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NEWS RELEASE

Sargold Purchases Furtei Gold Mine

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TSX-V: SRG

Vancouver, B.C. - **Sargold Resource Corporation** is pleased to announce an agreement with joint venture partner **Medoro Resources Ltd (TSX-V/AIM - MRL)** to purchase 100% of Medoro's interest in the Furtei Gold Mine in Sardinia, Italy.

The new agreement with Medoro to purchase the Furtei Gold Mine is a major development for Sargold. The positive results from an ongoing exploration and advanced drilling program have shown that there is potential to move the property forward to a production decision. Results of the program have indicated that the Sa Perrima resource area can be expanded in size and contained ounces and have prompted Sargold to increase its position in the Furtei Gold Mine.

Under the terms of the purchase agreement, Sargold will acquire 100% of Medoro's 90% interest in Furtei. This includes the estimated 600,000 ounce gold resource, the 1 million ton per year processing plant, all rolling stock, and all exploration and mine data. Gold Mines of Sardinia published this resource figure in their 2002 Annual Report and Sargold has now hired SRK Consulting to provide an independent verification. This report is expected shortly and the results will be released upon receipt. The total purchase amount of €6 million in cash payments will be paid over 30 months and Cdn \$1 million worth of shares of the Company which will be priced and issued to Medoro in the third year of the purchase agreement. Sargold also agrees to assume a maximum of €2 million worth of liabilities from Medoro. Progemisa SpA, an Italian government mining research organization, will continue to hold a 10% carried interest. Sargold has sufficient capital to meet the initial property purchase payment.

Included in the purchase agreement is the Scanu di Monteferu gold exploration property. This property, also in Sardinia, is located in the North West volcanic terrain south east of the town of Alghero. The property is highlighted by a series of sinters and epithermal



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veins exposed over a 4 km strike length. Numerous targets have been identified and are drill ready.

This new arrangement is considered by management to be highly beneficial to Sargold shareholders, as the Company now owns a full 90% of Furtei. This is in contrast to earning a maximum of 45% over 8 years at a cost of 15 million Euros.

Sargold is currently conducting metallurgy tests to optimize recoveries as part of the work required to move towards production at Sa Perrima.

This agreement is subject to regulatory approval and is also subject to completion of final due diligence by Sargold.

For more information please contact Karl Kottmeier at 604 687 1717 or by email at karl@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.