ANACONDA INCREASES SIZE AND GRADE OF IRON MINERALIZATION AT SAN GABRIEL

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FOR IMMEDIATE RELEASE

TORONTO – Anaconda Mining Inc. ("Anaconda" or the "Company") (TSX:ANX)(FRANKFURT:GJ2), is pleased to announce that follow-up drilling on its San Gabriel Iron Project ("San Gabriel" or the "Project") has intersected significant long intervals of potentially economic iron mineralization, within which a higher grade 'core zone' has been identified. San Gabriel is advantageously located 1,000 kilometers ("km") north of Santiago, Chile, near the coastal deep-water port city of Chañaral, with easy access to both rail and road.

Anaconda Mining conducted an initial five hole, 1,752 metre ("m") drill program at San Gabriel in late 2007; assay results from this program were reported by the Company in a news release dated October 25, 2007. The current follow-up drill program was announced on January 21, 2008. Drilling is anticipated to be complete by mid-March, with 8,459 meters drilled in 23 holes to date; highlights include:

- 326 m of continuous mineralization grading an average of 28.0 percent iron ("% Fe") in hole RSGA-16, within which higher grade zones yielded 48.4% Fe over 34 m and 46.0% Fe over 34 m in the San Gabriel Zone,
- 308 m of continuous mineralization grading an average of 24.0% Fe in hole RSGA-17, including a 78 m interval of 40.2% Fe in the San Gabriel Zone, and
- 52 m of continuous mineralization grading an average of 42.2% Fe in the discovery hole of the Esperanza Zone in hole REZA-1 (See Table 1 for complete results received to date.)

Lewis Lawrick, Chairman and CEO of Anaconda, comments "The results encountered from drilling at San Gabriel reinforce our conviction that the Project represents a significant opportunity for Anaconda and its shareholders. Its advantageous location and existing infrastructure, combined with the volume of potentially economic magnetite iron that we are delineating, make San Gabriel a significant near term priority for the Company."

Anaconda has completed additional staking around San Gabriel to approximately double the size of the land position and bring the total size of the Project to 5,100 hectares. In conjunction with ongoing work, the Company is currently evaluating additional iron opportunities in the region.

Current Exploration Program

The current exploration program includes a ground geophysical survey and a combination of reverse circulation ("RC") and diamond drilling ("DD"). The main focus of the drilling is the magnetite-bearing Main Zone at San Gabriel ("San Gabriel Zone"). Initial drill testing of additional magnetic anomalies Esperanza and Antonia has also started, with the first seven holes completed on these targets. Ground geophysics includes magnetometer and gravity surveys which are used to assist in defining drill targets.

Preliminary metallurgical testwork, as reported in an Anaconda news release of January 21, 2008, demonstrates that San Gabriel contains high quality magnetite-bearing material with very low levels of impurities, or penalty elements (specifically silica, phosphorous, sulphur, and copper), and is thus potentially amenable to beneficiation into a high quality concentrate. Diamond drill core from the current program will provide additional material for further metallurgical studies.

San Gabriel Zone

The main mineralized zone at San Gabriel is a sub-horizontal, tubular-shaped body, with higher grade sub-vertical feeder structures. Mineralization starts at an average depth of 70 m below surface and dips shallowly to the southeast. Drilling has revealed a minimum strike length of 700 m (between sections 5 and 12 on attached map) trending in a northwest direction. A total of 14 RC (4,840 m) and 3 DD (1,458 m) holes have been completed in this zone, which remains open to the northeast and southeast, with potential to significantly increase the footprint of known mineralization.

Esperanza Zone

The outcropping Esperanza Zone is located along strike from the San Gabriel Zone, approximately 1 km to the south-southeast. Two RC and two DD holes have been completed in this near-surface magnetic anomaly; assay results from the first RC hole have been received. Hole REZA-1 cut 22.7% Fe over 204 m, within which a higher-grade zone yielded 42.2% Fe over 52 m. High-grade mineralization outcrops at surface over a 40 m true width; this zone has been traced in the holes drilled to date over a 300 m strike length and to a depth in excess of 200 m. This zone is open along strike and to depth.

