

MILL CITY GOLD CORP.

FOR IMMEDIATE RELEASE

TSX VENTURE SYMBOL "MC"

COMPLETION OF CONTINUATION AND ARRANGEMENT

SEPTEMBER 1, 2004 – CALGARY, ALBERTA – MILL CITY GOLD CORP. (FORMERLY MILL CITY INTERNATIONAL CORPORATION) ("Mill City") is pleased to announce that the previously announced Arrangement (the "**Arrangement**") with its then wholly-owned subsidiary, 699194 B.C. Ltd. ("**699194**"), has been approved by the shareholders of Mill City and by the Court. Mill City has filed final materials to effect the Arrangement on September 1, 2004.

As previously announced, it is a condition to the Arrangement that Mill City be continued and become a company under the *Business Corporations Act* (British Columbia) (the "**Continuation**"). A special resolution approving the Continuation was passed at Mill City's annual and special meeting held on August 23, 2004 and the Continuation has been effected.

As a result of the Arrangement, the shareholders of Mill City will have effectively exchanged their shares in Mill City (the "**Mill City Shares**") for shares in Mill City Gold Corp. (the "**Mill City Gold Corp. Shares**").

Today, all of Mill City's shareholders will be sent Letters of Transmittal by Mill City's transfer and exchange agent, Olympia Trust Company ("**Olympia**"), to exchange their shares in Mill City for shares in Mill City Gold Corp. on a one-for-one basis. A Shareholder who holds less than 500 Mill City Shares (a "**Small Lot Shareholder**") will only be entitled to receive a cash payment of \$0.20 per share unless such Small Lot Shareholder specifically elects within 30 days of the effective date to receive Mill City Gold Corp. Shares. Due to the administrative costs of effecting exchanges, if a cash payment in respect of the Mill City Gold Corp. Shares would be less than \$10, such payment will not be made. Shareholders of Mill City are requested to deliver their share certificates to Olympia in exchange for new share certificates of Mill City Gold Corp. (or cash in lieu thereof for Small Lot Shareholders who do not elect to receive certificates representing Mill City Gold Corp. Shares under the Arrangement). Shareholders whose shares are held through a nominee such as a broker, bank or trust company should contact such intermediary directly to confirm the exchange of their shares. Any questions should be directed to Olympia at (403)261-0900 or by e-mail to cssinquiries@olympiustrust.com

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 on July 26, 2004.

FOR FURTHER INFORMATION PLEASE CONTACT:

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