



Quebec Market Authority Requires Anaconda to Extend Bid Expiry for New Island to August 3, 2010

June 25, 2010

TORONTO – Anaconda Mining Inc. ("Anaconda") (TSX: ANX) announced today that with regard to its share exchange takeover bid (the "Offer") for New Island Resources Inc. ("New Island") (TSXV: NIS) to acquire all of the issued and outstanding common shares of New Island (announced June 11, 2010), that L'Autorite des Marchés Financiers (Quebec Financial Market Authority or "AMF") requires Anaconda to extend the Offer until Tuesday August 3, 2010 to allow French speaking shareholders the ability to receive and properly consider the Offer. On Monday, June 21 Anaconda was informed that out of a total of approximately 2,255 New Island beneficial shareholders, 44 beneficial shareholders holding 1,311,900 shares or approximately 2.78% of the issued and outstanding shares (with a market value of approximately \$131,000 based upon yesterday's closing price of \$0.10), are located in the Province of Quebec; notwithstanding that New Island is not a reporting issuer in Quebec. In order for New Island shareholders located in Quebec to properly assess the Offer, the AMF requires Anaconda to provide to them a French summary of the Offer and extend the Offer until August 3, 2010. Anaconda complied by preparing a French language summary of the Offer which was posted on SEDAR yesterday and mailed today to the 44 beneficial shareholders of New Island in Quebec.

Anaconda President and CEO Lew Lawrick commented, "We are pleased to comply with this requirement to give all New Island shareholders the opportunity to properly consider the Offer that Anaconda has made."

Benefits of the Offer

Anaconda expects the combination of Anaconda and New Island to produce benefits for New Island shareholders including:

- New Island shareholders will participate immediately in the Pine Cove Gold Mine cash flow, versus waiting 12-18 months until after Anaconda's capital expenditures are paid back;
- New Island shareholders will not suffer further significant dilution during the capital payback period as a result of enjoying immediate access to cash flow from the Pine Cove Gold Mine;
- New Island shareholders will gain exposure to the significant growth potential of Anaconda's Chilean iron assets and access to a greatly diversified asset base outside of the province of Newfoundland;
- New Island shareholders will gain exposure to the seasoned Anaconda management team and independent Board of Directors that include significant entrepreneurial company building and value creation successes; accounting and audit committee experience, financial reporting knowledge, M&A experience, capital markets and



fundraising capability, operations and mineral processing expertise, and industry accredited corporate governance stewardship; and

- New Island shareholders will participate in a growth-oriented company with a cash flow platform and focused, motivated management team.

Pursuant to the Offer, each New Island shareholder will receive **0.3333** of an Anaconda common share for each New Island common share tendered under the Offer. The takeover bid is subject to customary conditions, including that a minimum of 66 2/3% of the outstanding New Island common shares on a fully diluted basis are tendered to the Offer, receipt of all required regulatory approvals, including the approval of the TSX Venture Exchange, the absence of any material adverse change with respect to New Island, the absence of certain prohibited activities on the part of New Island (including security issuances, acquisitions and dispositions) and no untrue statements or omissions in New Island's public disclosure. Anaconda intends to take all necessary steps to acquire any New Island common shares that remain outstanding following the expiry of the Offer.

Full details of the Offer are contained in the formal Offer to purchase and takeover bid circular to be filed today with securities regulatory authorities and to be mailed subsequently to New Island Shareholders. The Offer will remain open until 5:00 p.m. (Toronto time) on August 3, 2010.

Investors may obtain a free copy of the Offer documents filed by Anaconda with Canadian securities regulators at www.sedar.com. In addition, you may request these documents free of charge, once they have been mailed, from Anaconda's information agent, Kingsdale Shareholder Services Inc. within North America at 1-888-518-1558 (outside North America at 1-416-867-2272).

This press release does not constitute an offer to buy or sell, or the solicitation of an offer to buy or sell, any of the securities of New Island. Such an offer can only be made pursuant to an offer to purchase, and accompanying an offering circular filed with the securities regulatory authorities in Canada.

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.

FOR ADDITIONAL INFORMATION CONTACT:



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Or visit Anaconda's website at: www.anacondamining.com

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. 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.