



ANACONDA ANNOUNCES CLOSING OF SECURED DEBENTURE OFFERING

January 26, 2010

TORONTO – Anaconda Mining Inc. (“Anaconda”) (TSX: ANX), is pleased to announce it has closed a non-brokered secured, 12% debenture financing (the “Debentures”) consisting of up to 3,334 debenture units (the “Debenture Units”) with a face value of \$1,000 per Debenture Unit, maturing on September 15, 2013 (the “Maturity”), at a subscription price of \$900 per Debenture Unit. Total proceeds of \$2,922,300 were raised through the issue of 3,247 Debenture Units. Each Debenture Unit also includes 1,227 share purchase warrants (the “Debenture Warrants”) for a total of 3,984,069 Warrants issued. Each Warrant is exercisable at \$0.22 (the “Exercise Price”) until July 25, 2011, for one common share of Anaconda.

The Debentures will bear interest at 12% per annum payable annually. At Anaconda’s sole discretion, interest payable on the Debentures may be satisfied with the issuance of common shares of Anaconda, with the value based on the five-day weighted average closing price of Anaconda’s common shares for the five-day trading period immediately preceding September 15th of each year during the term of the Debentures.

The Debenture Warrants are subject to an acceleration right of Anaconda. In the event that the closing price of the common shares on the Toronto Stock Exchange (or on such other stock exchange on which the common shares are then traded) exceeds 2 times the Exercise Price during the term of the Debentures for a period of not less than 20 consecutive trading days, Anaconda shall have the right, on written notice to the Debenture holder, to force the exercise of all of the outstanding Debenture Warrants.

The Debenture Warrants, as well as any common shares issued upon exercise of the Debenture Warrants prior to May 25, 2010 are subject to a four-month hold period from January 25, 2010.

The Debentures will be secured by a first charge (ranking alongside and *pari passu* with charge held by current Debenture holders) over certain of Anaconda’s assets and 1,530,000 common shares of Merc International Minerals Inc. owned and held by Anaconda.

Anaconda paid finders’ fees of \$22,410 representing 1% of the subscription price for applicable subscriptions.

Lew Lawrick, President and CEO commented “The proceeds from this financing will allow Anaconda to complete the upgrade and expansion of the Pine Cove mill, which is currently on schedule for commissioning in June of this year.”

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 may materially change from current intentions for a number of reasons. Additionally, forward-looking statements look into the future and provide 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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