



Western Goldfields, Inc.

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#04-04

Western Goldfields Reports High Grade Gold at Mesquite

Multiple Drill Hole Intercepts Greater than 1.0 Ounces of Gold per Ton

Reno, Nevada, September 8, 2004 – Western Goldfields, Inc. (Pink Sheets: WGDF) is pleased to announce that its review of geologic and mine operating data at its 100%-owned Mesquite Gold Mine in Imperial County, California has already highlighted significant, high grade gold mineralization. The Company continues to evaluate and compile the extensive data gathered by various parties from twenty years of exploration and mining. The information is being incorporated into the Company's plans to recommence mining.

Western Goldfields has focused on areas included in the previous owner's (a subsidiary of Newmont Mining Corporation) mine expansion plans that are covered by existing operating permits. At Big Chief South/Bayhorse, one of the extensions to the Big Chief open pit, multiple vertical drill holes encountered medium-to-high grade gold mineralization. According to the Company's review, the best drill hole intersects recorded in this area include:

- **MR-3052 – 80 feet averaging 0.67 ounces of gold per ton including 30 feet averaging 1.71 ounces of gold per ton.**
- **SM-1404 – 50 feet averaging 0.96 ounces of gold per ton including 10 feet averaging 4.41 ounces of gold per ton.**
- **SM-1970 – 10 feet averaging 3.88 ounces of gold per ton including 5 feet averaging 7.50 ounces of gold per ton.**
- **MR-2793 – 50 feet averaging 0.37 ounces of gold per ton including 10 feet averaging 1.74 ounces of gold per ton.**

The Company is evaluating numerous comparable high grade drill intercepts in many other parts of the permitted pit expansion areas and is designing a drill program to corroborate the historical results and test the thickness, extension and continuity of high grade gold mineralization. This program will be used to evaluate high grade and bulk mineable targets.

Toby Mancuso, President, commented, "Our review of the vast historic database at Mesquite is proving to be very exciting. We were aware of high grade gold zones. However, we have been impressed by the apparent continuity and persistence of these discrete structural zones. We believe that there may be opportunities for selective mining and processing of the high grade material that could substantially enhance the economics of recommencing mining operations."

In separate news, on August 31, 2004 the Company filed second quarter financials with the U.S. Securities and Exchange Commission on Form 10-QSB (see www.sec.gov.)



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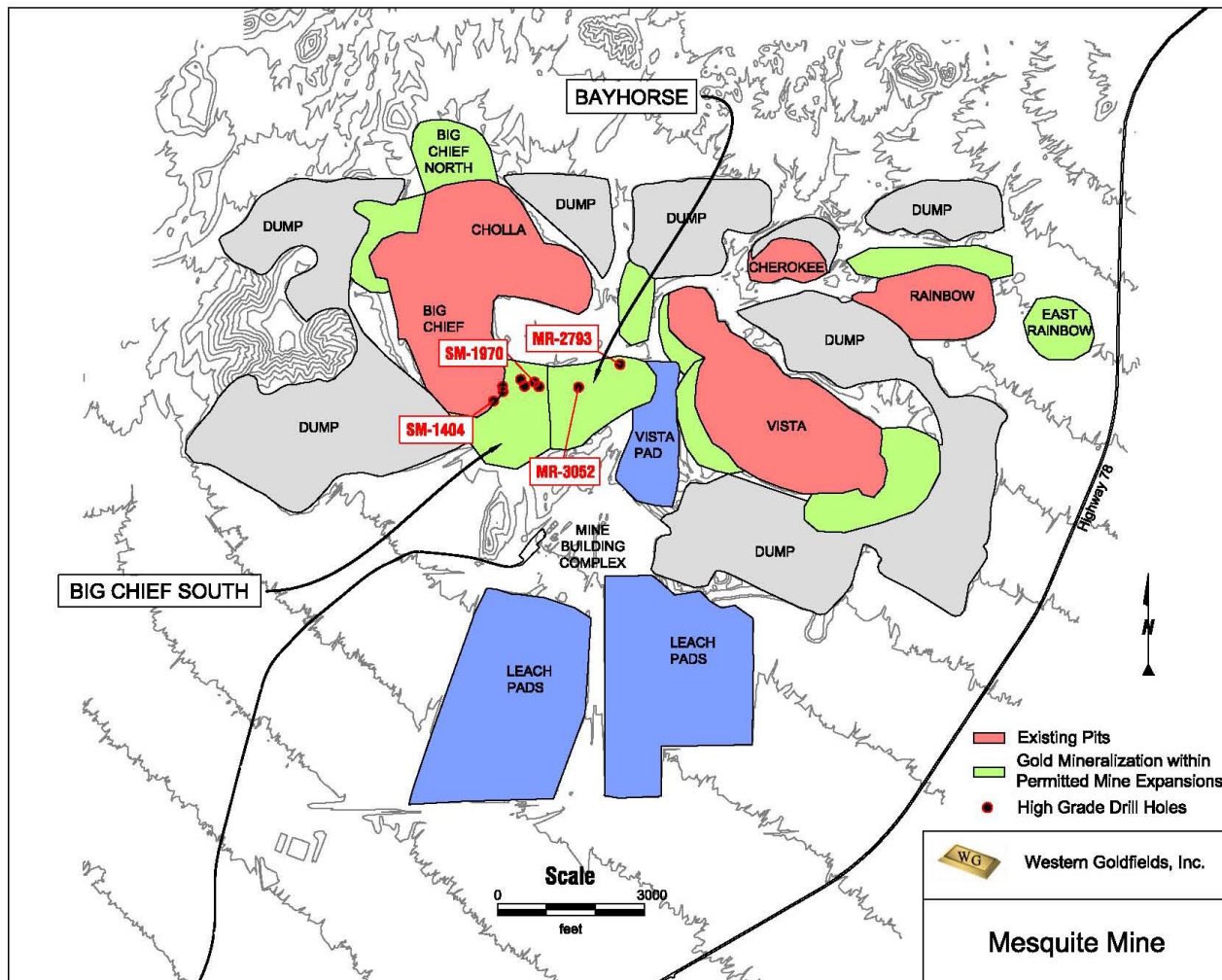
Sample of Drill Intercepts from Big Chief South/Bayhorse Area (0.01 oz/st cutoff)

