ANACONDA MINING REPORTS INCREASED MINERAL RESOURCES AND GRADE AT GOLDBORO GOLD PROJECT AND IMPROVED AFTER-TAX PEA ECONOMICS

Toronto, ON – October 25, 2018 – Anaconda Mining Inc. ("Anaconda" or the "Company") (ANX: TSX)(OTCQX: ANXGF) is pleased to announce an update to the Mineral Resource Estimate ("Mineral Resource") prepared in accordance with National Instrument 43-101 ("NI 43-101") for the 100% owned Goldboro Gold Project ("Goldboro" or the "Project") located in Nova Scotia, Canada. The following table summarizes the updated Mineral Resource and comparative change from the previous Mineral Resource dated December 31, 2017. The schematic below further illustrates the areas of growth compared to the previous Mineral Resource.

Highlights of the Goldboro Gold Project Mineral Resource Update (effective July 19, 2018):

Category*	Tonnes ('000)	Grade (g/t Au)	Ounces (Rounded)	% Change in Grade from Dec 2017**	% Change in Ounces from Dec 2017**
Measured	1,611.8	4.23	219,300	+ 42%	+ 447%
Indicated	2,166.2	5.50	383,400	+ 18%	(21%)
Measured and Indicated	**3,778.0**	**4.96**	**602,700**	**+11%**	**+15%**
Inferred	**2,126.4**	**6.63**	**453,200**	**+ 56%**	**+ 30%**

** Combined Open Pit and Underground Mineral Resources. Open Pit Mineral Resource based on a 0.50 g/t Au cut-off grade; Underground Mineral Resource based on 2.00 g/t Au cut-off grade*
*** Refer to the Company's technical report entitled "Goldboro Project Preliminary Economic Assessment" dated March 2, 2018 for further details (the "**Previous Report**").*

Anaconda is also pleased to report updated after-tax economics with respect to the Preliminary Economic Assessment study ("PEA") on Goldboro. The change in after-tax economics reflects the confirmation with the Nova Scotia Department of Natural Resources of the application of a mineral royalty tax of a 1% net smelter return on gold production, which supersedes the higher mineral tax applied in the Previous Report. All dollar amounts are expressed in Canadian dollars unless otherwise noted.

"The updated Mineral Resource is a significant milestone validating our investment thesis in Atlantic Canada. When we acquired Goldboro in 2017, we believed that the deposit had substantial potential to expand. In our first campaign of over 12,000 meters of drilling, most of which was infill, we were able to increase Measured and Indicated Resources by 15% and Inferred Resources by 30%. Now the deposit contains over 600,000 ounces of Measured and Indicated Resources and over 450,000 ounces of Inferred Resources. More importantly, grade has improved significantly and confidence in the Mineral Resource has risen, highlighted by a 447% increase of ounces in the Measured category. The deposit has only been drilled to relatively shallow depths and is open along strike, down dip, and at depth. We are gaining experience and confidence with the resource and geologic structures, and believe we can continue to grow the deposit to a much larger scale."

~ Dustin Angelo, President and CEO

Highlights of the Goldboro PEA:

- With the update to the mineral royalty tax and a gold price of $1,550 per ounce (~US$1,200* per ounce), after-tax NPV (5%) improved to $88 million with an after-tax IRR of 29.3%, resulting in an after-tax payback period of 3.3 years;
- At a $1,600 gold price per ounce (~US$1,230* per ounce), the NPV (5%) increases to $99 million and an after-tax IRR of 32.0% and a payback period of 3.1 years;
- The Project has pre-production capital expenditures of $47 million to establish the proposed initial open pit operations prior to underground development and production;

- Life of mine ("LOM") of 8.8 years with gold production of 375,900 ounces and LOM average operating cash cost** of $654 per ounce (~US$505* per ounce) and all-in sustaining cash cost** of $797 per ounce (~US$615* per ounce).

** Assumes a 0.77 USD: CAD exchange rate.*
*** See Non-IFRS Measures below.*

The updated PEA only reflects the change in the mineral royalty tax and does not incorporate increases to the Mineral Resource as at July 19, 2018. The updated Mineral Resource does not affect the validity or currency of the PEA, which continues to use the Mineral Resource as reported in the Previous Report. With the increase in Mineral Resources announced today, Anaconda believes there is the potential for increased Project mine life and higher potential future mill throughput, which will be assessed in future studies.

