



ANACONDA INTERSECTS ADDITIONAL HIGH GRADE IRON MINERALIZATION AT SAN GABRIEL

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TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX:ANX), is pleased to announce additional results from its Phase II drill program at the San Gabriel Iron Project (“San Gabriel” or the “Project”), located in northern Chile, near the coastal deep-water port of Chañaral. Two new holes (RSGA-22 and RSGA-27) intercepted a very high-grade ‘core zone’ in the main San Gabriel zone. Highlights from these holes include:

- **65.2 percent total iron (“% Fe”) over 42 metres (“m”)** within a broader interval grading 45.2% Fe over 104m in hole RSGA-22, and
- **60.9% Fe over 32m (including 65.6% Fe over 8m)** within a broader interval grading 37.3% Fe over 176m in hole RSGA-27.

Within the higher grade interval in hole RSGA-22, five individual 2m intervals returned grades of greater than 70% Fe, with a maximum of 71.7% Fe. These iron grades are very close to the composition of pure magnetite. A summary of new assay results is presented in Table 1.

Holes RSGA-22 and RSGA-27 were drilled along the same section as hole RSGA-05, the final hole of the Phase 1 program (see Anaconda news release dated October 25, 2007 and Drill Plan accompanying this release). A high-grade interval of 62.2% Fe over 20m was previously reported for hole RSGA-05, however the highest grade portion of this zone averages 68.3% Fe over 16m. Approximately 130m to the southwest, hole RSGA-04 intersected a high-grade interval of 52.4% Fe over 24m, within which a higher grade interval averages 65.6% Fe over 8m. Together the results from these four holes have begun to outline a very high-grade core zone in the southwestern part of the San Gabriel zone which is open to the east and to depth.

Hole RSGA-25 was drilled in the northeast part of the main San Gabriel zone and intersected near-surface mineralization, with 23.0% Fe over 72m, starting at 16m downhole. The results from hole RSGA-25 demonstrate that mineralization in the San Gabriel zone comes much closer to surface than previously recognized.

Trenching has commenced on the near-surface Esperanza zone and to date a single 134 m long trench has been sampled. Trench TEZA-01 returned **31.5% Fe over 62 m, including 55.1% Fe over 10m and 39.8% Fe over 10m**. This trench lies along the surface trace of hole REZA-01, which graded 22.7% Fe over 204 m, including two high-grade zones grading 52.0% Fe over 22m and 50.8% Fe over 12m (see Anaconda news release dated March 11, 2008 and Table 3).

Lewis Lawrick, President and CEO of Anaconda, comments: “We are excited that drilling at San Gabriel continues to delineate zones of high-grade iron mineralization. These latest results also provide evidence of a near surface mineralization in the San Gabriel zone and good at-surface trench results from Esperanza.”

Table 1. Summary of new drill results.

Hole ¹	From (m)	To (m)	Interval (m) ²	Grade (% Fe) ³
San Gabriel (Main) Zone				
DSGA-15	276	290	14	14.3
RSGA-18	90	286	196	22.1
Incl.	134	158	24	32.9
RSGA-19	222	240	18	20.1
RSGA-20	152	362	210	21.2
Incl.	196	238	42	37.9
RSGA-21	116	310	194	22.5
Incl.	116	148	32	35.2
RSGA-22	152	256	104	45.2
Incl.	152	194	42	65.2
	342	416	74	25.3
Incl.	394	416	22	34.2
RSGA-23	196	210	14	16.0
RSGA-25	14	104	90	17.5
Incl.	16	88	72	23.0
RSGA-26	164	196	32	27.2
Incl.	166	182	16	29.2
RSGA-27	178	354	176	37.3
Incl.	180	212	32	60.9
Incl.	204	212	8	65.6
	264	330	66	43.1
Esperanza Zone				
DEZA-02	176	200	24	17.1
	244	353.8	109.8	18.5
Incl.	326	348	22	29.1
REZA-03	NSV ⁴			
DEZA-04	138	248	110	16.1
Incl.	150	154	4	24.7
&	170	178	8	24.0
Antonia Zone				
RANTA-01	134	176	52	14.9
Incl.	154	160	6	22.9
RANTA-02	16	76	60	22.2
Incl.	58	70	12	36.2
RANTA-03	42	82	40	30.0
Incl.	52	70	18	35.3

¹ the prefix “R” in the hole number denotes reverse circulation holes and the prefix “D” denotes diamond drill holes;

² intervals are drill indicated, not true widths. Additional drill information will be required before true widths can be estimated; ³ iron grades represent total iron; ⁴ NSV = no significant values.

