

San Gold Announces 84 Vein Drilling Results

San Gold Corporation (TSX: SGR) (OTCQX: SGRCF) today announced the results of drilling in the 84 Vein of the Rice Lake Mining Complex in Manitoba, Canada.

Results obtained from the 84 Vein drilling program demonstrate robust grades and widths, including 26-11-262 with 27.1 g/tonne over 15.4 metres and 26-11-259 with 13.6 g/tonne over 11.7 metres.

The results were obtained from a previously untested mineralized region located within 100 metres of existing infrastructure between 24 Level and 26 Level in the Rice Lake shaft mine. San Gold will begin mining operations within the 84 Vein in early 2012. Ramp development from 26 Level is already underway, with active mining starting during the first quarter.

Highlights of the 84 Vein drilling are as follows:

Hole #	Vertical Depth	From	To	Core Length	Au
		<i>Metres</i>			<i>g/tonne</i>
26-11-262	1,113.8	117.2	132.6	15.4	27.1
26-11-259	1,147.6	158.5	162.5	4.0	7.5
And		172.2	183.9	11.7	13.6
26-09-038	1,126.0	202.6	224.8	22.2	6.9
26-09-037	1,128.2	189.8	204.3	14.6	9.0
26-09-034	1,127.7	162.2	167.4	5.2	14.3
26-11-245	1,128.0	90.4	96.3	5.9	12.1
26-09-045	1,129.5	212.8	218.9	6.1	8.6
26-10-062	1,139.8	143.3	148.1	4.8	7.3

“This shows the tremendous exploration potential that still exists within the original mining unit. These discoveries are especially valuable because of how quickly they can be incorporated into the mine plan,” said George Pirie, San Gold’s President and Chief Executive Officer.

The 84 Vein is hosted along the San Antonio Mine unit, a mafic unit associated with production of about 1.5 million ounces of gold since 1931. This drilling summary includes all diamond drilling carried out to date within the 84 Vein between 2009 and 2011 from underground drill stations located within the Rice Lake Mining Complex. In total, 35 intercepts were recorded from 29 holes in this region.

Figures 1 to 4, at the end of this release, provide a detailed long section and graphic illustrations showing drill holes and intercepts related to the 84 Vein drilling program. These figures can also be found on the company web site (www.sangold.ca) and on SEDAR (www.sedar.com).

This program was carried out by San Gold mine geologists under the supervision of D. Ginn, P.Geo., the Qualified Person for San Gold under National Instrument 43-101. Underground drill core samples are assayed on site in the company's assay lab using the fire assay method with an AA and gravimetric finish. San Gold's quality control and assurance program includes the insertion of standards, the retention of pulps and rejects, and spot checks utilizing independent labs including TSL Laboratories in Saskatoon, SK and Accurassay Laboratories of Thunder Bay, ON. The core lengths are actual lengths as drilled and have not been adjusted for the true width of the mineralized zones.

About San Gold

San Gold is an established Canadian gold producer, explorer, and developer that owns and operates the Hinge, 007, and Rice Lake mines near Bissett, Manitoba. The Company employs more than 400 people and is committed to the highest standards of safety and environmental stewardship. San Gold is on the Toronto Stock Exchange under the symbol "SGR" and on the OTCQX under the symbol "SGRCF".

For further information on San Gold, please visit www.sangold.ca or contact:

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The TSX and the OTCQX exchanges have not reviewed and do not accept responsibility for the adequacy or accuracy of this release.

Cautionary Note

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This news release includes certain “forward-looking statements”. All statements, other than statements of historical fact included in this release, including, without limitation, statements regarding forecast gold production, gold grades, recoveries, cash operating costs, potential mineralization, mineral resources, mineral reserves, exploration results, and future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to mining and processing of mined ore, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and conversion of mineral resources to proven and probable mineral reserves, and other information that is based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be “forward-looking statements.” Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include, among others, the actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of precious metals, as well as those factors discussed in the section entitled “Other MD&A Requirements and Additional Disclosure and Risk Factors” in the Company’s most recent quarterly Management’s Analysis and Discussion (“MD&A”). Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Exploration results that include geophysics, sampling, and drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics, and economic potential to be classed as a category of mineral resource. A mineral resource that is classified as “inferred” or “indicated” has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves.

