



## ANACONDA MINING FILES PRELIMINARY ECONOMIC ASSESSMENT TECHNICAL REPORT FOR THE GOLDBORO GOLD PROJECT

***Pre-tax Net Present Value 5% of \$805M with a pre-tax IRR of 29.0%***  
***After-tax Net Present Value 5% of \$547M with an after-tax IRR of 24.4%***

**TORONTO, ON – August 5, 2021** - Anaconda Mining Inc. (“Anaconda” or the “Company”) (TSX: ANX) (OTCQX: ANXGF) is pleased to announce the filing of a technical report prepared in accordance with National Instrument 43-101 (“NI 43-101”) with respect to a preliminary economic assessment (“PEA”) for its 100%-owned Goldboro Gold Project in Nova Scotia, Canada (“Goldboro”, or the “Project”). The technical report, entitled “NI 43-101 Technical Report and Preliminary Economic Assessment for the Goldboro Gold Project, Eastern Goldfields District, Nova Scotia”, with an effective date of June 23, 2021 (the “Technical Report”), follows the previous announcement on June 23, 2021. All currency is presented in Canadian dollars (C\$) and referenced as “C\$” or “\$”, unless otherwise stated.

The Technical Report is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.anacondamining.com](http://www.anacondamining.com).

### Highlights of the Goldboro Gold Project PEA

- ***After-tax Net Present Value at a 5% discount rate (“NPV 5%”) of \$547 million and an after-tax Internal Rate of Return (“IRR”) of 24.4%, with an after-tax payback of 3.2 years based on a gold price of \$2,000 per ounce (US\$1,550 at an exchange rate of 1.29 C\$:US\$);***
- Pre-tax NPV 5% of \$805 million and a pre-tax IRR of 29.0%, with a pre-tax payback period of 2.9 years;
- Total gold recovered of over 1,950,000 ounces over a 17.6-year life of mine, based on 15.0 Mt at 2.09 grams per tonne (“g/t”) gold from surface mining, 6.0 Mt at 4.89 g/t gold from underground mining, and 3.2 Mt at 0.63 g/t gold from a low-grade stockpile;
- Goldboro could generate an estimated \$3.9 billion of gross revenue, approximately \$ 1.6 billion in undiscounted pre-tax net cash flow, and over \$481 million in federal and provincial tax payments;
- Initial capital cost (“Capex”) of \$286 million resulting in an after-tax NPV 5% to Capex ratio of 1.9;
- Average gold production of over 89,500 ounces per year over the first 7 years of production from surface mining, increasing to average annual production of over 120,000 ounces in years 8 through 18;
- Life-of-Mine Operating Cash Costs<sup>1</sup> of \$862 (US\$668) per ounce sold and All-In Sustaining Costs<sup>1</sup> (“AISC”) of \$1,031 (US\$799) per ounce sold;
- Mill capacity of 4,000 tonnes per day (“tpd”) based on combined gravity and leaching circuit, demonstrating an average gold recovery of 96.4%; and
- At a gold price of \$2,200 (US\$1,705), Goldboro could generate cumulative after-tax net cash flows of approximately \$1.4 billion, an after-tax NPV 5% of over \$700 million and an after-tax IRR of 29.2%.

<sup>1</sup> See note below on “Non-IFRS Financial Measures”

\* Cautionary statement NI 43-101: The PEA was prepared in accordance with NI 43-101. 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.

### The Goldboro Gold Project Preliminary Economic Assessment

The PEA was completed by Nordmin Engineering Ltd. (“Nordmin”) as Lead, Mining, and Geological Consultant. Knight Piésold Ltd. (“Knight Piésold”) acted as Tailings Consultant, GHD Ltd. (“GHD”) as Site Water Management and Environmental Consultant, Ausenco Engineering Canada Inc. (“Ausenco”) as Metallurgical and Processing Consultant, Lorax Environmental Services Limited (“Lorax”) as Geochemistry Consultant, and McCallum Environmental Ltd. (“McCallum”) as Consultation and Permitting Consultant. The Goldboro Gold Project Mineral Resource Estimate, effective February 7, 2021, was prepared by Nordmin.

