

URSA Major Minerals Incorporated

Press Release

UMJ – TSX Venture Exchange



May 10, 2006

URSA Major Minerals initiates evaluation of Shining tree nickel deposit and optimization studies at the Shakespeare nickel project, Sudbury area, Ontario

URSA Major Minerals Incorporated (URSA Major) reports that it has engaged Micon International Limited (Micon) to carry out a scoping study to provide a preliminary technical and economic analysis of mining at the company's 100% owned Shining tree nickel deposit, located 110 km north of Sudbury, Ontario. As reported by URSA Major in February 2006, Shining tree 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**. Micon will evaluate preliminary costs for development of the deposit in order that URSA Major can make a decision on potentially incorporating production from Shining Tree into the Shakespeare project. The scoping study will utilize metallurgical test work on a composite sample of Shining tree mineralization that is currently being conducted by SGS-Lakefield Laboratories. URSA Major has also engaged NAR Environmental Consultants Ltd. of Sudbury to conduct baseline environmental studies and to prepare a closure plan for advanced exploration at Shining Tree.

Micon has also been engaged to carry out further optimization studies at the Shakespeare project. At Shakespeare, URSA Major completed a positive full feasibility study on an open pit mine and 4,500 tonne per day concentrator in January 2006. URSA Major is particularly encouraged by recent strong base metal prices which continue to improve the economic fundamentals for the project. **Assuming 2005 average metal prices for the Shakespeare project mine life, including nickel at US\$6.59/lb, copper at US\$1.65/lb and platinum at US\$897/oz, IRR after tax increases to 22.9% and NPV discounted at 10% increases to \$50.7 million after tax from the feasibility base case.** Current metal prices are substantially higher, and although partially offset by a stronger Canadian dollar, there is considerable further upside to the economic potential of the project. Optimization studies will evaluate opportunities for reducing the project capital cost which is estimated at C\$118,473,000 in the feasibility study.

The Shakespeare project is located 70 km west of Sudbury and has a diluted **Probable Reserve of 11,226,000 tonnes grading 0.33% nickel, 0.35% copper, 0.02% cobalt, 0.9 g/t precious metals**. North American Palladium Ltd. (NAP) through its wholly owned subsidiary, Lac des Iles Mines Ltd. (LDI), having made an option payment of C\$1.5 million to URSA Major can acquire a 60% undivided interest in URSA Major's interest in the Shakespeare Property and become the operator by securing 100% of the project financing for commercial production. Golder Associates Ltd. is managing the permitting program for the proposed Shakespeare open pit nickel mine and 4,500 tpd concentrator.

National Instrument 43-101

Mr. Rob Carter, P.Eng., of Wardrop Engineering Inc. is the qualified person for the Shining Tree resource estimate and Mr. Ian Ward, P.Eng. of Micon is the qualified person for the Shakespeare feasibility study.

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

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