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FOR IMMEDIATE RELEASE

TORONTO – Anaconda Mining Inc. (“Anaconda or the “Company”) – (TSX: ANX); reports its results for the second quarter and the 6 months ended November 30, 2008. All amounts are in Canadian dollars unless stated otherwise.

FINANCIAL OVERVIEW

- As at November 30, 2008, the Company had total assets of \$19.3 million including cash and cash equivalents of \$659,000, of which \$658,000 is restricted as a result of various balances on deposit with the Company’s financial institution in Chile and letters of credit guarantees with a Canadian financial institution.
- During the 6 months ended November 30, 2008, the Company had no operating revenues. Cash generated from its Pine Cove project was capitalized, reducing the overall cost of the project, as it remains in an extended commissioning phase while inefficiencies in the concentrator circuit are resolved.
- Consolidated net loss for the 6-month period was \$1.5 million or \$0.03 per share. The loss included administrative expenses of \$1,351,000 and future income taxes of \$224,000. These costs were offset slightly with interest income of \$6,000 and foreign exchange gains of \$45,000.
- Cash used during the 6-month period ended November 30, 2008 was \$733,000 and comprised cash provided from operating activities of \$175,000, cash provided from investing activities of \$1.5 million offset by funds used in financing activities of \$2.4 million.
- Management is carefully managing its working capital. General and administrative expenses have been reduced to a minimum to conserve cash.

OPERATIONAL HIGHLIGHTS

Pine Cove

- The project continues to work toward full Commercial Production status and the Company is reviewing all possible alternatives to remedy the shortfall in throughput at the mill, including the potential for custom milling should it be economically viable to do so.
- The Gekko concentrator is not yet performing according to engineering design specifications, despite efforts to increase the efficiency of the unit. The unit was taken off-line in November and the operation now relies entirely on directing all of its ore feed to the grinding circuit, thereby limiting the throughput of the mill to approximately 100 tonnes per day (down from the design specification of 500 tonnes per day). While temporary, this has allowed for improved gold recovery, albeit at a significantly reduced rate of throughput. Discussions are ongoing with the supplier of the equipment to identify and rectify the problems with the concentrator.

- Operations at Pine Cove will continue throughout the winter season. Mining has been reduced as a result of throughput constraints, however milling from ore in stockpile continues, until operations can be normalized.
- 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.
- The economic fundamentals for this project remain favourable. Coupled with a strong gold price environment for the foreseeable future, management remains motivated to ensure gold production is maximized in the near term, and is taking all measures to this effect.

Inca de Oro Sur (formerly known as Carmen)

- In November 2008, the Company announced that it had received notice from its JV partner Minera Peñoles de Chile Ltda ("Peñoles") that it would not continue into the second year of the option and joint venture agreement governing the project. This was a direct result of the sudden and significant downturn that afflicted metals prices in the latter half of 2008 as demand evaporated and the global credit crisis spread across all sectors of the economy. Subsequently, in December of 2008 the Company entered into discussions with the vendor(s) of the Project to restructure or renegotiate the underlying option that remained. To date this process has not been successful and as such, the Company has not made the US\$1.1 million option payments due in December, and has undertaken to return the properties underlying the Project to the vendor(s).

San Gabriel

- To conserve capital, limited work was undertaken on the project during the quarter.
- The Company has entered into and is continuing discussions with several potential strategic partners regarding the commercial opportunities available at San Gabriel.

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. In Chile, the Company has identified several zones of magnetite-iron mineralization at its San Gabriel Iron Project. The Project is advantageously located close to road, rail, power and deep-sea port facilities.

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.

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