



ANACONDA MINING ANNOUNCES EXERCISE OF WARRANTS AND PROVIDES PINE COVE EXPANSION UPDATE

May 13, 2010

TORONTO – Anaconda Mining Inc. (“Anaconda”) – (TSX: ANX), is pleased to announce that investors holding Anaconda warrants have exercised approximately 14.8 million warrants at \$0.15 for proceeds of approximately \$2.2 million. The proceeds will supplement Anaconda’s current working capital position and will be used in completing the Pine Cove mill redevelopment and for general working capital and corporate purposes.

Pine Cove Redevelopment Update:

Anaconda is also pleased to provide a further update on the Pine Cove mill redevelopment. As per a press release dated Sept 21, 2009, Anaconda has been proceeding with the upgrade and expansion of the processing circuit at the Pine Cove gold mine. Upon completion of the redevelopment program the Pine Cove mill will have a nominal rated capacity of 700 tonnes per day (“tpd”) with the potential to exceed 1,000 tpd. Thus far the project remains on schedule for a June commissioning date. Highlights of the progress to date include the following:

- The project is approximately 80% complete.
- All engineering is complete.
- Major electrical gear is on order and expected to be delivered throughout late May to mid June.
- The last engineered equipment required for flotation is in fabrication and scheduled for delivery the first week in June.
- The new electrical building is complete.
- Work on the alignment of the ball mill is complete. Lube oil piping is 100% complete.
- Liner installation of the mill has begun.
- The Cyclones and distributor have been installed.

- All 600 volt cable is installed and ready for termination.
- The contact cells are complete as well as all slurry piping for these cells.
- Reclaim water piping is complete.
- Design of the feed conveyor and stockpile enclosure is complete. Construction will commence next week.
- Ore in stockpile now exceeds 20,000 tonnes.

ABOUT ANACONDA

Anaconda is a Toronto, Canada based mining and exploration company focused on advancing its principal assets, the Pine Cove gold mine in Newfoundland and the San Gabriel Iron Project in Chile. Anaconda 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. 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 Anaconda'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 Anaconda's business, or if Anaconda's estimates or assumptions prove inaccurate. Anaconda 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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