



ANACONDA ANNOUNCES LOI WITH CREW GOLD FOR TOLL PROCESSING ARRANGEMENT

February 18, 2009

TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX), is pleased to announce that it has entered into a non-binding letter of intent with Crew Gold Corporation (“Crew”) (TSX: CRU) regarding a proposed toll processing arrangement. The parties are currently negotiating a definitive agreement to reflect such arrangement. Under such toll processing agreement, Anaconda would deliver ore for processing from the Pine Cove gold mine to Crew’s Nugget Pond mill. The toll processing arrangement would commence no later than June 1, 2009 and continue for a period of 12 months. It is anticipated that up to 200,000 tonnes of ore would be processed by Crew during the period of this agreement, however the agreement will provide for an extension on terms mutually agreeable to the parties within 60 days of the expiry of the original 1 year term.

“The toll processing arrangement with Crew will be a mutually beneficial contract for all parties”, stated Lewis Lawrick President & CEO of Anaconda. “We, along with our joint venture partner, New Island Resources will receive the benefit of significant cash flow from processing ore from the Pine Cove gold mine at the Nugget Pond mill during a period of record high Cdn\$ gold prices. Crew will continue to have a profitable ore supply for Nugget Pond after it completes processing the last of its stockpiles from its recently suspended operations at the Nalunaq gold mine.”

Anaconda is currently operating its Pine Cove mill at a reduced rate of throughput (100 tpd) while it continues to work at optimizing gold recovery in the concentrator circuit at the front end of the mill. Optimization testing on run of mill ore is currently being undertaken in consultation with the manufacturer of the concentrator equipment (Gekko Systems). The Company is confident that this work will result in a more consistent optimum gold recovery within the concentrator circuit and allow the Pine Cove mill to ramp up to its targeted production throughput rate of 500 tpd. It would be the intention of the Company to continue operating the Pine Cove mill during the toll processing arrangement at Nugget Pond with Crew Gold.

The Company also advised today that in recent communications Anaconda’s joint venture partner, New Island Resources Inc. (“New Island”), has challenged, among other things, Anaconda’s right to pursue the toll processing arrangement with Crew, based upon their interpretation of the agreement that governs the joint venture. After carefully considering New Island’s position, Anaconda has determined that any such claim is without merit and opportunistic, and has so informed New Island that it will vigorously defend any such claim.

About Anaconda

Anaconda Mining is a Toronto, Canada based mining and exploration company. Its project portfolio includes the Pine Cove gold mine in Newfoundland and Labrador, that commenced production in May 2008, and the San Gabriel Iron Project in the Atacama region of Chile where it has outlined an NI 43-101 resource (indicated and inferred) of 60 million tonnes grading 32% Fe.

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.

FOR ADDITIONAL INFORMATION CONTACT:

Anaconda Mining Inc.

Lew Lawrick

President and CEO

(416) 864-3357

Email: llawrick@anacondamining.com

or

Anaconda Mining Inc.

Belinda Labatte

Investor Relations

(647) 436-2152

Email: info@anacondamining.com

Company website: www.anacondamining.com