**Table 1: Summary of Key Estimated Results and Assumptions in the Preliminary Economic Assessment**

<b>Production Data</b>	<b>Values</b>	<b>Units</b>
Life of Mine	17.6	Years
Processing Rate	4,000 / 1.46	tpd / Mtpa
Recovered Gold	1.95	Moz
Average Gold Recovery	96.4%	
Pre-production Mined Tonnage	3.1	Mt
Total Mined Tonnage (including pre-production) from Open Pit Mining	114.2	Mt
Total Milled Tonnage from Open Pit Mining	15.0	Mt
Overall Strip Ratio	6.6	waste:ore
Total Milled Tonnage from Underground Mining	6.0	Mt
Total Milled Tonnage from Low-Grade Stockpile	3.2	Mt
Total Milled Tonnage	24.3	Mt
Average Annual Gold Production	112	koz
Average Mill Feed Grade	2.59	g/t gold

<b>Capital Costs</b>	<b>Values</b>	<b>Units</b>
Initial Capital, Direct Cost Estimate	\$183.1	C\$M
Initial Capital, Indirect Costs and Contingency	\$97.4	C\$M
Other Costs and Working Capital	\$5.9	C\$M
<b>Total Initial Capital Costs</b>	<b>\$286.3</b>	<b>C\$M</b>
LOM Sustaining Capital	\$229.2	C\$M
LOM Sustaining Capital, Indirect Costs and Contingency	\$40.0	C\$M
<b>Total LOM Sustaining Capital</b>	<b>\$269.2</b>	<b>C\$M</b>
Reclamation and Closure Costs	\$57.7	C\$M
Fisheries Offsetting and Wetland Compensation	\$8.4	C\$M
<b>LOM Total Capital</b>	<b>\$615.7</b>	<b>C\$M</b>
Capital Intensity (Initial Capital / Ounces Produced)	\$147	C\$/oz

<b>LOM Operating Costs</b>	<b>Values</b>	<b>Units</b>
Open Pit Mining (per tonne OP mined)	\$4.86	C\$/t
Underground Mining (per tonne UG mined)	\$92.48	C\$/t
Processing (per tonne milled)	\$12.51	C\$/t
Refining and Transport	\$4.06	C\$/oz
Water Management and Treatment (per tonne milled)	\$0.95	C\$/t
Site Support Costs (per tonne milled)	\$10.14	C\$/t
Total Operating Cost (per tonne milled)	\$68.92	C\$/t
<b>Average Operating Cash Cost per Ounce Sold <sup>1</sup></b>	<b>C\$862 (US\$668)</b>	<b>\$/oz</b>
<b>Average All-In Sustaining Cost per Ounce Sold <sup>1</sup></b>	<b>C\$1,031 (US\$799)</b>	<b>\$/oz</b>

<b>Financial Analysis</b>	<b>Values</b>	<b>Units</b>
Gold Price Assumption	\$1,550	US\$/oz
US\$:C\$ Exchange	1:1.29	
Gold Price Assumption – C\$	\$2,000	C\$/oz
Pre-Tax NPV 5%	\$805.0	C\$M
Pre-Tax IRR	29.0%	
Pre-Tax Payback	2.9	years
After-Tax NPV 5%	\$547.0	C\$M
After-Tax IRR	24.4%	
After-Tax Payback	3.2	years
Pre-Tax Unlevered Free Cash Flow	\$1,591.1	C\$M
After-Tax Unlevered Free Cash Flow	\$1,110.0	C\$M
LOM Direct Income and Provincial Mining Taxes	\$481.1	C\$M

Notes:

1. See note below on "Non-IFRS Financial Measures".

### **Goldboro Gold Project – Mineral Resource Estimate**

The Mineral Resource, as announced on February 22, 2021 and presented in **Table 2**, was prepared by Independent Qualified Person Glen Kuntz, P. Geo. of Nordmin. The Mineral Resource is based on validated results of 635 surface

and underground drill holes, for a total of 113,132.9 metres of diamond drilling, including 45,408.7 metres conducted by Anaconda, that was completed between 1984 and the effective date of February 7, 2021. Please refer to the Technical Report for further details.

