

NEWS RELEASE

SAGE ANNOUNCES CLOSING OF MERGER WITH CONSOLIDATED PUMA MINERAL RESOURCES CORP.

Sage Gold Inc. (TSX.V-SGX) ('Sage' or the 'Company') is pleased to announce the merger of Sage Gold Inc. and Consolidated Puma Minerals Corp. ('Consolidated Puma') was successfully completed effective August 7, 2009. With the closing of this transaction, Consolidated Puma shareholders became shareholders of Sage Gold on the basis of 1.202 shares of Sage for each Consolidated Puma common share held.

Sage, President & CEO, Nigel Lees said at closing, "We welcome the shareholders of Consolidated Puma as shareholders of Sage Gold. The additional shareholder base and the addition of two Puma directors will provide additional expertise in the resource business as Sage moves forward with the development of its exciting properties in the Beardmore Geraldton Gold camp."

Mr. Geoffrey Gold and Mr. Christopher Westdal have agreed to serve on the Company's Board of Directors.

Geoffrey Gold is an experienced resource executive. He is presently Executive Vice-President and Chief Legal Officer of Kinross Gold Corporation. Christopher Westdal is a former Canadian diplomat with many years of experience in the field, including heading Canadian Embassies, High Commissions and international delegations. Most recently, Mr. Westdal was Ambassador to Russia (2003 - 2006) and the United Nations in Geneva (1999 - 2003). Full biographies will be available on Sage's website shortly.

In order to accommodate two Consolidated Puma nominees on the Board, Mr. Joseph Baylis has agreed to step aside as a director of Sage. Mr. Baylis has agreed to continue to serve as an advisor to Sage and it is expected that he will rejoin the board of directors at Sage's next annual general meeting.

In accordance with the Arrangement Agreement dated May 20, 2009, the Sage Board of Directors has approved the grant of 3,425,700 Sage Replacement Options to former officers, directors and consultants of Consolidated Puma. The Sage options replacing the Puma options are exercisable at a strike price of \$0.0832 for \$0.10 Puma options, \$0.1498 for the \$0.18 options and \$1.4559 for the \$1.75 options for a term of up to five (5) years with immediate vesting. The grant of options is subject to TSX.V approval.

In addition, the Sage Board has approved the grant of 5,000,000 options to officers, directors and consultants of Sage. The options are exercisable at a strike price of \$0.10 for a term of five (5) years with vesting over two years. The options are subject to TSX.V approval.

Mr. Stephen Kay and Mr. Jesse Gill have been appointed to the Advisory Board of Sage as consultants. Stephen Kay is a geologist with over 35 years of gold exploration and development experience. He has been President, CEO and a director of International

SAGE GOLD INC.
365 Bay Street
Suite 500
Toronto, Ontario
Canada. M5H 2V1
Tel.: 416 204-3170
Fax: 416 260-2243
info@sagegoldinc.com

Exploration in the Americas

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Minerals Corporation, a TSX-listed emerging precious metals producer since 1993. He is currently a director of several public and private Canadian and United States companies. Jesse Gill is a co-founder of TerraNova Partners, an alternative asset and private equity money manager. Mr. Gill is a Director and officer of several public and private companies. Mr. Gill holds a Bachelor of Commerce degree in Finance from McGill University.

Sage is a mineral exploration and development company which has interests in exploration properties in Ontario, Quebec, Nevada and Arizona. Its main properties are the Jacobus, Paint Lake, Solomon Pillars and Onaman properties in the Beardmore Geraldton Gold camp in Ontario. Technical reports relating to the properties can be obtained from the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

For further information contact:

Nigel Lees, President and C.E.O.

OR

Mike O'Brien, Manager/Investor Relations

Phone: 416-204-3170 Fax: 416-260-2243

For all Sage Gold Inc. investor relations needs, investors are asked to visit the Sage Gold Inc. IR Hub at <http://www.agoracom.com/IR/sagegold> where they can post questions and receive answers within the same day, or simply review questions and answers posted by other investors. Alternatively, investors are able to e-mail all questions and correspondence to sgx@agoracom.com where they can also request addition to the investor e-mail list to receive all future press releases and updates in real time.

This release was prepared by management of the Company who takes full responsibility for its contents. "Neither 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."

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