



ANACONDA COMPLETES ADDITIONAL DRILLING AND CONTINUES TO INTERSECT HIGH-GRADE IRON MINERALIZATION AT SAN GABRIEL

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TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX:ANX), is pleased to announce final results from its Phase II drill program at the San Gabriel Iron Project (“San Gabriel” or the “Project”), located in northern Chile, near the coastal deep-water port of Chañaral. The Company announced completion of a 13,278.95 metre (“m”; 38 hole) Phase II program in a news release dated April 15, 2008. Based on the positive results received from both the San Gabriel (Main) and Esperanza zones, and the short-term availability of a reverse circulation drill rig, the Company elected to drill a further 4,282 m (33 holes) (“Phase IIb program”) in late April to May, 2008.

Phase IIb drilling in the San Gabriel (Main) zone included two 50 m infill drill holes on the existing 100 m drill grid and testing of the margins of the zone. Highlights from the San Gabriel (Main) include:

- **69.6 percent total iron (“% Fe”) over 28 m, within a broader interval grading 46.9% Fe over 102 m in hole RSGA-35, and**
- **50.9% Fe over 16 m, within a broader interval grading 39.0% Fe over 108 m in hole RSGA-33**

Holes RSGA-35 and RSGA-33 were collared 50 m northwest and southeast, respectively, of Section SG-6. Section SG-6 contains holes RSGA-22 and -27, which previously intersected an interpreted high-grade feeder structure (See attached map and Anaconda news release dated April 15, 2008). Mineralization in holes RSGA-35 and RSGA-33 appears to be a continuation of this high-grade feeder, which was intersected over a strike length of approximately 250 metres. A summary of all new assay results is presented in Table 1.

Phase IIb drilling in the Esperanza zone consisted of 26 short (approximately 100 m length) holes at 30 by 30 m spacing over a 120 by 150 m grid area, designed to delineate a near-surface zone of high-grade iron mineralization previously encountered in drill hole REZA-01 and trench TEZA-01 (see Anaconda news releases dated March 11, 2008 and April 15, 2008). Multiple 2 m chip samples from these holes returned grades of between 70 and 72% Fe, close to the concentration of pure magnetite. Highlights of Phase IIb drilling at Esperanza include:

- **65.0% Fe over 30 m** within a broader interval grading 35.5% Fe over 98 m in hole REZA-07,

- **62.4% Fe over 16 m** within a broader interval grading 41.6% Fe over 96 m in hole REZA-15, and
- **56.2% Fe over 26 m** within a broader interval grading 33.9% Fe over 100 m in hole REZA-14.

Lew Lawrick, President and CEO of Anaconda, comments: “We are very pleased with the new results received from the Project. Drilling at Esperanza has outlined a near-surface zone of iron mineralization with the highest grades received to date from this zone.’

Table 1. Summary of new drill results.

Hole # ¹	Phase #	Hole Length (m)		From (m)	To (m)	Intercept ² (m)	Total Iron ³ (%)
San Gabriel (Main) zone							
RSGA-24	II	360		62	140	78	24.3
			Incl	64	78	14	30.2
RSGA-28	II	400		46	88	42	19.1
			Incl	58	64	6	22.7
				146	364	218	22.3
			Incl	148	202	54	32.3
RSGA-29	II	428		410	414	4	23.5
RSGA-30	II	430		NSV ⁴			
RSGA-31	IIb	300		NSV			
RSGA-32	IIb	250		NSV			
RSGA-33	IIb	350		200	308	108	39.0
			Incl	206	222	16	50.9
RSGA-34	IIb	214		178	180	2	20.5
RSGA-35	IIb	400		160	262	102	46.9
			Incl	160	188	28	69.6
RSGA-36	IIb	352		202	240	38	24.0
				266	286	20	21.0
				344	348	4	21.6
RSGA-37	IIb	256		196	236	40	15.8
Esperanza zone							
REZA-05	II	252		170	200	30	26.0
REZA-06	IIb	100		16	100	84	34.4
			incl.	42	62	20	65.7
REZA-07	IIb	100		2	100	98	35.5
			incl.	26	56	30	65.0
			incl.	30	32	2	70.0
REZA-08	IIb	100		42	100	58	38.6
			incl.	50	62	12	64.5
REZA-09	IIb	100		28	72	44	43.7
			incl.	30	36	6	63.7
			&	54	64	10	65.0
REZA-10	IIb	100		48	100	52	34.4
			&	82	92	10	57.4
			incl.	86	88	2	70.2
REZA-11	IIb	100		14	100	86	41.5
			incl.	18	40	22	61.0
REZA-12	IIb	100		0	72	72	46.3

