

TORONTO, ONTARIO--(Marketwired - Sep 30, 2016) - [Sage Gold Inc.](#) (the "Corporation") (TSX VENTURE:SGX) is pleased to announce that it has executed a binding Term Sheet with Cartesian Royalty Holdings Pte Ltd. ("CRH") to provide the Corporation with a financing package of C\$11.5 million (the "Financing") to fund the development and restart of the Corporation's Clavos project ("Clavos") situated in the Timmins mining camp in Ontario, Canada.

The financing package comprises a C\$9.65 million secured gold prepayment investment (the "Gold Prepayment") and a C\$1.85 million equity investment (the "Equity Investment").

Under the Equity Investment, CRH will invest C\$1.85 million in exchange for units of the Corporation at a price of C\$0.10 per unit. Each unit will consist of one common share and one common share purchase warrant, with each warrant exercisable for one common share at a price of Canadian 15.75 cents for a period of three years. The investment will be structured such that CRH will not at any time own more than 19.9% of the issued and outstanding common shares of the Corporation. CRH agreed to escrow up to 25% of the common shares that it acquires for a term to be agreed by the parties. CRH will have a participation right in any future equity financings by the Corporation in order to maintain CRH's equity position.

Under the terms of the Gold Prepayment, CRH will commit to providing the Corporation with C\$9.65 million payable in two tranches. In consideration, the Corporation will agree to deliver to CRH 15.0% of gold produced at Clavos commencing on the later of (i) the beginning of Commercial Production and (ii) 12 months from the date of payment of the first tranche of the Gold Prepayment, but in all cases no later than December 27, 2017, for a period of 72 months of Commercial Production, subject to a minimum total delivery of 16,100 ounces of gold ("Minimum") and a maximum of 26,000 ounces of gold ("Maximum"). In the event that the Minimum has not been delivered within 72 months of Commercial Production at Clavos, the delivery obligation will continue until the Minimum has been delivered to CRH. The obligations of the Corporation under the Gold Prepayment will be secured against all of the assets of the Corporation, including its interest in the Clavos project.

The completion of the Financing is subject to a number of conditions including satisfactory due diligence by CRH, regulatory approval, including the approval of the TSX Venture Exchange and preparation of definitive documentation. In addition, the Corporation is required to reach agreement to acquire the 40% joint venture interest in the Clavos project that it does not currently own and to arrange for the repayment of the Corporation's existing secured credit facility. A portion of the proceeds of the equity investment is allocated to the acquisition of the joint venture interest.

Subject to satisfaction of the conditions precedent, the signing of the definitive agreement for the Gold Prepayment and the completion of the Equity Investment are scheduled to occur on October 27, 2016, with funding under the Gold Prepayment to occur by no later than November 11, 2016.

Nigel Lees, President and CEO of the Corporation stated, "We are very pleased to be entering into this transaction with CRH. The funds generated through the equity and streaming investments will allow the Corporation to reopen the Clavos mine, strengthen the Corporation's balance sheet and provide ongoing working capital. Sage is preparing the necessary documentation to meet all regulatory requirements including filing with the Ministry of Northern Development and Mines a "Notice of Project Status" to change the status of the Clavos project from inactive to active. The change in status will allow the Corporation to produce up to 700 tonnes per day as defined in the Closure Plan and subsequent amendments. We are eager to dewater and rehabilitate the underground workings at Clavos in that it will allow the Corporation to begin defining the stope blocks and provide underground drill stations to test the down plunge extensions of the existing zones. We are in an environment of C\$1700 plus gold prices which enhances the economics of the Clavos project."

Peter Yu, Director of CRH stated, "Clavos is a unique high-grade project that is permitted for production and located in a premier Canadian mining jurisdiction. We are confident that Nigel Lees and the Sage team are the right group to lead the project back to successful production and unlock Clavos' value."

Highlights of the Clavos mine:

- New NI43-101 resource estimate completed in October 2012 includes Indicated mineral resources of 1,258,400 tonnes at 4.81 g/t Au totaling 194,600 ounces of gold and Inferred mineral resources of 796,000 tonnes at 4.7 g/t Au, representing 120,000 ounces. These resources are reported at a base case cut-off grade of 2.75 g/t Au and individual assays have been capped at 60 g/t.
- St. Andrew Goldfields ("SAS") invested \$35 million on the development of the Clavos deposit (SAS is now wholly owned by Kirkland Lake Gold).
- 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 water management system

- In preparation for definition and exploration drilling of the existing mine workings following the planned dewatering, Sage has successfully completed a 3D modeling exercise in Datamine which incorporates the entire Clavos database including all drilling, assaying, digitized lithological interpretations and the location of the underground workings. The assay data was differentiated between different lithological units and was decluttered to remove the distortion of higher drill densities in certain parts of the deposit. The purpose of this exercise was to analyze the correlation between gold concentrations, lithological host units and structural controls in the deposit.

The current plan of Sage is to complete a reserve estimate and a pre-feasibility study regarding the Clavos project. If a production decision is eventually made which is not based on a feasibility study of mineral reserves demonstrating economic and technical viability prepared in accordance with National Instrument 43-101, readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

The scientific and technical disclosure in this press release has been reviewed and approved by Mr. Robert Ritchie, P.Eng., a consultant to the Corporation, who is a qualified person within the meaning of National Instrument 43-101.

CRH, which has its head office at 10 Changi Business Park Central 2, #05-01 HansaPoint, Singapore 486030, will be filing an early warning report in connection with the Equity Investment in accordance with applicable Canadian securities laws. The exact number of units to be acquired by CRH which have voting rights is not determinable on the date of this press release. However, as described above, such number will be equal to 19.99% of the issued and outstanding shares of the Corporation on the date of closing of the Equity Investment. CRH does not currently beneficially own, or exercise control or direction over, any securities of the Corporation. The total consideration to be paid by CRH under the Equity Investment is C\$1.85 million. Such early warning report will be available under the Corporation's SEDAR profile at www.sedar.com or by contacting Andrew Wehrley of CRH at (212)461-6363.

About Sage Gold Inc.

The Corporation 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, 60% owned, in Timmins and the 100% owned Lynx copper, gold, silver 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 www.sagegoldinc.com.

CAUTIONARY STATEMENT: Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release may contain forward looking information and the Corporation cautions readers that forward looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of the Corporation included in this news release. This news release includes certain "forward-looking statements", which often, but not always, can be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". These statements are based on information currently available to the Corporation and the Corporation provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements with respect to the Corporation's future plans, objectives or goals, to the effect that the Corporation or management expects a stated condition or result to occur. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, completion of the CRH Financing on the terms as announced or at all, results of exploration, metallurgical processing, project development, reclamation and capital costs of the Corporation's mineral properties, and the Corporation's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as, but are not limited to: matters relating to the CRH Financing including unsatisfactory due diligence, the inability to complete definitive documentation, a failure to satisfy closing conditions, and otherwise an inability to complete the CRH Financing on the terms as announced or at all; 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 Corporation's public documents filed on SEDAR. This list is not exhaustive of the factors that may affect any of the Corporation's forward-looking statements.

These and other factors should be considered carefully and readers should not place undue reliance on the Corporation's forward-looking statements. Although the Corporation 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 Corporation 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.

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