Readers are cautioned that the PEA is preliminary in nature, it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Goldboro Gold Project – Mineral Resource Estimate (effective July 19, 2018)

The Mineral Resource was prepared by WSP Canada Inc. ("WSP") under the supervision of Todd McCracken, P. Geo., an "Independent Qualified Person", as defined in NI 43-101. The effective date of this Mineral Resource is July 19, 2018 and includes historical diamond drilling as well as 12,356 metres of drilling conducted by Anaconda in the Boston Richardson and East Goldbrook Zones up to June 2018. Highlights of the updated Mineral Resource include:

- A 23% increase in the number of combined Measured and Indicated underground Mineral Resources to 518,200 ounces and an 8% increase in grade to 5.52 g/t gold (2,921,700 tonnes);
- A 57% increase in grade to 6.70 g/t gold and a 30% increase in the number of underground Inferred Mineral Resources to 445,500 ounces (2,067,900 tonnes);
- A 447% increase in the number of combined open pit and underground Measured Mineral Resources to 219,300 ounces gold (1,611,800 tonnes at 4.23 g/t gold); and
- The deposit remains open for expansion along strike, down dip, and at depth.

Resource Type	Au Cut-off (g/t)	Category	Tonnes (Rounded)	Au (g/t)	Troy Ounces (Rounded)
Open Pit	0.50	Measured	608,700	2.80	54,900
		Indicated	247,600	3.72	29,600
		Measured and Indicated	**856,300**	**3.07**	**84,500**
		Inferred	**58,500**	**4.10**	**7,700**
Underground	2.00	Measured	1,003,100	5.10	164,400
		Indicated	1,918,600	5.74	353,800
		Measured and Indicated	**2,921,700**	**5.52**	**518,200**
		Inferred	**2,067,900**	**6.70**	**445,500**
Combined Open Pit and Underground	0.50/2.00	Measured	1,611,800	4.23	219,300
		Indicated	2,166,200	5.50	383,400
		Measured and Indicated	**3,778,000**	**4.96**	**602,700**
		Inferred	**2,126,400**	**6.63**	**453,200**

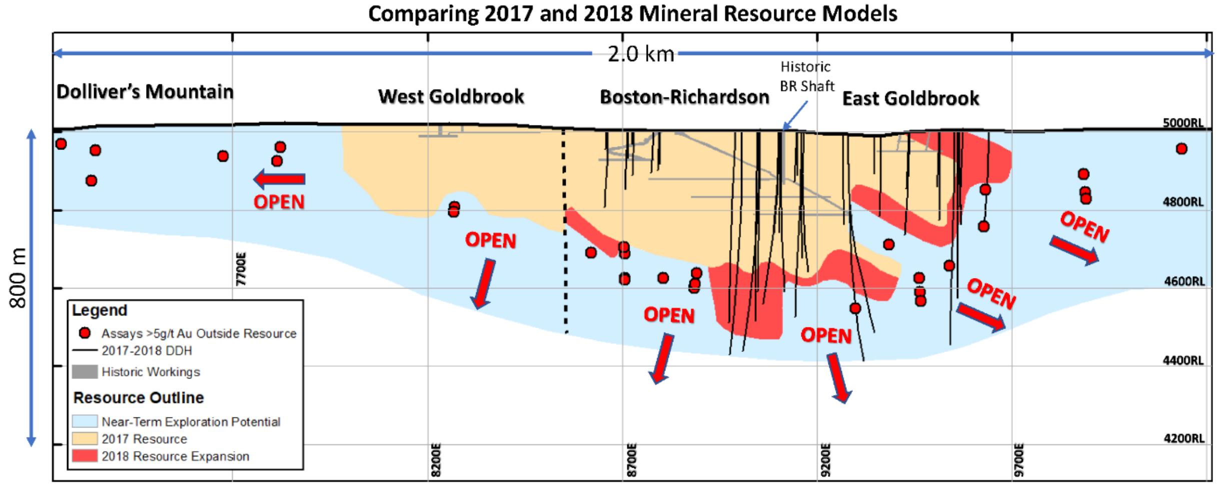
Mineral Resource Estimate Notes

1. *Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards (2014). Mineral Resources that are not mineral reserves do not have demonstrated economic viability.*
2. *Open pit Mineral Resources are reported at a cut-off grade of 0.5 g/t gold that is based on a gold price of CAD$1,550/oz. and a gold processing recovery factor of 95%.*
3. *Underground Mineral Resource is reported at a cut-off grade of 2.0 g/t gold that is based on a gold price of CAD$1,550/oz. and a gold processing recovery factor of 95%.*
4. *Appropriate mining costs, processing costs, metal recoveries, and inter ramp pit slope angles were used by WSP to generate the pit shell.*

5. *Appropriate mining costs, processing costs, metal recoveries and stope dimensions were used by WSP to generate the potential underground resource.*
6. *Rounding may result in apparent summation differences between tonnes, grade, and contained metal content.*
7. *Tonnage and grade measurements are in metric units. Contained gold ounces are in troy ounces.*
8. *Contributing assay composites were capped at 80/g/t Au.*
9. *A density factor of 2.7g/cm3 was applied to all blocks.*

The Mineral Resource is based on validated results of 316 surface drill holes and 119 underground drill holes, for a total of 79,104 metres of diamond drilling that was completed between 1984 and June 2018. The Mineral Resource includes 12,356 metres of drilling conducted by Anaconda up to June 2018, focused exclusively on infill and expansion drilling in the Boston Richardson and East Goldbrook Zones.

