

**EARLY WARNING REPORT
FILED PURSUANT TO NATIONAL INSTRUMENT 62-103**

1. Name and Address of Offeror

San Gold Corporation ("San Gold")
212 – 1661 Portage Avenue
Winnipeg, Manitoba
R3J 3T7

2. Designation and number, or principal amount, of securities and the offeror's security holdings percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.

On March 30, 2012, San Gold acquired beneficial ownership and control of an aggregate of 2,000,000 units ("Units") of SGX Resources Inc. ("SGX") at a price of \$0.50 per Unit. Each Unit is comprised of one common share of SGX (a "Common Share") and one half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.60 per share for a period of two years from the date of issuance. The Common Shares forming part of the Units acquired by San Gold represent approximately 1.94% of the issued and outstanding Common Shares as at the date hereof.

San Gold acquired the Units as part of a larger brokered private placement offering of Units and flow-through units by SGX. In order to subscribe for the Units, San Gold entered into a subscription agreement with SGX dated as of March 30, 2012.

3. Designation and number, or principal amount, of securities and the offeror's security holding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligations to file a news release.

Immediately after the acquisition of the 2,000,000 Common Shares, San Gold beneficially owned and controlled an aggregate of 28,636,256 Common Shares, representing approximately 27.82% of the issued and outstanding Common Shares. San Gold also holds an additional 1,000,000 Warrants which entitle it to acquire an additional 1,000,000 San Gold Shares.

4. Designation and number, or principal amount of securities, and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

(i) The offeror, either alone or together with joint actors, has ownership and control:

San Gold beneficially owns and controls an aggregate of 28,636,256 Common Shares, representing approximately 27.82% of the issued and outstanding Common Shares.

(ii) The offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:

Nil

(iii) The offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership:

Nil

5. The name of the market in which the transaction or occurrence that gave rise to the news release took place.

Not applicable, see Item 10 below.

6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.

The 2,000,000 Units, consisting of 2,000,000 Common Shares and 1,000,000 Warrants, were issued to San Gold at a price of \$0.50 per Unit. This was the same price as paid by other subscribers pursuant to the private placement offering by SGX.

7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.

The decision to acquire the Units of SGX was taken in the belief that the acquisition would be a good investment by San Gold. On February 3, 2012, San Gold and SGX announced that SGX had agreed to purchase certain mineral claims from San Gold known as the Davidson-Tisdale Property and the North Tisdale Property in consideration of the issuance of 8,060,000 Common Shares by SGX to San Gold. It is anticipated that this transaction will close in the next few weeks. San Gold has no further intention of acquiring securities of SGX following the completion of this transaction.

- 8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer, entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any securities.**

Not applicable.

- 9. The names of persons or companies acting jointly or in concert with the offeror in connection with the disclosure required above.**

Not applicable.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of consideration paid by the offeror.**

The 2,000,000 Units, consisting of 2,000,000 Common Shares and 1,000,000 Warrants, were issued to San Gold at a price of \$0.50 per Unit. This was the same price as paid by other subscribers pursuant to the private placement offering by SGX.

- 11. When applicable, a description of any change in any material facts set out in a previous report under the legislation stated above.**

Not applicable.

- 12. When applicable, a description of the exemption from securities legislation being relied upon by the offeror and the facts supporting that reliance.**

The Units were issued to San Gold pursuant to the "accredited investor" exemption contained in National Instrument 45-106 *Prospectus and Registration Exemptions*.

Dated at Winnipeg, Manitoba this 2nd day of April, 2012.

SAN GOLD CORPORATION

By: "Gestur Kristjansson"
Gestur Kristjansson,
Chief Financial Officer