Anaconda Mining Reports First Quarter 2019 Results; Generates $4.1 Million of Cash Flow from Operating Activities

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TORONTO, May 2, 2019 - Anaconda Mining Inc. ("Anaconda" or the "Company") – (TSX: ANX) (OTCQX: ANXO pleased to report its financial and operating results for the three months ended March 31, 2019 ("Q1 2019"). The conde consolidated financial statements and management discussion & analysis documents can be found at www.sedar.com Company's website, www.anacondamining.com. All dollar amounts are in Canadian dollars unless otherwise noted.

First Quarter 2019 Highlights

- Anaconda sold 5,251 ounces of gold in Q1 2019, a 16% increase over Q1 2018, generating metal revenue of $8. an average realized gold price of $1,671 per ounce sold*. The Company also had 749 ounces in gold doré bars i March 31, 2019, which were sold in early April.
- Strong revenue enabled the Point Rousse Project to generate EBITDA* of $3.8 million for the first quarter of 2019 with $3.5 million for the three months ended March 31, 2018.
- On a consolidated basis, EBITDA* for the three months ended March 31, 2019 was $2.7 million, an increase of $ over the comparative period.
- Operating cash costs per ounce sold* at the Point Rousse Project in Q1 2019 was $977 (US$735), below 2019 a guidance of $1,050-$1,100, due to the high number of gold ounces sold.
- All-in sustaining cash costs per ounce sold*, including corporate administration and sustaining capital expenditure $1,312 (US$987) for Q1 2019, a 5% improvement over Q1 2018.
- The Company invested $4.4 million in its exploration and development projects, including $3.9 million on the Gold Project in Nova Scotia mostly relating to the 10,000 tonne bulk sample and exploration programs.
- Net income for the three months ended March 31, 2019 was $1,157,851, or $0.01 per share, compared to $149,2 per share, for the three months ended March 31, 2018.
- In March 2019, the Company executed a $5 million term loan with the Royal Bank of Canada ("RBC") with a two- and 4.6% interest rate, to provide enhanced financial flexibility and to complete all pre-construction activity at its 1 Goldboro Gold Project in Nova Scotia ("Goldboro").
- As at March 31, 2019, the Company had a cash balance of $10.7 million, working capital* of $4.6 million, and add available liquidity of $1,000,000 from an undrawn revolving line of credit facility.

*Refer to Non-IFRS Measures section below. A full reconciliation of Non-IFRS Measures can be found in the Management Discussion and Analysis for the three months ended March 31, 2019.

"Despite unplanned maintenance at the Pine Cove Mill during the first quarter, particularly for the regrind mill, Anacond to generate $3.8 million of EBITDA from the mining operations at its Point Rousse Project, at operating cash costs per 2019 guidance. While lower throughput impacted gold production from a timing perspective, the Company continues o produce and sell between 19,000 and 20,000 ounces of gold in 2019.The consistent and continued ability of Point Rou generate cash flow from operations is demonstrated by a $5 million term loan facility entered into with the Royal Bank and with the support of Export Development Canada, with a two-year term and a low cost of capital. The company rem positioned to continue to generate cash from its Point Rousse operations while advancing the Goldboro Gold Project to construction-decision stage in early 2020."

~Kevin Bullock, Chief Executive Officer, Anaconda Mining Inc.

