



ANACONDA MINING BEGINS TOLL MILLING OF PINE COVE ORE AT NUGGET POND FACILITY

July 2, 2009

TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX), is pleased to announce that it has begun custom milling ore from the Pine Cove gold mine at Crew Gold’s (“Crew”) (TSX: CRU), Nugget Pond mill as per their Toll Processing Agreement with Crew (see Anaconda news release dated June 1, 2009 for additional information regarding the agreement).

Milling of Pine Cove ore commenced at Nugget Pond on June 29 from stockpiled ore that was trucked from the mine site during the previous week. The Nugget Pond mill has a rated milling capacity of 450 tonnes per day and it is anticipated gold recoveries will be in excess of 90%. “We are very pleased with the start-up of toll milling operations”, stated Lewis Lawrick, President & CEO of Anaconda. “Thus far throughput and gold recovery are as projected, which bodes well for our cash flow projections from this arrangement.”

Anaconda recommenced normal mining operations on June 1 to facilitate the stockpiling of ore ahead of the scheduled start-up of custom milling. The Company also continues to process ore at its Pine Cove mill. “While production at the Pine Cove mill is not at a commercial rate, we have made significant improvements to both throughput and recovery and we are reviewing options for the refinement of our processing circuit”, added Lawrick.

The Company will be providing additional updates on the redevelopment of the Pine Cove mill in the coming weeks.

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 under the Crew Gold toll processing arrangement 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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