Longitudinal Section of the Goldboro Gold Deposit
Comparing 2017 and 2018 Mineral Resource Models



In July 2018, the Company commenced a 10,000 metre drill program which aims to expand and infill the West Goldbrook and Boston Richardson Systems of the Goldboro Deposit.

Modeling was performed using GEOVIA Surpac® 6.8 software with gold grades estimated using ordinary kriging (OK) interpolation methodology. Samples were composited at 1.0 metre down hole and composites were capped at 80 g/t. Measured mineral resources are defined as all interpolated blocks within the first search pass and any interpolated block in the second pass with at least 10 contributing composites samples and no more than two composites from any one drillhole. Indicated mineral resources are defined as all interpolated blocks within the second search pass not classified as measured and any interpolated block in the third pass with at least 9 contributing composites samples and no more than two composites from any one drillhole. Inferred mineral resources are defined as all remaining interpolated blocks that occur within the various belt model solids. Block size is 1 metre (x) by 1 metre (y) by 1 metre (z). The drilling-defined deposit is divided into three spatial domains for modeling purposes, these being (1) the Boston Richardson Zone, (2) the West Goldbrook Zone and (3) the East Goldbrook Zone. At a long-term metal price of $1,550 per ounce, reasonable prospects are considered to exist for eventual economic extraction of mineral resources defined at a 0.5 g/t Au cut-off value within limits of the conceptual final pit shell prepared by WSP. Mineral resources defined external to this pit shell are reported at a 2.0 g/t Au cut-off value and are considered to have reasonable prospects for eventual economic extraction using underground mining methods at the same long-term gold price. Additional information about the mineral resource modeling methodology will be documented in the upcoming NI 43-101 technical report.

<u>Goldboro Gold Project – PEA Update</u>

The updated Goldboro PEA base case after-tax net present value at a 7% discount rate is $76 million, with an after-tax internal rate of return of 29.3% and pay-back period of 3.3 years. The change in after-tax economics reflects the confirmation with the Nova Scotia Department of Natural Resources of the application of a mineral royalty tax of a 1% net smelter return on gold production, pursuant to Section 121(3) of the Mineral Resources Act and as outlined under Section 71(f) of the Mineral Resources Regulations. This supersedes the higher mineral tax applied in the Previous Report. The base case scenario assumes a long-term gold price of $1,550 per ounce (~US$1,200).

The updated PEA does **not** incorporate updates to the Mineral Resource as at July 19, 2018. With the increase in Mineral Resources, Anaconda believes there is the potential for increased mine life at the Project and higher potential future mill throughput. The Company is currently preparing to move the Project towards a feasibility study where the newly updated Mineral Resource will be further assessed.

The gold price sensitivity on a pre-tax and after-tax basis as presented in Tables 1 and 2, respectively, demonstrate the significant potential increase in the NPV and IRR of the Project in an increasing gold price environment.

Table 1 – Pre-tax discounted NPV- gold price sensitivity

Pre-Tax NPV* ($M)		**Gold Price (C$ / Ounce)**				
		$1,450	**$1,500**	**Base Case $1,550**	**$1,600**	**$1,700**
Discount Rates	0%	$152	$171	**$189**	$208	$245
	5%	$107	$122	**$137**	$152	$182
	Base Case 7%	$93	$107	**$120**	$134	$162
	10%	$74	$86	**$99**	$111	$135
IRR %		32	35	**38**	41	47
Payback – Years		3.2	3.1	**2.9**	2.8	2.6

Table 2 – After-tax discounted NPV- gold price sensitivity

After-Tax NPV* ($M)		**Gold Price (C$ / Ounce)**				
		$1,450	**$1,500**	**Base Case $1,550**	**$1,600**	**$1,700**
Discount Rates	0%	$101	$114	**$127**	$140	$166
	5%	$67	$78	**$88**	$99	$119
	Base Case 7%	$56	$66	**$76**	$85	$105
	10%	$42	$51	**$60**	$68	$85
IRR %		24	27	**29**	32	37
Payback – Years		3.6	3.4	**3.3**	3.1	2.9

After-tax cash flows reflect a combined Federal and Provincial tax rate of 31% and the Nova Scotia mining royalty tax, which is calculated as a 1% net smelter return on revenue from gold production.

