

Sage Identifies New Vein Structures at Clavos

written by Raj Shah | February 27, 2018



February 27, 2018 ([Source](#)) – Sage Gold Inc. (“Sage Gold” or the “Company”) (TSX-V:[SGX](#)) is pleased to announce that it has identified new vein systems at the Clavos property.

The Company is currently updating its Mineral Resource estimate, adding several hundred historical and recent drill hole composites from the definition and exploration drilling completed over the past few years. The new resource modeling which factors in a higher drill hole density, has resulted in the identification of three new vein systems which now aggregate to a total of seven vein systems. These new vein systems are expected to have a positive impact on the total tonnage and ounces contained in the new resource model (refer to the update below). In addition, a revised mine plan is being prepared to focus on higher grade mineral resource areas defined in the current resource model.

Update on the New Mineral Resource Estimate

The cross-section interpretation completed to date indicates that there are seven vein systems which can be correlated. This analysis also noted that there are two alteration packages of sericitized ultramafics separated by unaltered talc chlorite ultramafics. The previous analysis as detailed in the current National Instrument 43-101 Mineral Resource estimate modeled only one alteration package which was flanked by hanging wall

and footwall veins systems. The new hanging wall ("HW1") and footwall ("FW1") vein systems occur further south and further north, respectively than the previous modeled hanging wall and footwall vein systems. The new vein systems do not appear to have been modeled and therefore are not included in the previous estimated Mineral Resource.

As previously reported (news release May 9, 2017), Sage Gold has discovered and further modeled a new sediment zone ("SED2") located 45 metres south of the Pipestone fault system. The Company drilled a discovery hole CL 17-07 for the SED2 zone grading 4.09 grams per tonne gold ("g/t Au") over 4.2 metres during the 2017 winter drilling program. Both sediment zones, SED1 and SED2, become more pronounced further east of 513800E (see news release May 3, 2017) and the grade-thickness slide in the current Sage Gold Investor Presentation available on the Company's website (www.sagegoldinc.com).

The new HW1 and FW1 zones were identified through cross sectional interpretation that includes all drilling to date – both surface and underground. This analysis has determined that there are several hundred drill intersections greater than 3 g/t Au that were not included in the previous modeling of the estimated Mineral Resource. These intersections were largely linked to underground drilling completed by St. Andrew Goldfields Ltd. ("St. Andrew") and Sage Gold.

The presence of the two new zones, HW1 and FW1, and the previously announced new sediment zone, SED2, are expected to have a positive impact on the tonnage and ounces contained in an updated Mineral Resource estimate. Also, the HW1 and FW1 zones become more prominent from 513400E which is in the north – south structural trend that controls the higher grade mineralization in the Clavos deposit. The new zones could have a direct impact on the sequence of extraction of mineralized material within the

existing underground infrastructure.

Operational Update

The company has made significant progress in optimizing the mine plan and updating the Mineral Resource estimate for its Clavos Gold Mine in Timmins, Ontario, over the past few weeks, as the Company continues to develop and extract mineralized material from the Clavos Gold Mine. To date, the Company has produced approximately 1,031 ounces of gold from 18,272 tonnes processed. The next bulk sample shipment to the custom mill is planned for the first week of March 2018. The mineralized material shipped to the mill has been composed primarily of remnant, previously blasted mineralized material left in situ by the previous operator, St. Andrew, combined with development material recently mined to access higher grade stopes

The development and extraction is presently concentrated in the 100-150 West and 150 and 175 East levels. The Company plans to establish both power and ventilation services below the 200 metre level ("mL") to gain access to additional high grade stopes such as the 261 west level. The Company has recently raised additional working capital and is in the process of sourcing equipment financing in order develop the lower levels of the current workings.

100-150 West Levels

Sage Gold intends to develop a long hole stope between 100 and 150 West in the footwall structure. The long hole stope will encompass the stope blocks listed below as defined in the Preliminary Economic Assessment ("PEA") dated April 12, 2013. The PEA forecasted long hole stope costs of \$85/tonne.

150 East and 175 East Level

Development continues on 150E and 175E on the Footwall structure with the aim of driving east to 513600E to 513700E Easting for the purpose of accessing the hanging wall and footwall stopes that were previously defined in the economic model associated with the PEA.

In addition, Cross cuts at 513500E and 513530E will access long hole stopes developed by the previous operator for the purpose of removing remnant mineralized material.

The easting locations referenced above are also available on the grade-thickness model in the Sage Gold Investor Presentation. The easting number provides a reference of the location of the stope block or cross cut relative to the 150E and 175E.

Power and ventilation services will be established below the 200 mL, with the aim of accessing the 261W stopes developed by St. Andrew. The 261W stope is in a previously unextracted level left by St. Andrew with reported muck grades of 19.55 g/t Au.

The geotechnical and geological content of this news release relating to the geological information and drill hole composites have been reviewed and approved by Sage Gold's consulting geologist, Peter Hubacheck, P. Geo., who is a Qualified Person ("QP") as defined in NI 43-101.

The operational plans disclosed in this news release have been reviewed and approved by Sage Gold's consulting mining engineer Robert Ritchie, P. Eng., who is a QP as defined in NI 43-101.

The Company plans to complete an updated Mineral Resource and Mineral Reserve Estimate and a Pre-Feasibility study regarding the Clavos project. In the event that a production decision is made that is not based on a Pre-Feasibility study of Mineral Reserves demonstrating economic and technical viability prepared in accordance with NI 43-101, readers are cautioned that there

is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

Amendment to Offering

In connection with the private placement of units (“**Units**”) of the Company at the price of \$0.11 per Unit, with each Unit comprising a common share of the Company and a common share purchase warrant, exercisable into a common share at \$0.16 per common share for twenty-four months, as disclosed more fully in the Company’s news releases dated January 9, 2018, January 15, 2018, January 18, 2018, January 26, 2018 and February 16, 2018 (the “**Offering**”), the Company has received a late subscription for 272,727 Units, thereby increasing the number of Units issued in connection with the Offering to 21,451,769 and the overall gross proceeds of the Offering to \$2,359,694.87.

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 and from the Company’s website at www.sagegoldinc.com.

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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.