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SAGE GOLD INC.
MAGNETOMETER SURVEY
KERRS PROPERTY
Kerrs Township, Ontario
April 2005

SERVICES EXPLORATION ENR.

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SAGE GOLD INC.

MAGNETOMETER SURVEY

KERRS PROPERTY

Kerrs Township, Ontario

April 2005



Sage Gold Inc.

Kerrs Property

Iroquois Falls Area, Ont.

Kerrs Township, Ont.

N.T.S. 42A/9, 42A/16

Report on ground Magnetometer surveys

St-André-Avellin, Québec

April 27, 2005

Gérard Lambert, P.Eng.

Consulting Geophysicist

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Introduction

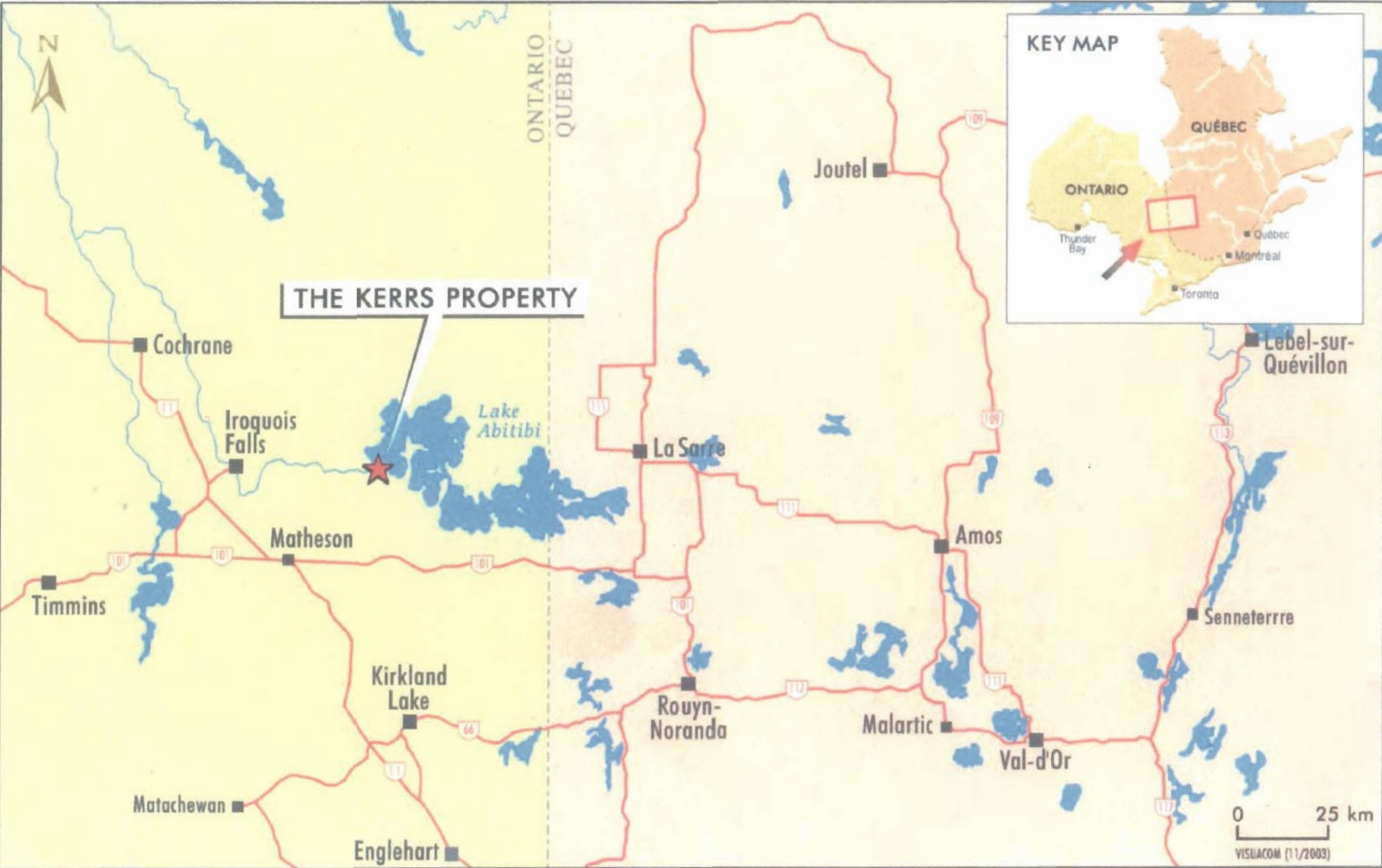
In early April 2005, ground geophysical investigations consisting namely in Total Field magnetic surveys were carried out over the **Kerrs** property in northeastern Ontario, by Services Exploration Reg'd, for **Sage Gold Inc.**

