



## ANACONDA CLOSES FIRST TRANCHE OF SECURED CONVERTIBLE DEBENTURE OFFERING

September 16, 2008

**TORONTO** – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX), is pleased to announce that it has closed on the first tranche (the “First Tranche”) of a non-brokered, secured, convertible, 12% debenture financing (the “Debenture”) consisting of a total of up to 3,300 debenture units (the “Debenture Units”) with a face value of \$1,000 per Debenture Unit, maturing September 15, 2013 (the “Maturity”), at a subscription price of \$900 per Debenture Unit. The First Tranche consisted of 1,436 Debenture Units. Interest is payable semi-annually until Maturity and the Debenture may be prepaid in whole or in part (including accrued interest) at any time without penalty or bonus.

The Debentures are secured by a first charge over certain of the Company’s assets. The Company has also established a debt reduction escrow account (the “Escrow Account”) funded from gold sales from the Company’s Pine Cove gold project from which debt service and/or principal repayments will be made.

Each Debenture Unit may be converted (the “Conversion”) into common shares of the Company on the following basis:

<b>Period</b>	<b>Conversion Price per common share</b>
Until September 15, 2010	\$0.75
September 16, 2010 until September 15, 2012	\$0.90
September 16, 2012 until September 15, 2013	\$1.10

The Company may accelerate conversion of the Debentures if the closing price of the Company’s shares (listed on the Toronto Stock Exchange –TSX) is equal to or exceeds 100% of the underlying conversion price for a period of 20 consecutive trading days during any conversion period.

The Toronto Stock Exchange (“TSX”) has approved the listing of the common shares issuable pursuant to the Conversion.

### **About Anaconda**

Anaconda is a Toronto, Canada-based mining company with a portfolio of advanced-stage exploration projects in Canada and South America. The Company's Pine Cove gold mine in Newfoundland and Labrador achieved its first gold pour in July, 2008, where Mill commissioning continues with the anticipation that Commercial Production will be achieved in the near term.

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 31% iron in the indicated category and a further 2.6Mt 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.

*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.*

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

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