

URSA Major Minerals Incorporated

Press Release

UMJ – TSX Venture Exchange



July 21, 2005

URSA Major Minerals and North American Palladium sign option/joint venture agreement on Shakespeare nickel-copper-platinum metal deposit, Sudbury area, Ontario and proceed to full feasibility studies on open pit mine with 4,000 tpd concentrator

URSA Major Minerals Incorporated (URSA) and North American Palladium Ltd. (NAP) are pleased to announce that the Companies have signed a definitive option/joint venture agreement on the Shakespeare nickel-copper-platinum metal deposit in the Sudbury area, Ontario.

The terms of the definitive agreement are the same as originally announced on May 25, 2005 following the signing of the letter of intent. NAP can acquire a 60% undivided interest in URSA's interest in the Shakespeare Property and become the operator by making aggregate option payments of \$1.5 million to URSA and securing 100% of 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 that 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. The option and joint venture are subject to the approval of URSA shareholders and the TSX Venture Exchange.

As a result of feasibility studies at the Shakespeare project, URSA and NAP have decided to expand the full feasibility study to include a 4,000 tpd concentrator on the Shakespeare property. Concentrate would be transported to a third party for further treatment.

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. This reserve will be updated with results of recent drilling program in as a part of the feasibility study.

URSA Major currently has an 80% interest in the Shakespeare property. Exploration on the property is proceeding on the basis of a joint venture between URSA Major and Falconbridge Limited with URSA Major 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. NAP can acquire a 60% undivided interest in URSA's interest in the Shakespeare Property. In addition, as part of the May 25, 2005 letter of intent, NAP has been granted an option to acquire a 50% undivided interest in URSA's adjacent 100% owned Agnew Property, excluding the past-producing Agnew Lake Uranium Mine, by funding \$1.0 million of exploration expenditures over a 3 year period. The final agreement with NAP on the Agnew Property is pending and will also be subject to approval of the TSX Venture Exchange. URSA Major has 21,224,119 shares outstanding.

URSA Major's annual and special meeting will be held at 4:30 pm, Tuesday, July 26, 2005 in the Ketchum/Osgoode Room, Toronto Board of Trade, 1 First Canadian Place, Toronto.

CONTACT: Dr. Richard Sutcliffe, P. Geo, President & CEO,
Or
Chris Chadder, C.A. CFO
Phone: 416-864-0615 Fax: 416-864-0620
info@ursamajorminerals.com
<http://www.ursamajorminerals.com/>

Gus Garisto, Investor Relations
Cell : 416-805-3106

Address: 8 King Street East, Suite #1300, Toronto, Ontario, Canada M5C 1B5

Symbol & Exchange: UMJ – TSX Venture Exchange (TSXV)

This release was prepared by management of the Company who takes full responsibility for its contents. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

Some statements contained in this release are forward-looking and, therefore, involve uncertainties or risks that could cause actual results to differ materially. Such forward-looking statements include comments regarding mining and milling operations, mineral resource statements and exploration program performance. Factors that could cause actual results to differ materially include metal price volatility, economic and political events affecting metal supply and demand, fluctuations in mineralization grade, geological, technical, mining or processing problems, exploration programs and future results of exploration programs, future profitability and production.

This press release is not for distribution to any U.S. news wire service or for dissemination in the United States.