The purpose of these surveys was to map with better detail the distribution of magnetic minerals in the bedrock and thus assist in the mapping of altered and unaltered ultramafic units or structures hosting a number of significant gold occurrences on the property.

This report describes the geophysical work performed and discusses the results and the interpretation of the data. Recommendations for any future work are presented in the conclusion.

Property description, location and access

The Kerrs property is located in the northeastern quadrant of Kerrs Township, Ont., at about 35 kilometers (as the crow flies) to the northeast of Matheson and 38 km east of Iroquois Falls, around Lat 48° 45' N, Long 80° 09' W. The survey area is readily accessible by the main access road to Long Point and Lake Abitibi from highway 101, travelling a distance of about 24 km from hwy 101 along said access road. Please refer to Figures 1. and 2. (1:250,000 in NTS 42A) on the next pages, showing location maps of the survey area.



Source: Official Road Map, T.C.C. Ontario (1985) and Carte routière du Québec, Publications du Québec (1993)

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**The Kerrs Property
GENERAL LOCATION MAP**

Figure -1-

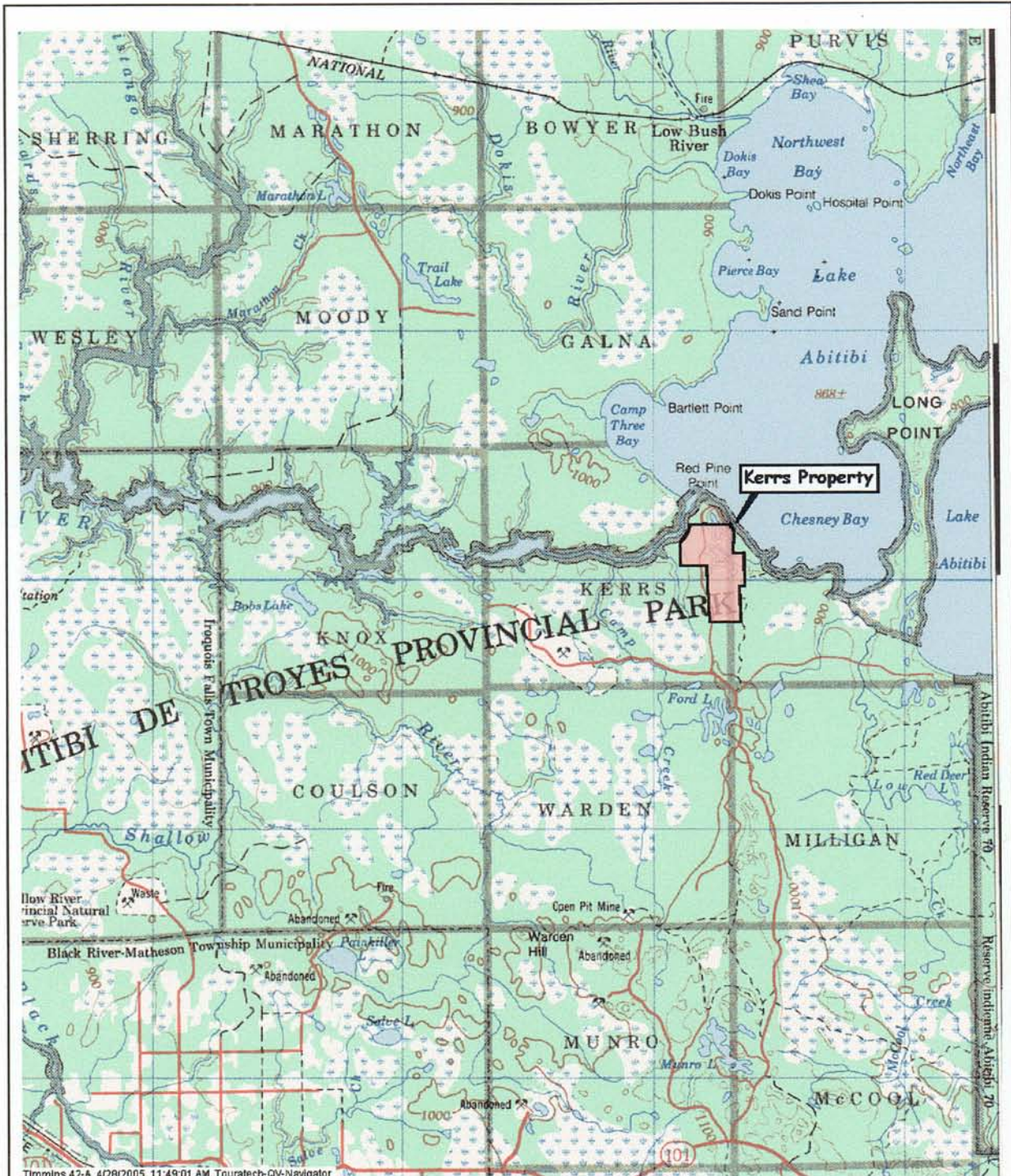


Figure 2.
Kerrs Property **Scale 1:250,000** **NTS 42A** **Location map**

The Kerrs property consists of sixteen contiguous mining claims whose license numbers are listed as follows: 3000390, 3000391, 1140877, 3007429, L500435, L500434, L500488, L500487, L500436, L500433, L500489, L500486, L500437, L500491, L500490 and L500485.

A claim map for the property is shown on the next page. Also, the geophysical maps appended to this report show the property claim lines and license numbers.

Description of the Geophysical surveys

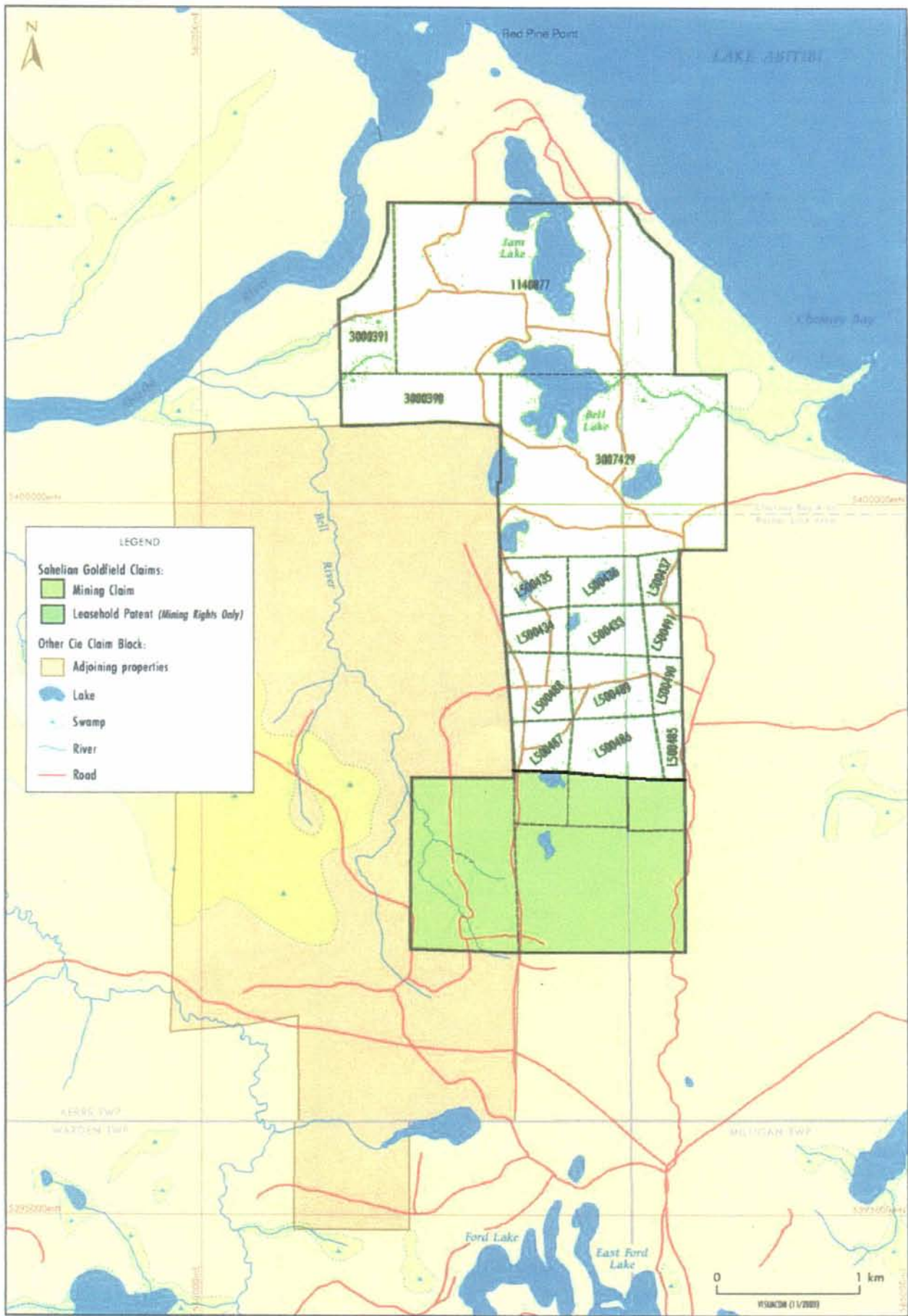
The magnetic surveys were carried out along previously cut and chained survey lines. The main grid has lines oriented NW-SE turned-off at right angle from a NE-SW base line (B.L. 0+00N). Another smaller grid to the south has lines oriented NE-SW and uses line 0N of the main grid as a base line. The cut lines were chained/picketed every 25 meters. The survey lines have variable lengths.