Phase II Program

The Phase II drill program is now complete, with a total of 13,278.95 m drilled in 38 holes. A summary of Phase 1 and 2 drilling by the Company is presented in Table 2. Significant results for holes in the current release are summarized in Table 1 and previously released results are summarized in Table 3. Assay results for all five holes from Phase I and 28 holes from Phase II have now been released; assays for the final ten holes are expected to be received by the Company within the next several weeks.

Table 2. Summary of Phase 1 and 2 drill programs.

<u>Phase 1</u> (August to September, 2007)				
Zone	RC holes	Metres RC	DD holes	Metres DD
San Gabriel	5	1,752	-	-
<u>Phase 2</u> (January to March, 2008)				
Zone	RC holes	Metres RC	DD holes	Metres DD
San Gabriel	22	8,480	3	1,493.10
Esperanza	3	816	2	697.85
Antonia	8	1,792	-	-
Total Phase 1 & 2	38	12,840	5	2,190.95

San Gabriel Zone

The main mineralized zone at San Gabriel has been interpreted as a northwest trending, sub-horizontal lens overlying high grade sub-vertical feeder structures. Previously the upper contact of the main lens was intersected at approximately 70m from surface in the northwest end of the zone, dipping shallowly to the southeast. However drill results from hole RSGA-25 indicates a portion of the San Gabriel zone lies within 15m of surface. Drilling has revealed a minimum strike length of 750m along the main northwest trend and the zone remains open to the northeast to southeast, as well as to depth in the high-grade core zone intercepted in holes RSGA-04, RSGA-05, RSGA-22 and RSGA-27.

Esperanza Zone

The outcropping Esperanza zone is located 1.5km along strike from the San Gabriel zone. High grade mineralization has been encountered in trench TEZA-01 and below the trench in hole REZA-01. Results have been received for four of five holes drilled in this zone, which is open along strike to the northwest and to depth.

Antonia Zone

The Antonia Zone is located 2km northeast of the San Gabriel zone, and appears to lie along subparallel structures to that hosting the San Gabriel and Esperanza zones. A total of eight holes have been drilled along two sub-parallel trends at this target. Results have now been received for three of the eight holes, with up to 30.0% Fe over 40m, including 35.3% Fe over 18m in hole RANTA-03. This zone is open to depth.

Property Overview

The 5,100 hectare Project lies 60 km northeast of the Pacific coastal city of Chañaral, with significant deep-sea port infrastructure for iron ore exports. The Project is located within 15 km of a transmission line, 20 km of a rail line and 25 km from a main highway.

Anaconda has the right to earn a 100% interest in San Gabriel by making payments totaling US\$2.4million over four years, including a US\$20,000 payment on signing (see Anaconda new release dated September 20, 2007 for additional information regarding the San Gabriel option agreement).

San Gabriel was discovered by Rio Tinto in 1997, during a reconnaissance exploration program that consisted of aeromagnetics and scout drilling, the objective of which was the discovery of iron oxide copper gold (“IOCG”) deposits. Rio Tinto completed eleven RC drill holes, which targeted magnetic anomalies. The property was subsequently returned to the vendors.

Mineralization is iron-magnetite skarn associated with dioritic intrusives of Jurassic to lower Cretaceous age which intruded andesitic volcanic sequences. Skarn-related iron mineralization is characteristic of the Chile-Peru coastal region and forms deposits ranging from a few million tons to billion ton ore bodies such as Marcona in Peru.

