

**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 June 6, 2011, San Gold acquired beneficial ownership and control of an aggregate of 1,636,256 common shares (the "Common Shares") of SGX Resources Inc. (the "Corporation"), representing approximately 2.62% of the issued and outstanding Common Shares, pursuant to the terms of an option purchase agreement between San Gold and the Corporation dated December 4, 2009 (the "Purchase Agreement"). The acquisition resulted in San Gold beneficially owning and controlling an aggregate of 26,636,256 Common Shares, representing approximately 42.63% of the issued and outstanding Common Shares. This represents a material change over the 25,000,000 Common Shares held by San Gold as at the date when the Corporation first became a reporting issuer.

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 1,636,256 Common Shares, San Gold beneficially owned and controlled an aggregate of 26,636,256 Common Shares, representing approximately 42.63% 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 26,636,256 Common Shares, representing approximately 42.63% 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 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 issue the Common Shares to San Gold was taken by the Corporation. San Gold has no current intention to increase or decrease beneficial ownership of, or control or direction over, Common Shares through market transactions or otherwise.

- 7. 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.

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

Not applicable.

9. 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 1,636,256 Common Shares were issued to the Company at a deemed price of \$0.2954 per Common Share in satisfaction of \$483,350 owing by the Corporation to San Gold. The funds owing by the Corporation to San Gold were as a result of common shares of San Gold issued by San Gold to various parties in order to satisfy certain obligations of the Corporation pursuant to mineral option agreements acquired by the Corporation from San Gold pursuant to a purchase agreement dated December 4, 2009.

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

Not applicable.

Dated at Winnipeg, Manitoba this 6th day of June, 2011.

SAN GOLD CORPORATION

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