

NEWS RELEASE

Sage drills 9.59 g Au/t over 1.65 metres – Paint Lake Property

Toronto, Ontario, September 17 , 2009

Sage Gold (TSX-V: SGX) is pleased to announce that the first phase of drilling has been completed on the Paint Lake property in the Beardmore-Geraldton Gold camp (BGG). The drill program has been successful in intersecting high grade gold mineralization including **9.59 g Au/t over 1.65 metres which includes 17.05 g Au/t over 0.8 metres and 9.99 g Au/t over 1.31 metres including 41 g Au/t over 0.3 metres**. The drill program was designed to test mineralized structures on Veins 1-10. Sage has previously reported (June 17, 2009) channel samples of **22.77 g Au/t over 0.40 metres (Vein 10)** and grab samples of **34.66 g Au/t (Vein 7)**. The second phase of drilling at Paint Lake will commence in late September 2009 and comprise a series of deep (~500 metre) holes testing for Brookbank-type deposits along the Paint Lake shear corridor.

Selected drill highlights include:

	From (m)	To (m)	Au g/t	Metres
09PL002	11.05	13.2	2.37	2.15
09PL004	124.4	126.05	9.59	1.65
<i>incl</i>	124.4	125.2	17.05	0.8
09PL005	199	200	7.91	1
09PL007	15.9	17.99	2.6	2.09
09PL008	111.63	112.94	9.99	1.31
<i>incl</i>	112.63	112.94	41	0.31

Drill Indicated Widths (true widths unknown)

Sage has drilled nine holes to date for a total of 1711 metres. Assays are pending on several holes and all assays received can be found on our corporate website at www.sagegoldinc.com. Trenching and surface channel sampling continues on the

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Paint Lake property.

Recent channel results listed below show high grade silver mineralization in addition to the gold and copper content.

Channel Number	Area	Channel Width (m)	Au (g/t)	Ag (g/t)	Cu (%)
Ch. 102	Vein 4 Extension	0.5	3.45		
Ch. 103	Vein 4 Extension including	1.4	14.3	149.45	1.36
		0.45	32.25	347.09	2.4
Ch. 104	Vein 4 Extension including	1.16	12.86	147.73	0.81
		0.6	24.72	285.61	1.57

The Paint Lake Property is situated along a 500 m wide structural break which separates the Beardmore-Geraldton Belt in the south from the Onaman-Tashota Belt in the north. This structural break hosts Ontex Resources Ltd's Brookbank Deposit, approximately 3.5 km west of Sage's Paint Lake property. Gold mineralization occurs as high-grade quartz, Fe-carbonate and pyrite veins and silica-sulphide flooded zones that tend to occur toward volcanic flow contacts. The veins are largely controlled by the east-northeast trending Paint Lake shear corridor. Northwest trending dextral shear kinks also host auriferous quartz veins – an important discovery as they have never been noted in the historical data. These later northwest trending structures may prove to be an important gold bearing site as suggested by Kodiak's Golden Mile and Sage's Golden Extension. Ongoing 1:2500 (regional) and 1:100 (stripping) scale mapping, ground geophysics and soil sampling is intended to reveal new targets for drilling later in the season.

Technical Information

Assays from drill core reported in this news release were completed by the ALS Chemex Laboratory in Thunder Bay, ON. Drill assays reported above were analyzed using a 30g fire assay charge with an AA finish. The fire assay procedure uses lead collection with a silver in quart. The beads are then digested and an atomic absorption finish is used. All samples with visible gold are assayed using a metallic screen procedure.

Sage's channel samples are between 3 and 4 cm wide and are cut with a motorized diamond saw to a depth of approximately 5 cm. The channels are cut as close to perpendicular to the strike of the vein as permitted by the rock surface. Samples are taken from the footwall, the vein and the hanging wall. Sample intervals are chosen 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 Accurassay Labs in

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Thunder Bay. Accurassay's gold analysis is performed using a 30g fire assay charge. The fire assay procedure uses lead collection with a silver inquart. The beads are then digested and an atomic absorption or ICP finish is used.

Paint Lake channel sample results reported above were taken over 3.2 metres of strike length and represent all channel samples from the Vein 4 extension trench. The widths reported are the total widths sampled in the given channels.

The technical content of this news release has been reviewed by Sage's consulting geologist Robert B. L'Heureux, M.Sc., P.Geol., of APEX Geoscience Ltd., who is a qualified person as defined by NI 43-101.

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 Beardmore Geraldton Gold camp and the Kerrs property 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.

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