



## **ANACONDA GOLD COMPLETES US\$2,000,000 FACILITY FOR COMPLETION OF THE PINE COVE GOLD MINE**

January 9, 2007

### **FOR IMMEDIATE RELEASE**

TORONTO – Anaconda Gold Corp. (TSX-V:ANX), (FRANKFURT:GJ2) is pleased to announce that it has entered into a term sheet with Auramet Trading, LLC of Fort Lee, New Jersey ("Auramet"), pursuant to which Auramet will, subject to satisfaction of certain conditions precedent, lend the sum of US\$2 million as a project facility (the "Loan"). The Loan, which is expected to close by January 31, 2007 or earlier, 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\$1.5 million will be available in three equal tranches of US\$500,000 immediately upon satisfaction by Anaconda Gold of all of conditions precedent as provided in the term sheet. The final US\$500,000 will be available upon the achievement of Project Milestones to be established prior to closing between the Company and Auramet. The maturity date of the Loan will be 12 months after closing. The Loan will bear interest at the fixed rate of 12% per annum until the achievement of Project Milestones at which time the rate will be reduced to 10% per annum. In addition to the terms and conditions mentioned above, Anaconda will also enter into a Gold Price Protection Program with Auramet.

The Loan will be secured by a first priority security interest over all personal property assets of the Company, specific pledge agreements, specific assignment agreement related to all material Pine Cove Agreements and assignment over the hedge program.

In connection with the Loan and as part of the underwriting fee, subject to the TSX Venture Exchange's approval, Anaconda will issue 150,000 common shares to Auramet that will be delivered at the closing.

In addition, subject to the approval of the TSX Venture Exchange, 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’re delighted to have Auramet’s support and with this financing facility will have sufficient capital to complete the Pine Cove gold mine and bring it to production later this year,” John Cook, Director of Anaconda said.

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 joined the company last month, will be responsible for all facets of the Pine Cove gold mine project and is establishing 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. 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.*

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