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FOR IMMEDIATE RELEASE

NFX ANNOUNCES PRIVATE PLACEMENT

Toronto: July 7, 2004 – NFX Gold Inc. (“NFX” or the “Corporation”) (TSX Venture Exchange Inc.-NFX) is pleased to announce that it intends to complete a non-brokered private placement of up to 5,000,000 common shares (the "Private Placement") for maximum gross proceeds of \$2,250,000. The offering price for the Private Placement is \$0.45 per common share. In conjunction with the Private Placement, the Corporation will pay a 6% finders fee and issue up to 400,000 warrants to an arm's length party. Each warrant will be exercisable to acquire one common share at a price of \$0.45 for a period of twelve months from closing.

The Private Placement is subject to regulatory approval and NFX is required to file a formal application with the TSX Venture Exchange Inc. to maintain this price reservation. Directors, officers and employees of the Corporation may purchase common shares pursuant to the Private Placement.

The Corporation intends to use the proceeds from the Private Placement for working capital purposes and to finance further exploration on its Larder Lake mineral resource properties.

NFX is involved in the acquisition, exploration and development of mineral resource properties comprising a strike length of over seven kilometers in the Cadillac-Larder Lake Break region of northeastern Ontario. NFX's ownership interests include 100% of the Larder Lake mineral resource properties comprising of the Fernland, Cheminis and Bear Lake properties, and 75% of the adjacent Barber Larder property to the east. NFX's mineral resource property holdings are located approximately four kilometers to the west of the former Kerr-Addison Mine, also located on the Cadillac-Larder Lake Break, which produced approximately 11,000,000 ounces of gold over its lifetime.

For further information please contact either Thomas G. Larsen, President and Chief Executive Officer, or Jorge Estepa, Vice President, at: telephone: (416) 360-8006; fax (416)361-1333.

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