**Table 2: Mineral Resource Statement for the Goldboro Gold Project**

Resource Type	Gold Cut-off (g/t)	Category	Tonnes ('000)	Gold Grade (g/t)	Troy Ounces
Open Pit	0.44	Measured	6,137	2.73	538,500
		Indicated	5,743	2.99	551,300
		<i>Measured + Indicated</i>	<i>11,880</i>	<i>2.86</i>	<i>1,089,900</i>
		Inferred	1,580	1.75	89,000
Underground	2.60	Measured	1,384	7.36	327,700
		Indicated	2,772	5.93	528,600
		<i>Measured + Indicated</i>	<i>4,156</i>	<i>6.41</i>	<i>856,200</i>
		Inferred	3,726	5.92	709,100
Combined <sup>^</sup>	0.44/2.60	Measured	7,521	3.58	866,200
		Indicated	8,515	3.95	1,079,900
		<i>Measured + Indicated</i>	<i>16,036</i>	<i>3.78</i>	<i>1,946,100</i>
		Inferred	5,306	4.68	798,100

<sup>^</sup> Combined Open Pit and Underground Mineral Resources; The Open Pit Mineral Resource is based on a 0.44 g/t gold cut-off grade, and the Underground Mineral Resource is based on 2.60 g/t gold cut-off grade.

*Mineral Resource Estimate Notes*

1. Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). Mineral Resources that are not mineral reserves do not have demonstrated economic viability. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
2. Open Pit Mineral Resources are reported at a cut-off grade of 0.44 g/t gold that is based on a gold price of C\$2,000/oz (~US\$1,550/oz) and a gold processing recovery factor of 96%.
3. Underground Mineral Resource is reported at a cut-off grade of 2.60 g/t gold that is based on a gold price of C\$2,000/oz (~US\$1,550/oz) and a gold processing recovery factor of 97%.
4. Assays were variably capped on a wireframe-by-wireframe basis.
5. Specific gravity was applied using weighted averages to each individual wireframe.
6. Mineral Resource effective date February 7, 2021.
7. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.
8. Excludes unclassified mineralization located within mined out areas.
9. Reported from within a mineralization envelope accounting for mineral continuity.

**Technical Report and Qualified Persons**

The Technical Report prepared in accordance with NI 43-101 for the Goldboro Gold Project PEA was filed today on SEDAR ([www.sedar.com](http://www.sedar.com)). Readers are encouraged to read the Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the Mineral Resource. The Technical Report is intended to be

read as a whole, and sections should not be read or relied upon out of context.

Disclosure of a scientific or technical nature in this news release has been approved by Paul McNeill, P. Geo., VP Exploration with Anaconda Mining Inc., a "Qualified Person". Mr. McNeill has verified the data disclosed in this news release, including sampling, analytical and test data underlying the information it contains.

## **ABOUT ANACONDA**

Anaconda Mining is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in the top-tier Canadian mining jurisdictions of Newfoundland and Nova Scotia. The Company is advancing the Goldboro Gold Project in Nova Scotia, a significant growth project with Measured and Indicated Mineral Resources of 1.9 million ounces (16.0 million tonnes at 3.78 g/t gold) and Inferred Mineral Resources of 0.8 million ounces (5.3 million tonnes at 4.68 g/t gold) (Please see the Technical Report for further details). Anaconda also operates mining and milling operations in the prolific Baie Verte Mining District of Newfoundland which includes the fully permitted Pine Cove Mill, tailings facility and deep-water port, as well as ~15,000 hectares of highly prospective mineral property, including those adjacent to the past producing, high-grade Nugget Pond Mine at its Tilt Cove Gold Project.

## **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 ("AISC") performance measure that reflects all of the expenditures that are required to produce an ounce of gold 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), sustaining exploration, and rehabilitation and reclamation costs. All-in sustaining costs excludes initial capital expenditures, financing costs, corporate general and administrative costs and salvage value, and taxes. AISC per Ounce is calculated as AISC divided by payable gold ounces.*

## **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; 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 the risks outlined in this news release, risks associated with the exploration, development and mining such as economic factors as they affect 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 the Technical Report and Anaconda's annual information form for the year ended December 31, 2020, both available on SEDAR at [www.sedar.com](http://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. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

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