Hole Number	Total depth (feet)	From (feet)	To (feet)	Width (feet) (meters)		Grade (oz/st) (g/t)	
MR-2793	600	120	170	50	15.2	0.37	12.8
including		150	155	5	1.5	3.23	110.7
MR-3052	600	205	285	80	24.4	0.67	23.0
including		215	245	30	9.1	1.71	58.6
including		220	225	5	1.5	6.14	210.5
and		380	540	160	48.8	0.05	1.7
SM-1404	300	115	165	50	15.2	0.96	33.1
including		135	145	10	3.0	4.41	151.2
SM-1959	300	265	300	35	10.7	0.60	20.5
including		285	295	10	3.0	1.32	45.3
and		295	300	5	1.5	0.71	24.2
SM-1960	300	70	95	25	7.6	0.10	3.5
and		185	200	15	4.6	1.05	35.9
including		185	190	5	1.5	3.10	106.3
SM-1970	747	290	325	35	10.7	0.15	5.1
including		295	300	5	1.5	0.67	23.0
and		350	360	10	3.0	3.88	133.0
including		355	360	5	1.5	7.50	257.1
and		375	405	30	9.1	0.13	4.4
including		375	380	5	1.5	0.32	10.8
and		455	555	100	30.5	0.08	2.7
including		485	500	15	4.6	0.40	13.5
SM-1979	500	90	135	45	13.7	0.13	4.5
including		130	135	5	1.5	0.49	16.8
and		230	305	75	22.9	0.12	4.1
including		290	295	5	1.5	1.24	42.5
and		375	405	30	9.1	0.32	11.1
including		375	380	5	1.5	1.76	60.3
SR-1988	710	370	425	55	16.8	0.16	5.6
including		380	390	10	3.0	0.75	25.5
SM-2307	600	140	165	25	7.6	0.21	7.1
including		145	150	5	1.5	0.37	12.8
and		325	385	60	18.3	0.20	6.9
including		360	370	10	3.0	0.82	28.2



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Map of Mesquite Showing the Big Chief South/Bayhorse Area Mesquite Gold Mine, Imperial County, California



About Western Goldfields

Western Goldfields, Inc. operates the Mesquite Gold Mine in southern California that produced approximately three million ounces of gold since the mine's inception in 1986. The Company also holds exclusive exploration and development rights to the Cahuilla gold project in Southern California, as well as a portfolio of exploration properties in Nevada and throughout the western United States.

Certain information contained in this news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbor created by such sections. However, such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from such forward-looking statements. For a discussion of such risks, uncertainties and other factors, please see "Risk Factors" in our Registration Statement on Form SB-2. The Company disclaims any intent or obligation to update publicly any forward-looking statements set forth herein, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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