

MATERIAL CHANGE REPORT

PURSUANT TO SECTION 7.1 OF NATIONAL INSTRUMENT 51-102

1. **Name and Address of Company:**

SGX Resources Inc. (the "Company")
646 Erin Street
Winnipeg, Manitoba
R3G 2V9

2. **Date of Material Change:**

December 23, 2011

3. **News Release:**

The Company issued two press releases regarding the material changes on December 23, 2011.

4. **Summary of Material Change:**

On December 23, 2011, the Company issued 10,000,000 common shares of the Corporation issued as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) ("Flow-Through Shares") at a price of \$0.25 per Flow-Through Share for aggregate gross proceeds of \$2,500,000.

Also on December 23, 2011, the Company issued 3,163,864 Flow-Through Shares at a deemed price of \$0.25 per Flow-Through Share in settlement of debts of the Corporation in the aggregate amount of \$790,966.

5. **Full Description Of Material Change:**

See attached Schedule "A" and Schedule "B".

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable.

7. **Omitted Information:**

Not Applicable.

8. **Executive Officer:**

Hugh Wynne, Executive Chairman
Tel: (204) 772-9149

DATED at Winnipeg, Manitoba, this 23rd day of December, 2011.

SGX RESOURCES INC.

Per: *"Gary McDonald"*
Gary McDonald, CFO

SCHEDULE "A"

SGX Resources Inc. Announces Closing of Private Placement Offering of Flow-Through Shares

Winnipeg, MB
December 22, 2011

Mr. Dale Ginn, Chief Executive Officer of SGX Resources Inc. (the "Corporation"), a company listed on the TSX Venture Exchange under the symbol "SXR", today announced the closing of its previously announced private placement offering (the "Offering") of common shares issued as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) ("Flow-Through Shares"). At the closing the Corporation issued 10,000,000 Flow-Through Shares at a price of \$0.25 per Flow-Through Share for aggregate gross proceeds of \$2,500,000.

The Flow-Through Shares issued pursuant to the Offering will be restricted from transfer for a period of four months and a day in accordance with applicable securities laws.

Certain companies and individuals assisted the Corporation by introducing potential subscribers for the Offering and received a fee, payable in cash, equal to 5% of the total subscription proceeds received from subscribers introduced to the Corporation by each particular person. No broker warrants were issued in connection with the Offering.

Proceeds from this offering will be used in the exploration and development of the Corporation's primary Timmins area projects:

- Timmins South where an aggressive drilling campaign is seeking large near surface gold deposits in the Sothman Township located approximately 60 kilometers south of Timmins.
- Timmins North where drilling is extending and defining the high grade Tully deposit located approximately 25 kilometers north of Timmins.
- Western properties where geophysical and drill programs are seeking gold deposits to the west of Timmins in the Carscallen and Ogden Townships.

The closing of the Offering is subject to the final approval of the TSX Venture Exchange.

For further information contact Dale Ginn, Chief Executive Officer of SGX Resources Inc., at (204) 774-6771 or (204) 794-5818.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the contents of this News Release.

This press release is not for dissemination in the United States or for distribution to U.S. news wire services.

SCHEDULE "B"

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.

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