

George Cross News Letter

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MISTY MOUNTAIN GOLD LTD.

[MGL-T.V;MGLCF-NASDAQ] 10,877,039 SHS.

HARMONY MINEABLE RESOURCE ESTIMATE - Robert G. Hunter,
 chairman, Misty

Mountain Gold Ltd., reports a mineable resource estimate for the Specogna Deposit at the Harmony project has been completed by Independent Mining Consultants Inc. of Tucson, Arizona. The 100% owned Harmony project is located on Graham Island, one of the Queen Charlotte Islands, about 50 miles off the northwest coast of BC. The mineable resource of the Specogna Deposit is 2,880,000 ounces of gold.

The mineable resource estimate is part of ongoing scoping studies and is based on 80,000 metres of drilling in 538 holes. Investigations of various mine plan scenarios are continuing. Using a 1.2 grams gold/tonne cut-off, Independent's mine model provides for conventional processing of 33,500,000 tonnes of ore grading 2.11 grams gold/tonne (2,270,000 ounces of gold) followed by conventional processing of 19,200,000 tonnes of stockpiled material grading between 1.20 and 0.80 grams/tonne (610,000 ounces of gold). In this open pit scenario, rock grading less than 0.80 grams gold/tonne and totalling 64,000,000 tonnes would not be processed, yielding an overall waste to ore stripping ratio of 1.2 tonnes of waste to 1 tonne of ore.

MINEABLE RESOURCE ESTIMATE (*)

	TONNES	GOLD GR/T	CONTAINED OUNCES
DIRECT MILL FEED	33,500,000	2.11	2,270,000
STOCKPILED MILL FEED	19,200,000	0.98	610,000
TOTAL MILL FEED	52,700,000	1.70	2,880,000

(*) CALCULATED BY INDEPENDENT MINING CONSULTANTS INC.

Incorporated in Independent's design is a phased mining plan that provides higher than average grades for processing during the initial years of operation: 2.64 grams gold/tonne for the years one through five. Based on a milling throughput rate of 7,500 tonnes per day (2,700,000 tonnes per year) and a projected gold recovery of 76%, production is estimated to average 174/170 ounces of gold each year over the initial five years of project life. Over the entire 20 years of project life, production is estimated to average 110,625 ounces of gold each year.

POTENTIAL MINE MODEL

OPERATING YEARS	TONNES MILLED	AVG. GRADE GR/TONNE	GOLD PROD. OZ/YEAR
1 - 5	12,800,000	2.64	174,170
1 - 10	26,300,000	2.29	146,900
1 - 20	52,700,000	1.70	110,625

Misty's scoping studies will be substantially completed in the next few months. These studies will provide a framework to develop a comprehensive prefeasibility study. Misty Mountain plans to work closely with all those with an interest with specific attention to the First Nations community, as well as contracting independent specialist consultants to address all aspects and options for consideration within the prefeasibility study.

Concurrent with the advancement of the Harmony Project to prefeasibility, two exploration targets are being prepared for drill testing this summer. The first target is potential bonanza gold deposits which may have developed at depths of more than 200 metres below the currently known Specogna Deposit in a deeper portion of the epithermal system. A second target, located eight km south of the Specogna Deposit, is contained in a topographic high with a coincident gold-in-soil anomaly and an airborne geophysical response. (SEE GCNL NO.94, 15May97, P.4 FOR PREVIOUS HARMONY PROJECT UPDATE)

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