

# URSA Major Minerals Incorporated

Press Release

UMJ – TSX Venture Exchange



July 18, 2006

## **URSA Major Minerals Incorporated announces closing of \$0.80 per share flow-through private placement financing totaling \$1,000,000**

URSA Major Minerals Incorporated (URSA Major) has completed a private placement financing with MineralFields Group for 1,250,000 flow-through shares at a price of \$0.80 per share for gross proceeds of \$1,000,000. In connection with the financing, Limited Market Dealer Inc. has received finder's fees of \$60,000 and 75,000 compensation options. Each compensation option is exercisable into one share for 65 cents for a period of two years.

The gross proceeds of the flow-through common shares will be used for exploration on the Company's Shakespeare project and other properties, located in the Sudbury area, Ontario. URSA Major will immediately commence further drilling at the Shining Tree and Shakespeare properties and will also commence a helicopter-borne AeroTEM II survey at the Shining Tree property to evaluate additional targets.

Since May 1, 2006, URSA Major has purchased a total of 204,000 shares at an average price of \$0.58 as part of the share buy-back program announced in December 2005. After the flow through financing the company will have a total of 25,470,429 shares outstanding.

At the Shakespeare project, 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. As reported on May 10<sup>th</sup> 2006, using 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.

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, and 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. At Shakespeare, NAP and URSA Major are currently funding a feasibility optimization program and a permitting program on a 60/40 basis.

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

URSA Major's annual meeting will be held at 4:30 pm on Tuesday, July 18 at the Toronto Board of Trade, 1 First Canadian Place, Toronto.

MineralFields Group is a Toronto-based mining fund with significant assets under administration that offers its tax-advantaged super flow-through limited partnerships to investors throughout Canada during most of the calendar year, as well as hard-dollar limited partnerships to investors throughout the world. Information about MineralFields Group is available at [www.mineralfields.com](http://www.mineralfields.com) "

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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