



**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES.**

FOR IMMEDIATE RELEASE

TSX Venture Exchange: SGR

August 4, 2010

**SAN GOLD CORPORATION ANNOUNCES CLOSING OF \$80M SHORT FORM
PROSPECTUS OFFERING**

Bissett, Manitoba; August 4, 2010 - San Gold Corporation (the "Corporation") is pleased to announce the closing of its previously announced short form prospectus offering of 20,000,000 common shares ("Common Shares") at a price of \$4.00 per Common Share for aggregate gross proceeds of \$80,000,000. A syndicate of underwriters, co-led by Dundee Securities Corporation and BMO Capital Markets, and including CIBC World Markets Inc., Raymond James Ltd., TD Securities Inc., Cormark Securities Inc., Wellington West Capital Markets Inc., Mackie Research Capital Corporation, Stonecap Securities Inc. and Toll Cross Securities Inc. acted as underwriters for the Offering. In connection with the offering, the underwriters received a cash commission equal to 5% of the gross proceeds raised under the offering. The underwriters also sold an additional 1,133,100 Common Shares pursuant to the over-allotment option granted to the underwriters for an additional \$4,532,400 in gross proceeds to the Corporation. Accordingly, the total gross proceeds raised by the Corporation pursuant to the Offering were \$84,532,400.

The proceeds of the offering shall be used primarily for further exploration and development on the Corporation's Rice Lake Project in Manitoba, for the purchase of equipment and for general and administrative expenses and working capital.

The Common Shares were offered by way of a short form prospectus in all the Provinces of Canada except Quebec and the Common Shares were offered in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended.

FOR FURTHER INFORMATION PLEASE CONTACT:

Dale Ginn, Chief Executive Officer
San Gold Corporation
(204) 794-5818

Investor Information
1-800-321-8564
www.sangold.ca

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.
