



Audited Consolidated Financial Statements

12 months ended May 31, 2008

and

8 months ended May 31, 2007

parker simone LLP

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Auditors' Report

To the Shareholders of
Anaconda Mining Inc.

We have audited the consolidated balance sheets of Anaconda Mining Inc. as at the May 31, 2008 and 2007 and the consolidated statements of operations and deficit and comprehensive loss and accumulated comprehensive income and cash flow for the twelve months ended May 31, 2008 and the eight months ended May 31, 2007. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at May 31, 2008 and 2007 and the results of its operations and its cash flows for the twelve months ended May 31, 2008 and the eight months ended May 31, 2007 in accordance with Canadian generally accepted accounting principles.

August 8, 2008



Licensed Public Accountants

Management's Responsibilities for Financial Reporting and Controls

The Consolidated Financial Statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles and have been approved by the Company's board of directors (the "Board"). The integrity and objectivity of these Consolidated Financial Statements are the responsibility of management. In addition, management is responsible for ensuring that the information contained in this MD&A is consistent, where appropriate, with the information contained in the Consolidated Financial Statements.

In support of this responsibility, the Company's management maintains a system of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded. When alternative accounting methods exist, management has chosen those methods it deems most appropriate in the circumstances. The Consolidated Financial Statements may contain certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis to ensure that the Consolidated Financial Statements are presented fairly in all material respects.

The Board is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its audit committee. The audit committee is appointed by the Board and has several financial experts who are not involved in the Company's daily operations. The audit committee meets periodically with management and the external auditor to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the Consolidated Financial Statements with the external auditors.

"Lewis Lawrick"

Lewis Lawrick
President and Chief Executive Officer

August 18, 2008

"Stephen M. Gledhill"

Stephen M. Gledhill
Chief Financial Officer

August 18, 2008

**Anaconda Mining Inc.
Consolidated Balance Sheets**

As at	May 31, 2008	May 31, 2007
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 3)	1,391,404	9,983,977
GST recoverable	201,947	51,557
Prepays and deposits	5,543	286,448
Subscriptions receivable	55,000	-
	1,653,894	10,321,982
Investments (note 4)	322,000	-
Mineral properties and deferred exploration expenditures (note 5)	15,099,783	11,100,205
Leasehold improvements (note 6)	10,990	14,324
Mill and equipment (note 7)	2,800,135	1,354,483
Deferred call option premiums (note 9)	-	456,300
Deferred financing costs (note 8)	-	245,074
	19,886,802	23,492,368
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	4,014,808	920,545
Due to related parties (note 10)	-	1,000
Convertible loan (note 8)	-	2,674,750
	4,014,808	3,596,295
Asset retirement obligations (note 13)	645,000	250,000
	4,659,808	3,846,295
Shareholders' equity		
Capital Stock		
Common shares (note 11(a))	21,716,713	17,759,127
Warrants (note 11(b))	2,491,662	2,489,951
Contributed surplus (note 12)	2,347,188	-
Deficit	(11,503,869)	(603,005)
Accumulated comprehensive income	175,300	-
	15,226,994	19,646,073
	19,886,802	23,492,368

The accompanying notes are an integral part of these consolidated financial statements

Approved by the Board of Directors:

"Lewis Lawrick"

Director

"Mario Caron"

Director

Anaconda Mining Inc.

Consolidated Statements of Operations and Deficit

	12 months ended May 31, 2008	8 months ended May 31, 2007
	\$	\$
Interest income	174,446	45,284
Operating Expenses		
Office and general	290,444	28,329
Consulting and professional fees <i>(note 10)</i>	579,345	308,024
Stock-based compensation <i>(note 11(c))</i>	2,418,538	-
Representation and travel	88,379	19,016
Shareholder and regulatory reporting	177,148	-
Management fees	-	71,563
Salaries and benefits	354,251	41,919
Financing fees	-	35,127
Project investigation costs	616,639	-
	4,524,744	503,978
Write-down of mineral properties and deferred exploration expenditures <i>(note 5)</i>	6,949,031	-
Write-down of investments	-	3,969
	11,474,775	507,947
Net loss before exchange gains (losses)	(11,299,329)	(462,663)
Foreign exchange gain	368,765	91,770
Net income (loss) before taxes	(10,930,564)	(370,893)
Future income tax recoveries	29,700	-
Net Income (loss)	(10,900,864)	(370,893)
Deficit at beginning of period	(603,005)	(232,112)
Deficit at end of period	(11,503,869)	(603,005)
Net income (loss) and Comprehensive income (loss) per share – basic and fully diluted	(\$0.19)	(\$0.01)
Weighted average number of shares outstanding (000's)	56,304	37,167

The accompanying notes are an integral part of these consolidated financial statements

These consolidated financial statements have been approved by the Company's Board of Directors

Anaconda Mining Inc.

**Consolidated Statements of Comprehensive Income (Loss)
and Accumulated Comprehensive Income**

	12 months ended May 31, 2008	8 months ended May 31, 2007
	\$	\$
Net income (loss)	(10,900,864)	(370,893)
Other comprehensive income:		
Unrealized gain on available-for-sale Securities	175,300	-
Total comprehensive loss	(10,725,564)	(370,893)
	May 31 2008	May 31 2007
	\$	\$
Accumulated unrealized gain on available-for-sale Securities <i>(note 4)</i>	175,300	-
Accumulated comprehensive income	175,300	-

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Anaconda Mining Inc.

