Anaconda Mining Reports Q3 Production Results and Announces Updated Mineral Reserve and Resource for Argyle

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TORONTO, October 13, 2021 - Anaconda Mining Inc. ("Anaconda" or the "Company") (TSX:ANX)(OTCQX:ANXGF) is today announcing production results and certain financial information from the three and nine months ended September 30, 2021 ("Q3 2021"). The Company is also pleased to announce an updated Mineral Reserve and Resource Estimate ("Mineral Reserve and Resource") for the Argyle Deposit prepared in accordance with National Instrument 43-101 ("NI 43-101") and 2019 CIM MRMR Best Practice Guidelines. The Mineral Reserve and Resource was prepared by Independent Qualified Persons Joanne Robinson, P.Eng., and Glen Kuntz, P.Geo., of Nordmin Engineering Ltd. ("Nordmin"), respectively. All dollar amounts are in Canadian dollars. The Company expects to file its third quarter financial statements and management discussion and analysis on or around November 4, 2021.

"With the focus of Q3 2021 on mine waste development to access ore at Argyle, which was impacted by drill availability, mill throughput during the quarter was mainly limited to lower grade Pine Cove ore stockpiles, resulting in gold production of 2,218 ounces. As a result of the delays in mine development, the Company is revising its guidance downward to approximately 12,000 ounces sold and produced for 2021. While the challenges in developing mine waste at Argyle are disappointing, ore delivery ramped up at the end of September and we are confident in the mine plan going forward. This mine plan is based on the independently updated Mineral Reserves prepared by Nordmin, where 2022 is shaping up to be a record year of production for the Company. Over the next 14 months, we expect to mine approximately 529,100 tonnes of ore at an average diluted grade of 1.99 grams per tonne, which at a recovery rate of 87% will result in production of approximately 29,500 ounces. The Company also anticipates announcing an expanded Mineral Resource for Stog'er Tight in the coming weeks, which we believe will demonstrate the continued ability to expand the life of mine of the Point Rousse operations."

~Kevin Bullock, President and CEO, Anaconda Mining Inc.

Q3 2021 Highlights

- Updated Probable Mineral Reserve for Argyle of 529,100 tonnes at an average diluted grade of 1.99 grams per tonne ("g/t") gold containing 33,850 ounces, using a base case gold price of $2,000 (US$1,550);
- Gold production over the next 14 months is expected to be approximately 29,500 ounces based on an 87% overall mill recovery, setting up Anaconda for a record year of production in 2022, at an average operating cash cost per ounce sold of $1,112 (US$878) [1];
- Argyle demonstrates robust economics with undiscounted after-tax cash flows of $18.4M and an after-tax NPV (5%) of $17.4M with an IRR of 1,631%;
- Anaconda produced 2,218 ounces of gold in Q3 2021, a 61% decrease compared to Q3 2020 as throughput was predominantly from low-grade ore stockpiles while mine waste development was the focus at Argyle, with ore delivery ramping back up at the end of September;
- Due to slower mine waste development at Argyle during Q3 2021 which delayed access to higher-grade ore, the Company has revised its 2021 guidance downward to approximately 12,000 ounces of gold sold and produced;
- The Company sold 2,574 ounces of gold in Q3 2021, generating metal revenue of $5.8 million at an average realized gold price[1] of $2,242 (US$1,779) per ounce;
- The Pine Cove Mill processed 118,988 tonnes during Q3 2021 and achieved mill availability of 95.1%, achieving similar mill throughput as in Q3 2020. The mill achieved a strong average recovery rate of 86.2% during Q3 2021 despite throughput being comprised mainly of low-grade Pine Cove stockpiles;
- Mining operations achieved 802,087 tonnes of waste development during the third quarter, lower than plan due to drill availability which delayed access to ore, resulting in 18,047 tonnes of ore mined. Ore mining has been ramping up significantly since the end of September and mill throughput in Q4 is expected to be predominantly from Argyle;

- As of September 30, 2021, the Company had a cash balance of $10.6 million, preliminary working capital[1] of $6.5 million, and additional available liquidity of $3.0 million from an undrawn revolving line of credit facility.

[1] Refer to Non-IFRS Measures Section below.

