of which four are executive directors, namely Mr. Hao Chuanfu (Vice Chairman), Mr. Andrew Gordon Michelmore, Mr. David Mark Lamont and Mr. Li Liangang; four are non-executive directors, namely Mr. Wang Lixin (Chairman), Mr. Jiao Jian, Mr. Xu Jiqing and Mr. Gao Xiaoyu; and three are independent non-executive directors, namely Mr. Ting Leung Huel, Stephen, Mr. Loong Ping Kwan and Dr. Peter William Cassidy.*

*This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.*

***This Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of this Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.***

***This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.***

October 19, 2011

# MMG MALACHITE LIMITED
## a wholly-owned indirect subsidiary of

五礦資源有限公司
MINMETALS RESOURCES LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1208)**

# OFFER TO PURCHASE FOR CASH
## all of the outstanding Common Shares
## of
# ANVIL MINING LIMITED
## for
# Cdn.$8.00 PER COMMON SHARE

MMG Malachite Limited (the "**Offeror**"), a wholly-owned indirect subsidiary of Minmetals Resources Limited ("**MMR**"), hereby offers (the "**Offer**") to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding common shares of Anvil Mining Limited ("**Anvil**") (including those common shares that are subject to CHESS Depositary Interests ("**CDIs**")) (the "**Common Shares**"), other than Common Shares owned by the Offeror or any of its affiliates, and including Common Shares that may become issued and outstanding after the date of the Offer but before the expiry time of the Offer upon the conversion, exchange or exercise of options issued under Anvil's share incentive plan (the "**Options**"), warrants or other securities of Anvil that are convertible into or exchangeable or exercisable for Common Shares (collectively, the "**Convertible Securities**"), at a price of Cdn.$8.00 in cash per Common Share.

**The Offer is open for acceptance until 8:00 p.m. (Toronto time) on November 24, 2011 (the "Expiry Time"), unless the Offer is extended or withdrawn.**

**The Board of Directors of Anvil (the "Anvil Board"), after consultation with its financial and legal advisors and on receipt of a recommendation from its independent committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of Anvil and the holders of Common Shares (the "Shareholders") and, accordingly, the Anvil Board UNANIMOUSLY RECOMMENDS that Shareholders ACCEPT the Offer and DEPOSIT their Common Shares under the Offer.**

The Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") and are also listed and traded in the form of CDIs on the Australian Securities Exchange (the "**ASX**"), in each case under the symbol "AVM". **The Offer represents a premium of approximately 30% to the volume-weighted average trading price per Common Share on the TSX for the 20-trading day period ended September 29, 2011 (the last trading day on the TSX prior to the announcement of MMR's intention to make the Offer) and a premium of approximately 39% to the closing price of the Common Shares on the TSX on September 29, 2011.**

**The Information Agent for the Offer is:**
**KINGSDALE SHAREHOLDER SERVICES INC.**

**The Depositary for the Offer is:**
**COMPUTERSHARE INVESTOR SERVICES INC.**

*(Continued on next page)*

*(Continued from previous page)*

BMO Nesbitt Burns Inc., the financial advisor to the Anvil Board, has delivered an opinion to the Anvil Board dated September 29, 2011 to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations and qualifications set out in such opinion, the consideration to be paid to Shareholders pursuant to the Offer is fair from a financial point of view to the Shareholders. Paradigm Capital Inc., the financial advisor to the independent committee of the Anvil Board (the "**Anvil Independent Committee**"), has delivered an opinion to the Anvil Independent Committee and the Anvil Board dated September 29, 2011 to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations and qualifications set out in such opinion, the consideration to be paid to Shareholders pursuant to the Offer is fair from a financial point of view to the Shareholders (other than Trafigura Beheer B.V. ("**Trafigura**") and its subsidiaries and MMR and its subsidiaries). For further information, see the Directors' Circular issued by the Anvil Board accompanying the Offer.

The Offeror, MMR and Anvil entered into a support agreement on September 29, 2011 (the "**Support Agreement**") pursuant to which, among other things, the Offeror has agreed to make the Offer and Anvil has agreed to support the Offer and not solicit any competing acquisition proposals. See Section 6, "Support Agreement" of the accompanying Circular.

The Offeror and MMR also entered into a lock-up agreement on September 29, 2011 (the "**Lock-Up Agreement**") with Trafigura and all of the directors and senior officers of Anvil (collectively, the "**Locked-Up Shareholders**") pursuant to which each Locked-Up Shareholder has agreed to support the Offer and to accept the Offer and deposit or cause to be deposited under the Offer (and not withdraw) all of the Common Shares beneficially owned or acquired by the Locked-Up Shareholder. The Common Shares beneficially owned, in aggregate, by the Locked-Up Shareholders and subject to the Lock-Up Agreement represent approximately 40% of the Common Shares on a fully-diluted basis. See Section 6, "Support Agreement" and Section 7, "Lock-Up Agreement", of the accompanying Circular.

The Offer is conditional on, among other things: (a) there having been validly deposited under the Offer and not withdrawn at the Expiry Time such number of Common Shares that constitutes: (i) together with any Common Shares held by the Offeror and its affiliates, at least 66⅔% of the Common Shares then outstanding (calculated on a fully-diluted basis), and (ii) at least a majority of the Common Shares (calculated on a fully-diluted basis) the votes attached to which would be included in the minority approval of a second step business combination pursuant to MI 61-101 (as hereinafter defined); (b) MMR shareholder approval being obtained; (c) no change, condition or event existing or occurring (or having previously occurred but not having been disclosed), including a prospective change, which has resulted or would reasonably be likely to result, individually or in the aggregate, in a Material Adverse Effect (as hereinafter defined) in respect of Anvil; and (d) all requisite regulatory approvals being obtained. These and the other conditions of the Offer are described in Section 4 of the Offer, "Conditions of the Offer". Subject to applicable Laws, the Offeror reserves the right to withdraw or extend the Offer and to not take up and pay for any Common Shares deposited under the Offer unless each of the conditions of the Offer is satisfied or waived at or prior to the Expiry Time.

A Shareholder who wishes to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on YELLOW paper) or a manually executed facsimile thereof and deposit it, at or prior to the Expiry Time, together with certificate(s) representing its Common Shares and all other required documents, with Computershare Investor Services Inc. (the "**Depositary**") at its office in Toronto, Ontario specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. Alternatively, a Shareholder may (i) accept the Offer by following the procedures for book-entry transfer of Common Shares set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer", or (ii) follow the procedure for guaranteed delivery set out in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on PINK paper), or a manually executed facsimile thereof.

Holders of CDIs ("**CDI Holders**") may accept the Offer only by instructing the CDI nominee, CHESS Depositary Nominees Pty Limited (the "**CDI Nominee**"), to accept the Offer on their behalf. The Offeror has engaged Computershare Investor Services Pty Limited (the "**Australian Share Registry**") to receive and collate acceptances of the Offer from CDI Holders and to request the CDI Nominee to tender to the Offer on behalf of accepting CDI Holders. CDI Holders should contact their broker or the Information Agent for further information about their CDIs and the way in which to instruct the CDI Nominee to accept the Offer on their behalf. CDI Holders should refer to Section 3 of the Offer, "Manner of Acceptance — CDI Holders".

*(Continued on next page)*

*(Continued from previous page)*

**All payments under the Offer will be made in Canadian dollars. However, a Shareholder can elect to receive the consideration for its Common Shares (including Common Shares subject to CDIs) in Australian dollars by checking the appropriate box in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. A CDI Holder can elect to receive the consideration for the Common Shares subject to its CDIs in Australian dollars by checking the appropriate box in the CDI Acceptance Form or, if applicable, instructing its Controlling Participant to receive payment in Australian dollars. If an election or instruction to receive payment in Australian dollars is not made or given, Shareholders and CDI Holders will receive payment in Canadian dollars. The exchange rate that will be used to convert payments from Canadian dollars into Australian dollars will be based on the prevailing market rate(s) available to the Depositary on the date the funds are converted. See Section 3 of the Offer, "Manner of Acceptance — Currency of Payment".**

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary to accept the Offer.**

**Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries are likely to have established tendering cut-off times that are up to 48 hours (or more) prior to the Expiry Time. Shareholders should instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares under the Offer.**

MMR and the Offeror have engaged Kingsdale Shareholder Services Inc. to act as information agent (the "**Information Agent**") for the Offer. You may contact the Information Agent with any questions or requests for assistance at 1-866-581-1392 toll free in North America or at (+1) 416-867-2272 outside of North America (collect calls accepted) or by e-mail at contactus@kingsdaleshareholder.com. Questions and requests for assistance may also be directed to the Depositary, whose contact details are provided on the back cover of this document. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary or the Information Agent and are accessible on the Canadian Securities Administrators' SEDAR website at www.sedar.com. This website address is provided for informational purposes only and no information contained on, or accessible from, such website is incorporated by reference herein.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror, MMR, the Depositary or the Information Agent.

Shareholders should be aware that during the period of the Offer, the Offeror or any of its affiliates may bid for and make purchases of Common Shares as permitted by applicable law. See Section 12 of the Offer, "Market Purchases and Sales of Common Shares".

## NOTICE TO SHAREHOLDERS AND CDI HOLDERS IN AUSTRALIA

**THE OFFER HAS NOT BEEN APPROVED OR DISAPPROVED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION OR THE AUSTRALIAN SECURITIES EXCHANGE NOR HAS THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION OR THE AUSTRALIAN SECURITIES EXCHANGE PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFER AND CIRCULAR.**

**The Offer is not regulated by Chapter 6 of the *Corporations Act 2001* (Commonwealth of Australia), but rather pursuant to the applicable requirements of Canadian securities Laws. Australian Shareholders and CDI Holders should be aware that these requirements may be different to those which apply to a takeover offer regulated by Australian Law.**

**CDIs are units of beneficial ownership in the Common Shares. Legal title to the Common Shares represented by the CDIs is held by the CDI Nominee. That is, the CDI Nominee is a Shareholder for the purposes of the Offer. CDI Holders are not technically Shareholders for the purposes of the Offer but can instruct the CDI Nominee to accept the Offer on their behalf in respect of the Shares corresponding with the CDIs they hold. CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee. The CDI Nominee is prohibited by the ASX Settlement Operating Rules from accepting the Offer in respect of particular Common Shares unless it is instructed to do so by the CDI Holder whose CDIs correspond with those Common Shares.**

**To give an instruction to the CDI Nominee to accept the Offer on their behalf, CDI Holders who hold CDIs through: (i) Anvil's Issuer Sponsored Subregister should complete and sign the CDI Acceptance Form provided to CDI Holders and return it to the address noted on the form; or (ii) Anvil's CHESS Subregister should (a) if they are not a Participant, instruct their Controlling Participant (usually their broker) to initiate acceptance of the Offer on their behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (b) if they are a Participant, initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (c) as an alternative to (a), complete and sign the CDI Acceptance Form and return it to the address noted on the form, in which case the Australian Share Registry will liaise with your Controlling Participant and request them to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules (each method, a "CDI Acceptance"). The Australian Share Registry will collate CDI Acceptances, present these to the CDI Nominee and request the CDI Nominee to accept the Offer on behalf of CDI Holders in respect of the relevant Common Shares. To enable the Australian Share Registry to carry out this process, CDI Acceptances must be received by the Australian Share Registry in sufficient time to allow the CDI Holder's instruction to be acted upon prior to the CDI Expiry Time (being 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended).**

**CDI Holders should make such enquiries and take such actions as are necessary to ensure that the CDI Holder's CDI Acceptance is received by the Australian Share Registry in sufficient time to allow the CDI Holder's instruction to be acted upon prior to the CDI Expiry Time. CDI Holders should contact their brokers or the Information Agent for further information.**

**Shareholders and CDI Holders in Australia should be aware that the deposit of Common Shares (including Common Shares subject to CDIs) by them as described herein may have tax consequences both in Australia and in Canada. Such consequences may not be fully described herein and such holders are urged to consult their tax advisors. See Section 19 of the Circular, "Certain Australian Income Tax Considerations".**

## NOTICE TO SHAREHOLDERS IN THE UNITED STATES

**The Offer is being made for the securities of a Canadian company that does not have securities registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"). Accordingly, the Offer is not subject to Section 14(d) of the U.S. Exchange Act, or Regulation 14D promulgated by the United States Securities and Exchange Commission (the "SEC") thereunder. The Offer is made in the United States with respect to securities of a "foreign private issuer", as such term is defined in Rule 3b-4 under the U.S. Exchange Act, in accordance with Canadian corporate and tender offer rules. Shareholders resident in the United States should be aware that such requirements are different from those of the United States applicable to tender offers under the U.S. Exchange Act and the rules and regulations promulgated thereunder.**

**Shareholders in the United States should be aware that the disposition of Common Shares by them as described herein may have tax consequences both in the United States, in Canada and in Australia. Such consequences may not be fully described herein and such holders are urged to consult their tax advisors. See Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations", Section 19 of the Circular, "Certain Australian Income Tax Considerations" and Section 20 of the Circular, "Certain United States Federal Income Tax Considerations".**

**Shareholders in the United States should be aware that the Offeror, MMR or their respective affiliates, directly or indirectly, may bid for or make purchases of Common Shares or Convertible Securities during the period of the Offer other than pursuant to the Offer, as permitted by applicable Laws in Canada. See Section 12 of the Offer, "Market Purchases and Sales of Common Shares".**

**It may be difficult for Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal securities laws because the Offeror and Anvil are incorporated under the laws of the Northwest Territories, Canada and MMR is incorporated under the laws of the Hong Kong Special Administrative Region of the People's Republic of China, the majority of the officers and directors of each of the Offeror, MMR and Anvil reside outside the United States and all or a substantial portion of the assets of the Offeror, MMR and Anvil and the other above-mentioned persons are located outside the United States. Shareholders in the United States may not be able to sue the Offeror, MMR, Anvil or their respective officers or directors in a non-United States court for violation of United States federal securities laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce a judgment obtained from a court of the United States.**

## NOTICE TO HOLDERS OF OPTIONS, WARRANTS AND OTHER CONVERTIBLE SECURITIES

The Offer is being made only for Common Shares and is not made for any Options, warrants or other Convertible Securities. Any holder of Options, warrants or other Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, convert, exchange or exercise the Options, warrants or other Convertible Securities in order to obtain certificates representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer.

Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options, warrants or other Convertible Securities will have certificates representing the Common Shares received on such conversion, exchange or exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

It is a condition of the Offer that at or prior to the Expiry Time all outstanding Options (and certain other securities) will have been exercised in full, cancelled or irrevocably released, surrendered or waived or otherwise dealt with on terms satisfactory to the Offeror, acting reasonably. In the Support Agreement, the Anvil Board covenanted to resolve to accelerate the expiry date of all unexercised Options so that any unexercised Options will expire upon the Offeror taking-up Common Shares under the Offer.

**The tax consequences to holders of Options of converting, exercising or exchanging their Options, warrants or other Convertible Securities are not described in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations", Section 19 of the Circular, "Certain Australian Income Tax Considerations" or Section 20 of the Circular, "Certain United States Federal Income Tax Considerations". Holders of Options, warrants or other Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision whether to convert, exercise or exchange such Options, warrants or other Convertible Securities.**

## CURRENCY

All dollar references in the Offer and Circular are in Canadian dollars, except where otherwise indicated. On October 18, 2011, the Bank of Canada noon rate of exchange for U.S. dollars was Cdn.$1.00 = U.S.$0.9840 and for Australian dollars was Cdn.$1.00 = A$0.9628.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in the accompanying Circular under Section 5, "Reasons to Accept the Offer", Section 8, "Purpose of the Offer and Plans for Anvil", Section 9, "Source of Funds", Section 13, "Acquisition of Common Shares Not Deposited", and Section 17, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer", in addition to certain statements contained elsewhere in this document, are "forward-looking statements" and are prospective in nature. The words "expect", "will", "may", "should", "could", "intend", "estimate", "propose" and similar expressions identify forward-looking statements. Such forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Offeror and MMR, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements and the forward-looking statements are not guarantees of future performance or achievement. These risks, uncertainties and other factors include, but are not limited to: actions taken by Anvil; inaccuracies or material omissions in Anvil's publicly available information or the failure of Anvil to disclose events or facts which may affect the significance or accuracy of such information; changes in applicable Laws; general business and economic conditions; the failure to meet certain conditions of the Offer; the timing and receipt of governmental approvals necessary to complete the Offer and any related transactions; the ability of MMR and the Offeror to complete or successfully integrate the acquisition; and the behaviour of other market participants. No assurance can be given that such forward-looking statements will prove to have been correct. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the Offer.

The Offeror and MMR disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable Laws.

**TABLE OF CONTENTS**

## SUMMARY TERM SHEET

*The following are some of the questions that you, as a Shareholder (or CDI Holder) of Anvil, may have and our answers to those questions. This summary term sheet is not meant to be a substitute for the information contained in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery and, in the case of a CDI Holder, the CDI Acceptance Form. Therefore, we urge you to carefully read the entire Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery prior to making any decision regarding whether or not to deposit your Common Shares. We have included cross references in this summary term sheet to other sections of the Offer and Circular where you will find more complete descriptions of the topics mentioned in this summary term sheet. Unless the context otherwise requires, terms used but not defined in this summary term sheet have the respective meanings given to them in the Glossary.*

### WHO IS OFFERING TO PURCHASE MY SHARES?

The Offeror, MMG Malachite Limited, is offering to purchase your Common Shares. This includes Common Shares that are subject to CDIs.

The Offeror is a newly-incorporated corporation formed under the laws of the Northwest Territories for the purpose of making the Offer and is a wholly-owned indirect subsidiary of Minmetals Resources Limited, referred to as MMR. MMR, a company incorporated under the laws of Hong Kong, is one of the world's largest producers of zinc, and is engaged in mining, processing and production of copper, lead, gold and silver. MMR currently has mining operations located in Australia and Laos and a large portfolio of advanced and early stage exploration projects in Australia, Africa, Asia and North America. The shares of MMR are listed on the Main Board of the HKSE (Stock Code: 1208).

See Section 1 of the Circular, "The Offeror and MMR".

### HOW MANY SHARES ARE YOU SEEKING TO PURCHASE, AT WHAT PRICE AND WHAT IS THE FORM OF PAYMENT?

We are offering to purchase all of the outstanding Common Shares for $8.00 in cash (without interest and less any required withholding taxes) per Common Share. This includes Common Shares that are subject to CDIs.

The cash payable under the Offer will be denominated in Canadian Dollars. However, Shareholders can elect to receive the consideration for their Common Shares in Australian dollars. CDI Holders can also elect to receive the consideration for the Common Shares subject to their CDIs in Australian dollars.

The Offer represents a premium of approximately 30% to the volume-weighted average trading price per Common Share on the TSX for the 20-trading day period ended September 29, 2011 (the last trading day on the TSX prior to the announcement of MMR's intention to make the Offer) and a premium of approximately 39% to the closing price of the Common Shares on the TSX on September 29, 2011.

See Section 1 of the Offer, "The Offer". See also Section 3 of the Offer, "Manner of Acceptance — Currency of Payment".

### WILL I HAVE TO PAY ANY FEES OR COMMISSIONS?

If you are the owner of record of your Common Shares or CDIs and you tender your Common Shares to the Offer by depositing the Common Shares directly with the Depositary or in the case of CDI Holders, by instructing CDI Nominee to accept the Offer on your behalf, you will not have to pay any brokerage or similar fees or commissions. However, if you own your Common Shares or CDIs through a broker or other nominee, and your broker deposits your Common Shares on your behalf or instructs the CDI Nominee to accept the Offer on your behalf, your broker or nominee may charge you a fee for that service. You should consult your broker or nominee to determine whether any charges will apply.

See Section 21 of the Circular, "Depositary".

**HOW DO I ELECT TO RECEIVE PAYMENT IN AUSTRALIAN DOLLARS?**

To receive payment under the Offer in Australian dollars, Shareholders should check the appropriate box in the Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery, and CDI Holders should check the appropriate box in the CDI Acceptance Form or, if applicable, instruct their Controlling Participant to receive payment in Australian dollars. If an election to receive payment in Australian dollars is not made, Shareholders and CDI Holders will receive payment in Canadian dollars.

The exchange rate that will be used to convert payments from Canadian dollars into Australian dollars will be based on the prevailing market rate(s) available to the Depositary on the date the funds are converted.

See Section 3 of the Offer, "Manner of Acceptance — Currency of Payment".

**WHY ARE YOU MAKING THIS OFFER?**

We are making the Offer because we want to acquire all of the Common Shares of Anvil. If we successfully complete the Offer, but we do not then own 100% of the outstanding Common Shares, we currently intend to acquire, and in certain circumstances we may be required by the Support Agreement with Anvil to acquire, any Common Shares not deposited under the Offer in a second-step transaction, which may take the form of a Compulsory Acquisition or a Subsequent Acquisition Transaction.

See Section 8 of the Circular, "Purpose of the Offer and Plans for Anvil", and Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

**WHAT IS THE OFFEROR'S SOURCE OF FUNDING FOR THE SHARES?**

The consideration for the Offer will be provided to the Offeror through a combination of cash-on-hand and an available credit facility. As a result, the Offeror has sufficient committed funding to fund the total amount required to complete the Offer and any second-step transaction.

See Section 9 of the Circular, "Source of Funds"

**WHAT ARE SOME OF THE MOST IMPORTANT CONDITIONS TO THE OFFER?**

The Offer is subject to a number of conditions, including:

(i) there having been validly deposited under the Offer, and not withdrawn at the Expiry Time, the number of Common Shares that constitutes: (i) together with any Common Shares held by the Offeror and its affiliates, at least 66⅔% of the Common Shares then outstanding (calculated on a fully-diluted basis), and (ii) at least a majority of the Common Shares (calculated on a fully-diluted basis) the votes attached to which would be included in the minority approval of a second step business combination pursuant to MI 61-101;

(ii) MMR shareholder approval of the Offer;

(iii) no change, condition or event existing or occurring (or having previously occurred but not having been disclosed), including a prospective change, which has resulted or would reasonably be likely to result, individually or in the aggregate, in a Material Adverse Effect in respect of Anvil; and

(iv) receipt of all requisite regulatory approvals.

These and the other conditions of the Offer are described in Section 4 of the Offer, "Conditions of the Offer".

**WHAT CLASSES OF SECURITIES ARE SUBJECT TO THE OFFER?**

We are offering to purchase all of the outstanding Common Shares. This includes Common Shares that may become issued and outstanding after the date of this Offer, but before the expiration of the Offer, on the conversion, exchange or exercise of Options, warrants or other Convertible Securities.

We are not offering to purchase any Options, warrants or other Convertible Securities. Any holder of Options, warrants or other Convertible Securities who wishes to accept the Offer should, to the extent permitted by their terms and subject to applicable law, convert, exchange or exercise the Options, warrants or other Convertible Securities in order to obtain certificates for Common Shares that may be deposited in accordance with the Offer.

We are not offering to purchase CDIs. However, we are offering to purchase the Common Shares that are subject to CDIs. CDI Holders must follow special procedures in order to have the Common Shares subject to their CDIs deposited to the Offer.

See Section 1 of the Offer, "The Offer".

**WHAT IS THE RECOMMENDATION OF THE ANVIL BOARD?**

The Anvil Board, after consultation with its financial and legal advisors and on receipt of a recommendation from the Anvil Independent Committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of Anvil and the Shareholders and, accordingly, the Anvil Board UNANIMOUSLY RECOMMENDS that Shareholders ACCEPT the Offer and DEPOSIT their Common Shares under the Offer.

See Section 6 of the Circular, "Support Agreement", and the Directors' Circular.

**HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER TO THE OFFER?**

You have until the expiration of the Offer to tender your Common Shares. The Offer is scheduled to expire at 8:00 p.m. (Toronto time) on November 24, 2011, unless the Offer is extended or withdrawn.

See Section 2 of the Offer, "Time for Acceptance".

If you are a CDI Holder, in order for your acceptance to be processed and the Common Shares subject to your CDIs to be deposited with the Depositary prior to the Expiry Time, your CDI Acceptances must be received by the Australian Share Registry in sufficient time to allow the CDI Holder's instruction to be acted upon prior to the CDI Expiry Time (being 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended).

See Section 3 of the Offer, "Manner of Acceptance — CDI Holders".

**CAN YOU EXTEND THE OFFER?**

We can elect, at any time, to extend the Offer. If we extend the Offer, we will inform the Depositary of that fact and make a public announcement of the extension in the manner required by applicable law.

If the Offer is extended, the CDI Expiry Time will also be extended automatically to 7:00 p.m. (Sydney time) on the date that is two Australian business days prior to the extended Expiry Date.

See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

**AS A SHAREHOLDER, HOW DO I ACCEPT THE OFFER AND TENDER MY SHARES?**

You can accept the Offer by delivering to the Depositary before the expiration of the Offer:

(i) the certificate(s) representing the Common Shares in respect of which the Offer is being accepted;

(ii) a Letter of Transmittal in the form accompanying this Offer and Circular properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and

(iii) all other documents required by the terms of the Offer and the Letter of Transmittal.

If you cannot deliver all of the necessary documents to the Depositary in time, you may be able to complete and deliver to the Depositary the enclosed Notice of Guaranteed Delivery, provided you are able to comply fully with its terms.

You may also accept the Offer pursuant to the procedures for book-entry transfer detailed in this Offer and Circular and have your Common Shares tendered by your nominee through CDS Clearing and Depository Services Inc. or The Depository Trust Company, as applicable.

Shareholders should contact the Depositary, the Information Agent or a broker or dealer for assistance in accepting the Offer and depositing their Common Shares with the Depositary.

See Section 3 of the Offer, "Manner of Acceptance".

**AS A CDI HOLDER, HOW DO I ACCEPT THE OFFER IN RESPECT OF THE COMMON SHARES SUBJECT TO MY CDIS?**

CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee. To give such an instruction, CDI Holders who hold CDIs through: (i) Anvil's Issuer Sponsored Subregister, should complete and sign the CDI Acceptance Form provided to CDI Holders and return it to the address noted on the form; or (ii) Anvil's CHESS Subregister, should (a) if they are not a Participant, instruct their Controlling Participant (usually their broker) to initiate acceptance of the Offer on their behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (b) if they are a Participant, initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (c) as an alternative to (a), complete and sign the CDI Acceptance Form and return it to the address noted on the form, in which case the Australian Share Registry will liaise with your Controlling Participant and request them to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules. The Australian Share Registry will collate CDI Acceptances, present these to the CDI Nominee and request the CDI Nominee to accept the Offer on behalf of CDI Holders in respect of the relevant Shares. To enable the Australian Share Registry to carry out this process, CDI Acceptances must be received by the Australian Share Registry in sufficient time to allow the CDI Holder's instruction to be acted upon prior to the CDI Expiry Time (being 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended).

See Section 3 of the Offer, "Manner of Acceptance — CDI Holders".

**IF I ACCEPT THE OFFER, WHEN WILL I BE PAID?**

If the conditions of the Offer are satisfied or waived, we will take up the Common Shares you deposited under the Offer and we will make payment for the Common Shares you tendered promptly and in any event no later than the earlier of (i) three business days after the Common Shares are taken up, and (ii) the tenth day after the expiration of the Offer.

See Section 6 of the Offer , "Take up of and Payment for Deposited Common Shares".

**CAN I WITHDRAW MY PREVIOUSLY TENDERED SHARES?**

You may withdraw all or a portion of the Common Shares you deposited under the Offer:

(i) at any time before your Common Shares have been taken up;

(ii) if your Common Shares have not been paid for within three business days after having been taken up; or

(iii) up until the tenth day following the day we file a notice announcing that we have changed or varied the Offer in certain circumstances.

See Section 7 of the Offer, "Withdrawal of Deposited Common Shares".

**HOW DO I WITHDRAW PREVIOUSLY TENDERED SHARES?**

To withdraw Common Shares that have been tendered under the Offer, you must deliver a written notice of withdrawal, with the required information, to the Depositary while you still have the right to withdraw the Common Shares.

CDI Holders that wish to withdraw Common Shares that are subject to CDIs and have been tendered under the Offer must, while the CDI Nominee (in its capacity as a Shareholder) still has the right to withdraw such Common Shares, contact (a) if their CDIs are held through Anvil's Issuer Sponsored Subregister, the Information Agent for information regarding how to effect such withdrawal; or (b) if their CDIs are held through Anvil's CHESS Subregister, their Controlling Participant (usually their broker).

See Section 7 of the Offer, "Withdrawal of Deposited Common Shares".

**IF I DO NOT TENDER BUT THE OFFER IS SUCCESSFUL, WHAT WILL HAPPEN TO MY SHARES?**

If the conditions of the Offer are otherwise satisfied or waived and we take up and pay for the Common Shares deposited under the Offer, we currently intend to acquire any Common Shares not deposited under the Offer:

(i) by Compulsory Acquisition, if at least 90% of the outstanding Common Shares (other than the Common Shares owned by us and our affiliates at the date of the Offer) are deposited under the Offer and not withdrawn; or

(ii) by a Subsequent Acquisition Transaction, for consideration per Common Share at least equal to the consideration per Common Share paid under the Offer, if a Compulsory Acquisition is not available or if we decide not to proceed with a Compulsory Acquisition.

In the Support Agreement we have agreed in certain circumstances to pursue a Compulsory Acquisition or a Subsequent Acquisition Transaction. If a Compulsory Acquisition is not available or we choose not to complete a Compulsory Acquisition, we have agreed in the Support Agreement to use our commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares, provided that we are not required to pay more per Common Share than the price per Common Share paid under the Offer.

See Section 8 of the Circular, "Purpose of the Offer and Plans for Anvil", and Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

**FOLLOWING THE OFFER, WILL ANVIL CONTINUE AS A PUBLIC COMPANY?**

Depending upon the number of Common Shares purchased pursuant to the Offer, it is possible that the Common Shares will fail to meet the criteria for continued listing on the TSX and/or the CDIs will fail to meet the criteria for continued listing on the ASX. If this were to happen, the Common Shares and/or the CDIs could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares and/or the CDIs.

If we acquire 100% of the outstanding Common Shares, and if permitted under applicable laws, it is our intention to apply to delist the Common Shares from the TSX and to apply to delist the CDIs from the ASX, in each case in conjunction with the completion of a Compulsory Acquisition or Subsequent Acquisition Transaction.

In addition, Anvil may cease to be required to comply with the rules of the Canadian securities regulatory authorities. Subsequent to the completion of the Offer, if we proceed with a Compulsory Acquisition Transaction or a Subsequent Acquisition Transaction, and if permitted by applicable laws, we intend to cause Anvil to cease to be a reporting issuer under the securities laws of each province and territory of Canada where it is a reporting issuer.

See Section 17 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer".

**HOW WILL CANADIAN RESIDENTS AND NON-RESIDENTS OF CANADA BE TAXED FOR CANADIAN FEDERAL INCOME TAX PURPOSES?**

Generally, a Shareholder who is resident in Canada, who holds Common Shares as capital property and who sells such shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Common Shares.

Generally, Shareholders who are non-residents of Canada for the purposes of the Tax Act will not be subject to tax in Canada in respect of any capital gain realized on the sale of Common Shares to the Offeror under the Offer, unless those shares constitute "taxable Canadian property" to such Shareholder within the meaning of the Tax Act and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty or convention.

**The foregoing is a very brief summary of certain Canadian federal income tax consequences and is qualified in its entirety by Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations", which provides a summary of the principal Canadian federal income tax considerations generally applicable to Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.**

**HOW WILL AUSTRALIAN RESIDENTS AND NON-RESIDENTS OF AUSTRALIA BE TAXED FOR AUSTRALIAN INCOME TAX PURPOSES?**

Generally, a Shareholder or CDI Holder who is a resident of Australia for tax purposes and who holds Common Shares or CDIs on capital account and sells such Common Shares or instructs CDI Nominee to sell the Common Shares that are subject to CDIs and that CDI Nominee holds on their behalf to the Offeror under the Offer will realize a

capital gain to the extent that the consideration on disposal exceeds the tax cost base of the Common Shares or CDIs of the Shareholder or CDI Holder. The Australian resident Shareholder or CDI Holder will incur a capital loss to the extent that the consideration on disposal is less than the reduced tax cost base of the Common Shares or CDIs.

Generally, Shareholders or CDI Holders who are non-residents of Australia for tax purposes will not be subject to tax in Australia in respect of any capital gain realized on the sale of Common Shares (including Common Shares that are subject to CDIs) to the Offeror under the Offer, unless those shares constitute "taxable Australian property" to such Shareholder or CDI Holder within the meaning of the Australian Income Tax Assessment Act.

**The foregoing is a very brief summary of certain Australian income tax consequences and is qualified in its entirety by Section 19 of the Circular, "Certain Australian Income Tax Considerations", which provides a summary of the principal Australian income tax considerations generally applicable to Shareholders and CDI Holders. Shareholders and CDI Holders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares (including Common Shares that are subject to CDIs) pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Holders of Convertible Securities should consult their own tax advisors having regard to their own specific circumstances.**

## HOW WILL UNITED STATES TAXPAYERS BE TAXED FOR UNITED STATES FEDERAL INCOME TAX PURPOSES?

Shareholders who are residents or citizens of the United States for United States federal income tax purposes, who hold Common Shares as capital assets and who dispose of Common Shares under the Offer generally will recognize a capital gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount realized on the disposition (other than amounts, if any, received by a U.S. Shareholder who dissents in a Compulsory Acquisition that are or are deemed to be interest for United States federal income tax purposes, which will be treated as ordinary income) and the U.S. Shareholder's adjusted tax basis in the Common Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Shareholder's holding period in the Common Shares exceeds one year. In the event that Anvil has been a "passive foreign investment company", or PFIC, for United States federal income tax purposes during the Shareholder's holding period in the Common Shares, unless the Shareholder has timely filed certain elections, any recognized gain generally must be allocated ratably to each day the Shareholder has held the Common Shares, with amounts allocated to the current taxable year and to any taxable year prior to the first taxable year in which Anvil was a PFIC taxable as ordinary income rather than capital gain, and amounts allocable to each other year, beginning with the first year during which Anvil was a PFIC, taxable as ordinary income at the highest rate in effect for that year and subject to an interest charge at the rates applicable to deficiencies for income tax for those periods.

Backup withholding and information reporting may also apply to U.S. Shareholders participating in the Offer.

**The foregoing is a very brief summary of certain United States federal income tax consequences and is qualified in its entirety by Section 20 of the Circular, "Certain United States Federal Income Tax Considerations", which provides a summary of the principal United States federal income tax considerations generally applicable to U.S. Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction, including the potential PFIC status of Anvil, the impact of Anvil's PFIC status on the income tax consequences of the disposition of Common Shares and whether the Shareholder can or should make any of the special elections under the PFIC rules with respect to Anvil. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.**

## WHO CAN I CALL WITH QUESTIONS?

Questions and requests for assistance may be directed to the Depositary or the Information Agent whose contact details are provided below.

**Depositary for the Offer:**
Computershare Investor Services Inc.
North America: 1-800-564-6253 (toll free)
Outside North America: (+1) 514-982-7555 (collect calls accepted)
E-mail: corporateactions@computershare.com

**Information Agent for the Offer:**
Kingsdale Shareholder Services Inc.
North America: 1-866-581-1392 (toll free)
Outside North America: (+1) 416-867-2272 (collect calls accepted)
E-mail: contactus@kingsdaleshareholder.com

## SUMMARY

*The following is a summary only and is qualified in its entirety by the detailed provisions contained elsewhere in the Offer and Circular. Shareholders are urged to read the Offer and Circular in their entirety. Unless the context otherwise requires, terms used but not defined in this Summary have the respective meanings given to them in the Glossary. Unless otherwise indicated, the information concerning Anvil contained herein and elsewhere in the Offer and Circular has been taken from or is based solely upon information provided to the Offeror by the Anvil or publicly available documents and records on file with Canadian Securities Regulatory Authorities and other public sources available at the time of the Offer. Although neither the Offeror nor MMR has any knowledge that would indicate any statements contained herein or elsewhere in the Offer and Circular and taken from or based on such information are untrue or incomplete, neither the Offeror nor MMR nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Anvil to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror and MMR. Unless otherwise indicated, information concerning Anvil is given as of June 30, 2011.*

### The Offer

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares (including Common Shares that are subject to CDIs), other than Common Shares owned by the Offeror or any of its affiliates, and including Common Shares that may become issued and outstanding after the date of the Offer but before the Expiry Time upon the conversion, exchange or exercise of Options, warrants or other Convertible Securities, at a price of $8.00 in cash per Common Share.

**The Offer represents a premium of approximately 30% to the volume-weighted average trading price per Common Share on the TSX for the 20-trading day period ended September 29, 2011 (the last trading day on the TSX prior to the announcement of MMR's intention to make the Offer) and a premium of approximately 39% to the closing price of the Common Shares on the TSX on September 29, 2011.**

The Offer is being made only for Common Shares and is not made for any Options, warrants or other Convertible Securities. Any holder of Options, warrants or other Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, convert, exchange or exercise the Options, warrants or other Convertible Securities in order to obtain certificates representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer.

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

### Time for Acceptance

The Offer is open for acceptance until 8:00 p.m. (Toronto time) on November 24, 2011, unless the Offer is extended or withdrawn by the Offeror. See Section 5 of the Offer, "Extension, Variation or Change in the Offer". CDI Acceptances must be received by the Australian Share Registry in sufficient time to allow the CDI Holder's instruction to be acted upon prior to the CDI Expiry Time (being 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended).

### MMR and the Offeror

MMR, a company incorporated under the laws of Hong Kong, is one of the world's largest producers of zinc, and is engaged in mining, processing and production of copper, lead, gold and silver. MMR currently has mining operations located in Australia and Laos and a large portfolio of advanced and early stage exploration projects in Australia, Africa, Asia and North America. The shares of MMR are listed on the Main Board of the HKSE (Stock Code: 1208). See Section 1 of the Circular, "The Offeror and MMR".

The Offeror was incorporated under the laws of the Northwest Territories on September 22, 2011 and has not carried on any material business prior to the date hereof other than in connection with matters directly related to the Offer. The Offeror is a wholly-owned indirect subsidiary of MMR. See Section 1 of the Circular, "The Offeror and MMR".

**Anvil**

Anvil, a company incorporated under the NWTBCA, is an African-focused base metals mining and exploration company. The Common Shares of Anvil are listed on the TSX and are also listed and trade in the form of CDIs on the ASX. Anvil has a 95% interest in the Kinsevere mining project and a 70% interest in the Mutoshi mining project, each located in the Katanga Province of Democratic Republic of the Congo. See Section 2 of the Circular, "Anvil".

**Recommendation of the Anvil Board and the Anvil Independent Committee**

The Anvil Board, after consultation with its financial and legal advisors and on receipt of a recommendation from the Anvil Independent Committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of Anvil and the Shareholders and, accordingly, the Anvil Board UNANIMOUSLY RECOMMENDS that Shareholders ACCEPT the Offer and DEPOSIT their Common Shares under the Offer. For further information, see the accompanying Circular, including Section 6 of the Circular, "Support Agreement", and the Directors' Circular.

**Fairness Opinions**

BMO has delivered an opinion to the Anvil Board dated September 29, 2011 to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations and qualifications set out in such opinion, the consideration to be paid to Shareholders pursuant to the Offer is fair from a financial point of view to the Shareholders. Paradigm Capital has delivered an opinion to the Anvil Independent Committee and the Anvil Board dated September 29, 2011 to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations and qualifications set out in such opinion, the consideration to be paid to Shareholders pursuant to the Offer is fair from a financial point of view to the Shareholders (other than Trafigura and its subsidiaries and MMR and its subsidiaries). For further information, see the Directors' Circular.

**Support Agreement**

The Offeror, MMR and Anvil entered into the Support Agreement on September 29, 2011 pursuant to which, among other things, the Offeror has agreed to make the Offer and Anvil has agreed to support the Offer and not solicit any competing Acquisition Proposals. See Section 6 of the Circular, "Support Agreement".

**Lock-Up Agreement**

On September 29, 2011, the Offeror and MMR also entered into a lock-up agreement with Trafigura and all of the other Locked-Up Shareholders pursuant to which each Locked-Up Shareholder agreed to support the Offer and to accept the Offer and deposit or cause to be deposited under the Offer (and not withdraw) all of the Common Shares beneficially owned or acquired by the Locked-Up Shareholder. The Common Shares beneficially owned, in aggregate, by the Locked-Up Shareholders and subject to the Lock-Up Agreement represent approximately 40% of the Common Shares on a fully-diluted basis. See Section 6, "Support Agreement" and Section 7, "Lock-Up Agreement", of the Circular.

**Reasons to Accept the Offer**

Shareholders should consider the following factors in making their decision to accept the Offer:

- *Substantial Premium*. The Offer represents a premium of approximately 30% to the volume-weighted average trading price per Common Share on the TSX for the 20-trading day period ended September 29, 2011 (the last trading day on the TSX prior to the announcement of MMR's intention to make the Offer) and a premium of approximately 39% to the closing price of the Common Shares on the TSX on September 29, 2011.
- *Certainty of Value*. The consideration under the Offer is cash, which provides Shareholders with certainty of value.
- *Near Term Liquidity.* The Offer provides Shareholders with an ability to realize the value of their investment in the near term.
- *Fully Financed Cash Offer*. The Offer is not conditional on obtaining financing and the Offeror has sufficient committed funding to fund the entire consideration payable for the Common Shares.

- *Anvil's Share Price is Likely to Fall if the Offer does not Proceed.* The Offer represents a substantial premium to Anvil's share price before announcement of MMR's intention to make the Offer. If the Offer is not successful, and no other offer is made for Anvil, it is likely that the Anvil share price will fall.

See Section 5 of the Circular, "Reasons to Accept the Offer".

**Manner of Acceptance**

A Shareholder who wishes to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on YELLOW paper) or a manually executed facsimile thereof and deposit it, at or prior to the Expiry Time, together with certificate(s) representing its Common Shares and all other required documents, with the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. See Section 3 of the Offer, "Manner of Acceptance — Letter of Transmittal".

If a Shareholder wishes to accept the Offer and deposit its Common Shares under the Offer and the certificate(s) representing such Shareholder's Common Shares is (are) not immediately available, or if the certificate(s) and all other required documents cannot be provided to the Depositary at or prior to the Expiry Time, such Common Shares nevertheless may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on PINK paper), or a manually executed facsimile thereof, in accordance with the instructions in the Notice of Guaranteed Delivery. See Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

Shareholders may accept the Offer by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Shareholders may also accept the Offer by following the procedure for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent's Message in respect thereof, or a Letter of Transmittal, properly completed and executed in accordance with the instructions therein, with the signatures guaranteed, if required, and all other required documents, are received by the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Shareholders accepting the Offer through book-entry transfer must make sure such documents or Agent's Message are received by the Depositary at or prior to the Expiry Time.

