



Management's Discussion and Analysis of Financial Results For the year ended January 31, 2010

The following Management's Discussion and Analysis is intended to help the reader to understand the history, business environment, strategy, risks and the financial condition of the Company. Management's Discussion and Analysis has been prepared as of April 28, 2010 and is issued in conjunction with the audited financial statements for the years ended January 31, 2010 and 2009. The Management's Discussion and Analysis should be read in conjunction with the audited financial statements for the year ended January 31, 2010. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the Canadian dollar as the reporting currency.

The reader is encouraged to review additional information relating to the Company on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com or from the office of the company.

Financial and Operating Highlights

- In November 2009, the Company announced plans to resume mining operations at the Shakespeare Nickel Mine, located 70 km west of Sudbury Ontario. URSA Major entered into a letter of intent with Xstrata Nickel to process Shakespeare ore at the Strathcona mill in Sudbury for a 24 month period beginning in January 2010. On February 4, 2010 the Company announced that mining operations had resumed and approximately 208,000 tonnes of ore are expected to be mined, delivered and processed in 2010.
- URSA Major's initial 5-hole, 1,807 meter, drilling and borehole electromagnetic geophysical survey program at the past producing Nickel Offset No.1 Mine, located in the Foy Offset Dyke of the Sudbury Complex, identified massive sulphide targets in proximity to the existing mine workings on the property. The first drill results included the intersection of a new lens of high grade massive sulphides grading 3.12% nickel, 1.15% copper and 3.6 g/t precious metals over 1.6 meters.
- In August 2009, URSA Major signed an Impacts Benefits Agreement (IBA) with Sagamok Anishnawbek First Nation in relation to the Shakespeare Project.
- For the year ended January 31, 2010, although the Shakespeare Mine was on care and maintenance, URSA Major received receipts of \$744,598 on the sale of metals from test mining programs in the fall of 2008 and additional shipments of 10,000 tonnes of ore made in 2009.
- The Company reported no operating revenue for the year ended January 31, 2010. Since the company has not declared commercial production at the Shakespeare project, pre-production revenue was applied against the investment in the Shakespeare project in accordance with Canadian general accepted accounting principles (GAAP). Net loss for the year was \$1,489,817 (loss of \$0.03 per share)

which includes a loss on the sale of investment of \$885,057 as a result of liquidating all remaining investment in Richmond Mines Inc. and Nyah Resources Corporation.

- In February 2010, URSA Major announced that the Company had arranged a credit facility with Auramet Trading, LLC to finance the Company's metal inventory and receivables associated with ore produced from the Shakespeare Mine. The facility is for a total of up to US\$2.5 million.
- Subsequent to the year end, URSA Major announced that the Company had arranged non-brokered private placement financings for 4363,668 flow through common shares and 7,300,000 units for total gross proceeds of \$1,219,640.

Overview and Strategic Activities

URSA Major Minerals Incorporated ("URSA Major") is a TSX-listed Canadian public company with a focus on development and exploration of nickel, copper and precious metal deposits. URSA Major has a variety of projects ranging from the operating Shakespeare Mine with defined mineral reserves through to early stage exploration.

In February 2010, the Company announced that it has resumed mining operations at the Shakespeare Mine, located 70 km west of Sudbury Ontario. URSA Major has entered into a letter of intent with Xstrata Nickel ("Xstrata") to process Shakespeare ore at the Strathcona mill in Sudbury for a 24 month period beginning in January 2010. To the end of 2010, URSA Major anticipates the production of approximately 208,000 tonnes of ore from the Shakespeare Mine. Based on previous ore grades and metallurgical results, contained metals are anticipated to total approximately 1,055,000 pounds of nickel, 1,677,000 pounds of copper, 55,000 pounds of cobalt and 3,100 ounces of precious metals. The recovered and contained metals are subject to smelter recoveries and to further smelter deductions.

During the third quarter of 2008, the Company announced a temporary suspension of pre-production mining operations due to low commodity prices. The property was on care and maintenance during the year ended January 31, 2010. During 2008, the Company had shipped and processed a total of 83,029 tonnes of ore at Xstrata's Strathcona mill.

During the year ended January 31, 2010, Ursa Major received receipts of \$744,598 for metals from test mining programs in the fall of 2008 and additional shipments of 10,000 tonnes of available ore in early 2009.

At the Shakespeare Project, the Company has defined a substantial near-surface mineral reserve and has completed a positive feasibility study on a 4,500 tonne/day open pit mining operation and on-site processing plant. The project has a diluted Probable Reserve of 11,828,000 tonnes grading 0.33% nickel, 0.35% copper, 0.02% cobalt, 0.33 g/t platinum, 0.36 g/t palladium and 0.18 g/t gold. URSA Major has received all of the major permits required to proceed with an open-pit mine and 4,500 tonne per day concentrator at Shakespeare. The ore processed by Xstrata during the pre-production mining program exceeded the reserve grade by over 10% and had consistent grade and metallurgical characteristics.

URSA Major has a 100% interest in the Shining Tree nickel-copper deposit located 110 km north of Sudbury. At Shining Tree, URSA Major has defined an Indicated Resource of 1.02 million tonnes grading 0.71% nickel, 0.36% copper plus an Inferred Resource of 1.49 million tonnes grading 0.67% nickel and 0.36% copper. Based on a preliminary economic study that evaluated an open-pit mine at Shining Tree, with truck haulage and processing at the proposed Shakespeare mill, URSA Major has identified an in-pit diluted resource of approximately 398,000 tonnes at a grade of 0.68% nickel and 0.33% copper.

URSA Major has a large 37,000 acre exploration property known as the Porter Baldwin property that covers a prospective 15 km strike length extending from the Shakespeare deposit towards the Sudbury intrusive complex. This property contains exploration targets for magmatic sulphide nickel-copper deposits similar to Shakespeare. Exploration since 2004 has demonstrated the presence of Shakespeare-type mineralization on the property.

