

**SEARCHGOLD RESOURCES INC.**  
MATERIAL CHANGE REPORT  
FORM 51-102F3

**Item 1. Name and Address**

**Searchgold Resources Inc.**  
349 de Contrecoeur  
Montreal, Quebec H1L 3Y4  
(the “**Corporation**”)

**Item 2. Date of Material Change**

May 18, 2011

**Item 3. News Release**

The attached news release describes the material change and was issued on May 18, 2011.

**Item 4. Summary of Material Change**

The Corporation signed a Purchase and Sale Agreement (the “**Agreement**”) with Managem International A.G. (“**Managem International**”), Managem and Ressources Golden Gram Gabon (“**REG**”) for the sale (the “**Sale**”) of its remaining 27% interest in the Bakoudou-Magnima Gold Project (“**Bakoudou-Magnima**”) located in Gabon, Africa.

**Item 5. Full Description of Material Change**

The Corporation signed the Agreement with Managem International, Managem and REG for the sale of its remaining 27% interest in the Bakoudou-Magnima Gold Project located in Gabon, Africa.

Under the terms of the Agreement, the Corporation will receive a cash consideration of US\$800,000 and retain a 0.75% Net Smelter Return (“**NSR**”) in Bakoudou-Magnima.

The following supplementary disclosure is provided in accordance with Section 5.2 of *Regulation 61-101 – Protection of Minority Security Holders in Special Transactions* (“**Regulation 61-101**”).

*(a) a description of the transaction and its material terms*

See above.

*(b) the purpose and business reasons for the transaction*

The Sale's purposes is to further the Corporation's strategy of retaining an interest in all the important assets it has acquired and developed during its existence as a public company to build a strong portfolio of investment assets, the whole by increasing its working capital.

*(c) the anticipated effect of the transaction on the issuer's business and affairs*

The Sale provides the Corporation with increased working capital and will allow it to benefit, through the NSR, from any revenues that Bakoudou-Magnima may generate. This forward-looking statement is based on what the Corporation believes is the reasonable assumption that Managem International or its affiliates will comply with their contractual obligations to pay the NSR. This assumption may prove incorrect. Factors that could cause actual results to differ materially from expectations include the inability or unwillingness of Managem International or its affiliates to make those payments.

*(d) a description of*

*(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties*

Before the Sale, the Corporation and Managem International were both shareholders of REG.

*(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage*

After the Sale, Managem International is REG's sole shareholder.

*(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee*

The Corporation's directors unanimously approved the Sale without adopting any specific review and approval process.

*(f) a summary, in accordance with section 6.5 of Regulation 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction*

No formal valuation was obtained for the Sale.

*(g) disclosure, in accordance with section 6.8 of Regulation 61-101 of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction (i) that has been made in the 24 months before the date of the material change report, and (ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer*

Not applicable.

*(h) the general nature and material terms of any agreement entered into by the issuer, or related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction*

Not applicable.

*(i) the disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of Regulation 61-101, respectively, and the facts supporting reliance on the exemptions.*

The Sale is exempt from the formal valuation requirements of Regulation 61-101 on the basis that the Corporation's securities are not listed and posting for trading on a "specified market".

The Sale is exempt from the minority approval requirements of Regulation 61-101 under its paragraph 5.7(1)(a) since, at the time the Sale was agreed to, neither the fair market value of the subject of, nor the fair market value of the consideration for, Bakoudou-Magnima, exceeded 25% of the Corporation's market capitalization, being approximately \$6,672,607.

**Item 6. Reliance on subsection 7.1 (2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

No information has been omitted in respect of this material change.

