

# Anaconda Mining Initiates 2,000-Meter Diamond Drilling Program at its Deer Cove Project, Newfoundland

June 11, 2014 (Source: CNW) – Anaconda Mining Inc. (“Anaconda” or “the Company”) – (TSX: ANX) is pleased to report that, following a positive review of historic geological data, it has begun a 2,000-meter diamond drilling program on its Deer Cove gold project, which is located approximately 8 kilometers from its Pine Cove mill on the Ming’s Bight Peninsula, Newfoundland.

## ***2014 Exploration Program:***

On May 25<sup>th</sup>, the Company began drilling at Deer Cove and expects to finish by early July, with assay results coming a few weeks thereafter. The 2,000-meter program will encompass approximately twelve holes and is focusing on both infill drilling and testing down-dip along the Deer Cove Thrust below the level of historic drilling. Please see the map of the proposed drill holes in Exhibit A. The new data will be incorporated with the historic data to produce an internal resource estimate for the Deer Cove deposit. New Valley Drilling of Springdale is the drilling contractor and the project is being supervised by Silvertip Exploration Consultants.

President and CEO, Dustin Angelo, stated, “The historical Deer Cove exploration results are a strong start toward building a resource base at the project that could supplement the feed from our Pine Cove pit. The goal of the drilling program is to expand the mineralized resources at grades that justify putting the project into production. We look forward to

updating the market after we receive the assays and perform the appropriate evaluation of the results.”

### ***Project Background:***

In 1986, Noranda Exploration Company Limited (“Noranda”) discovered the Deer Cove gold deposit after follow up prospecting and trenching of extensive gold-in-till anomalies near Deer Cove Pond. A Noranda-Galveston Resources Limited joint venture (1987-1989) conducted a detailed exploration program including 138 diamond-drill holes, construction of a 7.2-kilometer access road and 507 meters of underground exploration. The following information highlights some of the key, historical drill hole results. For more information, please see Press Release dated May 7, 2014.

- Hole DC86001 intersected 5.0 meters of 22.74 grams per tonne (“g/t”) gold from 3.2 meters below surface;
- Hole DC87073 had gold mineralization of 11.97 g/t over 4.1 meters from 89.8 meters to 93.9 meters; 26.12 g/t over 3.6 meters from 97.7 meters to 101.3 meters; 5.80 g/t over 3.4 meters from 105.3 meters to 108.7 meters;
- DC88100 intersected 29.60 g/t over 1.7 meters from 41.3 meters to 43.0 meters;
- DC10122 intersected 24.39 g/t over 2.3 meters from 25.9 meters to 28.2 meters.

No further work was undertaken and the property reverted to Crown Land on November 11, 1998. The area surrounding the Main Zone and the nearby Deer Cove talc resource was made Exempt Mineral Lands. In 1999, a call for proposals to develop the property was issued by the Government of Newfoundland and Labrador and in 1999 it was announced that the mineral rights to the Exempt Mineral Land had been awarded to WMC International Limited. Unfortunately, no further work was completed and the land once again reverted to the Crown.

Between 2001-2002 and 2005-2006, South Coast Ventures

Incorporated staked significant portions of the Ming's Bight Peninsula, including Deer Cove, and subsequently digitized much of the historic exploration information including the underground data for Deer Cove. In 2010, Tenacity Gold Mining Company Inc. contracted P&E Mining Consultants Inc. ("P&E") to undertake a mining and economic analysis of the Deer Cove project. P&E reported that the Deer Cove deposit, the portion lying above 45 meters above sea level, contained an estimated resource of 12,900 tonnes grading 10.45 grams/tonne ("g/t") gold at a cut-off grade of 6.0 g/t. (This is an historical resource and has not been verified by Anaconda.) The Deer Cove lease reverted to 1512513 Alberta Ltd. ("Alberta") and, in November 2013, Anaconda optioned the Deer Cove lease and other mining licenses around it from Alberta.

### ***Geologic Overview of Deer Cove***

The Deer Cove deposit lies within ophiolitic rocks of the Point Rousse Complex. It is hosted by mafic volcanic rocks which are faulted against talc-carbonate and serpentized ultramafic rocks along the Deer Cove Sole Thrust. This south-verging thrust trends roughly east-northeast and dips 50° to 60° to the north-northwest. Gold mineralization occurs within discontinuous lenses of brecciated quartz developed within an approximately north-south striking, 45°-55° west-dipping structure. The breccia lenses average less than 1 meter in width but locally they may reach up to 3 meters. Pyrite with lesser chalcopyrite and arsenopyrite occur disseminated in the wallrock, breccia fragments and quartz veins.

Within the Main Zone the gold occurs as (1) free gold within the quartz veins and the altered wallrock; and (2) disseminated within the sulphide minerals. There is a direct correlation between gold grades and pyrite concentrations. The best historic gold grades were reported from the most deformed sections of the zone, closest to the sole thrust where the zone abuts a jasper-rich volcanoclastic unit. Noranda reported that the southernmost 32 meters of the zone contained abundant

visible gold and averaged 14.25 g/t gold over a width of 2.9 meters. Here, the ore zone is crumpled into a series of sharp folds which plunge to the northwest.

While the Company has no reason to doubt the accuracy of the historic results, the existing data should not be relied upon until the Company's own exploration work confirms that the data meet National Instrument 43-101 standards for disclosure. Historic results and the work that generated them predate the enactment of National Instrument 43-101, and may not meet the requirements of that policy.

This news release has been reviewed and approved by David Evans, P. Geo., with Silvertip Exploration Consultants Inc., a "Qualified Person" under National Instrument 43-101.

#### **ABOUT ANACONDA**

Headquartered in Toronto, Canada, Anaconda is a growth oriented, gold mining and exploration company with a producing asset located on the Baie Verte Peninsula in Newfoundland, Canada called the Pine Cove mine.

#### **FORWARD LOOKING STATEMENTS**

*This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding growth, and is based on current expectations and assumptions of management that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statements include, but are not limited to: current and future market trends and growth opportunities and whether the Company will be able to capitalize upon them. 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 are based on current expectations and are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.*