The **magnetic** survey was conducted along all the lines, using a **Gem-Systems GSM-19** proton-precession magnetometer, capable of reading the earth's magnetic field with a precision of 0.01 gamma.

Readings of the earth's magnetic field were taken every 6.25 meters along the survey lines. The magnetic field measurements were corrected for diurnal drift by using the data from a fixed base station monitoring, reading and recording the diurnal variations at 20-second intervals, thus allowing for compensations of natural short-term variations of the earth's magnetic field.

The results of the magnetic survey are presented on the maps appended to this report, at the scale 1:5,000. Posted readings, profiles and also the color contours of the magnetic data are presented on these maps. A total of approximately **67.7** line-km of magnetic data was gathered during the course of this survey.

The field surveys were carried out by crews of **Services Exploration** from Rouyn-Noranda, Québec.



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**The Kerrs Property
PROPERTY MAP**

Revised by J.D. O'Leary

Figure 2.

Results and interpretation

The magnetic relief is characterized by a background level of about $57,000 \pm 50$ gammas. This background level and everything below it probably reflects lithologies of felsic to intermediate composition or sediments or very altered ultramafic rocks.

The magnetic activity is concentrated mostly in the southeast portion of the survey area. A large, prominent curved and arc-shaped magnetic corridor was mapped in that area and probably suggests the presence of folded, dismembered or otherwise deformed ultramafic units sandwiched in between less magnetic units, possibly intermediate to felsic volcanics. The magnetic pattern is very interesting and deserves a full analysis in the light of a geological and structural map, a study work which is beyond the scope of the present surveys.

The magnetic anomaly wavelengths are generally long, suggesting that the units are buried at depths of more than a few meters, thus eliminating chances that bedrock outcrops will be found except very locally, as for instance in the area of L-1100N/700E.

Conclusion and recommendations

The ground magnetometer surveys which were recently completed for **Sage Gold Inc.** on the Kerrs property have successfully mapped a large, prominent curved and arc-shaped magnetic corridor interpreted to be caused by the presence of folded, dismembered or otherwise deformed ultramafic units sandwiched in between less magnetic units, possibly intermediate to felsic volcanics. The magnetic pattern is very interesting and deserves a full analysis in the light of a geological and structural map, a study work which is beyond the scope of the present surveys.

