

URSA Major Minerals Reports Gross Revenue of \$2,499,084 at Shakespeare Nickel Mine for the Quarter Ended July 31, 2011

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TORONTO, ONTARIO -- ([Marketwire](#) - Sept. 14, 2011) - **URSA Major Minerals Incorporated** ("URSA Major" or the "Company") (TSX: UMJ) announces its financial and operating results for the three and six months ended July 31, 2011. URSA Major produces nickel, copper and precious metals from the Shakespeare Nickel Mine located 70 kilometers west of Sudbury, Ontario. The Company is focused on production, development and exploration of nickel, copper and precious metal deposits primarily in Ontario, Canada. URSA Major has a variety of properties ranging from the operating Shakespeare Nickel Mine through to early stage exploration projects.

The quarterly financial statements and related Management Discussion and Analysis will be filed on SEDAR (www.sedar.com). Additionally, these documents are available on URSA Major's website at www.ursamajorminerals.com. All amounts are in Canadian dollars unless otherwise indicated.

Financial and Operating Highlights

- For the three months ended July 31, 2011, the Company recorded gross revenue of \$2,499,084 on the sale of metals from the Shakespeare Nickel Mine, located 70 km west of Sudbury, Ontario.
- The Company reported a mine operating loss on mining activities of \$151,778, net loss of \$1,159,646, and comprehensive loss of \$1,168,396 for the three months ended July 31, 2011.
- During the three months of operation ending July 31, 2011, the Company delivered a total of 32,825 tonnes of ore to the Strathcona Mill at a grade of 0.306% nickel, 0.349% copper, 0.019% cobalt, 0.322 g/t platinum, 0.364 g/t palladium, 0.172 g/t gold and 1.888 g/t silver. The Company did not ship ore from March 15, 2011 to June 20, 2011 as a result of the annual spring half-load trucking restriction imposed by the Municipality of Sudbury.
- In June and July, the Company reported the results from eight diamond drill holes that were successful in extending mineralization down plunge from the Shakespeare East deposit. A highlight of the program is hole U3-122 that intersected 5.19 metres grading 0.81% nickel, 0.48% copper, 0.03% cobalt and 1.20 g/t precious metals which is one of the highest grade intersections reported to date at Shakespeare. The higher-grade intersection in drill hole U3-122 is located in a wider 23.67 metre interval grading 0.55% nickel, 0.36% copper, 0.02% cobalt and 0.92 g/t precious metals.
- During the three months ended July 31, 2011, the Company reported that an initial two hole drilling program at the Fox Mountain Project, located 75 km north of Thunder Bay, Ontario intersected a sub-horizontal five (5) meter thick layer of massive magnetite-iron sulphide skarn mineralization that represents a new exploration target in the area.
- At the annual and special meeting held June 23, 2011, shareholders overwhelming supported management and a strengthened board to defeat and discredit the dissident attack on the Company. After the annual and special meeting, the Company received a favourable decision from the Superior Court of Ontario in an application made by the dissidents. The Court awarded costs to URSA Major on a substantial indemnity basis and found the dissidents complaints to be lacking merit.

Richard Sutcliffe, URSA Major's CEO commented, "Due to a delayed spring, the half-load season was longer than previous years, resulting in just over one month of haulage in the quarter. As a result of reduced amount of ore processed and a lower grade, the Company recorded its first operating loss for the quarter at the Shakespeare Nickel Mine. We have taken the necessary steps to improve on the grade being mined and to increase on the tonnage being hauled during the next two quarters. Further, in the six months ended July 31, 2011, the Company incurred significant increases in legal, professional and shareholder information

expenses that are largely a result of the shareholder meeting requisition and the subsequent court applications by Inspiration Mining Corporation. While the Company was successful in having the court applications dismissed, these expenses have contributed to a loss for the three and six months ended July 31, 2011. These actions are now successfully behind us and we look forward to executing our vision of growing URSA Major into a profitable mid-tier nickel producer through successful exploration, production expansion and project acquisition."

URSA Major is committed to the following strategic priorities to enhance and increase shareholder value: expanding profitable production at the Shakespeare deposit; developing new mining properties; increasing metal resources and reserves through active exploration in areas with excellent mining infrastructure; maintaining a safe work place; and operating with sound environmental practices. URSA Major has entered into an agreement with Xstrata Nickel ("Xstrata") to process ore from the open-pit Shakespeare Nickel Mine at the Strathcona mill in Sudbury for a 24-month period beginning in January 2010. The rates for milling, treatment and refining charges were established under contract with Xstrata Nickel in December 2006.

