



## **ANACONDA ANNOUNCES COMMENCEMENT OF COMMISSIONING OF RE-DEVELOPED PINE COVE MILL**

July 13, 2010

*TORONTO* – Anaconda Mining Inc. ("Anaconda") (TSX: ANX) is pleased today to announce that the construction phase of the expansion and re-development of the mill at the Pine Cove Gold Mine located in Baie Verte, Newfoundland is now complete. Anaconda is also pleased to announce that the process of commissioning the mill commenced in June on schedule.

Lew Lawrick, President and CEO of Anaconda stated, "We are very pleased that through the hard work of our dedicated employees and contract personnel, this mill is being commissioned on schedule and on budget. I would therefore like to offer my personal thank-you to all of those who have assisted us in this endeavour; including the numerous local business vendors and suppliers who have supported this development project from the outset. Over the weeks ahead, the commissioning process will culminate in our goal of achieving Commercial Production at Pine Cove. Achieving this goal will provide material benefits for Anaconda shareholders and will also continue the significant positive economic impact the project has had and will continue to have on Baie Verte and the surrounding communities for years to come."

In anticipation of the commissioning process and subsequent ramp up to Commercial Production, Anaconda has accumulated in stockpile 23,249 tonnes of ore grading 2.03 grams per tonne of gold. There is an additional 7,100 tonnes of ore broken in the pit grading 3.88 grams per tonne gold that is ready to be hauled to the stockpile. Combined, this represents approximately 43 days of ore supply at a base operating throughput of 700 tonnes per day.

### **Response to New Island Resources Press release of July 8**

On July 8, 2010, New Island Resources Inc. issued a press release with respect to the unsolicited share exchange take-over bid commenced by Anaconda for all of the issued and outstanding common shares of New Island as set out in the takeover bid circular filed by Anaconda with Canadian Securities Regulators on June 11, 2010. Unfortunately, the New Island press release inaccurately described certain events relating to Anaconda and the Pine Cove Gold Mine Operations. The commissioning process at Pine Cove commenced on schedule in late June 2010. With regard to site access, Anaconda informed New Island that it would be provided with access to the Pine Cove mine site in accordance with the terms and conditions of the Joint Venture Agreement ("the Agreement") that governs access to the mine site. Contravening the protocol regarding site access as defined by the terms and conditions of the Agreement, New Island demanded immediate access to the mine site. Further, their demands included that access to the mine site and to confidential information be granted to a Mountain Lake Resources Inc. director. The New Island site access was demanded during the most critical time in the commissioning process when our small but experienced operating staff is fully dedicated to successfully commissioning the Pine Cove mill for the benefit of both Anaconda and New Island shareholders. In accordance with the terms and conditions of the Agreement that governs access to the mine site, New Island was advised, and will be provided with the opportunity of attending



the site as soon as is practical, taking into account the ongoing commissioning process and the availability of the Anaconda operating team to accommodate a fulsome review of the milling and mining operations now underway.

## **ABOUT ANACONDA**

Anaconda is a Toronto, Canada based mining development and exploration company focused on advancing its principal assets, the Pine Cove Gold Mine in Canada and its portfolio of Chilean iron ore assets. Anaconda is committed to bringing the Pine Cove Gold Mine into full Commercial Production, as well as advancing the exploration and near-term production opportunities of its Chilean iron ore assets. Anaconda continues to evaluate strategies to ‘unlock’ value attributable to its Chilean iron portfolio for the benefit of its shareholders.

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## **FORWARD-LOOKING INFORMATION**

This news release contains certain “forward-looking information” under applicable Canadian securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking information. Forward-looking information is often characterized by words such as “plan,” “expect,” “project,” “intend,” “believe,” “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based include Anaconda’s ability to acquire 100% of the New Island common shares and the benefits that may be obtained as a result of the business combination of the two companies. Many of these assumptions are based on factors and events that are not within the control of Anaconda and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in ore grade or recovery rates, risks relating to international operations, fluctuating prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, the business of New Island and Anaconda not being integrated successfully or such integration proving more difficult, time consuming or costly than expected as well as those risk factors discussed or referred to in the



Annual Information Form for Anaconda filed with securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com). Although Anaconda has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Anaconda undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.