

MACMILLAN GOLD CORP.

NEWS RELEASE 2005-16

MacMillan Gold Option Agreement With Young-Shannon Terminated

TORONTO, CANADA November 07, 2005 – George A. Brown, President & CEO of MacMillan Gold Corp. (TSX-V “MMG”) regrets to announce that the option agreement with Young-Shannon allowing them to acquire an 50% interest in MacMillan’s La Cucharas Property in Mexico has been terminated by Young-Shannon Gold Mines Limited (TSX-V “GYS”) effective October 21, 2005.

The option agreement was signed by Young-Shannon on July 12, 2005. The agreement provided Young-Shannon until September 15, 2005 to complete a due diligence review. The President of Young-Shannon, Greg Lipton, P. Geo and a Qualified Person, visited the Mexican property twice. Once during the week ending April 30, 2005 and again during the week ending July 30, 2005. Young-Shannon sampled the property and received assay results prior to notifying MacMillan on September 1, 2005 that Young-Shannon had completed due diligence and was proceeding with the option agreement. The option agreement was news released by MacMillan on September 6, 2005 and by Young-Shannon on September 7, 2005.

On October 7, 2005 Young-Shannon announced a private placement financing to fund work at La Cucharas. On October 11, 2005 MacMillan Gold notified Young-Shannon that it was in default of the agreement for not delivering the 500,000 initial shares of Young-Shannon due to MacMillan within 10 days of regulatory approval and MacMillan provided Young-Shannon 30 days written notice until November 11, 2005 to correct the default or be subject to the option agreement being terminated by MacMillan. MacMillan also expressed concern that Young-Shannon was raising funds with a use of proceeds being the exploration of a property for which Young-Shannon had not provided the considerations due to MacMillan. MacMillan notified Young-Shannon on October 11, 2005 that MacMillan was prepared to sign a formal property option agreement, although not required by the signed binding option agreement, once Young-Shannon had met its initial funding and share issue obligations to MacMillan.

Young-Shannon refused to apply for regulatory approval and sent MacMillan a notice on October 19, 2005 stating that unless MacMillan signed a formal option agreement by noon October 21, 2005 Young-Shannon would unilaterally terminate the property option. On October 19, 2005 MacMillan offered in writing to mediate the disputed issue with any qualified mediator selected by Young-Shannon or Young-Shannon’s legal counsel.

On October 21, 2005 Young-Shannon notified MacMillan that it was terminating the option agreement.

The terms of the signed binding agreement state that “After September 15, 2005, Young-Shannon may terminate this agreement at their sole discretion as long as the agreement is in good standing for shares due to MacMillan, exploration expenditures have been paid, and the exploration properties are returned in good standing with a minimum of 6 months of assessment work credits and taxes paid.” MacMillan intend to pursue Young-Shannon to deliver the 500,000 initial shares, to reimburse the exploration expenditures from January 1, 2005 to October 21, 2005, and to provide for the 6 months of work credits and taxes from October 21, 2005.

MacMillan considers the La Cucharas Property to have excellent exploration potential and is willing to consider an option under terms similar to those announced in the previous option to Young-Shannon. Serious interested parties are welcome to contact George A. Brown at MacMillan.

***MacMillan Gold Corp. is a Canadian resource company
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The TSX Venture Exchange has not reviewed and accepts no responsibility for the adequacy or accuracy of this news release