URSA Major has entered into an option agreement with United Reef Limited (“United Reef”) whereby URSA Major can earn a 70% interest in United Reef’s 100% owned past-producing Nickel Offsets Mine, located in Foy Township, 40 km northwest of Sudbury, Ontario. The Nickel Offsets Property consists of twelve contiguous patented mining claims and five unpatented mining claims covering 358 ha (884 acres). The property hosts the past-producing Nickel Offsets (Ross) Mine which between 1943 and 1957 produced 208,551 tons of nickel and copper ore with reported production of 4.56 million lbs of nickel and 3.32 million lbs of copper.

In the first quarter of fiscal 2010, URSA Major announced the staking of the Seagull and Disraeli exploration properties located 70 km north of Thunder Bay, Ontario that target intrusions similar to Magma Metals Limited’s platinum-palladium discovery at Current Lake, north of Thunder Bay.

URSA Major has a strategic alliance with Korea Resources Corporation (“KORES”), a state owned Korean Corporation, to identify and acquire significant advanced base metal exploration projects for exploration and development.

Results of Exploration and Development Activities

Shakespeare Nickel Mine – The Shakespeare Nickel Mine is located 70 km west of Sudbury, Ontario. For the year ended January 31, 2010, the property was on care and maintenance following a suspension of pre-production mining operations in October 2008 due to low commodity prices. In 2008, prior to the suspension of operations, a total of 83,029 tonnes of ore were processed by Xstrata. This ore had average grades of 0.39% nickel, 0.40% copper, 0.03% cobalt and over 1 gram/tonne precious metals. The grade has been consistently higher than block model projections.

In the first half of 2009, the Company shipped 10,000 tonnes of stockpiled ore to Xstrata for processing.

During the year, the Company implemented several site improvements at Shakespeare including construction of a water pipeline to pump mine water to the sedimentation pond facility. The company initiated environmental monitoring and reporting procedures as required under the Company's environmental permits. Water treatment and monitoring was also required prior to discharge from the sedimentation pond. The Company continues to carry out surface and groundwater sampling as part of on-going site monitoring activities.

In August 2009, URSA Major signed an Impacts and Benefits Agreement ("IBA") with Sagamok Anishnawbek First Nations ("Sagamok"). The IBA is the first such agreement to be entered into by either Sagamok or URSA Major, and one of only a few in the Sudbury mining camp. It followed an Interim Measures Agreement entered into by Sagamok and URSA Major in September 2007 that paved the way for the filing of a Closure Plan for the Shakespeare Project with the Ministry of Northern Development and Mines.

An updated Shakespeare feasibility study completed in 2008, by Micon International Limited ("Micon") evaluated the base case of an open pit mine and a 4,500 tonne/day on-site concentrator. 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 and subsequent concentrate for sale". At projected metal prices including nickel at an average of US\$9.37/lb, the project is projected to yield an after tax internal rate of return ("IRR") of 22.6% (29.1% pre-tax IRR) on an initial total capital cost of C\$148,193,000. Net smelter revenue ("NSR") is \$58.89/tonne and totals C\$696,331,000 for the project. Total operating cost is C\$26.64/tonne milled. The undiscounted total annual cash flow ("NPV") is C\$169,581,000 and the NPV discounted at 8% is C\$73,297,000. The project has a 7.2 year mine production life. The economic analysis makes the assumption of a reversion of metal prices from current levels to their 10-year historical median Canadian dollar prices, expressed in 2007 terms. Current price levels are assumed to regress exponentially toward the median, with a 'decay' half-life of three years. The resulting average prices over the life of the project, expressed in 2007 dollars, are nickel US\$9.37/lb, copper US\$2.11/lb, cobalt US\$27.57/lb, platinum US\$995.52/ounce, palladium US\$342.49/ounce, gold US\$563.27/ounce. The base exchange rate for the economic analysis is taken from the average of over 9 months of 2007, for a rate of C\$1 = US\$0.9052.

The feasibility study update has defined a diluted Probable Reserve of 11,828,000 tonnes grading 0.33% nickel, 0.35% copper, 0.02% cobalt, 0.33 g/t platinum, 0.36 g/t palladium and 0.18 g/t gold. The mineral reserve is to a maximum depth of 250 metres below surface and was determined by applying a C\$12.84/tonne NSR internal cut-off value which is derived from the sum of the milling 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 C\$50/tonne is located outside of the pit shell. The majority of the Indicated Resource is down plunge to the east of the pit shell. Mr. Terrence Hennessey, P.Geo, of Micon is the qualified person for the resource estimate. Mr. Eugene Puritch, P.Eng. of P&E Engineering

is the qualified person for the reserve estimate. Mr. Ian Ward, P.Eng. of Micon is the qualified person for the feasibility study.

The Shakespeare Mine has all permits including a Permit to Take Water, Certificate of Approval for noise and air emissions, and a Certificate of Approval for the Shakespeare Mine and Mill co-disposal facility and sedimentation pond for water treatment. The Company also received acceptance of a certified Closure Plan for the Shakespeare Mine and Mill Project from the Ontario Ministry of Northern Development and Mines (“MNDM”) in 2007. The Company also has received a permit from the Ontario Ministry of Natural Resources (“MNR”) for the operation of a gravel pit located approximately 3 km north of the Shakespeare nickel-copper project, in the Sudbury area of Ontario. The 290 acre (120 ha) gravel pit will be used as an aggregate source for site improvements and construction at the Shakespeare project.

In addition to custom milling of Shakespeare ore at the Strathcona Mill, URSA Major has an agreement with Xstrata that provides terms for the smelting of URSA Major’s concentrates for a period of seven years.

URSA Major currently has a 100% beneficial interest in the Shakespeare project area which contains all of the Shakespeare reserves and resources and is subject to a 1.5% royalty in favour of Xstrata. The Shakespeare project area is partially surrounded by an exploration property that is the basis of a joint venture between URSA Major and Xstrata with URSA Major as the project operator. URSA Major has approximately an 80% beneficial interest in the joint venture area.