Third Quarter Operating Statistics

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Mine Statistics				
Ore production (tonnes)	18,047	187,185	106,762	401,573
Waste production (tonnes)	802,087	387,116	1,934,794	1,510,830
Total material moved (tonnes)	820,134	574,301	2,041,556	1,912,403
Waste: Ore ratio	44.4	2.1	18.1	3.8
Mill Statistics				
Availability (%)	95.1	97.6	91.7	98.0
Dry tonnes processed	118,988	120,359	328,551	351,828
Tonnes per day ("tpd")	1,361	1,340	1,313	1,311
Grade (grams per tonne)	0.67	1.59	0.88	1.42
Recovery (%)	86.2	88.5	85.9	87.5
Gold Ounces Produced	2,218	5,444	7,959	14,098
Gold Ounces Sold	2,574	5,105	8,849	13,948

Operations Overview for the Three Months Ended September 30, 2021
Anaconda sold 2,574 ounces of gold during the third quarter of 2021, generating metal revenue of $5.8 million at an average realized gold price[1] of $2,242 (US$1,779) per ounce, and year-to-date has sold 8,849 ounces to generate metal revenue of $20.1 million. For the nine months ended September 30, 2021, the Company produced 7,959 ounces due to the heavy focus on mine waste development coupled with the processing of low-grade ore stockpiles. Accordingly, the Company has revised its 2021 guidance downward

to approximately 12,000 ounces of gold sold and produced. The Company will update its operating cash costs per ounce sold[1] guidance when it releases its financial results for Q3 2021. The average operating costs per ounce sold over the 14 month mineral reserves for Argyle is expected to be $1,112 per ounce (US$878).

Mine operations in the third quarter were focused on mine waste development at Argyle with 802,087 tonnes of waste moved during the quarter. While the plan was to focus on waste development, the rate of waste development was impacted by drill availability delaying the access to ore in Q3 2021, resulting in a strip ratio of 44.4 waste tonnes to ore tonnes. Ore mining has been ramping up significantly since the end of September and mill throughput in Q4 is expected to be predominantly from Argyle.

The Pine Cove Mill processed 118,988 tonnes during Q3 2021 and achieved an availability rate of 95.1%, resulting in a throughput rate of 1,361 tonnes per day, similar to the corresponding period of 2021, with overall gold production impacted by the processing of low-grade Pine Cove ore stockpiles. Notwithstanding the low-grade throughput, the mill was able to achieve an average recovery rate of 86.2%, a decrease of only 2.6% compared to Q3 2020 despite grade being down 58% from the prior period.

[1] Refer to Non-IFRS Measures Section below.

Argyle Mineral Reserve
The Mineral Reserve was prepared by Independent Qualified Person, Joanne Robinson, P.Eng., of Nordmin. The updated Probable Mineral Reserve at Argyle, effective as of September 1, 2021, is 529,100 tonnes at an average diluted gold grade of 1.99 g/t and contains 33,850 ounces of gold at a strip ratio of 5.3 to 1, based on a cut?off grade of 0.56 g/t gold and gold price of CAD$2,000/oz (US$1,550/oz). This cut?off grade is the minimum ore grade required to process the ore economically.

Table 1: Argyle Mineral Reserve Estimate - Effective Date: September 1, 2021

Category	Tonnes	Gold (g/t)	Rounded Ounces
Probable	529,100	1.99	33,850

Footnotes:

See Gold Price, Capital, Operating and Tax Assumptions in Table 2 below.

1. The independent and qualified person for the mineral reserve estimate, as defined by NI 43-101 is Joanne Robinson, P.Eng., of Nordmin Engineering Ltd.

2. The effective date of the mineral reserve estimate is September 1, 2021.

3. The Mineral Reserve was derived from an ultimate pit shell design analysis based on parameters from the pit shell used to constrain the Indicated Mineral Resource. The ultimate pit design was created using Surpac 2021™ mining software and running a volumetric report between the pit design and the most recently surveyed topographic surface from August 30, 2021.

4. The reserve estimate includes an estimated 17% dilution and 3% metal loss as a result of regularizing the block model plus 15% external dilution and 5% mining loss.

Total gold ounces expected to be mined over the 14 month life of mine is expected to be 33,850 ounces resulting in gold produced of approximately 29,500 ounces based on an estimated average recovery rate of 87.0%. Argyle ore is being mined using conventional open pit mining methods with waste rock being stored locally at site and ore being transported by truck to the Pine Cove Mill. It is expected that Argyle ore will be batch-processed at approximately 1,200 tonnes per day with additional material from Pine Cove stockpiles continuing to supplement the mill capacity of 1,300 tonnes per day.

With mine waste development now on track and ore mining ramping up, Argyle demonstrates robust economics with undiscounted pre-tax cash flows of $21.2M, a pre-tax discounted NPV (5%) of $20.0M with an IRR of 1,667%, and an after-tax NPV (5%) of $17.4M with an IRR of 1,631%. Sustaining capital over the remaining 14 months of mine life is estimated to be $4.2M, relating mainly to ongoing mine waste development of which approximately $2.0M has already been invested as of September 30, 2021.