Consolidated Statements of Cash Flow

	12 months ended May 31, 2008	8 months ended May 31, 2007
	\$	\$
Operations		
Net income (loss)	(10,900,864)	(370,893)
Adjustments to reconcile net loss to cash flow from operating activities:		
Amortization	3,334	37,429
Write-down of resource properties	6,949,031	-
Write-down of investments	-	3,969
Unrealized gains/losses	(515,997)	-
Stock-based compensation	2,418,538	-
Future income tax recoveries	(29,700)	-
Net change in non-cash working capital items:		
GST recoverable	(813,926)	(5,204)
Prepays and deposits	276,795	(105,189)
Accounts payable and accrued liabilities	2,166,789	(193,275)
Cash flow provided from (used in) operating activities	(446,000)	(633,163)
Financing		
Issuance of common shares (net of subscriptions receivable)	3,680,000	13,370,000
Issuance of warrants	-	-
Issuance costs, net of deferred transaction costs	(153,053)	(811,640)
Loan payable drawdown (repayment)	(2,544,750)	1,545,350
Repayment of promissory notes payable	-	(1,100,000)
Due to related parties	(1,000)	(2,106)
Cash flow provided from (used in) financing activities	981,197	13,001,604
Investments		
Expenditures on mineral properties and deferred exploration	(7,693,365)	(3,061,637)
Cash acquired upon reverse takeover	-	336,008
Purchase of mill and equipment	(1,445,981)	(28,995)
Cash flow used in investing activities	(9,139,346)	(2,754,624)
Effect of exchange rate changes on cash and cash equivalents	11,576	-
Net increase (decrease) in cash and cash equivalents	(8,592,573)	9,613,817
Cash and cash equivalents at begin. of period	9,983,977	370,160
Cash and cash equivalents at end of period	1,391,404	9,983,977

The accompanying notes are an integral part of these consolidated financial statements

These consolidated financial statements have been approved by the Company's Board of Directors

Anaconda Mining Inc.
Notes to the Consolidated Financial Statements
For the 12 months ended May 31, 2008 and
For the 8 months ended May 31, 2007

General

Anaconda Mining Inc. (the "Company" or "Anaconda") was incorporated under the laws of British Columbia. On April 18, 2007, Anaconda completed an acquisition (the "Acquisition") of Colorado Mineral Inc. ("Colorado") by issuing 19,701,560 common shares of the Company to the shareholders of Colorado in exchange for all the issued and outstanding shares of Colorado. As a result of the issuance, the former shareholders of Colorado owned approximately 50.8% of the then outstanding common shares of Anaconda thereby affecting a reverse takeover ("RTO") of Anaconda. Accordingly, for accounting purposes Colorado is deemed to be the acquirer of Anaconda, although Anaconda is the legal parent company and the reporting issuer.

The Company's principal business activity is that of a mineral exploration and mining company with operations in Canada and Chile. At May 31, 2008, the Company continued to complete the construction of its mining project in Baie Verte, Newfoundland (the "Pine Cove project") and bring it toward commercial production hereby defined as the first day of the month following the first month in which gold has been produced from the project for a period of thirty consecutive days at an average rate of not less than 70% of the initial-rated capacity of the mill ("Commercial Production").

The Company has not yet established whether its mineral properties in Chile contain reserves that are economically recoverable. The recovery of amounts capitalized for mineral properties and related deferred costs on the consolidated balance sheets is dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange appropriate financing to complete the development of the properties and upon future profitable production or proceeds from their disposition.

1. Summary of Significant Accounting Policies

Going Concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. If the "going concern" assumption is not appropriate, then material adjustments may be necessary in the carrying amounts and/or classifications of assets and liabilities in these financial statements.

Principles of Consolidation

These consolidated financial statements include the accounts of Anaconda and its legal subsidiaries, Colorado Minerals Inc., a Canadian company and Inversiones La Veta Limitada, a limited liability company based in Chile. These consolidated financial statements have been prepared to reflect the combination that occurred on April 18, 2007 and are based on an acquisition under the purchase method, applying reverse takeover accounting. As a result of the combination, control of Anaconda passed to the shareholders of Colorado. Under reverse takeover accounting, Colorado is deemed to be the acquirer and the continuing entity. The financial statements of the combined entity are issued under the name of the legal parent, Anaconda Mining Inc., but are considered to be a continuation of the financial statements of the legal subsidiary, Colorado Minerals Inc.

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Investments

The investments include 280,000 shares of Merc International Minerals Inc., a publicly-traded Canadian company traded on the TSXV. As at May 31, 2008, these available-for-sale investments have been measured at their fair value, as determined by the closing price of the securities on the TSXV on May 30, 2008, resulting in an increase of \$205,000 in these investments and a corresponding increase in accumulated other comprehensive income of \$175,300 and a future income tax liability of \$29,700.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the period. The most significant estimates and assumptions include those related to the ability of the Company to continue as a going concern, the mineral properties and related deferred costs, asset retirement obligation and stock-based payments. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, including cashable guaranteed investment certificates.

Mineral Properties and Related Deferred Costs

The Company records its interest in mineral properties at cost. Direct costs relating to the acquisition, exploration and development of mineral properties, less recoveries, are deferred until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned. If the property is placed into production, deferred costs will be amortized and depleted using the unit-of-production method over the estimated economic life of the mine. The deferred costs would be written off if the property is sold or abandoned. If it is determined that the carrying value of a property exceeds its net recoverable amount as estimated by management, or exceeds the selling value of the property, a provision is made for the decline in value and charged against operations in the year.

The amounts shown for mineral properties and related deferred costs represent costs incurred to date, less write-offs and recoveries, and do not necessarily reflect present or future values of the particular properties. Proceeds from gold sales during the bulk sampling development stage and the net realizable value of gold concentrate in inventory will be netted against deferred exploration and development costs.

