

Sage Gold Clavos Gold Mine Update



January 5, 2018 (Source) – Sage Gold Inc. (“Sage Gold” or the “Company”) (TSX VENTURE:SGX) is pleased to report an update on the bulk sampling program at its 100% owned Clavos Mine in Timmins, Ontario and plans to optimize the existing mine plan and update the Mineral Resource estimate.

To date, the Company has completed three mill runs between October and December 2017, as part of its bulk sampling program, yielding approximately 790 ounces of gold. The material processed so far, primarily represents lower grade pre-stope development rock mined by Sage Gold as well as broken rock left by the previous operator. Stope mining of in-situ mineralized material at the higher grades as outlined in the Preliminary Economic Assessment (“PEA”) has not yet commenced. It is anticipated that there will be a further mill run during the month of January 2018.

From an operational perspective, severe cold weather has hampered outside surface crushing at Clavos with numerous mechanical failures limiting the movement of crushed mineralized material from Clavos to the custom mill site 10km from Clavos. The crushing contractor has implemented various measures in order to limit breakdowns associated with the cold operating conditions. As a result, the Company is developing stockpiles at both the mine and mill sites. Progress at Clavos in 2017 was hampered by Hydro One’s delayed connection of the mine to the grid and more recently by the severe cold weather affecting the crushing which has impacted costs and precipitated a need for further working capital. The Company is also actively sourcing equipment financing for new

equipment purchases and for the necessary additional working capital.

Underground drilling, blasting and the transport of mineralized material to surface is continuing on the 150 west, 150 east and 200 east meter levels ("mL"). Mining activities are directed to developing and extracting mineralized blocks associated with stope blocks identified in the PEA. To date, on the 150 west mL, development and mining activities have accessed both hangingwall and footwall PEA stope blocks. Definition drilling suggests that the lower boundaries of some of the PEA stope blocks on the 150 west mL are closer to the access drift than originally anticipated which will reduce the amount of development required before reaching the stope block. Mining on the 150 east mL has been ongoing in the hangingwall zone at grades that are comparable to the 3.27 g/t Au grade for this stope block in the PEA. The 200 east mL is being developed and mined in both the hangingwall and footwall zones.

The Clavos mine is 90% dewatered but requires additional electrical infrastructure to access levels below the 200 mL. This infrastructure is being sourced. The grade x thickness model (see news release of May 13, 2017) illustrates that the highest grade x thickness intersections occur below the 200 mL. The historical records of the Clavos deposit indicate that the previous operator developed down to the 285 mL but did not extract a significant amount of material. It is therefore anticipated that these developed stopes were left in-situ.

Additionally, the Company is now in the process of completing a new Mineral Resource and Reserve Estimate and Pre-Feasibility study at Clavos incorporating the results from surface drilling from east and west of the mine (news release May 10, 2017) and underground drilling within the mine infrastructure. The Company has now completed all of the geological modeling related to the Clavos deposit. This modeling includes all the lithological units including the

mafic and siliceous intrusives. Gold mineralization at Clavos is almost exclusively associated with the intrusives as vein systems on the margins of the intrusives or as quartz breccia zones within the intrusives. The Company intends to complete a new estimate of Mineral Resources and Mineral Reserves utilizing 1,000 surface and 550 underground drill-hole composites that are now in the gradex thickness database. An additional 200 drill-hole assay composites from more recent underground definition and exploration drilling will also be incorporated. This Mineral Resource estimation will be the basis for a Pre-Feasibility study.

The geotechnical content of this news release relating to the geological modeling and drill-hole composites has been reviewed and approved by Sage Gold's consulting geologist, Peter Hubacheck, P. Geo., who is a Qualified Person ("QP") as defined in National Instrument 43-101 ("NI 43-101").

The operational plans disclosed in this news release have been reviewed and approved by Sage Gold's consulting mining engineer Robert Ritchie, P. Eng., who is a QP as defined in NI 43-101.

The Company plans to complete a Mineral Resource and Reserve Estimate and a Pre-Feasibility study regarding the Clavos project. In the event that a production decision is made that is not based on a Pre-Feasibility study of mineral reserves demonstrating economic and technical viability prepared in accordance with NI 43-101, readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

About Sage Gold

Shares Outstanding 86,232,157

The Company is a mineral exploration and development company which has primary interests in near-term production and exploration properties in Ontario. Its main properties are the

Clavos Gold property, 100% owned, in Timmins and the 100% owned Onaman property and other exploration properties in the Beardmore-Geraldton Gold Camp. Technical reports and information relating to the properties can be obtained from the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and from the Company's website at www.sagegoldinc.com.

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failure to identify mineral resources; failure to convert estimated mineral resources to reserves; the preliminary nature of metallurgical test results; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; political risks; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets, inflation, changes in exchange rates; fluctuations in commodity prices; delays in the development of projects; capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry; and those risks set out in the Company's public documents filed on SEDAR. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.