			incl. &	0 44	12 62	12 18	62.4 66.0
REZA-13	llb	100		0	100	100	32.8
			incl.	2	60	58	42.9
			incl.	44	56	12	69.3
			incl.	50	52	2	70.1
REZA-14	llb	100		0	100	100	33.9
			incl.	36	62	26	56.2
REZA-15	llb	100		4	100	96	41.6
			incl.	4	54	50	56.6
			incl.	14	30	16	62.4
REZA-16	llb	100		2	100	98	34.6
			incl.	56	74	18	64.3
REZA-17	llb	100		44	100	56	20.8
REZA-18	llb	98		56	98	42	34.5
				64	84	20	45.8
REZA-19	llb	100		18	90	72	30.4
			incl.	20	34	14	41.9
			&	56	68	12	42.7
REZA-20	llb	100		2	68	66	46.3
			Incl.	40	66	26	64.2
REZA-21	llb	100		60	98	38	33.1
			Incl.	70	86	16	46.0
REZA-22	llb	100		0	74	74	30.8
			Incl.	26	52	26	34.0
REZA-23	llb	100	NSV				
REZA-24	llb	100	NSV				
REZA-25	llb	100	NSV				
REZA-26	llb	100	NSV				
REZA-27	llb	100	NSV				
REZA-28	llb	100		44	100	46	22.6
			incl.	64	74	10	42.5
			&	80	84	4	45.6
REZA-29	llb	100		48	96	48	27.9
			incl.	64	70	6	48.5
			&	74	88	14	40.4
REZA-30	llb	100		52	90	38	29.8
REZA-31	llb	100		72	78	6	23.8
Antonia zone							
RANTA - 04	ll	160		24	58	34	29.0
			Incl	50	58	8	44.1
RANTA - 05	ll	168		10	70	60	16.4
			Incl	46	70	24	20.3
RANTA - 06	ll	192	NSV				
RANTA - 07	ll	170		36	52	16	15.3
			&	70	76	6	15.6
			&	128	138	10	16.1
RANTA - 08	ll	200		36	52	16	15.3

¹ All holes reverse circulation holes; ² intervals are drill indicated, not true widths. Additional drill information will be required before true widths can be estimated; ³ iron grades represent total iron; ⁴ NSV = no significant values.

Table 2. Summary of Phase I, II and IIb drill programs.

<i>Phase I</i> (August to September, 2007)				
Zone	RC holes	Metres RC	DD holes	Metres DD
San Gabriel	5	1,752	-	-
<i>Phase II</i> (January to March, 2008)				
Zone	RC holes	Metres RC	DD holes	Metres DD
San Gabriel	22	8,486	3	1,493.10
Esperanza	3	816	2	697.85
Antonia	8	1,792	-	-
<i>Phase IIb</i> (April to May, 2008)				
Zone	RC holes	Metres RC	DD holes	Metres DD
San Gabriel	7	2,122	-	-
Esperanza	26	2,598	-	-
Total Phase I, II & IIb	71	17,566	5	2,190.95

Property Overview

The 5,100 hectare Project lies 60 km northeast of the Pacific coastal city of Chañaral, with significant deep-sea port infrastructure for iron ore exports. The Project is located within 15 km of a transmission line, 20 km of a rail line and 25 km from a main highway.

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

San Gabriel was discovered by Rio Tinto in 1997, during a reconnaissance exploration program that consisted of aeromagnetics and scout drilling, the objective of which was the discovery of iron oxide copper gold (“IOCG”) deposits. Rio Tinto completed eleven RC drill holes, which targeted magnetic anomalies. The property was subsequently returned to the vendors.

Mineralization is iron-magnetite skarn associated with dioritic intrusives of Jurassic to lower Cretaceous age which intruded andesitic volcanic sequences. 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 San Gabriel 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 mineralization is thus potentially amenable to beneficiation into a high quality concentrate. Diamond drill core from the Phase II program and surface mineralization exposed in trenches in the Esperanza zone will provide additional material for ongoing metallurgical studies.

As a result of the region's proximity to coastal shipping access to the Asia-Pacific region, a number of iron ore deposits in Chile and Peru are being evaluated for start up or have resumed production.

Assays were completed by Asesoria Minera Geoanalitica Ltda.'s ("Asesoria") lab located in La Serena, Chile. Asesoria is ISO 9001:2000 accredited and is independent of Anaconda. Drill core, chips and trench channel samples were sampled and processed for Fe determination using standard wet chemical methodology, followed by atomic absorption finish.

Fiona Childe, Ph.D., P.Geo, who is a Qualified Person within the meaning of National Instrument 43-101 of the Canadian Securities Administrators, is responsible for reviewing the contents of this news release.

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 in Newfoundland and Labrador, which commenced production in May 2008.

The Company is presently focused on the San Gabriel 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.

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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

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