Joint Venture Participation and Accounting

From time to time the Company enters into agreements that provide for specified percentage interests in mineral property rights to be allocated to joint venture participants in exchange for funding or joint funding of exploration programs.

Where agreements specify the Company as the operator, and controlling interest of the exploration program of the venture, such arrangements are considered to be participation funding and not considered to be joint ventures.

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Joint venture accounting is applied by the Company only when commercial feasibility is established and the parties enter into formal comprehensive agreements for ownership and mining participation terms. Accordingly, the Company records funding contributions prior to such agreements as reductions of carrying costs and no gain or loss on disposition of a partial interest is recorded.

Amortization

Office furniture, fixtures and equipment and leasehold improvements are recorded at cost and are amortized on a straight line basis over their useful estimated life estimated at between 2 and 5 years.

With the Company's Pine Cove project nearing construction completion, the Company has reviewed its previously stated policy on the amortization of its mill and equipment. Previously, the Company had indicated that mill and equipment would be amortized on a straight-line basis over a period ranging from 5-20 years. Upon review, the Company has determined that a more appropriate measure would be on a "units-of-production" basis. This accounting policy change has no effect on previous reporting as amortization will commence for these assets once the Pine Cove project commences Commercial Production.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, using the substantially enacted tax rates expected to apply when these temporary differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized (*note 15*).

Foreign Currency Translation

The Company's foreign operations are integrated and are included in these consolidated financial statements on the basis that monetary assets and liabilities are translated at the period end rate of exchange, non-monetary assets and liabilities are translated at historical rates, and revenues and expenses are translated at the exchange rate in effect at the time the revenues are earned or the expenses are incurred. Exchange gains and losses arising on the translation of monetary items are included in income and loss from operations.

Loss Per Share and Comprehensive Loss Per Share

Loss per share and comprehensive loss per share is calculated based on the weighted average number of shares issued and outstanding during the quarter or year, as appropriate. In the years when the Company reports a net loss and comprehensive net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same.

Stock-based Compensation

The Company applies the fair-value based method to all stock options granted. Accordingly, compensation cost is measured at fair value at the date of grant and is expensed on a straight line basis over the vesting period, with the related credit included in contributed surplus. The applicable contributed surplus is transferred to share capital, if and when stock options are exercised. Any consideration paid on the exercise of stock options is credited to capital stock.

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The Company uses the Black-Scholes option pricing model to determine the value of all issued options and warrants. The table below summarizes the assumptions used with the Black-Scholes model for determining the value of the stock-based costs for the stock options and warrants issued in 2008 and 2007.

The weighted-averages used in the Black-Scholes option pricing method were as follows:

	2008	2007
Dividend Yield	-	-
Expected volatility	118.4%	-
Risk-free interest rate	4.2%	-
Expected life (years)	5.0	-

Asset Retirement Obligations

The Company follows the CICA Handbook Section 3110 "Asset Retirement Obligations", which established standards for asset retirement obligations and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement of fair value. As at May 31, 2008, the Company has estimated \$645,000 (2007 - \$250,000) in asset retirement obligations related to its Pine Cove property.

Revenue Recognition

The Company does not record revenue from property development until such time as Commercial Production is attained. Proceeds from gold sales during the bulk sampling development stage are deducted from deferred exploration and development costs. The Company recognizes interest revenue over the passage of time on a quarterly basis.

Financial Instruments

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Comprehensive Income / (Loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or

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losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

Hedges

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 – “Hedging Relationships”, and the hedging guidance in Section 1650 – “Foreign Currency Translation” by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The application of these new standards has no impact on the Company’s financial results.

Future Accounting Changes

Capital Disclosure and Financial Instruments – Disclosure and Presentation.

On December 1, 2006, the CICA issued three new accounting standards: *Handbook Section 1535 – “Capital Disclosures”*, *Handbook Section 3862 – “Financial Instruments – Disclosure”* and *Handbook Section 3863 – “Financial Instruments – Presentation”*. These new standards are effective for interim and annual financial statements for the Company’s reporting period beginning June 1, 2008.

Section 1535 specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Sections 3862 and 3863 replace Handbook Section 3861 – “Financial Instruments – Disclosure and Presentation”, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extend of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outline the convergence of Canadian GAAP with International Financial Reporting Standards (“IFRS”) over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of June 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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2. The Acquisition

On September 18, 2006, Anaconda and Colorado entered into a letter of intent whereby Anaconda was to acquire all of the shares of Colorado in exchange for the issuance to Colorado's shareholders of an aggregate number of post-consolidated common shares of Anaconda equal to approximately 100% of the then issued and outstanding common shares of Anaconda plus an additional 500,000 shares. On April 18, 2007, Anaconda completed the Acquisition by issuing 19,701,560 common shares of the Company to the shareholders of Colorado in exchange for all the issued and outstanding shares of Colorado. As a result of the issuance, the former shareholders of Colorado owned approximately 50.8% of the then outstanding common shares of Anaconda thereby affecting a reverse takeover ("RTO") of Anaconda. Accordingly, for accounting purposes Colorado is deemed to be the acquirer of Anaconda, although Anaconda is the legal parent company and the reporting issuer.

The consideration of the RTO Acquisition is based on the fair value of the net assets of the acquiree (Anaconda) as neither the fair value of the shares of Anaconda or Colorado could be reasonably determined.