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Kerrs Property, Magnetometer survey

The present geophysical results should therefore be examined in the light of any other possible source of geoscientific information, particularly detailed geological mapping and geochemical data if available, in order to better evaluate their economic and metallogenic significance. Possible drill targets may emanate from this study.

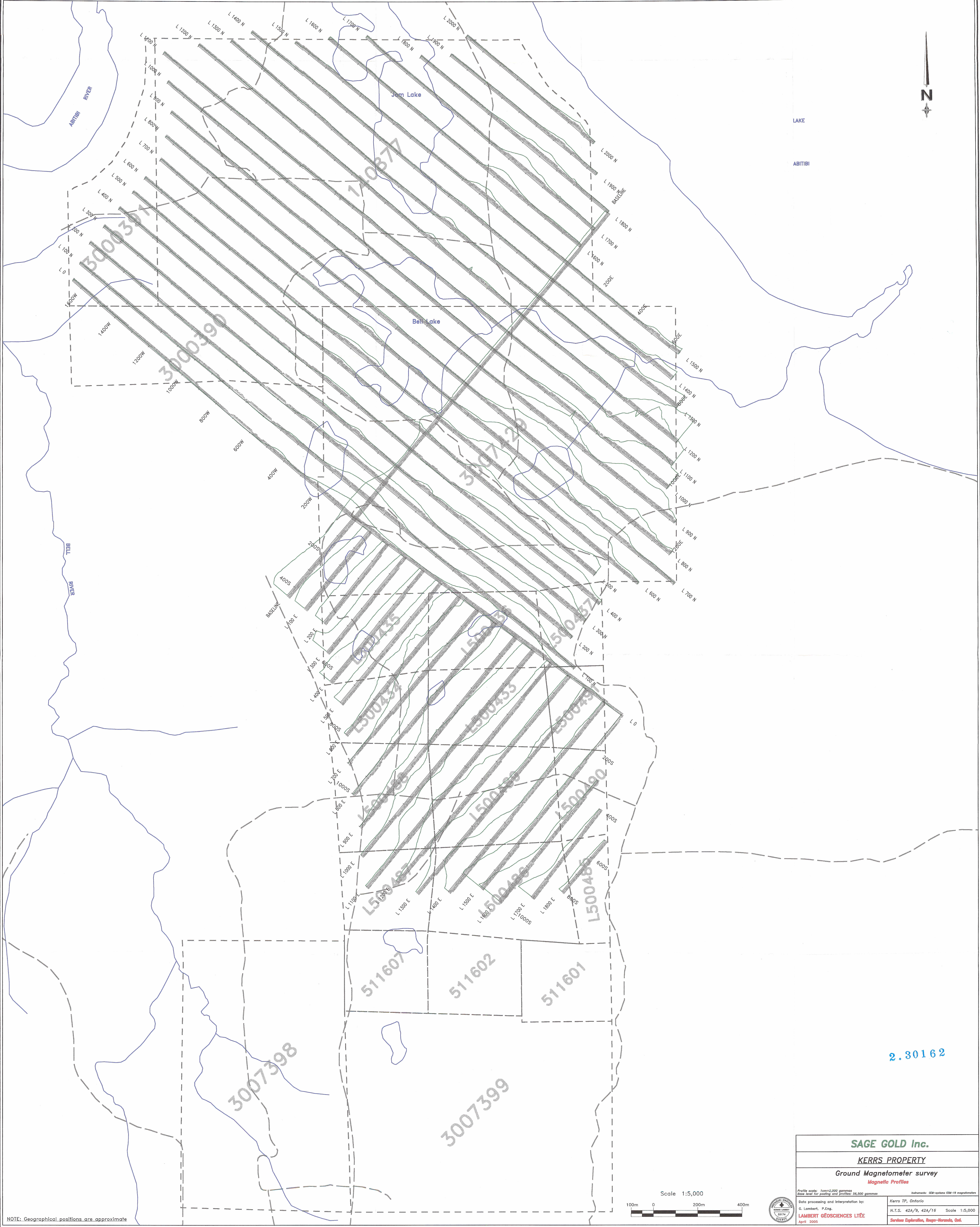
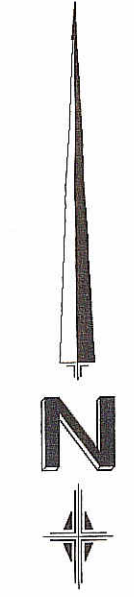
St-André-Avellin, Québec

April 27, 2005



Gérard Lambert, P.Eng.

