



**October 15, 2008**

**FOR IMMEDIATE RELEASE**

**TORONTO** – Anaconda Mining Inc. (“Anaconda or the “Company”) – (TSX - ANX); is pleased to report its results as at and for the 3 months ended August 31, 2008. All amounts are in Canadian dollars unless stated otherwise.

**FINANCIAL HIGHLIGHTS**

- As at August 31, 2008, the Company had total assets of \$19.9 million including cash and cash equivalents of \$680,000 of which \$607,000 is restricted as a result of various balances on deposit with the Company’s financial institutions in Chile and Canada.
- No operating revenues during the 3 months ended August 31, 2008 as the Company continues to focus on exploration activities with regard to its Chilean project and move toward full commercial production at its Pine Cove project.
- Consolidated comprehensive loss for the 3-month period was \$1.1 million. The loss included administrative expenses of \$885,000, foreign exchange losses of \$25,000 and future income taxes of \$35,000. These costs were offset slightly with interest income of \$3,000. The remainder consisted of unrealized losses on available-for-sale investments of \$207,000 (net of future taxes of \$35,000). This compares with a comprehensive loss of \$1.3 million comprised of administrative expenses of \$1.8 million, foreign exchange gains of \$440,000 and interest income of \$62,000 for the same period in 2007.
- Cash utilized during the 3-month period ended August 31, 2008 was \$711,000 and comprised cash used in operating activities of \$492,000, used in investing activities of \$1.8 million offset by funds provided from financing activities of \$1.6 million.

**OPERATIONAL HIGHLIGHTS**

***Pine Cove***

- The project continues to work toward full commercial production status by refining its processes to increase efficiencies on throughput and recovery. However, full commercial production will not be reached in October as anticipated. The operation continues to experience difficulties with the concentration circuit at the front end of the plant.
- Unexpected wear on the pumps within this circuit has involved more maintenance than anticipated. Recoveries have not been up to expectations and throughput has been low, due to down time.
- Modifications to this circuit continue to be made in consultation with the manufacturers of the equipment. As a result, throughput has also been limited to allow for the implementation of these changes and improvements.
- The unanticipated and continued delay in reaching full commercial production at the project has caused the Company to utilize available working capital on operations and capital requirements at the mine site impeding its ability to deploy the funds in other areas of its operations.

### ***Inca de Oro Sur (formerly known as Carmen)***

- Subsequent to the quarter ended August 31, Anaconda has received a final summary report from its joint venture partner Peñoles, indicating that the drilling program commenced by Peñoles in October 2007 has been completed and that they have met their year 1 exploration expenditure commitment (minimum \$3mm) as per the option and joint venture agreement governing the project. Peñoles has until November 11, 2008 to notify Anaconda of their intent to continue into year 2 of the option and joint venture agreement, whereby a cash payment of US\$1.95 million is payable to Anaconda on or before November 26, 2008 and additional exploration and related expenditures of a minimum of US\$3 million are required to be spent on the project in 2009. Results are pending with respect to drill holes not previously released during the 2008 program and will be press released in the near future.

### **About Anaconda**

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

The Company is presently focused on the San Gabriel Iron Project in Chile, where it has identified several zones of magnetite-iron mineralization. The Project 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 complement this project within its existing portfolio.

*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.*

### **FOR ADDITIONAL INFORMATION CONTACT:**

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