

FOR IMMEDIATE RELEASE

TSX VENTURE SYMBOL "MC"

DRILLING HAS COMMENCED AT ELDER CREEK

MAY 24, 2005 – CALGARY, ALBERTA – MILL CITY GOLD CORP. (the "Company") has been advised that drilling has commenced at the Company's 100% owned Elder Creek Property in the Cortez Trend.

James R. Brown, President of Mill City Gold Corp. is pleased to advise that a drill crew from Lang Exploratory Drilling, a Division of Boart Longyear Company, Elko, Nevada, arrived on site late last week at the Elder Creek Property, Lander County, Nevada. An initial hole was commenced on a major northwest – southeast structural feature that is believed to be one of the gold feeder systems that enriched the upper plate Valmy formation rocks that were the subject of the original Elder Creek mine. Unfortunately, problems in drilling the first hole resulted in a decision to abandon the hole at a depth of approximately 550 feet. A second hole, as of Wednesday May 18th, was down approximately 965 feet. From a depth of approximately 400 feet, drill cuttings are exhibiting hydrothermal pyrite and carbon veining and minor barite veining. The bottom of the hole is in intensely silicified carbon flooded Valmy quartzite. The drill crew is working one 12 hour shift per day and expects to drill 200-300 feet per day.

Approval from the Nevada Bureau of Land Management has been received for a drill program on the Elder Creek Property consisting of five reverse circulation drill holes. Initially, two holes (in addition to the abandoned hole) will be drilled with a combined total of 4,000 feet of drilling to test lower plate carbonate rocks. The Elder Creek Property is in the Battle Mountain – Eureka Trend (also known as the "Cortez Trend") and lies about 5 miles northwest of the producing Pipeline/Pipeline South gold deposits owned by the Cortez Joint Venture (Placer Dome Inc. PDG-T / Kennecott Exploration, a subsidiary of Rio Tinto RTP-Z).

A National Instrument 43-101 report (the "Russell Report") dated October 1, 2004 on the Elder Creek, North Mill Creek and NAD exploration properties, prepared by Rick H. Russell, M.Sc., Licensed Geologist, is available for review under the Company's profile at www.sedar.com. As noted in the Russell Report, the Elder Creek property was placed into production in 1989 on a modest near surface gold resource. The deposit was partially mined in 1989 and 1990 and produced 13,000 ounces of gold from leach pads. Mining was terminated because the uncrushed ore responded poorly to being stacked on heap leach pads. The mining has better exposed the dikes, sills and structures which were feeders for the deposit.

The Russell Report concludes that "the near surface resource at Elder Creek is a guide to and possibly indicative of a high-grade gold deposit in lower plate carbonate rocks. The lower plate assemblage at the Pipeline/South Pipeline deposits hosts several million ounces of gold, including high-grade gold feeder structures. The Elder creek property has potential for high-grade gold along exposed structures where they intersect lower plate rocks at depth."

The depth to the lower plate rocks is not currently known but has been estimated from regional geologic data to possibly be between 1200 – 1500 feet from the base of the Elder Creek open pit. The current drill program is designed to test the potential of the lower plate carbonate rocks as the source of gold mineralization in the historic open pit and in the gold mineralized dikes exposed in the base of the open pit.

The Elder Creek property is one of nine properties Mill City optioned to Minterra Resource Corp. ("Minterra") in September, 2004. Minterra has an option to earn a 60% interest in these properties by incurring US\$5,000,000 of exploration and development expenditures over five years, completing a minimum of 100,000 feet of drilling, and the obligation to pay all BLM and County fees due September 1, 2005 with respect to the properties together with all underlying advance royalty payments. In addition, Minterra reimbursed Mill City US\$203,000 for out-of-pocket expenses and agreed to issue Mill City a total of 1,000,000 shares – 500,000 shares have been issued and 500,000 shares to be issued on the first anniversary.

Once Minterra has incurred expenditures of US\$5 million and issued Mill City 1,000,000 shares, Minterra shall be deemed to have earned a 60% interest in the properties. Minterra may then elect to earn a further 10% interest, for an aggregate 70% interest, in any property by completing a Bankable Feasibility Study in regard to such property.

Notwithstanding the foregoing and provided Minterra has incurred expenditures of US\$3 million on the Toy and Elder properties and has made the other share and cash payments provided for herein, it shall have earned a 60% interest in such properties.

Rick H. Russell, M.Sc., a Qualified Person, has reviewed the technical disclosure contained herein and accepts responsibility for such disclosure.

FOR FURTHER INFORMATION PLEASE CONTACT:

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