



October 16, 2007

FOR IMMEDIATE RELEASE

TORONTO – Anaconda Mining Inc. (“Anaconda or the “Company”) – (TSX - ANX); (FRANKFURT - GJ2) is pleased to report its results as at and for the 3 months ended August 31, 2007. All amounts are in Canadian dollars unless stated otherwise.

HIGHLIGHTS

Financial

- As at August 31, 2007, the Company had total assets of \$23.4 million.
- No operating revenues during the 3-months ended August 31, 2007 as the Company continues to focus on exploration activities with regard to its Canadian and Chilean projects.
- Consolidated loss for the period was \$1.3 million. The loss included expenditures of \$1.7 million offset by interest income of \$62,000 and translation gains of \$439,000. This compares with expenditures of \$83,000 offset by interest income of \$1,000 and translation gains of \$82,000, for 2006.
- Cash utilized during the quarter was \$2.8 million. Cash flow used in operations totaled \$165,000 together with cash used for exploration expenditures and capital purchases of \$2.6 million.

Operational

- ***Carmen:***
The Company has now completed its negotiations with Minera Peñoles de Chile (“Peñoles”) and EM DOS Limitada (“EM DOS”) and signed the definitive exploration earn-in agreement. The terms and conditions remain the same as previously disclosed and the Company has received its share (US\$2.05 million) of the first payment due (US\$3.0 million) from Peñoles under the earn-in agreement.
- ***Pine Cove:***
Official ground-breaking for the newest gold mine in the Province of Newfoundland and Labrador took place on June 27, 2007 after receipt of the government’s approval of Anaconda’s Mine Development Plan.
- ***San Gabriel:***
Anaconda announced that it had acquired the right to earn a 100% interest in the San Gabriel iron ore prospect located approximately 1,000 km north of Santiago, Chile, near the coastal city of Chanaral. The prospect consists of 1,700 hectares of exploration concessions and includes four magnetic anomalies, two of which have seen limited past exploration activity, including the drilling of 11 holes.
- ***Manto Fidelito:***
The Company announced that it had acquired the right to earn a 90% interest in the Manto Fidelito copper property located immediately north of Copiapo, Chile. The 4,259

hectare site has a long history of small scale copper mining, although it has never been the subject of modern exploration.

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.

Anaconda also reports that its cash and cash equivalents are not invested in asset-backed commercial paper and are not subject to any meaningful credit or liquidity risk.

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

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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