Porter Baldwin Property (including the Porter Option) - URSA Major's 100%-owned Porter Baldwin Property comprises over 958 claim units (38,650 acres) that cover a 15 km strike length extending from the Shakespeare deposit towards the Sudbury intrusive complex. During 2004, URSA Major conducted geological mapping, geophysical surveys including a MEGATEM airborne electromagnetic (“EM”) survey and diamond drilling on the Porter Baldwin Property. This exploration demonstrated that rocks with similar characteristics and style of mineralization to the Shakespeare deposit are present on the property. Drilling in early 2005 intersected minor sulphide mineralization on the property at the same stratigraphic position as the Shakespeare deposit. The results provide evidence of a magmatic sulphide target of regional extent. The Company is continuing to map and prospect the property to develop new drill targets.

Shining Tree Nickel Project – URSA Major has a 100% interest in a nickel-copper deposit located near Shining Tree, Ontario. The Shining Tree Property is located in Fawcett Township, 110 km north of Sudbury, Ontario and consists of 39 staked mining claims covering an area of approximately 1,600 acres. The property has an Indicated Resource of 1.02 million tonnes grading 0.71% nickel, 0.36% copper plus an Inferred Resource of 1.49 million tonnes grading 0.67% nickel and 0.36% copper at a cut off value of 0.30% nickel equivalent. Mr. Robert Carter, P.Eng., of Wardrop Engineering Inc. supervised the resource estimate and is the Qualified Person under National Instrument 43-101.

Micon has completed a preliminary technical and economic analysis that evaluated a 1,000 tonne/day open pit operation at Shining Tree with truck haulage to the proposed Shakespeare mill. Based on operating the Shining Tree Project as a satellite to the Shakespeare project, and using metal price assumptions from the Shakespeare feasibility study, Micon identified an in-pit diluted resource of approximately 398,000 tonnes at a grade of 0.68% nickel and 0.33% copper. Preliminary metallurgical test work on the Shining Tree mineralization by SGS Lakefield Research Limited has demonstrated that the mineralization is amenable to processing using the proposed Shakespeare mill floatation circuit. During 2008, the Company has continued environmental baseline studies at Shining Tree.

Nickel Offsets Property – URSA Major has an option agreement with United Reef Limited (“United Reef”)(TSX-V:URP) whereby URSA Major can earn a 70% interest in United Reef’s 100% owned Nickel Offsets Property, located 40 km northwest of Sudbury, Ontario. The Nickel Offsets Property is located in Foy Township, Ontario and consists of twelve contiguous patented mining claims and five unpatented mining claims covering 358 ha (884 acres). The property hosts the past-producing Nickel Offsets (Ross) Mine which between 1943 and 1957 produced 208,551 tons of nickel and copper ore with reported recoveries of 4.56 million lbs of nickel and 3.32 million lbs of copper. The past-producing mine has two shafts and was developed to a maximum depth of 1,599 ft (487 m). The property covers a 2.25 km strike length of the Foy Offset Dike which is part of the Sudbury basin. Sulphide mineralization on the property consists of pods, lenses and veins of massive and semi-massive pyrrhotite, pentlandite and chalcopyrite. Subsequent to the historical production, the property was explored by United Reef Petroleum Limited (1987-1988), Inco Limited (1990) with 8,680 meters of drilling in 10 holes, and United Reef Limited – International CHS Resources Corporation (2004-2005) with 1,830 meters in 9 holes.

URSA Major completed an initial 5-hole 1,807 meter drilling and borehole electromagnetic (EM) geophysical survey program at Nickel Offsets in December 2009. This program identified massive sulphide targets in proximity to the existing workings of the past producing Nickel Offset No.1 Mine. The first drill results include the intersection of a new lens of high grade massive sulphides grading 3.12% nickel, 1.15% copper and 3.6 g/t precious metals over 1.6 meters. The high grade intersection in U15-02 is a newly discovered mineralized lens and is located at a relatively shallow level within the former mine workings at a down hole depth of 250.4 to 252.0 meters. The hole was drilled at an inclination of -53° and the lens is interpreted to have a sub-vertical dip. A borehole EM survey in U15-02 identified an in-hole anomaly coincident with the massive sulphide intersection. The in-hole anomaly in U15-02 is modelled as the response from a conductive source centered east of and below U15-02. URSA Major is planning further drilling to test this target. Hole U15-05 was drilled approximately 160 meters east of hole U15-02 to test the up dip extension of mineralization in the number 3 lens in former mine workings. This hole encountered a narrow 0.30 cm interval of heavily disseminated sulphide grading 1.41% nickel, 0.44% copper and 0.82 g/t precious metals. Borehole surveying in U15-05 identified another conductive source off the end of the hole. Further drilling borehole surveying will be required to determine the specific location of this target.

URSA Major can earn a 70% interest in the Nickel Offsets property by making cash payments totalling and completing exploration expenditures on the property totalling \$1.25 million.

KORES Alliance - URSA Major has a strategic alliance with Korea Resources Corporation (“KORES”) to identify and acquire significant advanced base metal exploration projects for exploration and development. KORES is a state owned South Korean public corporation which is dedicated to advancing Korean domestic mineral resource development efforts and at the same time securing required mineral resources from abroad.

URSA MAJOR MINERALS INCORPORATED - RESERVES AND RESOURCES

Shakespeare Nickel Copper Deposit Reserve and Resource Estimates

Shakespeare Nickel Copper Deposit Reserves (As of June 30, 2007)*

Reserve Category	Tonnes	%Ni	%Cu	%Co	g/t Au	g/t Pt	g/t Pd
Probable Reserve	11,828,000	0.33	0.35	0.02	0.18	0.33	0.36

*These reserves have been depleted by pre-production mining of approximately 180,000 tonnes to January 31, 2010.