Antonia Zone:

The Antonia Zone is located 2 km north-northeast of the San Gabriel Zone, and appears to lie along a subparallel structure to that hosting the San Gabriel and Esperanza Zones. Three RC holes have been completed on the Antonia Zone and assay results are pending. This zone is open along strike and to depth.

A Mining Engineer specializing in iron ore has been contracted by the Company to oversee further metallurgical testwork and to begin to study potential processing routes and beneficiation scenarios for mineralization at San Gabriel.

Location

San Gabriel 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.

History and Geology

The prospect 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 encountered to date at San Gabriel is iron-magnetite skarn associated with dioritic intrusives of Jurassic to lower Cretaceous age which intruded andesitic volcanic sequences. These skarn-related deposits are characteristic of the Chile-Peru coastal region and form deposits ranging from a few million tons to billion ton ore bodies such as Marcona in Peru.

As a result of their 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.

Option Terms

Anaconda has the right to earn a 100% interest in the San Gabriel prospect by making payments totaling US$2.4million over four years, including a US$20,000 payment on signing (see Anaconda press release dated September 20, 2007 for additional information regarding the San Gabriel option agreement).

Table 1. 2008 San Gabriel Diamond and Reverse Circulation Drill Results

(Note: Holes RSGA-1 to -5 were previously reported on October 25, 2007)

Hole*	From (m)	To (m)	Interval (m)**	Grade (% Fe)
San Gabriel Zone ("Main Zone")				
RSGA-1	190	320	130	15.4
	320	**408**	**88**	**30.7**
including	**330**	**382**	**52**	**33.9**
RSGA-2	216	232	16	12.2
	296	304	8	12.9
RSGA-3	184	212	28	20.2
	212	248	36	15.4
RSGA-4	**254**	**338**	**84**	**35.3**
including	**254**	**278**	**24**	**52.4**
	292	**304**	**12**	**35.1**
	324	**338**	**14**	**39.7**
RSGA-5	**144**	**206**	**62**	**42.4**
including	**144**	**164**	**20**	**62.2**
	168	**192**	**24**	**41.3**
	206	254	48	23.5
including	**238**	**254**	**16**	**41.6**
RSGA-6	**144**	**182**	**38**	**40.5**

	202	**214**	**12**	**37.0**
	224	270	46	19.5
DSGA-7	146	180	34	14.7
	204	234	30	18.5
	248	276	28	19.8
	364	420	56	15.4
RSGA-8	**122**	**278**	**156**	**24.9**
including	**122**	**144**	**22**	**33.2**
	194	**238**	**44**	**30.3**
RSGA-9	190	246	56	17.9
including	196	216	20	20.1
RSGA-10	184	228	44	16.8
including	206	212	6	23.8
DSGA-11	200	484	284	21.0
including	**340**	**484**	**144**	**26.7**
	348	**390**	**42**	**32.3**
	402	**448**	**46**	**33.4**
RSGA-12	84	252	168	21.9
including	**196**	**222**	**26**	**31.0**
RSGA-13	**238**	**396**	**158**	**25.6**
including	**270**	**304**	**34**	**37.8**
RSGA-14	0	348	Low	Grade
RSGA-16	**134**	**460**	**326**	**28.0**
including	**136**	**170**	**34**	**48.4**
	298	**332**	**34**	**46.0**
RSGA-17	76	384	308	24.0
including	**84**	**162**	**78**	**40.2**
	84	**134**	**50**	**48.6**
Esperanza Zone				
REZA-1	14	218	204	22.7
including	**14**	**66**	**52**	**42.2**

*The prefix "R" in the hole number denotes reverse circulation holes and the prefix "D" denotes diamond drill holes.

**Intervals are drill indicated, not true widths. Additional drill information will be required before true widths can be estimated.

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 and chips were sampled and processed for Fe determination using standard wet chemical methodology, followed by atomic absorption finish.

John Cook, P.Eng., 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.

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

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