



## **ANACONDA GOLD CORP.**

### **Anaconda to Acquire Colorado Minerals Inc.**

September 19, 2006

#### **FOR IMMEDIATE RELEASE**

*TORONTO* – Anaconda Gold Corp. (*TSX-V:ANX*) (the "Company" or "Anaconda") is pleased to announce that it has entered into a letter of intent (the "Letter of Intent") dated September 18, 2006 with Colorado Minerals Inc. ("Colorado") a Canadian company, pursuant to which Anaconda has agreed to acquire all of the issued and outstanding shares of Colorado or complete some other form of business combination as the parties may agree (the "Proposed Transaction").

#### **Summary of the Proposed Transaction**

Under the terms of the Letter of Intent, Anaconda will acquire all of the shares of Colorado in exchange for the issuance to shareholders of Colorado an aggregate number of post-consolidated common shares of Anaconda equal to approximately 100% of the then issued and outstanding common shares of Anaconda. Consequently, upon completion of the Proposed Transaction, shareholders of Colorado will own approximately 50% of the then issued and outstanding common shares of Anaconda.

Prior to the closing of the Proposed Transaction, Anaconda will file articles of amendment to (i) consolidate its common shares on a 2:1 basis, whereby every two old common shares of Anaconda will be exchanged for one new post-consolidated common share of Anaconda; and (ii) change its name to "Anaconda Mining Inc." and create a Chilean subsidiary called "Minera Anaconda Inc.", or such other name(s) as the parties may agree.

No Non-Arm's Length Party (as that term is defined under TSX-V Policies) of the Company has any direct or indirect beneficial interest in Colorado or is an insider of Colorado, and there is no relationship between any Non-Arm's Length Party of the Company and any Non-Arm's Length Party of Colorado.

The Proposed Transaction is conditional upon, among other things, receipt of all necessary regulatory, stock exchange, director and shareholder approvals, the completion of satisfactory due diligence by both Anaconda and Colorado and the entering into of a definitive agreement.

Upon completion of the Proposed Transaction, it is anticipated that the board of directors of the Company will consist of: Lewis Lawrick, Nick Tintor, John Cook, John McBride, Tom Pladsen and Antonio Ortuzar Jr. In addition, it is expected that the following persons will be appointed

to positions as executive officers of the Company: Lewis Lawrick (Chairman and CEO), Nick Tintor (President).

It is anticipated that following completion of the Proposed Transaction, Thorsen-Fordyce Merchant Capital Inc. a company controlled by Lewis Lawrick will own more than 10%, calculated on an undiluted basis, of the issued and outstanding Anaconda common shares.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Anaconda should be considered highly speculative.

Nick Tintor, President and CEO of Anaconda said, "The acquisition of Colorado Minerals and the experienced technical team which comes with the company, melds well with Anaconda's strategy of focusing on advanced stage mineral projects in established and recognized mining countries. Colorado's copper and gold projects in Chile, especially Carmen and Restauradora, are a perfect complement to Anaconda's emerging gold production profile in Canada."

"Following this transaction, the new Anaconda will have a developing gold production and cash flow profile in addition to a large advanced stage copper-gold portfolio in Chile," Lewis Lawrick, Chairman, President and CEO of Colorado and incoming Chairman and CEO of Anaconda said. "We're excited about combining our skill sets in Chile and Canada to develop and grow this company," he added.

#### **About Colorado Minerals Inc.**

Colorado has acquired a portfolio of advanced projects in Chile the most important of which include:

- A) Carmen: Located 100 km north of Copiapo, Chile, the Carmen project is located in the Inca de Oro mining district. Exploration work performed by previous operators since 1988 included a total of 14,785 m of drilling in 56 holes, which tested copper-gold mineralization associated with a hornblende-tonalite porphyry primarily along a tonalite-andesite contact zone and into skarn-altered tuffs and sediments.

Colorado has the right to earn a 100% interest in the Carmen property by making staged payments totaling US\$5.57 million by November 2010. Commitments in 2007 total \$950,000.

- B) Vicuna: Located approximately 100 km southeast of Copiapo, Chile, the Vicuna property is in the high Andes and situated near the Argentine border. Past work by Cyprus, beginning in 1997, focused on testing a large alteration anomaly for potential copper-gold porphyry-hosted mineralization. Cyprus completed 2,519 m of drilling in 16 reverse

circulation drill holes before selling its option to Tenke Mining. Tenke dropped its option in 2001 following a limited amount of work and continues to work on its Vicuna project on the Argentine side of the border.

Colorado has the right to acquire a 100% interest in the Vicuna property by making staged payments totaling US\$9.9 million by July, 2010. Commitments in 2007 total \$250,000.

NI 43-101 technical reports have been completed for both the Carmen and Vicuna projects and were prepared by Michael Easdon, an independent consultant and Qualified Person as defined by NI 43-101.

- C) Restauradora: The Restauradora project is located 60 km southwest of Copiapo, Chile and includes the former producing Restauradora copper-gold underground mine and the San Jose open pit copper mine. The property is within the Chilean iron oxide-copper-gold belt which hosts the Candaleria mine.

Colorado believes there remains potential for additional copper-gold mineralization at Restauradora, especially in areas believed to represent the strike extensions of the former mines and in the unmined wallrocks.

Colorado has consolidated all the relevant land holdings in the Restauradora District with the intent of exploring for mineral resources amenable to open pit mining.

Colorado can earn a 100% interest in the project by making payments totaling US\$3.98 million.

### **About Anaconda Gold Corp.**

Anaconda Gold Corp. is an emerging gold producer and is advancing the Pine Cove gold mine project in Newfoundland towards production scheduled to begin in the first half of 2007.

Anaconda is also developing the Damoti Lake gold project in the N.W.T. and controls two exploration properties in the Lingman Lake and Borthwick Lake areas north of Red Lake, Ontario.

*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. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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