

## MILL CITY INTERNATIONAL CORPORATION

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FOR IMMEDIATE RELEASE

TSX VENTURE SYMBOL "MC"

### PROPOSED ARRANGEMENT WITH 699194 B.C. LTD.

**AUGUST 12, 2004 – CALGARY, ALBERTA – MILL CITY INTERNATIONAL CORPORATION** ("Mill City") is pleased to announce that it has entered into an arrangement agreement (the "**Arrangement**") with its wholly-owned subsidiary, 699194 B.C. Ltd. ("**699194**"), a British Columbia corporation, whereby all of the shareholders of Mill City will exchange their common shares in the capital of Mill City for common shares in 699194 on a one-for-one basis, Mill City will become a wholly-owned subsidiary of 699194, and the former shareholders of Mill City will become shareholders of 699194. On the effective date of the Arrangement, 699194 and Mill City will also complete a vertical short-form amalgamation to form "**Arrangco**", and the name of Arrangco will be "Mill City Gold Corp."

Subject to all necessary regulatory, court and stock exchange approvals, the shares of Arrangco will be listed in place of Mill City on the TSX Venture Exchange and it is a condition of the Arrangement that Mill City be continued and become a company under the *Business Corporations Act* (British Columbia).

As a result of the Arrangement, the shareholders of Mill City will have effectively exchanged their shares in Mill City for shares in Arrangco.

An annual and special meeting of the shareholders of Mill City will be held at the offices of Olympia Trust Company at Suite 2300, 125 – 9<sup>th</sup> Avenue S.E., Calgary, Alberta on Monday, August 23, 2004 at 10:00 a.m. (Calgary time) to consider, inter alia, and if thought fit, to approve the Arrangement under section 288 of the *Business Corporations Act* (British Columbia).

Further information on the Arrangement, its terms and the reasons for and background to the Arrangement, is contained in the Notice of Meeting and Information Circular posted on SEDAR at [www.sedar.com](http://www.sedar.com) on July 26, 2004.

### FOR FURTHER INFORMATION PLEASE CONTACT:

#### MILL CITY INTERNATIONAL CORPORATION

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