**Item 8. Executive Officer**

Inquiries in respect of this material change may be made to:  
Philippe Giaro  
President & CEO  
+32-473-52-30-29  
[phgiaro@skynet.be](mailto:phgiaro@skynet.be)

**Item 9. Date of Report**

May 27, 2011



**SearchGold**

FOR IMMEDIATE RELEASE

Symbol : RSG – TSXV  
S1O – FSE

### **SEARCHGOLD SELLS REMAINING 27% INTEREST IN BAKOUDOU-MAGNIMA TO MANAGEM**

Montreal, May 18<sup>th</sup> 2011 – SearchGold Resources Inc. (“SearchGold” or “Company” - TSXV:RSG, FSE:S1O) wishes to announce the signature of a Purchase and Sale Agreement (the “Agreement”) with Managem International A.G., Managem and Ressources Golden Gram Gabon (“REG”) for the sale of its remaining 27% interest in the Bakoudou-Magnima Gold Project (“Bakoudou-Magnima”) located in Gabon, Africa.

Under the terms of the Agreement, SearchGold will receive a cash consideration of US\$800,000 and retain a 0.75% Net Smelter Return (“NSR”) in Bakoudou-Magnima.

The Bakoudou-Magnima project covers 2,934 km<sup>2</sup> and comprises three distinct permits (see attached figure or visit: <http://www.searchgold.ca>). :

1. Bakoudou exploitation permit – 160 km<sup>2</sup> (contained in Magnima permit)
2. Magnima-Bakoudou exploration permit – 2,134 km<sup>2</sup>
3. Lebombi exploration permit – 640 km<sup>2</sup>

The official Bakoudou Zone A mine start-up is scheduled for July 2011 and the NSR will be payable on a quarterly basis.

Philippe Giaro, SearchGold’s President and CEO, stated “We are satisfied to have signed this Agreement with Managem which now gives them a 100% control of Bakoudou-Magnima. This transaction also provides SearchGold’s shareholders with project blue-sky through a production NSR. While the NSR provides SearchGold with some cash directly from the first gold pour, it also allows SearchGold to benefit from any future expansion and discoveries. Managem has so far supported the costs towards project development and given the initial mining project size, the CAPEX involved and the current share price for the Company, the financing of SearchGold’s share of the project would have been too dilutive. While several options have been considered by the Company since the June 2010 annual meeting, the board of directors is of the opinion that the Agreement will provide the best situation for SearchGold in the short to long term. This transaction is also in line with SearchGold’s strategy to retain an interest in all the important assets it has acquired and developed during its existence as a public company to build a strong portfolio of investment assets.”

This transaction is subject to the approval of the TSX Venture Exchange.

### **About Managem and Bakoudou-Magnima**

Managem, a well established African-based mining company has been developing Bakoudou-Magnima as project operator since July 2005. Through its subsidiaries, Managem operates 6 mines in Morocco and was also involved in the development of two gold mines in West Africa. The project is located in south eastern Gabon and is accessible by road. As previously disclosed in the 2008 NI 43-101 compliant Mineral Resource and Mineral Reserve estimate for Zone A, the project contains Reserves of 155,000 ounces of gold (Proven Reserves of 0.58 MT @ 2.54 g/t Au and Probable Reserves of 1.12 MT @ 2.98 g/t Au) contained in Total Resources of 230,000 ounces of gold (Measured Resources of 0.53 MT @ 2.84 g/t Au and Indicated Resources of 1.87 MT @ 3.06 g/t Au).

### **About SearchGold Resources Inc.**

SearchGold is a Canadian-based mining exploration company whose primary mission is to target, explore and develop gold deposits in Africa. The Company is currently involved in Burkina Faso, Gabon and Guinea. Through a series of successive innovative transactions, SearchGold has been able to retain an interest in all the important assets it has acquired and developed during its existence as a public company. As a result, SearchGold now has investments in three mining companies :

- **Swala Resources plc** : 4.5 million shares, (see: [www.swalaresources.com](http://www.swalaresources.com))
- **Stellar Diamonds plc** : 1.7 million shares (see : [www.stellar-diamonds.com](http://www.stellar-diamonds.com))
- **Golden Share Mining Corporation** : 2.1 million shares (see: [www.goldenshare.ca](http://www.goldenshare.ca))

Philippe Giaro, P. Geo., President and CEO of SearchGold Resources Inc. and Qualified Person for SearchGold, has reviewed and approved the content of this release.

**FOR FURTHER INFORMATION PLEASE VISIT <http://www.searchgold.ca> OR CONTACT :**

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