SGX Resources Inc. Announces Closing of Flow-Through Shares for Debt Transaction

Winnipeg, MB
December 22, 2011

Mr. Hugh Wynne, Executive Chairman of SGX Resources Inc. (the "**Corporation**"), a company listed on the TSX Venture Exchange under the symbol "SXR", today announced the Corporation has closed its previously announced "shares for debt" transaction pursuant to which the Corporation has issued common shares of the Corporation issued as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) ("**Flow-Through Shares**") in satisfaction of certain liabilities (the "**Shares for Debt Transaction**").

Pursuant to the Shares for Debt Transaction, the Corporation has issued 3,163,864 Flow-Through Shares to certain subscribers (the "**Designated Purchasers**") that subscribed for units (the "**Units**") pursuant to its private placement offering of Units of the Corporation which closed in December of 2009. These Flow-Through Shares are being issued in satisfaction of an aggregate of $790,966 in tax liabilities owing pursuant to that offering resulting from the failure of the Corporation to incur $1,588,981 in qualifying expenditures, as described below.

As previously announced, pursuant to the subscription agreement (the "**Subscription Agreement**") entered into by the Corporation and the purchasers of Units, the Corporation was required, prior to December 30, 2010, to incur qualifying expenditures, and renounce to the purchasers of such Units an amount equal to $2.50 per Unit (an aggregate amount of $6,041,400). In fact, the Corporation incurred an aggregate of $4,452,419 of qualifying expenditures, representing a deficiency of $1,588,981, but renounced the full amount to purchasers of such Units. The result of such deficiency is that all purchasers of Units would be subject to a tax liability based upon the amount of such deficiency.

The Corporation entered into debt settlement agreements with the Designated Purchasers pursuant to which such Designated Purchasers agreed to accept a greater tax liability than they would otherwise be subject to in consideration of the payment of a settlement amount equal to that tax liability. This has resulted in the other purchasers of Units not being subject to a tax liability. The Designated Purchasers have accepted, in satisfaction of the settlement amount, Flow-Through Shares (the "**Debt Shares**") in full satisfaction of the settlement amount at a deemed price of $0.25 per Debt Share.

The purpose of the Corporation entering into the Shares for Debt Transaction was to isolate the tax liabilities among the Designated Purchasers (rather than all purchasers of Units) and to enable the Corporation to satisfy the settlement amounts in Debt Shares rather than in cash. The directors of the Corporation believed that isolating the tax liability among the Designated Purchasers was preferable to all purchasers of Units incurring a tax liability.

Certain Designated Purchasers are "related parties" (within the meaning of TSX Venture Policy 5.9) of the Corporation (the "**Related Parties**"). Hugh Wynne, the Executive Chairman and a director of the Corporation, was issued 261,516 Flow-Through Shares in satisfaction of $65,379 in debt owing to Mr. Wynne. Ben Hubert, a director of the Corporation, was issued 180,660 Flow-Through Shares in satisfaction of $45,165 in debt owing to Mr. Hubert. William Ferreira, a director of the Corporation, was issued 39,748 Flow-Through Shares in satisfaction of $9,937 in debt owing to Mr. Ferreira. Dale Ginn, the President and CEO of the Corporation, was issued 36,136 Flow-Through Shares in satisfaction of $9,034 in debt owing to Mr. Ginn. The issuance of the Flow-Through Shares to the Related Parties will not have a material effect on the percentage ownership of the Corporation.

The Corporation is not required to prepare a formal valuation or obtain minority shareholder approval with respect to the Shares for Debt Transaction because the fair market value of the Flow-Through Shares issued to the Related Parties in connection with the Shares for Debt Transaction is not greater than 25% of the market capitalization of the Corporation.

The final closing of the Shares for Debt Transaction is subject to the approval of the TSX Venture Exchange.

For further information contact Hugh Wynne, Executive Chairman or Dale Ginn, President and CEO of SGX Resources Inc., at (204) 774-6771.