

URSA Major Minerals Incorporated

Press Release

UMJ – TSX Venture Exchange



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URSA Major Minerals and North American Palladium announce option/joint venture on Shakespeare nickel-copper-platinum metal deposit, Sudbury area, Ontario

URSA Major Minerals Incorporated (URSA) and North American Palladium Ltd. (NAP) are pleased to announce that the Companies have signed a letter of intent to develop and explore the Shakespeare nickel-copper-platinum metal deposit and adjacent nickel, copper exploration properties in the Sudbury area, Ontario. The agreement combines NAP's operational and financial capabilities with the URSA's exploration success to potentially fast-track the development of the Shakespeare deposit and increase the probability of further discoveries.

On the Shakespeare Property, NAP can acquire a 60% undivided interest in URSA's interest in the Shakespeare Property and become the operator by making aggregate payments of \$1.5 million to URSA and securing the project financing for commercial production. The \$1.5 million will be used for expenditures to be incurred in connection with the Shakespeare full feasibility program which is currently in progress. Upon completion of the feasibility study, NAP may elect to form a joint venture and on arranging financing for commercial production, NAP shall be entitled to an undivided 60% interest in URSA's interest and become operator of the property. URSA will remain the operator of the feasibility program.

In addition, NAP has been granted an option to acquire a 50% undivided interest in URSA's Agnew Property by funding \$1.0 million of exploration expenditures over a 3 year period. NAP is committed to funding \$300,000 in the first year, and will have the option to fund \$300,000 and \$400,000 in the second and third years. URSA and NAP will work together to design and execute the exploration program, with URSA remaining as operator. After funding the \$1.0 million program, NAP can elect to form a Joint Venture and further expenditures will be contributed on a *pro rata* basis. The Agnew property covers over 19,000 acres and extends over 15 kilometres from the Shakespeare deposit towards the Sudbury Intrusive complex. NAP's option on the Agnew Property excludes the past-producing Agnew Lake Uranium mine. The final agreements on both the Shakespeare and Agnew Properties are anticipated to be completed within 45 days.

At the Shakespeare deposit, a diluted Probable Reserve of 7,301,000 tonnes grading 0.37% nickel, 0.39% copper, 0.024 cobalt, 0.37 g/t platinum, 0.40 palladium, 0.20 g/t gold has been defined by Micon International Limited in 2004 (Mr. E. Puritch, P. Eng., and Mr. T. Hennessey, P. Geo Qualified Persons). The reserve is based on an internal C\$31.94 NSR cut-off and is to a maximum depth of approximately 200 meters below surface. A full feasibility study that evaluates a base case scenario of a 2,900 tonne/day open-pit operation at Shakespeare with truck haulage to custom milling in Sudbury is currently in progress. An alternative case of constructing a 4,000 tonne/day processing plant on the Shakespeare property and transporting concentrate to a third party for further treatment is also being evaluated at a prefeasibility level. Subject to the results of the prefeasibility study, building a stand alone mill may be the preferred alternative for URSA and NAP.

Exploration at Shakespeare has been proceeding on the basis of a joint venture between URSA and Falconbridge Limited (Falconbridge) with URSA as the project operator. Based on an anticipated budget of approximately \$1.5 million for the feasibility study, URSA's interest in the project area would increase to approximately 86% at the end of the feasibility program.

As a result of the letter of intent, URSA reports that Mr. George Faught, C.A., recently resigned as a director of URSA. Mr. Faught is currently the Chief Financial Officer of NAP.

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