



ANACONDA MINING INC. PINE COVE MINE ACTIVITIES UPDATE

May 16, 2007

FOR IMMEDIATE RELEASE

TORONTO – Anaconda Mining Inc. (TSX:ANX), (FRANKFURT:GJ2) (“Anaconda” or “the Company”) is pleased to provide the following update of activities at its Pine Cove Gold Mine project near Baie Verte, Newfoundland.

Anaconda has received a Certificate of Approval, issued by the Newfoundland & Labrador Department of Environment for mine site construction. The Mine Development Plan together with the Rehabilitation and Closure Plan has been submitted to the relevant government agencies in Newfoundland.

Detailed engineering of process controls is in progress along with civil and electrical engineering for the process plant. Bids have also been called for the supply and installation of the process building.

The Company has secured a ball mill which is being reconditioned and upgraded with delivery to coincide with the beginning of mine site construction.

Newfoundland & Labrador Hydro is preparing a proposal for the provision of power to the mine site from existing electrical transmission infrastructure in the area. The original feasibility plan contemplated using generator sets onsite for the supply of power. Anaconda expects that the use of power from the provincial grid will lead to lower operating costs over the life of the project.

Pending the timely receipt of final government approvals for mine development, the Company estimates that mining operations could begin in the late fourth quarter of this year.

“Our team continues to make excellent progress in the development of Anaconda’s first operating gold mine which comes at a time of record high gold prices,” Lew Lawrick, Chairman and CEO of Anaconda said. “Combined with our Chilean portfolio of advanced stage copper and gold projects, the Company is poised for considerable growth over the next year,” Mr. Lawrick added.

Pine Cove hosts probable reserves of 2,332,676 tonnes grading 2.76 grams gold per tonne for 207,000 oz. of gold. Inferred resources total 66,700 tonnes grading 2.43 grams gold per tonne for 5,200 oz. of gold. The above reserves and resources were prepared utilizing a cut-off grade of 0.95 grams gold per tonne.

The reserve estimate was completed by independent mining consultants and Qualified Persons, Eugene Puritch, P.Eng. and Dr. Wayne Ewert, P.Geo. of P&E Mining Consultants Inc. of Brampton, Ontario. (See Anaconda press release dated April 28, 2005 at www.anacondagold.com or at www.sedar.com)

Anaconda Mining Inc. is a well funded TSX listed mineral exploration company with a portfolio of advanced exploration and development projects in Chile and Canada.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. The statements made in this press release may contain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from the Company's expectations and projections.

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