**All payments under the Offer will be made in Canadian dollars. However, a Shareholder can elect to receive the consideration for its Common Shares (including Common Shares subject to CDIs) in Australian dollars by checking the appropriate box in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. A CDI Holder can elect to receive the consideration for the Common Shares subject to its CDIs in Australian dollars by checking the appropriate box in the CDI Acceptance Form or, if applicable, instructing its Controlling Participant to receive payment in Australian dollars. If an election or instruction to receive payment in Australian dollars is not made or given, Shareholders and CDI Holders will receive payment in Canadian dollars. The exchange rate that will be used to convert payments from Canadian dollars into Australian dollars will be based on the prevailing market rate(s) available to the Depositary on the date the funds are converted. See Section 3 of the Offer, "Manner of Acceptance — Currency of Payment".**

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary to accept the Offer.**

**Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries are likely to have established tendering cut-off times that are up to 48 hours (or more) prior to the Expiry Time. Shareholders should instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares.**

Shareholders should contact the Depositary, the Information Agent or a broker or dealer for assistance in accepting the Offer and in depositing their Common Shares with the Depositary.

CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee. To give such an instruction, CDI Holders who hold CDIs through: (i) Anvil's Issuer Sponsored Subregister should complete and sign the CDI Acceptance Form provided to CDI Holders and return it to the address noted on the form; or (ii) Anvil's CHESS Subregister should (a) if they are not a Participant, instruct their Controlling Participant (usually their broker) to initiate acceptance of the Offer on their behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (b) if they are a Participant, initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (c) as an alternative to (a), complete and sign the CDI Acceptance Form and return it to the address noted on the form, in which case the Australian Share Registry will liaise with your Controlling Participant and request them to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules. The Australian Share Registry will collate CDI Acceptances, present these to the CDI Nominee and request the CDI Nominee to accept the Offer on behalf of CDI Holders in respect of the relevant Shares. To enable the Australian Share Registry to carry out this process, CDI Acceptances must be received by the Australian Share Registry in sufficient time to allow the CDI Holder's instruction to be acted upon prior to the CDI Expiry Time (being 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended).

**Purpose of the Offer**

The purpose of the Offer is to enable the Offeror to acquire (and MMR indirectly to acquire through the Offeror), on the terms and subject to the conditions of the Offer, all of the outstanding Common Shares. See Section 8 of the Circular, "Purpose of the Offer and Plans for Anvil", and Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

**Conditions of the Offer**

Notwithstanding any other provision of the Offer, but subject to applicable Laws, the Offeror will have the right to withdraw the Offer or extend the Offer, and shall not be required to take up and pay for any Common Shares deposited under the Offer, unless the conditions described in Section 4 of the Offer, "Conditions of the Offer", are satisfied or waived at or prior to the Expiry Time. The Offer is conditional on, among other things: (a) there having been validly deposited under the Offer and not withdrawn at the Expiry Time such number of Common Shares that constitutes: (i) together with any Common Shares held by the Offeror and its affiliates, at least 66⅔% of the Common Shares then outstanding (calculated on a fully-diluted basis), and (ii) at least a majority of the Common Shares (calculated on a fully-diluted basis) the votes attached to which would be included in the minority approval of a second step business combination pursuant to MI 61-101; (b) MMR Shareholder Approval being obtained; (c) no change, condition or event existing or occurring (or having previously occurred but not having been disclosed), including a prospective change, which has resulted or would reasonably be likely to result, individually or in the aggregate, in a Material Adverse Effect in respect of Anvil; and (d) all requisite regulatory approvals being obtained**.** See Section 4 of the Offer, "Conditions of the Offer".

**Regulatory Considerations**

The obligation of the Offeror to complete the Offer is subject to obtaining all requisite regulatory approvals from applicable regulatory authorities, as described in Section 16 of the Circular, "Regulatory Matters".

In addition, in order for the Offer to be completed, MMR shareholders must approve the Offer, as required by the rules and regulations of the HKSE. See Section 4 of the Offer, "Conditions of the Offer" and Section 16 of the Circular, "Regulatory Matters".

**Take Up and Payment for Deposited Common Shares**

If all of the conditions of the Offer described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror will take up and pay for Common Shares validly deposited under the Offer and not properly withdrawn not later than ten days after the Expiry Time. Any Common Shares taken up will be paid for as soon as possible, and in any event not later than the earlier of (i) three business days after they are taken up, and (ii) ten days after the Expiry Time. Any Common Shares deposited under the Offer after the date on which Common Shares are first taken up under the Offer but prior to the Expiry Time will be taken up and paid for not later than ten days after such deposit. See Section 6 of the Offer, "Take Up of and Payment for Deposited Common Shares".

All payments under the Offer will be made in Canadian dollars. However, Shareholders can elect to receive the consideration for their Common Shares in Australian dollars. CDI Holders can also elect to receive the consideration for the Common Shares subject to their CDIs in Australian dollars. If an election or instruction to receive payment in Australian dollars is not made or given, Shareholders and CDI Holders will receive payment in Canadian dollars. The exchange rate that will be used to convert payments from Canadian dollars into Australian dollars will be based on the prevailing market rate(s) available to the Depositary on the date the funds are converted. See Section 3 of the Offer, "Manner of Acceptance — Currency of Payment".

**Withdrawal of Deposited Common Shares**

Common Shares deposited under the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time before the Common Shares have been taken up by the Offeror under the Offer and in the other circumstances described in Section 7 of the Offer, "Withdrawal of Deposited Common Shares". Except as so indicated or as otherwise required by applicable Laws, deposits of Common Shares are irrevocable.

**Acquisition of Common Shares Not Deposited**

If, within the earlier of the Expiry Time or 120 days after the date of the Offer, the Offer is accepted by Shareholders who in the aggregate hold not less than 90% of the issued and outstanding Common Shares, other than Common Shares held at the date of the Offer by or on behalf of the Offeror or an "affiliate" or an "associate" of the Offeror (as those terms are defined in the NWTBCA), and the Offeror acquires such deposited Common Shares under the Offer, the Offeror has agreed in the Support Agreement, to the extent practicable, to acquire those Common Shares which remain outstanding held by those persons who did not accept the Offer pursuant to a Compulsory Acquisition. The Offeror has covenanted in the Support Agreement that if the Offeror acquires Common Shares pursuant to the Offer and a Compulsory Acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, the Offeror will use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not deposited under the Offer, provided that the consideration per Common Share offered in connection with such other means of acquiring such Common Shares shall be at least equal to the price per Common Share paid under the Offer. In addition, the Offeror has agreed in the Support Agreement that, in the event the Offeror takes-up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares, the Offeror will use commercially reasonable efforts, and Anvil has agreed to assist the Offeror, in order for the Offeror to acquire sufficient Common Shares to successfully complete a Subsequent Acquisition Transaction and, for greater certainty, that when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction to acquire the remaining Common Shares, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction shall not be less than the price per Common Share paid under the Offer. In no event will the Offeror be required to offer consideration per Common Share greater than the price per Common Share paid under the Offer. The Offeror intends to cause the Common Shares acquired under the Offer to be voted in favour of any such Subsequent Acquisition Transaction and, to the extent permitted by Law, to be counted as part of any minority approval that may be required in connection with such transaction. If the Minimum Tender Condition is satisfied and the Offeror takes-up and pays for the Common Shares deposited under the Offer, the Offeror should own sufficient Common Shares to effect a Subsequent Acquisition Transaction without the need for the affirmative vote of any other Shareholder. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

**Stock Exchange Listing**

The Common Shares are listed on the TSX under the symbol "AVM" and trade as CDIs on the ASX under the symbol "AVM". See Section 3 of the Circular, "Certain Information Concerning Securities of Anvil". The purchase of Common Shares by the Offeror under the Offer will reduce the number of Common Shares and CDIs that might otherwise trade publicly, will reduce the number of Shareholders and CDI Holders and, depending on the number of Common Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining Common Shares or CDIs held by the public. Depending on the number of Common Shares purchased by the Offeror under the Offer or otherwise, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSX and/or the CDIs will fail to meet the criteria for continued listing on the ASX. The Offeror intends to cause Anvil to apply to delist the Common Shares from the TSX and apply to delist the CDIs

from the ASX, in each case in conjunction with or as soon as possible following the completion of any Compulsory Acquisition or Subsequent Acquisition Transaction. See Section 17 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer".

**Canadian Federal Income Tax Considerations**

Generally, a Shareholder who is resident in Canada, who holds Common Shares as capital property and who sells such shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Common Shares.

Generally, Shareholders who are non-residents of Canada for the purposes of the Tax Act will not be subject to tax in Canada in respect of any capital gain realized on the sale of Common Shares to the Offeror under the Offer, unless those shares constitute "taxable Canadian property" to such Shareholder within the meaning of the Tax Act and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty or convention.

**The foregoing is a very brief summary of certain Canadian federal income tax consequences and is qualified in its entirety by Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations", which provides a summary of the principal Canadian federal income tax considerations generally applicable to Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.**

**Australian Income Tax Considerations**

Generally, a Shareholder or CDI Holder who is a resident of Australia for tax purposes and who holds Common Shares or CDIs on capital account and sells such Common Shares or instructs CDI Nominee to sell the Common Shares that are subject to CDIs and that CDI Nominee holds on their behalf to the Offeror under the Offer will realize a capital gain to the extent that the consideration on disposal exceeds the tax cost base of the Common Shares or CDIs of the Shareholder or CDI Holder. The Australian resident Shareholder or CDI Holder will incur a capital loss to the extent that the consideration on disposal is less than the reduced tax cost base of the Common Shares or CDIs.

Generally, Shareholders or CDI Holders who are non-residents of Australia for tax purposes will not be subject to tax in Australia in respect of any capital gain realized on the sale of Common Shares (including Common Shares that are subject to CDIs) to the Offeror under the Offer, unless those shares constitute "taxable Australian property" to such Shareholder or CDI Holder within the meaning of the Income Tax Assessment Act.

**The foregoing is a very brief summary of certain Australian income tax consequences and is qualified in its entirety by Section 19 of the Circular, "Certain Australian Income Tax Considerations", which provides a summary of the principal Australian income tax considerations generally applicable to Shareholders and CDI Holders. Shareholders and CDI Holders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares (including Common Shares that are subject to CDIs) pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Holders of Convertible Securities should consult their own tax advisors having regard to their own specific circumstances.**

**United States Federal Income Tax Considerations**

Shareholders who are residents or citizens of the United States for United States federal income tax purposes, who hold Common Shares as capital assets and who dispose of Common Shares under the Offer generally will recognize a capital gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount realized on the disposition (other than amounts, if any, received by a U.S. Shareholder who dissents in a Compulsory Acquisition that are or are deemed to be interest for United States federal income tax purposes, which will be treated as ordinary income) and the U.S. Shareholder's adjusted tax basis in the Common Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Shareholder's holding period in the Common Shares exceeds one year. In the event that Anvil has been a "passive foreign investment company", or

PFIC, for United States federal income tax purposes during the Shareholder's holding period in the Common Shares, unless the Shareholder has timely filed certain elections, any recognized gain generally must be allocated ratably to each day the Shareholder has held the Common Shares, with amounts allocated to the current taxable year and to any taxable year prior to the first taxable year in which Anvil was a PFIC taxable as ordinary income rather than capital gain, and amounts allocable to each other year, beginning with the first year during which Anvil was a PFIC, taxable as ordinary income at the highest rate in effect for that year and subject to an interest charge at the rates applicable to deficiencies for income tax for those periods.

Backup withholding and information reporting may also apply to U.S. Shareholders participating in the Offer.

**The foregoing is a very brief summary of certain United States federal income tax consequences and is qualified in its entirety by Section 20 of the Circular, "Certain United States Federal Income Tax Considerations", which provides a summary of the principal United States federal income tax considerations generally applicable to U.S. Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction, including the potential PFIC status of Anvil, the impact of Anvil's PFIC status on the income tax consequences of the disposition of Common Shares and whether the Shareholder can or should make any of the special elections under the PFIC rules with respect to Anvil. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.**

**Depositary, Australian Share Registry and Information Agent**

The Offeror has engaged Computershare Investor Services Inc. to act as the Depositary to receive deposits of certificates representing Common Shares and accompanying Letters of Transmittal under the Offer at its office in Toronto, Ontario specified in the Letter of Transmittal. In addition, the Depositary will receive Notices of Guaranteed Delivery at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery. The Depositary will also be responsible for giving certain notices, if required, and for making payment for all Common Shares purchased by the Offeror under the Offer. The Depositary will also facilitate book-entry transfers of Common Shares. See Section 3 of the Offer, "Manner of Acceptance".

The Offeror has engaged Computershare Investor Services Pty Limited to act as Australian Share Registry in connection with receiving and collating CDI Acceptances from CDI Holders. See Section 23 of the Circular, "Australian Share Registry".

The Offeror has engaged Kingsdale Shareholder Services Inc. to act as the Information Agent to provide information to Shareholders in connection with the Offer. See Section 22 of the Circular, "Information Agent".

The Depositary, the Australian Share Registry and the Information Agent, in their capacities as Depositary, the Australian Share Registry and Information Agent, respectively, will receive reasonable and customary compensation from the Offeror for services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

**No fee or commission will be payable by any Shareholder who transmits such Shareholder's Common Shares directly to the Depositary to accept the Offer.**

Questions and requests for assistance may be directed to:

**Depositary for the Offer:**
Computershare Investor Services Inc.
North America: 1-800-564-6253 (toll free)
Outside North America: (+1) 514-982-7555 (collect calls accepted)
E-mail: corporateactions@computershare.com

**Information Agent for the Offer:**
Kingsdale Shareholder Services Inc.
North America: 1-866-581-1392 (toll free)
Outside North America: (+1) 416-867-2272 (collect calls accepted)
E-mail: contactus@kingsdaleshareholder.com

## GLOSSARY

*This Glossary forms a part of the Offer and Circular. In the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:*

"**Acquisition Proposal**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — No Solicitation Covenant";

"**affiliate**" has the meaning given to it in Part XX of the OSA or MI 62-104, as applicable;

"**Agent's Message**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer";

"**Anvil**" means Anvil Mining Limited, a corporation existing under the laws of the Northwest Territories;

"**Anvil Board**" means the board of directors of Anvil;

"**Anvil Public Documents**" means, collectively, all documents or information required to be filed by Anvil in accordance with the OSA and all other applicable Canadian, American and Australian securities Laws, or with the TSX or ASX since January 1, 2009;

"**Anvil Expense Reimbursement**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Termination Payment, Reverse Termination Payment and Expense Reimbursements";

"**Anvil Independent Committee**" means the independent committee of the Anvil Board, comprised of John Sabine, Thomas Dawson and Patrick Evans;

"**Anvil Subsidiaries**" means the subsidiaries of Anvil;

"**associate**" has the meaning given to in Part XX of the OSA or MI 62-104, as applicable;

"**ASX**" means the Australian Securities Exchange;

"**ASX Settlement Company**" means the ASX Settlement Pty Limited (ABN 49 008 504 532);

"**ASX Settlement Operating Rules**" means the operating rules of the settlement facility provided by ASX Settlement Company;

"**Australian business day**" means any day other than a Saturday, a Sunday or a statutory holiday in any state or territory in Australia;

"**Australian Income Tax Assessment Act**" means, collectively, the *Income Tax Assessment Act 1936*, *the Income Tax Assessment Act 1997*, the *Income Tax Rates Act 1986* and the *Taxation Administration Act 1953*;

"**Australian Share Registry**" has the meaning given to it in Section 23 of the Circular, "Australian Share Registry";

"**BMO**" means BMO Nesbitt Burns Inc., financial advisor to the Anvil Board;

"**BNP Paribas**" means BNP Paribas Capital (Asia Pacific) Limited, financial advisor to MMR and the Offeror;

"**Book-Entry Confirmation**" means confirmation of a book-entry transfer of a Shareholder's Common Shares into the Depositary's account at CDS or DTC, as applicable;

"**business combination**" has the meaning given to it in MI 61-101;

"**business day**" means any day other than a Saturday, a Sunday or a statutory holiday in any province or territory in Canada, except in Section 6 of the Circular, "Support Agreement", in which "**business day**" means any day, other than a Saturday or a Sunday, on which commercial banks located in Toronto, Ontario are open for the conduct of business;

"**CDI**" means a CHESS Depositary Interest, which represents a unit of beneficial interest in one Common Share registered in the name of the CDI Nominee;

**"CDI Acceptance**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — CDI Holders";

"**CDI Acceptance Form**" means the CDI acceptance form to be provided to CDI Holders;

"**CDI Expiry Time**" means 7:00 p.m. (Sydney time) on the date that is two Australian business days prior to the Expiry Date;

"**CDI Holder**" means a holder of one or more CDIs;

"**CDI Nominee**" means CHESS Depositary Nominees Pty Limited, a company registered in Australia (ABN 75 071 346 506);

"**CDS**" means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

"**CDSX**" means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

"**Change in Recommendation**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Superior Proposals, Right to Match, etc.";

"**CHESS**" means the Clearing House Electronic Sub-register System operated by ASX Settlement Company;

"**CHESS Subregister**" has the meaning set out in Section 2 of the ASX Settlement Operating Rules;

"**Circular**" means the circular accompanying and forming part of the Offer;

"**CMN**" means China Minmetals Non-ferrous Co., Ltd., a company existing under the laws of the PRC;

"**CMN Loan**" has the meaning given to it in Section 9 of the Circular, "Source of Funds";

"**Common Shares**" means the issued and outstanding common shares of Anvil (including those that are subject to CDIs), including common shares of Anvil issued on the conversion, exchange or exercise of Convertible Securities, and "**Common Share**" means any one common share of Anvil;

"**Compulsory Acquisition**" has the meaning given to it in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition";

**"Confidentiality Agreement**" means the confidentiality agreement dated August 10, 2011 between MMG Management Pty Ltd. and Anvil;

"**Contemplated Transactions**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Termination of the Support Agreement";

"**Controlling Participant**" means the Participant that has the capacity in CHESS to transfer the CDIs;

"**Convertible Securities**" means any securities of Anvil that are convertible into or exchangeable or exercisable for Common Shares, including the Options, the Trafigura Warrants and the Restricted Shares;

"**Court**" has the meaning given to it in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition";

"**CRA**" has the meaning given to it in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**Davies**" means Davies Ward Phillips & Vineberg LLP, Canadian and United States counsel to the Offeror and MMR in connection with the Offer;

"**Depositary**" means Computershare Investor Services Inc., in its capacity as depositary for the Offer;

"**Deposited Common Shares**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — Dividends and Distributions";

"**Directors' Circular**" means the directors' circular of the Anvil Board dated October 19, 2011 recommending that Shareholders accept the Offer;

"**Disclosure Letter**" means the letter dated as of September 29, 2011 from Anvil to MMR and the Offeror delivered concurrently with the Support Agreement;

"**Dissenting Shareholders**" has the meaning given to it in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition";

"**Distributions**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — Dividends and Distributions";

"**DRC**" means the Democratic Republic of the Congo;

"**DTC**" means The Depositary Trust Company or its nominee, which at the date hereof is Cede & Co.;

"**Effective Time**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — Power of Attorney";

"**Eligible Institution**" means a Canadian Schedule I chartered bank or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, including certain trust companies in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP);

"**ESPP**" means Anvil's employee share purchase plan that the Anvil Board adopted in May 2007 and suspended in May 2009.

"**ESSIP**" means Anvil's executive and senior staff incentive plan that the Anvil Board adopted in July 2008 and amended in July 2011;

"**ESSIS**" means Anvil's executive and senior staff incentive scheme as approved by Shareholders on June 14, 2011;

"**ESSIS Entitlements**" means outstanding entitlements, whether vested or unvested, to receive Common Shares and/or a cash amount in accordance with the terms of the ESSIS;

"**Expiry Date**" means November 24, 2011 or such later date or dates as may be fixed by the Offeror from time to time as provided in Section 5 of the Offer, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror;

"**Expiry Time**" means 8:00 p.m. (Toronto time) on November 24, 2011 or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer";

"**FATA**" means the *Foreign Acquisitions and Takeovers Act 1975* (Commonwealth of Australia);

"**FATA approval**" means

(a) receipt of formal notification from the Treasurer of the Commonwealth of Australia under the FATA or Australian foreign investment policy that the Treasurer does not object to the transactions contemplated by the Support Agreement; or

(b) the Treasurer of the Commonwealth of Australia becoming precluded from exercising any power to make an order under the FATA in relation to the Contemplated Transactions;

"**FIRB**" means the Foreign Investment Review Board (Australia);

"**fully-diluted basis**" means, with respect to the number of outstanding Common Shares at any time, the number of Common Shares that would be outstanding if all Convertible Securities were converted into or exchanged or exercised for Common Shares (whether or not the conversion, exchange or exercise of such Convertible Securities is subject to conditions), including, for greater certainty, all Common Shares issuable upon the exercise of Options and the Trafigura Warrants, and on the satisfaction or removal of the terms, conditions or restrictions attached to outstanding Restricted Shares, whether vested or unvested;

"**GAAP**" means the generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants, as amended from time-to-time, consistently applied, or International Financial Reporting Standards, as applicable, consistently applied;

"**Gécamines**" means La Générale des Carrières et des Mines, a state-owned mining company established under the Law of the DRC;

"**Governmental Entity**" means:

(a) any sovereign nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission (including any securities commission), instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court;

(c) any stock exchange; or

(d) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing entities established to perform a duty or function on its behalf;

"**HKSE**" means The Stock Exchange of Hong Kong Limited;

"**HK Listing Rules**" means the Rules Governing the Listing of Securities on the HKSE;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Information Agent**" means Kingsdale Shareholder Services Inc., who can be contacted at 1-866-581-1392 (toll free in North America), or at (+1) 416-867-2272 (collect calls accepted) or by e-mail at contactus@kingsdaleshareholder.com;

"**insider**" has the meaning given to it in the OSA or MI 62-104, as applicable;

"**IRS**" has the meaning given to it in Section 20 of the Circular, "Certain United States Federal Income Tax Considerations";

"**Issuer Sponsored Subregister**" has the meaning set out in Section 2 of the ASX Settlement Operating Rules;

"**Kinsevere Project**" means, collectively, the Kinsevere copper project, currently consisting of three deposits, the mine and processing facility relating thereto, all located in the DRC and all as contemplated in the Anvil Public Documents filed and publicly available on SEDAR prior to September 21, 2011;

"**Laws**" means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, or other requirements, policies or instruments of any Governmental Entity having the force of law;

**"Latest Mailing Time"** has the meaning given to it in Section 6 of the Circular, "Support Agreement — Termination of the Support Agreement";

"**Letter of Transmittal**" means the letter of transmittal in the form accompanying the Offer and Circular (printed on YELLOW paper);

"**Lock-Up Agreement**" means the lock-up agreement dated as of September 29, 2011 between MMR, the Offeror and each of the Locked-Up Shareholders, as amended from time to time;

"**Locked-Up Shareholders**" means, collectively, Trafigura, Darryll Castle, Tom Dawson, Patrick Evans, Jesus Fernandez, Deon Garbers, Philippe Monier, Greg Morris, John Sabine and Jeremy Weir;

"**Material Adverse Effect**" means, when used in connection with a person, any effect that is, or could reasonably be expected to be, material and adverse to the financial condition, properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or present or future results of operations of that person and its subsidiaries taken as a whole, whether before or after giving effect to the transactions contemplated by the Support Agreement, other than any effect:

(a) resulting from the announcement of the Support Agreement or the transactions contemplated hereby;

(b) relating to general economic conditions, or securities or capital markets generally in Canada, the United States, the Democratic Republic of Congo, Australia or elsewhere;

(c) relating to any changes in currency exchange rates, interest rates or inflation;

(d) affecting the global mining industry in general;

(e) relating to any of the principal markets served by that person's business generally (including the business of that person's Subsidiaries) or shortages or price changes with respect to raw materials or metals (including copper);

(f) relating to a change in the market trading price or trading volume of securities of that person;

(g) relating solely to the failure by that person to meet any earnings, projections, forecasts or estimates, whether internal or previously publicly announced;

(h) relating to any change in applicable generally accepted accounting principles, including GAAP, or as a result of any reconciliation of financial data into International Financial Reporting Standards; or

(i) resulting from compliance with the terms of the Support Agreement or resulting from actions or inactions to which the other party has expressly consented, in writing;

provided that the causes underlying such effect referred to in clauses (f) or (g), respectively, may be taken into account when determining whether a Material Adverse Effect has occurred and provided further, however, that such effect referred to in clause (b), (c), (d), (e) or (h) above does not primarily relate to (or have the effect of primarily relating to) that person and its subsidiaries, taken as a whole, or materially disproportionately adversely affect that person and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which that person and its subsidiaries operate;

"**MI 61-101**" means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

"**MI 62-104**" means Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

"**Minimum Tender Condition**" has the meaning given to it in Section 4 of the Offer, "Conditions of the Offer";

"**MMR**" means Minmetals Resources Limited, a company existing under the laws of the Hong Kong Special Administrative Region of the People's Republic of China, who's shares are listed on the Main Board of the HKSE (Stock Code: 1208);

"**MMR Expense Reimbursement**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Termination Payment, Reverse Termination Payment and Expense Reimbursements";

"**MMR Percentage**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Board of Directors Representation"

"**MMR Shareholder Approval**" has the meaning given to it in Section 16 of the Circular, "Regulatory Matters — The People's Republic of China";

"**MMR Subsidiaries**" means the subsidiaries of MMR;

"**Mutoshi Project**" means, collectively, the Mutoshi copper/cobalt project and the processing facility relating thereto, all located in the DRC and all as contemplated in the Anvil Public Documents filed and publicly available on SEDAR prior to September 21, 2011;

"**NDRC**" means the National Development and Reform Commission of the PRC;

"**Non-Resident Holder**" has the meaning given to it in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations — Shareholders Not Resident in Canada";

"**Notice of Guaranteed Delivery**" means the notice of guaranteed delivery in the form accompanying the Offer and Circular (printed on PINK paper);

"**NWTBCA**" means the *Business Corporations Act* (Northwest Territories), as amended from time to time;

"**Offer**" means the offer to purchase Common Shares made hereby to the Shareholders pursuant to the terms and subject to the conditions set out herein;

"**Offer and Circular**" means this Offer and Circular, including the Summary Term Sheet, the Summary and the Glossary to this Offer and Circular;

"**Offeror**" means MMG Malachite Limited, a corporation existing under the laws of the Northwest Territories and a wholly-owned indirect subsidiary of MMR;

"**Offeror's Notice**" has the meaning given to it in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition";

"**Options**" means the options to acquire Common Shares granted pursuant to the Share Incentive Plan;

"**OSA**" means the *Securities Act* (Ontario), as amended from time to time;

"**OSC Rule 62-504**" means Ontario Securities Commission Rule 62-504 — *Take-Over Bids and Issuer Bids*, as amended from time to time;

"**Paradigm Capital**" means Paradigm Capital Inc., financial advisor to the Anvil Independent Committee;

"**Participant**" has the meaning set out in Section 2 of the ASX Settlement Operating Rules;

"**PFIC**" has the meaning given to it in Section 20 of the Circular, "Certain United States Federal Income Tax Considerations — Passive Foreign Investment Company Considerations";

"**Policy**" has the meaning ascribed to it in Section 16 of the Circular, "Regulatory Matters — Australia — Foreign Acquisitions and Takeovers Act and the Australian Government's Foreign Investment Policy";

"**PRC**" means the People's Republic of China;

"**Purchased Securities**" has the meaning given to it in Section 3 of the Offer, "Manner of Acceptance — Power of Attorney";

"**Redeemable Shares**" has the meaning given to it in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Subsequent Acquisition Transaction";

"**Regulations**" has the meaning given to it in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations";

**"Required Regulatory Approvals**" means the FATA Approval;

"**Resident Holder**" has the meaning given to it in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada";

"**Restricted Shares**" means Common Shares that are subject to certain restrictions under the Share Incentive Plan;

"**Reverse Termination Payment**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Termination Payment, Reverse Termination Payment and Expense Reimbursements";

"**Right to Match Period**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Superior Proposals, Right to Match, etc.";

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Regulatory Authorities**" means the applicable securities commission or similar regulatory authorities in each of the provinces and territories of Canada;

"**SEDAR**" means the Canadian Securities Administrators' SEDAR website at www.sedar.com;

"**Share Incentive Plan**" means the Anvil Mining 2011 share incentive plan as approved by Shareholders on June 14, 2011;

"**Shareholders**" means, collectively, the holders of Common Shares;

"**Subsequent Acquisition Transaction**" has the meaning given to it in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction";

"**subsidiary**" means a "subsidiary" as defined in National Instrument 45-106 — *Prospectus and Registration Exemptions*;

"**Superior Proposal**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Superior Proposals, Right to Match, etc.";

"**Support Agreement**" means the support agreement dated as of September 29, 2011 between MMR, the Offeror and Anvil, as amended from time to time;

"**take up**", in reference to Common Shares, means to accept such Common Shares for payment by giving written notice of such acceptance to the Depositary and "**take up**", "**taking up**" and "**taken up**" have corresponding meanings;

"**Tax Act**" has the meaning given to it in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**taxable capital gain**" has the meaning given to it in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Sale Pursuant to the Offer";

"**Termination Payment**" has the meaning given to it in Section 6 of the Circular, "Support Agreement — Termination Payment, Reverse Termination Payment and Expense Reimbursements";

"**Trafigura**" means Trafigura Beheer B.V.;

"**Trafigura Warrants**" means the 5,228,320 Common Share purchase warrants of Anvil held by Urion Mining International B.V., a wholly-owned subsidiary of Trafigura, each whole warrant entitling the holder to acquire one Common Share at a price of $2.75 per share until June 16, 2012;

"**TSX**" means the Toronto Stock Exchange;

"**United States**" means the United States of America;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended from time to time; and

"**U.S. Shareholder**" has the meaning given to it in Section 20 of the Circular, "Certain United States Federal Income Tax Considerations".

## THE OFFER

*The accompanying Circular, which is incorporated into and forms part of the Offer, contains important information that should be read carefully before making a decision with respect to the Offer. Unless the context otherwise requires, terms used but not defined in this Offer have the respective meanings given to them in the accompanying Glossary.*

October 19, 2011

**TO: THE HOLDERS OF COMMON SHARES OF ANVIL MINING LIMITED**

### 1. THE OFFER

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares (including Common Shares that are subject to CDIs), other than any Common Shares owned by the Offeror or any of its affiliates, and including Common Shares that may become issued and outstanding after the date of the Offer but before the Expiry Time upon the conversion, exchange or exercise of Options, warrants or other Convertible Securities, at a price of $8.00 in cash per Common Share.

**The Anvil Board, after consultation with its financial and legal advisors and on receipt of a recommendation from the Anvil Independent Committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of Anvil and the Shareholders and, accordingly, the Anvil Board UNANIMOUSLY RECOMMENDS that Shareholders ACCEPT the Offer and DEPOSIT their Common Shares under the Offer.**

**The Offer represents a premium of approximately 30% to the volume-weighted average trading price per Common Share on the TSX for the 20-trading day period ended September 29, 2011 (the last trading day on the TSX prior to the announcement of MMR's intention to make the Offer) and a premium of approximately 39% to the closing price of the Common Shares on the TSX on September 29, 2011.**

The Offer is being made only for Common Shares and is not made for any Options, warrants or other Convertible Securities. Any holder of Options, warrants or other Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, convert, exchange or exercise the Options, warrants or other Convertible Securities in order to obtain certificates representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such conversion, exchange or exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options, warrants or other Convertible Securities will have the certificates representing the Common Shares received on such conversion, exchange or exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

**All payments under the Offer will be made in Canadian dollars. However, a Shareholder can elect to receive the consideration for its Common Shares (including Common Shares subject to CDIs) in Australian dollars by checking the appropriate box in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. A CDI Holder can elect to receive the consideration for the Common Shares subject to its CDIs in Australian dollars by checking the appropriate box in the CDI Acceptance Form or, if applicable, instructing its Controlling Participant to receive payment in Australian dollars. If an election or instruction to receive payment in Australian dollars is not made or given, Shareholders and CDI Holders will receive payment in Canadian dollars. The exchange rate that will be used to convert payments from Canadian dollars into Australian dollars will be based on the prevailing market rate(s) available to the Depositary on the date the funds are converted. See Section 3 of the Offer, "Manner of Acceptance — Currency of Payment".**

Shareholders who do not deposit their Common Shares under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Shareholders who do not deposit their Common Shares under the Offer may have certain rights of dissent in the event the Offeror elects to acquire such Common Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their Common Shares. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

**Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer. Intermediaries are likely to have established tendering cut-off times that are up to 48 hours (or more) prior to the Expiry Time. Shareholders should instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares.**

Shareholders should contact the Depositary, the Information Agent or a broker or dealer for assistance in accepting the Offer and in depositing their Common Shares with the Depositary.

**CDI Holders should refer to Section 3 of the Offer, "Manner of Acceptance — CDI Holders".**

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

## 2. TIME FOR ACCEPTANCE

The Offer is open for acceptance from the date of the Offer until 8:00 p.m. (Toronto time) on November 24, 2011, or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror.

## 3. MANNER OF ACCEPTANCE

***Letter of Transmittal***

The Offer may be accepted by delivering to the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal (printed on YELLOW paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

(a) certificate(s) representing the Common Shares in respect of which the Offer is being accepted;

(b) a Letter of Transmittal in the form accompanying the Offer, or a manually executed facsimile thereof, properly completed and executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee, if required); and

(c) all other documents required by the terms of the Offer and the Letter of Transmittal.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary to accept the Offer.

In certain cases, the signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See "— Letter of Transmittal Signature Guarantees" below and the instructions set out in the Letter of Transmittal.

The Offer will be deemed to be accepted only if the Depositary has actually received these documents at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Alternatively, Common Shares may be deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading "— Procedure for Guaranteed Delivery" or in compliance with the procedures for book-entry transfers set out below under the heading "— Acceptance by Book-Entry Transfer".

***Letter of Transmittal Signature Guarantees***

No signature guarantee is required on the Letter of Transmittal if:

(a) the Letter of Transmittal is signed by the registered holder of the Common Shares exactly as the name of the registered holder appears on the Common Share certificate deposited therewith, the cash payable under the Offer is to be delivered directly to such registered holder, and any Common Shares not purchased are to be returned to such registered holder at the address of such registered holder shown on the securities register of Anvil; or

(b) Common Shares are deposited for the account of an Eligible Institution.

In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a certificate representing Common Shares is registered in the name of a person other than the signatory of a Letter of Transmittal or if the cash payable is to be delivered to a person other than the registered owner, the certificate must be endorsed or accompanied by an appropriate share transfer power of attorney, in either case, signed exactly as the name of the registered owner appears on the certificate with the signature on the certificate or power of attorney guaranteed by an Eligible Institution.

***Procedure for Guaranteed Delivery***

If a Shareholder wishes to deposit Common Shares under the Offer and either (a) the certificate(s) representing the Common Shares is (are) not immediately available, or (b) the certificate(s) and all other required documents cannot be delivered to the Depositary at or prior to the Expiry Time, those Common Shares may nevertheless be deposited validly under the Offer, provided that all of the following conditions are met:

(a) the deposit is made by or through an Eligible Institution;

(b) a Notice of Guaranteed Delivery (printed on PINK paper) in the form accompanying the Offer, or a manually executed facsimile thereof, properly completed and executed, including a guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depositary at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and

(c) the certificate(s) representing all Deposited Common Shares, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and executed with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal, and all other documents required thereby, are received by the Depositary at its office specified in the Letter of Transmittal prior to 5:00 p.m. (Toronto time) on the third trading day on the TSX after the Expiry Time.

**The Notice of Guaranteed Delivery must be delivered by hand or courier or transmitted by facsimile or mailed to the Depositary at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Common Shares and all other required documents to an address or transmission by facsimile to a facsimile number other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.**

***Acceptance by Book-Entry Transfer***

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depositary has established an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may cause CDS to make a book-entry transfer of a Shareholder's Common Shares into the Depositary's account in accordance with CDS procedures for such transfer. Delivery of Common Shares to the Depositary by means of a book-entry transfer will constitute a valid deposit of such Common Shares under the Offer.

Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary are considered a valid deposit under and in accordance with the terms of the Offer.

Shareholders may also accept the Offer by following the procedures for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent's Message (as described below) in respect thereof or a properly completed and executed Letter of Transmittal (including signature guarantee if required) and all other required documents, are received by the Depositary at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. The Depositary has established an account at DTC for the purpose of the Offer. Any financial institution that is a participant in DTC may cause DTC to make a book-entry transfer of a Shareholder's Common Shares into the Depositary's account in accordance with DTC's procedures for such transfer. However, although delivery of Common Shares may be effected through book-entry transfer at DTC, either an Agent's Message in respect thereof or a Letter of Transmittal (or a manually executed facsimile thereof), properly completed

and executed (including signature guarantee if required), and all other required documents, must, in any case, be received by the Depositary, at its office in Toronto, Ontario specified in the Letter of Transmittal at or prior to the Expiry Time. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the Depositary. Such documents or Agent's Message should be sent to the Depositary.

The term "**Agent's Message**" means a message, transmitted by DTC to, and received by, the Depositary and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgement from the participant in DTC depositing the Common Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal as if executed by such participant and that the Offeror may enforce such agreement against such participant.

***CDI Holders***

CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee. To give such an instruction, holders who hold CDIs through: (i) Anvil's Issuer Sponsored Subregister, should complete and sign the CDI Acceptance Form provided to CDI Holders and return it to the address noted on the form; or (ii) Anvil's CHESS Subregister, should (a) if they are not a Participant, instruct their Controlling Participant (usually their broker) to initiate acceptance of the Offer on their behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (b) if they are a Participant, initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules; (c) as an alternative to (a), complete and sign the CDI Acceptance Form and return it to the address noted on the form, in which case the Australian Share Registry will liaise with your Controlling Participant and request them to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules (each method, a "**CDI Acceptance**"). The Australian Share Registry will collate CDI Acceptances, present these to the CDI Nominee and request the CDI Nominee to accept the Offer on behalf of CDI Holders in respect of the relevant Shares. To enable the Australian Share Registry to carry out this process, CDI Acceptances must be received by the Australian Share Registry in sufficient time to allow the CDI Holder's instruction to be acted upon prior to the CDI Expiry Time (being 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended).

CDI Holders should make such enquiries and take such actions as are necessary to ensure that the CDI Holder's CDI Acceptance is received by the Australian Share Registry prior to the CDI Expiry Time. CDI Holders should contact their brokers or the Information Agent for further information.

***Currency of Payment***

All payments under the Offer will be made in Canadian dollars. However, a Shareholder can elect to receive the consideration for its Common Shares (including Common Shares subject to CDIs) in Australian dollars by checking the appropriate box in the Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery.

A CDI Holder can elect to receive the consideration for the Common Shares subject to its CDIs in Australian dollars (i) if the CDI Holder accepts the Offer by completing a CDI Acceptance Form, by checking the appropriate box in the CDI Acceptance Form or, (ii) if the CDI Holder accepts the Offer by instructing its Controlling Participant to accept the Offer, by instructing the Controlling Participant to receive payment in Australian dollars. In each case, the Depositary will convert the Canadian dollar consideration to which the Shareholder or CDI Holder, as the case may be, is entitled into Australian dollars and the Shareholder or CDI Holder, as the case may be, will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in Australian dollars will be based on the prevailing market rate(s) available to the Depositary on the date the funds are converted by the Depositary, which rate(s) will be at the sole risk of the Shareholder or CDI Holder, as the case may be. A Shareholder or CDI Holder electing to receive the consideration for its Common Shares (or the Common Shares subject to CDIs) in Australian dollars will have further acknowledged and agreed that any change to the currency exchange rates for the exchange of Canadian dollars into Australian dollars will be at the sole risk of the Shareholder or CDI Holder, as the case may be.

If an election or instruction to receive payment in Australian dollars is not made or given, Shareholders or CDI Holders, as the case may be, will receive payment in Canadian dollars.

If a Shareholder delivers a Notice of Guaranteed Delivery in respect of Common Shares deposited with a subsequent Letter of Transmittal, the election (or deemed election) made in that Notice of Guaranteed Delivery as to the currency of payment will supersede any election made in such subsequent Letter of Transmittal as the Shareholder will be deemed to have made in the Letter of Transmittal the same election made in the Notice of Guaranteed Delivery.

*General*

The Offer will be deemed to be accepted by a Shareholder only if the Depositary has actually received the requisite documents at the location and at or before the time specified in the Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery. In all cases, payment for Common Shares deposited and taken up by the Offeror will be made only after timely receipt by the Depositary of (a) certificate(s) representing the Common Shares (or, in the case of a book-entry transfer to the Depositary, a Book-Entry Confirmation for the Common Shares) (b) a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed, covering such Common Shares, with the signature(s) guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal (or, in the case of Common Shares deposited using the procedures for book-entry transfer established by DTC, an Agent's Message), and (c) all other required documents. CDI Holders may only accept this Offer by giving an instruction to the CDI Nominee.

**The method of delivery of certificate(s) representing Common Shares (or a Book-Entry Confirmation, as applicable), the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing same. The Offeror recommends that such documents be delivered by hand to the Depositary and a receipt obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depositary at or prior to the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depositary.**

**Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries are likely to have established tendering cut-off times that are up to 48 hours (or more) prior to the Expiry Time. Shareholders should instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares.**

All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Common Shares deposited under the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination will be final and binding. The Offeror reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Common Shares. **There shall be no duty or obligation of the Offeror, MMR, the Depositary, the Australian Share Registry or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred or suffered by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.**

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstance will interest accrue or any amount be paid by the Offeror, MMR, the Depositary (or its agent) by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer.

*Dividends and Distributions*

Subject to the terms and conditions of the Offer and subject, in particular, to Common Shares being validly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Shareholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Common Shares covered by the Letter of Transmittal or deposited by book-entry transfer (collectively, the "**Deposited Common Shares**") and in and to all rights and benefits arising from such Deposited Common Shares including, without limitation, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**").