Additional Shakespeare Nickel Copper Deposit Resources outside of pit shell

Resource Category	Tonnes	% Ni	% Cu	% Co	g/t Au	g/t Pt	g/t Pd
Indicated							
East	1,763,000	0.37	0.41	0.03	0.219	0.363	0.388
West	69,000	0.35	0.43	0.02	0.176	0.327	0.361
Total	1,832,000	0.37	0.41	0.03	0.218	0.361	0.387
Inferred							
East	716,000	0.38	0.39	0.03	0.181	0.317	0.334
West	20,000	0.31	0.35	0.02	0.157	0.283	0.317
Total	736,000	0.37	0.39	0.03	0.180	0.316	0.333

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 contained within an optimized pit shell with an NSR cut off above C\$24.23. The Probable Reserve, which is diluted for mining, is to a maximum depth of 250 metres below surface and was determined by applying a C\$12.84/tonne NSR internal cut-off value which is the sum of the mill processing and G&A costs. The feasibility economic analysis which defines the reserve makes the conservative assumption of a reversion of metal prices to their 10-year historical median Canadian dollar prices, expressed in 2007 terms. Current price levels are assumed to regress exponentially toward the median, with a ‘decay’ half-life of three years. The resulting average prices over the life of the project, expressed in 2007 dollars, are nickel US\$9.37/lb, copper US\$2.11/lb, cobalt US\$27.57/lb, platinum US\$995.52/ounce, palladium US\$342.49/ounce, gold US\$563.27/ounce. The base exchange rate for the economic analysis is taken from the average of over 9 months of 2007, for a US\$/C\$ rate of 0.9052. The NSR model uses smelting and refining costs in URSA Major’s agreement with Xstrata Nickel. Mr. T. Hennessey, P.Geol, of Micon and Mr. E. Puritch of P&E Engineering are the qualified persons for the resource and reserve estimates and Mr. I. Ward, P.Eng. of Micon is the qualified person under National Instrument 43-101 for the feasibility study.

Shining Tree Nickel-Copper Deposit, Mineral Resource Estimate

Resource Category	Tonnes	% Ni	% Cu	% Co
Indicated	1,020,000	0.71	0.36	0.02
Inferred	1,490,000	0.67	0.36	0.03

The resource estimate was performed by Wardrop Engineering Inc. ("Wardrop") and is based on eight NQ holes (total length of 976m) that were drilled by URSA Major and 16 holes by previous operators. In estimating the mineral resource, a mineralization envelope of greater than 0.30% nickel equivalent (NIEQ, where $NIEQ = Ni\% + Cu\%/4$) was interpreted. Capping was required for 5 assays at a value of 2.50% for nickel and 1.56% copper and 4 assays of cobalt at 0.08%. The Indicated resource was classified based on ranges defined by variography using a minimum of two drill holes. The remaining mineralization was classified as Inferred. Mr. Rob Carter, P.Eng., of Wardrop supervised the resource estimate, is the Qualified Person under National Instrument 43-101.

Results of Operations

The Company reported no operating revenue for the year ended January 31, 2010. During the year \$744,598 in pre-production net revenue from the Shakespeare Project was realized. This was applied against the investment in the Shakespeare project in accordance with Canadian generally accepted accounting principles. Subsequent to the year end commercial production was declared at the Shakespeare project and all revenues and expenses attributable to this project will now be presented in the statements of operations.

Net loss for the year was \$1,489,817 or a loss of \$0.03 per share compared to a net loss of \$2,021,634 or a loss of \$0.06 per share for the previous year. This year's loss contained a loss on the sale of investment of \$885,057 (2009; \$933,703) as a result of liquidating all remaining investment in Richmond Mines Inc. and Nyah Resources Corporation.

During the year, the Company incurred \$964,367 in administrative and general expenses compared to \$958,617 for the previous year. Included in administrative expenses is a non cash charge of \$98,000 for stock based compensation.

Management and directors compensation increased by \$61,423 due to a full year's compensation paid to a senior officer. The comparative figure of \$185,000 contained only a partial year's compensation to the same officer.

Rent increased by \$60,788 as a result of no longer sharing office space with a former tenant and a general yearly increase pursuant to the lease agreement.

Professional fees increased by \$28,709 as compared to the prior year. This year's expense increased as a result of incurring legal fees relating to debt settlements and other corporate matters.

Salaries and benefits increased by \$22,389 as a result of hiring a project manager near the end of the year in anticipation of the Shakespeare mine start up in early 2010.

Business development expense decreased by \$39,269 as the result of a reduction in marketing initiatives including further cut backs on attending industry related trade shows and reducing fees paid to consultants for corporate marketing.

Travel costs were down \$23,914 as a result of management's initiatives to continue to reducing costs were possible.

Stock exchange and transfer agent fees decreased by \$19,107 as compared to the prior year as a result of a decrease in activity performed by the Company's transfer agents.

A slight foreign exchange gain of \$12,497 was realized as compared to a loss of \$175,344 in the prior year as a result of timing differences between receiving provisional metal payments and final metal payment in a period when the Canadian dollar was strengthening as compared to the US dollar.

All other administrative expenses remained materially unchanged from the prior year.

For the year ended January 31, 2010, \$1,410,739 was incurred on care and maintenance, exploration expenditures and acquisitions of interests in mineral properties. This compares with \$8,822,364 incurred in the previous year. Pre production receipts of \$744,598 (2009; 8,013,669) were received on the sale of remaining metals from the 2008 pre-production mining program at the Shakespeare Project and 10,000 tonnes of ore delivered in early 2009.

The Company incurred expenditures of \$963,405 on the Shakespeare Project compared to \$8,612,454 for the year ended January 31, 2009. Expenditures for the year were for site care and maintenance and milling of the . Major activity in the prior year included \$7,159,708 of test mining costs offset by test mining receipts of \$8,013,699 from the sale of metals.