Consolidated Results Summary

Financial Results	Three months ended March 31, 2019	Three months ended March 31, 2018
Revenue ($)	8,776,703	7,596,600
Cost of operations, including depletion and depreciation ($)	6,454,694	5,511,353
Mine operating income ($)	2,322,009	2,085,247
Net income ($)	1,157,851	149,218
Net income per share ($/share) – basic and diluted	0.01	0.00
Cash generated from operating activities ($)	4,135,073	991,805
Capital investment in property, mill and equipment ($)	289,177	563,973
Capital investment in exploration and evaluation assets ($)	4,357,390	1,535,364
Average realized gold price per ounce*	US$1,257	US$1,327
Operating cash costs per ounce sold*	US$735	US$712
All-in sustaining cash costs per ounce sold*	US$987	US$1,090
	March 31, 2019	December 31, 2018
Total assets ($)	64,802,769	57,942,367
Non-current liabilities ($)	7,709,935	5,290,646
*Refer to Non-IFRS Measures section below.		
Operational Results	Three months ended March 31, 2019	Three months ended March 31, 2018
Ore mined (t)	77,367	143,840
Waste mined (t)	279,412	250,132
Strip ratio	3.6	1.7
Ore milled (t)	79,758	109,219
Grade (g/t Au)	1.92	1.44
Recovery (%)	84.8	85.2
Gold ounces produced	4,176	4,293
Gold ounces sold	5,251	4,526

First Quarter 2019 Review

Operational Overview

The Pine Cove Mill processed 79,758 tonnes during Q1 2019, down 27% compared to the first quarter of 2018 due to lower mill availability from a combination of the planned maintenance on the main ball mill with routine replacement of the mill liners, lifters and trunnions and delayed shipment of trunnion liners and unplanned maintenance on the head of the regrind mill. The failure of the regrind mill also impacted the throughput rate during the quarter, in addition to adverse weather conditions in the earlier part of the quarter impeding the rate of crushing.

Average grade during Q1 2019 was 1.92 g/t, a 33% increase over the first quarter of 2018, and consistent with the fourth quarter of 2018 when Stog'er Tight became the main ore feed to the Pine Cove Mill. The mill achieved an average recovery rate of 84.8%, resulting in gold production of 4,176 ounces for the first quarter of 2019. The average recovery rate decreased compared to both Q1 2018 and the fourth quarter of 2018, as leach recoveries were impacted by the absence of the regrind mill in March, and the back-up stirred media detritor ("SMD") system was not able to maintain the optimal grind size and corresponding leach capabilities, leading to recovery loss. To minimize any loss of gold production, the mill temporarily ceased operations to allow for the completion of rebuild of the regrind mill head and to opportunistically complete many significant maintenance programs. In February, however, when ore feed was predominantly from Stog'er Tight and the regrind mill was on-line, the mill achieved an average recovery of 88.5%.

During the first quarter of 2019, the mine operations produced 77,367 tonnes of ore from the Stog'er Tight Mine. Mine operations also included 45,120 tonnes of waste from pushbacks at the Pine Cove Pit, where development activity is ongoing in preparation for mining in the second quarter. Ore tonnes for the quarter were higher than expected, with production results demonstrating a positive variance against the block model underlying the mine plan. As at March 31, 2019, the operation had stockpiled over 30,600 tonnes of ore with an estimated average grade of 1.73 g/t.

Financial Results

Anaconda sold 5,251 ounces of gold during the first quarter of 2019, generating gold revenue of $8.8 million, and had 749 ounces in gold doré bars in inventory at March 31, 2019, which were sold in early April.

Operating expenses for the three months ended March 31, 2019 were $4,886,614, compared to $4,074,347 in the three months ended March 31, 2018. Operating expenses were higher due to relatively higher haulage costs from Stog'er Tight in 2019, compared to the comparative period when the Company was mining from the Pine Cove Mine which is closer to the mill. Operating expenses were also lower in Q1 2018 due to the capitalization of approximately $470,000 in Stog'er Tight development costs. Operating cash costs per ounce sold in the first three months of fiscal 2019 were $977 (US$735), below the Company's 2019 annual operating cash cost guidance of C$1,050-C$1,100, due to the higher gold ounces sold. Operating expenses in Q1 2019 also included a royalty expense of $248,295 on production from Stog'er Tight, which carries a 3% net smelter return royalty, compared to $nil in the previous year as the Pine Cove Mine is not subject to a royalty.

Depletion and depreciation expense for the first three months of fiscal 2019 was $1,319,785, a decrease from $1,437,006 during the comparative period as result of lower comparative ounces produced. Mine operating income for the three months ended March 31, 2019 was $2,322,009, an increase over Q1 2018 as higher comparable operating costs during the most recent quarter were offset by higher gold sales.