***Power of Attorney***

The execution of a Letter of Transmittal (or in the case of Common Shares deposited by book-entry transfer, the making of a book-entry transfer) irrevocably constitutes and appoints, effective at and after the time (the "**Effective Time**") that the Offeror takes up the Deposited Common Shares, each director and officer of the Offeror, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited Common Shares (which Deposited Common Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the "**Purchased Securities**") with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Shareholder:

(a) to register or record the transfer and/or cancellation of such Purchased Securities, to the extent consisting of securities, on the appropriate securities registers maintained by or on behalf of Anvil;

(b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder, including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Effective Time and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes, including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Anvil;

(c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Shareholder; and

(d) to exercise any other rights of a Shareholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) revokes any and all other authority, whether as agent, attorney, attorney-in-fact, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited Common Shares or any Distributions. Such depositing Shareholder agrees that no subsequent authority, whether as agent, attorney, attorney-in-fact, proxy or otherwise will be granted with respect to the Deposited Common Shares or any Distributions by or on behalf of the depositing Shareholder unless the Deposited Common Shares are not taken up and paid for under the Offer or are withdrawn in accordance with Section 7 of the Offer, "Withdrawal of Deposited Common Shares".

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Anvil and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

***Further Assurances***

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer) to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by

applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Shareholder.

***Formation of Agreement; Shareholder's Representations and Warranties***

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Shareholder and the Offeror, effective immediately following the time at which the Offeror takes up the Common Shares deposited by such Shareholder, in accordance with the terms and conditions of the Offer and the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Shareholder that (a) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares and all rights and benefits arising from such Deposited Common Shares, including, without limitation, any Distributions, (b) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited Common Shares and any Distributions deposited under the Offer, (c) the Deposited Common Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Common Shares or Distributions, to any other person, (d) the deposit of the Deposited Common Shares and Distributions complies with applicable Laws, and (e) when the Deposited Common Shares and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions), free and clear of all security interests, liens, restrictions, charges, encumbrances, claims and rights of others.

## 4. CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, the Offeror shall have the right to withdraw the Offer and not take up and pay for, or to extend the period of time during which the Offer is open and postpone taking up and paying for, any Common Shares deposited under the Offer, unless all of the following conditions are satisfied or waived by the Offeror at or prior to the Expiry Time:

(a) there shall have been validly deposited under the Offer and not withdrawn at the Expiry Time such number of Common Shares that constitutes:

  (i) together with any Common Shares directly or indirectly owned by the Offeror and its affiliates, at least 66⅔% of the outstanding Common Shares calculated on a fully-diluted basis; and

  (ii) at least a majority of the Common Shares calculated on a fully-diluted basis, the votes attached to which would be included in the minority approval of a second step business combination pursuant to MI 61-101

  (together, the "**Minimum Tender Condition**");

(b) (i) the Required Regulatory Approvals shall have been obtained on terms satisfactory to the Offeror, acting reasonably; and (ii) any other requisite government and regulatory approvals, waiting or suspensory periods (and any extensions thereof), waivers, permits, consents, reviews, sanctions, orders, rulings, decisions, declarations, certificates and exemptions (including, among others, those of any stock exchanges or other securities or regulatory authorities) that are, as determined by the Offeror, acting reasonably, necessary or advisable to complete the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction shall have been obtained, received or concluded or, in the case of waiting or suspensory periods, expired or been terminated, each on terms and conditions satisfactory to the Offeror, acting reasonably;

(c) the Support Agreement shall not have been terminated by Anvil or by MMR in accordance with its terms;

(d) the Offeror shall have determined, acting reasonably, that (i) no act, action, suit or proceeding, in each case that is not frivolous or vexatious, shall have been taken or threatened in writing before or by any Governmental Entity or by an elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity) whether or not having the force of Law; and (ii) no Law, regulation or policy shall exist or have been proposed, enacted, entered, promulgated or applied, in either case:

  (i) to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to the Offeror of the Common Shares or the right of the Offeror to own or exercise full rights of ownership of the Common Shares;

(ii) which, if the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction) were consummated, would reasonably be expected to have a Material Adverse Effect in respect of Anvil or MMR;

(iii) which would materially and adversely affect the ability of the Offeror to proceed with the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction) and/or take up and pay for any Common Shares deposited under the Offer;

(iv) seeking to obtain from MMR or any of the MMR Subsidiaries or Anvil or any of the Anvil Subsidiaries any material damages, fees, levies or penalties directly or indirectly in connection with the Contemplated Transactions; or

(v) seeking to prohibit or limit the ownership or operation by MMR of any material portion of the business or assets of Anvil or the Anvil Subsidiaries or to compel MMR or the MMR Subsidiaries to dispose of or hold separate any material portion of the business or assets of Anvil or any of the Anvil Subsidiaries;

(e) there shall not exist any prohibition at Law against the Offeror making or maintaining the Offer or taking up and paying for any Common Shares deposited under the Offer or completing a Compulsory Acquisition or any Subsequent Acquisition Transaction;

(f) there shall not exist or have occurred (or, if there does exist or shall have occurred prior to the date of the Support Agreement, that there shall not have been disclosed, generally or to MMR in writing on or before the execution and delivery of the Support Agreement) any change, condition, event, development, occurrence or set of facts or circumstances (or any change, condition, event, development, occurrence or set of facts or circumstances involving a prospective change) which, when considered either individually or in the aggregate, has resulted or would reasonably be expected to result in a Material Adverse Effect in respect of Anvil;

(g) Anvil shall have complied with its covenants and obligations under the Support Agreement to be complied with at or prior to the Expiry Time in all material respects (or, where any such covenant or obligation is itself qualified by materiality or Material Adverse Effect, in all respects);

(h) all representations and warranties made by Anvil in the Support Agreement shall be true and correct at and as of the Expiry Time, as if made at and as of such time (except for those expressly stated to speak at or as of an earlier time), except where such inaccuracies in the representations and warranties (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representations and warranties), individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect in respect of Anvil or materially and adversely affect the ability of the Offeror to proceed with the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction or, if the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction were consummated, would not reasonably be expected to have a Material Adverse Effect in respect of Anvil or MMR;

(i) the Offeror shall not have, after the date of the Support Agreement, become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings made on or before September 21, 2011 and available on SEDAR on such date in relation to all matters covered in earlier filings), in any document filed by or on behalf of Anvil with any securities commission or similar securities regulatory authority in any of the provinces or territories of Canada or elsewhere, including any prospectus, annual information form, financial statement, material change report, management proxy circular, feasibility study or executive summary thereof, news release or any other document so filed by Anvil which constitutes a Material Adverse Effect with respect to Anvil;

(j) all outstanding Options, Trafigura Warrants, Restricted Shares and ESSIS Entitlements will have been exercised in full, cancelled or irrevocably released, surrendered or waived or otherwise dealt with on terms satisfactory to MMR, acting reasonably;

(k) the Offeror shall have determined, acting reasonably, that none of Anvil, the Anvil Subsidiaries or any of their respective affiliates or any third parties has taken or proposed to take any action, or failed to take any action, or disclosed a previously undisclosed action or event (in each case, other than an action

or failure to take an action specifically and publicly disclosed in the Anvil Public Documents prior to September 21, 2011 and other than a transaction expressly contemplated by the Support Agreement), that could reasonably be expected to have the effect of reducing or eliminating the amount of the tax cost "bump" pursuant to paragraphs 88(1)(c) and (d) of the Tax Act otherwise available to MMR and its successors and assigns in respect of the non-depreciable capital properties owned by Anvil and the Anvil Subsidiaries as of the date of the Support Agreement or acquired by such entities subsequent to the date of the Support Agreement in accordance with the terms of the Support Agreement;

(l) the Lock-up Agreement shall have been complied with and shall not have been terminated; and

(m) the MMR Shareholder Approval shall have been obtained.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such assertion, including any action or inaction by the Offeror. Subject to the terms of the Support Agreement, the Offeror may waive any of the foregoing conditions in whole or in part at any time and from time to time without prejudice to any other rights which MMR or the Offeror may have. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time.

Any waiver or amendment of a condition or the withdrawal of the Offer will be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary at its principal office in Toronto, Ontario. Forthwith after giving any such notice, the Offeror will make a public announcement of such waiver, amendment or withdrawal and, to the extent required by applicable Law, will cause the Depositary to notify the Shareholders in the manner set out in Section 10 of the Offer, "Notices and Delivery", as soon as practicable thereafter, and will provide a copy of the aforementioned notice to the TSX. If the Offer is withdrawn, the Offeror will not be obligated to take up or pay for any Common Shares deposited under the Offer and the Depositary will promptly return all Deposited Common Shares in accordance with Section 8 of the Offer, "Return of Deposited Common Shares".

## 5. EXTENSION, VARIATION OR CHANGE IN THE OFFER

The Offer is open for acceptance from the date of the Offer until, but not after, the Expiry Time, subject to extension or variation in the Offeror's sole discretion, unless the Offer is withdrawn by the Offeror.

Subject to the limitations hereafter described, the Offeror reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Laws), to extend the Expiry Time or to vary the Offer by giving written notice (or other communication subsequently confirmed in writing, provided that such confirmation is not a condition of the effectiveness of the notice) of such extension or variation to the Depositary at its principal office in Toronto, Ontario, and by causing the Depositary, if required by applicable Laws, as soon as practicable thereafter to communicate such notice in the manner set out in Section 10 of the Offer, "Notices and Delivery", to all registered Shareholders whose Common Shares have not been taken up prior to the extension or variation and to all holders of Convertible Securities. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation to the extent and in the manner required by applicable Laws, provide a copy of the notice thereof to the TSX and file a copy of the public announcement and the notice thereof with the applicable Securities Regulatory Authorities. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated in writing to the Depositary at its principal office in Toronto, Ontario.

The Support Agreement restricts the Offeror's ability to amend certain of the terms and conditions of the Offer without the prior written consent of Anvil and may require the Offeror to extend the Offer in connection with an amendment, modification or waiver of the Minimum Tender Condition. See Section 6 of the Circular, "Support Agreement".

Where the terms of the Offer are varied (other than a variation consisting solely of a waiver of one or more conditions of the Offer and any extension of the Offer resulting from such waiver), the Offer will not expire before ten days after the notice of such variation has been given to the Shareholders, unless otherwise permitted by applicable Laws and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by Regulatory Authorities.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer, the Circular or a notice of change or a notice of variation that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary at its principal office in Toronto, Ontario, and will cause the Depositary, if required by applicable Laws, as soon as practicable thereafter, to provide notice of such change in the manner set out in Section 10 of the Offer, "Notices and Delivery", to all registered Shareholders whose Common Shares have not been taken up under the Offer at the date of the occurrence of the change and to all holders of Convertible Securities. As soon as practicable after giving notice of the change in information to the Depositary, the Offeror will make a public announcement of the change in information to the extent and in the manner required by applicable Laws, provide a copy of the notice thereof to the TSX and file a copy of the public announcement and the notice thereof with the applicable Securities Regulatory Authorities. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer have been complied with or waived, unless the Offeror first takes up all Common Shares deposited under the Offer and not withdrawn.

During any extension or in the event of any variation of the Offer or change in information, all Common Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof, subject to Section 7 of the Offer, "Withdrawal of Deposited Common Shares". An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer, "Conditions of the Offer".

If, prior to the Expiry Time, the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

## 6. TAKE UP OF AND PAYMENT FOR DEPOSITED COMMON SHARES

If all of the conditions described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror will take up and pay for Common Shares validly deposited under the Offer and not properly withdrawn not later than ten days after the Expiry Time. Any Common Shares taken up will be paid for as soon as possible, and in any event not later than the earlier of (i) three business days after they are taken up, and (ii) ten days after the Expiry Time. Any Common Shares deposited under the Offer after the date on which Common Shares are first taken up by the Offeror under the Offer but prior to the Expiry Time will be taken up and paid for not later than ten days after such deposit.

The Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario to that effect. Subject to applicable Laws and the terms of the Support Agreement, the Offeror expressly reserves the right, in its sole discretion, to, on or after the initial Expiry Time, terminate or withdraw the Offer and not take up or pay for any Common Shares if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario. The Offeror will not, however, take up and pay for any Common Shares deposited under the Offer unless it simultaneously takes up and pays for all Common Shares then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Common Shares validly deposited under the Offer and not withdrawn by providing sufficient funds (by bank transfer or other means satisfactory to the Depositary) to, or to the direction of, the Depositary (or its agent) for transmittal to depositing Shareholders. Under no circumstances will interest accrue or any amount be paid by the Offeror, MMR, the Depositary (or its agent) by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer.

The Depositary (or its agent) will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary (or its agent) will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

All payments under the Offer will be made in Canadian dollars. However, a Shareholder can elect to receive the consideration for its Common Shares (including Common Shares subject to CDIs) in Australian dollars by checking the appropriate box in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. A CDI Holder can elect to receive the consideration for the Common Shares subject to its CDIs in Australian dollars by checking the appropriate box in the CDI Acceptance Form or, if applicable, instructing its Controlling Participant to receive payment in Australian dollars. If an election or instruction to receive payment in Australian dollars is not made or given, Shareholders and CDI Holders will receive payment in Canadian dollars. The exchange rate that will be used to convert payments from Canadian dollars into Australian dollars will be based on the prevailing market rate(s) available to the Depositary on the date the funds are converted. See Section 3 of the Offer, "Manner of Acceptance — Currency of Payment".

Except as described below, settlement with each Shareholder who has deposited (and not withdrawn) Common Shares under the Offer will be made by the Depositary (or its agent) issuing or causing to be issued a cheque (except for payments in Canadian dollars in excess of $25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian or Australian dollars, as applicable, in the amount to which the person depositing Common Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Depositary (or its agent) to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Anvil. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

In the case of Common Shares subject to CDIs that are taken up by the Offeror, settlement with the applicable CDI Holder will be made by the Depositary (or its agent) issuing or causing to be issued a cheque (except for payments in Canadian dollars in excess of $25 million, which will be made by wire transfer as set out in the Letter of Transmittal) payable in Canadian or Australian dollars in the amount to which the CDI Holder is entitled. The cheque will be issued in the name of the registered CDI Holder and forwarded by first class mail to such person at the address specified in the securities registers maintained by or on behalf of Anvil. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary to accept the Offer. However, a broker or other nominee through whom a Shareholder owns Shares may charge a fee to tender any such securities on behalf of the Shareholder. Shareholders should consult their investment advisors, stock brokers or other nominees to determine whether any charges will apply.

## 7. WITHDRAWAL OF DEPOSITED COMMON SHARES

Except as otherwise stated in this Section 7 or as otherwise required by applicable Laws, all deposits of Common Shares under the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Common Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder:

(a) at any time before the Common Shares have been taken up by the Offeror under the Offer;

(b) if the Common Shares have not been paid for by the Offeror within three business days after having been taken up; or

(c) at any time before the expiration of ten days from the date upon which either:

  (i) a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, or in a notice of change or a notice of variation, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or

  (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares where the Expiry Time is extended for at least ten days or a variation consisting solely of a waiver of one or more conditions of the Offer, or both);

is mailed, delivered or otherwise properly communicated to the Depositary (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or Regulatory Authorities) and only if such deposited Common Shares have not been taken up by the Offeror in advance of the receipt of such communication by the Depositary.

Withdrawals of Common Shares deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Depositary at the place of deposit of the applicable Common Shares (or Notice of Guaranteed Delivery in respect thereof) within the time limits indicated above. Notices of withdrawal: (a) must be made by a method that provides the Depositary with a written or printed copy; (b) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the Common Shares which are to be withdrawn; and (c) must specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Common Shares to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Common Shares deposited for the account of an Eligible Institution.

If Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

**A withdrawal of Common Shares deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depositary of the properly completed and executed written notice of withdrawal.**

**Investment advisors, stockbrokers, banks, trust companies or other nominees may set deadlines for the withdrawal of Common Shares deposited under the Offer that are earlier than those specified above. Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact that nominee for assistance.**

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty or obligation of the Offeror, MMR, the Depositary or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares for any reason, then, without prejudice to the Offeror's other rights, Common Shares deposited under the Offer may, subject to applicable Laws, be retained by the Depositary on behalf of the Offeror and such Common Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as set out in this Section 7 or pursuant to applicable Laws.

Withdrawals cannot be rescinded and any Common Shares withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, "Manner of Acceptance".

CDI Holders that wish to withdraw Common Shares that are subject to CDIs and have been tendered under the Offer must, while the CDI Nominee (in its capacity as a Shareholder) still has the right to withdraw such Common Shares, contact (a) if their CDIs are held through Anvil's Issuer Sponsored Subregister, the Information Agent for information regarding how to effect such withdrawal; or (b) if their CDIs are held through Anvil's CHESS Subregister, their Controlling Participant (usually their broker). It is the responsibility of the CDI Holders to ensure that there is sufficient time to allow the withdrawal of the Common Shares subject to their CDIs. There is no duty or obligation of the Offeror, MMR, the Information Agent, the Australian Share Registry or any other person to give notice of any defect or irregularity in any withdrawal instructions and no liability shall be incurred or suffered by any of them for failure to give such notice.

In addition to the foregoing rights of withdrawal, Shareholders in the provinces and territories of Canada are entitled to one or more statutory rights of rescission or price revision or to damages in certain circumstances. See Section 24 of the Circular, "Statutory Rights".

## 8. RETURN OF DEPOSITED COMMON SHARES

Any Deposited Common Shares that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror's expense, to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (a) sending certificates representing the Common Shares not purchased by first-class mail to the address of the depositing Shareholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of Anvil, or (b) in the case of Common Shares deposited by book-entry transfer of such Common Shares pursuant to the procedures set out in Section 3 of the Offer, "Manner of Acceptance — Acceptance by Book-Entry Transfer", crediting such Common Shares to the depositing Shareholder's account maintained with CDS or DTC, as applicable.

## 9. CHANGES IN CAPITALIZATION; ADJUSTMENTS; LIENS

If, on or after the date of the Offer, Anvil should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, or issue any Common Shares, or issue, grant or sell any Options, warrants or other Convertible Securities or other securities convertible into, or exchangeable or exercisable for, Common Shares, other than the issuance of Common Shares upon the exercise of Options outstanding on September 29, 2011 or the Trafigura Warrants, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

Common Shares and any Distributions acquired under the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Common Shares, whether or not separated from the Common Shares.

If, on or after the date of the Offer, Anvil should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Share, which is or are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of Anvil in respect of Common Shares taken up under the Offer, then (and without prejudice to its rights under Section 4 of the Offer, "Conditions of the Offer"): (a) in the case of any such cash dividends, distributions or payments that in an aggregate amount do not exceed the purchase price per Common Share payable, the amount of the dividends, distributions or payments will be received and held by the depositing Shareholder for the account of the Offeror until the Offeror pays for such Common Shares and the purchase price per Common Share payable by the Offeror pursuant to the Offer will be reduced by the amount of any such dividend, distribution or payment; and (b) in the case of any such cash dividends, distributions or payments that in an aggregate amount exceeds the purchase price per Common Share payable by the Offeror pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, securities, property, rights, assets or other interests, the whole of any such dividend, distribution, payment, securities, property, rights, assets or other interests (and not simply the portion that exceeds the purchase price per Common Share payable by the Offeror under the Offer) will be received and held by the depositing Shareholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Shareholder to the Depositary for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution, payment, securities, property, rights, assets or other interests and may withhold the entire purchase price payable by the Offeror under the Offer or deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

The declaration or payment of any such dividend or distribution may have tax consequences not described in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations", Section 19 of the Circular, "Certain Australian Income Tax Considerations" or Section 20 of the Circular, "Certain United States Federal Income Tax Considerations".

## 10. NOTICES AND DELIVERY

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Laws, any notice to be given by the Offeror or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders and to registered holders of Convertible Securities at their respective addresses as shown on the register maintained by or on behalf of Anvil in respect of the Common Shares or Convertible Securities, as the case may be, will be deemed to have been received on the first business day following the date of mailing. For this purpose, "business day" means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction from which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services following mailing. Except as otherwise permitted by applicable Laws, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Laws, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depositary may give or cause to be given to Shareholders under the Offer will be deemed to have been properly given and to have been received by Shareholders if it is (a) given to the TSX for dissemination through its facilities, (b) published once in the National Edition of *The Globe and Mail* or *The National Post* and in *La Presse* in Québec or (c) given to the Canada News Wire Service for dissemination through its facilities.

The Offer and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Shareholders and to registered holders of Convertible Securities by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Laws and the Offeror will use its reasonable efforts to furnish such documents and, if applicable, CDI Acceptance Forms to brokers, investment advisors, banks and similar persons whose names, or the names of whose nominees, appear in the register maintained by or on behalf of Anvil in respect of the Common Shares or, if security position listings are available, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to the beneficial owners of Common Shares where such listings are received.

These securityholder materials are being sent to both registered and non-registered owners of securities of Anvil. If you are a non-registered owner and the Offeror or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding such securities on your behalf.

Wherever the Offer calls for documents to be delivered to the Depositary, such documents will not be considered delivered unless and until they have been physically received at the Toronto, Ontario office of the Depositary specified in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable.

## 11. MAIL SERVICE INTERRUPTION

Notwithstanding the provisions of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques, certificates and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques, certificates and/or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary to which the deposited certificate(s) for Common Shares were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. CDI Holders entitled to cheques, certificates and/or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Australian Share Registry in Sydney Australia until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer, "Notices and Delivery". Notwithstanding Section 6 of the Offer, "Take Up of and Payment for Deposited Common Shares", cheques, certificates and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Shareholder at the Toronto, Ontario office of the Depositary.

## 12. MARKET PURCHASES AND SALES OF COMMON SHARES

The Offeror currently intends, at its discretion and subject to market conditions, to acquire, directly or indirectly, or cause an affiliate to acquire beneficial ownership of Common Shares or CDIs by making purchases through the facilities of the TSX or the ASX at any time, and from time to time, prior to the Expiry Time subject to and in accordance with applicable Laws. In no event will the Offeror make any such purchases of Common Shares or CDIs through the facilities of the TSX or the ASX until the third business day following the date of the Offer. The aggregate number of Common Shares (or CDIs) acquired in this manner will not exceed 5% of the Common Shares outstanding on the date of the Offer and the Offeror will issue and file a press release containing the information prescribed by applicable Law immediately after the close of business of the TSX or the ASX, as applicable, on each day on which such Common Shares (or CDIs) have been purchased.

Purchases of Common Shares (or CDIs) pursuant to Section 2.2(3) of MI 62-104 or Section 2.1 of OSC Rule 62-504 will be counted in any determination as to whether subsection (i) of the Minimum Tender Condition has been fulfilled.

Although the Offeror has no present intention to sell Common Shares taken up under the Offer, the Offeror reserves the right to make or enter into arrangements, commitments or understandings at or prior to the Expiry Time to sell any of such Common Shares after the Expiry Time, subject to applicable Laws and to compliance with Section 2.7(2) of MI 62-104 or Section 93.4(2) of the OSA, as applicable.

For the purposes of this Section 12, the "Offeror" includes MMR and any person acting jointly or in concert with the Offeror or MMR.

## 13. OTHER TERMS OF THE OFFER

(a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

(b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror or MMR the right to purchase all or any portion of the Common Shares deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Common Shares to receive payment for Common Shares validly deposited and accepted for payment under the Offer.

(c) In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.

(d) No broker, dealer, salesperson or other person has been authorized to give any information or make any representation not contained herein or in the accompanying Circular and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror, MMR, the Depositary, the Australian Share Registry or the Information Agent. No broker, dealer, salesperson or other person shall be deemed to be the agent of the Offeror, MMR, the Depositary or the Information Agent for the purposes of the Offer.

(e) The provisions of the Glossary, the Summary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.

(f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of Common Shares.

(g) The Offer and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

(h) The Offeror reserves the right to waive any defect in acceptance with respect to any particular Common Shares or any particular Shareholder. There shall be no duty or obligation of the Offeror, MMR, the Depositary, the Information Agent or any other person to give notice of any defect or irregularity in the deposit of Common Shares or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.

The Offer and the accompanying Circular together constitute the take-over bid circular required under Canadian securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

DATED: October 19, 2011

**MMG MALACHITE LIMITED**

By: (signed) *Andrew Gordon Michelmore*
Chief Executive Officer

## THE CIRCULAR

*This Circular is furnished in connection with the accompanying Offer dated October 19, 2011 to purchase all of the issued and outstanding Common Shares. The terms and conditions of the Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Shareholders should refer to the Offer for details of the terms and conditions of the Offer, including details as to payment and withdrawal rights. Unless the context otherwise requires, terms used but not defined in this Circular have the respective meanings given to them in the accompanying Glossary.*

*Unless otherwise indicated, the information concerning Anvil contained in the Offer and Circular has been taken from or is based solely upon information provided to the Offeror by Anvil or publicly available documents and records on file with Canadian Securities Regulatory Authorities and other public sources available at the time of the Offer. Although neither the Offeror nor MMR has any knowledge that would indicate that any statements contained in the Offer and Circular and taken from or based on such information are untrue or incomplete, neither the Offeror nor MMR nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Anvil to disclose events or facts that may have occurred or that may affect the significance or accuracy of any such information but which are unknown to the Offeror and MMR. Unless otherwise indicated, information concerning Anvil is given as of June 30, 2011.*

### 1. THE OFFEROR AND MMR

The Offeror was incorporated under the NWTBCA on September 22, 2011 under the name "6412 N.W.T. Ltd." and changed its name to "MMG Malachite Limited" on September 28, 2011, and has not carried on any material business prior to the date hereof other than in connection with matters directly related to the Offer. The Offeror is a wholly-owned indirect subsidiary of MMR.

MMR, a company incorporated under the laws of Hong Kong, together with its subsidiaries and jointly-controlled entities and associates, owns and operates a portfolio of significant base metal mining operations, development and exploration projects. MMR is one of the world's largest producers of zinc, and is engaged in mining, processing and production of copper, lead, gold and silver. MMR currently has mining operations located in Australia and Laos and a large portfolio of advanced and early stage exploration projects in Australia, Africa, Asia and North America. The shares of MMR are listed on the Main Board of the HKSE (Stock Code: 1208). China Minmetals Corporation is the ultimate controlling shareholder of MMR.

The registered office of the Offeror is located at 4920 – 52nd Street, Yellowknife, Northwest Territories, X1A 3T1. The principal executive offices of MMR are located at 12th Floor, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong. The location of MMR's principal executive offices will change on October 25, 2011 to Units 8501-8503, Level 85, the International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

### 2. ANVIL

Anvil is an African-focused base metals mining and exploration group. Anvil was incorporated under the NWTBCA on January 8, 2004 under the name "Dikulushi Resources Limited". Anvil changed its name to "Anvil Mining Limited" on March 12, 2004. Anvil's corporate head office is located at Level 1, 76 Hasler Road, Herdsman Business Park, Osborne Park, Western Australia, 6017. Certain subsidiaries of Anvil also have offices at 7409 Avenue de la Révolution, Lubumbashi, DRC. Anvil's registered and records office is located at 4908 – 49th Street, Yellowknife, Northwest Territories, X1A 2N6. The principal assets of Anvil include:

- a 95% equity interest in the Kinsevere Project, located in the Katanga province of the DRC; and
- a 70% equity interest in the Mutoshi Project, located in the Katanga province of the DRC;

Anvil also holds 14.5% of the issued and outstanding capital in Mawson West Limited, and has a number of exploration properties in the DRC.

The Common Shares are listed on the TSX under the symbol "AVM" and are also listed and trade in the form of CDIs on the ASX, in each case, under the symbol "AVM".

## 3. CERTAIN INFORMATION CONCERNING SECURITIES OF ANVIL

### *Share Capital of Anvil*

The authorized capital of Anvil consists of an unlimited number of Common Shares and an unlimited number of preference shares. Anvil has represented to the Offeror in the Support Agreement that as of September 29, 2011 there were issued and outstanding (i) 157,972,886 Common Shares and (ii) no preference shares.

In addition, Anvil has represented to the Offeror in the Disclosure Letter that as of September 29, 2011, there were outstanding (i) 284,727 Restricted Shares, (ii) Options (including "out-of-the-money" Options) to acquire an aggregate of 4,043,361 Common Shares and (iii) Trafigura Warrants to acquire an aggregate of 5,228,320 Common Shares.

Based on the information furnished to it by Anvil, the Offeror understands that, assuming the exercise or conversion of all Convertible Securities of Anvil (including "out-of-the-money" Convertible Securities) 167,244,567 Common Shares would be subject to the Offer.

Each CDI represents a beneficial interest in a Share held by the CDI Nominee. The Shares are registered in the name of the CDI Nominee for the benefit of CDI Holders. The main difference between holding CDIs and holding Common Shares is that the CDI Holder has beneficial ownership of the underlying Common Shares instead of legal title to the Common Shares. CDI Holders have the same economic benefits as they would be entitled to if they held the underlying Common Shares. In particular, CDI Holders are able to transfer and settle transactions electronically on the ASX. CDI Holders are entitled to all dividends, rights and other entitlements as if they were legal owners of Common Shares and receive notices of all meetings of Shareholders. As CDI Holders are not the registered owners of the underlying Shares, the CDI Nominee is entitled to vote at Anvil's shareholder meetings on the instruction of the CDI Holders. Alternatively, if a CDI Holder wishes to attend and vote at shareholder meetings, they may instruct the CDI Nominee to appoint the CDI Holder (or a person nominated by the CDI Holder) as the CDI Nominee's proxy in respect of the underlying Shares beneficially owned by such CDI Holder for the purposes of attending and voting at the shareholder meeting. Shareholders are able to have their Common Shares represented by CDIs and trade them on the ASX and CDI holders are able to obtain the Shares represented by the CDIs and trade them on the TSX by contacting Anvil's Australian or Canadian registrar and transfer agent and requesting their holding to be transferred to the Australian or Canadian registrar and transfer agent as appropriate.

### *Price Range and Trading Volume of Common Shares*

The Common Shares are listed on the TSX under the symbol "AVM" and are also listed and trade in the form of CDIs on the ASX, in each case, under the symbol "AVM". On September 29, 2011, the last trading day on the TSX and the ASX completed prior to the announcement of MMR's intention to make the Offer, the closing price of the Common Shares on the TSX was $5.77 and the closing price of the CDIs on the ASX was A$5.80. The following table sets forth, for the periods indicated, the reported high and low daily closing prices and the aggregate volume of trading of the Common Shares and CDIs on the TSX and on the ASX, respectively:

| | TSX (Common Shares) | | | ASX (CDIs) | | |
|---|---|---|---|---|---|---|
| | High ($) | Low ($) | Volume (#) | High (A$) | Low (A$) | Volume (#) |
| October 2010 | 4.84 | 3.43 | 13,610,521 | 4.85 | 3.46 | 518,008 |
| November 2010 | 5.65 | 4.70 | 12,714,680 | 5.60 | 4.64 | 445,844 |
| December 2010 | 6.03 | 5.25 | 8,452,317 | 5.82 | 5.16 | 789,022 |
| January 2011 | 7.15 | 5.78 | 10,894,271 | 7.20 | 5.80 | 713,918 |
| February 2011 | 6.64 | 5.56 | 11,764,109 | 6.61 | 5.72 | 385,107 |
| March 2011 | 6.33 | 5.15 | 13,723,423 | 6.30 | 5.12 | 508,784 |
| April 2011 | 7.00 | 6.14 | 5,490,840 | 6.97 | 6.06 | 341,708 |
| May 2011 | 6.25 | 5.70 | 4,303,550 | 5.96 | 5.45 | 289,343 |
| June 2011 | 6.49 | 5.65 | 11,481,664 | 6.25 | 5.40 | 256,035 |
| July 2011 | 7.00 | 6.45 | 7,425,271 | 6.80 | 5.90 | 384,924 |
| August 2011 | 6.84 | 5.48 | 10,640,574 | 6.50 | 5.24 | 547,572 |
| September 2011 | 7.66 | 5.76 | 34,395,075 | 7.65 | 5.62 | 920,389 |
| October 1 to 18, 2011 | 7.73 | 7.38 | 41,259,034 | 7.60 | 7.31 | 558,930 |

Source: TSX Market Data (for TSX information) and Bloomberg (for ASX information).

## 4. BACKGROUND TO THE OFFER

On August 4, 2011, Anvil publicly announced that, with the support of Trafigura, the Anvil Board had begun a process to review strategic alternatives available to Anvil.

On August 5, 2011, MMR received an initial draft of the Confidentiality Agreement from BMO, and on August 10, 2011, Anvil and MMG Management Pty Ltd., an indirect wholly owned subsidiary of MMR, entered into the Confidentiality Agreement, following which MMR was given access to a data room established by Anvil. In addition, on August 10, 2011, BMO provided to MMR details of the process being undertaken by Anvil with respect to consideration of proposals to acquire 100% of Anvil, and requested that MMR deliver a written non-binding proposal by September 6, 2011. As part of its consideration of the transaction, on August 22, 2011, representatives of MMR received a management presentation from representatives of Anvil.

On September 6, 2011, MMR submitted an indicative non-binding proposal to Anvil through BMO, and on September 8, 2011 MMR was advised by BMO that it had been selected to conduct further due diligence and submit a formal binding offer by September 23, 2011. From September 8 to September 23, 2011 MMR continued its due diligence investigations, including various conference calls with Anvil and its advisors, a site visit by representatives of MMR and BNP Paribas, meetings between representatives of MMR and representatives of each of La Générale des Carrières et des Mines, mining title holder of the Kinsevere tenement areas and the holder of the remaining interest in the Mutoshi Project, the DRC government and the government of the Katanga province. On September 15, 2011, Anvil provided a proposed form of Support Agreement and Lock-Up Agreement to MMR.

On September 23, 2011, MMR submitted a written proposal to Anvil through BMO and requested an exclusivity period for the parties to finalize the definitive documents. On September 26, 2011, Anvil agreed to negotiate exclusively with MMR until the evening of September 30, 2011.

On September 27, 2011, representatives of Davies, Lawson Lundell LLP ("**Lawson**"), Canadian legal advisor to Anvil, and Stikeman Elliott LLP ("**Stikeman**"), Canadian legal advisor to Trafigura, met in Toronto to discuss the Support Agreement and Lock-Up Agreement. On September 28 and September 29, 2011, representatives of MMR, Anvil and Trafigura, as well as representatives of Davies, Lawson, Stikeman, Cassels Brock & Blackwell LLP, Canadian legal advisor to the Independent Directors, BMO and BNP Paribas, financial advisor to MMR and the Offeror, met in Toronto to further negotiate and settle the Support Agreement and Lock-Up Agreement. Negotiations concluded late in the afternoon on September 29, 2011.

The Anvil Board met throughout the afternoon of September 29, 2011 and the board of directors of MMR met in the early evening of September 29, 2011. At those meetings, each board approved the Support Agreement and the board of directors of MMR approved the Lock-Up Agreement, following which the Support Agreement and Lock-Up Agreement were entered into by the various parties and publicly announced by each of MMR and Anvil.

## 5. REASONS TO ACCEPT THE OFFER

Shareholders should consider the following factors in making their decision to accept the Offer:

- *Substantial Premium*. The Offer represents a premium of approximately 30% to the volume-weighted average trading price per Common Share on the TSX for the 20-trading day period ended September 29, 2011 (the last trading day on the TSX prior to the announcement of MMR's intention to make the Offer) and a premium of approximately 39% to the closing price of the Common Shares on the TSX on September 29, 2011.
- *Certainty of Value*. The consideration under the Offer is cash, which provides Shareholders with certainty of value.
- *Near Term Liquidity.* The Offer provides Shareholders with an ability to realize the value of their investment in the near term.
- *Fully Financed Cash Offer*. The Offer is not conditional on obtaining financing and the Offeror has sufficient committed funding to fund the entire consideration payable for the Common Shares.
- *Anvil's Share Price is Likely to Fall if the Offer does not Proceed.* The Offer represents a substantial premium to Anvil's share price before the announcement of MMR's intention to make the Offer. If the Offer is not successful, and no other offer is made for Anvil, it is likely that the Anvil share price will fall.

## 6. SUPPORT AGREEMENT

On September 29, 2011, the Offeror, MMR and Anvil entered into the Support Agreement, which sets out, among other things, the terms and conditions upon which Anvil agrees to recommend to Shareholders the acceptance of the Offer. The following is a summary of certain provisions of the Support Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Support Agreement. The Support Agreement has been filed by Anvil with the Canadian securities regulatory authorities and is available under Anvil's issuer profile at www.sedar.com.

### *Support of the Offer*

The Anvil Board, upon consultation with its financial and legal advisors and on receipt of a recommendation from the Anvil Independent Committee, has unanimously determined that the Offer is in the best interests of Anvil and the Shareholders and, accordingly, the Anvil Board unanimously recommends that Shareholders accept the Offer and deposit their Common Shares under the Offer. Each member of the Anvil Board intends to support the Offer and, subject to the provisions of the Support Agreement, Anvil has agreed to use all reasonable efforts to support the Offer.

### *The Offer*

The Offeror has agreed to make the Offer on the terms and conditions set forth in the Support Agreement, and provided all of the conditions of the Offer described in Section 4 of the Offer, "Conditions of the Offer", shall have been satisfied or waived at or prior to the Expiry Time, the Offeror has agreed to take up and pay for all Common Shares validly tendered and not withdrawn under the Offer within three business days following the time at which the Offeror is entitled to take up Common Shares under the Offer. See Section 6 of the Offer, "Take Up of and Payment for Deposited Common Shares".

The Offeror may, in its sole discretion, modify or waive any term or condition of the Offer, provided that the Offeror cannot, without the prior consent of the Anvil: (a) amend or modify the Minimum Tender Condition to less than 50.1% of the Common Shares that are outstanding at the time of initial take-up of Common Shares under the Offer; (b) waive the Minimum Tender Condition, as it may be amended or modified pursuant to paragraph (a) above, unless the Offeror can and, after such waiver, does take up and pay for a number of Common Shares equal to not less than 50.1% of the Common Shares that are outstanding at the time of the initial take-up of Common Shares under the Offer; (c) increase the Minimum Tender Condition; (d) impose additional conditions to the Offer; (e) decrease the cash consideration per Common Share; (f) decrease the number of Common Shares in respect of which the Offer is made; (g) change the form of consideration payable under the Offer (other than to add additional consideration or consideration alternatives); or (h) vary the Offer or any terms or conditions thereof (other than a waiver of a condition) in a manner that is adverse to the Shareholders. If the Offeror amends, modifies or waives the Minimum Tender Condition as permitted above and takes up and pays for any Common Shares pursuant to the Offer, the Offeror shall extend the Offer to the extent required to ensure that the Expiry Date shall be not less than 20 days from the date of such amendment, modification or waiver.

### *Shareholder Rights Plan*

Anvil covenants that it will not authorize, approve or adopt any shareholder rights plan or enter into any agreement providing therefor.

### *Anvil Board Representation*

Anvil acknowledges that promptly following the time at which the Offeror takes up for purchase such number of Common Shares which, together with any Common Shares held by or on behalf of the Offeror and its affiliates, represents at least a majority of the then outstanding Common Shares, and from time to time thereafter, the Offeror shall be entitled to designate (a) such number of members of the Anvil Board, and any committees thereof, as is proportionate to the percentage of the outstanding Common Shares beneficially owned from time to time by MMR and its affiliates (the "**MMR Percentage**"); and (b) following the purchase by the Offeror of such number of Common Shares which, together with the Common Shares held by or on behalf of MMR and its affiliates, represents at least 66⅔% of the then outstanding Common Shares, all of the members of the Anvil Board and any committees thereof,

subject to applicable Law (including any applicable requirements relating to the appointment of independent directors). Anvil will not frustrate the Offeror's attempts to do so and Anvil has covenanted to co-operate with the Offeror, subject to applicable Laws and the provision of releases and confirmation of insurance coverage, to enable the Offeror's designees to be elected or appointed to the Anvil Board and any committees thereof, and to constitute the MMR Percentage of the Anvil Board or the entire Anvil Board, as applicable, including at the request of the Offeror, by using its commercially reasonable efforts to increase the size of the Anvil Board and to secure the resignations of such directors as the Offeror may request.

***No Solicitation Covenant***

Anvil has agreed that, except as otherwise provided by the Support Agreement, it will not, and it will cause each of the Anvil Subsidiaries not to, directly or indirectly, including through any representative:

(a) make, solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing non-public information, permitting any visit to any facilities or properties of Anvil or any Anvil Subsidiary or joint venture material to Anvil and the Anvil Subsidiaries taken as a whole, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal;

(b) engage in discussions or negotiations regarding, or provide any information with respect to or otherwise co-operate in any way with, or assist or participate in, knowingly encourage or otherwise facilitate, any effort or attempt by any other person to make or complete any Acquisition Proposal, provided that, for greater certainty, Anvil may advise any person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Anvil Board has so determined;

(c) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to MMR or the Offeror, the approval or recommendation of the Anvil Board or any committee thereof of the Support Agreement or the Offer;

(d) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal;

(e) release any person from or waive, or otherwise forbear the enforcement of, any confidentiality or standstill agreement with such person that would facilitate the making or implementation of any Acquisition Proposal, provided that, for the avoidance of doubt, any automatic release from the standstill provisions of any such agreement in accordance with its terms shall not constitute a breach of this obligation; or

(f) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal, provided that the entering into of a confidentiality agreement as contemplated by the Support Agreement shall not constitute a breach of this obligation.

The Support Agreement defines an "**Acquisition Proposal**" as:

(a) any take-over bid, tender offer or exchange offer that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of Anvil;

(b) any amalgamation, plan of arrangement, share exchange, business combination, merger, consolidation, recapitalization, reorganization, or other similar transaction involving Anvil or one or more Anvil Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil, or any liquidation, dissolution or winding-up of Anvil or one or more Anvil Subsidiaries, which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil;

(c) any direct or indirect sale of assets (or any lease, long-term supply arrangement, license or other arrangement having the same economic effect as a sale) of Anvil or one or more Anvil Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil;

(d) any direct or indirect sale, issuance or acquisition of Common Shares or any other voting or equity interests (or securities representing, convertible into or exercisable for, such Common Shares or interests) in Anvil representing 20% or more of the issued and outstanding equity or voting interest (or rights or interests therein or thereto) of Anvil or any direct or indirect sale, issuance or acquisition of voting or equity interests (or

securities representing, convertible into or exercisable for such interests) in one or more Anvil Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil; or

(e) any proposal or offer to do, or public announcement of an intention to do, any of the foregoing from any person other than MMR or an MMR Subsidiary,

excluding the Offer and the other Contemplated Transactions.

Anvil has agreed to immediately cease, and to instruct its representatives to cease, any existing solicitation, discussions or negotiations with any person (other than MMR or an MMR Subsidiary), by or on behalf of Anvil or any Anvil Subsidiary with respect to or which could reasonably be expected to lead to any potential Acquisition Proposal, whether or not initiated by Anvil or any of its representatives and, in connection therewith, to discontinue access to the data room established by Anvil by all persons other than MMR, Anvil and their respective representatives.

