



## **ANACONDA CLOSSES SECOND TRANCHE OF PRIVATE PLACEMENT**

June 2, 2008

*TORONTO* – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX), is pleased to announce that it has closed the second tranche of its previously announced non-brokered private placement (see Press Release dated May 15, 2008). The second tranche closing consisted of 585,000 units at a price of \$1.00 per unit, for gross proceeds of \$585,000.

Each unit consists of one common share (a “Common Share”) of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant (a “Warrant”) will entitle the holder to purchase one Common Share at an exercise price of \$1.25 per share, for a period of 18 months following the closing date.

Each Warrant is subject to an acceleration right of the Company. In the event the closing price of the Common Shares of the Company trading on the TSX (or any other stock exchange on which the Common Shares are then traded) is at least \$2.50 per share for a period of not less than ten (10) consecutive trading days commencing after the closing date, the Company may accelerate the expiry date of the Warrants. The Company must provide notice to the Warrant holders within five (5) trading days immediately following this ten day trading period, in which case all unexercised Warrants will expire no less than twenty (20) trading days following the notice given by the Company.

The Common Shares and Warrants forming the units in this second tranche, as well as any Common Shares issued upon exercise of the Warrants prior to October 1, 2008, are subject to a four month hold period following the date of this closing.

The proceeds of the private placement will be used to advance the San Gabriel Iron Project and for general working capital purposes. The Company paid \$25,000 in cash to certain registrants as a finder’s fee related to the second tranche closing.

The Toronto Stock Exchange (“TSX”) has conditionally approved the listing of the common shares issuable pursuant to the private placement. Listing is subject to the Company fulfilling all of the requirements of the TSX.

## **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 commenced production in May 2008.

The Company is presently focused on the San Gabriel Iron Project in Chile where it has identified several zones of magnetite-iron mineralization. The Project 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 complement 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.*

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