Allocation of the purchase price is as follows:

	\$
Cash	336,008
Working Capital (excluding cash)	(858,883)
Capital Assets	1,325,488
Deferred Call Option Premium	456,300
Deferred Financing Costs	280,201
Mineral Properties and Deferred Exploration Expenditures	6,546,800
Promissory Notes Payable	(1,100,000)
Loan Payable	(1,129,400)
	<u>5,856,514</u>
Transaction Costs	639,884
	<u>6,496,398</u>
Total Consideration	6,496,398

Anaconda's deficit, share capital, warrants and contributed surplus balances as at April 18, 2007, have been eliminated upon consolidation and the deficiency of the purchase price over the fair value of the net assets of \$11,149 has been allocated to mineral properties.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with the banks of \$784,237 (May 31, 2007 - \$2,243,487) and cashable guaranteed investment certificates that of \$607,167 (May 31, 2007 - \$7,740,490).

CICA 1540.52 calls for the disclosure of cash or cash equivalents that may be available for current purposes but on a restricted basis. The following chart discloses the Company's cash and cash equivalents that are restricted as a result of cash held by its Canadian bank in interest bearing deposits securing letters of credit issued regarding the Pine Cove project:

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	May 31, 2008	May 31, 2007
	\$	\$
General Purpose		
Cash	784,237	2,243,487
Cash equivalents	66	7,740,490
	784,303	9,983,977
Restricted		
Cash	-	-
Cash equivalents	607,101	-
	607,101	-
Total Cash and Cash Equivalents	1,391,404	9,983,977

4. Investments

The investments consist of common shares of a company traded on the TSX Venture Exchange ("TSXV") and were measured at the fair value as determined by the closing prices of the company's shares on the TSXV on the days of receipt. Anaconda has identified these investments as available-for-sale and has measured their fair value, as determined by the closing price of the securities on the TSXV on May 31, 2008, resulting in an increase of \$205,000 in these investments and a corresponding increase in accumulated other comprehensive income of \$175,300 and future income taxes liability of \$29,700. As the Company has extensive CDE and CEE tax pools available to offset any future taxes, the aforementioned income tax liability has been reduced to zero with a corresponding future income tax recovery taken in the current period's net loss.

5. Mineral Properties and Deferred Exploration Expenditures

	May 31, 2008	May 31, 2007
	\$	\$
Mineral Properties		
Balance at beginning of period	9,148,770	1,052,568
Acquisitions costs ¹	(1,321,003)	1,560,551
Acquisitions costs – RTO Acquisition, net of purchase price deficiency (note 2)	-	6,535,651
Costs written off	(1,263,881)	-
Balance at end of period	6,564,886	9,148,770
Deferred Exploration Expenditures		
Balance at beginning of period	1,701,435	189,200
Deferred exploration expenditures	10,652,195	1,512,235
Costs written off	(4,463,011)	-
Balance at end of period	7,890,897	1,701,435

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	May 31, 2008	May 31, 2007
Asset Retirement Obligation (note 11)		
Balance at beginning of period	250,000	-
Additions for period	435,000	250,000
Balance at end of period	645,000	250,000
	15,099,783	11,100,205

A detailed breakdown of the Company's mineral properties and deferred exploration expenditures by property is as follows:

Property	May 31, 2007 \$	Additions	Written-off	May 31, 2008 \$
Inca de Oro Sur (formerly known as Carmen) ¹	2,142,595	(2,142,595)	-	-
Vicuña	1,074,265	807,286	(1,881,551)	-
San Gabriel	2,140	2,771,718	-	2,773,858
Other Chilean	907,177	3,057,769	(3,112,667)	852,279
Pine Cove	2,375,144	6,427,040	-	8,802,184
Damoti Lake	3,736,853	165,028	(1,954,813)	1,947,068
Borthwick Lake ²	617,759	(137,637)	-	480,122
Lingman Lake	244,272	-	-	244,272
	11,100,205	10,948,609	(6,949,031)	15,099,783

Property	September 30, 2006 \$	Additions	Written-off	May 31, 2007 \$
Inca de Oro Sur (formerly known as Carmen) ¹	764,300	1,378,295	-	2,142,595
Vicuña	399,583	674,682	-	1,074,265
San Gabriel	-	2,140	-	2,140
Other Chilean	77,885	829,292	-	907,177
Pine Cove	-	2,375,144	-	2,375,144
Damoti Lake	-	3,736,853	-	3,736,853
Borthwick Lake ²	-	617,759	-	617,759
Lingman Lake	-	244,272	-	244,272
	1,241,768	9,858,437	-	11,100,205

¹ Balance and additions for year reflect US\$2.05 million option payment received from Minera Peñoles de Chile ("Peñoles").

² Balance reflects an option payment received in accordance with an agreement entered into with MERC International Minerals Inc. referenced below.

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The Company's major properties and its commitments thereon are as follows:

San Gabriel

The project is located in northern Chile near the coastal deep-water port of Chañaral. The 3,800 hectare Project lies 60 km northeast of the Pacific coastal city of Chañaral, which has potential to provide the required infrastructure for shipping iron ore overseas. 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\$2.4 million over four years, including a US\$20,000 payment made on signing.

The following fiscal commitments exist for the project: 2010 – US\$115,000; 2011 – US\$500,000 and 2012 – US\$1,720,000.

Inca de Oro Sur (formerly known as Carmen)

Located 100 km north of Copiapo, Chile, the project is located in the Inca de Oro mining district. The Company has the right to earn a 100% interest in the property by making staged payments totaling US\$5.57 million. The following remaining fiscal payment commitments exist for the project: 2009 – US\$1,190,000; 2010 – US\$1,160,000 and 2011 – US\$1,600,000.