Anvil has agreed to request the return or destruction of (i) all information provided to any third parties who have entered into confidentiality agreements with Anvil relating to any potential Acquisition Proposal and, (ii) to the extent permitted under the applicable confidentiality agreement, all material prepared by or on behalf of such third party that includes or incorporates or otherwise reflects any such confidential information. Anvil has agreed to use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of such confidentiality agreements and to immediately advise MMR and the Offeror of any response or action (actual or threatened) by any such third party of which Anvil is aware which could reasonably be expected to hinder, prevent or delay or otherwise adversely affect the completion of the Offer.

Anvil has agreed to promptly (and in any event within 24 hours) notify MMR and the Offeror, at first orally and then in writing, of any proposal, inquiry, offer or request (or any amendment thereto) (i) relating to or constituting an Acquisition Proposal, or which Anvil reasonably believes could lead to an Acquisition Proposal, (ii) for discussions or negotiations relating to, or which Anvil reasonably believes could lead to, an Acquisition Proposal, (iii) for non-public information relating to Anvil or any Anvil Subsidiary, including, in respect of certain of its properties or mineral rights, or for access to properties or books and records, or (iv) a list of Shareholders of Anvil or Anvil Subsidiaries, of which Anvil's representatives are or become aware. The notice must include the identity of the person making the proposal, inquiry, offer or request, including any amendment thereto. Anvil has also agreed to (i) provide such other details of the proposal, inquiry, offer or request, or any amendment to the foregoing, as the Offeror may reasonably request and (ii) keep MMR informed of the status, including any change to the material terms, of any such proposal, inquiry, offer or request, or any amendment thereto.

Anvil has agreed to ensure that its representatives are aware of the non-solicitation provisions of the Support Agreement and Anvil shall be responsible for any breach by such persons.

***Superior Proposals, Right to Match, etc.***

Following the receipt by Anvil of any proposal, inquiry, offer or request (or any amendment thereto) that is not an Acquisition Proposal but which Anvil reasonably believes could lead to an Acquisition Proposal, Anvil may respond to the proponent to advise it that, in accordance with the Support Agreement, Anvil can only enter into discussions or negotiations with a party that delivers an Acquisition Proposal. In the event Anvil receives a *bona fide* written Acquisition Proposal (including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement) that was not solicited in contravention of the Support Agreement, Anvil and its representatives may (provided it notifies MMR and the Offeror of such Acquisition Proposal as described above and otherwise complies with its non-solicitation covenants): (i) contact the person making such Acquisition Proposal and its representatives for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal; and (ii) if the Anvil Board determines in good faith, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is, or would, if consummated in accordance with the terms, reasonably be expected to be, a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties, (a) furnish information with respect to Anvil and the Anvil Subsidiaries to the person making such Acquisition Proposal and its representatives and permit site visits, if requested, provided that Anvil has entered into a confidentiality and standstill agreement with such person that is no less favourable in the aggregate to Anvil than the Confidentiality Agreement (provided that no such confidentiality and standstill agreement shall prevent such person from making, pursuing or completing an Acquisition Proposal in

accordance with the Support Agreement) and provided that Anvil sends a copy of such agreement to MMR promptly following its execution (or, if executed prior to the date of the Support Agreement, promptly following a request for same from MMR) and MMR is promptly provided with a list of, and access to (to the extent not previously provided to MMR) the information provided to such person, and (b) engage in discussions and negotiations with respect to the Acquisition Proposal with the person making such Acquisition Proposal and its representatives.

The Support Agreement defines a "**Superior Proposal**" as a *bona fide* Acquisition Proposal:

(a) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction, (A) all of the Common Shares (not beneficially owned by the party making such Acquisition Proposal) and pursuant to which all Shareholders are offered the same consideration in form and amount per Common Share to be purchased or otherwise acquired; or (B) all or substantially all of the assets of Anvil and the Anvil Subsidiaries, taken as a whole;

(b) that did not result from a breach of the non-solicitation covenants of the Support Agreement;

(c) that is made in writing after the date of the Support Agreement, including an amendment, change or modification to any Acquisition Proposal made prior to the date of the Support Agreement;

(d) that complies with applicable securities Laws in all material respects;

(e) that is not subject to a financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Anvil Board, acting in good faith (after consultation with its financial advisors and outside legal counsel), will be obtained;

(f) that is not subject to any due diligence and/or access conditions; and

(g) that the Anvil Board has determined in good faith (after consultation with its financial advisors and outside legal counsel) (i) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal, and (ii) would, if consummated in accordance with its terms (but not assuming away any risk of non-compliance) result in a transaction more favourable from a financial point of view to the Shareholders than the Offer (taking into consideration any adjustment to the terms and conditions of the Offer proposed by MMR pursuant to the terms of the Support Agreement).

Anvil may enter into an agreement (in addition to any confidentiality agreement contemplated above) with respect to an Acquisition Proposal and/or withdraw, modify or qualify its approval or recommendation of the Offer and recommend or approve an Acquisition Proposal (a "**Change in Recommendation**") including, in each case, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement, provided that: (a) Anvil has complied with its non-solicitation obligations under the Support Agreement; (b) the Anvil Board has determined, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties; (c) Anvil has delivered written notice to MMR and the Offeror of the determination of the Anvil Board that the Acquisition Proposal is a Superior Proposal and of the intention of the Anvil Board to approve or recommend the Superior Proposal and/or of Anvil to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement; (d) at least five full business days have elapsed since the date the Superior Proposal notice was received by MMR and the Offeror, which five business day period is referred to as the "**Right to Match Period**" and, for greater certainty, the Right to Match Period shall expire at 9:00 p.m. (Toronto time) on the fifth business day following the day MMR and the Offeror received the Superior Proposal notice; (e) if MMR and the Offeror have offered to amend the terms of the Offer during the Right to Match Period, the Anvil Board has determined in good faith, after consultation with its outside legal and financial advisors, that such Acquisition Proposal continues to be a Superior Proposal compared to the amendment of the terms of the Offer and the Support Agreement offered by MMR at or prior to the termination of the Right to Match Period; and (f) if applicable, Anvil termites the Support Agreement and Anvil pays the Termination Payment.

During the Right to Match Period, MMR and the Offeror will have the opportunity, but not the obligation, to offer to amend the terms of the Offer and the Support Agreement and Anvil shall co-operate with MMR and the Offeror with respect thereto, including negotiating in good faith with MMR and the Offeror to enable them to make such adjustments to the terms and conditions of the Offer as MMR and the Offeror deem appropriate and as would enable them to proceed with the Offer and any Contemplated Transactions on such adjusted terms. The Anvil Board will review any such offer by MMR and the Offeror to amend the terms of the Offer and the Support Agreement in order to

determine, in good faith in the exercise of its fiduciary duties, whether MMR and the Offeror's offer to amend the Offer and the Support Agreement, upon its acceptance, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the terms of the Offer and the Support Agreement offered by MMR and the Offeror. If the Anvil Board determines that the Acquisition Proposal would cease to be a Superior Proposal, MMR and the Offeror will amend the Offer and Anvil, MMR and the Offeror shall enter into an amendment to the Support Agreement reflecting the offer by MMR and the Offeror to amend the terms of the Offer and the Support Agreement.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration to be received by the Shareholders will constitute a new Acquisition Proposal for the purposes of the Support Agreement, including initiating a new Right to Match Period, if applicable.

Nothing in the Support Agreement shall prevent the Anvil Board from responding through a directors' circular or otherwise as required by applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal. Further, nothing in the Support Agreement shall prevent the Anvil Board from making any disclosure to the securityholders of Anvil if the Anvil Board, acting in good faith and upon the advice of legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Anvil Board or such disclosure is otherwise required under applicable Laws; provided, however, that notwithstanding that the Anvil Board is permitted to make such disclosure the Anvil Board is not permitted to make a Change in Recommendation other than as permitted by the Support Agreement.

***Reaffirmation of Recommendation by the Anvil Board***

The Anvil Board has agreed to promptly reaffirm its recommendation of the Offer or the amended Offer, as applicable, by news release after: (a) any Acquisition Proposal is publicly announced or made and the Anvil Board determines it is not a Superior Proposal; or (b) the Anvil Board determines that a proposed amendment to the terms of the Offer would result in the Acquisition Proposal not being a Superior Proposal, and MMR has so amended the terms of the Offer. MMR and the Offeror will be given reasonable opportunity to review and comment on the form and content of any such news release.

***Subsequent Acquisition Transaction***

The Support Agreement provides that, if within the earlier of the Expiry Time or 120 days after the date of the Offer, the Offer has been accepted by holders of not less than 90% of the outstanding Common Shares as the Expiry Time, excluding Common Shares held by or on behalf of the Offeror, or an "affiliate" or an "associate" (as those terms are defined in the NWTBCA) of the Offeror, the Offeror shall, to the extent practicable, acquire the remainder of the Common Shares from those Shareholders who have not accepted the Offer, pursuant to a Compulsory Acquisition. If that statutory right of acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, the Offeror has agreed to use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not tendered to the Offer, provided that the consideration per Common Share offered in connection with such other means of acquiring such Common Shares shall be at least equal to the consideration per Common Share paid under the Offer. In the event the Offeror takes up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares, the Offeror will use commercially reasonable efforts, and Anvil will assist the Offeror, in order to acquire sufficient Common Shares to successfully complete a Subsequent Acquisition Transaction involving Anvil and MMR or a MMR Subsidiary and, for greater certainty, when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction to acquire the remaining Common Shares, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction shall not be less than the price per Common Share paid under the Offer and in no event will the Offeror be required to offer consideration per Common Share greater than the price per Common Share paid under the Offer.

***Termination of the Support Agreement***

The Support Agreement may be terminated at any time prior to the time that designees of the Offeror represent a majority of the Anvil Board in the following circumstances:

(a) by mutual written agreement of MMR and Anvil;

(b) by Anvil, if the Offeror does not commence the Offer by 11:59 p.m. (Toronto time) on October 21, 2011 (the "**Latest Mailing Time**") (other than as a result of Anvil's default or breach of a material covenant or obligation under the Support Agreement) or the Offer (or any amendment thereto other than as permitted under the Support Agreement or as has been mutually agreed by the Offeror, MMR and Anvil) does not conform in all material respects with the Support Agreement and such non-conformity is not cured within five business days from the date of written notice thereof;

(c) by MMR, if any condition to making the Offer for MMR's and the Offeror's benefit is not satisfied or waived before the Last Mailing Time (other than as a result of a default or breach of a material covenant or obligation under the Support Agreement by MMR or the Offeror);

(d) by MMR if (i) the Minimum Tender Condition shall not be satisfied at the Expiry Time (as it may be extended from time to time in accordance with the Support Agreement), and the Offeror shall not have elected to waive such condition; or (ii) any other condition of the Offer shall not be satisfied or waived at the Expiry Time (as it may be extended from time to time in accordance with the Support Agreement) other than as a result of a material breach of a material covenant or obligation under the Support Agreement by MMR or the Offeror, and the Offeror shall not have elected to waive such condition;

(e) by either Anvil or MMR, if the Offeror does not take up and pay for the Common Shares deposited under the Offer by the date that is 90 days following the date of the commencement of the Offer otherwise than as a result of the material breach by the party seeking to terminate the Support Agreement of any covenant or obligation under the Support Agreement (or, where such covenant is itself qualified by materiality or Material Adverse Effect, any breach of such covenant), or as a result of any representation or warranty made by such party in the Support Agreement being untrue or incorrect in any material respect (or, where any such representation or warranty is itself qualified by materiality or a Material Adverse Effect, being untrue or incorrect in any respect), provided further, however, that if the Offeror's take up and payment for Common Shares deposited under the Offer is delayed by (i) an injunction or order made by a Governmental Entity of competent jurisdiction, or (ii) the Offeror not having obtained any governmental or regulatory approval, including any Required Regulatory Approvals, then, provided that such injunction or order is being contested or appealed or such governmental or regulatory approval is being actively sought, as applicable, the Support Agreement shall not be terminated until the earlier of (A) the fifth business day following the date on which such injunction or order ceases to be in effect or such governmental or regulatory approval is obtained, and (B) 180 days after the Offer is commenced;

(f) by MMR if, (i) Anvil is in default of any covenant or obligation in the Support Agreement relating to the non-solicitation of Acquisition Proposals or MMR's right to match any Superior Proposal, (ii) Anvil is in material default of any other covenant or obligation under the Support Agreement (or, where such covenant or obligation is itself qualified by materiality or Material Adverse Effect, in default in any respect), or (iii) any representation or warranty made by Anvil in the Support Agreement was, at the date of the Support Agreement, or shall become, untrue or incorrect at any time prior to the Expiry Time in any material respect (or, where any such representation or warranty is itself qualified by materiality or Material Adverse Effect, untrue or incorrect in any respect) where such inaccuracies in the representations and warranties, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect in respect of Anvil or would reasonably be expected to prevent, or materially impede, restrict or delay, consummation of the Offer; and, in the case of (f)(ii) or (f)(iii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is 15 days from the date of written notice of such breach and the business day prior to the Expiry Date;

(g) by Anvil if, (i) MMR or the Offeror is in material default of any covenant or obligation under the Support Agreement (or, where such covenant or obligation is itself qualified by materiality or Material Adverse Effect, in default in any respect); or (ii) any representation or warranty made by MMR or the Offeror in the Support Agreement is untrue or incorrect in any material respect (or, where any such representation or warranty is itself qualified by materiality or Material Adverse Effect, untrue or incorrect in any respect) at any time prior to the Expiry Time and such inaccuracy would reasonably be expected to prevent, or materially impede, restrict or delay, consummation of the Offer, and such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is 15 days from the date of written notice of such breach and the business day prior to the Expiry Date;

(h) by MMR or Anvil, if any court of competent jurisdiction or other Governmental Entity in Canada, the United States, Australia or the DRC shall have issued an order, decree or ruling permanently enjoining or otherwise prohibiting any of the Offer, the transactions contemplated by the Lock-Up Agreement, the take up of Common Shares by the Offeror pursuant to the Offer, any Compulsory Acquisition, any Subsequent Acquisition Transaction, any subsequent amalgamation, merger or other business combination of MMR (or any MMR affiliates) and Anvil, any other form of transaction (such as a plan of arrangement or amalgamation) whereby MMR or any MMR Subsidiary would effectively acquire all of the Common Shares within approximately the same time period and on economic terms and other terms and conditions (including, without limitation, tax treatment and form and amount of consideration per Common Share) and having consequences to Anvil and its Shareholders that are equivalent to or better than those contemplated by the Support Agreement and any other actions with respect to any other transactions contemplated by the Support Agreement (collectively, the "**Contemplated Transactions**") (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable), which order, decree or ruling is final and non-appealable;

(i) by MMR if: (i) the Anvil Board fails to recommend the Offer or publicly reaffirm its approval of the Offer within three calendar days of any written request by MMR (or if the Offer shall be scheduled to expire within such three calendar day period, prior to the Expiry Time); (ii) the Anvil Board or any committee thereof withdraws, modifies, changes or qualifies its approval or recommendation of the Offer in any manner adverse to MMR; or (iii) the Anvil Board, or any committee thereof, recommends or approves, or publicly proposes to recommend or approve, an Acquisition Proposal;

(j) by Anvil, if Anvil proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of the Support Agreement, provided that prior to or concurrently with the entering into of that definitive agreement, Anvil shall have paid to MMR or an assignee of MMR the applicable Termination Payment; or

(k) by Anvil if the MMR Shareholder Approval has not been obtained by the date that is 80 days following the commencement of the Offer.

***Termination Payment, Reverse Termination Payment and Expense Reimbursements***

Anvil is obligated to pay MMR a termination payment in the amount of $53.2 million (the "**Termination Payment**") upon the occurrence of any of the following events:

(a) the Support Agreement is terminated by MMR in the circumstances described in paragraph (f)(i) or (i) under the heading "Termination of the Support Agreement" above (except in a circumstance in which the Support Agreement is terminated pursuant to paragraph (i)(ii) under the heading "Termination of the Support Agreement" above in a circumstance in which Anvil is entitled to terminate the Support Agreement pursuant to paragraph (g) under the heading "Termination of the Support Agreement" above and, as a consequence, the Anvil Board withdraws, modifies, changes or qualifies its approval or recommendation of the Offer, in which event no Termination Payment will be payable under the Support Agreement);

(b) the Support Agreement is terminated pursuant to paragraph (j) under the heading "Termination of the Support Agreement" above; or

(c) the Support Agreement is terminated by MMR pursuant to paragraph (d)(i) under the heading "Termination of the Support Agreement" above, and: (i) following the date of the Support Agreement and prior to the date on which the Support Agreement is terminated, an Acquisition Proposal is publicly announced or made by a person other than MMR or a MMR Subsidiary, or a person other than MMR or a MMR Subsidiary has publicly announced an intention to make an Acquisition Proposal; and (ii) either (X) an Acquisition Proposal is completed within six months following the date on which the Support Agreement is terminated or (Y) Anvil or one or more of the Anvil Subsidiaries enters into a definitive agreement in respect of, or the Anvil Board accepts, approves or recommends, an Acquisition Proposal within six months following the date on which the Support Agreement is terminated, which Acquisition Proposal is completed at any time thereafter.

MMR is obligated to pay Anvil a reverse termination payment in the amount of $20 million (the "**Reverse Termination Payment**") if the Support Agreement is terminated (i) by Anvil pursuant to paragraph (k) under the heading "Termination of the Support Agreement" above, or (ii) by MMR pursuant to paragraph (d)(ii) under the heading "Termination of the Support Agreement" above, as a result of the failure to obtain the MMR Shareholder Approval.

Unless the Termination Payment is paid, Anvil is obligated to pay MMR an expense reimbursement payment in the amount of $2 million (the "**MMR Expense Reimbursement**") if the Support Agreement is terminated pursuant to paragraph (c) under the heading "Termination of the Support Agreement" above (but only where the failure by Anvil to comply with any covenant and obligation under the Support Agreement gives rise to such termination right), or paragraph (f)(ii) or paragraph (f)(iii) under the heading "Termination of the Support Agreement" above.

Unless the Reverse Termination Payment is paid, MMR is obligated to pay Anvil an expense reimbursement payment in the amount of $2 million (the "**Anvil Expense Reimbursement**") if the Support Agreement is terminated pursuant to paragraph (b) or (g) under the heading "Termination of the Support Agreement" above.

***Representations and Warranties***

The Support Agreement contains a number of customary representations and warranties of MMR, the Offeror and Anvil relating to, among other things: corporate status, and the corporate authorization and enforceability of, and board approval of, the Support Agreement and the Offer. The representations and warranties of Anvil also address various matters relating to the business, operations and properties of Anvil and the Anvil Subsidiaries, including, among other things: capitalization; public filings; accuracy of financial statements; financial information; liabilities and indebtedness; books and records; absence of certain changes or events; litigation; compliance with Laws; employment matters; tax matters; material contracts; related party transactions; mineral reserves and resources; property and mineral rights; environmental matters; disclosure controls and procedures; internal controls over financial reporting; reporting issuer status; compliance with anti-corruption laws; and competition laws. In addition, MMR and the Offeror have represented that they have made adequate arrangements to ensure that the required funds are available to effect payment in full for all of the Common Shares to be acquired pursuant to the Offer.

***Conduct of Business***

Anvil has covenanted and agreed that, from the date of the Support Agreement to the earlier of (i) the time of the appointment or election to the Anvil Board of persons designated by the Offeror who represent a majority of the directors of Anvil, and (ii) the termination of the Support Agreement, except as otherwise expressly contemplated or permitted by the Support Agreement or unless MMR shall otherwise agree in writing, Anvil will, and will cause each of the Anvil Subsidiaries to, among other things, conduct its and their respective businesses in the ordinary course consistent with past practice in all material respects and in compliance with applicable Laws, and to use reasonable best efforts to preserve intact its and their present business organization and goodwill, to keep its and their respective contractual or other real property interests, mining leases, mining concessions, mining claims, permits or other property, mineral or proprietary interests or rights or other legal rights and claims in good standing, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships with suppliers, distributors, employees, joint venture parties and others having business relationships with them. Anvil has also agreed that it will not and will cause each of the Anvil Subsidiaries not to take certain actions specified in the Support Agreement. Anvil and the Anvil Subsidiaries will not, among other things: (a) acquire or commit to acquire any asset or group of related assets (through one or more related or unrelated acquisitions) having a value in excess of $5 million in the aggregate; (b) subject to certain exceptions, incur, or commit to, capital expenditures in excess of $5 million in the aggregate; or (c) subject to certain exceptions, sell, lease, option, encumber or otherwise dispose of, or commit to sell, lease, option, encumber or otherwise dispose of, any assets or group of related assets (through one or more related or unrelated transactions) having a value in excess of $5 million in the aggregate.

Anvil has also agreed to notify MMR immediately of (i) any material change (within the meaning of the OSA) in relation to Anvil and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated) or (ii) the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would or would reasonably be likely to (X) cause any of the representations or warranties of Anvil contained in the Support Agreement to be untrue or inaccurate in any material respect (or, where any such representation or warranty is itself qualified by materiality or Material Adverse Effect, untrue or inaccurate in any respect) or (Y) result in the failure of Anvil to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied prior to the time prior to the time that designees of the Offeror represent a majority of the Anvil Board in any material respect (or, where any such covenant, condition or agreement is itself qualified by materiality or Material Adverse Effect, in any respect).

***Other Covenants***

Each of Anvil, MMR and the Offeror have agreed to a number of mutual covenants, including to cooperate in good faith and use all commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the Contemplated Transactions, and for the discharge by each party to the Support Agreement of its respective obligations under the Support Agreement and the Offer (including its obligations under applicable securities Laws), including to use commercially reasonable efforts to: (a) obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements (including the agreement of any person as may be required pursuant to any agreement, arrangement or understanding relating to Anvil's operations); (b) obtain all necessary waivers, consents and approvals to effect all necessary registrations and filings, including filings under the applicable Laws and submissions of information requested by Governmental Entities, in connection with the Contemplated Transactions, including in each case the execution and delivery of such documents as the other party to the Support Agreement may reasonably require; (c) defend all lawsuits or other legal proceedings challenging the Support Agreement or the consummation of the transactions contemplated by the Support Agreement; (d) cause to be lifted or rescinded any injunction or restraining order or other adverse order (including any cease trade order, objection, injunction or other prohibition) which may be issued in connection with the Contemplated Transactions against any of the parties; and (e) fulfill all conditions and satisfy all provisions of the Support Agreement and the Offer that are applicable to it. In addition, but subject to the Confidentiality Agreement, Anvil agrees to provide MMR and its representatives with ongoing unrestricted access to Anvil's electronic data room and, upon reasonable notice, reasonable access (without disruption to the conduct of Anvil's business) during normal business hours to all other books, records, information, corporate charts, tax documents, filings, memoranda, working papers and files and all other materials in its possession or control, including material contracts, and access to the personnel of and counsel to Anvil and the Anvil Subsidiaries on an as reasonably requested basis, as well as reasonable access to the properties of Anvil and the Anvil Subsidiaries, in order to allow MMR and the Offeror to conduct such investigations as MMR and the Offeror may consider necessary or advisable for strategic planning and integration, for the structuring of any pre-acquisition reorganization and for any other reasons reasonably relating to the Contemplated Transactions.

***Anvil's Officers and Directors***

From and after the time that designees of the Offeror represent a majority of the Anvil Board and for a period of six years thereafter, MMR and the Offeror shall cause Anvil or any successor to Anvil to maintain Anvil's current directors' and officers' liability insurance policy, or a reasonably equivalent policy, provided, however, that MMR and the Offeror will not be required, in order to maintain or cause to be maintained such directors' and officers' liability insurance policy, to pay an annual premium in excess of 300% of the annual premium for the existing policy; and provided further that, if equivalent coverage cannot be obtained or can only be obtained by paying an annual premium in excess of 300% of the annual premium for the existing policy, MMR and the Offeror shall only be required to obtain or cause to be obtained as much coverage as can be obtained by paying an annual premium equal to 300% of the annual premium for the existing policy. Alternatively, MMR, the Offeror or Anvil may purchase, as an extension to Anvil's current directors' and officers' liability insurance policies, pre-paid non-cancelable run-off insurance providing such coverage for such persons on terms comparable to those contained in Anvil's current directors' and officers' liability insurance policies, provided that the premium will not exceed 300% of the premium currently charged to Anvil for directors' and officers' liability insurance. In addition, MMR and the Offeror have agreed to indemnify, and to cause Anvil to indemnify, present and former directors and officers of Anvil and the Anvil Subsidiaries for certain payments, costs and expenses relating to the person's service as a director or officer.

***Outstanding Anvil Options***

Anvil covenants in the Support Agreement that the Anvil Board will resolve to accelerate the vesting of all Options, to permit the exercise, on a cashless basis, of all Options conditional upon, and immediately prior to, the Offeror taking up the Common Shares under the Offer and to accelerate the expiry date for all unexercised Options so that any unexercised Options shall expire upon the Offeror taking up Common Shares under the Offer, in each case with such resolution being effective prior to the initial scheduled Expiry Date of the Offer.

Under the Support Agreement, the Offeror acknowledges and agrees that (i) holders of Options will be permitted to tender Common Shares issuable upon the exercise thereof to the Offer and for such purpose to exercise their Options (on a cashless basis) and in a manner acceptable to the Offeror, acting reasonably, conditional upon, and immediately prior to, the Offeror taking up the Common Shares under the Offer, and (ii) all Common Shares that are to be issued

pursuant to any such conditional exercise shall be accepted as validly tendered under the Offer, provided that the holders of such Options otherwise validly accept the Offer in accordance with its terms with respect to such Common Shares. On the conditional exercise of Options, provided that the Common Shares acquired thereunder are tendered to the Offer, the holder shall direct the Offeror in writing (in a form acceptable to the Offeror, acting reasonably) to pay to Anvil from the proceeds of sale of such Common Shares otherwise payable to the Option holder for remittance to the relevant tax authority an amount sufficient to satisfy all applicable income tax and other source deductions arising on the exercise of Options.

***Outstanding Anvil Restricted Shares***

Anvil covenants in the Support Agreement that the Anvil Board will resolve, effective prior to the initial scheduled Expiry Date of the Offer, that all terms, conditions and restrictions on Restricted Shares shall cease to have effect to allow the resulting Common Shares to be tendered to the Offer.

The Offeror acknowledges and agrees that (i) holders of Restricted Shares will be permitted to tender to the Offer the Common Shares resulting from the terms, conditions and restrictions applicable to such Restricted Shares ceasing to have effect and (ii) all Common Shares so tendered shall be accepted as validly tendered under the Offer, provided that the holders of such Common Shares otherwise validly accept the Offer in accordance with its terms with respect to such Common Shares. On the terms, conditions and restrictions applicable to the Restricted Shares ceasing to have effect, provided that the Common Shares thus acquired are tendered to the Offer, the holder shall direct the Offeror in writing (in a form acceptable to the Offeror, acting reasonably) to pay to Anvil from the proceeds of sale of such Common Shares otherwise payable to the holder of such shares for remittance to the relevant tax authority an amount sufficient to satisfy all applicable income tax and other source deductions arising on the Restricted Shares becoming Common Shares not subject to any terms, conditions or restrictions.

***Outstanding Anvil Executive and Senior Staff Incentive Scheme Entitlements***

Anvil covenants in the Support Agreement that the Anvil Board will resolve, effective prior to the initial scheduled Expiry Date of the Offer, that all outstanding ESSIS Entitlements shall be cancelled such that no Common Shares shall be issued in respect thereof. The Anvil Board may resolve to pay a cash performance bonus to some or all participants whose ESSIS Entitlements were cancelled in an amount not to exceed the aggregate combined cash and Common Share amount had the ESSIS Entitlement been awarded in full, where the cash equivalent for the Common Share amount shall be the price per Common Share paid under the Offer.

***Outstanding Employee Share Purchase Plan and Executive and Senior Staff Incentive Plan***

Anvil covenants in the Support Agreement that the Anvil Board will take all steps as may be necessary or desirable to terminate the ESPP and the ESSIP, conditional upon, and effective immediately before, the time that the Offeror first takes up and pays for all Common Shares tendered under the Offer.

***MMR Guarantee***

MMR has unconditionally and irrevocably guaranteed under the Support Agreement, and agreed to be jointly and severally liable with the Offeror, as principal obligor, for the due and punctual performance of the obligations of the Offeror under the Support Agreement or relating to the Offer and the other transactions contemplated by the Support Agreement.

***Mutoshi Project***

MMR and the Offeror have acknowledged that the completion of the Offer may result in an obligation of Anvil or one of the Anvil Subsidiaries to offer to sell to Gécamines the interest indirectly held by Anvil in the Mutoshi Project. MMR, the Offeror and Anvil have agreed to work cooperatively to allow Anvil to proceed to make such an offer, including with respect to the preparation of all materials and participation in discussions and meetings with Gécamines where possible.

## 7. LOCK-UP AGREEMENT

MMR, the Offeror and the Locked-Up Shareholders entered into the Lock-Up Agreement on September 29, 2011. Under the Lock-Up Agreement, each of the Locked-Up Shareholders has agreed, among other things, to (a) accept the Offer, (b) deposit or cause to be deposited under the Offer and not withdraw, subject to certain exceptions, all of the Common Shares which each Locked-Up Shareholder owns or over which it exercises direction or control, and (c) exercise or conditionally exercise all of the Convertible Securities currently owned by such Locked-Up Shareholder and to deposit under the Offer and not withdraw, subject to certain exceptions, all of the Common Shares issued upon such exercise or conditional exercise of Convertible Securities, representing approximately 40% of the Common Shares on a fully-diluted basis, except in limited circumstances, some of which are discussed below.

The following is a summary of certain provisions of the Lock-Up Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Lock-Up Agreement. The Lock-Up Agreement has been filed by MMR with the Canadian securities regulatory authorities and is available under Anvil's issuer profile at www.sedar.com.

### *Agreement to Make the Offer*

The Offeror has agreed to make the Offer within the time period and upon and subject to the terms and conditions set out in the Support Agreement.

### *Agreement to Tender*

The Locked-Up Shareholders have agreed to accept the Offer and to deposit or cause to be deposited under the Offer all Common Shares which they beneficially own or control, including in the case of Trafigura, all Common Shares issuable upon the exercise of the Trafigura Warrants and in the case of the other Locked-Up Shareholders, all Common Shares issuable upon the exercise or conditional exercise of "in the money" Options held by such Locked-Up Shareholders.

### *Covenants of the Locked-Up Shareholders*

Each Locked-Up Shareholder has agreed, among other things, that it will not: (a) acquire direct or indirect beneficial ownership or holding of or control or direction over any additional Common Shares or obtain or enter into any right to do so, with the exception of any Common Shares acquired from exercising Convertible Securities, (b) grant or agree to grant any proxy or other right to the Common Shares, or enter into any voting trust or pooling agreement or arrangement or enter into or subject any of such Common Shares to any other agreement, arrangement, understanding or commitment, formal or informal, with respect to or relating to the voting thereof, (c) in any manner, directly or indirectly, including through any officer, director, employee, representative (including for greater certainty any financial or other advisor) or agent or otherwise (as applicable) make, solicit, assist, initiate, encourage or otherwise knowingly facilitate any inquiries, proposals or offers from any person regarding any Acquisition Proposal, engage in discussions or negotiations regarding any Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, knowingly encourage or otherwise facilitate any effort or attempt by any other person to make or complete any Acquisition Proposal, (d) to solicit or arrange or provide assistance to any other person to arrange for the solicitation of, purchase of or offers to sell Common Shares or act in concert or jointly with any other person for the purpose of acquiring Common Shares or the purpose of affecting the control of Anvil, (e) option, sell, assign, dispose of, pledge, allow any encumbrances over, grant a security interest in or otherwise convey any Convertible Securities or Common Shares or any right or interest therein, or agree to do any of the foregoing except pursuant to the Offer and the Lock-Up Agreement, and (f) take any action to encourage or assist any other person to do any of the prohibited acts referred to above.

In addition to the foregoing covenants, each Locked-Up Shareholder has agreed that it will (a) immediately cease any existing solicitations, discussions or negotiations it is engaged in with any person (other than MMR or a MMR Subsidiary) with respect to any potential Acquisition Proposal; (b) as soon as practicable notify MMR of (i) any proposal, inquiry, offer or request (or any amendment thereto) that the Locked-Up Shareholder receives, or of which the Locked-Up Shareholder becomes aware, that relates to, or constitutes, an Acquisition Proposal or which the Locked-Up Shareholder reasonably believes could lead to an Acquisition Proposal, or (ii) any request that the Locked-Up Shareholder receives for discussions or negotiations relating to, or which the Locked-Up Shareholder reasonably believes could lead to, an Acquisition Proposal, or any request for non-public information relating to Anvil

or any Anvil Subsidiary by any person or entity that informs the Locked-Up Shareholder that it is considering making, or has made, an Acquisition Proposal; and (c) exercise the voting rights attaching to the Common Shares and any Common Shares acquired through the exercise of Convertible Securities and otherwise use the Lock-Up Shareholder's commercially reasonable efforts in the Lock-Up Shareholder's capacity as a shareholder of Anvil to oppose any proposed action by Anvil, its shareholders, any of the Anvil Subsidiaries or any other person (i) in respect of any merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving Anvil or any Anvil Subsidiary, other than the Offer, (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the take up of and payment for the Common Shares and any Common Shares acquired through the exercise of Convertible Securities deposited under the Offer or the successful completion of the Offer, or (iii) which would reasonably be expected to result in a Material Adverse Effect in respect to Anvil.

Nothing in the Lock-Up Agreement shall prevent a Locked-Up Shareholder (or an officer or director of a Locked-Up Shareholder) who is a member of the Anvil Board or is an officer of Anvil from engaging, in such Locked-Up Shareholder's capacity as a director or officer or Anvil, in discussions or negotiations with a person in response to a *bona fide* Acquisition Proposal made by such person (which Acquisition Proposal did not result from a breach of the Lock-Up Agreement or the Support Agreement) in circumstances where Anvil is permitted by the Support Agreement to engage in such discussion or negotiations. Notwithstanding the foregoing, following receipt by a Locked-Up Shareholder (or an officer or director of a Locked-Up Shareholder ) who is a member of the Anvil Board or who is an officer of Anvil of any proposal, inquiry, offer or request (or any amendment thereto) that is not an Acquisition Proposal but which such the Locked-Up Shareholder reasonably believes could lead to an Acquisition Proposal, such Locked-Up Shareholder may respond to the proponent to advise it that, in accordance with the Support Agreement, Anvil can only enter into discussions or negotiations with a party that delivers an Acquisition Proposal. See Section 6 of the Circular, "Support Agreement – Superior Proposals, Right to Match, etc.".

***Representations and Warranties of the Locked-Up Shareholders***

The Lock-Up Agreement contains customary representations and warranties of the Locked-Up Shareholders including, among other things, representations and warranties as to: (a) sole right to sell and ownership of the Common Shares, free and clear of encumbrances; and (b) authority, execution, delivery and enforceability of the Lock-Up Agreement.

***Representations and Warranties of the Offeror***

The Lock-Up Agreement also contains customary representations and warranties of the Offeror and MMR including, among other things, representations and warranties as to: (a) due incorporation and existence of the Offeror and MMR; (b) authority, execution, delivery and enforceability of the Lock-Up Agreement; and (c) adequate arrangements to ensure sufficient funds are available to effect full payment for the purchase of all the Common Shares under the Offer.

***Termination of the Lock-Up Agreements***

The Lock-Up Agreement may be terminated by mutual written consent of MMR and the Locked-Up Shareholders. The Lock-Up Agreement may also be terminated by MMR, subject to certain conditions, upon notice if: (a) the Support Agreement is terminated in accordance with the provisions thereof; (b) any of the Locked-Up Shareholders has not complied in any material respect with all of its covenants in the Lock-Up Agreement (and such default is not curable or, if curable, following written notice to the Locked-Up Shareholder by MMR of such non-compliance and provided such default is not cured within 15 days of that notice) or if any representation or warranty of any of the Locked-Up Shareholders under the Lock-Up Agreement is untrue or incorrect in any material respect; or (c) any of the conditions of the Offer are not satisfied or waived at the Expiry Time and MMR and the Offeror elect not to waive such condition.

The Lock-Up Agreement may be terminated by any Locked-Up Shareholder, subject to certain conditions, if: (a) MMR and the Offeror have not complied in any material respect with their respective covenants contained in the Lock-Up Agreement (and such default is not curable or, if curable, following written notice to MMR and the Offeror by the Locked-Up Shareholders of such non-compliance and provided such default is not cured within 15 days of that notice) or if any representation or warranty of MMR or the Offeror under the Lock-Up Agreement is untrue or incorrect in any material respect; (b) the Offeror does not mail the Offer by the Latest Mailing Time; (c) the terms of the Offer do not conform in all material respects with the description of the Offer contained in the Support Agreement;

(d) the Offeror does not (for any reason other than the failure of any Locked-Up Shareholder to deposit its Common Shares for purchase) taken up and paid for all Common Shares deposited under the Offer as required under the Support Agreement, or (e) the Support Agreement is terminated in accordance with its provisions and the Termination Payment has been made, if applicable.

## 8. PURPOSE OF THE OFFER AND PLANS FOR ANVIL

The purpose of the Offer is to enable the Offeror to acquire (and MMR to acquire indirectly through the Offeror), on the terms and subject to the conditions of the Offer, all of the outstanding Common Shares. The effect of the Offer is to give to all Shareholders the opportunity to receive $8.00 in cash per Common Share, representing a premium of approximately 30% to the volume-weighted average trading price per Common Share on the TSX for the 20-trading day period ended September 29, 2011 (the last trading day on the TSX completed prior to the announcement of MMR's intention to make the Offer) and a premium of approximately 39% to the closing price of the Common Shares on the TSX on September 29, 2011.

If, within the earlier of the Expiry Time or 120 days after the date of the Offer, the Offer is accepted by Shareholders who in the aggregate hold not less than 90% of the issued and outstanding Common Shares, other than Common Shares held at the date of the Offer by or on behalf of the Offeror or an "affiliate" or an "associate" of the Offeror (as those terms are defined in the NWTBCA), and the Offeror acquires such deposited Common Shares under the Offer, the Offeror has agreed in the Support Agreement, to the extent practicable, to acquire those Common Shares which remain outstanding held by those persons who did not accept the Offer pursuant to a Compulsory Acquisition. The Offeror has covenanted in the Support Agreement that if the Offeror acquires Common Shares pursuant to the Offer and a Compulsory Acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, the Offeror will use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not deposited under the Offer, provided that the consideration per Common Share offered in connection with such other means of acquiring such Common Shares shall be at least equal to the price per Common Share paid under the Offer. In addition, the Offeror has agreed in the Support Agreement that, in the event the Offeror takes-up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares, the Offeror will use commercially reasonable efforts, and Anvil has agreed to assist the Offeror, in order for the Offeror to acquire sufficient Common Shares to successfully complete a Subsequent Acquisition Transaction and, for greater certainty, that when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction to acquire the remaining Common Shares, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction shall not be less than the price per Common Share paid under the Offer. In no event will the Offeror be required to offer consideration per Common Share greater than the price per Common Share paid under the Offer. The Offeror intends to cause the Common Shares acquired under the Offer to be voted in favour of any such Subsequent Acquisition Transaction and, to the extent permitted by Law, to be counted as part of any minority approval that may be required in connection with such transaction. If the Minimum Tender Condition is satisfied and the Offeror takes-up and pays for the Common Shares deposited under the Offer, the Offeror should own sufficient Common Shares to effect a Subsequent Acquisition Transaction without the need for the affirmative vote of any other Shareholder. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited".

If permitted by applicable Law, subsequent to the completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction, the Offeror intends to delist the Common Shares from the TSX, to delist the CDIs from the ASX and to cause Anvil to cease to be a reporting issuer under the securities Laws of each province and territory of Canada in which it has such status. See Section 17 of the Circular, "Effect of the Offer on the Market for Listing of Common Shares and Status as a Reporting Issuer".

Upon successful completion of the Offer, MMR intends to continue to progress the Kinsevere Project to full commissioning and conduct a detailed review of Anvil, including an evaluation of its business plans, assets, operations, projects under construction and organizational and capital structure, to determine what changes, if any, would be desirable in light of such review and the circumstances that then exist.

In the Support Agreement, Anvil has agreed that promptly following the time at which the Offeror takes up for purchase such number of Common Shares which, together with any Common Shares held by or on behalf of the Offeror and its affiliates, represents at least a majority of the then outstanding Common Shares, and from time to time thereafter, the Offeror shall be entitled to designate (a) the MMR Percentage; and (b) following the purchase by the Offeror of such number of Common Shares which, together with the Common Shares held by or on behalf of MMR

and its affiliates, represents at least 66⅔% of the then outstanding Common Shares, all of the members of the Anvil Board and any committees thereof, subject to applicable Law (including any applicable requirement relating to the appointment of independent directors). In such circumstances, Anvil has covenanted to, among other things, not frustrate the Offeror's attempts to do so.

## 9. SOURCE OF FUNDS

The Offeror estimates that, if it acquires all of the Common Shares (on a fully-diluted basis) the total amount of cash required for the purchase of the Common Shares will be approximately $1.33 billion.

The Offeror intends to finance the consideration for the Offer through a combination of MMR's cash on-hand (which was US$591.8 million as of June 30, 2011) and a loan from Album Enterprises Limited, a wholly-owned subsidiary of CMN, to MMR (the "**CMN Loan**"). MMR will provide proceeds of the CMN Loan, as well as MMR's cash on-hand, to the Offeror to the extent necessary to finance the consideration for the Offer.

The CMN Loan agreement provides for a loan facility in a maximum amount of US$1,000,000,000 with a term of 12 months. Interest will be payable on the CMN Loan based on a base rate, determined every six months, plus a specified margin. The CMN Loan, together with any accrued interest, must be repaid in full prior to the expiry of the term of The CMN Loan. The CMN Loan is unsecured. The CMN Loan is subject to customary conditions for a facility of this nature, and the Offeror reasonably believes that the possibility is remote that, if the conditions to the Offer are satisfied, the Offeror will not be able to pay for the deposited Common Shares due to a condition of the CMN Loan not being satisfied. It is anticipated that the CMN Loan will be repaid from a variety of potential sources, including sales of non-core assets, long term financing and operating cash flow.

## 10. OWNERSHIP OF AND TRADING IN SECURITIES OF ANVIL

No Common Shares or other securities of Anvil are beneficially owned, nor is control or direction exercised over any of such securities, by the Offeror, MMR or their respective directors or officers. To the knowledge of the Offeror, after reasonable enquiry, no Common Shares or other securities of Anvil are beneficially owned, nor is control or direction exercised over any of such securities, by any associate or affiliate of an insider of the Offeror or MMR, any insider of the Offeror or MMR, other than a director or officer of the Offeror or MMR, or any person acting jointly or in concert with the Offeror or MMR.

