



**NEW ISLAND**  
resources inc.

## **ANACONDA AND NEW ISLAND UPDATE PINE COVE DEVELOPMENT AND EXPLORATION**

*March 19, 2008*

**FOR IMMEDIATE RELEASE**

**TORONTO** – Anaconda Mining Inc. (“Anaconda”) (TSX:ANX) and New Island Resources Inc. (TSXV:NIS) (“New Island”) are pleased to provide an update on the Pine Cove Gold Project (“Pine Cove” or the “Project”), located near Baie Verte, Newfoundland and Labrador, including an update on the final phase of mine construction and results of recent exploration drilling. Results from the current exploration program have shown two zones of gold mineralization outside of the current resource area, both of which are open down dip and along strike.

### Mine Commissioning

Construction at Pine Cove, the newest gold mine in Newfoundland and Labrador, began in June 2007 and gold production is anticipated to commence in April, 2008. Major milestones reached since the last corporate update on October 22, 2007 include:

- Electrical power to site and plant motor control center energized
- Complete crushing system commissioned
- Gekko Concentrator commissioned
- Plant piping 95% complete
- Plant electrical +90% complete
- Installation complete on all major components
- Positive completion of Environmental Assessment by Fisheries and Oceans Canada
- Wet/solid commissioning expected to be complete by end of March

Pine Cove hosts probable reserves of 2.3 million tonnes (“Mt”) grading 2.8 grams gold per tonne (“g/t Au”) (207,000 ounces of contained gold). Inferred resources total 0.67 Mt grading 2.4 g/t Au (5,200 ounces of contained gold). The above reserves and resources were prepared utilizing a cut-off grade of 0.95 grams gold per tonne and an average gold price of US\$400. The mill facility at Pine Cove will process 500 tonnes per day at full capacity and the production goal for 2008 is 16,000 ounces of gold.

### Exploration Program

A four hole, 1,051.7 metre (“m”), diamond drill program was conducted on two targets north of the current resource area at Pine Cove in December, 2007.

#### Holes PC-07-176 and PC-07-177

Holes PC-07-176 and PC-07-177 were collared 60 m north of the northern margin of the proposed open pit to test a shallow gold-mineralized zone. Previous drilling of this zone

encountered pyritization and gold mineralization, including a high grade zone in PC-00-113 which returned 7.8 g/t Au over 3.7 m.

Holes PC-07-176 and PC-07-177 were drilled on the same section, with PC-07-177 drilled down dip of PC-07-176. Both holes intersected alteration and pyrite mineralization at 80 to 90 m downhole. Hole PC-07-176 averaged 6.0 g/t Au over a 4.1 m interval, which included two high-grade intercepts of 19.1 g/t Au over 0.6 m and 14.4 g/t Au over 0.8 m (see Table 1 for a summary of significant results). Hole PC-07-177 intersected 33.5 g/t Au over 1.1 m, within a broader interval which averages 11.6 g/t Au over 3.4 m; however it should be noted this 3.4 m section includes a low-grade interval of 0.1 g/t Au over 1.1 m.

**Table 1. Assay results from Pine Cove exploration targets.**

Hole #	Inclination	Azimuth	From (m)	To (m)	Length* (m)	Au (g/t)
PC-07-176	-75	180	80.8	84.9	4.1	6.0
Incl.			82.9	83.5	0.6	19.1
&			84.1	84.9	0.8	14.4
PC-07-177	-85	180	66.0	67.8	1.8	2.8
			70.8	71.8	1.0	1.8
			76.0	77.0	1.0	2.5
			88.6	92.0	3.4	11.6
Incl.			88.6	89.7	1.1	33.5
			101.0	104.0	3.0	1.9
PC-07-178	-58	180	162.7	164.7	2.0	1.5
			210.6	212.6	2.0	2.4
PC-07-179	-75	180	122.0	126.0	4.0	3.0
Incl.			125.0	126.0	1.0	6.6
			181.5	192.0	10.5	3.7
Incl.			182.0	182.4	0.4	13.0
&			187.7	188	0.3	29.1

\* Note: lengths are drill indicated, not true widths. Additional information is required before true widths can be estimated.

#### Holes PC-07-178 and PC-07-179

Holes PC-07-178 and PC-07-179 were collared approximately 35 m west of holes PC-07-176 and PC-07-177 and were designed to test for a possible down dip extension of the main gold zone at Pine Cove.

Hole PC-07-178 was drilled entirely within a major shear zone containing highly deformed mafic volcanics with gouge, slickensides, chlorite/talc alteration and hematite staining. This hole returned two significant intervals; 2.4 g/t Au over 2.0 m and 1.5 g/t Au over 2.0 m. Broad intervals throughout the hole returned anomalous gold values in the 0.1 to 0.9 g/t Au range.

Hole PC-07-179 was drilled down dip of hole PC-07-178 and intersected 3.7 g/t Au over 10.5 m, including two high grade intercepts of 13.0 g/t Au over 0.4 m and 29.1 g/t Au over 0.3 m. Another zone higher in the hole returned 3.0 g/t Au over 4.0 m. Mineralization encountered in holes PC-07-178 and PC-07-179 appears to be consistent with the dip of the resource area and as such, represent a strong exploration target for the discovery of potential new resource areas at Pine Cove.

### Quality Assurance/Quality Control, Qualified Persons

The drill holes reported in this release were collared using BQTK-sized (40.7 mm diameter) core. Drill core was logged at Baie Verte, aligned, marked and tagged for sampling and then split longitudinally in half with a diamond saw blade. One half of the core, comprising the samples, was bagged, tagged, sealed and delivered to Eastern Analytical Laboratory in Springdale, NL. The other half of the core has been preserved in core boxes for future reference and stored at a secure facility in Baie Verte. All drill intercepts quoted are core lengths. Eastern Analytical Laboratory is independent of both Anaconda and New Island.

The Pine Cove exploration program is being managed by Kevin Regular, P.Geo., a consulting geologist independent of both Anaconda and New Island. Mr. Regular is a qualified person within the meaning of National Instrument 43-101 ("NI-43-101") and is responsible for the technical material in this release, excluding that related to the reserve and resource estimates. Mr. Regular has verified the data disclosed in this release, including the sampling, analytical and test data underlying the information. Geological logging, sampling and core handling procedures were carried out under the supervision of Mr. Regular.

The resource and reserve estimates referred to in this release and contained within an Anaconda news release dated April 28, 2005 were completed by mining consultants Eugene Puritch, P.Eng. and Dr. Wayne Ewert, P.Geo. of P&E Mining Consultants Inc. of Brampton, Ontario. Mr. Puritch and Dr. Ewert are independent of both Anaconda and New Island and are qualified person within the meaning of NI-43-101.

### Option Terms

Upon commencement of commercial production Anaconda will have satisfied all obligations to earn a 60% interest in the Pine Cove joint venture from New Island. New Island will retain a 40% interest in the Project. Anaconda will earn 100% of project cash flow until repayment of capital expenditures is completed. Under the terms of the joint venture agreement, Anaconda will also receive a 5% management fee over the life of mine.

For additional information, please contact:

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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 and gold production at Pine Cove may materially change from current intentions for a number of reasons. 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. Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. These forward-looking statements 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. Subject to applicable laws, 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.