

**FORM OF PROXY SOLICITED BY THE MANAGEMENT OF SAGE GOLD INC.
FOR USE AT THE ANNUAL, GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MARCH 25, 2009**

The undersigned shareholder(s) of Sage Gold Inc. (the "Corporation") hereby appoint(s) Patrick J. Mars, the Chairman of the Board, and failing him C. Nigel Lees, the President and Chief Executive Officer of the Corporation, or in lieu of the foregoing, Art Hampson, the Chief Financial Officer of the Corporation, or in lieu of the foregoing, _____, to attend and vote on behalf of the undersigned at the Annual, General and Special Meeting of Shareholders of the Corporation to be held on Wednesday, March 25, 2009 and at any adjournment thereof.

The undersigned specifies that all of the voting shares owned by him and represented by this form of proxy shall be:

- (a) VOTED () WITHHELD FROM VOTING () in respect of the election of directors;
- (b) VOTED () WITHHELD FROM VOTING () in respect of the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditors of the Corporation and authorizing the directors of the Corporation to fix the remuneration to be paid to the auditors;
- (c) VOTED for () AGAINST () the re-approval of the 2005 Incentive Stock Option Plan as more particularly described in the Information Circular; and
- (c) VOTED on such other business as may properly come before the Meeting or any adjournment thereof;

hereby revoking any proxy previously given.

If any amendments or variations to matters identified in the Notice of Meeting are proposed at the Meeting or any adjournment thereof or if any other matters properly come before the Meeting or any adjournment thereof, this proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgement of the person voting the proxy at the Meeting or any adjournment thereof.

DATED this _____ day of _____.

Signature of Shareholder

Name of Shareholder (Please Print)

PLEASE SEE NOTES ON REVERSE

Notes:

1. This form of proxy must be dated and signed by the appointor or his attorney authorized in writing or, if the appointor is a body corporate, this form of proxy must be executed by an officer or attorney thereof duly authorized.
2. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the Meeting or any adjournment thereof other than the persons designated in the enclosed form of proxy. Such right may be exercised by striking out the names of the persons designated therein and by inserting in the blank space provided for that purpose the name of the desired person or by completing another form of proxy and, in either case, delivering the completed and executed proxy to the office of the Corporation's transfer agent indicated below not later than at 4:30 p.m. (Toronto time) on the second business day prior to the Meeting or any adjournment thereof.**
3. **The shares represented by this proxy will be voted in accordance with the instructions of the shareholder on any ballot that may be called for and, subject to section 114 of the *Business Corporations Act* (Ontario), where a choice is specified, the shares shall be voted accordingly and where no choice is specified, the shares shall be VOTED FOR the matter referred to in item (c). Where no specification is made to vote or withhold from voting in respect of the election of directors, the shares will be VOTED.**
4. Proxies to be used at the Meeting or any adjournment thereof must be received by the Corporation's transfer agent indicated below not later than at 4:30 p.m. (Toronto time) on the second business day prior to the Meeting or any adjournment thereof.
5. Please date the proxy. If not dated, the proxy shall be deemed to be dated on the date on which it is mailed.
6. This proxy ceases to be valid one year from its date.
7. If your address as shown is incorrect, please give your correct address when returning this proxy.

Please return the form of proxy, in the envelope provided for that purpose, to:

Equity Transfer & Trust Company
200 University Avenue, Suite 400
Toronto, Ontario M5H 4H1

Fax No.: (416) 361-0470