To the knowledge of the Offeror, after reasonable enquiry, none of the Offeror, MMR or their respective directors or officers or any associate or affiliate of an insider of the Offeror or MMR, any insider of the Offeror or MMR or any person acting jointly or in concert with the Offeror or MMR has purchased or sold any securities of Anvil during the six-month period preceding the date of the Offer.

## 11. COMMITMENTS TO ACQUIRE SECURITIES OF ANVIL

None of the Offeror or MMR or, to the knowledge of the Offeror or MMR after reasonable enquiry, their respective directors or officers, any associate or affiliate of an insider of the Offeror or MMR, any insider of the Offeror or MMR, or any person acting jointly or in concert with the Offeror or MMR, has entered into any agreements, commitments or understandings to acquire any securities of Anvil, except for the agreements made by the Offeror and MMR pursuant to the Support Agreement and the Lock-Up Agreement. See Section 6 of the Circular, "Support Agreement" and Section 7 of the Circular, "Lock-Up Agreement".

## 12. OTHER MATERIAL FACTS

Neither the Offeror nor MMR has knowledge of any material fact concerning the securities of Anvil that has not been generally disclosed by Anvil, or any other matter that is not disclosed in the Circular and that has not previously been generally disclosed, and that would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

## 13. ACQUISITION OF COMMON SHARES NOT DEPOSITED

It is the Offeror's intention that, if it takes up and pays for Common Shares deposited under the Offer, it will enter into one or more transactions to enable the Offeror or an affiliate of the Offeror to acquire all Common Shares not acquired by it pursuant to the Offer. There is no assurance that any such transaction will be completed.

*Compulsory Acquisition*

If, within the earlier of the Expiry Time or 120 days after the date of the Offer, the Offer is accepted by Shareholders who in the aggregate hold not less than 90% of the issued and outstanding Common Shares, other than Common Shares held at the date of the Offer by or on behalf of the Offeror or an "affiliate" or an "associate" of the Offeror (as those terms are defined in the NWTBCA), and the Offeror acquires such deposited Common Shares under the Offer, the Offeror has agreed in the Support Agreement, to the extent practicable, to acquire those Common Shares which remain outstanding held by those persons who did not accept the Offer (and each person who subsequently acquires any of such Common Shares) (collectively the "**Dissenting Shareholders**") pursuant to the provisions of Part XVI of the NWTBCA on the same terms and for the same consideration as the Common Shares acquired under the Offer (a "**Compulsory Acquisition**"). In determining whether or not 90% of the outstanding Common Shares have been acquired under the Offer, any Common Shares acquired by the Offeror or its affiliates during the course of the Offer (other than pursuant to the Offer) are included in the number of outstanding Common Shares but excluded from the number of Common Shares acquired under the Offer. If a Compulsory Acquisition cannot be or is not effected, the Offeror currently intents to acquire the Common Shares not deposited under the Offer pursuant to a Subsequent Acquisition Transaction, as discussed below under "Subsequent Acquisition Transaction."

To exercise such statutory right, the Offeror must give notice (the "**Offeror's Notice**") of such proposed acquisition, by sending by registered mail to all Dissenting Shareholders and to Anvil, within 60 days from the date of termination of the Offer and in any event within 180 days after the date of the Offer, the Offeror's Notice. Within 20 days of giving the Offeror's Notice, the Offeror must pay or transfer to Anvil, to be held in trust for the Dissenting Shareholders, the consideration that the Offeror would have had to pay or transfer to the Dissenting Shareholders if the Dissenting Shareholders has elected to accept the Offer. In accordance with Subsection 199(1) of the NWTBCA, within 20 days after receipt of the Offeror's Notice, each Dissenting Shareholder must send the certificates representing the Common Shares held by such Dissenting Shareholder to Anvil. Pursuant to Paragraph 198(1)(c) of the NWTBCA, the Dissenting Shareholder must elect, within 20 days of the Offeror sending the Offeror's Notice, either to transfer such Common Shares to the Offeror on the terms of the Offer or the Dissenting Shareholders may demand, by notifying the Offeror, payment of the fair market value of such Common Shares as determined on an application to the Supreme Court of the Northwest Territories (the "**Court**") in accordance with Section 201 of the NWTBCA. A Dissenting Shareholder who does not, within 20 days after the Offeror sends the Offeror's Notice, notify the Offeror that the Dissenting Shareholder is electing to demand payment of the fair value of the Dissenting Shareholder's Common Shares is deemed to have elected to transfer such Common Shares to the Offeror on the same terms that the Offeror acquired Common Shares from Shareholders who accepted the Offer. If a Dissenting Shareholder has elected to demand payment of the fair value of such Common Shares, the Offeror may, within 20 days after the Offeror has transferred the consideration to Anvil to be held in trust for the Dissenting Shareholder, apply to the Court to hear an application to fix the fair value of such Common Shares of such Dissenting Shareholder. If the Offeror fails to apply to the Court within such period, the Dissenting Shareholder may then apply to the Court, within a further period of 20 days, to have the court fix the fair value. If there is no such application made by the Dissenting Shareholder within such period, the Dissenting Shareholder will be deemed to have elected to transfer such Common Shares to the Offeror on the terms that the Offeror acquired Common Shares from Shareholders who accepted the Offer.

**The foregoing is a summary only of the statutory right of Compulsory Acquisition which may become available to the Offeror and is qualified in its entirety by the provisions of Part XVI of the NWTBCA.** Part XVI of the NWTBCA is complex and may require strict adherence to notice and timing provisions, failing which a Dissenting Shareholder's rights may be lost or altered. Shareholders who wish to be better informed about the provisions of Part XVI of the NWTBCA should consult their legal advisors.

See Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations", Section 19 of the Circular, "Certain Australian Income Tax Considerations" and Section 20 of the Circular, "Certain United States Federal Income Tax Considerations", for a discussion of the tax consequences to Shareholders in the event of a Compulsory Acquisition.

*Subsequent Acquisition Transaction*

If the Offeror acquires Common Shares under the Offer but the statutory right of Compulsory Acquisition described above is not available for any reason or the Offeror elects not to pursue such right, the Offeror intends, depending on the number of Common Shares acquired, to take such action as is necessary, including causing a special meeting of Shareholders to be called to consider an amalgamation, statutory arrangement, amendment to articles,

consolidation, capital reorganization or other transaction involving Anvil and the Offeror, or an affiliate of the Offeror, for the purpose of enabling the Offeror or one of its affiliates to acquire all Common Shares not acquired by it pursuant to the Offer (a "**Subsequent Acquisition Transaction**"). If the Offeror acquires Common Shares under the Offer and were to proceed with a Subsequent Acquisition Transaction, it is the Offeror's intention that such Subsequent Acquisition Transaction would be completed no later than 120 days after the Expiry Time and that the consideration to be paid per Common Share to Shareholders pursuant to any such Subsequent Acquisition Transaction would be equal in amount to and in the same form as that payable under the Offer. Pursuant to MI 61-101, for the purposes of this section, where Shareholders receive securities that are redeemed for cash within seven days of their issuance as all or part of the consideration in a business combination, the cash proceeds of the redemption, rather than the redeemed securities, are deemed to be the consideration that such Shareholders receive in the business combination.

The Offeror has covenanted in the Support Agreement that if the Offeror acquires Common Shares pursuant to the Offer and a Compulsory Acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, the Offeror will use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not deposited under the Offer, provided that the consideration per Common Share offered in connection with such other means of acquiring such Common Shares shall be at least equal to the price per Common Share paid under the Offer. In addition, the Offeror has agreed in the Support Agreement that, in the event the Offeror takes-up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares, the Offeror will use commercially reasonable efforts, and Anvil has agreed to assist the Offeror, in order for the Offeror to acquire sufficient Common Shares to successfully complete a Subsequent Acquisition Transaction and, for greater certainty, that when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction to acquire the remaining Common Shares, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction shall not be less than the price per Common Share paid under the Offer. In no event will the Offeror be required to offer consideration per Common Share greater than the price per Common Share paid under the Offer.

The timing and details of a Subsequent Acquisition Transaction, if any, will necessarily depend on a variety of factors, including the number of Common Shares acquired pursuant to the Offer. If, after taking up Common Shares under the Offer, the Offeror owns (a) at least 66⅔% of the outstanding Common Shares on a fully-diluted basis, and (b) a majority of the Common Shares on a fully-diluted basis, the votes attached to which would be included in the minority approval of a second step business combination pursuant to MI 61-101, as discussed below, the Offeror should own sufficient Common Shares to be able to effect a Subsequent Acquisition Transaction. There can be no assurances that the Offeror will pursue a Compulsory Acquisition or Subsequent Acquisition Transaction.

MI 61-101 may deem a Subsequent Acquisition Transaction to be a "business combination" if such Subsequent Acquisition Transaction would result in the interest of a holder of Common Shares being terminated without the consent of the holder, irrespective of the nature of the consideration provided in substitution therefor. The Offeror expects that any Subsequent Acquisition Transaction relating to Common Shares will be a "business combination" under MI 61-101.

In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be "related party transactions". However, if the Subsequent Acquisition Transaction is a "business combination", the "related party transaction" provisions therein do not apply to such transaction. Following completion of the Offer, the Offeror may be a "related party" of Anvil for the purposes of MI 61-101, although the Offeror expects that any Subsequent Acquisition Transaction would be a "business combination" for purposes of MI 61-101 and that therefore the "related party transaction" provisions of MI 61-101 would not apply to the Subsequent Acquisition Transaction. The Offeror intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or exemptions therefrom, such that the "related party transaction" provisions of MI 61-101 would not apply to such Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, an issuer proposing to carry out a business combination is required to prepare a valuation of the affected securities (and, subject to certain exceptions, any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation. The Offeror currently intends to rely on available exemptions (or, if such exemptions are not available, to seek waivers pursuant to MI 61-101 exempting Anvil and the Offeror or one or more of its affiliates, as appropriate) from the valuation requirements of MI 61-101. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the date of expiry of a formal take-over bid where the consideration per security under the business combination is at least equal in value to and is in the same form as the consideration that depositing security

holders were entitled to receive in the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents (which disclosure has been provided herein). The Offeror expects that this exemption will be available.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the NWTBCA and Anvil's constating documents may require the approval of 66⅔% of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 would also require that, in addition to any other required security holder approval, in order to complete a business combination (such as a Subsequent Acquisition Transaction), the approval of a majority of the votes cast by "minority" shareholders of each class of affected securities must be obtained unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities. If, however, following the Offer, the Offeror and its affiliates beneficially own 90% or more of the Common Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the Subsequent Acquisition if an enforceable appraisal right or substantially equivalent right is made available to minority shareholders.

In relation to the Offer and any subsequent business combination, the "minority" shareholders will be, unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities, all Shareholders other than (i) the Offeror (other than in respect of Common Shares acquired pursuant to the Offer as described below), (ii) any "interested party" (within the meaning of MI 61-101), (iii) certain "related parties" of the Offeror or of any other "interested party" (in each case within the meaning of MI 61-101) including any director or senior officer of the Offeror, affiliate or insider of the Offeror or any of their directors or senior officers; and (iv) any "joint actor" (within the meaning of MI 61-101) with any of the foregoing persons. MI 61-101 also provides that the Offeror may treat Common Shares acquired under the Offer as "minority" shares and vote them, or consider them voted, in favour of such business combination if, among other things: (a) the business combination is completed not later than 120 days after the Expiry Time; (b) the consideration per security in the business combination is at least equal in value to and in the same form as the consideration paid under the Offer; and (c) the Shareholder who tendered such Common Shares to the Offer was not (i) a "joint actor" (within the meaning of MI 61-101) with the Offeror in respect of the Offer, (ii) a direct or indirect party to any "connected transaction" (within the meaning of MI 61-101) to the Offer, or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a "collateral benefit" (within the meaning of MI 61-101) or consideration per Common Share that is not identical in amount and form to the entitlement of the general body of holders in Canada of Common Shares. The Offeror intends that the consideration offered for Common Shares under any Subsequent Acquisition Transaction proposed by it would be equal in value to, and in the same form as, the consideration paid to Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Time and, accordingly, the Offeror intends to cause Common Shares acquired under the Offer to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction. To the knowledge of MMR and the Offeror, after reasonable inquiry, no votes attached to Common Shares would be excluded in determining whether minority approval has been obtained, other than the votes attached to any Common Shares acquired after the date hereof by the Offeror, other than Common Shares acquired pursuant to the Offer.

Any such Subsequent Acquisition Transaction may also result in Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their Common Shares. The exercise of such right of dissent, if certain procedures are complied with by the holder, could lead to a judicial determination of fair value required to be paid to such Dissenting Shareholder for its Common Shares. The fair value so determined could be more or less than the amount paid per Common Share pursuant to such transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to Shareholders will depend on the structure of the Subsequent Acquisition Transaction and will be fully described in the proxy circular or other disclosure document provided to Shareholders in connection with the Subsequent Acquisition Transaction.

The timing and details of any Compulsory Acquisition or Subsequent Acquisition Transaction involving Anvil will necessarily depend on a variety of factors, including the number of Common Shares acquired pursuant to the Offer. Although, if available, the Offeror intends to proceed by way of a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that such transaction will not be consummated or may be delayed.

If the Offeror is unable to, or does not, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot obtain any required approvals or exemptions promptly, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Laws, purchasing additional Common Shares in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or from Anvil. Subject to applicable Laws, any additional purchases of Common Shares could be at a price greater than, equal to or less than the price to be paid for Common Shares under the Offer and could be for cash, securities and/or other consideration. Alternatively, the Offeror may take no action to acquire additional Common Shares, or, subject to applicable Laws, may either sell or otherwise dispose of any or all Common Shares acquired under the Offer, on terms and at prices then determined by the Offeror, which may vary from the price paid for Common Shares under the Offer. See Section 12 of the Offer, "Market Purchases and Sales of Common Shares".

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Shareholder of accepting the Offer. See Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations", Section 19 of the Circular, "Certain Australian Income Tax Considerations" and Section 20 of the Circular, "Certain United States Federal Income Tax Considerations". Shareholders should consult their tax advisors for advice with respect to the tax consequences of a Subsequent Acquisition Transaction having regard to their own particular circumstances. Further, Shareholders should consult their legal advisors for a determination of their legal rights with respect to a Subsequent Acquisition Transaction if and when proposed.

***Legal and Judicial Developments***

On February 1, 2008, MI 61-101 came into force in the Provinces of Ontario and Québec, introducing harmonized requirements for enhanced disclosure, independent valuations and majority of minority security holder approval for specified types of transactions. See "— Subsequent Acquisition Transaction" above.

Certain judicial decisions may also be considered relevant to any Subsequent Acquisition Transaction that may be proposed or effected subsequent to the expiry of the Offer. Canadian courts have, in a few instances prior to the adoption of MI 61-101 and its predecessors, granted preliminary injunctions to prohibit transactions involving certain business combinations. The current trends in both legislation and Canadian jurisprudence indicate a willingness to permit business combinations to proceed, subject to evidence of procedural and substantive fairness in the treatment of minority shareholders.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction that may constitute a business combination.

## 14. BENEFITS FROM THE OFFER

Other than as described in this Section 14 and Section 15 of the Circular, "Agreements, Commitments or Understandings" and elsewhere in the Offer and Circular, to the knowledge of the Offeror, there are no direct or indirect benefits of accepting or refusing to accept the Offer that will accrue to any insider of the Offeror, and to the knowledge of the Offeror after reasonable enquiries, and director or officer of Anvil, any associate or affiliate of an insider of Anvil, other than those that will accrue to Shareholders generally.

Anvil has advised the Offeror that Darryll Castle, the President and Chief Executive Officer of Anvil, is currently party to an employment agreement with Anvil pursuant to which, if a change of control of Anvil results in a termination of his employment, he is entitled to the salary and bonus payments accrued to the date of the termination and for a period of 12 months after the termination, plus the continuation of certain benefits and perquisites for a maximum of 12 months.

Anvil has advised the Offeror that it is obligated to pay retention bonus payments on April 1, 2012 to certain persons who remain in Anvil's employment until March 31, 2012.

## 15. AGREEMENTS, COMMITMENTS OR UNDERSTANDINGS

Other than the Lock-Up Agreement or as otherwise disclosed in the Offer and Circular, there are (a) no agreements, commitments or understandings made or proposed to be made between the Offeror or MMR and any of the directors or officers of Anvil, including for any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful, and (b) no agreements, commitments or understandings made or proposed to be made between MMR or the Offeror and any securityholder of Anvil with respect to the Offer.

Other than the Confidentiality Agreement, the Support Agreement and the Lock-Up Agreement, there are no agreements, commitments or understandings between MMR or the Offeror and Anvil relating to the Offer and the Offeror is not aware of any other agreement, commitment or understanding that could affect control of Anvil. See Section 6 of this Circular, "Support Agreement" and Section 7 of this Circular, "Lock-Up Agreement".

For information on arrangements made or proposed to be made between Anvil and any of its directors or officers, see the Directors' Circular.

## 16. REGULATORY MATTERS

***Australia***

Foreign investment in Australia is regulated under the FATA, and by the Australian Government's Foreign Investment Policy ("**Policy**"). Australia's Federal Treasurer is ultimately responsible for all decisions relating to foreign investment and to the administration of the Policy. The Treasurer is advised and assisted by the Foreign Investment Review Board (the "**FIRB**"), which administers the FATA in accordance with the Policy. The FIRB is a non-statutory body, which advises the Treasurer on the operation of the FATA and the Policy and on foreign investment proposals subject to each.

Under the FATA, certain foreign investment proposals require notification to the Treasurer for prior approval, including proposals for foreign investors to acquire or increase a substantial interest (being an interest in 15% or more of the shares or voting power of a company) in a prescribed corporation, which includes an Australian company valued above A$231 million or an offshore company that has Australian subsidiaries or assets valued above A$231 million.

Direct investments in Australia by foreign governments and their related entities, regardless of the value of the investment, also require notification under the Policy, even if the FATA does not apply. The Policy clarifies that generally an investment of 10% or more will constitute a direct investment, but that investments below 10% may still constitute a direct investment if the investment gives the foreign government owned or controlled investor influence or control over the target investment.

Foreign governments and their related entities for the purposes of the Policy include:

- a foreign country's political body;
- companies or other entities in which foreign governments, their agencies or related entities have more than a 15% interest; or
- companies or entities that are otherwise controlled by foreign governments, their agencies or related entities.

Since Anvil and the Anvil Subsidiaries have interests in Australian companies that are valued at less than A$231million, the Contemplated Transactions would not require notification under the FATA.

However, as the ultimate controlling shareholder of MMR, China Minmetals Corporation, is a state-owned enterprise, and the Contemplated Transactions would involve MMR indirectly acquiring shareholding interests in Australian companies that are greater 10%, MMR might be considered under the Policy to be making a direct investment in Australia. Accordingly, MMR sought the approval of FIRB on 21 September 2011 in respect of the Contemplated Transaction under the Policy.

As at the date of this circular, MMR has not received the requested approval from FIRB.

***The People's Republic of China***

The purchase of the Common Shares contemplated by the Offer does not require any filings with, applications to or consents or approvals from any Governmental Entity within the PRC. The HK Listing Rules require MMR to obtain approval of the Offer, on the terms and subject to the conditions described herein, from a majority of the votes cast by holders of ordinary shares in the capital of MMR at a duly called meeting of such holders or, if permitted under the HK Listing Rules, by resolution in writing signed by a majority of such holders (the "**MMR Shareholder Approval**"). Accordingly, the Offer is conditional on, among other things, the MMR Shareholder Approval having been obtained. See Section 4 of the Offer, "Conditions of the Offer". MMR's ultimate controlling shareholder, China Minmetals Corporation, controls a sufficient number of ordinary shares of MMR to pass the MMR Shareholder Approval; however, it will require approval of the NDRC to execute or cast its votes on the resolution.

*Democratic Republic of Congo*

The Offer is conditional on, among other things, the receipt, on terms and conditions satisfactory to the Offeror, acting reasonably, of all requisite government and regulatory approvals that are, as determined by the Offeror, acting reasonably, necessary or advisable to complete the Offer. See Section 4 of the Offer, "Conditions of the Offer". Anvil and the Offeror are consulting with governmental authorities in the DRC and their representatives in connection with the Offer and related transactions. To the extent that the Offeror determines that the approval of any such governmental authority is necessary or advisable to complete the Offer, obtaining such approval on terms and conditions satisfactory to the Offeror, acting reasonably, will be necessary for the conditions to the Offer to be satisfied.

## 17. EFFECT OF THE OFFER ON THE MARKET FOR AND LISTING OF COMMON SHARES AND STATUS AS A REPORTING ISSUER

The purchase of Common Shares (including Common Shares subject to CDIs) by the Offeror under the Offer will reduce the number of Common Shares and CDIs that might otherwise trade publicly, will reduce the number of Shareholders and CDI Holders and, depending on the number of Common Shares (including Common Shares represented by CDIs) acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining Common Shares or CDIs held by the public.

The rules and regulations of the TSX and ASX establish certain criteria which, if not met, could, upon successful completion of the Offer, lead to the delisting of the Common Shares from the TSX and/or the CDIs from the ASX. Depending on the number of Common Shares (including Common Shares represented by CDIs) purchased by the Offeror under the Offer or otherwise, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSX and/or the CDIs would fail to meet the criteria for continued listing on the ASX. If this were to happen, the Common Shares and/or the CDIs could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares and/or CDIs. If the Offeror proceeds with a Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to cause Anvil to apply to delist the Common Shares from the TSX and to apply to delist the CDIs from the ASX, in each case in conjunction with the completion of such Compulsory Acquisition or Subsequent Acquisition Transaction. If the Common Shares are delisted from the TSX and the CDIs are delisted from the ASX, the extent of the public market for the Common Shares and CDIs and the availability of price or other quotations would depend upon the number of Shareholders and CDI Holders, the number of Common Shares and CDIs publicly held and the aggregate market value of the Common Shares and CDIs publicly held at such time, the interest in maintaining a market in Common Shares and CDIs on the part of securities firms, whether Anvil remains subject to public reporting requirements in Canada and other factors.

After the purchase of the Common Shares under the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, Anvil may cease to be subject to the public reporting and proxy solicitation requirements of the NWTBCA, securities Laws of the provinces and territories of Canada and the continuous disclosure requirements of the ASX in Australia. Furthermore, it may be possible for Anvil to request the elimination of the public reporting requirements of any province or territory where a small number of Shareholders of holders of CDIs may reside. Subsequent to the completion of the Offer, if the Offeror proceeds with a Compulsory Acquisition Transaction or a Subsequent Acquisition Transaction, and if permitted by applicable Laws, the Offeror intends to cause Anvil to cease to be a reporting issuer under the securities Laws of each province and territory of Canada where it is a reporting issuer and cease to be subject to ASX's continuous disclosure requirements in Australia.

The Common Shares are not currently registered under the U.S. Exchange Act or listed or quoted on a stock exchange in the United States. Accordingly, Anvil does not file periodic reports under the U.S. Exchange Act with the SEC.

## 18. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Davies, counsel to the Offeror, the following summary fairly describes the principal Canadian federal income tax considerations generally applicable to a Shareholder who disposes of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction and who, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), and at all relevant times, holds the Common Shares as capital property, did not acquire the Common Shares pursuant to a stock option plan, and both deals at arm's length, and is not affiliated, with Anvil, the Offeror and MMR. Common Shares will generally be considered to be capital property to a Shareholder

unless the Shareholder holds such shares in the course of carrying on a business or the Shareholder has acquired such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Canadian resident Shareholders whose Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have their Common Shares and all other "Canadian securities" (as defined in the Tax Act) owned by such Shareholder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**") and counsel's understanding, based on publicly available materials published in writing prior to the date hereof, of the current administrative practices of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law or administrative practice, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account or consider other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

This summary is not applicable to a Shareholder (i) that is a "foreign affiliate" as defined in the Tax Act of a taxpayer resident in Canada, (ii) that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market" rules, (iii) that is a "specified financial institution" as defined in the Tax Act, (iv) that has made an election under the functional currency rules in section 261 of the Tax Act, or (v) an interest in which is, or for whom a Common Share would be, a "tax shelter investment" as defined in the Tax Act. This summary does not describe the Canadian tax consequences applicable to holders of Options who exercise or surrender Options. Such holders should consult their own tax advisors.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Shareholders should consult their own tax advisors for advice concerning the income tax consequences to them of disposing of their Common Shares under the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction, and any other consequences to them of such transactions under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances.**

For purposes of the Tax Act, all amounts relating to the disposition of Common Shares must be expressed in Canadian dollars using the rate of exchange quoted by the Bank of Canada at noon on the date such amounts first arose, or such other rate of exchange as is acceptable to the CRA.

***Shareholders Resident in Canada***

The following portion of this summary is generally applicable to a Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention is, or is deemed to be, resident in Canada (a "**Resident Holder**").

***Sale Pursuant to the Offer***

A Resident Holder who disposes of Common Shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the amount received for the Common Shares, less any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of the Common Shares to the Resident Holder.

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by it in that year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years, to the extent and in the circumstances specified in the Tax Act.

Capital gains realized by individuals and certain trusts may give rise to a liability for alternative minimum tax under the Tax Act.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax of 6⅔% on certain investment income, including taxable capital gains.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends previously received or deemed to have been received on such Common Share, subject to and in accordance with the provisions of the Tax Act. Similar rules may apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

***Compulsory Acquisition***

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Compulsory Acquisition", the Offeror may, in certain circumstances, acquire Common Shares pursuant to Part XVI of the NWTBCA. A Resident Holder disposing of Common Shares to the Offeror pursuant to a Compulsory Acquisition will be considered to have disposed of the Common Shares for proceeds of disposition equal to the amount received (not including the amount of any interest awarded by a court). As a result, a Resident Holder will realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under "Shareholders Resident in Canada — Sale Pursuant to the Offer". Any interest awarded to a dissenting Resident Holder by a court must be included in computing such Resident Holder's income for purposes of the Tax Act.

***Subsequent Acquisition Transaction***

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction", if the compulsory acquisition provisions of the NWTBCA are not utilized, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. A Subsequent Acquisition Transaction may be effected by an amalgamation, statutory arrangement, capital reorganization, amendment to the articles, share consolidation or other transaction. The tax treatment of a Subsequent Acquisition Transaction to a Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out, and may differ from the tax consequences to a Resident Holder of accepting the Offer. Resident Holders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

By way of example, a Subsequent Acquisition Transaction could be implemented by means of an amalgamation of Anvil and the Offeror and/or one or more of its affiliates pursuant to which Resident Holders who have not tendered their Common Shares under the Offer would have their Common Shares exchanged for redeemable preference shares of the amalgamated corporation ("**Redeemable Shares**") which would then be immediately redeemed for cash. In those circumstances, a Resident Holder would not realize a capital gain or capital loss as a result of the exchange of Common Shares for Redeemable Shares, and the cost of the Redeemable Shares received would be the aggregate adjusted cost base of the Common Shares to the Resident Holder immediately before the amalgamation.

Upon redemption of its Redeemable Shares, the Resident Holder would be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to Resident Holders that are corporations, as discussed below) equal to the amount by which the redemption price of the Redeemable Shares exceeds their paid-up capital for purposes of the Tax Act. The difference between the redemption price and the amount of the deemed dividend would be treated as proceeds of disposition of such shares for purposes of computing any capital gain or capital loss arising on the redemption of such shares. Any such capital gain or capital loss generally will be calculated in the same manner and have the tax consequences as described above under "Shareholders Resident in Canada — Sale Pursuant to the Offer".

Under subsection 55(2) of the Tax Act, a Resident Holder that is a corporation may be required to treat all or part of the deemed dividend as proceeds of disposition of the Redeemable Shares for the purpose of computing the Resident Holder's capital gain on the redemption of such shares. Resident Holders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of subsection 55(2) of the Tax Act. Subject to the potential application of subsection 55(2), dividends deemed to be received by a Resident Holder that is a corporation as a result of the redemption of the Redeemable Shares will be included in computing its income, but may also be deductible in computing its taxable income.

A Resident Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act) may be liable to pay the 33⅓% refundable tax under Part IV of the Tax Act on dividends deemed to be received on the Redeemable Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

In the case of a Resident Holder who is an individual, dividends deemed to be received as a result of the redemption of the Redeemable Shares will be included in computing the Resident Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by a taxable Canadian corporation. A dividend will be eligible for an enhanced gross-up and dividend tax credit if the recipient receives written notice from the issuer of the Redeemable Shares designating the dividend as an "eligible dividend" within the meaning of the Tax Act. There can be no assurance that any deemed dividend will be designated an eligible dividend.

Pursuant to the current administrative practice of the CRA, a Resident Holder who exercises his or her statutory right of dissent in respect of an amalgamation would be considered to have disposed of his or her Common Shares for proceeds of disposition equal to the amount paid by the amalgamated corporation to the dissenting Resident Holder (other than interest awarded by a court of competent jurisdiction). In this case, a Resident Holder will realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under "Shareholders Resident in Canada — Sale Pursuant to the Offer". However, as the legislative basis of this treatment may be uncertain, there is a risk that all or part of such amounts paid to a dissenting Resident Shareholder could be treated as a deemed dividend. Any interest awarded to a dissenting Resident Holder by the court must be included in computing such Resident Holder's income for purposes of the Tax Act.

***Shareholders Not Resident in Canada***

The following portion of this summary is generally applicable to a Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer for which Common Shares are "designated insurance property" under the Tax Act.

***Disposition of Common Shares Pursuant to the Offer or a Compulsory Acquisition***

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Common Shares pursuant to the Offer or Compulsory Acquisition unless the Common Shares constitute "taxable Canadian property" that is not "treaty-protected property" to the Non-Resident Holder at the time of disposition by the Non-Resident Holder.

Generally, a Common Share will not constitute taxable Canadian property to a Non-Resident Holder at a particular time, where such Common Share is listed on a designated stock exchange (which currently includes the TSX and the ASX) at that time, unless at any time during the 60-month period immediately preceding the disposition (a) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Anvil, and (b) more than 50% of the fair market value of the Common Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property to the Non-Resident Holder. See "Shareholders Not Resident in Canada — Potential Delisting of Common Shares Following Completion of the Offer" below, in the case where Common Shares are delisted prior to a Compulsory Acquisition. Non-Resident Holders whose Common Shares may constitute taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

A Common Share will be treaty-protected property to a Non-Resident Holder if, under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident, the Non-Resident Holder is exempt from Canadian tax on the gain realized on the disposition of the Common Share.

In the event that Common Shares constitute taxable Canadian property but not treaty-protected property to a particular Non-Resident Holder, the tax consequences as described above under "Shareholders Resident in Canada — Sale Pursuant to the Offer" will generally apply. A Non-Resident Holder who disposes of taxable Canadian property may be required to file a Canadian income tax return for the year in which the disposition occurs. Non-Resident Holders whose Common Shares constitute taxable Canadian property should consult with their own tax advisors.

Interest awarded by the court and paid or credited to a Non-Resident Holder who obtains an order of the court in respect of a Compulsory Acquisition will generally not be subject to Canadian withholding tax.

***Disposition of Common Shares Pursuant to a Subsequent Acquisition Transaction***

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction", if the compulsory acquisition provisions of the NWTBCA are not utilized, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. A Subsequent Acquisition Transaction may be effected by an amalgamation, statutory arrangement, capital reorganization, amendment to the articles, share consolidation or other transaction. The tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out and may differ from the tax consequences to a Non-Resident Holder of accepting the Offer. See "Shareholders Not Resident in Canada — Potential Delisting of Common Shares Following Completion of the Offer" below, in the case where Common Shares are delisted prior to a Subsequent Acquisition Transaction.

Depending on the form of the Subsequent Acquisition Transaction, a Non-Resident Holder may realize a capital gain (or a capital loss) and/or a deemed dividend on the disposition of Common Shares pursuant to a Subsequent Acquisition Transaction, as discussed above under "Shareholders Resident in Canada — Subsequent Acquisition Transaction". Capital gains and capital losses realized by a Non-Resident Holder in connection with a Subsequent Acquisition Transaction will be subject to taxation in the manner described above under "Shareholders Not Resident in Canada — Disposition of Common Shares Pursuant to the Offer or a Compulsory Acquisition". Dividends paid or deemed to be paid to a Non-Resident Holder will be subject to Canadian withholding tax at a rate of 25%, subject to reduction pursuant to the provisions of an applicable income tax treaty or convention.

Interest paid or credited to a Non-Resident Holder exercising its right to dissent in respect of a Subsequent Acquisition Transaction will generally not be subject to Canadian withholding tax.

***Potential Delisting of Common Shares Following Completion of the Offer***

As described above in Section 3 of the Circular, "Certain Information Concerning Securities of Anvil" and Section 17 of the Circular, "Effect of the Offer on the Market for and Listing of Common Shares and Status as a Reporting Issuer", the Common Shares may cease to be listed on the TSX and the ASX following the completion of the Offer and may not be listed on either of such exchanges at the time of their disposition pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction.

Non-Resident Holders who do not dispose of their Common Shares pursuant to the Offer are cautioned that Common Shares that are not listed on a designated stock exchange (which currently includes the TSX and the ASX) at the time of their disposition will be considered taxable Canadian property of the Non-Resident Holder, if at any time during the 60-month period immediately preceding the disposition, more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property to the Non-Resident Holder.

If the Common Shares are taxable Canadian property of the Non-Resident Holder at the time of their disposition and are not "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act, the Non-Resident Holder will be subject to tax under the Tax Act in respect of any capital gain realized on the disposition. Furthermore, if the Common Shares are not listed on a recognized stock exchange (which currently includes the TSX and the ASX) at the time of their disposition and are not "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act, the notification and withholding provisions of section 116 of the Tax Act may apply to the Non-Resident Holder with the result that, among other things, unless the Offeror has received a clearance certificate pursuant to section 116 of the Tax Act relating to the disposition of a Non-Resident Holder's Common Shares, the Offeror may

deduct or withhold 25% from any payment made to the Non-Resident Holder and will remit such amount to the Receiver General on account of the Non-Resident Holder's liability for tax under the Tax Act. In addition, a Non-Resident Holder who disposes of taxable Canadian property may be required to file a Canadian income tax return for the year in which the disposition occurs. Non-Resident Holders should consult with their own tax advisors in this regard.

## 19. CERTAIN AUSTRALIAN INCOME TAX CONSIDERATIONS

The following is a general discussion of certain material Australian income tax considerations generally applicable to Shareholders who dispose of Common Shares pursuant to the Offer or a Compulsory Acquisition. Generally, these comments also apply to CDI Holders whom the CDI Nominee has accepted the Offer on behalf of or whose beneficial interest in Common Shares is acquired through a Compulsory Acquisition, resulting in both cases in the disposal of CDIs. For simplicity, throughout this Section 19, references to Common Shares include CDIs, unless otherwise indicated.

This summary is based on the relevant taxation laws in the Australian Income Tax Assessment Act as at the date of this document. Australia is in the process of major taxation reform. It is possible that future legislation will affect the matters considered in this summary.

This summary does not attempt to address all of the Australian taxation consequences relevant to Shareholders who dispose of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Specifically, this summary does not consider the consequences for Shareholders who hold their Common Shares on revenue account or as trading stock or Shareholders who are exempt from Australian income tax. Shareholders who hold their Common Shares on revenue account may have amounts from the disposal included in their assessable income under the ordinary income provisions of the Australian Income Tax Assessment Act. The comments below relate to Shareholders for whom only the capital gains tax provisions will be applicable.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Australian income tax considerations. Consequently, Shareholders should obtain, and rely only upon, their own independent taxation advice about the consequences of acquiring or disposing of the Common Shares having regard to their own specific circumstances.**

***Shareholders Resident in Australia***

*Sale Pursuant to the Offer*

Shareholders who are resident of Australia for tax purposes will be subject to Australian capital gains tax on any gain derived on the disposal of Common Shares.

An Australian resident Shareholder will derive a capital gain on the disposal of Common Shares to the extent that the consideration on disposal exceeds the tax cost base of the Common Shares. The Australian resident Shareholder will incur a capital loss on the disposal of Common Shares to the extent that the consideration on disposal is less than the reduced tax cost base of the Common Shares.

Generally, capital gains or losses should be calculated in Australian dollars. Where the Shareholder paid Canadian dollar-denominated consideration to acquire the Common Shares, the tax cost base of the Common Shares should be computed by converting the consideration to Australian dollars at the relevant exchange rate at the time of acquisition. As described in Section 3 of the Offer, "Manner of Acceptance", the cash payable under the Offer will be denominated in Canadian dollars, except for Shareholders depositing Common Shares under the Offer who elect to receive the cash consideration in Australian dollars. For the purposes of calculating the capital gain or loss, cash consideration received in Canadian dollars should be translated to Australian dollars at the relevant exchange rate at the time of receipt.

All capital gains and capital losses arising in an income tax year are added together to determine whether a Shareholder has derived a net capital gain or incurred a net capital loss in the year.

If a Shareholder derives a net capital gain in an income tax year, this amount is, subject to the comments below, included in the Shareholder's assessable income. If a Shareholder incurs a net capital loss in a year, this amount may be carried forward and should be available to offset capital gains derived in subsequent years, subject in some cases to the Shareholder satisfying certain rules relating to the recoupment of carried forward losses.

**Individuals**

Australian resident individual Shareholders will in certain circumstances be liable to tax on only half of any capital gain realized on the disposal of the Common Shares. This 50 percent "discount" is only available if the Common Shares are owned by the Shareholder for at least 12 months prior to the disposal.

**Superannuation funds**

The capital gains tax treatment of complying Australian resident superannuation funds is, in general, the same as that set out above for Australian individuals, except that the "discount" is one-third rather than 50 percent.

*Compulsory Acquisition*

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited – Compulsory Acquisition", the Offeror may, in certain circumstances, acquire Common Shares pursuant to Part XVI of the NWTBCA. An Australian resident Shareholder disposing of Common Shares pursuant to a Compulsory Acquisition will realize a capital gain (or capital loss) generally calculated in the same manner and with the tax consequences as described above under "Shareholders Resident in Australia — Sale Pursuant to the Offer".

An Australian resident Shareholder who dissents and obtains an order of a court of competent jurisdiction in respect of a Compulsory Acquisition and receives a cash payment from the Offeror for its Common Shares will be considered to have disposed of the Common Shares for proceeds of disposition equal to the amount received (not including the amount of any interest awarded by the court). As a result, an Australian resident Shareholder should realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under "Shareholders Resident in Australia — Sale Pursuant to the Offer". Any interest awarded to a dissenting Australian resident Shareholder by the court should be included in computing the assessable income of the Australian resident Shareholder for the purposes of the Australian Income Tax Assessment Act.

*Subsequent Acquisition Transaction*

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited — Subsequent Acquisition Transaction", if the compulsory acquisition provisions of the NWTBCA are not utilized, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. A Subsequent Acquisition Transaction may be effected by an amalgamation, statutory arrangement, capital reorganization, amendment to the articles, share consolidation, or other transaction. The tax treatment of a Subsequent Acquisition Transaction to an Australian resident shareholder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out, and may differ from the tax consequences for an Australian resident Shareholder accepting the Offer. Australian resident Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

***Shareholders Not Resident in Australia***

Shareholders who are non-resident of Australia for tax purposes should not be subject to tax in Australia in respect of any capital gain realized on the sale of Common Shares to the Offeror under the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction, unless those shares constitute "taxable Australian property" to such Shareholder within the meaning of the Australian Income Tax Assessment Act. Generally, the Common Shares should not constitute "taxable Australian property" provided the majority of Anvil's market value is not derived from Australian real property. In the current circumstances it is unlikely that the Common Shares would constitute "taxable Australian property" therefore, any capital gain realized by non-resident Shareholders on the disposal of the Common Shares is unlikely to be subject to tax in Australia.

## 20. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

**To ensure compliance with Treasury Department Circular 230, Shareholders are hereby notified that: (a) any discussion of federal tax issues in this Circular is not intended or written to be relied upon, and cannot be relied upon, by Shareholders for the purpose of avoiding penalties that may be imposed on Shareholders under the Internal Revenue Code of 1986, as amended; (b) such discussion is included herein by the Offeror in connection with the promotion or marketing (within the meaning of Treasury Department Circular 230) by the Offeror of the transactions or matters addressed herein; and (c) Shareholders should seek advice based on their particular circumstances from an independent tax adviser.**

The following is a summary of certain material United States federal income tax consequences of the disposition of Common Shares by a U.S. Shareholder (as defined below) pursuant to the Offer (or a Compulsory Acquisition). This summary is limited to investors who hold their Common Shares as a "capital asset" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended. The discussion does not cover all aspects of United States federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the disposition of Common Shares by particular investors, and it does not address state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly or indirectly, actually or constructively) 10% or more, by voting power or value, of Anvil, nor does this summary discuss all of the United States tax considerations that may be relevant to certain types of investors subject to special treatment under the United States federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, partnerships or other pass-through entities, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Common Shares as part of straddles, hedging transactions or conversion transactions, or other integrated transactions for United States federal income tax purposes or investors whose functional currency is not the U.S. dollar). The discussion does not address the United States federal income tax consequences to holders of options to purchase Common Shares. U.S. Shareholders are urged to consult their tax advisors with respect to the United States federal, state, local and foreign tax consequences to their particular situations of the Offer (or a Compulsory Acquisition) or other transactions described in Section 13 of this Circular, "Acquisition of Common Shares Not Deposited".

As used herein, the term "**U.S. Shareholder**" means a beneficial owner of Common Shares that is, for United States federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organised under the laws of the United States or any State thereof or the District of Columbia, (iii) an estate the income of which is subject to United States federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or if the trust has elected to be treated as a domestic trust for United States federal income tax purposes.

The United States federal income tax treatment of a partner in a partnership (or an owner of a pass-through entity) that holds Common Shares will depend on the status of the partner (or other owner) and the activities of the partnership (or pass-through entity). U.S. Shareholders that are partnerships or other pass-through entities should consult their tax advisers concerning the United States federal income tax consequences to their partners or other owners of the disposition of Common Shares by the partnership.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No ruling will be requested from the United States Internal Revenue Service (the "**IRS**") regarding the tax consequences of the Offer (or a Compulsory Acquisition) and there can be no assurance that the IRS will agree with the discussion set out below.

