



## **Anaconda Announces Commencement of US\$2.2 Million Drill Program on MHA Iron Concessions, Chile**

June 17, 2010

TORONTO – Anaconda Mining Inc. (“Anaconda”) (TSX:ANX), is pleased to announce that a US\$2.2 million drilling program has commenced on the Minera Hierro Antofagasta S.A. (“MHA”) iron properties located 35 kilometers east of the port city of Taltal, Chile and 70 kilometers north of Anaconda’s San Gabriel iron deposit joint venture.

The purpose of the 5,000 meter reverse circulation drill program is to test a series of large magnetic anomalies (see Table 1) located within four main exploration concession areas: Octavia, San Mateo, Atenas and Germania. The anomalies have been defined by approximately 4,000 kilometers of ground magnetic surveys and 4,200 gravimetric stations. The budget for the drilling program includes funds for additional follow-up diamond drilling and metallurgical testing, if results warrant.

Lew Lawrick, President and CEO of Anaconda states, “this program as funded by our partners will drill test several significant anomalies as identified by detailed geophysics and gravity surveys. The geophysical models developed for the anomalies suggest the potential for each to host a significant magnetite orebody.”

**Table 1 – Dimensions of Magnetic Anomalies<sup>1</sup>**

<b>Project</b>	<b>Length (meters)</b>	<b>Width (meters)</b>	<b>Thickness (meters)</b>	<b>Dip</b>
Octavia (East)	1,250	200	300	vertical
Octavia (West)	1,200	200	300	vertical
San Mateo	1,300	250	300	shallow
Atenas (South)	1,500	150	300	shallow
Atenas (Central)	600	150	300	shallow
Germania (South)	1,000	300	400	flat
Germania (Central)	800	300	400	flat

<sup>1</sup> dimensions of anomalies outlined at a magnetic susceptibility of +0.7 (SI)

MHA is a private Chilean company that holds the rights to the four concession areas which encompass over 30,000 hectares. Anaconda’s interest in the iron properties is derived from its 20% direct ownership of Inversiones Hierro Antofagasta S.A. (“IHA”) which has an 82.5% interest in MHA. The remaining 17.5% interest in MHA is owned by Compañía Minera Del Pacifico S.A. (“CMP”), a 100%-owned subsidiary of CAP S.A., Chile’s largest integrated iron



miner and steel producer. CMP may increase its interest in MHA to 37.5% by making staged exploration and property payments totaling \$15 million over the next 30 months.

### **About CAP S.A.**

CAP S.A. ("CAP") is an integrated iron mining and steel production company which consolidates its businesses through CAP Mining, CAP Steel and CAP Steel Solutions. CAP is the largest producer of iron ore and pellets on the Pacific coast of Latin America and leader in the steel and steel-processing markets in Chile. Mitsubishi Corp. owns a 19.3% stake in CAP and a direct 25% stake in CMP.

### **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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