

Nigel Lees on Sage Gold's first delivery of mineralized material

Nigel Lees, President, CEO and Director of Sage Gold Inc. (TSXV: SGX) ("Sage Gold") in an interview with InvestorIntel Senior Editor, Peter Clausi discuss their first delivery of mineralized material from Clavos gold mine to McEwen Mining's Black Fox-Stock mill. The mineralized material that is being shipped to mill is broken up underground and was left by the previous owners, St. Andrews Goldfields, who spent \$65 million on the project. Sage Gold has access to all of the left mineralized materials at a very low cost. As for the next big event for Sage Gold, Nigel states they will start seeing revenue in the next few weeks. Nigel also discusses their deeper drilling program at Clavos.

Peter Clausi: Clavos is in northern Ontario near Timmins.

Nigel Lees: It is a gold mine which plus \$65 million dollars was being spent on it over the years. We have gone back into the workings, dewatering, rehabbing, definition drilling and we are now shipping mineralized material to the mill, which is 10 kilometers away called Stock Mill.

Peter Clausi: Who owns that mill?

Nigel Lees: That is McEwen recently bought that from Primero. We are lucky to be able to get a mill run in very early in the new ownership. We started dewatering at Clavos, which is the gold mine in Timmins, Ontario, in January of the year. We dewatered it almost down to 300 meters. There is 7 kilometers of underground workings. We have rehabilitated the underground...to access the complete interview, [click here](#)

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Nigel Lees on revving up for the junior gold bull market rally

Nigel Lees, President, CEO and Director of Sage Gold Inc. (TSXV: SGX) in an interview with InvestorIntel CEO Tracy Weslosky discuss the junior gold bull market and Sage Gold's production timelines. Nigel shares that their Clavos Gold Project has already had, "almost C\$100 million [invested in it] over its lifetime." Nigel then goes on to tell us, the Clavos Project will ship its first ore in 12 weeks, and expects to be in full commercial production sometime next year, producing roughly 20,000-25,000 ounces per year... to access the complete interview, [click here](#)

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Sage Gold rated a Buy as they move towards a Q4 2017

Production Timeline

The mining industry has got itself a reputation in recent years for slowness, so a project that is moving rapidly towards a production date from a standing start, in less than a year, is impressive indeed. Such a stock is Sage Gold Inc. (TSXV: SGX).

This rocket propulsion is a combination of a skilled management team steeped in mine operating experience combined with an “oven-ready” project that was built at heavy expense by St Andrew’s Goldfields and picked up by Sage’s management for a song. This is the mining industry equivalent of Plug-and-Play.

What Sage has....

The Clavos mine, located within the Timmins mining camp, was mined briefly between mid-2005 until August 2006 and again until May 2007 under the ownership of St Andrew’s Goldfields.

The Clavos property covers 2,540 hectares in total area with the property 100% owned by SGX. Clavos is 20kms from the Hoyle Pond mine, which has produced more than 2.4mn ozs since 1985 and is still in operation.



Historically, some \$60 million was invested by St. Andrew Goldfields and Sage in the mine/project. The existing infrastructure in place, includes underground ramp access to the 300 metre level, underground levels developed every 25 metres, power to site, surface ventilation system and a water management system. The project has an existing mining permit valid up to 2019.

The Black Fox Mill – The Shortcut to Production

A key part of the strategy to minimize the capital spend at Clavos is the utilization of a nearby mill to process the ore from the mine. Clavos is located around 10 kilometres from the Primero Gold’s mill (pictured below) in Stock Township. The Black Fox mill site is located at the past-producing Stock mine, 28 kilometres by road from the Black Fox mine site. The mill is a 2,500 tonnes per day carbon in leach (CIL) facility.



Like Clavos, the mill was previously owned by St. Andrew Goldfields (now Kirkland Lake Gold) during the 2005-2007 period when St. Andrews was operating the Clavos mine. The current operating management of the mill were around when over 100,000 tonnes of Clavos ore was processed hence the familiarity of the mill operators with the Clavos material.

Sage Gold has signed a binding toll milling agreement with Primero over the flow of ore they expect to send to the mill, processing up to 200,000 tonnes per year for a total of 1.1 million tonnes over the estimated seven-year mine life of the Clavos Mine.