**The summary of United States federal income tax consequences set out below is for general information only. All Shareholders should consult their tax advisers as to the particular tax consequences to them of disposing of the Common Shares, including the applicability and effect of state, local, foreign and other tax laws and possible changes in tax law.**

***Disposition of Common Shares***

Subject to the PFIC rules discussed below, upon a disposition of Common Shares in the Offer (or a Compulsory Acquisition), a U.S. Shareholder generally will recognise capital gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount realised on the disposition and the U.S. Shareholder's adjusted tax basis in the Common Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Shareholder's holding period in the Common Shares exceeds one year. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized on the disposition of Common Shares in the Offer (or a Compulsory Acquisition) will generally be U.S. source. Therefore, a U.S. Shareholder may have insufficient foreign source income to utilise foreign tax credits attributable to any Canadian withholding tax imposed on a disposition. The foreign tax credit rules are complex and U.S. Shareholders should consult their tax advisers as to the availability of and limitations on any foreign tax credit attributable to this Canadian withholding tax.

A U.S. Shareholder's tax basis in a Common Share will generally be its U.S. dollar cost. The U.S. dollar cost of a Common Share purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Common Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Shareholder (or an accrual basis U.S. Shareholder that so elects). Such an election by an accrual basis U.S. Shareholder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. The amount realised on a disposition of Common Shares for an amount in foreign currency will be the U.S. dollar value of the foreign currency received on the date of disposition. On the settlement date, the U.S. Shareholder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of disposition and the settlement date. However, in the case of Common Shares traded on an established securities market that are sold by a cash basis U.S. Shareholder (or an accrual basis U.S. Shareholder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

If a U.S. Shareholder is an accrual-basis taxpayer and does not elect to be treated as a cash-basis taxpayer for this purpose, the U.S. Shareholder might have a foreign currency gain or loss for United States federal income tax purposes. Any gain or loss would be equal to the difference between the U.S. dollar value of the foreign currency received on the date of the sale in the Offer (or a Compulsory Acquisition) and on the date of payment, if these dates are considered to be different for United States federal tax purposes. Any foreign currency gain or loss generally would be treated as U.S. source ordinary income or loss and would be in addition to the gain or loss, if any, recognized in the Offer (or a Compulsory Acquisition).

Although there is no authority directly on point, a U.S. Shareholder who dissents in a Compulsory Acquisition and elects to receive the fair value for the U.S. Shareholder's Common Shares may be required to recognize gain or loss at the time of the Compulsory Acquisition (even if the fair market value of the Common Shares has not yet been judicially determined at that time), in an amount equal to the difference between the "amount realized" and the U.S. Shareholder's adjusted tax basis in the Common Shares. For this purpose, although there is no authority directly on point, the amount realized generally should equal the sum of the U.S. dollar equivalent amounts, determined at the spot rate, of the trading values for the Common Shares on the settlement date of the Compulsory Acquisition. In this event, gain or loss also would be recognized by the U.S. Shareholder at the time the actual fair value payment is determined, to the extent that the payment exceeds or is less than the amount previously recognized. In addition, a portion of the actual payment received may instead be characterized as interest income, in which case the U.S. dollar equivalent to the Canadian dollar amount of this portion generally should be included in ordinary income in accordance with the U.S. Shareholder's method of accounting.

If the Offeror is unable to effect a Compulsory Acquisition or if the Offeror elects not to proceed with a Compulsory Acquisition, then the Offeror may propose a Subsequent Acquisition Transaction as described in Section 13 of this Circular, "Acquisition of Common Shares Not Deposited". The United States federal income tax consequences resulting therefrom will depend upon the manner in which the transaction is carried out, and may differ from the tax consequences for a U.S. Shareholder accepting the Offer. Generally, if a U.S. Shareholder receives cash in exchange for Common Shares, it is expected that the United States federal income tax consequences to the U.S. Shareholder will be substantially similar to the consequences described above. However, there can be no assurance that the United States federal income tax consequences of a Subsequent Acquisition Transaction will not be materially different. U.S. Shareholders should consult their own income tax advisors with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction. This summary does not describe the tax consequences of any such transaction to a U.S. Shareholder.

***Disposition of Foreign Currency***

Foreign currency received on the disposition of a Common Share will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Common Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

***Passive Foreign Investment Company Considerations***

In general, Anvil would be a passive foreign investment company (a "**PFIC**") if, for any taxable year, 75% or more of its gross income constituted "passive income" or 50% or more of the value of its assets (based on an average of the quarterly value of the assets during the taxable year) is attributable to assets that produced, or were held for the production of, passive income. "Passive income" generally includes, among other things, dividends, interest, certain royalties, rents, and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. For purposes of the PFIC income and asset tests described above, if Anvil owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, Anvil will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

If Anvil is or has been a PFIC during any year in which a U.S. Shareholder held Common Shares and the U.S. Shareholder did not timely elect to be taxable currently on its pro rata share of Anvil's earnings under the "qualified electing fund" rules or to be taxed on a "mark to market" basis with respect to its Common Shares, any gain recognized by the U.S. Shareholder as a result of its participation in the Offer (or a Compulsory Acquisition) would be required to be allocated ratably to each day the U.S. Shareholder has held the Common Shares, with amounts allocated to the current taxable year and to any taxable year prior to the first taxable year in which Anvil was a PFIC taxable as ordinary income rather than capital gain, and amounts allocable to each other year, beginning with the first year in such holding period during which Anvil was a PFIC, taxable as ordinary income at the highest tax rate in effect for that year and subject to an interest charge at the rates applicable to deficiencies for income tax for those periods. In addition, if Anvil is a PFIC and owns, directly or indirectly, shares of another foreign corporation that also is a PFIC, a disposition or deemed disposition of the shares of such other foreign corporation generally will be treated as an indirect disposition by a U.S. Shareholder, which generally will be subject to the PFIC rules. To the extent that gain recognized on the actual disposition by a U.S. Shareholder of Common Shares was previously subject to United States federal income tax under these indirect ownership rules, the gain generally should not be subject to United States federal income tax.

Given the adverse tax consequences if the PFIC rules apply, U.S. Shareholders are urged to consult their own tax advisors regarding the consequences of Anvil being classified as a PFIC, including the manner in which the PFIC rules may affect the United States federal income tax consequences of the disposition of the Common Shares, and whether the Shareholder can or should make any of the special elections under the PFIC rules with respect to Anvil.

***Backup Withholding and Information Reporting***

Payments on the disposition of the Common Shares, by a United States paying agent or other United States intermediary, will be reported to the IRS and to the U.S. Shareholder as may be required under applicable regulations. Backup withholding at a rate of 28% may apply to these payments if the U.S. Shareholder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its United States federal income tax returns. Certain U.S. Shareholders are not subject to backup withholding.

Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the U.S. Shareholder's United States federal income tax liability, provided the required information is furnished to the IRS by filing a tax return. U.S. Shareholders are encouraged to consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption.

## 21. DEPOSITARY

The Offeror has engaged Computershare Investor Services Inc. as the Depositary to receive deposits of certificates representing Common Shares and accompanying Letters of Transmittal under the Offer at its office in Toronto, Ontario specified in the Letter of Transmittal. In addition, the Depositary will receive deposits of Notices of Guaranteed Delivery at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery. The Depositary will also be responsible for giving certain notices, if required by applicable Laws, and for making payment for all Common Shares purchased by the Offeror under the Offer. The Depositary will also facilitate book-entry transfers of Common Shares. The Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities Laws and expenses in connection therewith.

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary. Shareholders should contact the Depositary, the Information Agent or a broker or dealer for assistance in accepting the Offer and depositing their Common Shares with the Depositary.**

## 22. INFORMATION AGENT

The Offeror has engaged Kingsdale Shareholder Services Inc. to act as the Information Agent in connection with the Offer. The Information Agent can be reached at 1-866-581-1392 toll free in North America, or at (+1) 416-867-2272 outside of North America (collect calls accepted), or by e-mail at contactus@kingsdaleshareholder.com. The Information Agent will receive reasonable and customary compensation from the Offeror for services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

## 23. AUSTRALIAN SHARE REGISTRY

The Offeror has engaged Computershare Investor Services Pty Limited (the "**Australian Share Registry**") in connection with the Offer. The Australian Share Registry will be responsible for receiving and collating CDI Acceptances and requesting the CDI Nominee to tender to the Offer on behalf of accepting CDI Holders the relevant number of Common Shares corresponding with CDI Acceptances. The Australian Share Registry will receive reasonable and customary compensation from the Offeror for services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

## 24. STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides securityholders of Anvil with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to these securityholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

## 25. LEGAL MATTERS

The Offeror is being advised in respect of certain matters concerning the Offer by, and the opinions contained in Section 18 of the Circular, "Certain Canadian Federal Income Tax Considerations" and Section 20 of the Circular, "Certain United States Federal Income Tax Considerations", have been provided by, Davies, Canadian and United States counsel to the Offeror.

## 26. DIRECTORS' APPROVAL

The contents of the Offer and the Circular have been approved, and the sending of the Offer and the Circular to the Shareholders, holders of CDIs and holders of Convertible Securities has been authorized, by the board of directors of the Offeror and by the board of directors of MMR.

## CERTIFICATE OF MMG MALACHITE LIMITED

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: October 19, 2011

| *(Signed) Andrew Gordon Michelmore* | *(Signed) David Mark Lamont* |
|---|---|
| Chief Executive Officer | Chief Financial Officer |

On behalf of the board of directors

| *(Signed) Michael Nossal* | *(Signed) Nicholas Marshall Myers* |
|---|---|
| Director | Director |

## CERTIFICATE OF MINMETALS RESOURCES LIMITED

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: October 19, 2011

| *(Signed) Andrew Gordon Michelmore* | *(Signed) David Mark Lamont* |
|---|---|
| Chief Executive Officer | Chief Financial Officer |

On behalf of the board of directors

| *(Signed) Wang Lixin* | *(Signed) Dr. Peter William Cassidy* |
|---|---|
| Director | Director |

## CONSENT OF DAVIES WARD PHILLIPS & VINEBERG LLP

TO: The Directors of MMG Malachite Limited and the Directors of Minmetals Resources Limited

We hereby consent to the reference to our name and opinion contained under "Certain Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated October 19, 2011 made by MMG Malachite Limited to the holders of common shares of Anvil Mining Limited.

Toronto, Canada
October 19, 2011

(Signed) *Davies Ward Phillips & Vineberg LLP*
DAVIES WARD PHILLIPS & VINEBERG LLP

Any questions and requests for assistance may be directed to the Depositary or the Information Agent:

**The Depositary for the Offer is:**

**Computershare Investor Services Inc.**

**By Mail**
P.O. Box 7021
31 Adelaide Street East
Toronto, Ontario M5C 3H2
Canada
Attention: Corporate Actions

**By Registered Mail, Hand or by Courier**
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
Canada
Attention: Corporate Actions

**North American Toll Free Phone:**
**1-800-564-6253**

Outside North America, Banks and Brokers: (+1) 514-982-7555 (collect calls accepted)
**E-mail: corporateactions@computershare.com**

**The Information Agent for the Offer is:**

**Kingsdale Shareholder Services Inc.**

**North American Toll Free Phone:**
**1-866-581-1392**

Outside North America, Banks and Brokers: (+1) 416-867-2272 (collect calls accepted)
**E-mail: contactus@kingsdaleshareholder.com**

*This document is important and requires your immediate attention. If you are in doubt as to how to respond to the offer by MMG Malachite Limited, you should consult with your investment dealer, stockbroker, lawyer or other professional advisor. Enquiries concerning the information in this document should be directed to Kingsdale Shareholder Services Inc., in North America on 1-866-581-1392 (toll free), outside North America on (+1)416-867-2272 (call collect) or by email: contactus@kingsdaleshareholder.com.*

anvilmining

**DIRECTORS' CIRCULAR**

**RECOMMENDING SHAREHOLDERS**

# ACCEPT

**THE OFFER BY**

**MMG MALACHITE LIMITED**

A WHOLLY-OWNED INDIRECT SUBSIDIARY OF

# MINMETALS RESOURCES LIMITED

**TO PURCHASE ALL OF THE OUTSTANDING COMMON SHARES OF**

# ANVIL MINING LIMITED

**FOR C$8.00 CASH PER COMMON SHARE**

**RECOMMENDATION TO SHAREHOLDERS**

The Board of Directors of Anvil **UNANIMOUSLY RECOMMENDS** that Shareholders

**ACCEPT** the Offer and

**DEPOSIT** their Common Shares under the Offer.

October 19, 2011


October 19, 2011

Dear Fellow Shareholder:

On September 29, 2011, we announced that MMG Malachite Limited (the "**Offeror**"), a wholly-owned indirect subsidiary of Minmetals Resources Limited ("MMR"), had agreed to make an offer to acquire all of the issued and outstanding common shares (the "**Common Shares**") of Anvil Mining Limited (the "**Company**") for consideration of C$8.00 in cash for each Common Share (the "**Offer**").

The Board of Directors **UNANIMOUSLY RECOMMENDS** that shareholders **ACCEPT** the Offer and **DEPOSIT** their Common Shares under the Offer.

The attached Directors' Circular explains in detail why the Board of Directors has reached this conclusion, and we strongly encourage you to read the Directors' Circular in its entirety. As you will see, the Board of Directors considered many factors including (i) the report and recommendation of the Strategic Transaction Committee, (ii) the report and recommendation of the Special Committee, (iii) an opinion from the Strategic Transaction Committee's and Board of Directors' financial advisor, BMO Nesbitt Burns Inc., which states that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to shareholders pursuant to the Offer is fair, from a financial point of view, to shareholders, and (iv) an opinion from the Special Committee's financial advisor, Paradigm Capital Inc., which states that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to shareholders pursuant to the Offer is fair, from a financial point of view, to shareholders (other than Trafigura Beheer B.V. and its subsidiaries and MMR and its subsidiaries).

As described in more detail in the attached Directors' Circular, the reasons for the Board of Directors' unanimous recommendation of the Offer, among others, include:

- the Offer represents a significant premium over the trading price of the Common Shares;
- the form of consideration under the Offer provides certainty, immediate value and liquidity;
- the Board of Directors, the Strategic Transaction Committee and the Special Committee have considered a variety of strategic alternatives and the Offer is the most attractive; and
- the Board of Directors has preserved the ability to respond to unsolicited superior proposals.

In summary, the Board of Directors believes that the consideration offered pursuant to the Offer is fair, from a financial point of view, to shareholders and that the Offer is in the best interests of the Company and its shareholders.

For the above reasons, we recommend you **ACCEPT** the Offer and **DEPOSIT** your shares under the Offer. If you have any questions about the Offer, you can contact your broker or the information agent retained by the Offeror in connection with the Offer, Kingsdale Shareholder Services Inc., in North America on 1-866-581-1392 (toll free), outside North America on (+1)416-867-2272 (call collect) or by email: contactus@kingsdaleshareholder.com

On behalf of the Board of Directors, I would like to thank you for your continued support.

(signed) "*Darryll Castle*"

Darryll Castle
President and Chief Executive Officer

## QUESTIONS AND ANSWERS ABOUT THE OFFER

**Why am I receiving this Directors' Circular?**

On September 29, 2011, Anvil entered into the Support Agreement with MMR and the Offeror pursuant to which the Offeror agreed to make the Offer, subject to the terms and conditions set forth in the Support Agreement. As a condition to the making of the Offer, among other things, Anvil agreed to prepare this Directors' Circular containing the Board's unanimous recommendation that Shareholders accept the Offer.

**What is the Offer?**

Under the terms of the Offer, the Offeror is offering to purchase all the outstanding Common Shares (other than Common Shares owned by the Offeror or any of its affiliates) for consideration of C$8.00 in cash for each Common Share.

**Should I accept the Offer?**

Your Board **UNANIMOUSLY RECOMMENDS** that Shareholders **ACCEPT** the Offer and **DEPOSIT** their Common Shares under the Offer. Members of the Board and senior officers have agreed to **ACCEPT** the Offer and to **DEPOSIT** their Common Shares under the Offer.

**How do I accept the Offer?**

The Offer and Circular indicates that you can accept the Offer by delivering to the depositary for the Offer, Computershare Investor Services Inc., before the expiration of the Offer: (a) the certificate(s) representing the Common Shares in respect of which the Offer is being accepted; (b) a Letter of Transmittal in the form accompanying the Offer and Circular (or a manually signed facsimile thereof) properly completed and duly executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee, if required); and (c) all other documents required by the terms of the Offer and the instructions set out in the Letter of Transmittal accompanying the Offer and Circular.

You may also accept the Offer by following the procedures for book-entry transfer described in the Offer and Circular. In addition, the Offer and Circular indicates that if you cannot deliver all of the necessary documents to the depositary in time, you may be able to complete and deliver to the depositary the Notice of Guaranteed Delivery accompanying the Offer and Circular, provided you are able to comply fully with its terms.

CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee in accordance with the procedure described in the Offer and Circular. The Offer and Circular indicates that acceptances by CDI Holders must be received in sufficient time to allow the CDI Holder's instructions to be acted upon prior to 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended.

See "Manner of Acceptance" in the Offer and Circular.

**Why does the Board believe that the Offer should be accepted?**

The Board believes that the consideration to be received by Shareholders under the Offer is fair, from a financial point of view, to Shareholders and that the Offer is in the best interests of Anvil and Shareholders. The Board's reasons include:

- the Offer represents a significant premium over the trading price of the Common Shares;
- the form of consideration under the Offer provides certainty, immediate value and liquidity;
- the Board of Directors, the Special Committee and the Strategic Transaction Committee have considered a variety of strategic alternatives and the Offer is the most attractive;
- the Strategic Transaction Committee's and Board of Directors' financial advisor has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders;

- the Special Committee's financial advisor has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders (other than Trafigura and its subsidiaries and MMR and its subsidiaries);
- the Board of Directors has preserved the ability to respond to unsolicited superior proposals;
- the Offer contains a 66⅔% minimum tender condition that cannot be lowered to less than 50.1% of the outstanding Common Shares without Anvil's consent; and
- the Board of Directors, senior management and Anvil's largest shareholder, Trafigura, have signed a lock-up agreement.

**How long do I have to decide whether to deposit my Common Shares under the Offer?**

You have until the Expiry Time of the Offer to deposit your Common Shares. The Offer is scheduled to expire at 8:00 p.m. (Toronto time) on November 24, 2011 unless it is extended or withdrawn. See "Time for Acceptance" in the Offer and Circular.

CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee in accordance with the procedure described in the Offer and Circular. The Offer and Circular indicates that acceptances by CDI Holders must be received in sufficient time to allow the CDI Holder's instructions to be acted upon prior to 7:00 p.m. (Sydney time) on November 22, 2011, unless the Offer is extended.

**If I accept the Offer, when will I be paid?**

The Offer and Circular indicates that if the conditions of the Offer are satisfied or waived by the Offer at or prior to the Expiry Time of the Offer, and if the Offeror consummates the Offer and takes up the Common Shares, Shareholders will receive payment for the Common Shares they have deposited promptly and in any event no later than three business days after the Common Shares are taken up, and, in the event that the Offeror has already taken up Common Shares under the Offer, not later than ten days after deposit. Receipt of payment by the depositary of the Offer (or its agent) will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer. In the Support Agreement, the Offeror has agreed that the Offeror will take-up and pay for all of the Common Shares deposited under the Offer no later than three business days following the time at which it becomes entitled to do so. See "Take-up and Payment for Deposited Common Shares" in the Offer and Circular.

**Who do I ask if I have more questions?**

Your Board recommends that you read the information contained in this Directors' Circular and in the Offer and Circular. You should contact the information agent retained by MMR in connection with the Offer with any questions or requests for assistance that you may have:

**Kingsdale Shareholder Services Inc.**
North America on 1-866-581-1392 (toll free)
Outside North America on (+1)416-867-2272 (call collect)
By email: contactus@kingsdaleshareholder.com.

## TABLE OF CONTENTS

## CURRENCY

Unless otherwise indicated, all "**$**" or "**C$**" references in this Directors' Circular are to Canadian dollars and all "**US$**" references in this Directors' Circular are to U.S. dollars. On October 18, 2011, the Bank of Canada noon rate of exchange for U.S. dollars was $1.00 = US$0.9840.

## AVAILABILITY OF DISCLOSURE DOCUMENTS

Anvil is a reporting issuer in each of the provinces of Canada and files its continuous disclosure documents and other documents with the Canadian securities regulatory authorities in each such province.

Continuous disclosure documents are available on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("**SEDAR**") website under Anvil's issuer profile at www.sedar.com. This website address is provided for information purposes only and, other than as expressly set out herein, no information contained on, or accessible from, such website is incorporated by reference herein. Certain information in this Directors' Circular has been taken from or is based on documents that are expressly referred to in this Directors' Circular. All summaries of, and references to, documents that are specified in this Directors' Circular as having been filed, or that are contained in documents specified as having been filed, on SEDAR are qualified in their entirety by reference to the complete text of those documents as filed, or as contained in documents filed, on SEDAR. Shareholders are urged to read carefully the full text of those documents, which may also be obtained on request without charge from the Corporate Secretary of Anvil at +61-8-9481-4700.

Information contained in this Directors' Circular concerning MMR and its affiliates and the Offer, including forward-looking statements or information, is based solely upon, and the Board of Directors has relied, without independent verification, exclusively upon information contained in the Offer and Circular, provided to Anvil by MMR, or that is otherwise publicly available. While neither Anvil nor any of its officers or Directors has any reason to believe that such information is inaccurate or incomplete, neither Anvil nor any of its officers or Directors assumes any responsibility for the accuracy or completeness of such information.

## NOTICE TO SHAREHOLDERS IN THE UNITED STATES

This Directors' Circular has been prepared by Anvil in accordance with disclosure requirements under applicable Canadian Laws. Shareholders in the United States should be aware that these requirements may be different from those of the United States. It may be difficult for Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal securities laws since Anvil is incorporated under the laws of the Northwest Territories, Canada, the majority of the officers and Directors of Anvil reside outside the United States, and all or a substantial portion of the assets of Anvil and the other above-mentioned persons are located outside the United States. Shareholders in the United States may not be able to sue Anvil or its officers or Directors in a non-U.S. court for violation of United States federal securities laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce a judgment obtained from a court of the United States.

## NOTICE TO SHAREHOLDERS IN AUSTRALIA

As set out in the Offer and Circular, the Offer is not regulated by Chapter 6 of the *Corporations Act 2001* (Commonwealth of Australia), but rather pursuant to the applicable requirements of Canadian securities laws. Australian Shareholders and CDI Holders should be aware that these requirements may be different to those which apply to a takeover offer regulated by Australian law. The Offer has not been approved or disapproved by the Australian Securities and Investments Commission or the Australian Securities Exchange ("**ASX**") nor has the Australian Securities and Investments Commission or the ASX passed upon the accuracy or adequacy of the Offer and Circular or this Directors' Circular. This Directors' Circular has been prepared by Anvil in accordance with disclosure requirements under applicable Canadian law. Shareholders in Australia should be aware that these requirements may be different from those in Australia.

## SUMMARY

The information set out below is intended to be a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Directors' Circular. All capitalized terms in the summary have the meanings ascribed to such terms elsewhere in this Directors' Circular.

### The Offer

MMG Malachite Limited (the "**Offeror**"), a wholly-owned indirect subsidiary of Minmetals Resources Limited ("**MMR**"), has made an offer to acquire all of the issued and outstanding Common Shares of Anvil (other than Common Shares owned by the Offeror or any of its affiliates), including any Common Shares issued prior to the expiry of the Offer, for consideration of C$8.00 in cash for each Common Share. The Offer is open for acceptance until 8:00 p.m. (Toronto time) on November 24, 2011, unless it is extended or withdrawn.

### Directors' Recommendation

After careful consideration, including a thorough review by the Board, in consultation with its financial and legal advisors, of the terms and conditions of the Offer, the Board, by unanimous vote of the Directors at a meeting held on September 29, 2011, determined that the consideration to be received by Shareholders under the Offer is fair, from a financial point of view, to Shareholders and that the Offer is in the best interests of Anvil and Shareholders. Accordingly, for the reasons described in more detail below, the Board **UNANIMOUSLY RECOMMENDS** that Shareholders **ACCEPT** the Offer and **DEPOSIT** their Common Shares under the Offer.

### Reasons for Acceptance

The Board believes that the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders and that the Offer is in the best interests of Anvil and Shareholders.

The Board has carefully reviewed and considered the Offer, with the benefit of advice from its financial and legal advisors. The Strategic Transaction Committee delivered a report and recommendation to the Board and received a written opinion from the Strategic Transaction Committee's and the Board's financial advisor, BMO Nesbitt Burns Inc., which opinion states that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders. The Special Committee delivered a report and recommendation to the Board and received an opinion from its financial advisor, Paradigm Capital Inc., which opinion states that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders (other than Trafigura and its subsidiaries and MMR and its subsidiaries).

The following is a summary of the principal reasons for the **UNANIMOUS RECOMMENDATION** of the Board to Shareholders that they **ACCEPT** the Offer and **DEPOSIT** their Common Shares under the Offer:

- the Offer represents a significant premium over the trading price of the Common Shares;
- the form of consideration under the Offer provides certainty, immediate value and liquidity;
- the Board of Directors, the Strategic Transaction Committee and the Special Committee have considered a variety of strategic alternatives and the Offer is the most attractive;
- the Strategic Transaction Committee's and the Board's financial advisor, BMO Nesbitt Burns Inc., has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders;
- the Special Committee's financial advisor, Paradigm Capital Inc., has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders (other than Trafigura and its subsidiaries and MMR and its subsidiaries);

- the Board of Directors has preserved the ability to respond to unsolicited superior proposals;
- the Offer contains a 66⅔% minimum tender condition that cannot be lowered to less than 50.1% of the outstanding Common Shares without Anvil's consent; and
- the Board of Directors, members of senior management and Anvil's largest shareholder, Trafigura, have signed the Lock-Up Agreement.

**How to Accept the Offer**

The Offer and Circular indicates that Shareholders can accept the Offer by delivering to the depositary for the Offer, Computershare Investor Services Inc., before the Expiry Time: (a) the certificate(s) representing the Common Shares in respect of which the Offer is being accepted; (b) a Letter of Transmittal in the form accompanying the Offer and Circular (or a manually signed facsimile thereof) properly completed and duly executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee, if required); and (c) all other documents required by the terms of the Offer and the instructions set out in the Letter of Transmittal accompanying the Offer and Circular. Shareholders may also accept the Offer by following the procedures for book-entry transfer described in the Offer and Circular. In addition, the Offer and Circular indicates that if Shareholders cannot deliver all of the necessary documents to the depositary in time, they may be able to complete and deliver to the depositary the Notice of Guaranteed Delivery accompanying the Offer and Circular, provided they are able to comply fully with its terms.

CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee in accordance with the procedure described in the Offer and Circular. The Offer and Circular indicates that acceptances by CDI Holders must be received in sufficient time to allow the CDI Holder's instructions to be acted upon prior to 7:00 p.m. (Sydney time) on November 22, 2011 unless the Offer is extended.

See "Manner of Acceptance" in the Offer and Circular.

## GLOSSARY

*In this Directors' Circular, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:*

"**$**" or "**C$**" means Canadian dollars;

"**affiliate**" has the meaning given to it in Part XX of the *Securities Act* (Ontario) or Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids*, as applicable;

"**Anvil**" or the "**Company**" means Anvil Mining Limited, a corporation existing under the NWT BCA;

"**Applicable Securities Law**s" means the *Securities Act* (Ontario) and the regulations thereunder and all other applicable Canadian, United States and Australian securities Laws;

"**associate**" has the meaning given to it in Part XX of the *Securities Act* (Ontario) or Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids*, as applicable;

"**ASX**" means the Australian Securities Exchange;

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc., the financial advisor to the Strategic Transaction Committee and the Board of Directors;

"**BMO Fairness Opinion**" means the opinion dated September 29, 2011 prepared by BMO Capital Markets in connection with the entering into of the Support Agreement, as described in Section 4 of this Directors' Circular, "Opinion of BMO Capital Markets", and attached as Schedule "A" hereto;

"**Board of Directors**" or "**Board**" means the board of directors of Anvil and "**Directors**" means directors of Anvil;

"**business day**" means any day (other than a Saturday or Sunday) on which commercial banks located in Toronto, Canada are open for the conduct of business;

"**CDI Holder**" means a holder of CDIs;

"**CDI Nominee**" means CHESS Depositary Nominees Pty Limited, a company registered in Australia (ABN 75 071 346 506);

"**CDIs**" means a CHESS Depositary Interest which represents a unit of beneficial interest in one Common Share registered in the name of the CDI Nominee;

"**Common Shares**" means the issued and outstanding common shares of Anvil, including those common shares that are represented by CDIs and common shares issued on the exercise of Options or other securities convertible into common shares, including the warrants held by Trafigura's subsidiary, and common shares that are Restricted Shares, upon the satisfaction or removal of the terms, conditions or restrictions attached to such Restricted Shares;

"**Expiry Time**" means 8:00 p.m. (Toronto time) on November 24, 2011 or such later time or times as may be fixed by the Offeror from time to time as provided in Section 5 of the Offer, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror;

"**Laws**" means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, bylaws, rules, regulations, ordinances, or other requirements, policies or instruments of any governmental entity having the force of law;

"**Lock-Up Agreement**" means the lock-up agreement dated September 29, 2011 among Trafigura, the Offeror, MMR, Darryll Castle, Thomas Dawson, Patrick Evans, Jesus Fernandez, Deon Garbers, Philippe Monier, Greg Morris, John Sabine and Jeremy Weir;

"**MMR**" means Minmetals Resources Limited, a company existing under the laws of the Hong Kong Special Administrative Region of the People's Republic of China;

"**Minimum Tender Condition**" means the condition to the Offer that there shall have been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time that number of Common Shares which, (i) together with the Common Shares directly or indirectly owned by the Offeror or its affiliates, constitutes at least 66⅔% of the outstanding Common Shares calculated on a fully-diluted basis, and (ii) at least a majority of the Common Shares, calculated on a fully-diluted basis, the votes attached to which would be included in the minority approval of a second step business combination pursuant to Canadian Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*;

"**NI 43-101**" means National Instrument 43-101 — *Standards of Disclosure for Mineral Projects*;

"**NWT BCA**" means the *Business Corporations Act* (Northwest Territories), as amended from time to time;

"**Offer and Circular**" means the offer to purchase and related take-over bid circular dated October 19, 2011 in respect of the Offer;

"**Offer**" means the offer, dated October 19, 2011, by the Offeror to purchase all of the outstanding Common Shares of Anvil (including those Common Shares that are represented by CDIs, but other than Common Shares owned by the Offeror or any of its affiliates), together with any Common Shares that may become issued and outstanding after the date of the Offer but prior the Expiry Time on the exercise of Options or upon the conversion, exchange or exercise of any other securities of Anvil that are convertible into or exchangeable or exercisable for Common Shares, for consideration of $8.00 per Common Share;

"**Offeror**" means MMG Malachite Limited, a corporation existing under the laws of the Northwest Territories and a wholly-owned indirect subsidiary of MMR;

"**Options**" means the outstanding options to acquire Common Shares granted pursuant to the Anvil Mining 2011 Share Incentive Plan;

"**Paradigm**" means Paradigm Capital Inc., the financial advisor to the Special Committee;

"**Paradigm Fairness Opinion**" means the opinion dated September 29, 2011 prepared by Paradigm in connection with the entering into of the Support Agreement, as described in Section 4 of this Directors' Circular, "Opinion of Paradigm Capital Inc.", and attached as Schedule "B" hereto;

"**Restricted Shares**" means Common Shares that are subject to certain restrictions under the Anvil Mining 2011 Share Incentive Plan;

"**SEC**" means the United States Securities and Exchange Commission;

"**SEDAR**" means the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval website at www.sedar.com;

"**Shareholders**" means the holders of Common Shares;

"**Special Committee**" means the committee of directors independent of management of the Company and Trafigura, established in September, 2009 and comprised of Messrs. Thomas Dawson (Chair), Patrick Evans and John Sabine;

"**Strategic Transaction Committee**" means the committee of directors independent of management of the Company, established on July 25, 2011 and comprised of Messrs. Jeremy Weir (Chair), Patrick Evans, Jesus Fernandez and John Sabine;

"**Support Agreement**" means the Support Agreement among the Offeror, MMR and Anvil dated September 29, 2011;

"**Trafigura**" means Trafigura Beheer B.V.;

"**TSX**" means the Toronto Stock Exchange; and

"**US$**" means United States dollars.

## DIRECTORS' CIRCULAR

### 1. The Offer

This Directors' Circular is issued by the Board of Directors in connection with the offer dated October 19, 2011 (the "**Offer**") by the Offeror, a wholly-owned indirect subsidiary of MMR, to purchase all of the outstanding Common Shares (including those Common Shares that are represented by CDIs, but other than Common Shares owned by the Offeror or any of its affiliates), together with any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time on the exercise of Options or upon the conversion, exchange or exercise of any other securities of Anvil that are convertible into or exchangeable or exercisable for Common Shares, for consideration of $8.00 cash per Common Share, upon the terms and conditions of the Offer as set forth in the Offer and Circular. The Offer is scheduled to expire at 8:00 p.m. (Toronto time) on November 24, 2011, unless extended or withdrawn.

Certain information contained in this Directors' Circular concerning the Offeror, MMR and its affiliates and the Offer, including forward-looking statements or information, is based solely upon, and the Board of Directors has relied, without independent verification, exclusively upon information contained in the Offer and Circular, provided to Anvil by MMR, or that is otherwise publicly available. While neither Anvil nor any of its officers or Directors has any reason to believe that such information is inaccurate or incomplete, neither Anvil nor any of its officers or Directors assumes any responsibility for the accuracy or completeness of such information. Shareholders are urged to read the Offer and Circular in its entirety.

The Offer is made only for Common Shares and is not made for any Options or other securities of Anvil that are convertible into or exchangeable or exercisable for Common Shares. Any holder of Options or other securities of Anvil that are convertible into or exchangeable or exercisable for Common Shares who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, exercise, exchange or convert such Options or other securities of Anvil that are convertible into or exchangeable or exercisable for Common Shares in order to acquire Common Shares and certificates representing such Common Shares and deposit such Common Shares in accordance with the terms of the Offer.

Pursuant to the Support Agreement, the Board of Directors has agreed to take steps necessary to accelerate the vesting of all Options and to permit the exercise of all Options conditional upon, and immediately prior to, the Offeror taking up Common Shares under the Offer. Holders of Options are permitted to make a conditional exercise of their Options (on a cashless basis) and to deposit the Common Shares issuable on such exercise under the Offer. Options subject to conditional exercise will only be exercised immediately prior to the Offeror taking up Common Shares under the Offer. Common Shares that are to be issued pursuant to any such conditional exercise will be accepted as validly deposited under the Offer provided that the holders of such Options otherwise validly accept the Offer. On the conditional exercise of Options, provided the Common Shares acquired thereunder are tendered to the Offer, the Option holder will be required to direct the Offeror in writing to pay to Anvil from the proceeds of sale of such Common Shares otherwise payable to the Option holder an amount sufficient to satisfy all applicable income tax and other source deductions arising on the exercise of the Options. This withholding amount shall be determined by Anvil in consultation with the Offeror. The expiry date for all unexercised Options will also be accelerated so that any unexercised Options shall expire upon the Offeror taking up any Common Shares under the Offer.

### 2. Unanimous Recommendation of the Board

The Board believes that the consideration offered to Shareholders under the Offer is fair, from a financial point of view, to Shareholders and that the Offer is in the best interests of Anvil and Shareholders. Accordingly, for the reasons described in more detail below, the Board **UNANIMOUSLY RECOMMENDS** that Shareholders **ACCEPT** the Offer and **DEPOSIT** their Common Shares under the Offer.

### 3. Analysis and Reasons for the Board's Conclusion and Recommendation

The Board has carefully reviewed and considered the Offer, with the benefit of the recommendation of the Strategic Transaction Committee, BMO Capital Markets, the Special Committee, Paradigm, and its legal advisors. The following is a summary of the principal reasons for the **UNANIMOUS RECOMMENDATION** of the Board to Shareholders that they **ACCEPT** the Offer and **DEPOSIT** their Common Shares under the Offer.

(a) *The Offer represents a significant premium over the trading price of the Common Shares.*

The consideration offered under the Offer represents a premium of approximately 39% to the closing price and 30% to the 20-day volume weighted average price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") on September 29, 2011, the last trading day prior to the announcement of the Offer.

(b) *The form of consideration under the Offer provides certainty, immediate value and liquidity.*

The Offer provides Shareholders with cash consideration for all Common Shares held. Shareholders will be able to immediately realize a fair value for their investment and the payment in cash provides certainty of value for their Common Shares.

(c) *The Board of Directors and the Strategic Transaction Committee have considered a variety of strategic alternatives and the Offer is the most attractive.*

Since late July 2011, the Board of Directors and the Strategic Transaction Committee, with the assistance of BMO Capital Markets and Anvil's legal advisors, have considered a variety of strategic alternatives to maximize value, with a view to the best interests of Anvil and its Shareholders, including the potential value and prospects for completion. The Board and the Strategic Transaction Committee concluded that the Offer represented the best alternative available to Anvil and Shareholders.

(d) *Anvil's Financial Advisors have provided written opinions that, as of the date of such opinions, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders.*

The Board and the Strategic Transaction Committee have received a written opinion from BMO Capital Markets that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders. The Board and the Special Committee have received a written opinion from Paradigm that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders (other than Trafigura and its subsidiaries and MMR and its subsidiaries). A copy of the opinion of BMO Capital Markets is attached to this Directors' Circular as Schedule "A" and a copy of the opinion of Paradigm is attached to this Directors' Circular as Schedule "B". The Board recommends that Shareholders read the opinions carefully and in their entirety for a description of the assumptions made, matters considered and limitations and qualifications on the reviews undertaken. The opinions and the descriptions thereof in this Directors' Circular do not constitute a recommendation from BMO Capital Markets or Paradigm to Shareholders as to whether to deposit Common Shares under the Offer.

(e) *The Board of Directors has preserved the ability to respond to unsolicited Superior Proposals.*

Under the Support Agreement, the Board of Directors maintains the ability to consider and respond, in accordance with its fiduciary duties, to unsolicited bona fide written proposals that are, or could reasonably be expected to lead to a proposal that is, more favourable than the Offer, from a financial point of view. The terms of the Support Agreement, including the termination fee payable to the Offeror in connection with a termination of the Support Agreement (in certain specified circumstances), are reasonable in the circumstances and not preclusive of other proposals.

(f) *The Offer contains a 66⅔% Minimum Tender Condition that cannot be lowered to less than 50.1% of the outstanding Common Shares without Anvil's consent.*

Under the Support Agreement, the Offer includes a minimum tender condition of 66⅔% of the outstanding Common Shares (on a fully-diluted basis) that cannot be lowered to less than 50.1% of the outstanding Common Shares without Anvil's consent.

(g) *The Board of Directors, Senior Management and Anvil's largest shareholder, Trafigura, have signed a Lock-Up Agreement.*

All of the Directors (including Anvil's Chief Executive Officer) and Anvil's Chief Financial Officer and Chief Operating Officer, and Trafigura, have entered into the Lock-Up Agreement and, subject to the

terms thereof, have agreed to tender their respective Common Shares to the Offer. The Common Shares held by the parties to the Lock-Up Agreement represent in the aggregate approximately 40% of the Common Shares on a fully-diluted basis. See "Arrangements between the Offeror and Security Holders of Anvil".

For the principal reasons outlined above, the Board believes that the consideration to be received by Shareholders under the Offer is fair, from a financial point of view, to Shareholders and that the Offer is in the best interests of Anvil and Shareholders.

**The Board UNANIMOUSLY RECOMMENDS that Shareholders ACCEPT the Offer and DEPOSIT their Common Shares under the Offer.**

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive of the factors considered by the Board in reaching its conclusion and making its recommendation, but includes the material information, factors and analysis considered by the Board in reaching its conclusion and recommendation. The members of the Board evaluated the various factors summarized above in light of their own knowledge of the business, financial condition and prospects of Anvil, and based upon the advice of BMO Capital Markets and Paradigm and legal advisors and the recommendation of the Strategic Transaction Committee and the Special Committee. In view of the numerous factors considered in connection with their evaluation of the Offer, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching its conclusion and recommendation. In addition, individual members of the Board may have given different weight to different factors. The conclusion and unanimous recommendation of the Board was made after considering all of the information and factors involved.

**4. Opinions of BMO Capital Markets and Paradigm**

Shareholders are urged to read the opinions of BMO Capital Markets and Paradigm carefully and in their entirety for a description of the assumptions made, procedures followed, matters considered and limitations and qualifications on the reviews undertaken. The opinions address only the fairness, from a financial point of view, of the consideration offered pursuant to the Offer to Shareholders. The opinions were provided solely for the information and assistance of the Board, the Strategic Transaction Committee and the Special Committee respectively in connection with their consideration of the Offer, and were one of a number of factors taken into consideration by the Board in making its unanimous determination that the consideration offered to Shareholders pursuant to the Offer is fair, from a financial point of view, to Shareholders and that the Offer is in the best interests of Anvil and Shareholders and to recommend that Shareholders accept the Offer and deposit their Common Shares under the Offer. The opinions and the descriptions thereof in this Directors' Circular do not constitute a recommendation from BMO Capital Markets or Paradigm to Shareholders as to whether to deposit Common Shares under the Offer.

**5. Acceptance of the Offer**

The Offer and Circular indicates that Shareholders can accept the Offer by delivering to the depositary for the Offer, Computershare Investor Services Inc., before the expiration of the Offer: (a) the certificate(s) representing the Common Shares in respect of which the Offer is being accepted; (b) a Letter of Transmittal in the form accompanying the Offer and Circular (or a manually signed facsimile thereof) properly completed and duly executed as required by the instructions set out in the Letter of Transmittal accompanying the Offer and Circular; and (c) all other documents required by the terms of the Offer and the instructions set out in the Letter of Transmittal accompanying the Offer and Circular. Shareholders may also accept the Offer by following the procedures for book-entry transfer described in the Offer and Circular. In addition, the Offer and Circular indicates that if Shareholders cannot deliver all of the necessary documents to the depositary in time, they may be able to complete and deliver to the depositary the Notice of Guaranteed Delivery accompanying the Offer and Circular, provided they are able to comply fully with its terms.

CDI Holders may only accept the Offer by giving an instruction to the CDI Nominee in accordance with the procedure described in the Offer and Circular. The Offer and Circular indicates that acceptances by CDI Holders must be received in sufficient time to allow the CDI Holder's instructions to be acted upon prior to 7:00 p.m. (Sydney time) on November 22, 2011 unless the Offer is extended. See "Manner of Acceptance" in the Offer and Circular.

