URSA Major Minerals Incorporated

Press Release

UMJ – TSX Venture Exchange

January 20, 2006

URSA Major Minerals completes positive full feasibility study for open pit nickel-copper mine and 4,500 t/d concentrator at Shakespeare Project, Sudbury area, Ontario

URSA Major Minerals Incorporated (URSA Major) is pleased to announce the completion of a positive feasibility study for the Company's Shakespeare nickel, copper, platinum group metal project located 70 km west of Sudbury, Ontario. The study was managed by Micon International Limited (Micon) of Toronto. Micon evaluated a base case of an open-pit mine and 4,500 tonne/day on site concentrator for the Shakespeare project at the feasibility level of accuracy. In Micon's opinion "**Shakespeare project contains an economic mineral reserve and is worthy of continued development through detailed engineering and construction to produce 4,500 t/d of ore mining and subsequent concentrate for sale**."

Using exchange rate and conservative metal price assumptions defined below, **the project produces an after tax internal rate of return (IRR) of 14.5%** (20.0% pre-tax IRR) on an initial total capital cost of C$118,473,000. Net revenue (NSR) is $44.10/tonne and totals C$495,088,000 for the project. Total operating cost is C$22.55/tonne milled. The undiscounted total annual cash flow (NPV) is C$84,192,000 and the NPV discounted at 10% is C$16,218,000. Nickel, copper, precious metals and cobalt respectively contribute 58.7%, 18.5%, 15.3% and 7.5% of gross revenue. The project has a 6.8 year mine production life and is estimated to employ a total of 152 persons.

The feasibility study defines a diluted **Probable Reserve of 11,266,000 tonnes grading 0.33% nickel, 0.35% copper, 0.02% cobalt, 0.33 g/t platinum, 0.37 g/t palladium and 0.19 g/t gold**. The mineral reserve is to a maximum depth of 250 metres below surface and was determined by applying an C$11.75/tonne NSR internal cut-off value which is the sum of the mill processing and G&A costs. The reserve is based on an Indicated Resource (undiluted) of 12,430,000 tonnes grading 0.35% nickel, 0.37% copper, 0.02% cobalt, 0.35 g/t platinum and 0.39 g/t palladium and 0.20 g/t gold. This Indicated Resource is contained within an optimized pit shell with an NSR cut off above C$24.23. An **additional Indicated Resource of 1,830,000 tonnes grading 0.37% nickel, 0.41% copper, 0.03 % cobalt, 0.36 g/t platinum, 0.39 g/t palladium and 0.22 g/t gold** at an NSR cut off of CDN$50/tonne is located outside of the pit shell. The majority of this material is down plunge to the east of the pit shell. Mr. T. Hennessey, P.Geo, of Micon is the qualified person for the resource estimate and Mr. Ian Ward, P.Eng. of Micon is the qualified person for the feasibility study and has reviewed the press release.

URSA Major and North American Palladium Ltd. (NAP) will proceed with permitting of the project and have engaged Golder Associates Ltd. (Golder) to manage the permitting program. URSA Major and NAP will also conduct an exploration program to explore for additional resources on the property. Costs of permitting and the exploration program will be shared on a 40/60 basis between URSA Major and NAP. NAP will also evaluate opportunities to reduce capital costs for the Shakespeare project including the use of equipment presently at NAP's Lac des Iles Mine.

P&E Mining Consultants Inc. developed the pit optimization, pit design, mine scheduling and developed mine operating costs. Golder prepared pit wall slope recommendations, based on outcrop mapping, review of drill core, drilling of specific geotechnical holes, and *in situ* logging of selected holes using an optical televiewer. Golder recommended double-benching the 10 m benches with 8.5 m catch berms and a 75° bench face angle. This results in an inter-ramp slope of 55°. The average stripping ratio for the project is 5.15:1.

SGS Lakefield Research Limited (SGS) completed the metallurgical testing for the Shakespeare ore. SGS reported that "The flowsheet is conventional, and uses only well-proven techniques in flotation, with lime as the pH modifier and conventional reagents as frother, collectors and depressants. No reagents likely to cause any significant environmental, or health and safety issues would be employed."

Met-Chem Canada Inc. (Met-Chem) designed the on-site concentrating facility that comprises primary crushing, semi-autogenous grinding (SAG) with pebble crushing, ball milling, flotation, concentrate dewatering, and tailings pumping. In addition, Met-Chem was responsible for the design of site services and infrastructure.

Golder Paste Technology Ltd. and Golder designed the tailings deposition and mine rock co-disposal system. The mill tailings after sulphides removal will be pumped to the thickening plant. Spigot lines will be used to deposit and integrate the thickened tailings and mine rock in a co-disposal area. In order to minimize acid generation, potentially acid generating material (mine rock and separated sulphide tailings) will be disposed of within a sub-aqueous facility fully contained within the larger co-disposal area.

Knight Piesold Ltd. (KP) managed the environmental baseline studies that included surface water monitoring, ground water monitoring from 17 wells installed in 2005, sediment sampling, surveys of terrestrial and aquatic habitat, mine rock and tailings characterization, meteorology, and heritage studies. Environmental studies completed to date indicate that no significant negative impact from the project will be encountered.

Micon suggests that "The main economic improvement that may be contemplated is the reduction in capital cost by the selection of used equipment and buildings, and Micon recommends an immediate search for suitable items." The estimated capital cost includes C$18,916,000 for mining equipment, C$10,784,000 for pre-stripping, C$48,606,000 in process plant costs, C$18,491,000 in site infrastructure costs, tailings dams, and a high compression thickener, and C$21,675,000 in owners costs, EPCM, and contingency.

The results contained herein represent the most likely scenario. The full technical report for the feasibility study will be posted on SEDAR within 30 days and contain sensitivity analysis with respect to various factors such as metal prices, capital cost, US$ exchange rates, and reserve tonnage.

The economic analysis makes the conservative assumption of a reversion of metal prices to their 10-year historical median Canadian dollar prices, expressed in 2005 terms. Current price levels are assumed to regress exponentially toward the median, with a 'decay' half-life of five years. The resulting average prices over the life of the project, expressed in 2005 dollars, are nickel US$5.48/lb, copper US$1.34/lb, cobalt US$20.05/lb, platinum US$805.30/ounce, palladium US$225.20/ounce, gold US$438.30/ounce. The base exchange rate for the economic analysis is taken from the average of over 11 months of 2005, for a US$/Cdn$ rate of 0.8224. The NSR model uses estimates of current industry rates for smelting and refining costs in the Sudbury area.

Exploration on the Shakespeare property is currently proceeding on the basis of a joint venture between URSA Major and Falconbridge Limited (Falconbridge) with URSA Major as the project operator. URSA Major has an 80% interest in the Shakespeare property, which will increase to approximately 86% as result of the current program. North American Palladium Ltd. (NAP) through its wholly owned subsidiary, Lac des Iles Mines Ltd. (LDI), having made an option payment of C$1.5 million to URSA Major can acquire a 60% undivided interest in URSA Major's interest in the Shakespeare Property and become the operator by securing 100% of the project financing for commercial production. URSA Major is the sponsor of the feasibility study.

Following the closing of the private placement announced on December 12, 2005, and the buy back of certain shares as per the terms of the normal course issuer bid announced on December 20, 2005, URSA Major currently has 24,407,429 shares outstanding.

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

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.

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