

## **MILL CITY OPTIONS CARLIN GOLD PROJECTS FROM ANACONDA GOLD CORP.**

February 26, 2003

CALGARY – Mill City International Corporation (TSXV-MC) is pleased to announce it has entered into an option agreement with Anaconda Gold Corp. (TSXV-ANX) on Anaconda's Horse Mountain and North Star gold projects located in Nevada's Carlin Trend.

Under the terms of the agreement, Mill City will have the right to earn a 51% participation interest in Anaconda's option agreements to purchase these projects by spending a total of US\$1 million on exploration by May 31, 2007. Anaconda will remain the project operator until Mill City earns its interest. Mill City can earn an additional 9% participation interest by continuing to fund the project to completion of a bankable feasibility study.

On signing of a formal agreement, Mill City will pay \$30,000 in cash and issue 300,000 common shares to Anaconda at a deemed value of \$0.20 per share. In addition, Mill City will be responsible for making all underlying option payments and annual assessment fees on the properties. A first phase exploration program designed to delineate drill targets is scheduled to begin later this Spring.

Anaconda has an option to purchase a 100% interest, under three separate agreements, in the North Star, Horse Mountain and Rock Horse properties. Rock Horse and Horse Mountain represent a total of 196 contiguous claims (approximately 4000 acres), and for project planning purposes, are referred to as the Horse Mountain project.

Both properties have had previous exploration work completed by several mining companies in the early 1980's. As was standard operating procedure at that time, all exploration work focused on testing for near surface gold mineralization and ignored the deep exploration potential of the properties. Work completed by Barrick Gold and Newmont Mining in the late 1980's generated new exploration models for the Carlin Trend which led to the discovery of several large high grade gold deposits at depths below 300 metres (1000 feet). As a result, all future drilling activity will be directed at depths of 300 to 600 metres (approximately 1000 to 2000 feet).

Horse Mountain is located in Elko County, Nevada, approximately 40 km (approx. 24 miles) northwest of Barrick Gold's Meikle gold mine on the northwest extension of the Carlin Trend. Cameco Corporation's REN high grade gold discovery is also situated approximately 35 km (approx. 21 miles) south of Horse Mountain along the same prospective stratigraphy believed to underlay Barrick's Meikle gold mine. "It's this similar combination of favourable stratigraphy and excellent geochemistry at Horse Mountain which we find very exciting", said James R. Brown, Chairman of Mill City.

Horse Mountain is characterized by highly anomalous gold, arsenic and antimony geochemistry and favourable stratigraphy. The geochemical anomaly is associated with a broad zone of silicification striking for more than 1.5 km (approx. 0.9 miles) and centered on a ridge of jasperoid outcrops.

North Star, located 18km (approx. 11 miles) north of Newmont's Ken Snyder gold mine, in Elko County, Nevada is centered over a large gravity high anomaly on the Carlin Trend and shows considerable potential to be a deep, undiscovered Carlin-type district. Gravity surveys, which have been used extensively by mining companies in the area, have been successful in identifying more dense Lower Plate strata which are favourable hosts for Carlin-type gold mineralization. North Star is characterized by local siliceous alteration, widespread decalcification and anomalous gold and associated trace elements.

Anaconda directors Larry Kornze and Robert Schafer, who have years of exploration experience in the Carlin Trend with Barrick Gold and BHP respectively, will be actively involved with management in designing and implementing this year's exploration program expected to begin in May.

Mr. Kornze was instrumental in guiding all of Barrick Gold's exploration in the Carlin Trend in the 1980's which led to the discovery of the Betze, Meikle, Deepstar, Screamer and Rodeo gold deposits.

Mr. Schafer was most recently Vice President – Exploration with Kinross Gold Corp. Prior to joining Kinross in 1996, Mr. Schafer was the Regional Exploration Manager – U.S. for BHP Minerals.

FOR FURTHER INFORMATION PLEASE CONTACT:

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