In September 2007, the Company announced that it had completed its definitive agreement with Minera Peñoles de Chile ("Peñoles") and EM DOS Limitada ("EM DOS") to jointly explore and develop the project. Under the terms of the agreement, Peñoles has the right to earn a 65% interest over a 48-month period by spending a total of US\$22 million. Of this amount, US\$12 million will comprise cash payments to Anaconda and EM DOS and US\$10 million will comprise direct exploration expenditures on the project. The Company received its portion (US\$2.05 million) of the first payment of US\$3.0 million due under the Peñoles agreement. The Company also issued 400,000 shares of Anaconda Mining Inc., valued at \$176,000, to EM DOS as per the agreement. The value has been capitalized to the carrying value of the project.

The payment received from Peñoles was been netted against the carrying value of the project reducing it to zero. The amount in excess of the carrying value has been recorded as a reduction to the exploration costs written off during the year.

Pine Cove

Located in Baie Verte, Newfoundland, the Pine Cove project consists of two contiguous mining leases totaling 659.7 hectares.

Under an agreement dated November 26, 2003, the Company acquired an exclusive option to earn up to an undivided 60% interest in the Pine Cove project in Newfoundland. To earn an initial 30% undivided interest in the Pine Cove project, the Company was required to pay \$30,000 to the optionor by December 26, 2003 and \$62,500 on the signing of the agreement as well as incurring a minimum of \$500,000 of exploration expenditures on or before December 31, 2004. As at May 31, 2008, the required cash payments and exploration expenditure requirements have been fulfilled.

To earn the remaining 30% interest, the Company must complete construction of the project's production facilities and bring the project into Commercial Production.

The Company must pay a 3% net smelter royalty to the original vendor on all metals refined from the project. Anaconda also must pay a 7.5% net profits interest to a previous owner.

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Vicuña

Located approximately 100 km southeast of Copiapo, Chile, the Vicuna property is in the high Andes and situated near the Argentine border. The Company had the right to acquire a 100% interest in the Vicuna property by making staged payments totaling US\$9.9 million. Subsequent to year end, the Company allowed the option on this project to lapse and retains no further interest in the property. The Company has recorded an impairment in the carrying value of the property at year end and has reduced it to zero with a corresponding charge to the income statement.

Damoti Lake

The Damoti Lake gold project is located 200 km north of Yellowknife, NWT. On May 11, 2007 Anaconda announced that it had completed the acquisition of a 100% interest in mining lease DAM 3, which hosts the Horseshoe Zone deposit, and an 80% interest in five surrounding mining licences.

As a result of an option agreement entered into with Merc International Minerals Inc. ("MIMI") on July 31, 2008 (*Note 18*), the Company has recorded an impairment in the carrying value of the property of \$1,954,813 and has no further interest in the project. The value carried by the Company at May 31, 2008, represents the anticipated future value of the payments due to the Company by MIMI under the option.

Borthwick Lake

On December 3, 2007, the Company entered into an option agreement (the "Borthwick Option Agreement") with MIMI, whereby MIMI may acquire an undivided 100% interest (the "Borthwick Interest") in the Company's Borthwick Lake claims (the "Borthwick Option") until termination on the earlier of November 30, 2011 or 7 days after default by MIMI for non-payment amounts due to Anaconda, amounts to be expended on exploration of Borthwick property or issuance of MIMI common shares to Anaconda, all in accordance with the Borthwick Option Agreement.

Under the terms of the Borthwick Option Agreement, MIMI may exercise the Borthwick Option by:

- i) Paying to the Company \$25,000 prior to December 31, 2007 (received by the Company) and \$50,000 prior to November 30, 2009.
- ii) Incurring exploration expenditures on the Borthwick property aggregating \$1.7 million as follows:
 - a) Between December 31, 2007 and November 30, 2008 - \$150,000;
 - b) between December 1, 2008 and November 30, 2009 - \$200,000;
 - c) between December 1, 2009 and November 30, 2010 - \$400,000; and
 - d) between December 1, 2010 and November 30, 2011 - \$950,000
- iii) Issuing to the Company, the following common shares in the capital of MIMI from treasury, free and clear of all liens, encumbrances, claims and restrictions of any nature, including resale transactions, within the time periods set forth below:
 - a) On or before December 31, 2007 – 250,000 (received by the Company);
 - b) on or before November 30, 2009 – 350,000;
 - c) on or before November 30, 2010 – 450,000; and
 - d) on or before November 30, 2011 – 550,000.

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As noted under iii) a) above, the Company has received the MIMI common shares and will treat the shares as financial instruments (CICA 3855.19 (b)(iv)) that are "available-for-sale" (CICA 3855.19(i)) with the appropriate comprehensive gain or loss disclosure that will occur with mark-to-market adjustments on a go-forward basis.

Upon earning the Borthwick Interest, MIMI shall grant to the Company an industry standard net smelter royalty in any mineral produced from the Borthwick property (the "Borthwick NSR"). The Borthwick NSR shall be 1% in any month that the average afternoon London Gold Fix is less than US\$600 and 2% in any month that the average afternoon London Gold Fix is US\$600 or more. The Borthwick NSR shall be paid on a quarterly basis, in arrears.

Lingman Lake

On February 29, 2008, the Company entered into an option agreement (the "Lingman Option Agreement") with MIMI, whereby MIMI may acquire an undivided 100% interest (the "Lingman Interest") in the Company's Lingman Lake claims (the "Lingman Option") until termination on the earlier of November 30, 2011 or 7 days after default by MIMI for non-payment amounts due to Anaconda, amounts to be expended on exploration of the Lingman property or issuance of MIMI common shares to Anaconda, all in accordance with the Lingman Option Agreement.

