
Anaconda Mining acquires San Gabriel iron ore prospect in Chile

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Anaconda Mining Inc has announce the acquisition of the right to earn a 100% interest in the San Gabriel iron ore prospect located approximately 1000 kilometer north of Santiago near the coastal city of Chanaral in Chile. Anaconda has the right to earn a 100% interest in the San Gabriel prospect by making payments totaling USD 2.4 million over four years.

The San Gabriel Prospect lies 70 kilometer NE of the port city of Chanaral a small city on the Pacific coast that has significant deep sea port infrastructure for iron ore exports. The prospect consists of 1700 hectares of exploration concessions and includes four magnetic anomalies.

Rio Tinto discovered the prospect in 1997 during a reconnaissance exploration program that consisted of ground magnetics and scout drilling. Rio Tinto's scope was primarily the discovery of IOCG deposits or very large Fe deposits. Rio explored the property in 1997, which included the drilling of 11 RC holes targeting magnetic anomalies. The property was subsequently returned to the vendors as Rio determined the discovery of the San Gabriel iron ore mineralization was not sufficient to meet their threshold of interest.

The prospect is a typical iron magnetite skarn associated with dioritic intrusives of Jurassic to lower Cretaceous age and which intruded andesitic volcanic sequences. These skarn related deposits are typical of the Chile-Peru coastal region and form deposits ranging from a few million tons to billion ton ore bodies such as Marcona in Peru.

Anaconda Mining is an emerging gold producer with a diversified portfolio of advanced stage exploration and development projects in Canada and Chile.

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