



SARGOLD
RESOURCE CORPORATION

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NEWS RELEASE

“Sargold Purchases Sardinian Assets from Medoro Resources”

September 8, 2004

TSX-V: SRG

Vancouver, B.C. – Sargold Resource Corporation (TSX-V: SRG) is pleased to announce that an agreement has been reached with Medoro Resources Ltd. (TSX-V/AIM: MRL) to purchase of all the shares of Gold Mines of Sardinia Pty. Ltd. (GMS), Medoro’s wholly-owned Australian subsidiary.

GMS holds all of Medoro’s Sardinian assets including its 90% interest in the Furtei Gold Mine, the advanced gold property at Osilo, properties in the Eastern Paleozoics, all other Sardinian landholdings and Sardinia Gold Mining (SGM), the current operating company. The Monte Ollasteddu concessions and Miniere di Pestarena are excluded from this purchase agreement.

In February 2004, SGM entered into an option agreement with Gold Fields Ltd. of South Africa (NYSE/JSE - GFI) whereby Gold Fields, through its subsidiary Orogen Holding (BVI) Limited, has the right to acquire up to a 70% interest in certain SGM properties. The Furtei Gold Mine project and the Scano Montiferro property are not subject to the option agreement with Gold Fields. Progemisa SpA will maintain a 10% carried interest in these and all other properties included in this agreement.

The companies announced on June 7, 2004 that Sargold would acquire Medoro’s entire interest in the Furtei operations in exchange for € million in cash, the assumption of € million in liabilities and C\$1 million in common shares of Sargold. The cash and share consideration remains unchanged although the cash payments will be payable over a period of 60 months, rather than 30 months as previously agreed. The first year’s payment of €500,000 is due upon execution of this agreement. Sargold will also assume all liabilities of SGM. Medoro will retain a 2% net smelter return royalty interest, with Sargold having the right to buy back the royalty interest for US\$1 million per percent.



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This agreement is subject only to regulatory and shareholder approval.

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.