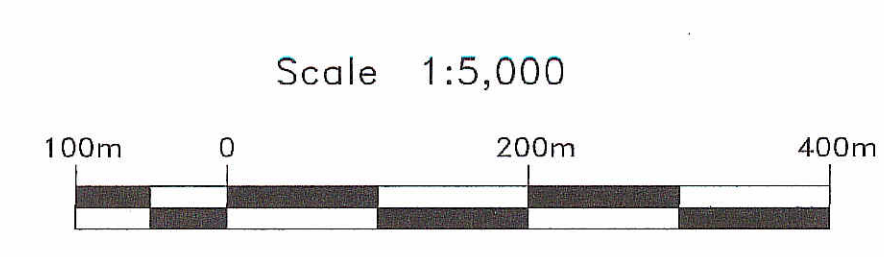
Consulting Geophysicist

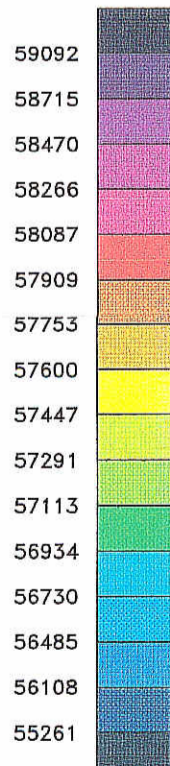
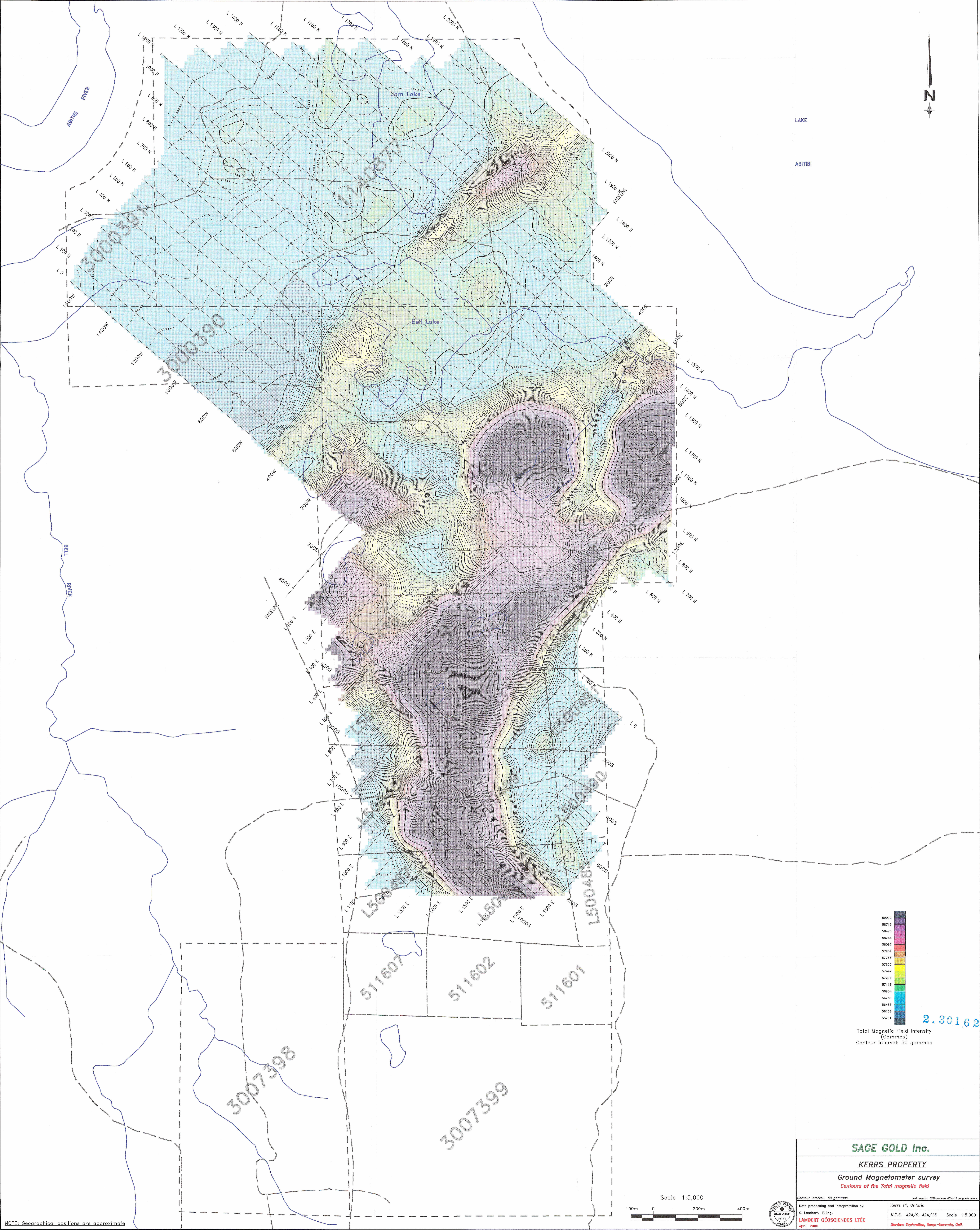
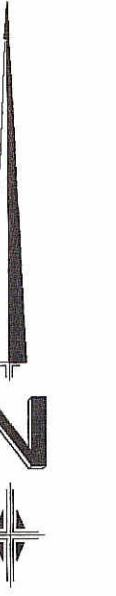


