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**DRILLING BEGINS AT TOY AND ELDER CREEK
EDEN PHASE 2 DRILLING COMPLETED**

AUGUST 8, 2006 – CALGARY, ALBERTA – MILL CITY GOLD CORP. (the "Company") has been advised by optionee Minterra Resource Corp. that drill rigs and field crews have been secured to advance the field exploration efforts on four significant projects, three of which are located in the very prolific Cortez Trend (Battle Mountain Eureka Trend). A Phase 2 drill program was just completed at the Eden Project, drilling is underway at the Toy Project and a drill rig is en route to begin Phase 2 drilling at the Elder Creek Project. Field personnel are actively advancing the geology, geochemistry and geophysical programs at the Tusk property.

PHASE 2 DRILLING AT EDEN COMPLETED

A Phase 2 reverse circulation drill program, consisting of 3,400 feet in 4 angle drill holes has been completed at the Eden gold project. Eden is a large, low-sulfidation type, epithermal gold system with surface geology and geochemistry very similar to the historic Sleeper Gold Mine (over 2.0 million ounces gold produced) and the Midas Deposit (3.4 million ounces) that Newmont Mining Corporation is currently mining. The project is 14 miles south of Winnemucca, Nevada within the Western Nevada Rift.

The holes were near hole ED-4 which returned encouraging results from the 17,000 foot long Eden Fault Zone during the Phase 1 drill program (40 feet from 565-605' @ 0.023 oz Au/ton (0.785 g/t) within 135 feet from 500-635' @ 0.014 oz Au/ton (0.495 g/t). Phase 2 drill holes ED-5 to ED-8 were located to expand the mineralization intersected in ED-4 and to explore for high grade values that are known to occur in these types of gold systems.

- ED-6 tested the Eden Fault zone along the structural zone north of ED-4
- ED-8 tested the Eden Fault zone along the structural zone south of ED-4
- ED-5 drill tested the favorable zone deeper below ED-6
- ED-7 drill tested the favorable zone deeper below ED-8.

Very difficult drilling conditions were encountered due to brecciation, silicification, and voids within the quartz and quartz-carbonate veining in ED-6, 7, and 8 as well as the steep, faulted contact between the gravel and structural zone along the range front scarp. The pervasive and persistent intense alteration intersected in Phase 2 within the Eden Fault Zone is similar to the zones of gold mineralization in hole ED-4.

All assays are pending.

DRILLING IN PROGRESS AT TOY PROJECT

Drilling is in progress at the Toy project which is located approximately 20 miles south of the Cortez Joint Venture (Barrick Gold Corp. and Kennecott Minerals Inc.) Pipeline deposit and one mile south of the historic Toiyabe open pits that were mined during the 1980's. Geophysical and geochemical surveys completed during the 2005 field season indicated a north-south fault fabric. Along the fault zone prominent geophysical anomalies were identified adjacent to cross-cutting northeast faults. The soil geochemistry results outlined gold, arsenic, and antimony anomalies that are coincident with the indicated faults. Three drill holes (2,460 feet) have been completed testing these zones.

All results are pending.

DRILLING SCHEDULED FOR THE FIRST WEEK OF AUGUST AT ELDER CREEK

Phase 2 drilling is scheduled for the first week in August. Phase 1 drilling intersected the lower plate Roberts Mountains Formation at a depth of 2,174 feet in the core tail in hole EC-2. The Roberts Mountains Formation in EC-2 is a highly brecciated, thinly-bedded silty limestone with pervasive carbon veining, silicification, and decalcification. EC-2 intersected weakly anomalous gold (up to .101 ppm (grams/ton) gold) and anomalous trace elements (up to 508 ppm arsenic, 33 ppm antimony, 1.08 ppm mercury). These assay results are consistent with the alteration and mineralization halo expected around a sediment-hosted (Cortez Hills type) gold deposit.

Historic surface data gathered during the Phase 1 drilling program indicated that the part of the historic Elder Creek pit which was mined for higher gold grades is about 400 to 600 feet northeast of the Phase 1 drill site. Two drill holes are planned in the second Phase program to test the lower plate rocks beneath this historic high-grade zone. A flooded reverse circulation drill rig will be used and is scheduled to be onsite beginning August 4.

TUSK GEOPHYSICS IN PROGRESS

The Tusk Project is within three miles of the historic Copper Basin mine area and approximately twelve miles from the Phoenix copper-gold complex mined by numerous operators since the early 1900's and currently owned and operated by Newmont. As reported by Rick H. Russell in the October 2004 43-101 Technical Report for the Tusk Property:

“The Tusk property is covered by Quaternary gravels and the Caetano Tuff. Based on the proximity of the property to exposures of the Antler Sequence 4,000 feet (1,220 meters) west of the property, and the presence of altered Havallah Sequence in sub-outcrop on the property, it is very likely that the Tusk claims are underlain by the entire Pennsylvanian/Permian Antler Sequence. The Tusk property is at an intersection of a north-south structural zone (Tusk Zone N-6) and the southeast projection of mineralized structural Zone NW-1. Zone NW-1 contains several deposits in which several million ounces of gold have been defined at the Marigold mine, Elder Creek and Copper Basin. The Antler Sequence is an excellent ore host, especially where structurally prepared and near and/or in contact with Tertiary intrusives.”

The Tusk property is in the correct structural regime and a gravity program has been completed to help determine suitable drill locations. Geophysical results are currently being interpreted by Jim Wright, Wright Geophysics, Inc.

The Eden, Toy, Elder Creek and Tusk properties are four 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 and all underlying advance royalty payments. In addition, Minterra has issued Mill City a total of 1,000,000 shares.

Minterra may 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.

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

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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