

## **San Gold to buy Oro Grande; setting up drill targets**

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Mr. Dale Ginn reports

### **SAN GOLD LAND ACQUISITION INCLUDES TWO HIGH GRADE PAST PRODUCERS**

San Gold Resources Corp. has entered into an option agreement to acquire an additional 728-hectare land position, known as the Oro Grande property, in the Rice Lake greenstone belt. This property is located in the Beresford Lake area about 25 kilometres by road southeast of the San Gold and Gold City Industries Rice Lake gold mine in Bissett, Man. The Oro Grande property is host to two former past producers: the Gunnar mine (101,000 ounces of gold produced at a grade of 12 grams per tonne, or 0.35 ounce per tonne) and the Oro Grande mine (5,000 ounces of gold produced at a grade of 20 grams per tonne, or 0.58 ounce per tonne), which operated during the 1930s and 1940s. Numerous other high-grade gold showings also exist in addition to the strike and plunge potential of the two past producers.

The terms of the agreement to acquire a 100-per-cent interest in the Oro Grande property are:

First year: \$25,000 cash payment, 30,000 San Gold shares, \$175,000 work commitment

Second year: \$30,000 cash payment, 50,000 San Gold shares, \$250,000 work commitment

Third year: \$50,000 cash payment, 100,000 San Gold shares, \$500,000 work commitment

The vendor will retain a 3-per-cent net smelter return royalty upon completion of the terms above.

San Gold's geologists are currently prioritizing targets at the Oro Grande property in preparation for an intensive fall and winter diamond drilling program. This acquisition is consistent with San Gold's strategy to source gold and produce from a number of properties within the Rice Lake greenstone belt by mid-2005 together with its joint venture partner, Gold City Industries.

**WARNING:** The company relies upon litigation protection for "forward-looking" statements.