



NEWS RELEASE
(TSX-V Symbol: UBR)

**URAGOLD INCREASES SIZE OF THIRD
NON-BROKERED PRIVATE PLACEMENT**

Montreal, Quebec, December 23, 2010: Uragold Bay Resources Inc. (TSX-V: UBR), is pleased to announce that due to strong demand, it will increase and amend the size of the non-brokered private placement of \$ 150,150 announced December 22, 2010 in the amount of \$ 51,350 for a total placement of \$ 201,500. This will result in a total sale of 3,100,000 units ('Unit'), at a subscription price of \$ 0.065 per Unit. Each Unit being comprised of 1 share to be issued as a "flow-through shares", and 1/2 non-flow-through common share purchase warrant (the "Warrants") of the Company. Of the subscription price of Cdn \$0.065 per Unit, the Company hereby allocates \$ 0.06 to the price of the Unit Share comprised in each Unit and \$.005 to the price of the Warrants comprised in each Unit. Each Warrant will entitle the holder thereof to purchase one common share of the capital stock of the Company that is not a "flow-through share" ("Common Share") at an exercise price of \$ 0.10 during a period of 24 months from the date of closing of the placement. Each share issued pursuant to the placement will have a mandatory four (4) month holding period from the date of closing of the placement.

The private placement is subject to regulatory approval.

About Uragold Bay Resources Inc.

Uragold Bay Resources is a junior exploration company trading on the TSX Venture Exchange under the symbol UBR. Uragold is a top claims holder in Southern Quebec's Appalachian belt. The properties benefit from extensive historical exploration work and from well-established infrastructure thereby helping to reduce exploration risks. Uragold's business model focuses on developing, a series of potential small scale low-cost gold mining operations including the Beauce Placer, the Calway, the Rivière du Loup, Rivière Bergeron, and Grande Coulée for their potential in generating cash flow while simultaneously exploring core properties that hold the potential for the discovery of blue sky gold deposits like the MacDonald project.

The recent rise in Uranium prices combined with the discovery of Rare Earth Element deposits in the area close to Uskawanis, allows the Corporation to explore once again the potential of our James Bay projects.

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

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