

TORONTO, ONTARIO--(Marketwired - Nov 21, 2016) - [Sage Gold Inc.](#) (the "Corporation") (TSX VENTURE:SGX) is pleased to announce that it has completed a C\$1.85 million equity investment (the "Equity Investment") by way of a private placement with CRH Mezzanine Pte. Ltd. ("CRH Mezzanine"), and has executed a C\$9.65 million secured gold prepayment investment (the "Gold Prepayment") with CRH Funding II Pte. Ltd. ("CRH Funding"). Both CRH Mezzanine and CRH Funding are wholly-owned by Cartesian Royalty Holdings Pte. Ltd. The Equity Investment and Gold Prepayment comprise of the previously announced financing package of C\$11.5 million (the "Financing") provided by Cartesian Royalty Holdings Pte. Ltd. to fund the development and restart of the Corporation's Clavos project situated in the Timmins mining camp in Ontario, Canada.

Sage's President and CEO Nigel Lees commented, "We announced the financial package of C\$11.5 million with CRH on September 29th. Since then we have completed the following;

-Purchased the 40% minority interest in Clavos from [Kirkland Lake Gold Inc.](#) for C\$1.0 million

-Received a Change in Project Status for Clavos and is now permitted for production

-Completed a C\$1.85 million equity placement with CRH

-Signed a binding toll milling agreement with Primero Mining's Stock Mill

-Executed a C\$9.65 million Gold Prepayment Agreement to retire the current secured debt and finance the Clavos restart

We are looking forward to dewatering and rehabilitating the underground workings at Clavos which will allow the Corporation to begin to define the stope blocks and provide underground drill stations to test the down plunge extensions of the existing zones. The change of project status allows Sage to produce up to 700 tonnes a day."

About the CRH Equity Investment

Under the terms of the Equity Investment, CRH Mezzanine has invested C\$1.85 million for (i) 10,700,000 units (the "Units") of the Corporation at a subscription price of C\$0.10 per Unit, and (ii) 7,800,000 special warrants (the "Special Warrants") of the Corporation at a subscription price of C\$0.10 per Special Warrant. Each Unit consists of one common share and one common share purchase warrant, with each warrant exercisable for one common share at a price of C\$0.1575 cents for a period of three years. Each Special Warrant entitles CRH Mezzanine to acquire one (1) Unit for no additional consideration. The Equity Investment has been structured such that CRH Mezzanine will not at any time own more than 19.9% of the issued and outstanding common shares of the Corporation. In addition, CRH Mezzanine has the right to acquire its pro rata share of future equity investments completed by Sage as long as it exercises control or direction over 5% or more of the issued and outstanding common shares of Sage.

About the Gold Prepayment Agreement

Under the terms of the Gold Prepayment, CRH Funding will provide the Corporation with C\$9.65 million payable in three tranches, subject to fulfillment of customary conditions. In consideration, the Corporation will deliver to CRH Funding 15.0% of gold produced at Clavos commencing on the latter 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 Funding. The obligations of the Corporation under the Gold Prepayment are secured against all of the assets of the Corporation, including its interest in the Clavos project.

About the Purchase of the 40% Clavos Interest

As part of the closing of the Financing, Sage completed the previously announced acquisition of the remaining 40% interest in the Clavos project from [St Andrew Goldfields Ltd.](#), a wholly-owned subsidiary of [Kirkland Lake Gold Inc.](#) The acquisition was completed for C\$1.0 million and a 2% Net Smelter Return Royalty. The C\$1.0 million was satisfied from the proceeds raised from the Equity Investment. Sage now owns a 100% interest in the property.

Sage currently plans to complete a reserve estimate and a prefeasibility study regarding the Clavos project. In the event that a production decision is made that 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.

Before giving effect to the Equity Investment, Nigel Lees, President and CEO of the Corporation owned and controlled, directly or indirectly 4,282,881 common shares of the Corporation, representing approximately 10% of the issued and outstanding common shares of the Corporation. After giving effect to the Equity Investment, the number of common shares Mr. Lees beneficially owned, directly or indirectly over which control or discretion is exercised was diluted causing his common share ownership to fall below 10% of the issued and outstanding common shares of the Corporation. This notification of the decrease in Mr. Lees share ownership below the early warning reporting threshold is being issued in accordance with National Instrument 62-103, *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*. For the purposes of this disclosure, the address of Mr. Lees is 200 University Avenue, Suite 1301, Toronto, Ontario M5H 3C6. . The early warning report respecting the transaction will be filed on System for Electronic Document Analysis and Review (SEDAR) under Sage's issuer profile. To obtain a copy of the early warning report filed by Mr. Lees, please contact the Corporation at 416-204-3170 or refer to SEDAR under Sage's issuer profile.

Shares for Debt

Sage further announces that it intends to complete a debt settlement transaction (the "Debt Settlement") with certain creditors ("Creditors"), providing for the settlement of approximately \$112,263 through the issuance of an aggregate of 935,528 common shares of the Corporation ("Common Shares") at a deemed issue price of \$0.12 per Common Share. The Debt Settlement is subject to regulatory approval. The Corporation expects to complete the Debt Settlement shortly after such approval is obtained.

About CRH

CRH Mezzanine and CRH Funding are wholly-owned subsidiaries of Cartesian Royalty Holdings Pte. Ltd. ("CRH"). CRH offers innovative financing structures with the goal of creating long-term growth and value in world-class gold projects around the globe. CRH is an affiliate of Cartesian Capital Group, LLC, a global private equity firm with proven expertise in assisting closely-held companies develop into global market leaders. Cartesian Capital Group manages more than US\$2.4 billion in capital and has offices in New York, Sao Paulo, Shanghai, Warsaw, and Bermuda.

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 100 % owned Clavos Gold property in Timmins and the 100% owned Onaman 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 contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws, which are based on expectations, estimates and projections as of the date of this report. This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities.

Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward-looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, satisfaction of conditions for drawdown of the tranches of financing pursuant to the Gold Prepayment financing, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Canada or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully.

Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ

materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information. Although the forward-looking information contained in this report is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law. No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

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