UrbanGold Options its Lac James Property to Goliath Resources

09.07.2020 | Newsfile

Ottawa, July 9, 2020 - UrbanGold Minerals Inc. (TSXV: UGM) ("UrbanGold" or the "Company") is pleased to announce the signing of an option agreement (the "Option Agreement") with Goliath Resources Inc. ("Goliath") for its Lac James property (the "Property") located in the Chibougamau area, Quebec.

The Property, wholly-owned by UrbanGold, consists of 28 claims (1,560 hectares) and is adjacent to the Joe Mann deposit, a historical high-grade gold mine that produced a total of 1.525 Mt @ 11g/t Au, 0.28% Cu and 4.59 g/t Ag*. The Property overlays the eastern strike extension of the deposit, and the Opawica-Guercheville deformation corridor.

Subject to approval by the TSX Venture Exchange (the "Exchange"), Goliath may earn a 100% interest in the Property over a period of one (1) year in consideration of the following:

- Making a total cash payment of $75,000 to UrbanGold by June 29, 2021;
- Issuing 200,000 common shares of Goliath (the "Goliath Shares") to UrbanGold within five business days of the date of Exchange acceptance of the Option Agreement;
- Issuing a number of Goliath Shares to UrbanGold having a value of $40,000 at a price per Goliath Share based on the volume weighted average price of Goliath Shares trading on the Exchange for the ten (10) trading days immediately preceding the date upon which Goliath exercises the option to earn its interest in the Property.

In addition to the terms listed above (i) UrbanGold will be granted a royalty consisting of a 1% net smelter return on the Property, (ii) UrbanGold will be awarded a one-time $500,000 cash payment should a future mineral resources estimate disclosing a minimum 250,000 ounces of gold equivalent mineral resources in the inferred, indicated or measured categories be established on the Property; and (iii) Goliath will be assuming a pre-existing 1% net smelter return royalty.

Mathieu Stephens, UrbanGold President and CEO commented: "As we continue to advance our other gold properties, including the Troilus area projects, UrbanGold holds many other high-quality gold assets and we are always looking for solid partners for these assets. The Lac James property is one of these assets and we look forward to working with Goliath and their experienced technical team on this Property."

* Cautionary statements

Mineralization occurring at the Joe Mann deposit project is not necessarily representative of mineralization that may be found on the Lac James property.

Qualified Person

This news release has been prepared by Mathieu Stephens, P.Geo., President and CEO for UrbanGold, the Qualified Person, as defined by National Instrument 43-101.

About UrbanGold

UrbanGold Minerals Inc. is a precious metals exploration company with its activities focused in key gold prospective areas of Quebec. The Company specializes in project generation supported by substantial exploration expertise. The Company's common shares trade on the TSX Venture Exchange under the symbol "UGM".

Forward Looking Information

This news release may contain certain forward-looking information and statements, including without limitation the closing of the Option Agreement and obtaining regulatory approval. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in UrbanGold's disclosure documents on the SEDAR website at www.sedar.com. UrbanGold does not undertake to update any forward-looking information except in accordance with applicable securities laws.

For further information

Mathieu Stephens, P.Geo
President and Chief Executive Officer
mstephens@urbangoldminerals.com

Jens Hansen, P.Eng
Chairman of the Board
jhansen@urbangoldminerals.com

Phone (343) 883-4334
www.urbangoldminerals.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/59408