



Halifax Nova Scotia  
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Press Release 014 – 2008

## **Nayarit Gold Inc. Announces Closing of Brokered Private Placement of \$10 Million**

### **Consolidation of the Famous Orion Silver-Gold Mining District complete**

The directors of Nayarit Gold Inc. (“Nayarit” or the “Company”) (NYG – TSX.V) are pleased to announce the closing of a brokered private placement consisting of 17,900,000 units (the “Units”) in the Company at a price of \$0.56 per Unit for gross proceeds of \$10,024,000. Each Unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share (“Warrant Share”) of the Company at an exercise price of \$0.75 per Warrant Share at any time within two years from the date of closing. BMO Capital Markets acted as lead agent in an investment dealer syndicate which also included Evergreen Capital Partners Inc. and GMP Securities L.P.

Nayarit is further pleased to announce that it has entered into a definitive option agreement with Compania Minera Huajicari, S.A. de D.V. (the “Vendor”) to acquire six (consolidated from an original seven) additional mining concessions totaling 2,730 hectares in the Orion Silver-Gold Mining District in the State of Nayarit, Mexico as previously announced. The Company has received regulatory approval for this acquisition. Consideration for the acquisition of the concessions is as follows:

- a) US\$2,500,000, US\$500,000 of which is due upon closing, US\$500,000 of which is due six months from closing, US\$500,000 of which is due twelve months from closing, US\$500,000 of which is due eighteen months from closing, and US\$500,000 of which is due twenty-four months from closing;
- b) 3,500,000 common shares of Nayarit Gold Inc., 500,000 of which are due upon closing, 500,000 of which are due six months from closing, 500,000 of which are due twelve months from closing, 500,000 of which are due eighteen months from closing, 500,000 of which are due twenty-four months from closing, 500,000 of which are due thirty months from closing, and 500,000 of which are due thirty-six months from closing;
- c) The Vendor has the option to acquire an additional 500,000 common shares of Nayarit by foregoing and in lieu of receiving the US\$500,000 payment due twenty-four months from closing;
- d) The Company commits to exploration expenditures of US\$3 million over the next two years on the acquired concessions; and
- e) 3% Net Smelter Royalty (“NSR”) on production from the acquired concessions, however, the Company has the option to purchase the NSR for US\$3 million.

Nayarit intends to use the proceeds of the private placement to fund the above-described acquisition, for mineral exploration, and for general working capital purposes. Proposed mineral exploration activities include a Phase 2 program on the Orion Project in State of Nayarit, Mexico.

“We believe the Company’s ability to secure funding in this challenging financial environment is a testament to the quality of the Orion District”, stated Colin Sutherland, President & CEO. “The Company is now well positioned to deliver on its objectives of completing a resource calculation and scoping study in 2009.”

The agents for the private placement were paid a cash commission of \$501,200 and were issued 1,074,000 warrants (the "Broker Warrants") of the total number of Units sold. Each Broker Warrant is exercisable for one Unit at \$0.56 per Unit at any time within 24 months of closing. All securities issued in conjunction with the offering are subject to a four-month hold period under applicable securities laws and the policies of the TSX Venture Exchange.

Nayarit Gold Inc. is a junior resource company dedicated to gold exploration in the proven precious metal districts of Mexico. Management's goal is to rapidly build a profitable resource company and maximize shareholder value through successful exploration and aggressive testing of high quality targets.

For further information on Nayarit, please visit the company's website at [www.nayaritgold.com](http://www.nayaritgold.com) or contact:

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### CAUTIONARY STATEMENT

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of Nayarit, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Nayarit's expectations are exploration risks detailed herein and from time to time in the filings made by Nayarit with securities regulators.