It's worth noting that the mill is actually closer to Sage's mine than it is to Primero's. Also, the haul road between Clavos and the mill is owned jointly by Sage and Primero. The haul road is not part of the Provincial highway system and Sage will be able to use larger haul trucks between Clavos and the mill than would otherwise be permitted on the Provincial highways.

The modus operandi will be that rather than a continuous feed from Clavos the ore from the mine will be loaded underground and trucked directly to the mill. It shall be stockpiled there and then the mill will operate alternating between feed from

Clavos and feed from Black Fox in 10,000 tonne batches.

Here's the Plan

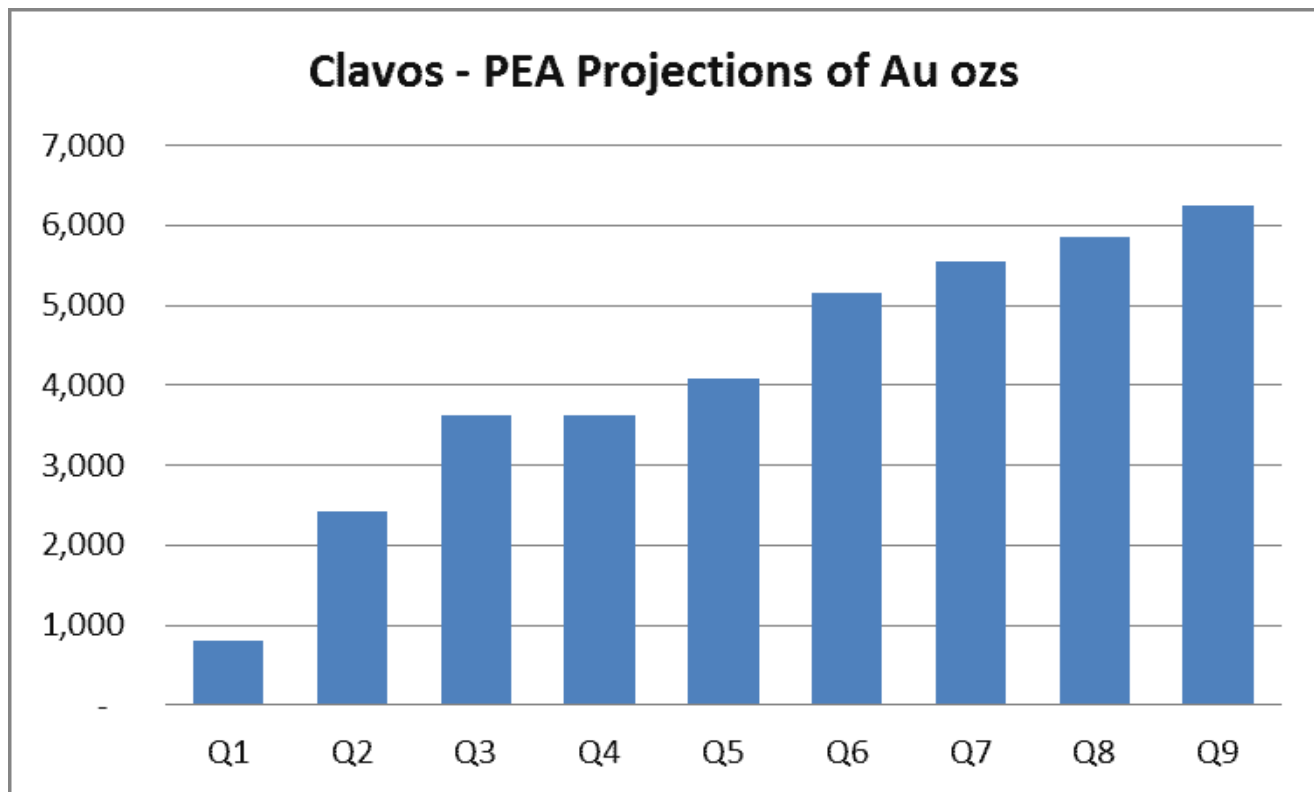
A mine production rate of 600 tonnes per day is optimum for the mineralized structures contained within the Clavos deposit. The mine is however permitted to 700tpd. The plan is to start with 40 tpd production with cut & fill mining of the stopes. An incremental 40tpd per day will be added to production every thirty days until capacity is reached.

