

NOTICE TO SHAREHOLDERS

URSA MAJOR MINERALS INCORPORATED (A Development Stage Company) QUARTERLY FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED APRIL 30, 2005

Responsibility for Financial Statements

The accompanying financial statements for Ursa Major Minerals Incorporated have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the January 31, 2005 audited financial statements. Only changes in accounting information have been disclosed in these financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

Auditor involvement

The auditor of Ursa Major Minerals Incorporated has not performed a review of the unaudited financial statements for the three months ended April 30, 2005 and April 30, 2004.

URSA MAJOR MINERALS INCORPORATED
(A Development Stage Company)

FINANCIAL STATEMENTS

APRIL 30, 2005

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	April 30, 2005 \$ (Unaudited)	January 31, 2005 \$ (Audited)
ASSETS		
CURRENT		
Cash and cash equivalents	2,100,762	3,674,049
Marketable securities	-	8,940
Amounts receivable	136,425	97,791
Prepaid expenses	<u>10,594</u>	<u>9,711</u>
	2,247,781	3,790,491
DUE FROM RELATED COMPANY (Note 3)	35,901	35,901
EQUIPMENT	29,220	28,850
LONG-TERM INVESTMENT (Note 4)	1,159,230	402,294
EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Note 5)	<u>5,292,127</u>	<u>4,652,700</u>
	<u>8,764,259</u>	<u>8,910,236</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	96,922	161,981
FUTURE INCOME TAX LIABILITY	<u>156,000</u>	<u>156,000</u>
	<u>252,922</u>	<u>317,981</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 6(b))	9,929,234	10,409,234
SHARE PURCHASE WARRANTS (Note 6(c))	1,008,176	1,864,716
CONTRIBUTED SURPLUS (Note 7)	1,447,630	591,090
DEFICIT	<u>(3,873,703)</u>	<u>(4,272,785)</u>
	<u>8,511,337</u>	<u>8,592,255</u>
	<u>8,764,259</u>	<u>8,910,236</u>

URSA MAJOR MINERALS INCORPORATED
(A Development Stage Company)
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS ENDED APRIL 30

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	2005 \$ (Unaudited)	2004 \$ (Unaudited)
INTEREST INCOME	<u>10,467</u>	<u>-</u>
EXPENSES		
Management fees	25,500	7,000
Office and general	25,069	50,049
Business development	19,824	70,247
Salaries and benefits	15,466	-
Travel and promotion	8,124	8,099
Professional fees	7,246	17,187
Stock exchange and transfer agent fees	2,497	2,818
Shareholder information	1,950	6,480
Stock-based compensation	-	163,500
Foreign exchange	-	(6,030)
Gain on sale of marketable securities	(1,080)	-
Amortization	<u>1,789</u>	<u>1,750</u>
	<u>106,385</u>	<u>321,100</u>
Loss before undernoted	(95,918)	(321,100)
Future income tax recovery	<u>495,000</u>	<u>-</u>
NET INCOME (LOSS) FOR THE PERIOD	399,082	(321,100)
Deficit, beginning of period	(4,272,785)	(3,040,174)
Change in accounting policy	<u>-</u>	<u>(130,700)</u>
Deficit, end of period	<u>(3,873,703)</u>	<u>(3,491,974)</u>
Net income (loss) per common share basic and diluted	<u>0.02</u>	<u>(0.02)</u>
Weighted average number of shares outstanding	<u>21,182,619</u>	<u>20,235,936</u>

URSA MAJOR MINERALS INCORPORATED
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED APRIL 30

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	2005 \$ (Unaudited)	2004 \$ (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) for the period	399,082	(321,100)
Items not involving cash:		
Amortization	1,789	1,750
Stock-based compensation	-	163,500
Gain on sale of marketable securities	(1,080)	-
Future income tax recovery	(495,000)	-
	<u>(95,209)</u>	<u>(155,850)</u>
Changes in non-cash working capital balances:		
(Increase) in amounts receivable	(38,634)	(24,593)
(Increase) decrease in prepaid expenses	(883)	1,557
(Decrease) increase in accounts payable and accrued liabilities	<u>(65,059)</u>	<u>9,352</u>
	<u>(104,576)</u>	<u>(13,684)</u>
	<u>(199,785)</u>	<u>(169,534)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in exploration properties and deferred exploration costs	(624,427)	(698,990)
Purchase of equipment	(2,159)	(2,156)
Proceeds on sale of marketable securities	10,020	-
Increase in long term investment	(756,936)	-
	<u>(1,373,502)</u>	<u>(701,146)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common shares	-	212,140
Stock options exercised	-	30,823
	<u>-</u>	<u>242,963</u>
(Decrease) in cash and cash equivalents	(1,573,287)	(627,717)
Cash and cash equivalents, beginning of period	<u>3,674,049</u>	<u>4,577,821</u>
Cash and cash equivalents, end of period	<u>2,100,762</u>	<u>3,950,104</u>
Supplemental Information:		
Shares issued for exploration properties	15,000	81,000
Interest paid	-	-
Taxes paid	-	-

1. NATURE OF OPERATIONS

The exploration activities of Ursa Major Minerals Incorporated (the "Company") are directed towards the search, evaluation and development of mineral properties in Canada and the United States. The Shakespeare Township property is at a preliminary feasibility study level and as such a potential economic ore reserve has been defined. There has been no determination whether the Company's interests in its other exploration properties contain ore reserves which are economically recoverable. The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration and mining activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been applied for will be granted. Major expenditures are required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The recoverability of valuations assigned to mineral properties is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. Management reviews the carrying value of the Company's interest in each property and where necessary, exploration properties are written down to their estimated recoverable amount. Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, any provision for impairment in the carrying value of exploration properties and related assets.