## 6. Background to the Offer

In June 2010, the Board requested that the Special Committee consider potential value enhancement alternatives available to the Company. Between June 2010 and November 2010, the Special Committee reviewed a number of possible transactions, including a potential merger transaction. The Special Committee engaged BMO Capital Markets as financial advisor and Cassels Brock & Blackwell LLP as independent legal advisor. After several meetings the Special Committee determined that proceeding with the potential merger transaction was not in the best interests of the Company.

In late June 2011, Trafigura advised the Company that it had entered into discussions with a third party to sell a majority of its Common Shares and warrants to acquire Common Shares. The Special Committee engaged in discussions with Trafigura to determine the effect the proposed sale by Trafigura would have on the Company and its Shareholders (other than Trafigura and its subsidiaries) as it was particularly concerned whether all Shareholders would have the opportunity to participate in the transaction.

On July 14 and 16, 2011, the Special Committee met to review and consider further details of the proposed transaction which had been provided by Trafigura. At its meeting on July 16, 2011, the Special Committee considered the basis on which the Company might agree to facilitate the proposed transaction. The Special Committee was focused on the expectations of Shareholders (other than Trafigura and its subsidiaries) and was of the view that Shareholders expected to benefit from any change of effective control of the Company by direct participation or otherwise.

The Special Committee met on July 19, 2011 to discuss acceptable consideration in return for the Company's co-operation to effect the proposed transaction. The Special Committee concluded that Shareholders (other than Trafigura and its subsidiaries) would not benefit in an appropriate manner from the transaction.

On July 25, 2011, Trafigura advised the Company that its negotiations to sell a majority of its Common Shares and warrants had ceased but that it still wished to monetize its investment in the Company. Trafigura then offered the Company the opportunity to participate in a process in which all Shareholders could participate in a change of control transaction.

The Special Committee met later that day and determined to recommend that the Company pursue Trafigura's proposal to participate in such a process. The Board subsequently agreed to establish a separate Strategic Transaction Committee of the Board of Directors comprised of Messrs. Jesus Fernandez and Jeremy Weir, as Trafigura's representatives, and Messrs. John Sabine and Patrick Evans, as independent directors, to oversee the process and to review and evaluate any proposal for a possible transaction that might be received by the Company from third parties (whether solicited or not). The Strategic Transaction Committee was given the mandate to review and consider the value maximizing alternatives available to the Company for the benefit of all Shareholders.

On August 4, 2011, the Company announced that, with the support of Trafigura, the Board of Directors had begun a process to review strategic alternatives available to the Company. The Strategic Transaction Committee and the Board of Directors engaged BMO Capital Markets as its financial advisor. The Strategic Transaction Committee identified counterparties considered to be appropriately qualified to participate in a value maximizing transaction with the Company. BMO Capital Markets communicated with such counterparties on a confidential basis regarding their interest in such a transaction, and following such communications, confidentiality and standstill agreements were entered into with seven counterparties during August and September, 2011. The counterparties entering into the confidentiality and standstill agreements were afforded access to a data room established by the Company so that they could conduct preliminary due diligence to enable the consideration and formulation of the terms of a possible transaction to be presented to the Strategic Transaction Committee.

In August 2011, the Company was approached by a third party regarding a possible merger transaction. On August 25, 2011, a meeting of the Special Committee was held to obtain an update on the activities of the Strategic Transaction Committee. Representatives of the third party attended the meeting as well to discuss the benefits of the merger transaction. The third party advised that it would outline a process for a potential transaction for the Company to consider. Such an outline was never provided to the Company.

As a result of the process conducted by the Strategic Transaction Committee on September 6, 2011, the Company received formal written non-binding indicative proposals from three counterparties, including MMR, for transactions pursuant to which each of the counterparties proposed to acquire the Company for cash consideration. Those three counterparties were then provided with a draft form of support agreement and lock-up agreement and were asked to submit formal proposals to acquire all of the outstanding securities of the Company by no later than September 23, 2011. Two other counterparties continued to engage in due diligence after September 6, 2011, even though they had not submitted non-binding proposals.

During the period while parties were conducting due diligence and in response to certain media reports the Company confirmed on September 14, 2011 that there were at that time no developments as a result of the value maximization process to be disclosed. As of that date, no offers capable of acceptance had been received by the Company nor had any binding agreement been entered into by the Company in respect of a transaction affecting the control of the Company.

On September 18, 2011, a meeting of the Special Committee was held to obtain an update on the state of negotiations and due diligence with respect to the bidding process.

On September 23, 2011, MMR submitted a further proposal. The Strategic Transaction Committee reviewed MMR's proposal and recommended that the Company undertake exclusive negotiations with MMR, as requested by MMR.

Also on September 23, 2011, the Special Committee met and determined to obtain an independent fairness opinion from an investment banking firm other than BMO Capital Markets. The Special Committee determined to retain Paradigm, who were formally engaged on September 27, 2011.

On September 26, 2011, the Company and MMR entered into an exclusivity agreement whereby the Company agreed that until 11:59 pm Toronto time on September 30, 2011 the Company would not, directly or indirectly, make, solicit or otherwise facilitate or undertake negotiations regarding any take-over bid, merger, business combination or similar transaction with any third party.

Detailed negotiations regarding the terms of a transaction, including the terms and conditions contained in the Support Agreement and Lock-Up Agreement took place from September 27, 2011 until September 29, 2011 among the Company and its financial advisor and counsel, including counsel to the Special Committee and MMR and its financial advisor and counsel. Trafigura and its counsel also participated in these discussions.

On September 29, 2011, a third party, which had signed a confidentiality and standstill agreement as part of the process being conducted on behalf of the Company, sent an indicative proposal to BMO Capital Markets, offering to make a bid for the Company. The Board of Directors determined that given the conditional nature of the proposal and the advanced negotiations with MMR, the proposal did not merit further consideration. In compliance with the provisions of the exclusivity agreement with MMR, the Company and its advisors did not respond to the proposal.

On September 29, 2011, the Special Committee met and, relying in part on the advice of its financial and legal advisors, determined that the transaction with MMR was in the best interests of the Company and the Shareholders and recommended that the Board of Directors authorize and approve the entering into of the Support Agreement and recommend that Shareholders tender their Common Shares to the Offer.

At the Board of Directors' meeting held on September 29, 2011 to consider the terms of the transaction with MMR, the Strategic Transaction Committee reported to the Board of Directors the results of negotiations and the terms of the Support Agreement and the Lock-Up Agreement. At such time, the Strategic Transaction Committee presented its recommendation that the Board of Directors approve the Support Agreement. The Special Committee also reported to the Board of Directors and recommended that the Board of Directors approve the entering into of the Support Agreement and recommend that Shareholders tender their Common Shares to the Offer.

The Special Committee had been provided with an oral and written opinion from its financial advisor, Paradigm, that the consideration proposed under the Support Agreement was fair, from a financial point of view, to the Shareholders (other than Trafigura and its subsidiaries and MMR and its subsidiaries). BMO Capital Markets also provided the Board of Directors with its oral opinion that the consideration proposed under the Support Agreement was fair, from a financial point of view, to the Shareholders.

Following consideration of the submissions of the Strategic Transaction Committee, the Special Committee, BMO Capital Markets and Paradigm, the Board of Directors approved the terms of the Support Agreement and directed its execution and delivery on behalf of the Company. The Company then announced the entering into of the Support Agreement by news release later that evening.

**7. Intention of Directors and Officers with Respect to the Offer**

Each of the Directors (including Anvil's Chief Executive Officer) and Anvil's Chief Financial Officer and Chief Operating Officer, as well as Trafigura, have entered into the Lock-Up Agreement pursuant to which such individuals have agreed, subject to the terms of the Lock-Up Agreement, to tender all Common Shares to the Offer. Details of the Lock-Up Agreement are set out in the Offer and Circular.

**8. The Support Agreement**

On September 29, 2011 the Offeror, MMR and Anvil entered into the Support Agreement, which sets out, among other things, the terms and conditions upon which Anvil agrees to recommend to Shareholders the acceptance of the Offer. The following is a summary of certain provisions of the Support Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Support Agreement. The Support Agreement has been filed by Anvil with the Canadian securities regulatory authorities and is available under Anvil's issuer profile at www.sedar.com.

***Support for the Offer***

The Board of Directors, upon consultation with its financial and legal advisors and on receipt of a recommendation from the Strategic Transaction Committee and the Special Committee, has unanimously determined that the Offer is in the best interests of Anvil and the Shareholders and, accordingly, the Board of Directors unanimously recommends that Shareholders accept the Offer and deposit their Common Shares under the Offer. Each member of the Board of Directors intends to support the Offer and, subject to the provisions of the Support Agreement, Anvil has agreed to use all reasonable efforts to support the Offer.

***The Offer***

The Offeror has agreed to make the Offer on the terms and conditions set forth in the Support Agreement and, provided all of the conditions of the Offer set forth in the section entitled "Conditions of the Offer" in the Offer and Circular shall have been satisfied or waived at or prior to the Expiry Time, the Offeror has agreed to take-up and pay for all Common Shares validly deposited and not withdrawn under the Offer within three business days following the time at which the Offeror is entitled to take up Common Shares under the Offer. See "Take-Up and Payment for Deposited Common Shares" in the Offer and Circular.

The Offeror may, in its sole discretion, modify or waive any term or condition of the Offer, provided that the Offeror cannot, without the prior consent of Anvil: (a) amend or modify the Minimum Tender Condition to less than 50.1% of the Common Shares that are outstanding at the time of initial take-up of Common Shares under the Offer; (b) waive the Minimum Tender Condition, as it may be amended or modified pursuant to paragraph (a) above, unless the Offeror can and, after such waiver, does take-up and pay for a number of Common Shares equal to not less than 50.1% of the Common Shares that are outstanding at the time of the initial take-up of Common Shares under the Offer; (c) increase the Minimum Tender Condition; (d) impose additional conditions to the Offer; (e) decrease the cash consideration per Common Share; (f) decrease the number of Common Shares in respect of which the Offer is made; (g) change the form of consideration payable under the Offer (other than to add additional consideration or consideration alternatives); or (h) vary the Offer or any terms or conditions thereof (other than a waiver of a condition) in a manner that is adverse to the Shareholders. If the Offeror amends, modifies or waives the Minimum Tender Condition as permitted above and takes up and pays for any Common Shares pursuant to the Offer, the Offeror shall extend the Offer to the extent required to ensure that the Expiry Date shall be not less than 20 days from the date of such amendment, modification or waiver.

***Shareholder Rights Plan***

Anvil has covenanted that it will not authorize, approve or adopt any shareholder rights plan or enter into any agreement providing therefor.

***Anvil Board of Directors Representation***

Anvil acknowledges that promptly following the time at which the Offeror takes up for purchase such number of Common Shares which, together with any Common Shares held by or on behalf of the Offeror and its affiliates, represents at least a majority of the then outstanding Common Shares, and from time to time thereafter, the Offeror shall be entitled to designate (a) such number of members of the Board of Directors, and any committees thereof, as is proportionate to the percentage of the outstanding Common Shares beneficially owned from time to time by MMR and its affiliates (the "**MMR Percentage**") and (b) following the purchase by the Offeror of such number of Common Shares which, together with the Common Shares held by or on behalf of MMR and its affiliates, represents at least 66⅔% of the then outstanding Common Shares, all of the members of the Board of Directors and any committees thereof. Anvil will not frustrate the Offeror's attempts to do so and Anvil has covenanted to co-operate with the Offeror, subject to applicable Laws and the provision of releases and confirmation of insurance coverage, to enable the Offeror's designees to be elected or appointed to the Board of Directors and any committees thereof, and to constitute the MMR Percentage of the Board of Directors or the entire Board of Directors, as applicable, including at the request of the Offeror, by using its commercially reasonable efforts to increase the size of the Board of Directors and to secure the resignations of such directors as the Offeror may request.

***No Solicitation***

Anvil has agreed that, except as provided in the Support Agreement, it will not, and it will cause each of its subsidiaries not to, directly or indirectly, through any of its representatives:

(a) make, solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing non-public information, permitting any visit to any facilities or properties of Anvil or any subsidiary of Anvil or any joint venture material to Anvil and its subsidiaries, taken as a whole, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal (as defined below);

(b) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, knowingly encourage or otherwise facilitate, any effort or attempt by any other person to make or complete any Acquisition Proposal, provided that, for greater certainty, Anvil may advise any person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal (as defined below) when the Board of Directors has so determined;

(c) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to MMR or the Offeror, the approval or recommendation of the Board of Directors or any committee thereof of the Support Agreement or the Offer;

(d) approve or recommend or propose publicly to approve or recommend any Acquisition Proposal;

(e) release any person from or waive, or otherwise forbear the enforcement of, any confidentiality or standstill agreement with such person that would facilitate the making or implementation of any Acquisition Proposal, provided that, for the avoidance of doubt, any automatic release from the standstill provisions of any such agreement in accordance with its terms shall not constitute a breach of this obligation; or

(f) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal.

The Support Agreement defines an "**Acquisition Proposal**" as the following, in each case whether in a single transaction or a series of related transactions, but other than any transaction involving only Anvil and/or one or more of its wholly-owned subsidiaries:

(a) any take-over bid, tender offer or exchange offer that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of Anvil;

(b) any amalgamation, plan of arrangement, share exchange, business combination, merger, consolidation, recapitalization, reorganization, or other similar transaction involving Anvil or one or more Anvil subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil, or any liquidation, dissolution or winding-up of Anvil or one or more

Anvil subsidiaries, which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil;

(c) any direct or indirect sale of assets (or any lease, long term supply arrangement, licence or other arrangement having the same economic effect as a sale) of Anvil or one or more Anvil subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil;

(d) any direct or indirect sale, issuance or acquisition of Common Shares or any other voting or equity interests (or securities representing, convertible into or exercisable for, such Common Shares or interests) in Anvil representing 20% or more of the issued and outstanding equity or voting interests (or rights or interests therein or thereto) of Anvil or any direct or indirect sale, issuance or acquisition of voting or equity interests (or securities representing, convertible into or exercisable for such interests) in one or more Anvil Subsidiaries which represent, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of Anvil; or

(e) any proposal or offer to do, or public announcement of an intention to do, any of the foregoing from any person other than MMR or a subsidiary of MMR, in each case excluding the Offer and any other transaction contemplated by the Support Agreement.

Anvil has agreed to immediately cease and instruct its representatives to cease any existing solicitation, discussion or negotiation with any person (other than MMR or a subsidiary of MMR), by or on behalf of Anvil or any of its subsidiaries with respect to or which could reasonably be expected to lead to any potential Acquisition Proposal, whether or not initiated by Anvil or any of its subsidiaries or any of its or their representatives and, in connection therewith, to discontinue access to any data rooms.

Anvil has agreed to request the return or destruction of (a) all information provided to any third parties who have entered into a confidentiality agreement with Anvil relating to any potential Acquisition Proposal, and (b) to the extent permitted under the applicable confidentiality agreement, all material prepared by or on behalf of such third party that includes or incorporates or otherwise reflects any such confidential information, and to use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of such confidentiality agreements. Anvil has agreed to immediately advise the Offeror of any response or action (actual, anticipated, contemplated or threatened) by any such third party which could reasonably be expected to hinder, prevent or delay or otherwise adversely affect the completion of the Offer.

Anvil has agreed to promptly (and in any event within 24 hours) notify MMR and the Offeror of any proposal, inquiry, offer or request (or any amendment thereto): (i) relating to or constituting an Acquisition Proposal or which Anvil reasonably believes could lead to an Acquisition Proposal, (ii) for discussions or negotiations relating to, or which Anvil reasonably believes could lead to, an Acquisition Proposal, (iii) for non-public information relating to Anvil or any of its subsidiaries, including in respect of certain of its properties or mineral rights, or for access to properties or books and records, or (iv) for a list of Shareholders of which Anvil's Directors, officers, employees, representatives or agents are or become aware.

Anvil has agreed to ensure that its representatives, including its subsidiaries and their representatives, are aware of the non-solicitation provisions of the Support Agreement and Anvil shall be responsible for any breach by such persons.

***Superior Proposals, Right to Match, etc.***

Following receipt by Anvil of any proposal, inquiry, offer or request (or any amendment thereto) that is not an Acquisition Proposal but which Anvil reasonably believes could lead to an Acquisition Proposal, Anvil may respond to the proponent to advise it that, in accordance with the Support Agreement, Anvil can only enter into discussions or negotiations with a party that delivers an Acquisition Proposal.

Following the receipt by Anvil of a *bona fide* written Acquisition Proposal made after the date of the Support Agreement (including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement) that was not solicited in contravention of the

Support Agreement, Anvil and its representatives may (provided it notifies MMR and the Offeror of such Acquisition Proposal as described above and complies with its non-solicitation covenants):

(a) contact the person making such Acquisition Proposal and its representatives for the purposes of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal; and

(b) if the Board of Directors determines in good faith, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is, or would, if consummated in accordance with its terms, reasonably be expected to be, a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties: (i) furnish information with respect to Anvil and its subsidiaries to the person making such Acquisition Proposal and its representatives and permit site visits, if requested, provided that Anvil has entered into a confidentiality and standstill agreement with such person that is no less favourable in the aggregate to Anvil than the confidentiality agreement made between Anvil and an affiliate of the Offeror, provided that no such confidentiality and standstill agreement shall prevent such person from making, pursuing or completing an Acquisition Proposal in accordance with the Support Agreement and provided that Anvil sends a copy of such agreement to MMR promptly following its execution (or, if executed prior to the date of the Support Agreement, promptly following a request for same from MMR) and MMR is promptly provided with a list of, and access to (to the extent not previously provided to MMR), the information provided to such person; and (ii) engage in discussions and negotiations with respect to the Acquisition Proposal with the person making such Acquisition Proposal and its representatives.

The Support Agreement defines a "**Superior Proposal**" as a *bona fide* Acquisition Proposal:

(a) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction, (A) all of the Common Shares (not beneficially owned by the party making such Acquisition Proposal) and pursuant to which all Shareholders are offered the same consideration in form and amount per Common Share to be purchased or otherwise acquired; or (B) all or substantially all of the assets of Anvil and its subsidiaries, taken as a whole;

(b) that did not result from a breach of the non-solicitation provisions of the Support Agreement;

(c) that is made in writing after the date of the Support Agreement, including an amendment, change or modification to any Acquisition Proposal made prior to the date of the Support Agreement;

(d) that complies with Applicable Securities Laws in all material respects;

(e) that is not subject to a financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Board of Directors, acting in good faith (after consultation with its financial advisors and outside legal counsel), will be obtained;

(f) that is not subject to any due diligence and/or access condition; and

(g) that the Board of Directors has determined in good faith (after consultation with its financial advisors and outside legal counsel) (i) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal, and (ii) would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable from a financial point of view to the Shareholders than the Offer (taking into consideration any adjustment to the terms and conditions of the Offer proposed by MMR pursuant to the terms of the Support Agreement).

Anvil may enter into an agreement (in addition to any confidentiality agreement contemplated by the Support Agreement) with respect to an Acquisition Proposal and/or withdraw, modify or qualify its approval or recommendation of the Offer and recommend or approve an Acquisition Proposal (a "**Change in Recommendation**"), provided that:

(a) Anvil has complied with its non-solicitation obligations under the Support Agreement;

(b) the Board of Directors has determined, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties;

(c) Anvil has delivered written notice to MMR and the Offeror of the determination of the Board of Directors that the Acquisition Proposal is a Superior Proposal and of the intention of the Board of Directors to approve or recommend such Superior Proposal and/or of Anvil to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement (the "**Superior Proposal Notice**");

(d) at least five full business days have elapsed since the date the Superior Proposal Notice was received by MMR and the Offeror (the "**Right to Match Period**") and, for greater certainty, the Right to Match Period will expire at 9:00 p.m. (Toronto time) on the fifth business day following the day MMR and the Offeror received the Superior Proposal Notice;

(e) if MMR and the Offeror have offered to amend the terms of the Offer during the Right to Match Period pursuant to the provisions of the Support Agreement, the Board of Directors has determined in good faith, after consultation with its outside legal and financial advisors, that such Acquisition Proposal continues to be a Superior Proposal compared to the amendment of the terms of the Offer and the Support Agreement offered by MMR at or prior to the termination of the Right to Match Period; and

(f) if applicable, Anvil terminates the Support Agreement and pays the Termination Payment, described below under "Termination Payment, Reverse Termination Payment and Expense Reimbursement".

During the Right to Match Period, MMR and the Offeror will have the opportunity, but not the obligation, to offer to amend the terms of the Offer and the Support Agreement and Anvil shall co-operate with MMR and the Offeror with respect thereto, including negotiating in good faith with MMR and the Offeror to enable them to make such adjustments to the terms and conditions of the Offer as MMR and the Offeror deem appropriate and as would enable them to proceed with the Offer. The Board of Directors will review any such offer by MMR and the Offeror to amend the terms of the Offer and the Support Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether MMR's and the Offeror's offer to amend the Offer and the Support Agreement, upon its acceptance, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the terms of the Offer and the Support Agreement offered by MMR and the Offeror. If the Board of Directors determines that the Acquisition Proposal would cease to be a Superior Proposal, MMR and the Offeror have agreed to amend the terms of the Offer and Anvil, MMR and the Offeror shall enter into an amendment to the Support Agreement reflecting the offer by MMR and the Offeror to amend the terms of the Offer and the Support Agreement.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration to be received by the Shareholders will constitute a new Acquisition Proposal for purposes of the Support Agreement, including initiating a new Right to Match Period, if applicable. Nothing in the Support Agreement shall prevent the Board of Directors from responding through a directors' circular or otherwise as required by applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal. Further, nothing in the Support Agreement shall prevent the Board of Directors from making any disclosure to the securityholders of Anvil if the Board of Directors, acting in good faith and upon the advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Board of Directors or such disclosure is otherwise required under applicable Law; provided, however, that notwithstanding that the Board of Directors shall be permitted to make such disclosure, the Board of Directors shall not be permitted to make a Change in Recommendation other than as otherwise permitted by the Support Agreement.

***Reaffirmation of Recommendation by the Board of Directors***

The Board of Directors has agreed to promptly reaffirm its recommendation of the Offer or the amended Offer, as applicable, by news release after: (a) any Acquisition Proposal is publicly announced or made and the Board of Directors determines it is not a Superior Proposal; or (b) the Board of Directors determines that a proposed amendment to the terms of the Offer would result in the Acquisition Proposal not being a Superior

Proposal, and MMR has so amended the terms of the Offer. MMR and the Offeror will be given reasonable opportunity to review and comment on the form and content of any such news release.

***Subsequent Acquisition Transaction***

The Support Agreement provides that if within the earlier of the Expiry Time or 120 days after the date of the Offer (or such longer time as a court having jurisdiction may permit), the Offer has been accepted by holders of not less than 90% of the outstanding Common Shares as at the Expiry Time, excluding Common Shares held by or on behalf of the Offeror, or an "affiliate" or an "associate" (as those terms are defined in the NWT BCA) of the Offeror, the Offeror shall, to the extent practicable, acquire the remainder of the Common Shares from those Shareholders who have not accepted the Offer, pursuant to Section 197(2) of the NWT BCA.

If that statutory right of acquisition is not available or the Offeror chooses not to avail itself of such statutory right of acquisition, (i) the Offeror shall use its commercially reasonable efforts to pursue other means of acquiring the remaining Common Shares not tendered to the Offer, provided that the consideration per Common Share offered in connection with such other means of acquiring such Common Shares shall be at least equal to the consideration per Common Share under the Offer, or (ii) in the event the Offeror takes up and pays for Common Shares under the Offer representing at least a simple majority of the outstanding Common Shares the Offeror will use commercially reasonable efforts, and Anvil will assist the Offeror, in order to acquire sufficient Common Shares to successfully complete an amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving Anvil and MMR or any MMR subsidiary (any such alternative means of acquiring the remaining Common Shares not tendered to the Offer, a "**Subsequent Acquisition Transaction**") and, for greater certainty, when the Offeror has acquired sufficient Common Shares to do so, it shall complete a Subsequent Acquisition Transaction to acquire the remaining Common Shares, provided that the consideration per Common Share offered in connection with the Subsequent Acquisition Transaction shall not be less than the consideration per Common Share under the Offer and in no event will the Offeror be required to offer consideration per Common Share greater than the consideration per Common Share under the Offer.

***Termination of the Support Agreement***

The Support Agreement may be terminated any time prior to the Effective Time (as such term is defined below under "Directors' and Officers' Insurance and Reimbursement"):

(a) by mutual written agreement of MMR and Anvil;

(b) by Anvil, if the Offeror does not commence the Offer by 11:59 p.m. (Toronto time) on October 21, 2011 (the "**Latest Mailing Time**") (other than as a result of Anvil's default or breach of a material covenant or obligation under the Support Agreement) or the Offer does not conform in all material respects to the terms of the Support Agreement and any non-conformity is not cured within the time period contemplated by the Support Agreement;

(c) by MMR, if any condition to making the Offer for MMR's and the Offeror's benefit is not satisfied or waived before the Latest Mailing Time (other than as a result of a default or breach of a material covenant or obligation under the Support Agreement by MMR or the Offeror);

(d) by MMR, if: (i) the Minimum Tender Condition shall not be satisfied at the Expiry Time (as such Expiry Time may be extended from time-to-time in accordance with the Support Agreement) and the Offeror has not elected to waive such condition; or (ii) any condition of the Offer, other than the Minimum Tender Condition, shall not be satisfied at the Expiry Time (as such Expiry Time may be extended from time-to-time in accordance with the Support Agreement), other than as a result of a material breach of a material covenant or obligation under the Support Agreement by MMR or the Offeror and the Offeror shall not have elected to waive such condition;

(e) by either Anvil or MMR, if the Offeror does not take-up and pay for the Common Shares deposited under the Offer by the date that is 90 days following the date of the commencement of the Offer (the "**Outside Date**") otherwise than as a result of the material breach by the party seeking to terminate the Support Agreement of any covenant or obligation under the Support Agreement (or, where such covenant is itself qualified by a materiality or material adverse effect qualification, any breach of such covenant), or as a result of any representation or warranty made by such party in the Support

Agreement being untrue or incorrect in any material respect (or, where any such representation or warranty is itself qualified by a materiality or material adverse effect qualification, being untrue or incorrect in any respect), provided further, however, that if the Offeror's take-up and payment for Common Shares deposited under the Offer is delayed by (i) an injunction or order made by any government entity of competent jurisdiction, or (ii) the Offeror not having obtained any governmental or regulatory approval referred to in the Support Agreement, then, provided that such injunction or order is being contested or appealed or such governmental or regulatory approval is being actively sought, as applicable, the Support Agreement shall not be terminated until the earlier of (A) the fifth business day following the date on which such injunction or order ceases to be in effect or such governmental or regulatory approval is obtained, and (B) 180 days after the Offer is commenced;

(f) by MMR, if: (i) Anvil is in default of any covenant or obligation in the Support Agreement relating to the non-solicitation of Acquisition Proposals or MMR's right to match any Superior Proposal; (ii) Anvil is in material default of any other covenant or obligation under the Support Agreement (or, where such covenant or obligation is itself qualified by a materiality or material adverse effect qualification, in default in any respect); or (iii) any representation or warranty made by Anvil in the Support Agreement was, as at the date of the Support Agreement, or shall have become, untrue or incorrect at any time prior to the Expiry Time in any material respect (or, where any such representation or warranty is itself qualified by a materiality or material adverse effect qualification, untrue of incorrect in any respect) where such inaccuracies in the representations and warranties, individually or in the aggregate, would reasonably be expected to have a material adverse effect in respect of Anvil or would reasonably be expected to prevent, or materially impede, restrict or delay, consummation of the Offer, and, in the case of any of (f)(ii) or (iii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is fifteen days from the date of written notice of such breach and the business day prior to the Expiry Date;

(g) by Anvil, if: (i) MMR or the Offeror is in material default of any covenant or obligation under the Support Agreement (or, where such covenant or obligation is itself qualified by a materiality or material adverse effect qualification, in default in any respect); or (ii) any representation or warranty made by MMR or the Offeror in the Support Agreement is untrue or incorrect in any material respect (or, where any such representation or warranty is itself qualified by a materiality or material adverse effect qualification, untrue or incorrect in any respect) at any time prior to the Expiry Time and such inaccuracy would reasonably be expected to prevent, or materially impede, restrict or delay, consummation of the Offer, and such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is fifteen days from the date of written notice of such breach and the business day prior to the Expiry Date;

(h) by MMR or Anvil, if any court of competent jurisdiction or other governmental entity in Canada, the United States, Australia or the Democratic Republic of Congo shall have issued an order, decree or ruling permanently enjoining or otherwise prohibiting any of the Offer, the transactions contemplated by the Lock-Up Agreement, the take-up of Common Shares by the Offeror pursuant to the Offer, any compulsory acquisition, any Subsequent Acquisition Transaction, any subsequent amalgamation, merger or other business combination of MMR (or any of MMR's affiliates) and Anvil, any other form of transaction (such as a plan of arrangement or amalgamation) whereby MMR or any subsidiary of MMR would effectively acquire all the Common Shares within approximately the same time period on economic terms and other terms and conditions and having consequences to Anvil and the Shareholders that are equivalent to or better than those contemplated by the Support Agreement and any other actions with respect to any other transactions contemplated by the Support Agreement (a "**Contemplated Transaction**") (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable), which order, decree or ruling is final and non-appealable;

(i) by MMR, if: (i) the Board of Directors fails to recommend the Offer or publicly reaffirm its approval of the Offer within three calendar days of any written request by MMR (or, if the Offer shall be scheduled to expire within such three calendar day period, prior to the scheduled expiry of the Offer); (ii) the Board of Directors or any committee thereof withdraws, modifies, changes or qualifies its approval or recommendation of the Offer in any manner adverse to MMR; or (iii) the Board of

Directors or any committee thereof recommends or approves, or publicly proposes to recommend or approve, an Acquisition Proposal;

(j) by Anvil, if Anvil proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of the Support Agreement, provided that prior to or concurrently with the entering into of that definitive agreement, Anvil shall have paid to MMR or its assignee the applicable Termination Payment (as defined below); or

(k) by Anvil if the approval of the Offer by a majority of the votes cast by holders of ordinary shares in the capital of MMR at a duly called meeting of MMR or, if permitted by the listing rules of the Hong Kong Stock Exchange, by a resolution in writing signed by holders of a majority of the ordinary shares in the capital of MMR has not been obtained by January 9, 2012 ("**MMR Shareholder Approval**").

***Termination Payment, Reverse Termination Payment and Expense Reimbursement***

Termination Payment to MMR

Anvil is obligated to pay MMR a cash termination payment (the "**Termination Payment**") in an amount equal to $53.2 million, upon the occurrence of any of the following events, which shall be paid by Anvil within the time specified in respect of each such event:

(a) the Support Agreement is terminated pursuant to paragraph (f)(i) under "Termination of the Support Agreement" above or paragraph (i) under "Termination of the Support Agreement" above (except in a circumstance in which the Support Agreement is terminated pursuant to paragraph (i)(ii) under "Termination of the Support Agreement" above in a circumstance in which Anvil is entitled to terminate the Support Agreement pursuant to paragraph (g) under "Termination of the Support Agreement" above and, as a consequence, the Board of Directors withdraws, modifies, changes or qualifies its approval or recommendation of the Offer, in which event no Termination Payment will be payable under the Support Agreement), in which case the Termination Payment shall be paid to MMR or an assignee of MMR by 5:00 p.m. (Toronto time) on the next business day after the date on which the Support Agreement is so terminated;

(b) the Support Agreement is terminated pursuant to paragraph (j) under "Termination of the Support Agreement" above, in which case the Termination Payment shall be paid to MMR or an assignee of MMR prior to or concurrently with the entering into of the definitive agreement; or

(c) the Support Agreement is terminated by MMR pursuant to paragraph (d)(i) under "Termination of the Support Agreement" above and (A) prior to the date on which the Support Agreement is terminated, an Acquisition Proposal is publicly announced or made by a person other than MMR or a subsidiary of MMR, or any potentially competing bidder has publicly announced an intention to make an Acquisition Proposal; and (B) either (X) an Acquisition Proposal is completed within six months following the date on which the Support Agreement is terminated or (Y) Anvil or one or more of its subsidiaries enters into a definitive agreement in respect of, or the Board of Directors accepts, approves or recommends, an Acquisition Proposal within six months following the date on which the Support Agreement is terminated, which Acquisition Proposal is completed at any time thereafter, in which case the Termination Payment shall be paid to MMR or an assignee of MMR concurrently with the completion of such Acquisition Proposal.

For the purposes of (c) above, the term "Acquisition Proposal" shall be read such that all references to "20% or more" in clauses (a), (b), (c) and (d) of the definition of Acquisition Proposal are references to "greater than 50%" and, for purposes of (c)(B) above, a take-over bid, tender offer or exchange offer will be deemed to have been completed at such time as the bidder and its joint actors hold, in the aggregate, a majority of the then outstanding Common Shares.

Reverse Termination Payment to Anvil

Anvil shall be entitled to a cash termination payment (the "**Reverse Termination Payment**") in an amount equal to $20 million if the Support Agreement is terminated (i) by Anvil pursuant to paragraph (k) under "Termination of the Support Agreement" above, or (ii) by MMR pursuant to paragraph (d)(ii) under "Termination of the Support Agreement" above as a result of the failure of MMR to obtain MMR Shareholder Approval.

Reimbursement of Expenses

Unless the Termination Payment is paid, MMR shall be entitled to an expense reimbursement payment of $2 million if the Support Agreement is terminated pursuant to paragraph (c) under "Termination of the Support Agreement" above (but only where the failure by Anvil to comply with any of its covenants and obligations under the Support Agreement gives rise to such termination right), or paragraphs (f)(ii) or (f)(iii) under "Termination of the Support Agreement" above. Unless the Reverse Termination Payment is paid, Anvil shall be entitled to an expense reimbursement payment of $2 million if the Support Agreement is terminated pursuant to paragraphs (b) or (g) under "Termination of the Support Agreement" above.

***Representations and Warranties***

The Support Agreement contains a number of customary representations and warranties of the Offeror and Anvil relating to, among other things: corporate status, and the corporate authorization and enforceability of, and board approval of, the Support Agreement and the Offer. The representations and warranties of Anvil also address various matters relating to the business, operations and properties of Anvil and its subsidiaries, including, among other things: capitalization; public filings; accuracy of financial statements; liabilities and indebtedness; books and records; absence of certain changes or events; litigation; compliance with Laws; employment matters; tax matters; material contracts; related party transactions; mineral reserves and resources; properties and mineral rights; disclosure controls and procedures; internal controls over financial reporting; reporting issuer status; anti-corruption laws and competition laws. In addition, MMR and the Offeror have represented that they have made adequate arrangements to ensure that the required funds are available to effect payment in full of the consideration for all of the Common Shares acquired pursuant to the Offer.

Conduct of Business

Anvil has covenanted and agreed that, prior to the earlier of the time that designees of the Offeror represent a majority of the Board of Directors and the termination of the Support Agreement, unless the Offeror shall otherwise agree in writing or as otherwise expressly contemplated or permitted by the Support Agreement, Anvil will, and will cause each of its subsidiaries to, among other things, conduct its and their respective businesses in the ordinary course consistent with past practice in all material respects and use reasonable efforts to preserve intact its and their present business organization and goodwill, to preserve intact its and their respective real property interests, mining leases, mining concessions, mining claims, exploration permits or prospecting permits or other property, mineral or proprietary interests or rights or contractual or other legal rights and claims in good standing, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships with suppliers, distributors, employees and others having business relationships with them. Anvil has also agreed that it will not and will cause each of its subsidiaries not to take certain actions specified in the Support Agreement. Anvil and its subsidiaries will not (among other things): (a) acquire or commit to acquire any capital assets or group of related capital assets (through one or more related or unrelated acquisitions) having a value in excess of five million dollars in the aggregate; or (b) subject to certain exceptions, incur, or commit to, capital expenditures in excess of five million dollars in the aggregate.

Anvil has also agreed to notify MMR of: (a) any material change (within the meaning of the *Securities Act* (Ontario)) in relation to Anvil and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated); or (b) the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would or would reasonably be likely to (i) cause any of the representations or warranties of Anvil contained in the Support Agreement to be untrue or inaccurate in any material respect (or, where any such representation or warranty is itself qualified by a materiality or material adverse effect qualification, untrue or inaccurate in any respect), or (ii) result in the failure of Anvil to comply with or satisfy any covenant, condition or agreement under the Support Agreement. Anvil and the Offeror acknowledged that any inadvertent failure to notify the other of a matter that is not material shall not in and of itself entitle a party to terminate the Support Agreement.

Other Covenants

Each of Anvil and the Offeror has agreed to a number of mutual covenants, including to cooperate in good faith and use commercially reasonable efforts to take all action and do all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the transactions contemplated by the Offer and the Support Agreement, and for the discharge by MMR, the Offeror and Anvil of its respective obligations under the Support Agreement and the Offer (including their respective obligations under Applicable Securities Laws) including to use commercially reasonable efforts to: (a) obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements (including the agreement of any persons as may be required pursuant to any agreement, arrangement or understanding relating to Anvil's operations); (b) obtain all necessary waivers, consents and approvals and to effect all necessary registrations and filings, including filings under applicable Laws and submissions of information requested by governmental entities, in connection with the Contemplated Transactions, including in each case the execution and delivery of such documents as the other party may reasonably require; (c) defend all lawsuits or other legal proceedings challenging the Support Agreement or the consummation of the transactions contemplated by the Support Agreement; (d) cause to be lifted or rescinded any injunction or restraining order or other adverse order (including any cease trade order, objection, injunction or other prohibition) which may be issued in connection with the transactions contemplated by the Support Agreement against any of the parties; and (e) fulfill all conditions and satisfy all provisions of the Support Agreement and the Offer that are applicable to it. In addition, Anvil has agreed to provide MMR and its representatives with ongoing unrestricted access to Anvil's electronic data room and upon reasonable notice, reasonable access during normal business hours, to all other books, records, information, corporate charts, tax documents, filings, memoranda, working papers and files and all other materials in Anvil's possession and control, including material contracts, and access to the personnel of and counsel to Anvil and its subsidiaries on an as reasonably requested basis as well as reasonable access to the properties of Anvil and its subsidiaries in order to allow MMR and the Offeror to perform such investigations as they may consider necessary or advisable for strategic planning and integration, for the structuring of any pre-acquisition reorganization and for any other reasons reasonably relating to the Offer.

***Directors' and Officers' Insurance and Reimbursement***

From and after the time that designees of the Offeror represent a majority of the Board and for a period of six years thereafter (the "**Effective Time**"), MMR and the Offeror shall cause Anvil or any successor to Anvil to maintain Anvil's current directors' and officers' liability insurance policy, or a reasonably equivalent policy subject in either case to terms and conditions no less advantageous to the Directors and officers of Anvil than those contained in the policy in effect as of the date of the Support Agreement, for all present and former Directors and officers of Anvil and its subsidiaries covering claims made prior to or within six years of the Effective Time; provided that MMR and the Offeror will not be required, in order to maintain or cause to be maintained such directors' and officers' liability insurance policy, to pay an annual premium in excess of 300% of the annual premium for the existing policy; and provided further that, if equivalent coverage cannot be obtained or can only be obtained by paying an annual premium in excess of 300% of the annual premium for the existing policy, MMR and the Offeror shall only be required to obtain or cause to be obtained as much coverage as can be obtained by paying an annual premium equal to 300% of the annual premium for the existing policy. Alternatively, the Offeror or Anvil may purchase as an extension to Anvil's current directors' and officers' liability insurance policies, pre-paid non-cancellable run-off insurance providing such coverage for such persons on terms comparable to those contained in Anvil's current directors' and officers' liability insurance policies, provided that the premium will not exceed 300% of the premium currently charged to Anvil for directors' and officers' liability insurance.

From and after the Effective Time, MMR and the Offeror shall, and shall cause Anvil (or its successor) to, reimburse each present and former Director and officer of Anvil and its subsidiaries (each, a "**Reimbursed Person**") for any and all payments made or to be made and costs or expenses (including reasonable legal fees) incurred (as such payments are made, or are required to be made, and such costs and expenses are incurred), in connection with (i) any judgments, fines, losses, claims, damages or liabilities; or (ii) any claim, inquiry, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or related to such Reimbursed Person's service as a director or officer of Anvil and/or any of its subsidiaries or services

performed by such persons at the request of Anvil and/or any of its subsidiaries at or prior to or following the Effective Time, whether asserted or claimed prior to, at or after the Effective Time.

***Outstanding Stock Options, Restricted Shares and Executive and Senior Staff Incentive Scheme Entitlements***

Stock Options

The Board of Directors has agreed to take all steps necessary to (i) accelerate the vesting of all Options, (ii) to permit the exercise, on a cashless basis, of all Options conditional upon, and immediately prior to, the Offeror taking up Common Shares under the Offer, and (iii) to accelerate the expiry date for all unexercised Options so that any unexercised Options shall expire upon the Offeror taking up Common Shares under the Offer, in each case with such resolutions being effective prior to the initial scheduled Expiry Date of the Offer.

The Offeror has acknowledged and agreed that (i) holders of Options will be permitted to tender Common Shares issuable upon the exercise thereof to the Offer and for such purpose to exercise their Options (on a cashless basis) and in a manner acceptable to the Offeror, acting reasonably, conditional upon, and immediately prior to, the Offeror taking up Common Shares under the Offer, and (ii) all Common Shares that are to be issued pursuant to any such conditional exercise shall be accepted as validly tendered under the Offer, provided that the holders of such Options otherwise validly accept the Offer in accordance with its terms with respect to such Common Shares.

On the conditional exercise of Options, provided that the Common Shares acquired thereunder are tendered to the Offer, the holder shall direct the Offeror in writing (in a form acceptable to the Offeror, acting reasonably) to pay to Anvil from the proceeds of sale of such Common Shares otherwise payable to the Option holder for remittance to the relevant tax authority an amount (the "**Withholding Amount**") sufficient to satisfy all applicable income tax and other source deductions arising on the exercise of the Options. The Withholding Amount shall be determined by Anvil provided that Anvil shall consult with the Offeror with respect to the manner in which Withholding Amounts are to be determined.

Restricted Shares

The Board of Directors has agreed that it shall resolve, effective prior to the initial scheduled Expiry Date of the Offer, that all terms, conditions and restrictions on Restricted Shares shall cease to have effect to allow the resulting Common Shares to be tendered to the Offer.

The Offeror has acknowledged and agreed that (i) holders of Restricted Shares will be permitted to tender to the Offer the Common Shares resulting from the terms, conditions and restrictions applicable to such Restricted Shares ceasing to have effect, and (ii) all Common Shares so tendered shall be accepted as validly tendered under the Offer, provided that the holders of such Common Shares otherwise validly accept the Offer in accordance with its terms with respect to such Common Shares.

