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DRILLING BEGINS AT PONY CREEK

AUGUST 10, 2006 – CALGARY, ALBERTA – MILL CITY GOLD CORP. (“Mill City” or the “Company”) is pleased to announce the commencement of the 2006 Drilling Program at the Pony Creek / Elliot Dome property located on the Carlin Trend, Nevada, USA.

Mill City has been advised that Boart Longyear Drilling Company has been contracted to core drill up to 12 deep holes (approx. 30,000 feet in total), each hole to be drilled to a depth in the range of 2,500 feet. The Boart Longyear drilling rig and drill crew are now mobilized at the first drill target location which has been selected to test geological structure and stratigraphy at the northern extension of the established mineralized zone .

A permit from the Nevada Bureau of Land Management has been received for the drill program on the Pony Creek property, located in the southwest corner of Elko County, Nevada, 28 miles southeast of the town of Carlin and 19 miles south of Newmont’s Rain Mine. The 2006 drill program will test the Pony Creek mineralized system to a depth of 2,500 feet as well as test for the presence of Mississippian-Devonian geology between 1,000 and 2,500 feet, known to contain favorable gold mineralized host rock, present in the nearby Newmont Rain Mine deposit.

A National Instrument 43-101 report dated March 18, 2004, on the Pony Creek property, prepared by Rick H. Russell, B.S., M.S., a licensed geologist, is available for review on the Company's website. The Russell report concludes that there is an "Inferred Resource of 1,426,000 ounces at a grade of 0.044 oz/ton” and that the “Newmont drill hole PC-20 intersected 110 feet of continuous gold mineralization averaging 0.167 oz/ton Au, including a 25-foot interval averaging 0.450 oz/ton Au.”

Mr. Russell, B.S., M.S., a Qualified Person, has reviewed the technical disclosure contained herein and accepts responsibility for such disclosure

Grandview has an option to earn an undivided 60-per-cent interest in the property by incurring US\$3.5 million in resource exploration and development expenditures over a three year period. Grandview has expended approximately US\$2.0 million to date and expects to complete the balance of its option agreement obligation with Mill City within this 2006 drilling program.

Mill City is a gold exploration company focused on creating value for shareholders by exploring and developing high-grade gold properties in Nevada. Mill City has 11 properties comprising 33,904 acres in the Cortez and Carlin Trends, as well as the Western Nevada Rift. Details of Mill City’s projects are available on the Company’s website at www.millcitygold.com

FOR FURTHER INFORMATION PLEASE CONTACT:

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