Although the Company has taken steps to verify title to exploration properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements or transfers or native land claims, and title may be affected by undetected defects.

2. ACCOUNTING POLICIES

Management of Ursa Major Minerals Incorporated (the "Company") have prepared these interim financial statements in accordance with generally accepted accounting principles in Canada. These statements should be read in conjunction with the January 31, 2005 audited financial statements.

The disclosure in these interim financial statements may not conform in all respects to Canadian generally accepted accounting principles for annual financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended April 30, 2005 may not be indicative of the results that may be expected for the full year ending January 31, 2006.

These interim financial statements follow the same methods and policies used in the audited financial statements for the year ended January 31, 2005.

3. DUE FROM RELATED COMPANY

The amount due from related company is unsecured, non-interest bearing with no fixed terms of repayment. Two directors of the Company are also directors of the related company.

4. LONG-TERM INVESTMENT

The Company owns approximately 9.6% of Patricia Mining Corp. ("Patricia") a public company that trades on the TSX Venture Exchange. The President and a director of the Company are also directors of Patricia.

5. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	January 31, <u>2005</u> \$	<u>Expenditures</u> \$	 <u>(Write downs)</u> \$	April 30, <u>2005</u> \$
CANADA				
Sudbury, Ontario				
Shakespeare Township	2,721,256	428,339	-	3,149,595
D & H Option	101,287	-	-	101,287
Stumpy Bay Option	545,267	88,058	-	633,325
Agnew Lake	837,060	122,935	-	959,995
Porter Option	<u>98,500</u>	<u>-</u>	<u>-</u>	<u>98,500</u>
	4,303,370	639,332	-	4,942,702
USA				
Wyoming				
Carbon and Albany Counties	<u>349,330</u>	<u>95</u>	<u>-</u>	<u>349,425</u>
	<u>4,652,700</u>	<u>639,427</u>	<u>-</u>	<u>5,292,127</u>

All the property descriptions can be found in the January 31, 2005 financial statements.

6. CAPITAL STOCK

(a) **Authorized**
Unlimited number of common shares

(b) **Common shares issued**

	<u>Shares</u> #	<u>Amount</u> \$
Balance, beginning of period	21,152,619	10,409,234
Shares issued for exploration properties	30,000	15,000
Tax effects of issuing flow-through common shares	<u>-</u>	<u>(495,000)</u>
Balance, end of period	<u>21,182,619</u>	<u>9,929,234</u>

Continued...

(c) **Share Purchase Warrants**

As at April 30, 2005, the following share purchase warrants are outstanding:

<u>Warrants</u> #	<u>Exercise Price</u> \$	<u>Estimated Fair Value</u> \$	<u>Expiry Date</u>
2,575,633	1.10	880,421 (i)	May 14, 2005
219,007	0.85	87,591 (i)	May 14, 2005
29,400	0.85	13,289	December 14, 2005
50,000	1.10	21,500	July 30, 2005
<u>12,500</u>	1.10	<u>5,375</u>	August 3, 2005
<u>2,886,540</u>		<u>1,008,176</u>	

(i) Subsequent to the period end these warrants expired.

A summary of changes in share purchase warrants during the period is as follows:

	<u>Warrants</u> #	<u>Weighted Average</u> <u>Exercise Price</u> \$
Balance, beginning of period	5,038,307	0.98
Expired	<u>(2,151,767)</u>	1.07
Balance, end of period	<u>2,886,540</u>	1.08

Continued...

6. CAPITAL STOCK (Continued)

(d) **Stock Options**

The Company has granted options for the purchase of common shares to its directors, officers, employees and certain consultants. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth. These options are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant.

A summary of changes in stock options during the period is as follows:

	<u>Stock Options</u> #	<u>Weighted Average Exercise Price</u> \$
Balance, beginning and end of period	<u>1,047,000</u>	<u>0.79</u>

As at April 30, 2005, the Company had incentive stock options issued to employees, directors, officers and consultants of the Company as follows:

<u>Stock Options</u> #	<u>Exercise Price</u> \$	<u>Expiry Date</u>
124,000	0.28	January 17, 2006
212,500	0.55	November 19, 2007
170,500	0.50	May 13, 2008
75,000	1.00	January 9, 2008
150,000	1.45	March 1, 2009
<u>315,000</u>	0.95	September 7, 2009
<u>1,047,000</u>		

7. CONTRIBUTED SURPLUS

A summary of changes in contributed surplus during the period ended April 30, 2005 is as follows:

	<u>Amount</u> \$
Balance, beginning of period	591,090
Share purchase warrants expired	<u>856,540</u>
Balance, end of period	<u>1,447,630</u>