

URSA Major Minerals Incorporated

Press Release

UMJ – TSX Venture Exchange



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URSA Major Minerals Incorporated monetizes shareholder value by signing agreement to vend the past-producing Agnew Lake Uranium Mine, Sudbury area, Ontario

URSA Major Minerals Incorporated (URSA Major) is pleased to announce that it has signed an agreement in principle to vend its 100% owned past-producing Agnew Lake uranium mine property to Nyah Resources Inc. (Nyah) for cash consideration of CDN\$2,500,000 and 5,000,000 shares of Nyah.

The acquisition by Nyah is subject to a 45 day due diligence period, following which URSA Major and Nyah will enter into a definitive agreement. The cash and share payments are due on signing of the definitive agreement. Following closing of the agreement, URSA Major will have a right to participate in future financings for a period of 24 months and will retain a 1.5% net smelter return royalty (NSR). At any time Nyah will have the option to purchase 50% of the NSR from URSA Major by making a further cash payment of \$2,000,000 to URSA Major. The transaction is subject to regulatory approvals.

“We are very pleased to have reached this agreement with Nyah, whose Board of Directors includes Stan Bharti and George Faught. While Nyah is currently a private company, Stan Bharti and George Faught have an outstanding track record of building successful public companies, including Desert Sun Mining that was acquired by Yamana Gold Inc., and First Uranium Corporation which recently completed a \$203 million initial public offering. The current transaction will enable URSA Major’s shareholders to benefit from being involved at the initial stage of a new uranium-focused exploration and development company and at the same time URSA Major’s management can focus on developing the company’s core nickel assets in the Sudbury area. This deal monetizes value for our shareholders on the Agnew Lake uranium property,” stated Richard Sutcliffe, URSA Major’s CEO.

The past-producing Agnew Lake uranium mine property consists of 63 claim units (approximately 2,520 acres) and is located in Hyman Township, Sudbury Mining Division, 40 km west of Sudbury, Ontario. The Agnew Lake Uranium Mine was operated by Kerr Addison Mines Ltd. between 1977 and early 1983 and produced a total of 1.88 million lbs (855,000 kg) of U₃O₈. The last reserve for the Agnew Lake Mine (Kerr Addison Mines Limited, Annual Report, 1982) reports a “mineable proven and probable reserve with dilution in place, broken in stopes and on a surface leach pile estimated at 8,976,000 tons containing 7,161,000 lb U₃O₈” (0.8 lb U₃O₈/ton, 0.036% U₃O₈ or 8,143,000 t at 0.4 kg/t). Watts, Griffis and McOuat Limited (WGM) completed a technical report on the property for URSA Major and reports that this reserve should be reduced by 2,221,000 tons (2,130,000 t) of broken in-situ ore and 1,449,000 tons (1,315,000 t) of surface stockpiled ore that was leached during 1982. WGM concludes there remains approximately 5.3 million tons (4.8 Mt) of ore in the mine with a fully diluted grade of approximately 0.8 lbs to 1.0 lbs U₃O₈/ton (0.4 to 0.5 kg/t). The undiluted “resources” are at approximately twice the diluted grade. These resources and reserves are historic estimates that predate NI43-101, are not compliant with current definitions, have not been verified by the company and consequently should not be relied on by investors. In addition to the past producing mine, the property covers approximately 6 km of the favourable uranium-mineralized horizon. At Agnew Lake, the uranium mineralization is contained within a pyritic quartz-pebble conglomerate that unconformably overlies granitic rocks and is similar to mineralization in the Elliot Lake area to the west of the property.

URSA Major has 26,721,561 shares outstanding and over \$2 million dollars in the treasury. URSA Major’s main asset is the Shakespeare nickel-copper project where the company has completed a positive full feasibility study and is currently preparing for the extraction of a 50,000 tonne bulk sample. URSA Major recently signed a memorandum of agreement with Xstrata Nickel for the milling of the bulk sample subsequent purchase of nickel and copper concentrates expected to be produced from the project.

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