Corporate administration expenditures were $1,013,180 for the first three months of fiscal 2019, down from $1,094,354 for the comparative period. Corporate administration includes senior management and corporate compensation, regulatory and listing costs, marketing and investor relations, and general office expenses. The Company also recorded a net recovery of research and development costs of $129,558 relating to funding received from the Atlantic Innovation Fund for the narrow vein mining research project.

Share-based compensation was $110,765 during Q1 2019, compared to $150,473 in the three months ended February 28, 2017, reflecting the share units granted during the quarter. Stock-based compensation was higher in the comparative period due to greater vesting expense of the stock options granted during the three months ended March 31, 2018.

Net comprehensive income for the three months ended March 31, 2019, was $1,157,851, or $0.01 per share, compared to $149,218, or $0.00 per share. The improvement compared to the three months ended March 31, 2018 was the result of higher mine operating income, as well as a net income tax recovery, as the Company recorded a current income tax expense of $268,163 relating to provincial mining tax and a deferred income tax recovery of $102,000 during the three months ended March 31, 2019 (three months ended March 31, 2018 – $473,000 and expense of $262,000, respectively).

Financial Position and Cash Flow Analysis

As at March 31, 2019, the Company continued to maintain a robust working capital position of $4,587,192, which included cash and cash equivalents of $10,656,289. The higher cash balance reflects impact of the $5,000,000 term loan from the Royal Bank of Canada ("RBC") and a $1,727,500 gold prepayment with Auramet International LLC, offset by the continued investment of flow-through dollars into exploration programs and the continued advancement of the Goldboro Gold Project.

The Company maintains a $1,000,000 revolving credit facility as well as a $750,000 revolving equipment lease line of credit with RBC. Under the terms of the Agreement, RBC maintains a first-ranking general security agreement including a specific security interest in the Company's ball mill and cone crushers. As at March 31, 2019, the Company had not drawn against the revolving credit facility.

In Q1 2019, Anaconda generated cash flow from operations of $4,135,074. Revenue less operating expenses from the Point Rousse Project were $3,890,089, based on quarterly gold sales of 5,251 ounces at an average price of C$1,671 per ounce sold and operating cash costs of $977 per ounce sold. Corporate administration costs in the first quarter were $1,013,180 and there was a net increase in operating cash flows of $1,390,711 from changes in working capital.

During the first quarter of 2019, the Company continued to invest in its key growth projects in Newfoundland and Nova Scotia. The Company spent $4,351,938 on exploration and evaluation assets (adjusted for amounts included in trade payables and accruals at March 31, 2019), which includes $3,854,831 on the continued advancement of the Goldboro Project and $368,952 on the Argyle Resource at Point Rousse. The Company also invested $289,177 into the property, mill and equipment at the Point Rousse Project, with capital investment focused on development activity on a pushback of the Pine Cove Mine.

Financing activities in the first three months of 2019 were limited to the proceeds from the $5,000,000 term loan with RBC, with a two-year term bearing interest at 4.6% per annum, and the repayment of capital lease obligations and government loans.

Non-IFRS Measures

Anaconda has included in this press release 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.

Average Realized Gold Price per Ounce Sold – In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") - EBITDA is earnings before finance expense, deferred income tax expense and depletion and depreciation.

Point Rousse Project EBITDA is EBITDA before corporate administration and other expenses (income).

Working Capital – Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets.

ABOUT ANACONDA

Anaconda Mining is a TSX and OTCQX-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 Mine, the Pine Cove open pit mine, the Argyle Mineral Resource, the fully-permitted Pine Cove Mill and tailings facility, deep water port, and approximately 11,181 hectares of prospective gold-bearing property. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade Mineral Resource, subject to a 2018 preliminary economic assessment which demonstrates 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.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable Canadian and United States securities legislation. 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 year ended December 31, 2018, 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.

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