On the terms, conditions and restrictions applicable to the Restricted Shares ceasing to have effect, provided that the Common Shares thus acquired are tendered to the Offer, the holder shall direct the Offeror in writing (in a form acceptable to the Offeror, acting reasonably) to pay to Anvil from the proceeds of sale of such Common Shares otherwise payable to the holder of such shares for remittance to the relevant tax authority an amount (the "**RS Withholding Amount**") sufficient to satisfy all applicable income tax and other source deductions arising on the Restricted Shares becoming Common Shares not subject to any terms, conditions or restrictions. The RS Withholding Amount shall be determined by Anvil provided that Anvil shall consult with the Offeror with respect to the manner in which RS Withholding Amounts are to be determined.

Executive and Senior Staff Incentive Scheme Entitlements

The Board of Directors has agreed that it shall resolve, effective prior to the initial scheduled Expiry Date of the Offer, that all outstanding entitlements under Anvil's Executive and Senior Staff Incentive Scheme ("ESSIS Entitlements") shall be cancelled such that no Common Shares shall be issued in respect of any ESSIS Entitlements, and that a cash performance bonus be paid to some or all participants whose ESSIS Entitlements are cancelled. The amount of the cash performance bonus paid to a participant will not exceed the aggregate combined cash and Common Share amount payable had that participant's ESSIS Entitlement been awarded in

full. The cash equivalent for the Common Share amount of the bonus payment shall be based on the consideration per Common Share under the Offer.

***MMR Guarantee***

MMR has unconditionally and irrevocably guaranteed under the Support Agreement, and agreed to be jointly and severally liable with the Offeror, as principal obligor, for the due and punctual performance of the obligations of the Offeror under or relating to the Offer and the other transactions contemplated by the Support Agreement.

***Certain Matters Regarding the Mutoshi Project***

MMR and the Offeror have acknowledged that the completion of the Offer may result in an obligation of Anvil or one of its subsidiaries to offer to sell to La Générale des Carrières et des Mines ("**Gécamines**") Anvil's indirect interest in the Mutoshi copper/cobalt project. MMR, the Offeror and Anvil have agreed to work cooperatively to allow Anvil to proceed to make such an offer, including with respect to the preparation of all materials and participation in discussions and meetings with Gécamines where possible.

## 9. Anvil Mining Limited

Anvil and its subsidiaries comprise an international base metals mining and exploration group, which has grown through a combination of exploration, development, operation and acquisition of mining projects in the Democratic Republic of the Congo (the "**DRC**"). Anvil's principal activities include mineral exploration, development and mining. Its principal assets comprise:

- a 95% equity interest in the Kinsevere copper mine;
- a 70% equity interest in the Mutoshi copper/cobalt project, including the Mutoshi mine in the DRC; and
- interests in a number of exploration properties in the DRC.

The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol AVM and the ASX under the symbol AVM. Anvil is a reporting issuer or the equivalent in each of the provinces of Canada and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available on under Anvil's issuer profile at www.sedar.com. This website address is provided for information purposes only and other than as expressly set out herein, no information contained on, or accessible from, such website is incorporated by reference herein.

## 10. Ownership of Securities of Anvil

Anvil is authorised to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at October 14, 2011 there were 158,012,886 Common Shares and no Preferred Shares issued and outstanding. The number of fully-diluted Common Shares outstanding as at October 14, 2011 was 167,244,567, which includes all outstanding stock options and warrants.

***Common Shares***

The holders of the Common Shares are entitled: to vote at any meetings of Shareholders, except meetings at which only holders of shares of a specified class or series of shares are entitled to vote; subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Company, to receive any dividend declared by the Company on the Common Shares; and subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Company, to receive the remaining property of the Company on the dissolution of the Company. The Company has reserved Common Shares for issuance pursuant to the exercise of options in connection with the Company's 2011 Share Incentive Plan and Common Shares pursuant to the exercise of other convertible securities.

***Preferred Shares***

No Preferred Shares are outstanding and at present there are no plans to issue Preferred Shares.

***CHESS and CHESS Depositary Interests ("CDIs") in Australia***

With respect to the listing on the ASX, Anvil participates in the CHESS system as contemplated below. Transfers of CHESS securities are performed electronically and share certificates are generally not required. CHESS cannot be used directly for the transfer of securities of companies that are not incorporated in Australia (such as the Company) where the laws of the company's place of incorporation do not recognise CHESS. To enable companies such as the Company to have their securities cleared and settled electronically in CHESS, depositary instruments called CDIs have been introduced. CDIs are units of beneficial ownership in securities, the legal title to which is held by CHESS Depositary Nominees Pty Ltd, a wholly-owned subsidiary of the ASX. CHESS Depositary Nominees Pty Ltd is registered as the legal owner of Common Shares of the Company on the Australian share register, holding on behalf of, and for the benefit of, each CDI holder. Holders of Common Shares are able to convert such shares into CDIs. To enable Shareholders to participate in CHESS, the Common Shares trade on the ASX in the form of CDIs. Each Common Share is represented by one CDI.

The following table sets out the names and positions of each Director and officer of Anvil and the number of Common Shares and Options beneficially owned, or over which control or direction is exercised by each such person and, where known after reasonable enquiry, by each associate and affiliate of any insider of Anvil, each associate and affiliate of Anvil, any insider of Anvil other than a Director or officer of Anvil and each person acting jointly or in concert with Anvil as of the date hereof.

| | | Shares | | Options | |
|---|---|---|---|---|---|
| **Name** | **Office** | **Number** | **%** | **Number** | **%** |
| Darryll Castle | Director, President and Chief Executive Officer | 284,727 | 0.18% | 500,000 | 12.36% |
| John W. Sabine | Director | 70,000 | 0.04% | 255,000 | 7.54% |
| Thomas C. Dawson | Director | 40,000 | 0.03% | 255,000 | 6.31% |
| Patrick C. Evans | Director | 200,000 | 0.13% | 130,000 | 3.21% |
| Jeremy C. Weir | Director | Nil | n/a | 50,000 | 1.24% |
| Jesus Fernandez Lopez | Director | 17,900 | 0.01% | 50,000 | 1.24% |
| Deon Garbers | Director | Nil | n/a | 50,000 | 1.24% |
| Gregory Morris | Chief Operating Officer | Nil | n/a | 200,000 | 4.95% |
| Paul Chare | Vice President, Operations | Nil | n/a | 190,000 | n/a |
| Philippe Monier | Vice President, Corporate and Chief Financial Officer | Nil | n/a | 200,000 | 4.95% |
| Neil Caldwell | Vice President, Development and Sustainability | Nil | n/a | 150,000 | 3.71% |
| Robert La Vallière | Vice President, Corporate Affairs | 30,138 | 0.02% | 126,024 | 3.12% |
| Luigi Evangelista | Financial Controller | 21,670 | 0.01% | 105,126 | 2.60% |
| Stuart McKenzie | Corporate Secretary | Nil | n/a | 86,436 | 2.14% |
| Trafigura Beheer B.V.(*) | n/a | 59,256,429 | 37.50% | Nil | n/a |

(*) Through a wholly-owned subsidiary, Trafigura Beheer B.V. also holds warrants to acquire 5,228,320 Common Shares, which represents 100% of the outstanding warrants of Anvil.

To the knowledge of the Directors and senior officers of Anvil, after reasonable inquiry, each of the individuals named above who is not a party to the Lock-Up Agreement intends to accept the Offer and tender all of their Common Shares and any Common Shares issuable upon exercise of Options held by them.

To the knowledge of the directors and senior officers of Anvil, after reasonable enquiry, there are no persons or companies which beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of any class of securities of Anvil as at the date of this Directors' Circular other than Trafigura Beheer B.V. ("**Trafigura**"), located at 20th Floor, ITO Tower, Gustav Mahlerplein 102, 1082 MA Amsterdam, the Netherlands, which is the beneficial owner of 59,256,429 Common Shares, representing 37.5% of the issued and outstanding Common Shares on a non-diluted basis, and which owns, through a wholly owned subsidiary, warrants to acquire 5,228,320 Common Shares.

## 11. Arrangements between the Offeror and Security Holders of Anvil

Trafigura, Anvil's Directors and senior officers have entered into the Lock-up Agreement, the details of which are set forth in the Offer and Circular. Except for the Lock-Up Agreement, to the knowledge of Anvil, there are no agreements, commitments or understandings made or proposed to be made between the Offeror or MMR and any securityholder of Anvil.

## 12. Trading in Common Shares

Neither Anvil nor any of the Directors, officers, affiliates, subsidiaries or insiders of Anvil and, to the knowledge of the Directors and senior officers, after reasonable enquiry, none of such persons' respective associates or affiliates, nor any person acting jointly or in concert with Anvil, has engaged in any transaction in securities of Anvil during the six-month period preceding the date of this Directors' Circular except for the trades listed below.

| Name | Nature of Trade | Date of Trade | Number of Securities Traded | Price per Security Traded |
|---|---|---|---|---|
| Darryll Castle | Grant of Options | May 2, 2011 | 500,000 | n/a |
| | Purchase of Shares | July 6, 2011 | 284,727 | $6.43 |
| John W. Sabine | Exercise of Options | April 20, 2011 | 25,000 | $3.80 |
| Deon Garbers | Sale of Shares | May 11, 2011 | 3,300 | $6.09 |
| | Sale of Shares | May 26, 2011 | 2,200 | $5.96 |
| | Sale of Shares | July 19, 2011 | 5,750 | $7.00 |
| | Sale of Shares | July 20, 2011 | 5,750 | $7.10 |
| Robert La Vallière | Exercise of Options | July 20, 2011 | 40,000 | $1.35 |
| | Sale of Shares | July 20, 2011 | 35,600 | $7.00 |
| | Sale of Shares | July 20, 2011 | 4,000 | $7.04 |
| | Sale of Shares | July 20, 2011 | 300 | $7.05 |
| | Sale of Shares | July 20, 2011 | 100 | $7.03 |
| Stuart McKenzie | Sale of Shares | July 5, 2011 | 3,500 | $6.25 |
| | Sale of Shares | July 7, 2011 | 3,413 | $6.40 |

## 13. Issuances of Securities of Anvil to the Directors, Officers and Insiders of Anvil

No Common Shares or securities convertible into Common Shares have been issued to the Directors, officers and insiders of Anvil during the two-year period preceding the date of this Directors' Circular except as set out in Schedule "C".

## 14. Arrangements Between Anvil and its Directors and Officers

Other than as described below, no agreement, commitment or understanding has been made, or is proposed to be made, between Anvil and any of its Directors or officers pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Offer is successful.

Each of Anvil's officers have entered into a retention bonus agreement with Anvil pursuant to which such individuals will receive a cash bonus payment if they remain in Anvil's employ until March 31, 2012. The amount of bonus to which each individual is entitled is based on his current annual salary.

The completion of the Offer, any Subsequent Acquisition Transaction (as such term is defined in "The Support Agreement — Subsequent Acquisition Transaction") and any statutory compulsory acquisition process will constitute a "Change of Control" as such term is defined in the executive employment agreement made between Mr. Darryll Castle and Anvil. If Mr. Castle's employment is terminated for any reason (other than death or for cause) during the period of twelve months after the Change of Control, or Mr. Castle terminates his employment as a result of (i) any change to his duties and responsibilities that would fundamentally and substantially adversely affect the nature or status of his responsibilities; (ii) a reduction in his base salary; or (iii) any failure by Anvil to continue to provide the benefits and perquisites substantially similar to those

provided prior to the Change of Control, Mr. Castle is entitled to receive (a) a salary continuation payment equal to his base salary for a period of twelve months following such termination; (b) continuation, to the earlier of the date upon with Mr. Castle obtains employment with equivalent benefit coverage and twelve months after termination, of all group health insurance benefits to which Mr. Castle was entitled; (c) payment of any annual bonus pro-rated to the date of termination in accordance with any bonus plan of Anvil then in effect; and (d) payment of a bonus for the twelve month period following termination equal to the average (if any) of the bonus paid to Mr. Castle during the two prior years service (or if fewer than two years service has been completed, as determined by the Nomination, Compensation and Corporate Governance Committee of the Board of Directors). In such circumstances Mr. Castle remains subject to the provisions of his employment agreement pertaining to non-disclosure and confidentiality, non-solicitation, and assignment to Anvil of all rights relating to any "Work Product" as such term is defined in his employment agreement.

**15. Arrangements Between MMR, the Offeror, Anvil and the Directors and Officers of Anvil**

To the knowledge of Anvil, there are no agreements, commitments or understandings made or proposed to be made between the Offeror and any of its affiliates, on the one hand, and Anvil or any of its Directors or officers, on the other hand, including any arrangements, agreements or understandings pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to Anvil's Directors or officers remaining in or retiring from office if the Offer is successful.

**16. Interests in Material Contracts of the Offeror**

None of the Directors or officers of Anvil or any of their respective associates or, to the knowledge of the Directors and officers after reasonable inquiry, Trafigura, has any interest in any material transaction to which the Offeror or MMR is a party.

**17. Ownership of Securities of the Offeror**

None of Anvil or the Directors or officers of Anvil or, to their knowledge after reasonable enquiry, any associate or affiliate of any insider of Anvil, any associate and affiliate of Anvil, any insider of Anvil other than a Director or officer of Anvil, or any person acting jointly or in concert with Anvil, beneficially owns, directly or indirectly, or exercises control and direction over, any securities of the Offeror.

**18. Other Transactions**

Other than as described in Section 8 of this Directors' Circular, "The Support Agreement", no negotiations are underway which relate to or would result in (a) an extraordinary transaction such as a merger, reorganization or liquidation involving Anvil or any of its subsidiaries, (b) the purchase, sale or transfer of a material amount of assets by Anvil or any of its subsidiaries, (c) a take-over bid or other acquisition of securities of Anvil by any person, (d) an issuer bid or other acquisition of securities by Anvil or any of its subsidiaries, or (e) any material change in the indebtedness, capitalization or dividend rate or policy of Anvil.

Other than as described or referred to in this Directors' Circular, there is no transaction, Board resolution, agreement in principle or signed contract of Anvil which has occurred in response to the Offer and that related to one of the matters set forth in the preceding paragraph.

**19. Material Changes in the Affairs of Anvil**

The Directors and officers of Anvil are not aware of any other information that indicates any material change in the affairs of Anvil since June 30, 2011, the date of the last published audited financial statements of Anvil, except as described herein.

**20. Other Information**

Except as disclosed in this Directors' Circular, no information is known to the Directors of Anvil that would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

## 21. Statutory Rights

Securities legislation in the provinces and territories of Canada provides security holders of Anvil with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

## 22. Approval of Directors' Circular

The content of this Directors' Circular has been approved and the delivery thereof has been authorized by the Board.

## CONSENT OF BMO NESBITT BURNS INC.

Dated: October 19, 2011

To the Board of Directors of Anvil Mining Limited:

We hereby consent to the references to our firm name and to the reference to our fairness opinion dated September 29, 2011, contained in the letter from Darryll Castle, and under the headings "Summary — Reasons for Acceptance", "Analysis and Reasons for the Board's Conclusion and Recommendation", "Opinions of BMO Capital Markets and Paradigm" and "Background to the Offer" and the inclusion of the text of our opinion dated September 29, 2011 as Schedule "A" to the Directors' Circular dated October 19, 2011. Our fairness opinion was given as at September 29, 2011 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Directors of Anvil Mining Limited shall be entitled to rely upon our opinion.

(signed) *"BMO Nesbitt Burns Inc."*

## CONSENT OF PARADIGM CAPITAL INC.

Dated: October 19, 2011

To the Board of Directors of Anvil Mining Limited:

We hereby consent to the references to our firm name and to the reference to our fairness opinion dated September 29, 2011, contained in the letter from Darryll Castle, and under the headings "Summary — Reasons for Acceptance", "Analysis and Reasons for the Board's Conclusion and Recommendation", "Opinions of BMO Capital Markets and Paradigm" and "Background to the Offer" and the inclusion of the text of our opinion dated September 29, 2011 as Schedule "B" to the Directors' Circular dated October 19, 2011. Our fairness opinion was given as at September 29, 2011 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Directors of Anvil Mining Limited shall be entitled to rely upon our opinion.

(signed) *"Paradigm Capital Inc."*

**CERTIFICATE OF ANVIL MINING LIMITED**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: October 19, 2011

On behalf of the Board of Directors

(signed) "*John W. Sabine*"
Director

(signed) "*Thomas C. Dawson*"
Director

## SCHEDULE "A"

## FAIRNESS OPINION OF BMO CAPITAL MARKETS

**Investment & Corporate Banking**
100 King Street West – 4th Floor
Toronto, Ontario M5X 1H3

Tel : (416) 359-4001
Fax : (416) 359-4459

September 29, 2011

The Strategic Transaction Committee of the Board of Directors and the Board of Directors
Anvil Mining Limited
Level 1, 76 Hasler Road
Herdsman Business Park
Osborne Park
WA 6017
Australia

To the Strategic Transaction Committee of the Board of Directors and the Board of Directors:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that Anvil Mining Limited (the "Company") and Minmetals Resources Limited (the "Acquiror") propose to enter into a support agreement to be dated as of September 29, 2011 (the "Support Agreement") pursuant to which, among other things, the Acquiror would agree to make a take-over bid for all of the outstanding common shares of the Company ("Shares") for a price equal to C$8.00 in cash (the "Consideration") for each Share (the "Offer"). We understand that the Support Agreement will further provide that, subsequent to the Offer, the Acquiror may pursue an amalgamation, statutory arrangement or consolidation, capital reorganization or other transaction involving the Company in order to acquire Shares not deposited in the Offer (together with the Offer, the "Transaction").

The terms and conditions of the Offer will be summarized in the Acquiror's take-over bid circular to be mailed to holders of Shares (the "Shareholders") in connection with the Offer.

We have been retained to provide financial advice to the Company, including our opinion (the "Opinion") to a committee of selected directors (the "Strategic Transaction Committee") and the board of directors of the Company (the "Board of Directors") as to the fairness from a financial point of view of the Consideration to be received by the Shareholders pursuant to the Offer.

***Engagement of BMO Capital Markets***

The Company initially contacted BMO Capital Markets regarding a potential advisory assignment in July 2011. BMO Capital Markets was formally engaged by the Company pursuant to an agreement dated September 13, 2011 (the "Engagement Agreement"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Company, the Strategic Transaction Committee and the Board of Directors with various advisory services in connection with the Transaction including, among other things, the provision of the Opinion.

BMO Capital Markets will receive a fee for rendering the Opinion. We will also receive certain fees for our advisory services under the Engagement Agreement, a substantial portion of which is contingent upon the successful completion of the Transaction. The Company has also agreed

to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

***Credentials of BMO Capital Markets***

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

***Independence of BMO Capital Markets***

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, the Acquiror, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than: (i) acting as financial advisor to the Company, the Strategic Transaction Committee and the Board of Directors pursuant to the Engagement Agreement and (ii) acting as financial advisor to the Company in connection with the formation of a strategic alliance and $200 million equity and debt financing with Trafigura Beheer B.V. announced on August 10, 2009 and closed on December 17, 2009.

Other than as set forth above, there are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Transaction. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a

wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

***Scope of Review***

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Support Agreement dated September 28, 2011;

2. a draft of the lock-up agreement (the "Lock-Up Agreement") dated September 28, 2011;

3. a draft of the commitment letter and side letter (together, the "Commitment Letter") dated September 22, 2011 and provided to the Acquiror by China Minmetals Non-Ferrous Metals Co., Ltd for a US$1,000,000,000 12-month term loan credit facility in connection with the Transaction;

4. the final offer letter submitted by the Acquiror dated September 23, 2011;

5. certain publicly available information relating to the business, operations, financial condition and trading history of the Company and other selected public companies we considered relevant;

6. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company relating to the business, operations and financial condition of the Company;

7. internal management forecasts, projections, estimates (including internal estimates of mineral resources) and budgets prepared or provided by or on behalf of management of the Company;

8. valuation of the Company's advanced exploration Mutoshi Project completed by Optiro Pty Ltd. dated August 27, 2010;

9. discussions with management of the Company relating to the Company's current business, plan, financial condition and prospects;

10. public information with respect to selected precedent transactions we considered relevant;

11. historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of the Company;

12. various reports published by equity research analysts and industry sources we considered relevant;

13. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and

14. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by BMO Capital Markets.

***Assumptions and Limitations***

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of the Company, or in writing by the Company or any of its subsidiaries, associates or affiliates (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) or any of its or their representatives in connection with our engagement was, at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed in writing to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, associates or affiliates and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed, among other things, (i) that the executed Support Agreement and Lock-Up Agreement will not differ in any material respect from the drafts that we reviewed, (ii) that the Transaction will be consummated in accordance with the terms and conditions of the Support Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses, (iii) that the representations and warranties in the Support Agreement are true and correct as of the date hereof; and (iv) that any governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on the contemplated benefits expected to be derived from the Transaction.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial

and otherwise, of the Company as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Transaction.

The Opinion is provided to the Strategic Transaction Committee and the Board of Directors for its exclusive use only in considering the Offer and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Shareholder should act on any matter relating to the Offer. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the directors' circular of the Company mailed to Shareholders in connection with the Transaction, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or of any of its affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Transaction and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Offer as compared to any strategic alternatives that may be available to the Company.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

***Conclusion***

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Offer is fair from a financial point of view to the Shareholders.

Yours truly,

**BMO Nesbitt Burns Inc.**

BMO Nesbitt Burns Inc.

**SCHEDULE "B"**

**FAIRNESS OPINION OF PARADIGM**

September 29, 2011

**The Independent Committee and the Board of Directors of Anvil Mining Limited**

Level 1, 76 Hasler Road
Herdsman Business Park
Osborne Park
WA 6017
Australia

To the Independent Committee and the Board of Directors of Anvil Mining Limited:

Paradigm Capital Inc. ("**Paradigm Capital**") understands that Anvil Mining Limited ("**Anvil**") has received a binding expression of interest from Minmetals Resources Limited ("**MMR**") whereby MMR has offered to acquire all of the issued and outstanding shares of Anvil by way of a take-over bid under applicable Canadian Securities Laws (the "**Transaction**"). Under the terms of the Transaction, shareholders of Anvil will receive C$8.00 for each Anvil common share, representing a 38.2% and 29.2% premium to the closing share price and 20-day volume weighted average price ("**VWAP**") of Anvil shares on the Toronto Stock Exchange ("**TSX**"), respectively. Paradigm Capital further understands that Anvil intends to enter into a support agreement with MMR to be dated on or about September 29, 2011 in connection with the Transaction (the "**Support Agreement**"). In addition, in connection with the Transaction, Paradigm Capital understands that the directors and officers of Anvil, as well as certain other shareholders of Anvil, who collectively own or control over 40% of the fully diluted common shares of Anvil as at the date hereof, have signed or will sign lock-up agreements dated on or about September 29, 2011 with MMR (the "**Lock-Up Agreements**"). Under the Lock-Up Agreements, among other things, such shareholders have agreed to tender their common shares to the Transaction and not to withdraw them unless the Lock-Up Agreements are terminated in accordance with their terms.

The Independent Committee of Anvil (the "**Independent Committee**"), comprised of independent Board of Directors members, has retained Paradigm Capital to assist it in evaluating the Transaction and to prepare and deliver this opinion (the "**Opinion**") to the Board of Directors as to the fairness of the Transaction, from a financial point of view to the shareholders of Anvil (other than Trafigura Beheer B.V. ("**Trafigura**") and its subsidiaries and MMR and its subsidiaries). Paradigm Capital has not prepared a formal valuation (as the term is defined in Multilateral Instrument 61-101) of Anvil or any of its respective securities or assets and the Opinion should not be construed as such. Furthermore, the Opinion is not, and should not be construed as, advice as to the price at which Anvil securities (before or after completion of the Transaction) may trade at any future date.

**Paradigm Capital Engagement and Background**

Paradigm Capital was engaged by the Independent Committee on September 27, 2011 to act as its financial advisor in connection with the Transaction (the "**Engagement Agreement**").

The terms of the Engagement Agreement provide that Paradigm Capital is to be paid a fixed fee for its services as financial advisor and to be reimbursed for the costs and expenses incurred by Paradigm Capital with respect to this engagement. Anvil has agreed to indemnify Paradigm Capital, its subsidiaries and affiliates, and their respective officers, directors, employees and agents, for certain liabilities arising from the Engagement Agreement. The fee payable to Paradigm Capital for delivery of the Opinion is not contingent upon the closing or completion of the Transaction.

Subject to the terms of the Engagement Agreement, Paradigm Capital consents to the inclusion of this Opinion in its entirety, together with a summary thereof in a form acceptable to Paradigm Capital, acting

95 Wellington Street West, Suite 2101, Toronto, Ontario M5J 2N7 | Telephone (416) 361-9892 | Fax (416) 361-0679

reasonably, in documents to be sent to shareholders in connection with the Transaction, as applicable, and to be filed with the securities commissions or similar regulatory authorities in each relevant province of Canada.

**Credentials and Independence of Paradigm Capital**

Paradigm Capital is one of Canada's independent investment banking firms with a sales, trading, research and corporate finance focus providing services for institutional investors and corporations. Paradigm Capital was founded in 1999 and is a member of the TSX, the TSX Venture Exchange and the Investment Industry Regulatory Organization of Canada ("**IIROC**"). Paradigm Capital has participated in many transactions involving both public and private companies.

The Opinion expressed herein represents the opinion of Paradigm Capital and the form and content thereof have been approved for release by a committee of directors and other professionals of Paradigm Capital, each of whom is experienced in mergers, business combinations, divestitures, valuation and fairness opinion matters.

None of Paradigm Capital, its associates or affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)), holds any securities of Anvil, or any of their respective associates or affiliates, except for 90,000 common shares held by certain employees of Paradigm Capital, none of which have been involved in the preparation of the Opinion, and 154,900 common shares held by Paradigm Capital's inventory account.

None of Paradigm Capital, its associates or affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)), or holds any securities, of MMR, or any of their respective associates or affiliates. Paradigm Capital is not an advisor to any person or company other than to the Independent Committee of Anvil with respect to the Transaction. Paradigm Capital has not previously provided any financial advisory services to Anvil, MMR, or any of their respective associates or affiliates for which it has received compensation in the past two years.

Paradigm Capital may, however, in the ordinary course of its business, provide financial advisory or investment banking services to Anvil or MMR from time to time. In addition, in the ordinary course of its business, Paradigm Capital may actively trade common shares and other securities of Anvil or MMR for its own account and for its client accounts and, accordingly, may at any time hold a long or short position in such securities. As an investment dealer, Paradigm Capital conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to any of Anvil, MMR or the Transaction, when disclosed.

**Scope of the Review**

In connection with the Transaction, Paradigm Capital has reviewed and relied upon and in some cases carried out, among other things, the following:

a) the terms of the Transaction as described in the binding letter from MMR to Anvil dated September 23, 2011;

b) the terms of the Transaction as described in the non-binding letter from MMR to Anvil dated September 6, 2011;

c) the draft Support Agreement between Anvil and MMR;

d) the draft Lock-Up Agreement;

e) Anvil's Annual Information Form dated March 31, 2011 for the fiscal year ended December 31, 2010 and Annual Information Form dated March 31, 2010 for the fiscal year ended December 31, 2009;

f) Anvil's audited consolidated financial statements and management's discussion and analysis for the fiscal years ended December 31, 2010 and 2009;

g) Anvil's unaudited quarterly consolidated financial statements and management's discussion and analysis as at and for the period ended June 30, 2011, March 31, 2011 and September 30, 2010, and the comparative period ended June 30, 2010, March 31, 2010 and September 30, 2009, respectively;

h) the NI 43-101 technical report filed on SEDAR on the Kinsevere Copper Project ("**Kinsevere Project**") dated March 31, 2010;

i) Anvil's Management Information Circulars dated May 12, 2011 and May 4, 2010, respectively;

j) Anvil's internal financial models for its assets;

k) discussions with senior officers, advisors and directors of Anvil regarding, among other things, the Transaction and forecasts of the financial and operating performance Anvil's assets;

l) various independent and institutional research reports on Anvil and MMR, other copper and base metal companies and the base metal sector generally;

m) public information relating to the business, operations, financial performance and stock trading history of Anvil and MMR and other selected public companies considered by Paradigm Capital to be relevant;

n) various non-public documents relation to Anvil and its properties;

o) confidential information made available by Anvil concerning the business, operations, assets, liabilities and prospects of Anvil;

p) discussions with BMO Capital Markets in its capacity as financial advisor to Anvil;

q) press releases issued by Anvil and MMR during the one year period ended September 28, 2011;

r) certain material contracts with respect to Anvil;

s) other public filings submitted by Anvil to securities commissions or similar regulatory authorities in Canada during the one year period ended September 28, 2011; and

t) such other corporate, industry and financial market information, investigations and analyses as Paradigm Capital considered necessary or appropriate in the circumstances.

Paradigm Capital has not, to the best of its knowledge, been denied access by Anvil to any information requested. Paradigm Capital did not meet with the auditors of Anvil and has assumed the accuracy and fair presentation of the audited consolidated financial statements of Anvil and the reports of the auditors thereon.

This Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of IIROC but IIROC has not been involved in the preparation or review of this Opinion.

**Assumptions and Limitations**

With the approval of the Independent Committee of Anvil and as provided in the Engagement Agreement, Paradigm Capital has relied, without independent verification, upon all financial and other information that was obtained by us from public sources or that was provided to us by Anvil and its respective affiliates, associates, advisors or otherwise. We have assumed that this information was complete and accurate as of the date thereof and did not omit to state any material fact or any fact necessary to be stated to make that information not misleading. This Opinion is conditional upon such completeness and accuracy. In accordance with the terms of our engagement, but subject to the exercise of our professional judgment, we have not conducted any independent investigation to verify the completeness or accuracy of such information. With respect to the financial forecasts and budgets provided to us and used in our analysis, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of Anvil as to the matters covered thereby. Senior representatives of Anvil have represented to us, orally as of the date hereof, among other things, that the information, opinions and other materials (the "**Information**") provided to us by or on behalf of Anvil are complete and correct as of the date of the Information and that, since the date of the Information, except as publicly disclosed, there has been no material change, financial or otherwise, at Anvil's properties or the financial position of Anvil, or in its assets, liabilities (contingent or otherwise), business or operations and there has been no change in any material fact which is of a nature as to render the Information untrue or misleading in any material respect except to the extent disclosed in subsequent Information.

This Opinion is based on the securities markets, economic, general business and financial conditions prevailing as of the date of this Opinion and the conditions and prospects, financial and otherwise, of Anvil as they were reflected in the Information reviewed by us. In its analysis and in preparing this Opinion, Paradigm Capital has made a number of assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond control of Paradigm Capital, Anvil, MMR and any other party involved in connection with the Transaction.

Paradigm Capital has also assumed that the final terms of the Transaction will be substantially the same as those described by Anvil's senior officers and directors to Paradigm Capital and those contained in the Support Agreement. Finally, Paradigm Capital has assumed that all material governmental, regulatory or other required consents and approvals necessary for the consummation of the Transaction will be obtained without any meaningful adverse effect on Anvil, MMR or the contemplated benefits of the Transaction.

This Opinion has been provided for the use of the Board of Directors and, if required, for inclusion in such documents (or a summary thereof in a form acceptable to Paradigm Capital) and may not be used by any other person or relied upon by any other person without the express consent of Paradigm Capital, except as explicitly provided by law. This Opinion is given as of the date hereof and Paradigm Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion which may come or be brought to Paradigm Capital's attention after the date hereof. This Opinion is limited to Paradigm Capital's understanding of the Transaction as of the date hereof and Paradigm Capital assumes no obligation to update this Opinion to take into account any changes regarding the Transaction after the date hereof.

**Opinions of Financial Advisors**

In preparing this Opinion, Paradigm Capital performed a variety of financial and comparative analyses, including those described below. The summary of Paradigm Capital's analyses described below is not a complete description of the analyses underlying this Opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at the Opinion, Paradigm Capital made qualitative judgements as to the significance and relevance of each analysis and factor that it considered. Accordingly, Paradigm Capital believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and this Opinion. This Opinion is not to be construed as a recommendation to any holder of Anvil's shares as to whether to accept the Transaction. Paradigm Capital expresses no opinion as to whether the Transaction is consistent with the best interest of shareholders of Anvil.

In its analyses, Paradigm Capital considered industry performance, general business, economic, market, political and financial conditions and other matters, many of which are beyond the control of Anvil and MMR. No company, transaction or business used in Paradigm Capital's analyses as a comparison is identical to Anvil or MMR or the Transaction, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgements concerning financial and operating characteristics and other factors that could affect the business combination, public trading or other values of the companies, business segments or transactions being analysed. The estimates contained in Paradigm Capital's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favourable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Paradigm Capital's analyses and estimates are inherently subject to substantial uncertainty. This Opinion should be read in its entirety. The Opinion is conditional upon the correctness of all of the assumptions indicated herein.

**Anvil Overview**

Anvil is an Australian-headquartered, Canadian-domiciled mining company operating in the Democratic Republic of Congo ("**DRC**") in Central Africa. Anvil's common shares are listed and posted for trading on the

TSX and the Australian Securities Exchange under the symbol "AVM" as well as on the Berlin Stock Exchange under the symbol "A0B5NR".

Anvil's principal assets comprise:

- A 95% equity interest in the Kinsevere Project;
- A 70% equity interest in the Mutoshi copper/cobalt project ("**Mutoshi Project**"), including the Mutoshi mine; and,
- Interests in a number of exploration properties in the DRC.

Anvil also holds shares in Mawson West Limited ("**Mawson West**") that represents approximately 14% of the issued and outstanding capital of Mawson West. Mawson West is listed on the TSX under the symbol "MWE".

The Kinsevere Project Stage I Heavy Media Separation ("**HMS**") operation was developed in 2007 and produced an oxide copper concentrate. The first Electric-Arc Furnace ("**EAF**") was commissioned in August 2008, producing blister copper grading 92%-95% copper, however due to persistent operational difficulties, the EAF ceased operation in March 2009. In 2010, the Kinsevere mine produced 16,538 tonnes of copper from resumed operation of the HMS plant. During 2010, concentrates produced at Kinsevere were sold ex-works to a local smelter.

Anvil commenced production of copper cathode from the Kinsevere Project Stage II expansion on May 4, 2011. On June 6, 2011, Anvil announced that they expect to produce 36,000-38,000 tonnes of copper (as copper cathodes and copper in concentrate) for the full year 2011. The current capacity of the Kinsevere Project is 60,000 tonnes of copper.

Anvil holds a beneficial interest of 70% in Société Minière de Kolwezi sprl ("**SMK**") which is the owner of the Mutoshi Project. Gécamines holds the remaining 30% interest in SMK on a non-dilutable basis. In February 2011, Anvil signed an agreement with Alexander Mining plc ("**Alexander**") for Alexander to build and operate a pilot plant to treat up to 150,000 tonnes of cobalt ore at Anvil's Mutoshi Project. Under the terms of the agreement with Alexander, Alexander is responsible for financing the construction and development of the pilot plant.

On the day prior to this Opinion, Anvil had a market capitalization of approximately C$914 million.

As at June 30, 2011, Anvil had US$28 million of cash and cash equivalents, a working capital position of US$31 million and total debt of US$52 million.

**MMR Overview**

MMR is a Hong King listed (Stock Code: 1208), international base metal mining company. It is owned as to 71.56% by China Minmetals Non-Ferrous Metals Co., Ltd. ("**CMN**"). CMN is owned as to 91.57% by China Minmetals Corporation, one of the major State-owned enterprises of the People's Republic of China.

On the day prior to this Opinion, MMR had a market capitalization of approximately HKD$16 billion (approximately US$2.05 billion).

As at June 30, 2011, MMR had US$431 million of cash and cash equivalents, a working capital position of US$372 million and total debt of US$1.1 billion.

**Fairness Methodology**

In connection with this Opinion, Paradigm Capital has performed a variety of financial and comparative analyses, including those described below. In arriving at this Opinion, we have weighted each of these analyses based on our experience and judgement.

In assessing the fairness of the Transaction, from a financial point of view, we considered, among other factors, the following items and methodologies relative to Anvil and its peer group:

a) Discounted cash flow;

b) Comparable multiple analysis;

c) Precedent transactions analysis;

d) Historical share price trading analysis;

e) Balance sheet analysis;

f) Investment dealer analysis and share price targets; and

g) Other.

*Discounted Cash Flow*

The discounted cash flow ("**DCF**") approach considers the present value of the future cash flows generated, incorporating the timing and relative certainty of projected cash flows. The DCF analysis requires that certain assumptions be made regarding, among other things, commodity prices, exchange rates, capital costs, operational costs and discount rates. In addition to considering the present value of the future cash flows generated, Paradigm Capital assigns a value to exploration permits which have not necessarily demonstrated economically viable mineral deposits, but do, in the opinion of Paradigm Capital, possess the potential for economically viable mineral deposits. To arrive at the net asset value ("**NAV**") for Anvil, liabilities were subtracted from the total value of the assets including financial assets.

An appropriate discount rate was selected based on Paradigm Capital's experience valuing mining companies. The discount rate reflects the risk associated with the projected free cash flows and incorporates factors including, but not limited to, the risk-free rate, risks associated with mining, estimated cost of capital for Anvil as well as any non-sector risks such as DRC country risk.

To complete the DCF analysis, Paradigm Capital did not rely on any single series of projected cash flows but performed a variety of sensitivity analyses. Variables used by Paradigm Capital in the sensitivity analyses included, but were not limited to, commodity prices, exchange rates, production rates, commodity grades, mine life, discount rates, capital expenditures, operating costs, royalties and taxes.

*Comparable Multiple Analysis*

Paradigm Capital reviewed selected comparable public company trading ranges for Anvil in regard to the Transaction in price to NAV, price to cash flow, price to earnings and enterprise value to earnings before interest, taxes, depreciation and amortization metrics. Paradigm Capital used both the current price and the recent VWAPs in the analysis.

Comparable companies include thirteen producing base metal companies with a copper focus located in a range of locations globally.

*Precedent Transactions Analysis*

Paradigm Capital reviewed publicly available information on selected merger and acquisition transactions in the mining and base metal sectors, and compared these to the Offer. The analysis of these precedent transactions is not purely mathematical, but involves considerations and judgements concerning, among other things, differences in the comparable transactions, company-specific risk factors, share performance preceding each transaction announcement and prevailing economic and market conditions, including metal prices.

Precedent transaction analysis included twelve transactions announced in the last 24 months in the base metal sector.

*Historical Share Price Trading Analysis*

Paradigm Capital reviewed the historical stock prices of Anvil's common shares. Paradigm Capital specifically reviewed the 1-day, 5-day, 10-day, 20-day, 30-day, 45-day and 60-day VWAPs prior to the date of the Opinion and the 120-day and the 365-day average common share price prior to the date of the Opinion.

*Balance Sheet Analysis*

Paradigm Capital reviewed the most recent audited and unaudited financial statements for Anvil. Paradigm Capital analyzed the book value and price to book value for Anvil. In addition, Paradigm Capital analyzed the working capital and capital structure of Anvil and compared these ratios and these items to the peer group of thirteen companies discussed above.

*Investment Dealer Analyses and Share Price Targets*

Paradigm Capital reviewed the most recent available investment dealer and analyst research on Anvil. Paradigm Capital analysed analyst forecasts, analyst target prices and analyst net asset value estimates. Paradigm Capital did not rely on any single investment dealer or analyst's research as part of this analysis.

*Other*

Paradigm Capital considered qualitative factors with respect to the Transaction, including, but not limited to the synergistic benefits of the acquisition of Anvil to MMR, the state of the capital markets and the August 4, 2011 press release issued by Anvil announcing that, with the support of Trafigura, the Board of Directors of Anvil had begun a process to review strategic alternatives available to Anvil.

**Conclusion**

Based upon and subject to the foregoing and such other factors as Paradigm Capital considered relevant, Paradigm Capital is of the opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to the shareholders of Anvil (other than Trafigura and its subsidiaries and MMR and its subsidiaries).

Yours very truly,

Paradigm Capital Inc.

**PARADIGM CAPITAL INC.**

## SCHEDULE "C"

## ISSUANCES OF SECURITIES OF ANVIL TO DIRECTORS OFFICERS AND INSIDERS

### Common Shares

| Name | Nature of Trade | Date of Trade | Number of Securities Traded | Price per Security Traded |
|---|---|---|---|---|
| John W. Sabine | Issue of Shares | October 26, 2010 | 25,000 | $4.30 |
| | Issue of Shares | April 18, 2011 | 25,000 | $3.80 |
| Thomas C. Dawson | Issue of Shares | October 25, 2010 | 50,000 | $1.27 |
| | Issue of Shares | April 8, 2011 | 50,000 | $3.80 |
| Patrick Evans | Issue of Shares | January 20, 2011 | 100,000 | $1.16 |
| Luigi Evangelista | Issue of Shares | February 4, 2011 | 14,613 | n/a |
| Robert La Vallière | Issue of Shares | April 4, 2011 | 20,000 | $3.80 |
| | Issue of Shares | July 20, 2011 | 40,000 | $1.35 |
| Stewart McKenzie | Issue of Shares | February 4, 2011 | 13,383 | n/a |
| Trafigura Beheer B.V. | Issue of Shares | January 27, 2011 | 6,000,000 | $2.75 |

### Options

| Name | Nature of Trade | Date of Trade | Number of Securities Traded | Price per Security Traded |
|---|---|---|---|---|
| Darryll Castle | Grant of Options | May 2, 2011 | 500,000 | n/a |
| John W. Sabine | Grant of Options | June 7, 2010 | 25,000 | n/a |
| | Grant of Options | August 3, 2010 | 25,000 | n/a |
| Thomas C. Dawson | Grant of Options | June 7, 2010 | 25,000 | n/a |
| | Grant of Options | August 3, 2010 | 25,000 | n/a |
| Patrick Evans | Grant of Options | June 7, 2010 | 25,000 | n/a |
| | Grant of Options | August 3, 2010 | 35,000 | n/a |
| Deon Garbers | Grant of Options | June 7, 2010 | 50,000 | n/a |
| Jeremy Weir | Grant of Options | June 7, 2010 | 50,000 | n/a |
| Jesus Fernandez Lopez | Grant of Options | June 7, 2010 | 50,000 | n/a |
| Gregory Morris | Grant of Options | June 27, 2011 | 200,000 | n/a |
| Philippe Monier | Grant of Options | August 20, 2010 | 200,000 | n/a |
| Neil Caldwell | Grant of Options | June 27, 2011 | 150,000 | n/a |