

Form 45-106F1  
Report of Exempt Distribution

**Issuer information**

- Item 1. State the full name, address and telephone number of the issuer of the security distributed. Include former name if name has changed since last report. If this report is filed by a vendor, other than the issuer, also state the full name and address of the vendor.

*Linux Gold Corp.  
1103 - 11871 Horseshoe Way  
Richmond, B.C. V7A 5H5  
604-278-5996*

- Item 2. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

*Linux Gold Corp. is a reporting issuer.*

*The jurisdictions in which the issuer reports are British Columbia, Alberta and the United States (SEC).*

- Item 3. Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- |   |   |
|---|---|
| <input type="checkbox"/> Bio-tech                       | Mining  |
| <input type="checkbox"/> Financial Services             | <input checked="" type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production                         |
| <input type="checkbox"/> mortgage investment companies  | <input type="checkbox"/> Oil and gas                        |
| <input type="checkbox"/> Forestry                       | <input type="checkbox"/> Real estate                        |
| <input type="checkbox"/> Hi-tech                        | <input type="checkbox"/> Utilities                          |
| <input type="checkbox"/> Industrial                     | <input type="checkbox"/> Other (describe)                   |

**Details of distribution**

- Item 4. Refer to Schedule I to this report.

- Item 5. State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

*February 22, 2006*

- Item 6. For each security distributed:

- (a) describe the type of security,
- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

(c) state the exemption(s) relied on.

*An aggregate of 3,000,000 Units are offered pursuant to this private placement at US\$0.20 per Unit to raise gross proceeds of \$600,000. Each Unit consists of one share ("Share") of Common Stock of the Company (the "Common Stock") and one half warrant (the "Warrant"). Two ½ Warrants enable the investor to purchase one additional share of Common Stock at US\$0.25 in the first year or US\$0.30 in the second year from the date the Units are issued.*

*The total number of Shares distributed pursuant to this report of exempt distribution is 3,000,000 Units pursuant to the private placement and 100,000 shares for a finder's fee.*

*The exemptions relied upon are National Instrument 45-106, Section 2.9 and 2.3*

Item 7. Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	8	\$0.23	\$120,750
Alberta	1	\$0.23	\$6,900
Ireland	1	\$0.23	\$46,000
United States	8	\$0.23	\$516,350
<b>Total number of Purchasers</b>	18		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			\$690,000

1. based on the Bank of Canada noon rate of Cdn\$1.1482 on February 22, 2006, being the date of distribution.

#### **Commissions and finder's fees**

Item 8. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Arnie Winrob 6537 Pimlico Way Richmond, BC V6Y 2Y1	\$17,382.15				\$17,382.15
Wazmakay Elizabeth Charlwood #512 – 1386 Marinaside Vancouver, B.C.V6Z 2W9		100,000	\$0.23	NI 45-106, s. 2.3 February 22, 2006	\$23,000
Renlu Wang 7027 Brookdale Place Delta, BC V4E 2N2	\$5,166.90				\$5,166.90

Item 9. If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

### Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

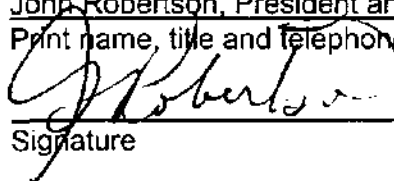
Date: February 27, 2006

LINUX GOLD CORP.

Name of issuer (please print)

John Robertson, President and Director, 604-278-5996

Print name, title and telephone number of person signing



Signature

Item 10. State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

n/a – see above

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**