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George Cross News Letter

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MISTY MOUNTAIN GOLD LTD.

[MGL-T, V] 33,396,242 SHS.

HARMONY PROJECT FUNDING ARRANGED - Robert G. Hunter, chairman, reports

Misty Mountain Gold Ltd. has reached agreements in principle with certain private investors, including members of management, to privately place 1,250,000 special warrants at \$4.00 per special warrant. Each special warrant will, on issuance of prospectus receipts from applicable Provincial Securities Commissions, convert into one share of Misty Mountain and one warrant good to buy an additional share for a one year at \$4.00 per share. In the event that prospectus receipts are not timely issued, each investor will receive an additional 0.1 share per special warrant. The special warrant subscription agreement will permit Canadian taxpayer investors to have renounced to them Canadian exploration expenses on a flow-through basis. The special warrants will be offered through registered securities dealers who will be paid a 5% fee.

Proceeds of this financing will be used to continue the exploration and development of Misty Mountain's 100%-owned Harmony Gold project located on Graham Island, Queen Charlotte Islands, B.C., about 50 miles off the northwest coast.

Currently, the company is carrying out a drilling program at the Specogna deposit and two diamond drill rigs are operating. This

phase I program comprises 57 holes with some 25,000 feet of diamond drilling. To date, over 8,000 feet have been completed in 18 holes. Initial assay results from this systematic drilling program are imminent. The purpose of this program is to upgrade the Specogna deposit's gold reserves, previously calculated at 35,000,000 tons at 0.064 oz. gold/ton, or 2,200,000 ounces.

The company is also granting, pursuant to its stock option plan, incentive options entitling the holders to acquire up to a total of 249,550 shares at \$4.00 per share, all for a two years until 16Nov97. The foregoing transactions are subject to regulatory approval. (SEE GCNL NO.217, 10Nov95, P.4 FOR PREVIOUS CORPORATE & HARMONY PROJECT INFORMATION)

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