

**URSA MAJOR MINERALS INCORPORATED****8 King Street East, Suite 1300, Toronto, Ontario, CANADA M5C 1B5****Telephone: (416) 864-0615 Fax: (416) 864-0620****<http://www.ursamajorminerals.com>**

COMPENSATION COMMITTEE CHARTER

I. PURPOSE

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations in the following areas:

- the Company's compensation philosophy with respect to its executive officers and other key employees;
- the competitiveness of the Company's compensation practices, including those with respect to the Board;
- salary and termination arrangements for, and all proposed contracts and transactions with, all employees whose salary and bonuses are in excess of [**\$100,000**];
- employee benefit programs and stock incentive plans; and
- the administration and recommendations with respect to any stock incentive plan implemented by the Company.

II. COMPOSITION AND QUALIFICATIONS

All Committee members shall meet any applicable requirements prescribed under the *Business Corporations Act* (Ontario), as well as any requirements or guidelines prescribed from time to time by applicable securities legislation. The Committee shall be comprised of not less than three directors as determined from time to time by the Board, all of whom shall be independent directors within the meaning of applicable securities legislation such that they are free from any relationship that would interfere with the exercise of his or her independent judgment.

Committee members shall be appointed by the Board on recommendation by the Corporate Governance Committee. The Board shall designate the Chair of the Committee and in so doing shall consider any recommendation of the Nomination Committee. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfills its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board, following consultation with the Nomination Committee, may fill a vacancy at any time.

III. MEETINGS

The Committee shall meet at least once per year, or more frequently as circumstances dictate. A majority of the members of the Committee shall constitute a quorum for meetings. The Chair of the Committee shall prepare and circulate an agenda as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting.

The Committee should meet privately at least once per year with the President and Chief Executive Officer of the Company to discuss any compensation related matters that he or she believes should be discussed.

IV. SPECIFIC RESPONSIBILITIES AND DUTIES

The Committee shall:

1. Establish and administer policies with respect to the compensation of executive officers of the Company.
2. Establish compensation levels annually for the executive officers of the Company (giving consideration to third party competitive data, information from independent consultants and the responsibilities and time commitments of each position) including:
 - base salaries and salary ranges for executive officers;
 - all bonus and benefit schemes;
 - all special arrangements including automobile allowances, perquisites and any termination provisions in respect of change of control of the Company;
 - deferred or other compensation;
 - stock options and other equity-based compensation; and
 - incidental benefits.
3. Review and oversee the administration by management of the Company's general compensation and benefit programs and assess the extent to which the programs are meeting their intended objectives.
4. Review and approve the corporate goals and objectives relevant to the compensation of the CEO annually and in the context of the Company's strategic plan. Evaluate the performance of the CEO in light of those goals and objectives, and set the compensation level of the CEO based on this evaluation.
5. Assess the performance of the CEO and determine the appropriate level of performance compensation or bonus. **[Bonuses will be awarded on the basis of achievement of specific current year financial and operating targets set by the Board including, without limitation, relative shareholder return as well as achievement of the objectives outlined in the strategic plan.]**

6. Review annually the objectives set by the CEO for executive officers in the context of the Company's strategic plan and, in concert with the CEO, review the performance assessment of individual executive officers and determine their levels of performance compensation and targets.
7. Administer the incentive stock option plan and other equity-based compensation plans and make recommendations to the Board with respect to the granting of options there under.
8. Prepare a report with respect to executive compensation for inclusion in the annual management information circular.
9. Review and, where appropriate, make recommendations in the Board regarding all new employment, consulting, retirement and severance agreements and arrangements proposed for the Company's senior management, and periodically evaluate existing agreements with the Company's senior management for continuing appropriateness.
10. Consider the form and amount of directors' compensation, and periodically review such compensation, taking into consideration such factors as time commitment, compensation at comparable public corporations, and responsibilities, to ensure such compensation is reasonable, competitive, aligns the interest of directors with those of shareholders and is consistent with the time commitment, risks and responsibilities involved in being an effective director.

V. REPORTING

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

VI. RESOURCES

The Committee shall have the authority, in its sole discretion, to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall further have the authority to retain, at the Company's expense, such executive compensation experts or other consultants or experts as it deems necessary in the performance of its duties and to request any officer or employee of the Company or such other experts or consultants to attend a meeting of the Committee.

VII. LIMITATION ON THE OVERSIGHT ROLE OF THE COMMITTEE

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Corporation by such persons or organizations.