The Company incurred a total of \$363,233 (2009 - \$52,656) during the year at the Nickel Offsets property. Major expenditures included a \$315,354 diamond drill and accompanying geophysics program and an option payments of \$25,000.

The Company spent an additional \$84,101 on its other exploration properties during the year.

Liquidity and Capital Resources

As at January 31, 2010, the Company had cash and cash equivalents in the amount of \$31,741. This compares to \$1,382,887 in cash and cash equivalents and \$528,408 in investments for the year-end January 31, 2009. At January 31, 2010, the Company had a working capital deficit of \$677,318 compared to working capital deficit of \$634,338 as at January 31, 2010. Working Capital has remained materially unchanged although cash balances decreased by \$1,351,146 and correspondingly, accounts payable was reduced by \$1,350,928.

During the year the Company completed two private placements issuing a total of 5,000,000 common shares and 2,500,000 warrants for gross proceeds of \$500,000.

Further details of financing activities can be found in Note 9 to the January 31, 2010 audited financial statements.

At this time, the Company has no operating revenues. The Company has raised funds in the past through equity financing and the exercise of options and warrants to finance its operations. During the year ended January 31, 2010, the Company raised net cash of \$463,353 from financing activities, this compares with \$307,467 for the previous year.

During the year, the Company sold its shares in Richmond Mines Inc. and Nyah Resources Corporation and realized cash proceeds of \$392,428 and \$195,554 respectively.

Commitments and Contractual Obligations

The Company has a lease commitment for premises, which expires February 29, 2013. Minimum rental commitments over the life of the lease approximate \$383,000.

The Company is committed to spending approximately \$500,000 on exploration costs by December 31, 2010 as part of the flow-through funding agreements that were completed during the year.

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to cleanup costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees. The Company has not determined and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take. To date, the Company has provided a reclamation bond in the amount of \$601,979 (2008 - \$601,979) to the Ministry of Northern Development and Mines.

The following table sets out as at January 31, 2010 the company's know contractual obligations and the estimate time horizon for their repayment.

Contractual Obligations	Payments due by period				
	Total	<1 year	1-3 years	3-5 years	>5 years
Office lease obligations	383,000	123,000	250,000	10,000	0
Flow through exploration obligations	500,000	500,000	0	0	0
Asset retirement obligations	601,979	0	0	0	601,979
Total	1,484,979	623,000	250,000	10,000	601,979

Summary of Annual Results

	2010	2009	2008
	\$	\$	\$
Revenue	4,207	40,106	112,116
Net (loss) income for the year	(1,489,817)	(2,021,634)	1,714,409
Net (loss) income per common share Basic ¹	(0.03)	(0.06)	0.06
Total Assets	18,593,766	19,846,594	21,671,725

¹ Loss per share remains the same on a fully diluted basis.

Summary of Quarterly Results

2010	Jan. 31	Oct. 31	July 31	Apr. 30
	\$	\$	\$	\$
Revenue	24	13	734	3,436
Net income (loss) for the period	(927,198)	(296,398)	(163,014)	(103,207)
Net income (loss) per share ¹	(0.02)	(0.01)	(0.00)	(0.00)
Total assets	19,846,594	18,592,501	18,180,741	18,321,404
2009	Jan. 31	Oct. 31	July 31	Apr. 30
	\$	\$	\$	\$
Revenue	6,501	11,860	12,308	9,437
Net income (loss) for the period	(802,705)	(867,522)	(181,292)	(170,115)
Net income (loss) per share ¹	(0.02)	(0.03)	(0.01)	(0.01)
Total assets	19,846,594	21,258,784	20,099,927	20,296,416

¹ Loss per share remains the same on a fully diluted basis.

Fourth Quarter

The Company's net loss for the three months ended January 31, 2010 was \$927,198 or \$0.02 loss per share as compared to net loss of \$802,705 or \$0.03 loss per share for the three months ended January 31, 2009. A major expense in the fourth quarter of 2010 was the loss on the sale of investments of \$856,656 as a result of selling the Company's shares of Nyah Resources Corporation. The Company also realized management and director's compensation expenses of \$71,346, salaries and benefits of \$45,892 and general and office expenses of \$31,177. The Company also realized a future income tax recovery of \$151,900 in the quarter.

The Company incurred exploration expenditures of \$430,213 in the quarter of which \$228,807 was attributable to a diamond drill program at the Nickel Offsets Property. An additional \$144,513 was incurred as care and maintenance costs at the Shakespeare Project. Additional exploration expenditures of \$56,893 were incurred during the quarter on the Company's other exploration properties.

Related Party Transactions

During the year, a corporation associated with a former director of the Company was paid fees of \$6,476 (2009 - \$17,672).

During the year, a corporation controlled by a former officer of the Company was paid legal fees of \$30,330 (2009 - \$10,756).

Related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Shares Issued and Outstanding

As at April 28, 2010, the issued and outstanding common shares of the Company totalled 64,879,084. In addition, 1,850,000 stock options and 9,825,389 warrants have been granted to purchase a total of 11,675,389 common shares of the Company.

Proposed Transactions

While the Company continues to seek and evaluate mines, mineral deposits exploration projects and financing opportunities to advance the company, there are no reportable transactions pending at this time.

Financial Instruments

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash equivalents, amounts receivable and restricted cash. Restricted cash consists of guaranteed investment certificate ("GIC") which has been invested with a reputable financial institution. The Company does not hold any non-bank asset backed commercial paper. Management believes the risk of loss is remote. Financial instruments included in amounts receivable consist of goods and services tax due from the Federal Government of Canada, and receivables from related and unrelated companies. The Company has a significant concentration of credit risk arising from test mining as all metal sales proceeds are receivable from one entity. The debenture receivable is from a related company, and is convertible. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2009, the Company did not have sufficient cash and cash equivalents to settle current liabilities of \$760,549. Management

believes that additional proceeds from future metal sales to be received but not yet receivable from ore already processed will be available to discharge current liabilities.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Currently, the Company does not hedge against interest rate risk.

