



ANACONDA COMMENCES GOLD PRODUCTION AT PINE COVE

May 5, 2008

TORONTO – Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX), is pleased to announce that it has begun production at its Pine Cove gold mine (“Pine Cove” or the “Project”), located near Baie Verte, Newfoundland. Solids commissioning has now been completed and on May 2, 2008 the Company received its Mill License from the Province of Newfoundland and Labrador, the final step in the regulatory and permitting process for production. Construction of the Project began in June 2007 and was completed within established capital budget allocations, despite severe winter construction conditions.

The Pine Cove gold mine is projected to produce 13,000 ounces of gold in 2008. As a result of Anaconda financing the mine through to production, it will earn its 60% interest in the Pine Cove project from New Island Resources Inc. (NIS-TSXV), the Company’s partner at Pine Cove. The Pine Cove mine will produce gold at a time of high metal prices and increasing demand. Incremental cash flow to the Company will fund ongoing exploration work on its portfolio of projects in Canada and Chile.

Lew Lawrick, President and CEO of Anaconda comments: “We are excited to bring the Province’s newest gold mine on-line within the current climate of high gold prices. I would like to congratulate Pine Cove General Manager Allan Cramm and the rest of the Pine Cove team for all their hard work and dedication to this project. Now that commissioning is complete and production is underway, we can focus our attention on optimizing production and evaluating additional target areas on the Property.” Lew added: “the benefits of the Pine Cove gold mine will undoubtedly be advantageous to the community of Baie Verte and to the Province. We acknowledge and appreciate their support throughout the construction phase.”

The Company is extremely appreciative of the entire Pine Cove construction team whose attention to safety and the environment are commendable. Some 50,000 person-hours relating to mill construction and mine development were recorded by the Company and its primary contractors, all without a single lost-time accident or environmental incident.

The mill at Pine Cove incorporates a Gekko gravity concentrator at the front end of the plant, allowing for maximum utilization of the grinding and leach circuit. Commissioning testing has confirmed throughput at above 22 t/hour, the target capacity of the plant. The processing circuit, including the crushing plant, has many features to allow for throughput and recovery optimization which ensures safe and efficient operations.

The Feasibility Study for Pine Cove was completed in March, 2005 using a projected gold price of US\$400/oz, significantly below the current gold price and recent highs in excess of US\$1,000.

The Company sees excellent potential for the revaluation of zones of mineralization which were not considered ore at this historical price. It is also considering exploration outside of the current planned pit area. These include a recently drilled target area located just 100 metres north of the proposed pit, as well as the Romeo and Juliet zone, located in the northern part of the property. In an Anaconda news release of March 19, 2008, the Company reported recent diamond drilling which intersected 3.7g/t Au over 10.5 meters, including 13.0 g/t Au over 0.4 metres and 29.1 g/t over 0.3 metres, thereby confirming the down dip potential of the main zone. Further north at Romeo and Juliet, past work has returned grades as high as 23 g/t Au over 1.0 metres in a chip sample.

John Cook, P.Eng., a designated Qualified Person as defined by NI 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 compliment its existing portfolio.

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 forward-looking statement, whether as a result of new information, future events or any other reason.

FOR ADDITIONAL INFORMATION CONTACT:

Anaconda Mining Inc.

Lew Lawrick

President and CEO

(416) 864-3357

Email: llawrick@anacondamining.com

or

Anaconda Mining Inc.

Belinda Labatte

Investor Relations

(416) 726-4403

Email: info@anacondamining.com

Company website: www.anacondamining.com