

San Gold to earn 80% interest in 2,800 ha near Bissett

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See News Release (C-SGR) San Gold Corp

Mr. George Pirie of San Gold reports

SAN GOLD ANNOUNCES OPTION AGREEMENT WITH COUGAR MINERALS

San Gold Corp. has entered into an option agreement with Cougar Minerals Corp. to acquire an 80-per-cent interest in 18 mineral claims comprising approximately 2,800 hectares near Bissett.

The properties are adjacent to San Gold's properties to the east and south of the SG No. 1 deposit.

As part of the agreement, San Gold is required to undertake the following expenditures on the properties: (i) \$200,000 on or before the first anniversary of the option agreement; (ii) \$300,000 on or before the second anniversary of the option agreement; (iii) \$400,000 on or before the third anniversary of the option agreement; and (iv) \$600,000 on or before the fourth anniversary of the option agreement. During the term of the option agreement, San Gold shall be the operator.

In addition, the company is required to subscribe for a private placement of \$200,000 of units of Cougar immediately following execution of the option agreement and an additional \$200,000 of units of Cougar on or before each of the first, second and third anniversaries of the option agreement. Each unit will be composed of one common share of Cougar and one common share purchase warrant of Cougar exercisable for a period of two years from the date of issuance. The price of the units and the exercise price of the warrants will be equal to the market price of the common shares of Cougar as at the date of announcement of the applicable unit offering, subject to applicable regulatory policies. All amounts are in Canadian dollars.

Upon San Gold fulfilling all of these obligations, it will earn an 80-per-cent interest in the properties.

We seek Safe Harbor.