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Test mining proceeds are received in US dollars and immediately converted to Canadian dollars to reduce exchange risk. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk.

Price risk

The Company is exposed to price risk with respect to commodity prices, specifically nickel and copper. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future mining operations will be significantly affected by changes in the market price of nickel and copper. Nickel and copper prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand of these metals, the level of interest rates and the rate of inflation can all cause significant fluctuations in these metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Fair Value

The Company has designated its cash equivalents and restricted cash equivalents as held for trading, measured at fair value. Amounts receivable and due from related company are classified as loans and receivables, which are measured at amortized cost. Investments are designated as available for sale, measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying values of cash equivalents, amounts receivable, restricted cash equivalents and accounts payable and accrued liabilities reflected in the balance sheet approximate fair value because of the limited term of these instruments.

At January 31, 2010, the Company's financial instruments that are carried at fair value, consisting of cash and cash equivalents, restricted cash equivalents have been classified as Level 1 within the fair value hierarchy.

The carrying values of Investments approximate their fair values as the investments have been adjusted to current market value.

The fair value of amounts due from the related company cannot be determined as no comparable market information exists.

Critical Accounting Estimates

In preparing these financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. The most significant accounting estimates are the policy of capitalizing exploration costs on its mineral properties and the valuation of such properties, asset retirement obligations and stock-based compensation.

The Company reviews its portfolio of mineral properties on a periodic basis to determine whether a write-down of the capitalized cost of any property is required. The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet its obligations under various agreements.

Estimates of asset retirement obligations are the costs associated with the Shakespeare Nickel Project closure plan. These amounts are estimates of expenditures that are not due until future years.

The Company uses a Black-Scholes option-pricing model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data and comparables in the estimate of future volatilities.

New Accounting Policies Adopted

Goodwill and Intangible Assets

The CICA issued Handbook Section 3064 "Goodwill and Intangible Assets", which will replace the existing Goodwill and Intangible Asset standard. The new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. The Company adopted this standard on February 1, 2009 with no impact on the Company's financial statements.

Fair Value Hierarchy and Liquidity Risk Disclosure

In June 2009, the Canadian Accounting Standards Board issued an amendment to CICA Section 3862, "Financial Instruments Disclosures" in an effort to make Section 3862 consistent with IFRS Section 7 - Disclosures ("IFRS 7"). The purpose was to establish a framework for measuring fair value in Canadian GAAP and expand disclosures about fair value measurements. To make the disclosures an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or

liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). The Company has included additional disclosure in Note 16 to these financial statements.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canada GAAP and IFRS.

Business Combinations

CICA Handbook Section 1582 "Business Combinations", replaces Section 1581 - "Business Combinations" and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 - Business Combinations. This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. The Company will adopt this standard on January 1, 2011.

Consolidations and Non-Controlling Interests

CICA Handbook Sections 1601 "Consolidations" and Section 1602 "Non-Controlling Interests" replace Section 1600 "Consolidated Financial Statements". Section 1602 provides the Canadian equivalent to International Accounting Standard 27 - "Consolidated and Separate Financial Statements", for non-controlling interests. The Company will adopt this standard on January 1, 2011.

Risks and Uncertainties

Mining Industry

The exploration for, development and mining of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Corporation will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly

cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Shakespeare Project is subject to most of the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

The Company's activities are directed towards the search, evaluation, development and mining of mineral deposits. Several of the mineral properties in which the Company has an interest contain no known body of commercial ore and any exploration programs thereon are exploratory searches for ore, other properties in which the Company has an interest are subject to preliminary stages of exploration and development programs only, while other properties in which the Company holds an interest are in the pre-production stage. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore.

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Uncertainty of Reserve and Resource Estimates

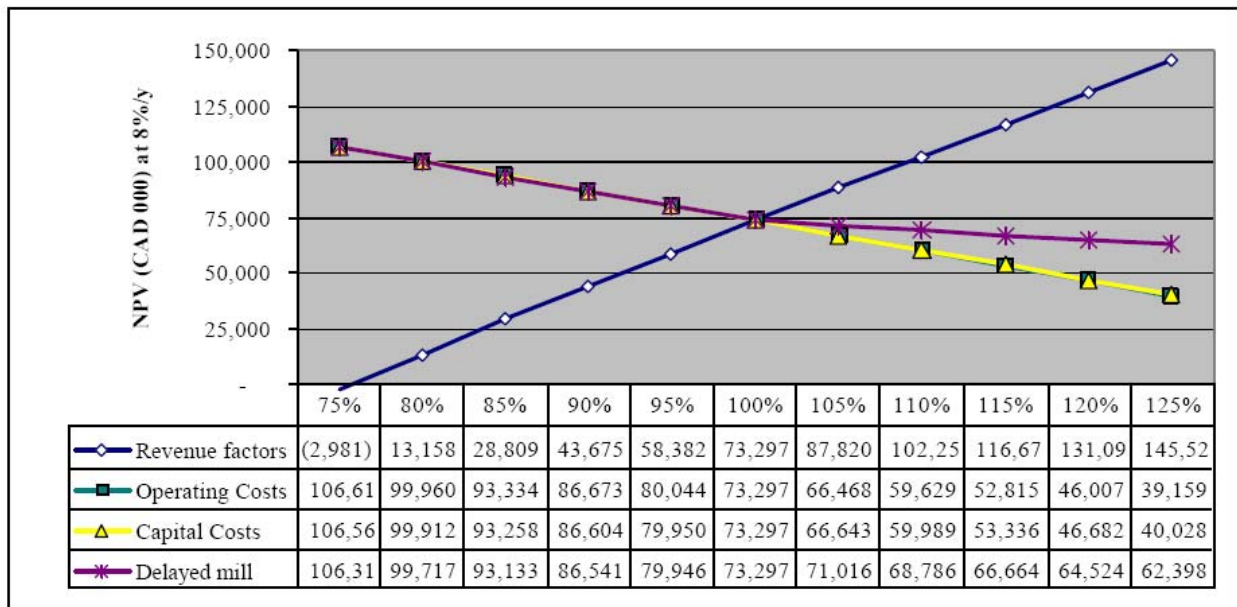
URSA Major is a development stage enterprise in the process of exploring and developing its interests in resource properties. The figures for reserves and resources presented herein are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the expected level of recovery will be realized. Such figures have been determined based upon assumed metal prices and operating costs. Future production could differ dramatically from reserve estimates for, among other reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect resources and reserves;
- the grade of the resources and reserves may vary significantly from time to time and there is no assurance that any particular level of metals may be recovered from the ore; and
- declines in the market price of the metals may render the mining of some or all of the reserves uneconomic.

