Exploration in the Americas

TSX-V: SGX

SAGE GOLD INC.

Precious Metals In The Americas

NEWS RELEASE

SAGE CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

October 17, 2008

Sage Gold (SGX- TSX Venture) is pleased to announce that it has closed the first tranche of a non-brokered private placement of Cdn $1,950,000 of a proposed $3,750,000 financing through the sale of 15,600,000 flow-through units, at $0.125 per unit, to a group of institutional investors. Each unit consists of one flow- through common share plus one-half of one share purchase warrant. Each whole warrant is exercisable at $0.20 for 24 months from the closing date of the offering.

A finder's fee of $117,000 in cash will be paid and 1,248,000 broker warrants will be issued equal to 8% of the units sold pursuant to the offering.

If the company's common shares achieve a closing price of $0.30 or higher for a period of 21 consecutive trading days, Sage may, at any time after the expiry of the hold period, notify the warrant holders that all unexercised warrants will expire in 30 days following the date that the notice is issued.

All securities are subject to a four month hold period which expires on February 18, 2009. This financing is subject to final approval of the TSX Venture Exchange.

The net proceeds of the private placement will be used primarily to fund the company's exploration programs in the Beardmore Geraldton Gold Camp.

SAGE is a mineral exploration and development company which has interests in exploration properties in Ontario and Quebec, Nevada and Arizona. Its main properties are the Jacobus, Onaman and Kerrs properties in Ontario, the Dixie Fork, Triple Junction, Pony Spur and Dike 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.

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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.

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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.