

TORONTO, ONTARIO--(Marketwired - Jan 18, 2017) - [Sage Gold Inc.](#) (TSX VENTURE:SGX) is pleased to announce the signing of an agreement to acquire an important land package (the 'Purchase Agreement') at its Onaman property, located roughly sixty kilometers north of the town of Jellicoe, in northwestern Ontario. The land package, comprising of 43.6 units for a total of 698 hectares, including a combination of both patented and unpatented claims, leased claims and one license of occupation, is to be acquired from Jien Nunavik Mining Exploration Limited ("Jien") upon the fulfilment of certain closing conditions contained in the Purchase Agreement.

The Purchase Agreement includes the following consideration terms:

1. 1.25 million common treasury shares of Sage issued to Jien (subject to TSX.V approval);
2. Cdn.\$300,000 exploration expenditure obligation by Sage over five years, with annual reporting;
3. 2% Net Smelter Return payable, with an open-ended option to buy half back in return for payment of Cdn.\$500,000.

Sage's President and CEO, Nigel Lees, comments: "This acquisition gives Sage complete coverage of the entire five-plus kilometer long volcano-sedimentary sequence within which all of the known Onaman volcanogenic massive sulfide or "VMS"-related deposits, mineralized zones and occurrences are found, along with all of the surrounding prospective volcanic stratigraphy, as well. In addition to the 2,161 hectares Sage already holds under license at the Onaman, this acquisition brings Sage's holdings to a total of 2,859 hectares, or 28.6 square kilometres."

Exploration at the Onaman property dates back several decades involving a number of companies, during which time numerous base and precious metal VMS-related occurrences, zones and deposits were discovered and partly defined. Foremost among them is Sage's Lynx copper-silver-gold deposit, a resource upon which was first released by the company on March 31, 2009 (Press Release - March 2009), a link to the NI 43-101 resource estimate on the Lynx deposit may be found at Sage's website: NI 43-101. The Lynx deposit comprises stringer and replacement copper-silver-gold zones in the mafic footwall of the Onaman volcanic complex, comprising an Inferred Resource of 1.94 million tonnes with an average grade of 1.45% copper, 39.1 grams per tonne ("g/t") silver and 0.58 g/t gold. It remains open on strike and at depth.

A reassessment of the Lynx deposit, completed as part of a renewed program of geological mapping and prospecting initiated during the 2016 field season, has established that the Lynx deposit is a "footwall feeder zone" of the type typically found underlying VMS deposits. VMS deposits typically contain a mix of copper, lead, zinc, silver and gold in variable proportions, typically zoned with copper dominant in the lower, higher temperature portions and zinc dominant toward the upper, lower temperature portions of the volcanic system. What renders this new insight of particular significance is the fact that over a dozen zinc-silver-lead±gold dominant polymetallic sulfide zones and occurrences are known to occur immediately above the Lynx deposit, hosted within a hydrothermally altered, mixed volcanic-sedimentary sequence.

The Headway, the closest and largest of these mineralized zones, is located within the existing Sage claims. A dozen additional zinc-silver-lead±gold zones and occurrences are found within the Jien group of claims and leases, over a strike length of three kilometres contiguous with the Headway. The level and extent of mineralization, pervasive hydrothermal alteration of the host rocks, contiguity with the Headway zone, and stratigraphic position within the Onaman volcanic complex, renders the entire sequence prospective. The last comprehensive work undertaken on this property was in the late 1940s, by Coulee Lead and Zinc Mines Limited, decades before the concept of VMS deposits was understood or even developed. Its acquisition represents a significant step forward for Sage in its ongoing exploration efforts at the Onaman property.

The technical content of this news release has been reviewed and approved by Sage's consulting geologist, Avrom E. Howard, MSc, PGeo, who is a Qualified Person ("QP") as defined in National Instrument 43-101.

[Sage Gold Inc.](#) 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, 100% owned, in Timmins and the 100% owned Onaman 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.

Contact

Nigel Lees
President and CEO
416-204-3170
nlees@sagegoldinc.com
www.sagegoldinc.com