

NEWS RELEASE

**50.4 g Au/T Channel Result – Golden Extension
Discovery
Beardmore Geraldton Gold Camp**

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Golden Extension – Jacobus East

Sage Gold Inc (TSX-V.SGX) announces new channel results from the **Golden Extension discovery** in the **Beardmore Geraldton Gold Camp [BGGC]** including **50.4 g Au/T** over a channel width of 0.5 metres. Since the last press release of November 7, 2008, Sage has stripped additional vein structures and now has discovered **seven gold bearing quartz veins**.

Previous channel samples from the Golden Extension discovery, reported in a press release of September 2, 2008, include results of up to **136.5 g Au/T**. Golden Extension is believed to be the northwest extension of Kodiak Exploration Limited's Golden Mile.

Highlights

- **Discovered seven new veins with an aggregate trenched strike length of 1 kilometre.**
- **New channel results - up to 50.4 g Au/T over a channel width of 0.5 metres.**
- **Trenching and Geophysical Exploration ongoing.**
- **Veins open along strike.**

New Channel and Grab Results - Highlights

<u>Location</u>	<u>Channel No</u>	<u>Width (m)</u>	<u>Grade (gram Au/tonne)</u>
	71	0.70	3.90
	70	0.70	1.85
<u>Jacobus</u>	69	0.60	1.21
	65	0.30	5.05
<u>Vein 1</u>	64	0.50	3.90
	63	0.70	1.16

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	62	0.60	11.60
	61	0.60	3.84
	59	0.70	1.77
	54	1.00	2.87
	51	0.60	19.41
	46	0.60	1.49
	44	1.20	1.54
	39	0.33	4.57
<u>Jacobus</u>	108	0.40	3.42
	109	0.50	7.09
Vein 2	113	0.50	3.73
	167	0.40	20.10
<u>Jacobus</u>	168	0.30	45.42
	169	0.10	2.84
Vein 4	169	1.00	1.22
	170	0.50	1.40
	171	0.50	39.88
	175	0.60	6.12
	176	0.50	50.64
	176	0.80	8.67
	177	0.40	43.07
	180	0.40	1.04
<u>Jacobus</u>	Gra b	-	1.57
	Gra b	-	3.31
(SE ext of vein 1a)	Gra b	-	2.25
	196	0.60	3.55
	203	0.30	2.41
	207	0.70	4.98
<u>Jacobus</u>	186	0.50	1.01
Vein 5			

Sage will continue to trench and channel sample the Golden Extension and parallel vein systems.

The channel results, coupled with the geological interpretation of the vein systems, will be used to define drill targets for a 2009 drill program. A plan map of the trenched areas to date on the Golden Extension vein system with the associated channel locations is available at www.sagegoldinc.com.

Technical Information

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Sage's channel samples are 4cm wide and are cut with a motorized circular saw to a depth of 22cm and removed with a hammer. The channels are cut perpendicular to the strike of the vein. Samples are taken from the footwall, the vein and the hanging wall. Sample intervals are defined to provide a representative sample of the surface mineralization of the vein and the wall rock. Assays reported in this news release were completed by ALS Chemex and Accurassay Labs in Thunder Bay. Sample preparation for the ALS samples was completed in the Thunder Bay facility of ALS Chemex and prepared samples were shipped to the ALS facility in Vancouver. The gold samples were assayed using induced coupled plasma (ICP) testing with a fire- assay finish for high grade precious metal samples. Accurassay's gold analysis is performed using a 30g fire assay charge. The fire assay procedure uses lead collection with a silver inquant. The beads are then digested and an atomic absorption or ICP finish is used. All gold assays that are greater than 10 g/t are re-assayed by fire assay with a gravimetric finish.

The geotechnical content of this news release relating to the BGGC project has been reviewed by Peter Hubacheck, P.Geo. A.P.G.O. who is a qualified person as defined by NI 43-101.

Kerrs Property – Abitibi Gold Belt – Joint Venture with Sheltered Oak Resources Corp.

Sage Gold Inc. has executed an amendment and extension to the option agreements (the 'Option Agreement') dated as of 30th of August 2005 between Sage Gold Inc. and Jocelyne A. Kidston and L. Michael Dyment as extended by the Extension and Waiver Agreement dated as of 21st of February 2007 and the Amendment Agreement dated as of 10th of November 2008 between Sage Gold Inc., Lucrum Capital Corp. and Jocelyne A. Kidston and L. Michael Dyment.

The term of the Option Agreement has been extended until September 6, 2009. The consideration for maintaining the Option Agreement in full force and effect is the issue of 78,125 treasury common shares of Sage to Jocelyne A. Kidston and 78,125 treasury common shares of Sage to L. Michael Dyment subject to regulatory approval, in addition to the issue of \$12,500 of the share capital of Sheltered Oak Resources (formerly Lucrum Capital Corp.). Sheltered Oak Resources has a three year option agreement (press release of February 8, 2007) to earn a 55% interest in the Kerrs property for a cash consideration of \$200,000 and total property expenditures of \$1.8 million. Sage will have a "back-in" option which will allow Sage to maintain ownership control of the Kerrs property.

SAGE is a mineral exploration and development company which has interests in exploration properties in Ontario, Nevada and Arizona. Its main properties are the Jacobus, Paint Lake, Solomon Pillars and Onaman properties in the

Exploration in the Americas

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Beardmore Geraldton Gold camp and the Kerrs property in Ontario; the Pony Spur and Sugarloaf properties situated in Nevada; and the Gold Hill property in Arizona. 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
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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. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

Some statements contained in this release are forward-looking and, therefore, involve uncertainties or risks that could cause actual results to differ materially. Such forward-looking statements include comments regarding mining and milling operations, mineral resource statements and exploration program performance. Factors that could cause actual results to differ materially include metal price volatility, economic and political events affecting metal supply and demand, fluctuations in mineralization grade, geological, technical, mining or processing problems, exploration programs and future results of exploration programs, future profitability and production. The Company disclaims any obligation to update forward-looking statements.