Table I: Full Listing of 84 Vein Drilling Results ⁽¹⁾

Hole #	Vertical Depth	From	To	Core Length	Au
	<i>Metres</i>				<i>g/tonne</i>
26-11-243	1,125.7	106.3	108.6	2.3	2.0
26-11-244		74.5	74.6	0.2	20.6
and	1,148.8	79.6	81.7	2.1	3.2
and	1,147.0	85.6	87.1	1.6	5.0
26-11-245	1,128.0	90.4	96.3	5.9	12.1
incl.		92.7	96.3	3.7	16.8
26-11-246	1,139.2	104.4	106.0	1.6	1.5
26-11-248	1,137.8	90.4	91.4	1.0	1.5
26-11-249		98.7	101.0	2.3	1.9
26-11-251	1,142.9	105.6	108.5	2.9	2.9
26-11-254	1,157.8	115.3	118.9	3.6	4.1
26-11-255	1,155.3	139.2	141.1	1.9	2.5
26-11-256	1,142.1	134.1	152.5	18.3	3.4
incl.		135.0	137.3	2.3	10.9
incl.		139.7	141.6	1.9	7.0
incl.		150.3	152.5	2.2	6.2
26-11-257	1,156.7	141.5	148.7	7.2	0.5
26-11-258	1,113.1	158.4	160.5	2.1	3.1
26-11-259	1,147.6	158.5	162.5	4.0	7.5
and		172.2	183.9	11.7	13.6
incl.	1,143.9	182.6	183.9	1.3	120.2
26-11-260	1,092.7	131.8	135.2	3.4	4.4
26-11-261	1,123.2	79.6	83.1	3.5	6.5
26-11-262	1,134.3	79.2	81.7	2.4	6.6
and	1,113.8	117.2	132.6	15.4	27.1
incl.		121.3	129.5	8.2	46.4
26-11-263	No Significant Results				
26-10-059	1,109.4	201.2	207.1	6.0	1.4
26-10-062	1,139.8	143.3	148.1	4.8	7.3
26-09-033	1,146.3	132.3	137.0	4.7	3.8
26-09-034	1,123.3	179.2	187.0	7.7	6.6
and	1,127.7	162.2	167.4	5.2	14.3
26-09-036	1,164.1	129.2	130.8	1.6	8.7
26-09-037	1,128.2	189.8	204.3	14.6	8.9
and	1,132.8	176.2	180.7	4.5	4.7
26-09-038	1,126.0	202.6	224.8	22.2	6.9
26-09-040	1,157.6	138.2	143.4	5.2	3.3
26-09-041	1,141.6	122.5	131.9	9.4	3.6
26-09-042		78.2	82.4	1.4	3.2
26-09-044	1,104.8	238.2	245.5	7.3	4.6
26-09-045	1,129.5	212.8	218.8	6.1	8.6

(1) Due to the exploratory nature of this exploration program and the variable orientations of the high-grade mineralized zones, the intersections presented herein may not necessarily represent the true width of mineralization.

Figure 3 Drilling in 84 Vein Looking North

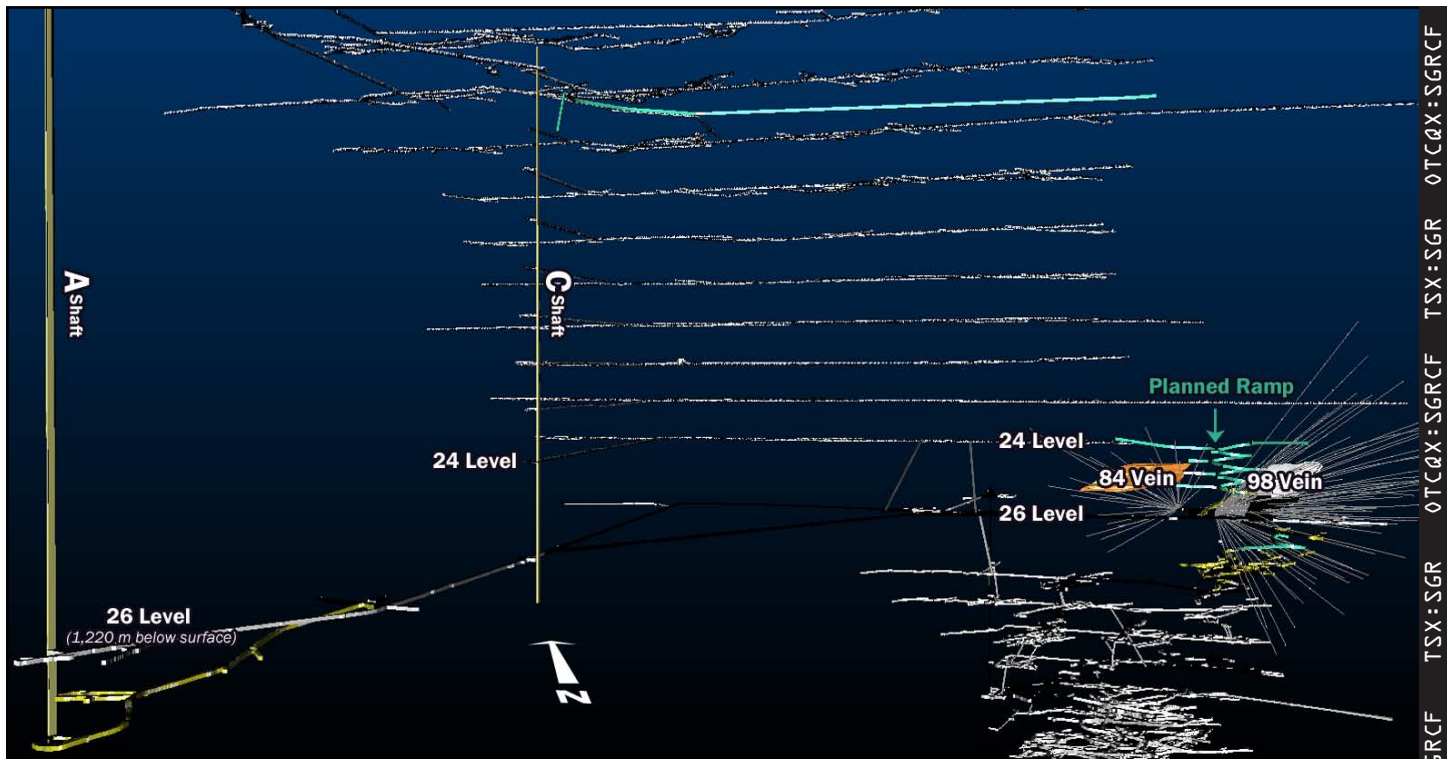


Figure 4 Longitudinal Section Looking North, Showing Location of 84 Vein Related to RLM Workings

