

# Sage Gold weeks away from production to follow gold bull run

Gold has been on a renewed bull trend since the beginning of the year, recently achieving highs of \$1,357/oz and showing no signs of slowing amid continued geopolitical uncertainty. Those investors looking for a truly long position on gold should seriously consider a near-term producer as a growth opportunity since, as traders rejoice, so do the juniors who happen to be closest to production, and with their Clavos project, [Sage Gold Inc.](#) (TSXV: SGX) ("Sage") are about as close as one could get, as the company are right now building a potentially mineralized stockpile, comprised largely of ore left behind by the previous site owner, for a bulk sample mill run within the next six weeks.

Rather fortuitously, Sage are in possession of a renowned set of claims in the Timmins area that were mined briefly before the market's 5+ year bear slide closed operations. Timmins is famous for historically coughing-up almost 100 million ounces of gold in just over a century; the original findings started an exploration rush that continues to this day, with new discoveries being made seemingly every year. In fact, the areas from which Sage hope to begin producing have assayed up to 17.78 g/t Au; an intensely encouraging result.

The company are currently busy dewatering the lower elevations of the existing mine structure in order to undertake exploration drilling, and have already reached the 240 metre level high-grade zone which features the historic Kinross hole, which previously graded an astonishing 61.59 g/t over 3 metres; a sign that Timmins yet has considerable history to make. Grades such as these are exactly what we're hoping to see in the company's imminent mill run.

Sage expect dewatering to 261 metres to be completed by mid September; this level is significant since, although it was developed by the previous owner, coming in at 19.55 g/t gold, it was not mined to any extent. This means that, by the end of this month, we will have definitive proof as to whether Timmins continues to be one of the world's greatest gold producing regions, and just in time for the continuing bull run on the price of our favourite yellow metal.

Crucially, Sage recently closed the final tranche of production financing (\$3.26m), and so commercial production is expected to be achieved by the second quarter of 2018. Being fully financed means that this project carries significantly less risk than many comparable development stage operations, since the remaining obstacles are more easily surmountable. This phase of development was actually quite considerably easier for Sage than most others since their project has one of the lowest CAPEX figures in the industry.

A preliminary economic assessment from 2013 had the Clavos mine producing more than 145,000 ounces over seven years. A new resource estimate and a feasibility study are in the works, but the mine is fully permitted for 700 tons a day with a toll milling agreement with the nearby Stock mill, and, of course, infrastructure and power are readily available since the mine is located in polite and mining-friendly Ontario.

The company's share price has, interestingly, tracked alongside the rising trend in the price of gold. The steady appreciation throughout the year has already resulted in a 12-month return of over 70%, but the chances of being snapped up by a larger company become larger and larger as we move towards a fully-fledged and operational mine. September being a crucial pivot for Sage, one would be wise to see this as the entry point that it is before further price rises erode potential returns.