

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306

George Cross News Letter

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MISTY MOUNTAIN GOLD LTD.
[MGL-V, T: MGLCF-NASDAQ] 9,549,489 SHS.
HARMONY DRILLING RESUMED - Robert G. Hunter, chairman of
Misty Mountain Gold Ltd.,
reports diamond drilling is underway at the 100% owned Harmony
gold project on Graham Island in the Queen Charlotte Islands, about
50 miles off the northwest coast of BC. The 400 square km property

covers an epithermal gold system and includes the Specogna deposit which contains a resource of 2,880,000 oz. gold. The drilling is designed to probe for potential bonanza gold which may have developed at depths 200 metres below the currently known Specogna deposit in a deeper portion of the epithermal system.

Misty has employed computer technology to target any potential bonanza gold zones. This system was used to generate three dimensional models, combining a database of lithologic, structural, alteration, and geochemical information. The work identified key structural conduits that channelled the gold-bearing hydrothermal fluids responsible for the near surface Specogna deposit. Projection of these zones towards their high grade source at depth resulted in the delineation of three drill targets below the currently deposit. The 3,000 metre, large diameter (HQ) drill program is testing these targets.

Misty is also conducting studies toward a Specogna deposit prefeasibility study. Conventional metallurgical processes including gravity recovery, flotation, bio-oxidation, leaching and heap leaching are being evaluated. A 1,700 kilogram bulk sample is undergoing testing using bio-oxidation/ heap leach processing techniques. Results will be released. (SEE GCNL NO.158, 18Aug97. P5 FOR PREVIOUS HARMONY PROJECT DATA)

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