Table 2: Key Assumptions and Costs Used in the Mineral Reserve

Production Profile	
Gold Price - Base Case	CAD$2,000/ounce
Total Tonnes Milled	529,100 tonnes
Diluted Head Grade	1.99 g/t gold
Reserve Cut-Off Grade	0.56 g/t gold
Total Waste Tonnes	2,818,500 tonnes
Strip Ratio	5.3:1
Gold Recovery	87%
Total Gold Production	29,500 ounces
Capital Requirements	
Sustaining Capital	$4.2M
Unit Operating Costs	
Mining Costs	$34.55/tonne milled
Processing Costs	$26.35/tonne milled
G&A	$5.10/tonne milled
LOM Operating Cash Costs(1)	CAD$1,112 per ounce sold (US$878)
LOM All-in Sustaining Cash Costs(1)	CAD$1,252 per ounce sold (US$989)
Project Economics	
Royalties(2)	3% net smelter return
Income Tax/Mining Tax Rates	30%/15%
Pre-Tax	
NPV (5% Discount Rate)	$20.0M
Internal Rate of Return	1,667%
Cumulative Cash Flows	$21.2M
After-Tax	
NPV (5% Discount Rate)	$17.4M
Internal Rate of Return	1,631%

Cumulative Cash Flows	$18.4M

(1) Cash cost includes mining cost, mine-level G&A, mill and refining cost. This is a non-GAAP performance measure; please see "Non-GAAP Measures and Other Financial Measures" below.

(2) A portion of the project is also subject to a 7.5% net profits interest ("NPI") with Royal Gold Inc. Depending on the price of gold in the future, operating and capital costs, the production profile of Argyle, the NPI could become payable at a future date.

Argyle Mineral Resource
The Mineral Resource was prepared by Independent Qualified Person, Glen Kuntz, P. Geo. of Nordmin. The Argyle Mineral Resource is based on validated results of 271 surface drill holes (171 diamond drill holes and 100 percussive drill holes), for a total of 16,231 metres of diamond drilling that was completed between 2016 and 2021 and the effective date of September 1, 2021. From these drill holes a total of 5,556 samples were analyzed for gold content. The Mineral Resource is defined at a 0.56 g/t gold cut-off and is based upon 1 metre assay composites using a variable gold grade cap. The Open pit constrained Mineral Resource uses the unit cost assumptions outlined in Table 2.

Table 3: Argyle Mineral Resource - Effective Date: September 1, 2021

Type	Au (g/t) Cut -off	Category	Tonnes	Au g/t	Rounded Ounces
Open Pit	0.56	Indicated	436,800	2.53	35,530
		Inferred	500	2.77	50

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 0.56 g/t gold that is based on a gold price of CAD$2,000/oz (approximately US$1,550/oz) and a gold processing recovery factor of 87%.
3. Assays were capped on the basis of the three Domain types Flat, Steep and Background.
4. SG was applied on a lithological basis after calculating weighted averages based on lithological groups.
5. Mineral Resource effective date September 1st, 2021.
6. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.
7. Reported from within a mineralization envelope accounting for mineral continuity.
8. Excludes unclassified mineralization located within mined out areas.

A Technical Report prepared in accordance with NI 43-101 for the Point Rousse Project will be filed on SEDAR (www.sedar.com) within 45 days of this news release. For readers to fully understand the information in this news release, they should read the Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the Mineral Reserves. 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 Kevin Bullock, P.Eng., President and CEO and Paul McNeill, P. Geo., VP Exploration with Anaconda Mining Inc., "Qualified Persons", and Glen Kuntz, P. Geo. and Joanne Robinson, P.Eng. of Nordmin, "Independent Qualified Persons", under National Instrument 43-101 Standard for Disclosure for Mineral Projects.

Glen Kuntz, P. Geo. of Nordmin is responsible for disclosure regarding the Argyle Mineral Resource Estimate and Joanne Robinson, P.Eng., of Nordmin and Mr. Bullock, P.Eng. is responsible for disclosure regarding the Argyle Mineral Reserve Statement and related Project Economics.

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) and Inferred Mineral Resources of 0.8 million ounces (5.3 million tonnes at 4.68 g/t) (Please see The Goldboro Gold Project Technical Report dated March 30, 2021), which is subject to an ongoing Feasibility Study. 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 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.

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

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, 2020, 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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