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MISTY PROSPECTUS APPROVED - HARMONY DRILLING CONTINUES

Robert A. Dickinson, President of Misty Mountain Gold Limited (TSE-MGL; VSE-MGL) is pleased to announce that the Company has received final receipts for its Prospectus filing in the Provinces of British Columbia, Alberta and Ontario regarding its \$4.18 million financing announced earlier. These final Prospectus receipts were received within the required period and accordingly the FT Special Warrants have been converted and the Company has issued 1,045,825 common shares without statutory hold periods and 983,325 transferable warrants exercisable at a price of \$4.00 to May 27, 1997.

Misty is now set to continue its major drilling program at the Specogna Deposit. Permits for 58 new drill sites have been received and permits for a further 125 new drill sites are expected shortly. The Specogna Deposit is included within Misty's 100% owned Harmony Gold Property, a 172 square mile mineral claim holding that covers one of the world's premier epithermal-bonanza gold systems on Graham Island, Queen Charlotte Islands, British Columbia.

Misty is systematically drilling off the Specogna Deposit on a grid pattern. A significant portion of the gold in the Deposit occurs within vein zones and high grade bonanza gold zones. Misty's initial 49 hole drill program (Holes 95-001 to 96-049) was planned to test approximately 15% of the Specogna Deposit by drilling perpendicular to the strike of the vein zones. Results from the initial program were highly successful and demonstrated a 24% increase in gold assays for that portion of the Deposit tested and also that high grade bonanza gold zones occur throughout the Deposit. Misty is now set to drill-off the entire Specogna Deposit to enable mineable gold reserves to be configured and calculated.

Misty Mountain Gold Limited has 11,483,889 shares outstanding on a fully diluted basis. In addition to a current working capital position of \$3.5 million, Misty will receive a further \$7.9 million upon exercise of dilutive securities. Importantly, Misty also has tax pools of approximately \$60 million available to offset future potential income.

ON BEHALF OF THE BOARD



Robert A. Dickinson
President

The Toronto Stock Exchange and the Vancouver Stock Exchange have not approved nor disapproved the information contained in this news release.