

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-T, V; MGLCF-NASDAQ] 9,549,489 SHS.

GOLD RECOVERY STUDIES CONTINUE - Robert G. Hunter,  
chairman, Misty

Mountain Gold Ltd., provides an update on the progress of metallurgical testing for the 100% owned Harmony gold project located on Graham Island, one of the Queen Charlotte islands about 50 miles off the northwest coast of BC. The 440 square km property

covers an epithermal gold system and includes the Specogna deposit which contains a resource of 2,880,000 ounces of gold.

As part of their study of gold processing options for the Specogna deposit, Melis Engineering Ltd., Lakefield Research Ltd., and Oxidor Gold Corp. are testing conventional gold recovery processes including gravity, flotation and bio-oxidation.

Gravity gold recovery tests followed by standard gold flotation recovery test have been completed on Specogna deposit material grading 2.40 grams gold/tonne. Conventional gravity circuits recover 10% to 20% of the gold and flotation results indicate an 80% or better overall gold recovery is achievable in a concentrate grading 30 to 40 grams gold/tonne. Flotation concentrate would represent about 7% of the feed weight (a concentration ratio of 12.5 to 1, based on a 2.40 grams gold/tonne feed grade).

Specogna deposit flotation concentrate is comprised of 4% to 5% sulphides and 95% non-metallic silicate gangue. Gold in the form of electrum is present. Primary sulphides are pyrite and marcasite with lesser amounts of greigite, chalcopyrite, magnetite, hematite, arsenopyrite, sphalerite and pyrrhotite.

Bio-oxidation amenability tests have been conducted on Specogna deposit flotation concentrate to determine its amenability to bio-oxidation pretreatment followed by ammonium thiosulphate or CIL (Carbon in Leach) extraction of gold. These tests indicate that Specogna deposit flotation concentrate is amenable to bio-oxidation pretreatment (using harmless living bacteria). Gold recovery, using bio-oxidation pretreatment improved gold recoveries from a CIL baseline of 44.6% to 83.3% after 12 days and 95.3% after 30 days. Specogna deposit flotation concentrate is a amenable to bio-oxidation pretreatment. Oxidation rates are rapid and the gold recovery is excellent. These results indicate excellent gold recoveries could be obtained in about four days retention time for a full scale plant.

With the success of bio-oxidation pretreatment on floatation concentrate, Misty has begun a substantial program to test bio-oxidation pretreatment of Specogna deposit crushed ore followed by simple heap leaching. Test work is now underway by Oxidor Gold Corp. at its Plano, Texas facility. Bio-oxidation pretreatment followed by heap leach processing has the potential to provide low overall capital and operating costs for the project. Results from this

program are being closely monitored because it is anticipated that this testwork will lead to a preferred, environmentally sound, low-cost processing option for the Harmony Project.

Concurrently with metallurgical testing a wide spectrum of other technical and environmental scoping studies are being conducted to provide a framework to develop a comprehensive prefeasibility Study. In addition drilling is being completed to explore for a high grade, deep-seated gold system 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. Assay results will be reported when available. (SEE GCNL NO.196, Oct.10/97, P.3 FOR PREVIOUS HARMONY GOLD PROJECT DATA)

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