This tonnage would permit a life of mine of seven years to extract 70% of the outlined mineral resource estimated tonnage of Indicated 1,258,400 tonnes plus Inferred 796,000 tonnes.

In the Clavos mine plan, there is readily available 847,133 tonnes of the 1,148,900 tonnes to be extracted prior to having to extract the remaining 301,767 tonnes which includes removing the crown pillar. The remaining 30% of the Indicated and Inferred resource estimate was not included in the mineralized material extraction scheduling process.

A 23-month period to permit mine dewatering, mine rehabilitation, definition/delineation diamond drilling and pre-stope development scheduling is envisaged to achieve a full production rate of 600 tonnes per day, or 210,000 tonnes per year based on 350 operating days per year.

During this 23 month period, the following mineralized material will have been delivered to a custom milling facility for processing, and Clavos will have produced the gold as detailed below:



Reasons to Invest

Sage Gold might be looked at as being St Andrews Goldfields Junior. Its main asset was developed by St Andrews at sizeable expense and now Sage Gold have picked it up for a mere fraction of the previously invested amount and are bringing it back to production. Meanwhile Primero Mining had acquired up the Stock Mill complex (changing its name) from St Andrews and in a case of history repeating itself this mill (and the privately owned road connecting mine to mill) will be put back into operation to obviate the need for processing at site. Sage Gold is making the original vision of St Andrews into a functioning reality.

So how can a junior succeed where a well-known mid-tier could not? The secret we believe is a combination of a team that is heavy with skills from first tier players combined with restoring the previous synergies of the various assets and doing so with a strict approach to costs and efficiencies.

With dewatering moving ahead at a brisk pace, production should be initiated in the second half of 2017. With mining

stocks having retreated from 2016 highs the old discriminator of producer versus developer/explorer comes back into play and the move by Sage Gold into production moves it into the most favoured category of mining stocks, those with cashflow.

We rate Sage Gold as a **Long** and are have upped our twelve-month share price target to CAD\$0.94.

Sage Gold's one-two punch drill results

Nigel Lees, President, CEO and Director of Sage Gold Inc. (TSXV: SGX) in an interview with InvestorIntel CEO Tracy Weslosky discuss the Clavos and Onaman projects. Following up from our last interview with Nigel, he comes bearing drill results from the two sites. The Clavos project in Timmins, Canada stretches 9,300 meters and is comprised of high-grade areas. Drill results from the Onaman project in Beardmore, Canada, have also showed high grade gold results, which contain zinc and silver and intercepts. Nigel tells us to expect the first shipments of ore this coming fall.

Tracy Weslosky: In our ongoing updates on “Make Sage Great Again”, we now have drilling results from Clavos. Can you tell us what you found?

Nigel Lees: This is a drill program of 9,300 meters and mainly underground, but there's going to be exploration. We're going to be able to drill some very high-grade targets from the underground, which is very economic and very rapid.

Tracy Weslosky: You've also just announced a drilling program with Onaman. Can you talk to us about this one?

Nigel Lees: The Onaman results came out. It was a very successful program. We're going to be following it up with a summer program and in the winter a major drilling program. We've got some good intercepts with zinc, silver, gold. The gold results were somewhat surprising and we were very pleased with some high-grade gold.

Tracy Weslosky: Of course, all of you gold bugs out there should probably have Sage on your radar because you'll be producing this fall. Is that correct?

Nigel Lees: The plan is that we'll be producing this fall. Right now we've dewatered it down to about 150 meters. When we get down to 225 we'll be drilling from underground and developing stopes from there. We're aiming for September to ship our first ore.

Tracy Weslosky: With #makesagegreatagain we should be anticipating a lot of activity here in the next quarter or two as you move towards production. Can you tell us what we should anticipate?

Nigel Lees: Absolutely. On the drilling side, as I mentioned, we're going to be drilling into very high-grade. Kinross in 1999 drilled a hole which was 53 grams, which is about 2 ounces over 4.2 meters. There's other high-grade in the area so very high-grade drilling results. As we develop ore and ship ore that's going to be a very big event...to access the full interview, [click here](#)

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