

TORONTO, ONTARIO--(Marketwired - May 11, 2016) - [Sage Gold Inc.](#) (the "Company") (TSX VENTURE:SGX) is pleased to announce that, further to its press release dated April 26, 2016, on May 10<sup>th</sup>, 2016 it completed the closing of its first tranche of its non-brokered private placement (the "Offering"). The Company issued 5,085,000 Units at a price of \$0.05 per Unit for gross proceeds of \$254,250. Each unit will consist of one common share of the Corporation (a "Common Share") plus one half (1/2) Common Share purchase warrant (a "Warrant"). Each full Warrant entitles its holder to purchase one Common Share (a "Warrant Share") at an exercise price of \$0.10 for a period of 24 months following the Closing Date, whereupon the Warrants will expire.

The securities issued pursuant to the Offering will be subject to a four (4) month and one (1) day statutory hold period. In connection with the Offering, a finders fee of up to 8% was paid in cash to certain eligible finders. The Corporation intends to use the net proceeds from the Offering for general working capital purposes.

If the Corporation's shares trade at or above \$0.20 per share for 20 consecutive trading days, the Corporation may, at any time after the expiry of the statutory hold period, accelerate the expiration of the Warrants upon not less than 30 days written notice by the Corporation, and thereafter repurchase any unexercised Warrants at \$0.001 per underlying common share.

Three (3) insiders of the Company participated in the Offering, thereby making the Offering a "related party transaction" as defined under *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Mr. Patrick Mars, Chairman of the Company, Mr. Nigel Lees, President and Chief Executive Officer of the Company and Mr. David McDonald, Chief Financial Officer of the Company, purchased, in the aggregate, 2,325,000 Units pursuant to the Offering.

Mr. Mars purchased 200,000 Units and will own or control 1,362,555 Shares or approximately 4.4% of the total Shares issued and outstanding after the completion of the Offering. Mr. Lees purchased 2,000,000 Units and will own or control 3,862,881 Shares or approximately 12.4% of the total Shares issued and outstanding after the completion of the Offering. Mr. McDonald purchased 125,000 Units and will own or control 275,000 Shares or approximately 0.9% of the total issued and outstanding Shares after the completion of the Offering. The Offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the Company is not listed under a specified market (as set out in section 5.5(b) of 61-101) and the fair market value of the Shares issued to, nor the consideration paid by, Messrs. Mars, Lees and McDonald exceeded 25% of the Company's market capitalization. No new insiders were created, nor has any change of control occurred, as a result of the Offering.

#### EARLY WARNING NOTICE

Prior to the completion of the Offering transaction, Mr. Lees owned 1,862,881 common shares of the Company representing approximately 7.2% of the issued and outstanding common shares of the Company. Upon completion of the Offering, the 3,862,881 common shares owned or controlled, directly or indirectly, by Mr. Lees, represent approximately 12.45% of the Company's issued and outstanding common shares on a non-diluted basis, and approximately 16.5% on a partially-diluted basis (assuming exercise of Mr. Lees' convertible securities). Depending on market and other conditions, or as future circumstances may dictate, Mr. Lees may from time to time increase or decrease his holdings of common shares or other securities of the Company. This portion of the news release is issued pursuant to National Instrument 62-103 - *The Early Warning System and Related TakeOver Bid and Insider Reporting Issues* of the Canadian Securities Administrators, which also requires an early warning report to be filed with the applicable securities regulators containing additional information with respect to the foregoing matters. A copy of Mr. Lees' early warning report in respect of this transaction will be available on the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The existing shares were acquired for investment purposes. Mr. Lees may, from time to time, on an individual or joint basis, acquire additional securities of the corporation, dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold his current position.

A copy of the early warning report in respect of this transaction has been filed with the applicable securities commissions and can be found on SEDAR.

#### 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 100% polymetallic owned Lynx property and other exploration properties in the Beardmore-Geraldton Gold Camp and the Clavos Gold property in Timmins. 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](http://www.sedar.com) and [www.sagegoldinc.com](http://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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