



ANACONDA MINING DRILLS HIGH GRADE IRON ORE INTERSECTIONS AT SAN GABRIEL PROJECT

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FOR IMMEDIATE RELEASE

TORONTO – Anaconda Mining Inc. (“Anaconda” or “the Company”) (TSX:ANX), (FRANKFURT:GJ2) is pleased to announce that drilling on its San Gabriel iron ore project located 1000 km north of Santiago, Chile near the coastal city of Chanaral, has intersected high grading iron mineralization. Hole RSGA-05, one of five holes completed on a magnetic anomaly, intersected 62 m grading 42% iron. This intersection included a higher grading 22 m interval assaying 62.17% iron.

A second hole, RSGA-04 returned 84 m grading 35.3% iron including a 24-m interval assaying 52.4% iron. Full results from the drill program are listed below.

The San Gabriel prospect consists of 1,700 hectares of exploration concessions and includes four magnetic anomalies; two of which have seen limited past exploration activity by Rio Tinto which included the completion of 11 drill holes.

Location:

The San Gabriel Prospect lies 70 km NE of the port city of Chanaral, a city on the Pacific coast that has significant deep sea port infrastructure for iron ore exports.

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 scope of which was the discovery of IOCG (iron oxide copper gold) deposits. Rio Tinto completed 11 reverse circulation drill holes which targeted magnetic anomalies. The property was subsequently returned to the vendors as Rio Tinto determined the discovery of the San Gabriel iron ore mineralization was not sufficient to meet their threshold of interest at the time.

The prospect is a typical iron-magnetite skarn associated with dioritic intrusives of Jurassic to lower Cretaceous age and which intruded andesitic volcanic sequences. These skarn related deposits are typical 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 mines 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. The Company has made a US\$20,000 payment on signing. (Please see Anaconda press release dated September 20, 2007 for complete details about the San Gabriel option agreement at www.anacondamining.com)

While drilling by Rio Tinto showed massive magnetite over 20 meter widths and stockwork zones ranging between 30 and 250 meters carrying grades up to 36% iron; Anaconda believes the available grades and thicknesses are favourable to define potentially mineable ore bodies.

Anaconda estimates that the iron ore potential at San Gabriel is attractive and plans to explore untested portions of the four magnetic anomalies on the property.

Complete results from the drill program are listed in the table below.

Hole	From (m)	To (m)	Interval (m)*	Grade (Fe %)
RSGA-1	190	320	130	15.4
	320	408	88	30.7
including	330	382	12	33.9
RSGA-2	216	232	16	12.0
	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	42.0
including	144	164	22	62.2
	168	192	24	41.3
	206	254	48	23.5
including	238	254	16	41.6

*Intervals are not reported as true widths. More drill information will be required before a true width can be estimated.

Assays were completed by Asesoria Minera Geoanalitica Ltda.'s lab located in La Serena, Chile. Samples were sampled and processed for Fe determination using standard wet chemical

methodology followed by atomic absorption finish. Currently laboratory work is in progress to test samples for trace element impurities and to determine magnetic iron content.

On completion of the laboratory test work, Anaconda plans to begin a second phase program including a detailed ground magnetic survey to better define known magnetic anomalies which were previously located by airborne magnetic surveys. Additional drilling, including reverse circulation and core holes, will be designed to test all of the magnetic anomalies including the main zone which is known to strike for 1,000 m and remains open at depth below 300 m.

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

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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