



SARGOLD
RESOURCE CORPORATION

Suite 400
837 West Hastings Street
Vancouver BC V6C 3N6
Tel: 604.687.1717
Fax: 604.687.1715

info@sargold.com
www.sargold.com

NEWS RELEASE

Resource Calculation and Metallurgical Testing Underway at Sa Perrima

May 12 2004

Vancouver, B.C. - **Sargold Resource Corporation (TSX-V: SRG)** would like to provide investors with an update of recent developments at the Furtei Gold Project in Sardinia, Italy.

The Sa Perrima strata-bound gold-pyrite deposit has been the focus of Sargold's 2003/04 work program designed to complement and improve upon the substantial amount of previous drilling in this area. Sargold has completed 24 drill holes totaling over 5200 metres of diamond and reverse circulation drilling. Results have been very encouraging and have allowed Sargold to begin making pre-production decisions. Sargold is earning a 50% interest in Medoro Resources' 90% interest in the Furtei Gold Project.

Sargold is pleased to announce that SRK Consulting will be providing an updated resource calculation for the Sa Perrima deposit. The successful 2003/2004 drill program focused at Sa Perrima has warranted a new resource calculation as the results received have indicated a substantially larger resource than what was initially estimated when the Furtei Gold Mine was in production.

Sargold is also pleased to announce that SGS Lakefield Research will be completing metallurgical testing to optimize ore recovery at Sa Perrima. Historically a saleable concentrate was produced from ore recovered from the Sa Perrima deposit. Sargold management feels that with the assistance of SGS Lakefield it can achieve greater recoveries and produce a higher-grade concentrate and thus attain the maximum possible returns for the company.

Management is very pleased with these developments despite the challenging market conditions of the past several months. Sargold maintains a strong cash position and is dedicated to increasing shareholder value by working to recommence production at the Furtei Gold Mine.



SARGOLD
RESOURCE CORPORATION

Suite 400
837 West Hastings Street
Vancouver BC V6C 3N6
Tel: 604.687.1717
Fax: 604.687.1715

info@sargold.com
www.sargold.com

Summary of Sa Perrima

The Sa Perrima target is a bulk tonnage, open pit area that currently measures 500 metres long by 350 metres wide with an average thickness of approximately 20 metres. Work completed to date suggests that this mineralized area is open to the north, and to the south. Sa Perrima is located 150 metres from the Furtei sulphide flotation plant. The plant is capable of processing up to 1,000,000 tonnes of ore per year.

All exploration and drilling at Furtei is under the direct supervision of Mr. Dan MacInnis, P. Geo. Mr. MacInnis is the Qualified Person under National Policy 43-101 for Sargold Resource Corporation. Samples from the current drilling programme have been analyzed for gold by Fire Assay in Sardinia by Progemisa, an Italian government mining research organization. As part of the QA/QC programme, standard, blank and duplicate samples are inserted into each batch of 20 samples sent for analysis. In addition, select samples are sent to OMAC Laboratories in Ireland for check gold assaying and multi-element ICP analysis.

Please contact Karl Kottmeier, VP Corporate Communications at (604) 687-1717 or by email at karl@sargold.com for more information or visit www.sargold.com.

ON BEHALF OF THE BOARD OF DIRECTORS,

“Richard W. Warke”

Richard W. Warke
President

The TSX Venture Exchange has not reviewed and does not accept responsibility
for the adequacy or accuracy of this News Release.