Under the terms of the Lingman Option Agreement, MIMI may exercise the Lingman Option by:

- iv) Paying to the Company \$25,000 prior to November 30, 2008.
- v) Incurring exploration expenditures on the Lingman property aggregating \$300,000 as follows:
 - a) Between February 29, 2008 and November 30, 2008 - \$50,000;
 - b) between December 1, 2008 and November 30, 2009 - \$100,000;
 - c) between December 1, 2009 and November 30, 2010 - \$100,000; and
 - d) between December 1, 2010 and November 30, 2011 - \$50,000
- vi) Issuing to the Company, the following common shares in the capital of MIMI from treasury, free and clear of all liens, encumbrances, claims and restrictions of any nature, including resale transactions, within the time periods set forth below:
 - e) On or before November 30, 2010 – 150,000; and
 - f) on or before November 30, 2011 – 250,000.

Upon earning the Lingman Interest, MIMI shall grant to the Company an industry standard net smelter royalty in any mineral produced from the Lingman property (the "Lingman NSR"). The Lingman NSR shall be 1% in any month that the average afternoon London Gold Fix is less than US\$600 and 2% in any month that the average afternoon London Gold Fix is US\$600 or more. The Lingman NSR shall be paid on a quarterly basis, in arrears.

On a quarterly basis, management of the Company review exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization.

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6. Leasehold Improvements

As at	May 31, 2008		May 31, 2007	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Leasehold Improvements	16,765	5,775	16,765	2,441
	16,765	5,775	16,765	2,441
Net Book Value	10,990		14,324	

7. Mill and Equipment

As at	May 31, 2008		May 31, 2007	
	Cost \$	Accumulated Amortization(*) \$	Cost \$	Accumulated Amortization \$
Mill	2,287,174	-	1,008,403	-
Equipment	512,962	-	346,080	-
	2,800,136	-	1,354,483	-
Net Book Value	2,880,136		1,354,483	

*As per the Company's amortization policy (Note 1), amortization of the Mill and Equipment will commence upon Commercial Production.

8. Convertible Loan

On February 5, 2007, the Company announced that it has closed a production facility financing with Auramet Trading, LLC ("Auramet") of Fort Lee, New Jersey, pursuant to which Auramet has lent the sum of US\$2.5 million as a project facility (the "Loan").

The Loan has a conversion feature that allows Auramet to convert any outstanding balance of the Loan into common shares of the Company with a strike price of Cdn\$1.30 per share. As the Loan is denominated in US dollars, the Loan also provides for a fixed conversion of US\$1 equal to Cdn\$1.133.

On March 31, 2008, the Company reached an agreement with Auramet Trading, LLC (the "Lender") to extend the maturity date on the Loan until May 31, 2008 in order to match expected revenues from its Pine Cove project with repayment of the outstanding loan balance. The Company's principal repayment and final balloon payment, both scheduled for payment on March 31, 2008, were adjusted such that the extended principal balance due on May 31, 2008 was US\$1 million. All other terms and conditions of the original agreement remain in effect, including the conversion provisions. Upon extension of the Loan, the Company valued the conversion portion of the extended loan amount as described per CICA 3861 using a discount factor of 12%, a factor it considered to be consistent with interest costs for a similar loan with no conversion feature. Since this factor is equal to the interest rate on the loan, the value attributable to the equity component of the extended Loan was zero. The Loan was repaid on May 31, 2008.

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The Company also amortized the cost of the Loan (\$343,000, having been recorded as a deferred financing charge) evenly until March 31, 2008.

9. Gold Price Protection Program (“GPPP”)

As a requirement under the Loan, Anaconda entered into the GPPP with Auramet over the period of the Loan. The gold call option premium charged by Auramet was \$456,300 and has been capitalized to the Pine Cove property.

As the commencement of initial production at its Pine Cove project was pushed back to early June 2008, the Company and Auramet have revised the GPPP such that all future delivery of gold by the Company to Auramet has been terminated. In doing so, the Company and Auramet closed out all forward sales contracts at a net cost to the Company of \$1,231,731. Contemporaneously, the Company close out all its forward-buy contracts for gross proceeds of \$770,005 which it used to pay down the Loan (plus accrued interest) and forward sales contracts due at May 31, 2008. The net loss of \$461,726 on closing out these contracts was capitalized to the Pine Cove mineral property. The remaining forward-sales contract amounts of \$992,796, due to Auramet (over the same period as the underlying gold sales that were cancelled) are included in accounts payable and accrued liabilities.

10. Related Party Transactions

For the 12 months ended May 31, 2008, the consolidated financial statements include \$186,166 (8 months ended May 31, 2007 - \$24,255) in consulting expense incurred with directors and/or officers of the Company or corporations controlled by them. These transactions are measured at their exchange amounts, being the amounts agreed upon between the Company and the related parties.

11. Capital Stock

(a) Common Shares

Anaconda’s authorized share capital consists of an unlimited number of Common shares.

The issued and outstanding Common shares are as follows:

	Number of Shares	\$
Issued for cash:		
Upon incorporation	200	10
Private placement	37,425,450	1,894,896
Balance at September 30, 2006	37,425,650	1,894,906
Issued for cash:		
Private placement	800,000	100,000
Balance at April 18, 2007¹	38,225,650	1,994,906
1 for 2 share consolidation	(19,112,825)	-
Issuance of shares upon reverse take-over	19,701,560	6,496,398
Issued for cash:		

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Public financing net of cost of \$1,888,097	16,531,250	11,336,903
Exercise of options	75,000	45,000
Fair value transfer to warrants	-	(2,114,080)
Balance at May 31, 2007	55,420,635	17,759,127
Issued for cash:		
Private placement	2,585,000	2,585,000
Exercise of options	192,500	144,000
Exercise of warrants	331,250	212,500
Exercise of agent warrants	991,875	793,500
Costs of financings	-	(153,053)
Fair value of issued warrants	-	(398,366)
Fair value of exercised options	-	71,350
Fair value of exercised warrants	-	396,655
Issued for options on mineral properties	400,000	176,000
Issued on conversion of Loan (Note 8)	100,000	130,000
Balance at May 31, 2008	60,021,260	21,716,713

¹Date of Acquisition

The table above reflects the legal number of outstanding shares of Anaconda but the book value associated with them for accounting purposes is based upon Colorado's share capital account. The dollar amount of the legal stated capital of Anaconda therefore differs from the amounts reflected above.