The Company carries tax pools that have not been incorporated into the asset-level economic analysis, which have the potential to increase the after-tax value of the Project. The estimated tax loss pools available as at December 31, 2017 were as follows: Non-capital losses of $9.7 million, Cumulative Canadian Exploration Expense of $7.4 million and Cumulative Canadian Development Expenses of $5.9 million.

A Technical Report prepared in accordance with NI43-101 for the Goldboro Gold Project will be filed on SEDAR (www.sedar.com) within 45 days of this news release. Readers are encouraged to read the Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the PEA. The Technical Report is intended to be read as a whole and sections should not be read or relied upon out of context.

QUALIFIED PERSONS

This news release has been reviewed and approved by the below noted Qualified Persons. The Qualified Persons have reviewed or verified all information for which they are individually responsible, including sampling, analytical, and test results underlying the information or opinions contained herein.

- Gordana Slepcev. P.Eng., Chief Operating Officer and Paul McNeill, P. Geo., Vice President Exploration with Anaconda Mining Inc., "Qualified Persons".
- Todd McCracken, P. Geo., Manager – Mining of WSP, an "Independent Qualified Person", under NI 43-101.
- Shane Ghouralal, P.Eng., Engineer, of WSP, an "Independent Qualified Person", under NI 43-101.

- Sebastian Bertelegni, P.Eng., Director – Mining Infrastructure, of WSP, an "Independent Qualified Person", under NI 43-101.

A version of this press release will be available in French on Anaconda's website (www.anacondamining.com) in two to three business days.

ABOUT ANACONDA MINING INC.

Anaconda Mining is a TSX-listed gold mining, development, and exploration company, focused in the prospective Atlantic Canadian jurisdictions of Newfoundland and Nova Scotia. The Company operates the Point Rousse Project located in the Baie Verte Mining District in Newfoundland, comprised of the Stog'er Tight open pit mine, the Pine Cove open pit mine, the Argyle Mineral Resource, the fully-permitted Pine Cove Mill and 7-million tonne capacity tailings facility, and approximately 9,150 hectares of prospective gold-bearing property. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade Mineral Resource, subject of a 2018 a preliminary economic assessment which demonstrates a strong project economics.

The Company also has a wholly owned exploration company that is solely focused on early stage exploration in Newfoundland and New Brunswick.

NON-IFRS MEASURES

Anaconda has included certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Operating Cash Costs per Ounce of Gold – Anaconda calculates operating cash costs per ounce by dividing operating expenses per the consolidated statement of operations, net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however excludes depletion and depreciation and rehabilitation costs.

All-In Sustaining Costs per Ounce of Gold – Anaconda has adopted an all-in sustaining cost performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs, sustaining exploration, and rehabilitation accretion and amortization related to current operations. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments, and taxes. Canadian and US dollars are noted for realized gold price, operating cash costs per ounce of gold and all-in sustaining costs per ounce of gold. Both currencies are considered relevant and the Company uses the average foreign exchange rate for the period.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable Canadian and United States securities legislation. Forward-looking information includes, but is not limited to, disclosure regarding the economics and project parameters presented in the PEA, including, without limitation, IRR, all-in sustaining costs, NPV and other costs and economic information, possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future development and exploration activities on the Company's projects; success of development and exploration activities; permitting time lines and requirements; time lines for further studies; planned exploration and development of properties and the results thereof; and planned expenditures and budgets and the execution thereof. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will *be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Anaconda to be materially different from those expressed or implied by such forward-looking information, including risks associated with the exploration, development and mining such as economic factors as they effect exploration, future commodity prices, changes in foreign exchange and interest rates, actual results of current production, development and exploration activities, government regulation, political or economic developments, environmental risks, permitting timelines, capital expenditures, operating or technical difficulties in connection with development activities, employee relations, the speculative nature of gold exploration and development, including the risks of diminishing quantities of grades of resources, contests over title to properties, and changes in project parameters as plans continue to be refined as well as those risk factors discussed in Anaconda's annual information form for the fiscal year ended December 31, 2017, available on www.sedar.com.*

Although Anaconda has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Anaconda does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

FOR ADDITIONAL INFORMATION CONTACT:

Anaconda Mining Inc.
Dustin Angelo
President and CEO
(647) 260-1248
dangelo@anacondamining.com
www.AnacondaMining.com

Rahim Kassim-Lakha
VP Corporate Development
(416) 414-9954
rlakha@anacondamining.com

Reseau ProMarket Inc.
Dany Cenac Robert
Investor Relations
(514) 722-2276 x456
Dany.Cenac-Robert@ReseauProMarket.com