Outlook

To January 31, 2012, the end of the Company's next fiscal year, URSA Major budgeted the production and delivery of approximately 199,000 tonnes of ore grading 0.373% nickel, 0.419% copper, 0.027% cobalt, 0.397 g/t platinum, 0.420 g/t palladium, 0.252 g/t gold (plus silver equivalent); from the Shakespeare Mine (see press release dated March 14, 2011). Revenues from metal sales for the fiscal year ended January 31, 2012 were forecast to be CDN\$18.2 million and were calculated using an exchange rate at par and metal prices quoted in US dollars as follows; nickel \$11.00/lb, copper \$4.00/lb, cobalt \$17.00/lb, platinum \$1,700/oz, palladium \$700/oz and gold \$1,350/oz. Metal prices were management's estimate of average metal prices for the fiscal year and were made at the beginning of the first quarter. They were based on analyst consensus forecasts for the same period. The processing rates for milling, treatment and refining charges were established under contract with Xstrata Nickel in December 2006.

Total contained nickel and copper in ore were expected to be 1.6 million pounds and 1.8 million pounds, respectively, in fiscal 2012. Contained metals are subject to mill and smelter recoveries. Total production cost for fiscal 2012 was forecast to be CDN\$43.65 per tonne of ore. Fiscal 2012 total production costs are forecast to increase over the previous fiscal year as a result of higher fuel costs and an increase in waste rock removal. After taking into account the cost of drilling and blasting, mucking and crushing, and haulage to the mill, net revenue for fiscal 2012 is forecasted at CDN\$12.23 per tonne of ore. Gross operating margin for fiscal 2012 was forecast at \$2.4 million.

Trucking operations were temporarily suspended from March 15, 2011, due to the spring season half-load trucking restriction. This restriction is an annual event and is taken into consideration in the annual operating plan for the Shakespeare Nickel Mine. This year, the spring load restriction is removed by the Municipality of Sudbury, on June 21, 2011, which is approximately three weeks later than budgeted. As a consequence of the half-load trucking restriction, the Company's revenue is reduced in the first half of the fiscal year and the Company expects it to improve in the second half of the year.

The Company's revenues are derived from base and precious metals and the company receives prices for the metals that are determined by global market conditions. After a strong first half of 2011, nickel, the metal that accounts for the largest revenue component of Shakespeare ore, is currently trading approximately 14% below budget. Nickel in particular is a very volatile in price and to reduce revenue risks associated with nickel price volatility, the Company has a facility with Auramet Trading to hedge the price of base metals between the time of ore delivery and final metals out-turn. As a result of lower nickel prices, a stronger Canadian dollar, and slightly lower grades than budgeted, revenue from metal sales and gross operating margin may be reduced to approximately \$17.3 million and \$2.0 million respectively.

The Company's custom milling agreement with Xstrata Nickel expires on December 31, 2011, and the company is currently in discussions to extend this agreement.

In 2010, the Company began using a portion of its cash flow from mining operations to fund part of its exploration program. In January 2011, the Company completed a private placement financing of which part of the proceeds have been used to expand the drilling campaign. In addition, and in accordance with the Company's strategic plan, management is evaluating further opportunities for base metal property acquisition, particularly for copper, nickel and PGM-rich deposits.

URSA Major has completed over 7,000 metres of drilling at the Shakespeare East Deposit consisting of both infill and step out drilling at the (see press release dated February 10, 2011). The program has been successful in extending the down plunge extent of the Shakespeare East Deposit. The intent of the program is to update the resource estimate beneath the Shakespeare East Deposit, and to assess the economics of

underground mining operations, with the Company's own mill onsite. P&E Mining Consultants Inc. has been engaged to produce a technical report on the updated resource estimate and economic analysis. The work program will be completed before the end of the fiscal year.

The Company is encouraged by results from the 2010 program at the Nickel Offsets option. The Company plans to complete a five hole, 2,500 meter program with further bore-hole EM surveys at Nickel Offsets later this year.

URSA Major has also recently completed two drill holes to test magnetic and time domain electromagnetic anomalies and identified a sub-horizontal four to five meter thick layer of massive magnetite-iron sulphide skarn mineralization within the Sibley Group sedimentary rocks. The Company anticipates conducting further geological mapping and prospecting on this property in 2011. This property is interpreted to be a similar geological environment to Magma Metals' property that contains the Current Lake platinum group metal discovery.

The Company has completed a full positive feasibility study at Shakespeare that evaluated an open pit mine and 4,500 tpd on site concentrator. The execution of this project remains a baseline strategy for the Company and it continues to be evaluated at the management and board levels.

URSA Major Minerals will be exhibiting at the Toronto Cambridge Resource Conference on Thursday September 15th and Friday September 16th at booth #317. The conference will be held at the Sheraton Centre, 123 Queen Street West.

About URSA Major Minerals

URSA Major is a Canadian mining company with a nickel mine and two nickel sulphide projects containing significant NI 43-101 compliant nickel and copper reserves and resources. The Company is focused on demonstrating profitable operations at the Shakespeare Nickel Mine and growing its nickel, copper and platinum group metal (PGM) deposits through exploration and development, primarily in Ontario, Canada.

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

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