Public Financing - 2007

On April 18, 2007, the Company completed a financing of 16,531,250 units (the "Units") including the exercise of an over-allotment option. Each unit was issued at a price of \$0.80 for gross proceeds of \$13,225,000. Each Unit consisted of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire, subject to adjustment in certain circumstances, one common share of the Company at a price of \$1.20 at any time on or prior to the close of business on April 18, 2009.

The 8,265,625 common share purchase warrants were assigned a value of \$2,114,080, using the Black-Scholes valuation model with the following assumptions: a two year expected term; 123.3% volatility, risk free interest rate of 4.24% and a dividend yield of Nil%.

In consideration for the services rendered by the Agents in connection with the Financing, the Company paid the Agents a cash fee equal to 6% of the gross proceeds of the Financing. As additional compensation, the Company granted to the Agents non-transferable share purchase warrants (the "Agents' Warrants") to purchase 991,875 common shares of the Company (6% of the total common shares sold under the Financing), exercisable at any time until April 18, 2008.

The 991,875 Agents Warrants were assigned a value of \$375,871, using the Black-Scholes valuation model with the following assumptions: a one year expected term; 123.3% volatility, risk free interest rate of 4.24% and a dividend yield of Nil%.

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Private Placement - 2008

The Company completed a 2-tranche, non-brokered private placement whereby it issued 2,585,000 units at a price of \$1.00 per unit, for gross proceeds of \$2,585,000. Each unit consists of 1 common share of the Company and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one common share of the Company at an exercise price of \$1.25 per share until November 14, 2009 (for 1,000,000 warrants that closed during tranche 1 of the financing) and November 30, 2009 (for the remaining 292,500 warrants that closed during tranche 2 of the financing).

The 1,000,000 and 292,500 share purchase warrants were assigned a value of \$313,004 and \$85,362 respectively, using the Black- Scholes valuation model with the following assumptions: a eighteen month expected term; 93.1% and 94.1% volatility, risk free interest rate of 2.98% and 3.16% and a dividend yield of Nil%.

The Company paid total finder's fees on the private placement of \$45,000.

(b) Warrants

The outstanding Issued Warrants balance at May 31, 2008, is comprised as follows:

Date of Expiry	Type	Fair Value	No. of Warrants	Exercise Price \$
April 17, 2009	Purchase warrants	2,093,296	8,184,375	1.20
November 14, 2009	Purchase warrants	313,004	1,000,000	1.25
November 30, 2009	Purchase warrants	85,362	292,500	1.25
Total		2,491,662	9,476,875	

The outstanding Issued Warrants balance at May 31, 2007, was comprised as follows:

Date of Expiry	Type	Fair Value	No. of Warrants	Exercise Price \$
September 19, 2007	Purchase warrants	-	250,000	0.46
August 2, 2007	Purchase warrants	-	620,962	1.50
April 19, 2009	Purchase warrants	2,114,080	8,265,625	1.20
April 19, 2008	Agents' warrants	375,871	991,875	0.80
Total		2,489,951	10,128,462	

(c) Options

Anaconda has a 10% rolling stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. As at May 31, 2008, the

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Company has 1,989,626 (2007 – 5,292,063) options available for issuance under the plan. Continuity of the unexercised options to purchase common shares is as follows:

	May 31, 2008		May 31, 2007	
	Weighted Average Exercise Price (\$)	No. of Options	Weighted Average Exercise Price (\$)	No. of Options
Outstanding at beginning of period	0.81	250,000	-	-
Transactions during the period:				
Granted pursuant to RTO	-	-	0.39	545,000
Granted	0.92	4,055,000	-	-
Exercised	0.75	(192,500)	0.42	(75,000)
Forfeited	0.88	(100,000)	0.61	(220,000)
Expired	-	-	-	-
Outstanding at end of period	0.93	4,012,500	0.81	250,000
Exercisable at end of period	0.91	3,322,500	0.81	250,000

The following table provides additional information about outstanding stock options at May 31, 2008:

Range of Exercise Prices (\$)	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price (\$)	No. of Options Currently Exercisable	Weighted Average Exercise Price (\$) of Exercisable Options
0.50 – 0.99	2,547,000	3.4	0.75	2,262,500	0.80
1.00 – 1.50	1,390,000	4.5	1.12	985,000	1.10
1.51 – 2.00	75,000	0.7	1.58	75,000	1.58
	4,012,500	4.2	0.93	3,322,500	0.91

Stock-based compensation

The fair value of the stock options granted for the 12 months ended May 31, 2008 was \$2,418,538 (8 months ended 2007 – \$Nil), which amount has been expensed in the statement of operations. The weighted average grant-date fair value of options granted during the year was \$0.69 (2007 – Nil) per option issued.

12. Contributed Surplus

	\$
Balance at May 31, 2007 and September 30, 2006	-
Stock-based compensation	2,418,538
Fair value transferred on exercised options	(71,350)
Balance at May 31, 2008	2,347,188

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13. Asset Retirement Obligations (“ARO”)

A reconciliation of the provision for asset retirement obligations is as follows:

	May 31, 2008	May 31, 2007
	\$	\$
Opening balance	250,000	-
Additions to provision for reclamation	395,000	250,000
Closing balance	645,000	250,000

The Company’s estimates of future asset retirement obligations are based on reclamation standards that meet or exceed regulatory requirements. Elements of uncertainty in estimating these amounts include potential changes in regulatory requirements, decommissioning and reclamation alternatives and amounts to be recovered from other parties. The provision for reclamation is provided against the Company’s Pine Cove project and is based on the project plan approved by the Government of Newfoundland.