Any of these factors may require the Company to reduce its resource or reserves estimates or increase its costs. Short-term factors, such as the need for the additional development

of a deposit or the processing of new different grades, may impair the Company's profitability. Should the market price of the metals fall, the Company could be required to materially write down its investment in mining properties or delay or discontinue production or development of new projects.

The Net Present Value ("NPV") of the Shakespeare project as determined in the 2008 feasibility study addendum by Micon is most sensitive to improvements in revenue drivers (metal prices, recovery, grades, NSR terms), moderately sensitive to operating costs and reserve tonnage, less sensitive to capital and throughput. The graph and table below provide the sensitivity analysis from the feasibility study for a NPV discounted at 8%.



The Shakespeare feasibility study was based on average metal prices as follows: nickel US\$9.37/lb, copper US\$2.11/lb, cobalt US\$27.57/lb, platinum US\$995.52/ounce, palladium US\$342.49/ounce, gold US\$563.27/ounce. The exchange rate for the economic analysis is a US\$/C\$ rate of 0.9052.

Government Regulation

The exploration and development activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration and development activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or

curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and development, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Government approvals and permits are currently, and may in the future be, required in connection with Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Permits and Licenses

Mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Company or, if they are issued, that they will be renewed, or that the Company will be in a position to comply with all conditions that are imposed. Nearly all mining projects require government approval. There can be no certainty that these approvals will be granted to the Company in a timely manner, or at all.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Production at mineral properties may involve the use of dangerous and hazardous substances. While all steps will be taken to prevent discharges

of pollutants into the ground water and the environment, the Company may become subject to liability for hazards that cannot be insured against.

Commodity Prices

The future profitability of the Company will be directly related to the market price of nickel, copper and other metals. Metal prices fluctuate considerably and are affected by numerous factors beyond the Company's control, such as industrial demand, inflation and expectations with respect to the rate of inflation, the strength of the U.S. dollar and of other currencies, interest rates, forward sales by producers, production and cost levels and changes in investment trends. Nickel and copper prices are sometimes subject to rapid short-term changes because of speculative activities. If these prices were to decline significantly or for an extended period of time, the Company might be unable to continue its operations, develop its properties or fulfill its obligations under its agreements with its partners or under its permits and licenses. As a result, the Company might lose its interest in, or be forced to sell, some of its properties. In the event of a sustained, significant drop in Nickel and Copper prices, the Company may be required to re-evaluate its assets, resulting in reduced estimates of reserves and resources and in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges. Furthermore, since nickel and copper prices are established in US dollars, a significant increase in the value of the Canadian dollar relative to the US dollar coupled with stable or declining nickel and copper prices could adversely affect the Company's results with respect to development of, and eventual sale of these metals.

Uninsured Risks

The Company carries insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which the Company cannot insure or against which it elects not to insure.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or significant shareholders of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors to be in a position of conflict. In the event that a director or executive officer has a material interest in any transaction being considered by the Company, any such conflict will be subject to and governed by procedures prescribed by the Business Corporations Act (Ontario) (the "OBCA") which require a director or officer of a corporation experiencing such a conflict to disclose his interest and refrain from voting on any such matter unless otherwise permitted by the OBCA. In addition, Section 134 of the OBCA provides that every director must act honestly and in good faith with a view to the best interests of the Company. Section 134 is a formalization of the fundamental fiduciary duty that a director has to the corporation and encompasses, among other obligations, a duty of loyalty and a duty of confidentiality. As a fiduciary, a director may not interfere with, or take advantage of, any opportunities that rightfully belong to the Company. That a director may represent a specific shareholder of the Company does not relieve the director from fulfilling his fiduciary duty to the Company. If such director was to take any action which preferred the interests of a third party to the interests of the Company, such director would be liable to the company for a breach of his

fiduciary duty, regardless of any legal duties which such director may have to the third party.

Land Title

Although title to the Company's mineral properties has been reviewed by or on behalf of the Company and title opinions were delivered to the Company, no assurances can be given that there are no title defects affecting the properties. Title insurance generally is not available for mining claims in Canada, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of all the claims in which it holds direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. Accordingly, the properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties.

Requirement of Additional Financing

The continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing or the joint venturing of projects or other means. No assurance can be given that the Company will be successful in obtaining the required financing on acceptable terms, if at all.

Dependence on Personnel

The Company's ability to manage growth effectively will require the Company to continue to implement and improve the Company's management systems and to recruit and train new employees. Although the Company has done so in the past, the Company cannot assure that it will be successful in attracting and re-training skilled and experienced personnel.

Off Balance Sheet Items

There are no off balance sheet items.

Outlook

URSA Major has entered into an agreement with Xstrata Nickel to process Shakespeare ore at the Strathcona mill located in Sudbury, Ontario. URSA Major's processing agreement with Xstrata is for 24 months, subject to certain provisions that allow for early termination of the arrangement by either party.

