

SAN GOLD CORPORATION

Company profile:

San Gold Corporation is a junior mining and exploration company focused on developing gold properties in Manitoba. The company operates two gold mines, has a strong gold resource base and extensive exploration experience in Manitoba's Rice Lake greenstone belt. San Gold continues to actively explore the belt; recent discoveries include the San Gold #3 deposit.

Stock exchange listings:

TSX Venture; symbol: SGR

Manitoba operations:

Mines: Rice Lake Gold Mine and San Gold #1 Mine at Bissett, 256 km northeast of Winnipeg

Employees: 125

Ownership: 100% San Gold Corporation-owned

Description: underground mines with milling facilities

Products/Minerals: gold; first production scheduled for April 2006; production forecasted at 30,000 ounces for 2006, increasing to 100,000 ounces for 2008

IT ALL STARTED WITH GOLD ...

The province's metal-mining history began almost a hundred years ago with the discovery of gold in the Precambrian Shield of southeast Manitoba. Gold discoveries continued throughout the province and have positioned Manitoba as one of Canada's significant gold producers.

Gold exploration in the province continues its steep ascent with a host of senior and junior gold explorers undertaking the search for Manitoba's yellow metal. Exploration programs range from grass roots to well advanced. Companies are attracted to Manitoba's high gold potential, accessible geoscience database, welcoming business climate and exploration incentives.

Manitoba also boasts two, million-plus ounce producers of gold, the San Antonio Mine (now the Rice Lake Gold Mine) at Bissett and the formerly producing Nor-Acme Mine at Snow Lake.

With 60% of the province's bedrock consisting of exposed Precambrian Shield, and geoscience programming focused on unraveling Manitoba's untapped gold endowment, the province is strategically positioned for new and major gold discoveries.

PROMISING GEOLOGY-HIGH MINERAL POTENTIAL

Manitoba's long history of mining reflects the province's diverse geology and large regions of high mineral potential.

The bedrock geology of Manitoba is dominated by the ancient crystalline rocks of the Precambrian Shield. These rocks form the crustal basement for the entire province and are exposed at surface over a broad swath in southeast, central and northern portions of the province. Unique to Manitoba is an ancient collision zone between 2.7+ billion-year-old rocks of the Superior craton and 1.7 to 2.0 billion-year-old rocks of the Trans-Hudson Orogen. This collision zone hosts world-class nickel deposits currently mined in and around the City of Thompson.

Major copper, zinc, nickel and gold deposits are concentrated in ancient volcanic ("greenstone") belts dominated by metamorphosed lavas and sedimentary rocks.

"... at current [2001] metal prices, the value of metals produced from greenstone belts in the Trans-Hudson Orogen, which includes the Flin Flon/Snow Lake and Lynn Lake/Leaf Rapids greenstone belts, is equivalent to approximately \$2 million per square kilometre, making them among the richest greenstone belts in the world"

DR. JIM FRANKLIN,

former Chief Scientist, Geological Survey of Canada and renowned expert on volcanic-hosted massive sulphide deposits (2001)



EMERGING EXPLORATION INTERESTS

In southeast Manitoba, the rare elements tantalum, cesium and lithium are produced from Precambrian rocks near Pinawa. Titanium and vanadium deposits occur near Cross Lake, in north-central Manitoba. Exploration for diamonds, platinum group metals and rare earth elements in the Precambrian is a recent development that adds an exciting new dimension to the wide range of exploration and mining opportunities in the province.

About 40% of Manitoba's bedrock geology consists of younger sedimentary rocks deposited during the Paleozoic, Mesozoic and Cenozoic eras. These sedimentary rocks cover the older Precambrian rocks like a blanket in the southwest (Western Canada Sedimentary Basin) and northeast (Hudson Bay Basin). Paleozoic rocks, comprising limestone, dolomite, shale, sandstone and evaporite deposits, contribute to Manitoba's industrial minerals industry through products like potash, silica sand, high-magnesium dolomite, petroleum, building stone and cement. Mesozoic sedimentary strata contain important commodities such as bentonite and gypsum.

In 2005, Agrium Inc., a leading global producer of agricultural nutrients, acquired a five-year, 45 000-hectare exploration permit to explore for potash in southwestern Manitoba.

Ancient glacial ice played an important role in sculpting Manitoba's surficial geology and has deposited vast areas of glacial drift composed mainly of sand and gravel throughout the province. These glacial deposits are the source of aggregate resources that are utilized throughout Manitoba. Drainage of glacial Lake Agassiz, 8000 years ago, produced expansive wetland areas east and north of Winnipeg where thick accumulations of peat are mined locally.

Strong growth in industrial uses of platinum, palladium and rare earth elements (such as europium, erbium and cerium) is increasing global demand and exploration for these metals.

While Manitoba remains under-explored for platinum group metals, its favourable geology, including an abundance of ultramafic intrusions, make the province an attractive exploration target for these commodities.

The search for rare earths and large tonnage, high-value iron oxide-copper-gold deposits is also on the rise in the Paleoproterozoic rocks of the Trans-Hudson Orogen in northern Manitoba. Increased interest followed the discovery of rare-earth mineralization in the Eden Lake alkaline complex near Leaf Rapids, and subsequent recognition of the complex as a carbonatite end-member of an iron oxide-copper-gold deposit type.

GILLIS QUARRIES LTD.

Company profile:

Gillis Quarries is a Manitoba-based, privately-owned, quarry and fabricator of building limestone that has been in operation for over 90 years. Tyndall® Stone, one of the most beautiful building stones in the world, graces the interior and exterior of buildings such as the Canadian Embassy in Berlin, Germany, the universities of Texas, Omaha, Nebraska, Saskatoon, Manitoba, Edmonton and Regina, as well as many private offices and hotel chains.

Manitoba operations:

Mines: Gillis Quarries Ltd. at Garson, 37 km northeast of Winnipeg

Employees: 60

Description: Quarry with milling facility

Products/Minerals: Tyndall® Stone; other limestones and granites

