



ANACONDA ANNOUNCES ADDITIONAL HIGH-GRADE DRILL RESULTS AND NEW MOLYBDENUM RESULTS FROM THE INCA DE ORO SUR JOINT VENTURE

October 27, 2008

TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX:ANX), is pleased to announce results for a further ten diamond drill holes from the Inca de Oro Sur Joint Venture (“Inca de Oro Sur” or the “Project”). Inca de Oro Sur is located within the historic Inca de Oro mining district in northern Chile, approximately 100 kilometres north of Copiapo.

Exploration Program Overview

A diamond drill program wholly funded and operated by the Company’s joint venture partner, Minera Peñoles de Chile Ltda. (“Peñoles”) commenced at Inca de Oro Sur in October, 2007. This program is now complete, with a total of 12,251.68 metres (“m”) drilled in 28 diamond drill holes. Copper and gold results for the first 18 holes (8,757 m) were released by the Company on August 6, 2008. Copper and gold results of the remaining ten holes (3,494.50 m) as well as molybdenum results are presented in the current release (see Table 1, attached map and Anaconda news release dated August 6, 2008). Nine of ten new holes continued to test the central and southwest parts of the Carmen target, which is the main porphyry copper-gold-molybdenum (“Cu-Au-Mo”) target on the property. One hole tested the Rodesia vein, located 900 m southwest of Carmen, but failed to return significant values.

Highlights from the Carmen target include:

- 46.55 m grading 1.68 g/t Au ; 0.43% Cu and 657 ppm Mo in hole BDP-24,
- 38.91 m grading 0.82 g/t Au; 0.32% Cu and 299 ppm Mo in hole BDP-28,
- 52.36 m grading 0.50 g/t Au and 0.43% Cu in hole BDP-20, and
- 63.25 m grading 0.42 g/t Au and 0.32% Cu in hole BDP-26.

Results from hole BDP-24 in the central part of the Carmen target continue to outline a zone of very high-grade mineralization, where, as announced by Anaconda on August 6, 2008, holes BDP-01 and -02 cut 257 m of 1.10 g/t Au and 0.45% Cu and 290m of 0.67 g/t Au and 0.37% Cu, respectively.

The principal intersections of Mo are:

- 143 m (from 163 m to 306 m) with 831 ppm of Mo in hole BDP-23
- 200 m (from 170 m to 370 m) with 595 ppm of Mo in hole BDP-24
- 127 m (from 174 m to 301 m) with 150 ppm of Mo in hole BDP-26

Lewis Lawrick, President and CEO of Anaconda, comments: “We are very pleased to see the continued high grades returned from Carmen, in particular, the recognition of strong Mo credits which could positively impact the economics of the Project. We look forward to Peñoles completing their deposit model and beginning a mineral resource estimate for Inca de Oro Sur, based on the results of current program.”

Table 1. Summary of drill results.

Drill Hole¹	From (m)	To (m)	Width² (m)	Type	Gold (g/t)	Copper (%)	Molybdenum ppm
BDP-19	0.00	48.00	48.00	oxide	0.176	0.321	23
	92.00	246.00	154.00	sulphide	0.221	0.334	154
BDP-20	0.00	52.36	52.36	oxide	0.496	0.426	20
	83.52	102.55	19.03	sulphide	0.153	0.315	28
	161.35	197.18	35.83	sulphide	0.133	0.314	16
BDP-21	94.00	201.95	107.95	sulphide	0.216	0.378	110
	212.00	226.00	14.00	sulphide	0.104	0.223	15
BDP-22	4.65	53.90	49.26	oxide	0.469	0.282	3
	53.90	98.00	44.10	sulphide	0.365	0.251	7
	259.97	269.60	9.63	sulphide	0.174	0.334	10
	307.75	311.04	3.29	sulphide	0.099	0.237	5
BDP-23	177.07	182.95	5.88	sulphide	0.145	0.239	598
	211.10	226.00	4.90	sulphide	0.097	0.255	838
	277.52	296.00	18.48	sulphide	0.240	0.282	511
	362.00	423.75	61.75	sulphide	0.222	0.299	16
BDP-24	0.00	46.00	46.00	oxide	0.295	0.271	6
	57.45	87.00	29.55	sulphide	0.282	0.203	2
	99.57	140.70	41.13	sulphide	0.323	0.199	1
	157.50	204.05	46.55	sulphide	1.677	0.425	657
	216.23	244.00	27.77	sulphide	0.402	0.265	505
	259.00	277.00	18.00	sulphide	0.340	0.243	928
	324.00	350.00	26.00	sulphide	0.246	0.324	291
356.00	370.00	14.00	sulphide	0.148	0.238	189	
BDP-26	139.48	143.00	3.52	sulphide	0.097	0.275	4
	178.38	198.50	20.12	sulphide	0.077	0.263	79
	217.00	287.42	70.42	sulphide	0.205	0.359	210
	360.23	365.00	4.77	sulphide	0.270	0.407	43
	382.09	445.34	63.25	sulphide	0.421	0.319	14
BDP-27	104.00	114.20	10.20	sulphide	0.134	0.243	33
	142.00	158.00	16.00	sulphide	0.181	0.357	12
	165.00	211.35	46.35	sulphide	0.344	0.429	13
	217.60	277.00	59.40	sulphide	0.249	0.343	125
BDP-28	133.17	163.26	30.09	sulphide	0.294	0.199	1
	177.10	182.80	5.70	sulphide	0.354	0.175	1
	206.15	240.27	34.12	sulphide	0.244	0.251	9
	254.31	275.56	21.25	sulphide	0.349	0.162	3
	283.35	322.26	38.91	sulphide	0.823	0.319	299

