

**DRILLING COMMENCES IN CARLIN TREND
THREE SEPARATE PROJECTS TARGETED AT PONY CREEK/ELLIOT DOME**

AUGUST 15, 2007 – CALGARY, ALBERTA – MILL CITY GOLD CORP. ("Mill City" or the "Company") has been advised that drilling commenced this week on the 28-square mile Pony Creek/Elliot Dome Property on the Carlin Trend in north central Nevada, USA as part of the 2007 exploration program currently underway over three target areas.

Approximately 20,000 feet of drilling is expected to be completed over the three areas, beginning with Pony Creek West, the newly defined Red Rock target and the Pony Creek South inferred resource area. Management believes that RC drilling is the most cost-effective way to test target models at shallower depths prior to commencing more costly diamond drilling.

Significant progress was made last year with the mapping and drilling programs and the Company is confident that the 2007 drilling program will further narrow the target fields. Operator and joint venture partner Grandview Gold Inc. ("Grandview") has adopted what it believes to be an advantageous exploration model built on the strategic application of advanced geology, geochemistry and geophysics to reduce exploration cost and risk and narrow the target field substantially before undertaking diamond drilling. The Pony Creek North and South target areas represent areas of known mineralization and account for the 1.426 million ounce gold inferred resource identified on the property by previous operators. A National Instrument 43-101 report dated March 18, 2004 titled "Evaluation of the Gold Resource on the Pony Creek Property", prepared by Rick H. Russell MSc., a licensed geologist, is available for review on www.sedar.com. Geologists continue to map and surface sample both areas and have integrated additional CSAMT (controlled source audio-magnetotellurics) to further isolate prospective targets at the Devil's Gate contact with the Mississippian Chainman formation, and to intercept high-grade gold mineralization within the Pony Creek rhyolite.

During the 2006 season, results from Hole PC-06-03 were in line with the Company's plan to significantly upgrade the inferred resource. "The inferred resource is a tremendous asset and it is in the best interest of our shareholders to aggressively pursue additional mineralization within the resource area, test the base of the intrusive and pursue a deeper Rain Model type deposit here as well. With Carlin Trend neighbors like Goldstrike, Meikle, Rain and Bald Mountain, we are certainly in the right part of the world to make a major discovery," said Jim Brown, President & CEO of Mill City.

The Pony Creek West target concentrates on an area of previous drilling by Homestake Mining (2000), specifically hole HPCR-001 which appears to have intersected favorable stratigraphy with increasing silicification and jasperoid units below 600 feet. Historical drill information indicates detectable gold values between 605 and 900 feet downhole. "The target area sits just west of the 1.426 million ounce shallow resource area and within the area previously identified as the prospective rock units, so we will drill accordingly and follow the mineralization," said Paul Sarjeant, President and CEO of Grandview.

The Red Rock target has been identified as a typical Rain-type high-grade gold occurrence at a target depth of approximately 1200-1800 feet. The Red Rock target area is situated at the southern tip of the Pony Creek/Elliot Dome Property, about 30 miles northwest of Barrick Gold Corporation's 5 million ounce (gold) Bald Mountain mines. Based on geophysical and geochemistry done during the 2006

season and 3-D conceptual maps developed earlier this season, the Company believes that the Devil's Gate contact target area at Red Rock is within reach and anticipates that drilling several holes will further refine the model and the primary target area. For more information on the Red Rock target see Grandview's news release dated May 10, 2007 titled Report Confirms Favorable Stratigraphy at Rain-Type Red Rock Target.

The Pony Creek South area hosts the primary mineralized area on the property, including the PC-20 high grade intercept. Compilation work has identified certain structures that may represent significant control on mineralization that have not been drilled effectively. Drilling scheduled for this area is designed to trace mineralization down structure to the base of the intrusive contacts where the highest grade mineralization has historically been located.

In addition to the three target areas identified for exploration this 2007 field season, the Company intends to explore for and possibly identify new target areas over the 28 square mile Property. Mill City management believes in the inherent value of the Carlin Trend and Nevada remains a key strategic location for ongoing exploration and project development. The Carlin Trend has produced more +1 million, +10 million and +20 million ounce gold deposits than all of Russia and all of China combined. The Carlin Trend hosts more than 100 million ounces of gold and has produced approximately 75 million ounces worth approximately USD\$50 billion at today's prices. The Property sits between two developed regions of the Carlin Trend – the 4.5 million ounce Rain District and the 5 million ounce Bald Mountain District.

Results of additional geophysical surveying over Pony Creek West and Red Rock target areas completed in July are expected within the next few weeks.

Mill City has a 20% carried interest in the Pony Creek/Elliot Dome project, carried through the completion of a bankable feasibility study.

On August 10, 2007, the Company filed a Notice of Discontinuance in the lawsuit previously filed against Minterra Resource Corp.

Mill City is a gold exploration company focused on creating value for shareholders by exploring and developing high-grade gold properties in Nevada. Details of Mill City's projects are available on the Company's website at www.millcitygold.com.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

MILL CITY GOLD CORP.

James R. Brown, President & CEO

Tel: (403) 640-0110

E-mail: info@millcitygold.com

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