



ANACONDA MINING EXPANDS CARMEN PROJECT WITH PEÑOLES

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FOR IMMEDIATE RELEASE

TORONTO – Anaconda Mining Inc. (TSX:ANX), (FRANKFURT:GJ2) (“Anaconda”) is pleased to report that, pursuant to a new letter of intent / memorandum of understanding the letter of intent Anaconda’s wholly-owned subsidiary, Colorado Minerals Inc. (“Colorado”) entered into in January 2007 with Industrias Peñoles, S.A. de C.V. (“Peñoles”) to explore and develop Colorado’s Carmen copper-gold project in Chile (the “Carmen Project”), has been expanded to include additional mining concessions in the area which management believes significantly expands the resource potential for the Carmen Project. (See Anaconda’s press release dated February 6, 2007 for details about the original agreement).

Revised Agreement

Under the new letter of intent, Colorado and Peñoles have agreed to expand the property holdings in the Carmen project area by acquiring additional concessions from a third party, Inversiones EM DOS Limitada, (“EM DOS”), a private Chilean company, which increases the size of the Carmen mining concessions from 822 hectares to 1,271 hectares.

The new letter of intent also provides that the parties will enter into an exploration and earn-in agreement pursuant to which, Peñoles will have the right to earn a 65% interest over a 48-month period by spending a total of US\$22 million. Of this amount, US\$12 million will comprise cash payments to Colorado and EM DOS and US\$10 million will comprise direct exploration expenditures on the project.

Within ten days of signing definitive agreements with respect to this transaction, Peñoles will pay US\$3 million in cash payments of which US\$2,050,000 will be paid to Colorado and US\$950,000 will be paid to EM DOS and will spend US\$3 million on exploration including but not limited to 12,000 metres of drilling.

Staged Payments

During the second 12-month period, Peñoles will pay Colorado US\$1,950,000 and EM DOS US\$1,050,000 and will spend US\$3 million on exploration including but not limited to 15,000 metres of drilling.

During the third 12-month period, Peñoles will pay Colorado US\$1,800,000 and EM DOS US\$1,200,000 and spend US\$4 million on exploration.

At the end of the 48-month exploration period, Peñoles will make a final minimum payment of US\$900,000 and a maximum of US\$3 million. If Peñoles spends in excess of US\$4 million during the third 12-month period, that excess expenditure will be deducted from the US\$3 million maximum payment but in any event, a minimum US\$900,000 payment will be made. In the event that Peñoles makes the minimum payment, that payment will be to the benefit of EM DOS. Any payments in excess of US\$900,000 and up to the maximum of US\$3 million will be made to Colorado.

In the event that Peñoles earns its 65% interest in the Carmen project, Colorado will hold a 24.5% interest and EM DOS will retain a 10.5% interest.

Bankable Feasibility Study

If Peñoles elects to finance the preparation of a bankable feasibility study, then Peñoles will increase its interest to 70% with Colorado and EM DOS reducing their interests to 21% and 9% respectively.

Under the new letter of intent, the parties agreed to use commercially reasonable good faith to negotiate and enter into definitive agreements no later than July 15, 2007.

The Carmen Project, located 100 km north of Copiapo, is an advanced stage copper-gold project in Chile's historic Inca de Oro District. (A NI 43-101 Technical Report is available at www.sedar.com)

“The addition of these new mining concessions to our original land holdings significantly enhance the exploration potential at Carmen,” Lew Lawrick, Chairman and CEO of Anaconda said. “Peñoles role in recognizing this potential and working with us to expand our land holdings in the area is further validation of our belief that the Carmen copper-gold project and the entire Inca de Oro District represents an important potential mining area,” Mr. Lawrick added.

Peñoles is Mexico's largest mining company with integrated operations in smelting and refining non-ferrous metals, and chemical production. Peñoles is the world's top producer of refined silver, metallic bismuth and sodium sulfate, as well as the leading Latin American producer of refined gold, lead and zinc.

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

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.

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