

TORONTO, ONTARIO--(Marketwired - Oct 25, 2016) - [Sage Gold Inc.](#) (TSX VENTURE:SGX) ("Sage") has entered into an agreement to acquire the remaining 40% interest in the Clavos Gold property ("Clavos") located in Timmins, Ontario from [St Andrew Goldfields Ltd.](#), a wholly-owned subsidiary of [Kirkland Lake Gold Inc.](#) (collectively referred to as "Kirkland Lake Gold").

As part of the agreement, Sage is required to pay Kirkland Lake Gold \$1,000,000 in cash and grant Kirkland Lake Gold a two percent (2%) Net Smelter Return Royalty ("Royalty") over Clavos. Sage may at any time purchase one-half of the Royalty by providing Kirkland Lake Gold written notice as well as a cash payment of \$1,000,000, which will thereby reduce the Royalty rate to one percent (1%). On completion of this agreement Sage will own 100% of Clavos, subject to certain pre-existing royalty interests.

The agreement is subject to a number of conditions including the completion of an equity investment of \$1.85 million by CRH Mezzanine Pte. Ltd. a wholly-owned subsidiary of Cartesian Royalty Holdings Pte. Ltd and regulatory approval. This equity investment forms part of an \$11.5 million financing package to be provided by Cartesian Royalty Holdings Pte. Ltd. The financing will be used to fund the purchase of Kirkland Lake Gold's interest in Clavos, the development and restart of the Clavos Gold project, retire outstanding secured debt and fund working capital.

About Sage Gold

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 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 Company 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 Company 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 Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements with respect to the Company's future plans, objectives or goals, to the effect that the Company 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, results of exploration, metallurgical processing, project development, reclamation and capital costs of the Company's mineral properties, and the Company'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: 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.

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