URSA Major initiated open pit mining operations at Shakespeare in early February and commenced trucking ore to Xstrata Nickel's Sudbury mill on February 10th, 2010. To the end of 2010, URSA Major anticipates the production of approximately 208,000 tonnes of ore from the Shakespeare Mine. Based on previous ore grades and metallurgical results, contained metals are anticipated to total approximately 1,055,000 pounds of nickel, 1,677,000 pounds of copper, 55,000 pounds of cobalt and 3,100 ounces of precious

metals. The recovered and contained metals are subject to smelter recoveries and to further smelter deductions.

In February and March 2010, 29,533 tonnes of ore were delivered with contained metals totalling approximately 118,000 pounds of nickel, 182,000 pounds of copper, 6,000 pounds of cobalt and 380 ounces of precious metals. The ore shipped in February and March was mainly broken ore that had been on site since 2008. This ore averaged 20% below the average budgeted grade for 2010 that is based on the previous bulk sample and pre-production mined grades 0.39% nickel, 0.44% copper, 0.03% cobalt and 1.1 gram/tonne precious metals.

URSA Major trucked ore from the Shakespeare Mine until March 15th when trucking operations were temporarily suspended 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 Mine. Trucking will resume when the spring load restriction is removed by the Municipality of Sudbury. It is anticipated that site operations will resume in late May.

Production costs for 2010 are forecast to be CDN\$33.20 per tonne of ore. After accounting for the cost of drilling and blasting, mucking and crushing, and haulage to the mill, net revenue for 2010 is forecasted to be CDN\$11.93 per tonne. Revenue was calculated using an exchange rate of CDN\$1.00 equal to US\$0.98 and metal prices quoted in US dollars as follows; nickel \$9.00/lb, copper \$3.00/lb, cobalt \$15.00/lb, platinum \$1,400/oz, palladium \$350/oz and gold \$1,100/oz. The rates for milling, treatment and refining charges were established under contract with Xstrata Nickel in December 2006.

The Company's revenues are derived from base and precious metals and receives prices for the metals that are determined by global market conditions. The company anticipates that demand for metals will likely remain robust for 2009 as the global recovery strengthens. Nickel in particular is a very volatile in price and to reduce revenue risks associated with nickel price volatility, the Company has purchased put options to ensure a minimum price of a major component of the Company's nickel revenue. Currently the Company has purchased put options with a strike price of \$19,850/tonne for 18 tonnes of nickel for each of the 6 months from July to December 2010.

The Company has completed a full positive feasibility study 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 plans a 3,000 meter Phase 2 diamond drilling and borehole EM program at the Nickel Offsets Option to follow up on the EM targets and strategic geological contacts identified in the first drill program. The Company intends to initiate the Phase 2 program in the early summer.

URSA Major will initiate geological mapping, prospecting and geophysical surveys at the Seagull and Disraeli Properties in 2010. The Seagull and Disraeli Intrusions are interpreted to be a similar geological environment to Magma Metals' property that contains the Current Lake discovery with 690,000 ounces of Platinum equivalent.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made to facilitate full and timely disclosure to the public.

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was conducted January 31, 2010, by and under the supervision of management, including the Chief Executive Officer and Chief Financial Officer. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time periods specified in those rules.

Because of inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit Committee of the Company has reviewed this MD&A, and the financial statements for the year ended January 31, 2010, and the board of directors approved these documents prior to their release.

Internal Controls over Financial Reporting

The Company's Certifying Officers are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. The design of our internal control over financial reporting was assessed as of January 31, 2010 with the following findings.

- Control deficiencies have been identified within the Company's accounting and finance departments and its financial information systems over segregation of duties and user

access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and finance departments were not properly segregated due to the small number of individuals employed in these areas. In addition, the Company identified instances whereby personnel had the ability to initiate transactions or accounting entries within certain financial reporting applications that were not compatible with their other roles and responsibilities. None of the segregation of duty or access control deficiencies has resulted in a misstatement to the financial statements; however, these deficiencies may be considered a material weakness resulting in a more-than remote likelihood that a material misstatement of the Company's annual or interim financial statements would not be prevented or detected. As the Company incurs future growth, we plan to expand the number of individuals involved in the accounting function. At the present time, the CEO and CFO oversee all material transactions and related accounting records and there is daily oversight by the senior management of the Company. In addition, the Audit Committee reviews on a quarterly basis the financial statements and key risks of the Company and queries management about significant transactions.

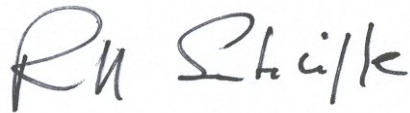
- The Company does not at this stage in its development employ an income tax specialist. The Company's accounting staff has only a fair and reasonable knowledge of the rules related to income tax accounting and reporting. Although these have not resulted in a material misstatement of the financial statements, this lack of knowledge represents a material weakness in the Company's control environment as a material error relating to income tax accounting or disclosure could go undetected. To address this risk, the Company consults with its third party advisors on a regular basis for advice. As the Company grows, we plan to expand the number of individuals involved in the accounting function who have an enhanced level of tax knowledge.
- The Company's accounting staff has a reasonable knowledge of the rules related to Canadian GAAP however it is possible that complex and non-routine transactions may not be recorded correctly, potentially resulting in material misstatement of the financial statements of the Company. To address this risk, the Company consults with its third party advisors as needed in connection with the recording and reporting of complex and non-routine transactions.

Special Note Regarding Forward-Looking Statements

This Report contains forward-looking statements that are based on beliefs of its management as well as assumptions made by and information currently available to management of the Company. When used in this Report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", and the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in those statements.

Such risk factors include those set forth under “Risks and Uncertainties” above. The statements contained in this Report speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

April 28, 2010

Handwritten signature of Richard H. Sutcliffe in black ink.

Richard H. Sutcliffe, Ph.D., P.Ge.
President and Chief Executive Officer

Handwritten signature of Christopher R. Chadder in black ink.

Christopher R. Chadder, CA
Chief Financial Officer