In concert with the Company’s ARO obligations, it has issued letters of credit in the amount of \$565,500 to the Newfoundland and Labrador government in satisfaction of its requirements under the approved site development plan.

Upon commencement of commercial mining activities, this provision will be accreted over the life of the mine on a units-of-production basis, to the estimated retirement obligation payable through charges to operations.

14. Financial instruments

Fair values

At May 31, 2008, the carrying values of cash and cash equivalents, GST recoverable, prepaids and deposits, subscriptions receivable and accounts payable and accrued liabilities reflected in the balance sheet approximate their fair values due to the short-term nature of those instruments.

Foreign exchange risk

Certain transactions and investments in Chile are exposed to foreign exchange risk on movements of the Chilean Peso and the US dollar.

Derivatives – mineral properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties (“NSR”), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

15. Income Taxes

Estimated taxable income for the period is \$Nil. Based upon the level of historical taxable income, it cannot be reasonably estimated at this time if it is more likely than not that the Company will realize the benefits from future income tax assets or the amount owing from future income tax liabilities.

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Consequently, the future recovery or loss arising from differences in tax values and accounting values have been reduced by an equivalent estimated taxable temporary difference valuation allowance.

Future Income Taxes Recoverable

The income tax provision differs from that computed using the statutory tax rates for the following reasons:

	May 31, 2008 (\$)	%	May 31, 2007 (\$)	%
Income taxes at Federal and Provincial statutory rates	(3,803,800)	(34.8)	(217,600)	(36.1)
Difference between Canadian and foreign tax rates	816,500	7.5	(300)	0.0
Expenses deductible for tax purposes:				
1/2 Capital (gain) loss treatment	(90,500)	(0.8)	54,800	9.1
Expenses not deductible for income tax purposes:				
Stock-based compensation	841,700	7.7	-	-
Other	2,400	0.0	150,200	24.9
Valuation allowance	2,239,100	20.1	123,600	20.5
Future income taxes (recoveries)	(29,700)	(0.3)	-	-

Future Income Tax Liability

The tax effects of temporary differences that give rise to significant portions of future tax assets and liabilities are:

	May 31, 2008 (\$)	May 31, 2007 (\$)
Future tax asset:		
Temporary timing differences on long-term assets	(811,700)	(139,600)
Capital and non-capital losses available for carry forward	(968,100)	(617,300)
Deductible Financing Fees	(332,400)	(423,300)
Future tax liability:		
Future tax payable on unrealized gains on "Available-for-sale" investments	29,700	-
Valuation Adjustment	2,082,500	1,180,200
Future Income Tax Liability	-	-

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16. Segmented Information

The Company has assets and operations in Chile, Brazil and Canada. Information regarding the Company's reportable segments that are by geographical area, is as follows:

	May 31, 2008	May 31, 2007
Identifiable Assets:		
Canada	16,226,127	18,552,115
Brazil	-	-
Chile	3,660,675	4,940,253
Consolidated Identifiable Assets	19,886,802	23,492,368
For the 12 months (8 months –2007) ended May 31st		
	2008	2007
Canada	(5,612,519)	(241,012)
Brazil	(616,839)	-
Chile	(4,671,506)	(129,881)
Consolidated Net Loss	(10,900,864)	(370,893)

17. Commitments

Anaconda leases its premises under a non-cancellable operating lease that expires in 2009. Under the terms of the lease agreement, Anaconda is also responsible for realty taxes, insurance, maintenance and its proportionate share of common area costs.

Future minimum lease payments, by year and the aggregate, are as follows:

Fiscal period ended May 31 st	\$
2009	50,519
	50,519

18. Subsequent Events

Damoti Project

Pursuant to an options agreement dated August 1, 2008, Anaconda optioned its interest in the Damoti Lake gold project to MIMI. Under the terms of the option agreement, upon exercise of the option, the Company was to receive \$250,000 (received) as an option payment, \$208,000 (received) as reimbursement for security deposits held by government authorities regarding the land and water use on the project and 1,250,000 common shares of MIMI (not yet received pending TSXV approval).

Pine Cove Project

Pre-production at the project commenced in early June 2008 and the first gold pour was achieved on July 16, 2008. Subsequent gold pours have been completed but the project remains in its pre-

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commercial production stage as it has yet to achieve Commercial Production. All revenues earned during the pre-Commercial Production stage are recorded as a reduction to the carrying value of the project.

Private Placement

7.5% Convertible Loan

In July 2008, the Company arranged for a 7.5% convertible unsecured loan facility (the "7.5% Facility") of up to \$1.5 million dollars from Thorsen-Fordyce Merchant Capital Inc, an insider of the Company. The 7.5% Facility allows the holder to convert the indebtedness of, in whole or in part, into units of the Company, each unit consisting of one common share and one-half of one common share purchase warrant, at the greater of (i) \$1.00 per unit, and (ii) the volume weighted average trading price of the common shares of the Company for the twenty trading days immediately preceding the date of the notice of conversion (the "Conversion Price"), per unit. Each whole warrant received on the conversion will entitle the holder to purchase one common share during the 18 months after the date of conversion at (i) a price of \$1.25 per share where the conversion price was \$1.00, or (ii) at a price equal to 1.25 times the Conversion Price.

The Company has fully drawn on this facility.