



ANACONDA GOLD CLOSES US\$2,500,000 FACILITY FOR COMPLETION OF THE PINE COVE GOLD MINE

February 5, 2007

FOR IMMEDIATE RELEASE

TORONTO – Anaconda Gold Corp. (TSX-V:ANX), (FRANKFURT:GJ2) is pleased to announce that it has closed a production facility financing with Auramet Trading, LLC of Fort Lee, New Jersey ("Auramet"), pursuant to which Auramet will lend the sum of US\$2.5 million as a project facility (the "Loan"). The Loan will be made available for the completion of the Pine Cove gold mine, located near BaieVerte, Newfoundland.

According to the terms of the Loan, US\$500,000 is available immediately; another US\$1,300,000 will be available immediately upon satisfaction by Anaconda Gold of all of conditions precedent as provided in the term sheet. The final US\$700,000 will be available upon the achievement of certain Project Milestones. The repayment date of the Loan is March 31, 2008. The Loan will bear interest at the fixed rate of 12% per annum until the achievement of certain Project Milestones at which time the rate will be reduced to 10% per annum.

In addition, Anaconda has entered into a Gold Price Protection program with Auramet pursuant to which Anaconda sold 10,000 ounces of gold at an average forward price of US\$684 per ounce and purchased a corresponding number of gold call options with a strike price of US\$750 per ounce.

The Loan is secured by a first priority security interest over all personal property assets of Anaconda, a specific pledge agreement, a specific assignment agreement related to all contracts entered into by Anaconda in respect of the Pine Cove Gold Project, a specific assignment of insurance and a specific assignment of the Gold Price Protection program.

In connection with the Loan and as part of the underwriting fee, Anaconda will issue 150,000 common shares to Auramet.

In addition, Auramet will have an option to convert the Loan into common shares of Anaconda Gold until March 31, 2008 at a price of C\$0.65 per share.

“We are very pleased with the closing which will allow us to complete the plant and site infrastructure at Pine Cove,” Nick Tintor, President of Anaconda said. “And the Gold Price Protection program on the first 10,000 ounces of production provides Anaconda with an excellent gold price of US\$684 while providing upside in excess of US\$750,” he added.

To date, several long lead time components such as the gravity plant and other processing equipment have already been delivered to Baie Verte.

Mr. Allan Cramm, Anaconda’s General Manager, who recently joined the company, will be responsible for all facets of the Pine Cove gold mine project and has established an operations office in Baie Verte. (See Press Release December 18, 2006)

Anaconda Gold has a 30% interest in the Pine Cove project and has the right to earn an additional 30% interest by arranging project financing and bringing the property to commercial production. New Island Resources Inc. (TSXV-NIS) is Anaconda’s partner at Pine Cove.

The terms of the underlying agreement also provide Anaconda with 100% of all project cash flows until capital payback is achieved, recovery of certain sunk costs and project management fees for acting as project operator.

The statements made in this press release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company’s expectations and projections. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

FOR ADDITIONAL INFORMATION CONTACT:

Lew Lawrick Chairman and CEO
Telephone: 416-864-3357

Nick Tintor - President
Telephone: 416-987-0855

Email: llawrick@anacondamining.com

Email: nt@anacondagold.com

Website: www.anacondagold.com