

# Cortez Resources Corp.

July 9, 2009

## News Release

### **Cortez Resources Amends Agreement with Seabridge Gold to Complete Qualifying Transaction**

*Toronto, Ontario* ... Cortez Resources Corp. (“Cortez”) announced today that they have amended their letter agreement dated March 25, 2009 (the “Agreement”) whereby Cortez will acquire various mineral claims in Nevada (the “Proposed Acquisition”) held by Seabridge Gold Inc.’s (“Seabridge”) wholly-owned subsidiaries, Seabridge Gold Corporation and Pacific Intermountain Gold Corporation. Seabridge is listed on the Toronto Stock Exchange (symbol “SEA”) and on the New York Stock Exchange – AMEX (symbol “SA”). Cortez is a capital pool company listed on the TSX Venture Exchange (the “Exchange”) under the trading symbol “CUT”.

The Proposed Acquisition consists of interests in all or, at the election of Cortez, any number of Seabridge’s mineral properties located in various counties in Nevada, including Churchill, Elko, Esmeralda, Humboldt and Nye, and includes Seabridge’s Castle Blackrock Property (the “Properties”).

Pursuant to the Agreement, Cortez provided notice to Seabridge of its intent to proceed with the transaction and made a payment to Seabridge of a non-refundable deposit of US\$20,000. The exclusive option to Cortez has been extended by Seabridge to July 31, 2009, within which period a formal agreement with Seabridge must be finalized for the purchase of the Properties (the “Formal Agreement”), and the deadline for completing the Proposed Acquisition has been extended to September 30, 2009. In consideration for this extension, Cortez has agreed, subject to Exchange approval, to pay an additional US\$80,000 to Seabridge. Upon execution of the Formal Agreement, Cortez has agreed, subject to regulatory approvals, to pay Seabridge the further sum of US\$409,925 as an advance of lease and claims maintenance fees in respect of the Properties subject of the Proposed Acquisition, that are due prior to September 30, 2009. Seabridge will use the funds to pay the maintenance fees on the Properties. Funds advanced for maintenance fees that are not used prior to the closing will be returned to Cortez. If the Formal Agreement is not executed by the parties by July 31, 2009, the parties’ obligations in respect of the transaction shall terminate.

The consideration for the Proposed Acquisition to acquire 100% of Seabridge’s interest in the Properties (subject to existing underlying royalty and leaseholder entitlements), has also been amended to reflect the following:

Cortez will:

- (a) issue Five (5) Million common shares to SEA at a deemed price of US\$0.20 per share, and a Convertible Debenture (the “Debenture”) in the principal amount of \$1.25 million.

The following terms and conditions will attach to the Debenture:

- i. The Debenture shall have a three-year term, bearing no interest.
- ii. Should the closing price of the common shares of Cortez on the TSX Venture Exchange be above \$1.50 per share for ten consecutive trading days (the “Redemption Condition”), Cortez shall have the right for a period of 30 days to redeem the Debenture (the “Redemption Period”) in full. The Redemption Period shall commence on the 11th day following the ten consecutive trading days and will end 30 days thereafter. The right to redeem will not apply should the Redemption Condition re-occur within the three-year term.
- iii. After the Redemption Period, or if the Redemption Period does not occur then immediately before the maturity date, Seabridge can convert the note into common shares of Cortez at a conversion price of \$0.25 per share. Unless the Debenture is earlier redeemed or converted, on the maturity date Cortez will pay Seabridge the principal sum of the Debenture then outstanding..

- iv. The Debenture shall be transferable by Seabridge, subject to Cortez giving its consent, which consent shall not be unreasonably withheld.

All other terms of the original Agreement, including the appointment of additional directors after closing, remain unchanged.

Cortez is a capital pool company and the Proposed Acquisition will constitute its Qualifying Transaction (as such term is defined in the policies of the Exchange). The Proposed Acquisition is an arm's length transaction and upon completion of the Proposed Acquisition, Cortez expects to be a Tier 2 Mineral Exploration Issuer. No Non-Arm's Length Party (as defined in the policies of the Exchange) to the CPC has any direct or indirect beneficial interest in the Properties or the shares of Seabridge.

### **Financing**

Cortez proposes to raise the first tranche of the funds required pursuant to the Agreement, by way of a private placement of up to 5,000,000 common shares priced at \$0.20 per share for gross proceeds of up to \$1,000,000. Cortez has engaged Jordan Capital Markets Inc. as its exclusive agent to assist in completing the financing with a closing date of July 29<sup>th</sup>, 2009. As agent for the private placement, Jordan Capital will receive a cash commission of 8% of the gross proceeds raised in this offering, in addition to a corporate finance fee. The proceeds from this initial private placement will be used to complete the due diligence on the Proposed Acquisition, complete the advance due upon signing of the Formal Agreement, and to add to working capital. Cortez will require additional funds in order to complete the Proposed Acquisition, which Cortez expects to complete through an additional private placement financing prior to closing.

### **Description of Significant Conditions to Closing**

Pursuant to Section 2.1 of Exchange policies, as the proposed Qualifying Transaction is not a Non Arms Length Qualifying Transaction, the Company will not be required to obtain shareholder approval of the Qualifying Transaction but will be submitting a Filing Statement for Exchange acceptance. Sponsorship for this Qualifying Transaction is not required under the policies of the Exchange.

The remaining conditions to closing the Proposed Acquisition (a) the execution and delivery of the Formal Agreement; (b) completion of financing sufficient to enable Cortez to complete the Proposed Acquisition; and (c) approval of the Proposed Acquisition as a Qualifying Transaction by the Exchange. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction. 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.

ON BEHALF OF THE BOARD  
of Cortez Resources Corp.

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