



ANACONDA ANNOUNCES INITIAL RESOURCE ESTIMATE FOR SAN GABRIEL IRON PROJECT

August 14, 2008

TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX:ANX), is pleased to announce the results of an initial independent mineral resource estimate for the San Gabriel Iron Project (“San Gabriel” or the “Project”), located in northern Chile near the coastal deep-water port of Chañaral. The Company is also pleased to announce it is working with two engineering consultants who will focus on the advancement of metallurgical and logistical studies.

The initial mineral resource estimate for the Project totals 57.9 million tonnes (“Mt”) at an average grade of 32 percent total iron (“% Fe”) in the indicated category and a further 2.6 Mt at an average grade of 29% Fe in the inferred category. The mineral resource is contained within three zones, namely the San Gabriel (Main), Esperanza and Antonia zones and uses a cutoff grade of 20% Fe (Table 1). See below for additional information related to this mineral resource estimate.

Table 1. San Gabriel Initial Mineral Resource Estimate¹

Zone	Category	Tonnage (Mt)	Iron Grade (% Fe)
San Gabriel (Main)	Indicated	53.6	31
Esperanza	Indicated	4.3	41
Total Indicated		57.9	32
Antonia	Inferred	2.6	29
Total Inferred		2.6	29

¹ using a cutoff of 20% iron

Consultants

The Company’s local Chilean exploration contractor, SBX Consultores (“SBX”), retained the services of two engineering consultants, Mr. Nelson Rojas and Mr. Antonio Barros, both of whom are based in Chile.

Mr. Rojas is a Mining Consultant with a degree in Civil Mining Engineering and over 30 years experience in open pit and underground mining operations and mining project evaluation. He has worked for, and consulted to, iron mining and exploration companies both in Chile and abroad. This work has included the evaluation of mineral resources, engineering, metallurgical testing and flow sheet development associated with the production of various iron ore products, including pellets, fines and lump ore. Mr. Rojas will focus on ongoing metallurgical test work and the development of flow sheets for San Gabriel.

Mr. Barros is a Logistics Specialist with a degree in Civil Engineering. He has over 20 years experience in the lumber and agriculture industries, focused on the seaborne export of these commodities from Chile to international markets. Mr. Barros has extensive knowledge of the

Chilean port system and supporting infrastructure. Mr. Barros will examine logistics related to the potential development of San Gabriel.

Lew Lawrick, President and CEO of Anaconda, comments: “We are excited to be announcing this initial mineral resource for San Gabriel, less than a year after drilling our first hole on the property. San Gabriel is a high-quality iron resource, located within a mining-friendly country and in an area of excellent infrastructure. I am also pleased to have Nelson and Antonio working with our team. With their experience in engineering, metallurgy and logistics, we are strengthening our expertise to rapidly advance this exciting Project, in a climate of record high iron prices and growing demand.”

Additional Mineral Resource Estimate Disclosure

The mineral resource estimate was prepared as at August 12, 2008 and is based on the results of 71 reverse circulation holes (17,566 metres) and 5 diamond holes (2,190.95 metres) drilled by Anaconda between September, 2007 and May, 2008.

Michael Easdon, a Registered Professional Geologist in the state of Oregon and a Qualified Person, as such term is defined in National Instrument 43-101 (“NI 43-101”), audited and confirmed the resource estimate presented in this release. Mr. Easdon is a Consulting Geologist and is independent of Anaconda. Mr. Easdon is responsible for, and has verified the technical information, including drill core and chip sampling, analytical and test data underlying the mineral resource estimate prepared herein. Mr. Easdon is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing or other issues that may materially affect the mineral resource estimate disclosed in this release. Mr. Easdon is currently preparing a NI 43-101 compliant technical report, which will be filed on SEDAR on or before August 29, 2008.

Assaying and analytical work was performed by Asesoría Minera Geoanalítica Ltda.’s (“Geoanalítica”) lab located in La Serena, Chile. Geoanalítica is ISO 9001:2000 certified and independent of Anaconda. Drill core, chips and trench channel samples were sampled and analyzed for total iron using standard wet chemical dissolution, followed by atomic absorption finish.

Separate and independent (Andes Analytical Assays of Santiago, Chile) check assays were performed on 97 pulps which generally confirmed that Geoanalítica is properly assaying the submitted samples. In addition, Anaconda selected 68 composites (comprising composites of between 2 and 24 2-metre samples) which were assayed by Geoanalítica using the standard volumetric wet analysis technique which confirmed that the initial iron values reported by Geoanalítica were reliable and repeatable.

Quality Assurance/Quality Control (“QA/QC”) procedures were reviewed by Mr. Easdon and found to be acceptable and conforming to normal industry standards. Mr. Easdon has visited the Project and the Company’s storage, sampling and logging facility located in Copiapo. Mr. Easdon has reviewed sampling and Quality Assurance and Quality Control procedures. Mr. Easdon has informed Anaconda that he considers the quality of the assay data to be adequate for the estimation of potential mineral resources. The initial mineral resource estimate for San Gabriel was performed utilizing geological cross and longitudinal sections and level plans. The mineral resource estimate presented herein is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum’s “CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines” as per Canadian Securities Administrator’s National Instrument 43-101 requirements.

An indicated mineral resource is that part of a mineral resource for which quantity, grade, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and

evaluation of the economic viability of the deposit. An inferred mineral resource is that part of a mineral resource for which quantity and grade can be estimated on the basis of the geologic evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity.

It cannot be assumed that the inferred mineral resources will be upgraded to an indicated mineral resource as a result of continued exploration. Furthermore, it cannot be assured that indicated or inferred mineral resources will be converted to a “reserve” category at such time as feasibility studies are initiated.

Property Overview

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.

Mineralization consists of a magnetite magmatic intrusive and magnetite-bearing metasomatised volcanoclastic andesitic host rocks occurring as a roof pendant in dioritic intrusives of Jurassic to lower Cretaceous age. 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 the San Gabriel (Main) zone 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 the mineralization is thus potentially amenable to beneficiation to a high-quality concentrate.

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 (see Anaconda news release dated September 20, 2007 for additional information regarding the San Gabriel option agreement).

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, located in Newfoundland, Canada.

The Company is presently focused on San Gabriel, where it has identified several zones of magnetite-iron mineralization. San Gabriel is advantageously located close to road, rail, power and deep-sea port facilities. The Company continues to aggressively advance San Gabriel to evaluate its potential to host economic concentrations of iron mineralization. The Company is actively pursuing new opportunities to complement 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.