NOTE: Geographical positions are approximate

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SAGE GOLD Inc.	
KERRS PROPERTY	
Ground Magnetometer survey	
<i>Magnetic Profiles</i>	
<small>Profile scale: 1cm=2,000 gamma Base level for posting and profiles: 26,500 gamma</small>	<small>Instrument: GEM-systems GM-19 magnetometer</small>
<small>Data processing and interpretation by: C. Lambert, P.Eng.</small>	<small>Kerrs TP, Ontario</small>
LAMBERT GEOSCIENCES LTÉE	<small>N.T.S. 42A/9, 42A/16 Scale 1:5,000</small>
<small>April 2005</small>	<small>Services Exploration, Rouyn-Noranda, Qc.</small>

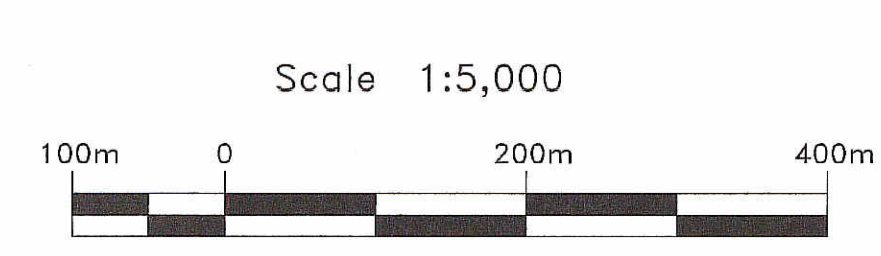




Total Magnetic Field Intensity (Gammas)
Contour interval: 50 gammas

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NOTE: Geographical positions are approximate



SAGE GOLD Inc.	
KERRS PROPERTY	
Ground Magnetometer survey	
<i>Contours of the Total magnetic field</i>	
Contour Interval: 50 gammas	Instrument: GEM-systems GSI-19 magnetometer
Data processing and interpretation by: G. Lambert, P.Eng.	Kerrs TP, Ontario
LAMBERT GEOSCIENCES LTEE April 2005	N.T.S. 42A/9, 42A/18 Scale 1:5,000 Services Exploration, Rouyn-Noranda, Ont.