¹ holes without significant intercepts are not included in this table; ² intervals are drill indicated; additional drill information will be required before true widths can be estimated.

Mineralization

Mineralization at the Carmen target consists of a central zone with quartz, bornite, chalcopyrite and magnetite in veinlets and disseminations; the grade varies from 0.3 to 1.0% Cu and 0.5 to 2.0 g/t Au. Surrounding the central zone is a zone of quartz, chalcopyrite and calcite, with lesser bornite and quartz veining stockwork, where the grade varies from 0.1 to 0.5% Cu and 0.1 to 0.5 g/t Au. Sulphides underlie a shallow oxidized zone hosted within andesite and tonalite porphyry. Alteration is characteristic of a porphyry Cu-Au system consisting of a central biotite and K-feldspar potassic assemblage with weak and local intermediate argillic alteration overprint and an external halo of chlorite-epidote-propylitic alteration.

Quality Assurance/Quality Control and Qualified Person

The drill holes reported in this release were collared using HQWL (2.5" sized core). Core is logged by Peñoles staff and then split using a diamond saw; the average sample length is 1.6 m. Half the core is stored in a secure core shed and the other half is sampled, bagged, and secured, then transported by road to ALS Laboratory Group ("ALS") in La Serena, Chile for analysis. ALS is an ISO 9001:2000 accredited laboratory and is independent of both Anaconda and Peñoles. Drill core was prepared and processed for multi-element (ME-ICP-41) and gold fire assay (Au-AA24). All drilling, sampling and drill core logging within the current program was conducted by Peñoles staff, under the supervision of Mr. Armando Zaragoza, Exploration Manager for Minera Peñoles de Chile Limitada.

John Cook, P.Eng., a Director of Anaconda and a Qualified Person within the meaning of National Instrument 43-101 "NI 43-101" of the Canadian Securities Administrators, is responsible for reviewing the contents of this news release, including the drill results presented herein.

Past work by previous operators includes the drilling of 14,784.3 metres in 56 drill holes. Additional information with respect to Inca de Oro Sur is contained in a technical report dated March 28, 2006, filed on SEDAR and entitled "Carmen Copper-Gold Project, Region III, Chile". This report was prepared by Michael Easdon, P.Geo., a Consulting Geologist who is a Qualified Person within the meaning of NI 43-101 and independent of both Anaconda and Peñoles.

Inca de Oro Sur Joint Venture

Under the terms of an agreement signed in September, 2007, Peñoles has the right to earn a 65% interest in the Project from Anaconda and Inversiones EM-DOS Ltda. ("EM-DOS") by making exploration expenditures totaling US\$10 million and cash payments to Anaconda and EM-DOS of US\$12 million over four years. This includes an initial cash payment of US\$2.05 million to Anaconda in 2007 and a first year minimum US\$3 million exploration program. A total of US\$4.239 million has been spent on exploration by Peñoles to September 23, 2008.

About Anaconda

Anaconda is a Toronto, Canada-based mining company with a portfolio of advanced-stage exploration projects in Canada and Chile. The Company's Pine Cove gold mine in Newfoundland and Labrador achieved its first gold pour in July, 2008. Mill

commissioning is currently underway at Pine Cove in anticipation of Commercial Production.

The Company is presently focused on the San Gabriel Iron Project ("San Gabriel") in Chile. In August, 2008 the Company announced an initial mineral resource estimate at San Gabriel of 57.9Mt grading 32% iron in the indicated category and a further 2.6Mt grading 29% iron in the inferred category, using a cutoff grade of 20% iron. The Company has filed on SEDAR a Technical Report entitled "San Gabriel Iron Project, Chile" by Michael Easdon, P.Geo. in support of the mineral resource estimate.

San Gabriel is advantageously located close to road, rail, power and deep-sea port facilities. The Company plans to continue to aggressively explore San Gabriel to evaluate its potential to host economic concentrations of iron mineralization. The Company is actively pursuing new opportunities to compliment its existing portfolio.

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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 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.

