

# Sage Gold Provides Bi-Weekly MCTO Status Report

written by Raj Shah | May 12, 2018



May 11, 2018 ([Source](#)) – Sage Gold Inc. (“Sage Gold” or the “Company”) (TSX-V:[SGX](#)) is providing a bi-weekly update on the status of the Management Cease Trade Order (“MCTO”) and an update of its ongoing mining activities at its Clavos gold mine in

Timmins, Ontario.

The Company disseminated a News Release on April 27, 2018 (the “**Default Announcement**”) disclosing that it had voluntarily applied to the Ontario Securities Commission (the “**OSC**”) for a MCTO as it was not able to complete and file its audited financial statements, CEO and CFO certifications, and management discussion & analysis (the “**Annual Filings**”) for the year ended December 31, 2017 by the filing deadline of April 30, 2018. On April 30, 2018 the OSC granted a MCTO provided that the Company issue a bi-weekly default status report, in accordance with National Policy 12-203, during the period of the MCTO from the date of the Default Announcement. The Company reports as follows:

- a. there are no changes to the information contained in the Default Announcement that would reasonably be expected to be material to an investor;
- b. the preparation of the Annual Filings is continuing and is expected to be completed by May 23, 2018;
- c. There is no additional information regarding any (anticipated) specified default subsequent to the default

which is the subject of the Default Announcement; and  
d. there is no other material information concerning the affairs of the Company that has not been generally disclosed other than the following:

The Company is party to a Gold Prepayment Agreement (the "**GPA**") dated November 17, 2016 with CRH Funding II Pte. Ltd. ("**CRH**"), which provided financing for, the development of the Clavos Project. During the term of the GPA, Sage Gold is required to deliver between 16,100 and 26,000 ounces of gold to CRH. The requirement to begin delivery under the GPA commenced in January 2018.

The Company received a Notice of Default pursuant to Section 10 of the GPA for its failure to deliver Refined Gold of approximately 123 ounces from the two most recent mill runs ("**Delivery Obligations**"). Subject to any applicable cure periods, CRH as a secured lender is in a position to terminate the GPA and enforce its security over the Clavos Project.

The Company is taking steps to satisfy its Delivery Obligations and continues to review and consider its alternatives to resolve the situation, including by having discussions with potential strategic investors and conducting good faith discussions with CRH. At present, there can be no assurances as to the outcome of these initiatives.

As disclosed previously, the Company is in the process of updating a Mineral Reserve and Resource estimate and mine plan and a Pre-feasibility Study for the Clavos Project. Concurrently, the Company continues with its bulk sampling operations. To date, the Company has completed three mill runs in 2018, producing approximately 1,064 ounces of gold. Sage has delivered 36 ounces of gold to CRH in respect of its obligations under the GPA and as noted above, an additional 123 ounces are due to CRH pursuant to these bulk samples.

As previously noted, Sage Gold currently plans on completing a Mineral Reserve and Resource Estimate and a Pre-Feasibility study for 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 an increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

## **About Sage Gold**

Shares Outstanding: 107,683,926

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, 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](http://www.sedar.com) and from the Company's website at [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.