Preliminary metallurgical testwork, as reported in an Anaconda news release of January 21, 2008, demonstrates that San Gabriel contains high quality magnetite-bearing material. Analyses of magnetic concentrates returned very low levels of impurities, or penalty elements (specifically silica, phosphorous, sulphur, and copper), and mineralization is thus potentially amenable to beneficiation into a high quality concentrate. Diamond drill core from the Phase II program and surface mineralization exposed in trenches in the Esperanza zone will provide additional material for ongoing metallurgical studies.

As a result of the region’s proximity to coastal shipping access to the Asia Pacific region, a number of iron ore deposits in Chile and Peru are being evaluated for start up or have resumed production.

Table 3. Summary of previously released drill results (see Anaconda News Releases dated October 25, 2007 and March 11, 2008).

Hole ¹	From (m)	To (m)	Interval (m) ²	Grade (% Fe) ³
San Gabriel Zone (“Main Zone”)				
RSGA-1	190	320	130	15.4
	320	408 (eoh) ⁴	88	30.7
Incl.	330	382	52	33.9
RSGA-2	216	232	16	12.2
	296	304	8	12.9
RSGA-3	184	212	28	20.2
	212	248	36	15.4
RSGA-4	254	350 (eoh) ⁴	96	33.6
Incl.	254	278	24	52.4
Incl.	254	262	8	65.6
	324	338	14	39.7
RSGA-5	144	206	62	42.4
Incl.	144	164	20	62.2
Incl.	148	164	16	68.3
	168	192	24	41.3
	206	254	48	23.5

	Incl.	238	254	16	41.6
RSGA-6		144	182	38	40.5
		202	214	12	37.0
		224	270	46	19.5
DSGA-7		146	180	34	14.7
		204	234	30	18.5
		248	276	28	19.8
		364	420	56	15.4
RSGA-8		122	278	156	24.9
	Incl.	122	144	22	33.2
		194	238	44	30.3
RSGA-9		190	246	56	17.9
	Incl.	196	216	20	20.1
RSGA-10		184	228	44	16.8
	Incl.	206	212	6	23.8
DSGA-11		200	484	284	21.0
	Incl.	340	484	144	26.7
		348	390	42	32.3
		402	448	46	33.4
RSGA-12		84	252	168	21.9
	Incl.	196	222	26	31.0
RSGA-13		238	396	158	25.6
	Incl.	270	304	34	37.8
RSGA-14		0	348	Low	Grade
RSGA-16		134	460	326	28.0
	Incl.	136	170	34	48.4
		298	332	34	46.0
RSGA-17		76	384	308	24.0
	Incl.	84	162	78	40.2
		84	134	50	48.6
Esperanza Zone					
REZA-1		14	218	204	22.7
	Incl.	14	66	52	42.2
		16	38	22	52.0
		44	56	12	50.8

¹ the prefix “R” in the hole number denotes reverse circulation holes and the prefix “D” denotes diamond drill holes; ² intervals are drill indicated, not true widths. Additional drill information will be required before true widths can be estimated; ³ iron grades represent total iron; ⁴ eoh = end of hole.

Assays were completed by Asesoría Minera Geoanalítica Ltda.’s (“Asesoría”) lab located in La Serena, Chile. Asesoría is ISO 9001:2000 accredited and is independent of Anaconda. Drill core, chips and trench channel samples were sampled and processed for Fe determination using standard wet chemical methodology, followed by atomic absorption finish.

Fiona Childe, Ph.D., P.Geo, who is a Qualified Person within the meaning of National Instrument 43-101 of the Canadian Securities Administrators, is responsible for reviewing the contents of this news release.

About Anaconda

Anaconda is a Toronto, Canada based mining company with a portfolio of advanced-stage exploration projects in Canada and South America. The diversified portfolio is supported by near-term cash flow from the Pine Cove gold mine in Newfoundland and Labrador, which is targeted for production in spring 2008.

The Company is presently focused on San Gabriel in Chile, where it has identified several zones of magnetite-iron mineralization. The Project is advantageously located close to road, rail, electricity 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 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.