



ANACONDA MINING PROVIDES PROGRESS UPDATE ON PINE COVE REDEVELOPMENT

February 24, 2010

TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX), is pleased to provide the following progress update on its redevelopment of the Pine Cove milling infrastructure.

Pine Cove Mill Redevelopment Plan:

As per a press release dated Sept 21, 2009, Anaconda has been proceeding with the upgrade and expansion of the processing circuit at the Pine Cove gold mine. Upon completion of the redevelopment program the Pine Cove mill will have a nominal rated capacity of 700 tonnes per day (“tpd”) with the potential to exceed 1,000 tpd. Thus far winter weather has not impeded the progress of the project and it remains on schedule for a June commissioning date. Highlights of the progress to date include the following:

- Completion of all civil engineering, concrete, and structural steel allowing the 10’ x 14’ Marcy Mill and motor to be set in place on their pedestal supports on February 19. This is a critical milestone that has been accomplished in line with the timeline governing the project.
- Newfoundland Hydro has approved the Company’s engineering plan for the start-up protocol for the mill motor. This is also a critical milestone and has allowed the procurement of long lead electrical switching equipment items to begin.
- Mechanical engineering is complete, including pilot testing of the flotation circuit to determine operating parameters of the circuit prior to commissioning. Preliminary recoveries and grades were consistent with expectations. A flotation bulk concentrate was obtained to confirm optimum grind for leach test prior to start up.
- All long lead instrumentation has been ordered as have all major pumps and March delivery is expected. Delivery of flotation cells and platforms has commenced with all cells expected on-site by the end of February.

Looking Ahead:

As two critical components of the project timeline have now been met, the following activities remain:

- Completion of backfill around concrete slabs for mill building addition.

- Erection of mill building addition to commence March 1, with scheduled completion date of March 15.
- Completion of detailed electrical engineering.
- Ordering of long lead electrical components (transformers and capacitor bank).
- Alignment of the ball mill.
- Commencement of all piping and instrumentation installation.
- Undertake review of mine plan in order to schedule commencement of mining activities - stripping of waste and stockpiling of ore ahead of commissioning schedule.

Lew Lawrick, President and CEO of Anaconda commented, “At this juncture we would like to thank the project management, contractors and our operations crew for working diligently to keep this project on a tight schedule and budget. While substantial work remains to be completed we remain confident that we will meet our target for a June commissioning date.”

About Anaconda

Anaconda is a Toronto, Canada based mining and exploration company focused on advancing its principal assets, the Pine Cove gold mine in Canada and the San Gabriel Iron Project in Chile. The Company is committed to bringing Pine Cove into full Commercial Production, as well as developing near-term production opportunities for San Gabriel.

Certain statements contained herein constitute "forward-looking statements". These forward- looking statements are based on current expectations. The nature, timing and extent of mining and processing of Pine Cove ore may materially change from current intentions for a number of reasons. Additionally, forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans," "may," "estimates," "expects," "indicates," "targeting," "potential" and similar expressions. These forward-looking statements, including statements regarding the Company's beliefs in the potential mineralization, are based on current expectations and entail various risks and uncertainties. Actual results may materially differ from expectations as more information regarding the property is gathered or if known and unknown risks or uncertainties affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

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