



## ANACONDA MINING SECOND QUARTER FINANCIAL RESULTS FOR THE PERIOD ENDED MAY 31, 2007

August 31, 2007

### FOR IMMEDIATE RELEASE

**TORONTO** – Anaconda Mining Inc. (“Anaconda” or the “Company”) – (TSX - ANX); (FRANKFURT - GJ2) is pleased to report its results for the 8 months ended May 31, 2007. All amounts are in Canadian dollars unless stated otherwise.

On April 18, 2007, Anaconda completed an acquisition of Colorado Minerals 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.

### HIGHLIGHTS

#### *Financial*

- As at May 31, 2007, the Company had assets of \$23.4 million.
- No operating revenues during the 8-months ended May 31, 2007 as the Company continues to focus on exploration activities with regard to its Canadian and Chilean project portfolio.
- Consolidated loss for the period was \$371,000. The loss included expenditures of \$416,000 offset by interest income of \$45,000. This compares with expenditures of \$236,000 offset by interest income of \$4,000, for 2005.
- \$13,225,000 raised by way of an equity financing in April 2006.

The consolidated financial statements along with management’s discussion and analysis are available for viewing on the Company’s website at [www.anacondamining.com](http://www.anacondamining.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## ***Operational***

- **Pine Cove**

Site activities at the Pine Cove gold mine near Baie Verte, Newfoundland, are proceeding on schedule for anticipated start up of mining operations in the fourth quarter of this year. For the most recent pictures of the mine construction development, please go to our website at [www.anacondamining.com](http://www.anacondamining.com)

- **Carmen**

Negotiations with Industrias Peñoles S. A de C.V., (“Peñoles”) for a joint venture on the Carmen copper-gold project near Copiapo, Chile are continuing. Additional time has been required by Peñoles and Anaconda pending receipt of all property title documentation from the Land Registry office. With these documents now in hand the Definitive Agreement governing the exploration and earn-in commitment between the companies can now be finalized. Anaconda expects to execute the definitive agreement with Peñoles shortly.

- **Restauradora**

Anaconda has recently completed a 10-hole reconnaissance drilling program totalling 2,726 m at the Restauradora copper-gold project located south of Copiapo, Chile. Of the 10 holes completed, one hole, RREA 7-05 intersected 6 m grading 3.49% copper, 1.49 grams gold per tonne and 0.057% molybdenum from 244 m - 250 m. This hole was designed to test for parallel mineralized structures near the footwall of the Restauradora vein and was successful in intersecting chalcopyrite, bornite and chalcocite mineralization in a quartz vein.

Three other holes drilled to test a broad IP anomaly south of the former producing Restauradora mine intersected disseminated pyrite in diorite and quartz sericite altered rocks.

Hole RREA 7-04, designed to test for extensions of the Restauradora mineralization to the east, failed to reach its target depth due to water problems.

Five other holes designed to test a variety of targets on the property failed to intersect any meaningful mineralization.

Anaconda is currently reviewing the results of this limited reconnaissance program and will provide a more detailed update on the Restauradora project once a final report is completed.

John Cook, P.Eng., a designated Qualified Person as defined by NI 43-101 of the Canadian Securities Administrators, is responsible for reviewing the contents of this news release.

Anaconda also reports that its cash and cash equivalents are not invested in asset-backed commercial paper and are not subject to any meaningful credit or liquidity risk.

Anaconda Mining is an emerging gold producer with a portfolio of advanced stage projects in Chile and Canada.

*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:

Anaconda Mining Inc.

or Anaconda Mining Inc.

Lew Lawrick

Nick Tintor

Chairman and CEO

President

(416) 864-3357

(416) 987-0855

Email:

[llawrick@anacondamining.com](mailto:llawrick@anacondamining.com)

Email:

[ntintor@anacondamining.com](mailto:ntintor@anacondamining.com)