



ANACONDA ANNOUNCES DEFINITIVE AGREEMENTS WITH CREW GOLD AND NEW ISLAND RESOURCES FOR CUSTOM MILLING

June 1, 2009

TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX), is pleased to announce that it has entered into a Toll Processing Agreement with Crew Gold Canada Inc. (“Crew”) (TSX: CRU), whereby Anaconda will deliver ore for processing from its Pine Cove gold mine to Crew’s Nugget Pond mill. The toll processing arrangement will commence no later than July 1, 2009 and continue for a period of 12 months.

Further, Anaconda has also entered into a Side Agreement with its joint venture partner New Island Resources Inc. (“New Island”) (TSXV: NIS) pertaining to the toll processing opportunity as defined in the agreement with Crew. The Side Agreement outlines, among other things, the recovery by Anaconda of certain agreed to capital expenditures up to a maximum of \$4,000,000 as well as the basis where net cash flows from the custom milling arrangement will be distributed to both Anaconda and New Island on an equal basis. As a result, the arbitration process that commenced March 3rd and was suspended on April 15th has been withdrawn in its entirety.

“The execution of these agreements will allow us to proceed as planned with custom milling ore from our Pine Cove mine at Crew’s Nugget Pond milling facility without delay”, stated Lewis Lawrick, President & CEO of Anaconda. “The arrangements we now have in place are beneficial to all parties involved. Anaconda will continue to undertake modifications to the Pine Cove mill to facilitate Commercial Production in the near term.”

Anaconda has recommenced mining operations (drilling and blasting) to facilitate the stockpiling of ore ahead of the scheduled start up of the custom milling contract. Currently, ore delivery to the Nugget Pond mill site is set to begin during the week of June 15, with preliminary milling to commence the week of June 22 once sufficient ore is in stockpile at Nugget Pond. Anaconda will be providing regular updates to this schedule as well as an update on its Pine Cove milling operations.

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 the exploration programs at the San Gabriel Iron Project 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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