



August 29, 2008

FOR IMMEDIATE RELEASE

TORONTO – Anaconda Mining Inc. (“Anaconda or the “Company”) – (TSX - ANX); is pleased to report its results as at and for the 12 months ended May 31, 2008. All amounts are in Canadian dollars unless stated otherwise.

HIGHLIGHTS

- As at May 31, 2008, the Company had total assets of \$19.9 million including cash and cash equivalents of \$1.4 million of which \$607,000 is restricted as a result of various balances on deposit with the Company’s financial institution in Chile.
- No operating revenues during the 12 months ended May 31, 2008 as the Company continues to focus on exploration activities with regard to its Chilean project and nears commercial production at its Pine Cove project.
- Consolidated comprehensive loss for the 12-month period was \$10.7 million. The loss included expenditures of \$4.5 million and write-downs on its mineral properties and exploration expenditures of \$6.9 million offset by interest income of \$174,000, translation gains of \$369,000 and unrealized gains on the Company’s for-sale investments of \$175,000 (net of future taxes of \$30,000). This compares with a loss of \$370,000 comprised of expenditures of \$504,000 and write-down of investments of \$4,000, offset by translation gains of \$92,000 and interest income of \$45,000 for the same period in 2007.
- Cash utilized during the 12-month period ended May 31, 2008 was \$8.6 million and comprised cash used in operating activities of \$0.5 million, used in investing activities of \$9.1 million offset by funds provided from financing activities of \$1.0 million.

About Anaconda

Anaconda is a Toronto, Canada-based mining company with a portfolio of advanced-stage exploration projects in Canada and Chile. The diversified portfolio is supported by near-term cash flow from the Pine Cove gold mine in Newfoundland and Labrador.

The Company is presently focused on the San Gabriel Iron 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 complement this project within 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 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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