

**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 April 18, 2012, San Gold acquired beneficial ownership and control of an aggregate of 8,060,000 common shares (the "Common Shares") of SGX Resources Inc. ("SGX"), representing approximately 7.26% of the issued and outstanding Common Shares, pursuant to the terms of a purchase agreement between San Gold and SGX dated April 18, 2012 (the "Purchase Agreement"). Pursuant to the Purchase Agreement, SGX acquired all of the interests of San Gold in its mineral properties (the "Properties") in Tisdale Township, in the Timmins, Ontario mining camp (the "Transaction").

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 Transaction, San Gold beneficially owned and controlled an aggregate of 36,696,256 Common Shares, representing approximately 33.06% of the issued and outstanding Common 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 36,696,256 Common Shares, representing approximately 33.06% 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 9 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 Common Shares were issued to San Gold at a deemed price of \$0.50 per Common Share.

- 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 purpose of the Transaction was the sale of the Properties by San Gold to SGX. At this time, San Gold wishes to focus its exploration and development efforts on its properties in Manitoba rather than its properties in the Timmins, Ontario area. San Gold is not currently planning on acquiring any additional securities of SGX.

- 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.**

The Transaction was completed pursuant the Purchase Agreement, which is a standard mineral claim purchase agreement. This agreement contained no terms regarding the holding, disposition or voting of the Common Shares acquired by San Gold.

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. The nature and value of consideration paid by the offeror, if the transaction or occurrence disclosed in this report did not take place on a stock exchange or other published market for the securities.

The 8,060,000 Common Shares were issued to San Gold at a deemed price of \$0.50 per Common Share for aggregate consideration of \$4,030,000.

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 Common Shares were issued pursuant to section 2.13 San Gold of National Instrument 45-106 *Prospectus and Registration Exemptions* which provides for an exemption from the prospectus requirement of applicable securities laws for the issuance of securities pursuant to the acquisition of a mining property or an interest in a mining property.

Dated at Winnipeg, Manitoba this 18th day of April, 2012.

SAN GOLD CORPORATION

By: “Hugh Wynne”
Hugh Wynne,
Executive Chairman