

Tue Sep 28, 2004

Drilling Continues on Norra and Barsele; Strike Length at Norra Extended

Vancouver, Canada; 28 September, 2004: North American Gold Inc. (TSX-V: NAU) is pleased to provide an update on the progress of exploration activities at the adjoining Barsele and Norra Projects in Västerbotten District, Sweden.

Barsele Project:

The Barsele project area hosts six known gold exploration targets. The six targets contain previously drilled intercepts of bedrock gold mineralization. During 2004, North American Gold Inc. has completed 10 diamond drill holes for a total of 1671 meters in one of the six target areas. The 10 (2004) holes have been drilled in the Central zone. Drill results are being reported in the order they are received. Assays remain pending for holes 04-08 through 04-10, and will be reported when received and confirmed by our continuing quality assurance program.

Three of the six exploration targets, Skirasen, Risberget and Skirttraskbacken zones, are located to the south of the Central zone within the Barsele Project area. North American Gold is currently carrying out geological mapping and geophysical surveys over these areas in order to refine drill targets. Based on current information and historical drill holes, three confirmation diamond drill holes are scheduled to be drilled at Skirasen this fall. Additional drilling at the Skirasen zone will be decided, once the results of the three confirmation holes are received and reviewed.

Drill targets for the Avan and Stortasket zones will be developed over the winter. A winter drill program will be scheduled, based upon the results of our evaluation. Both of these target areas have previously encountered gold intercepts in drill holes. The Avan zone lies on trend with the Norra, Central and Skirasen zones.

Norra Project:

Two separate zones of high sulfide mineralization are known to occur within the Norra project area. The sulfides are dominated by iron, zinc and copper minerals. Iron-arsenic sulfides are also present along with gold and silver values. In 2004 North American Gold has completed 16 diamond drill holes for 2482 meters at the Norra zone. Drilling continues along the strike of the Norra zone towards the Cee Lake geophysical anomalies. Assays are pending on all holes including additional intervals from 04-13 and 04-14. Assays are being reported in the order they are received and confirmed.

The 2004 drilling at the Norra zone has added substantially to the strike length and geologic knowledge of the target areas. A down hole EM survey is underway in support of the current drill program. The down hole EM survey will be integrated with other geophysical data to help identify additional drill targets at Norra and assist in the understanding of the down dip potential of the known mineralization.

Approximately mid-way, and on trend between the Tattartjarnliden and Norra targets, a series of gravity, EM and magnetic anomalies coincide with favorable stratigraphy at Cee Lake, and soil anomalies to the northwest. The entire trend of over four kilometers remains highly prospective for the discovery of similar mineralization to that encountered at the Norra zone.

Commenting on the progress to date, Buck Morrow President of North American Gold Inc., stated, "The excellent progress made by North American's staff and Kati drilling has opened up

several opportunities over an extensive area at both Norra and Barsele. As we receive additional drill results and geophysical information in the coming weeks, we will be better able to plan our next round of drilling. As predicted, we encountered sulfide mineralization along strike with the Norra zone using the geophysics and are very encouraged."

Background

North American Gold Inc. has an option to acquire a 60% interest in the Norra and Barsele properties from Minmet plc by incurring a total of US \$3.5 million in exploration expenditures and issuing 400,000 shares to Minmet by November 3, 2006 (see news release November 3, 2003). For more information, please refer to North American's website www.northamgold.com or call Karen McKinnon toll free at 1 888 627 9378.

NI 43-101 Compliance

The 2004 drilling program is being supervised by Harmen Keyser, P. Geol., a qualified person under NI 43-101, who has verified the data disclosed in this release.

The TSX Venture Exchange has not reviewed and does not take responsibility for the accuracy of this release.

ON BEHALF OF THE BOARD

Buck Morrow, President
NORTH AMERICAN GOLD INC.
Symbol: TSX-NAU