

URSA Major Minerals Incorporated

Press Release

UMJ – TSX Venture Exchange



December 20, 2006

URSA Major Minerals Incorporated signs agreement with Xstrata Nickel on processing of ore and concentrates from Shakespeare project, Sudbury area, Ontario

URSA Major Minerals Incorporated (URSA Major) is pleased to announce that it has entered into a memorandum of agreement with Xstrata Nickel for the milling of ore and subsequent purchase by Xstrata Nickel of nickel and copper concentrates expected to be produced from the Shakespeare nickel-copper project.

The agreement provides for the initial milling of an approximately 50,000 tonne bulk sample at Xstrata Nickel's Strathcona mill and the subsequent processing of concentrates. Should the bulk sample meet expectations with respect to grade, recovery, co-mingling requirements, Xstrata Nickel and URSA Major will consider the custom milling of further ore from the Shakespeare deposit. Additionally, once URSA Major has commissioned a mill to produce nickel and copper concentrates, the agreement provides terms for the smelting of URSA Major's concentrates for a period of seven years.

"We are very pleased to have reached this agreement with Xstrata Nickel, which is a major milestone in the development of the Shakespeare project. The Xstrata Nickel agreement paves the way for initial production from the Shakespeare deposit in 2007 and the milling of ore at the Strathcona mill. Contingent on our permitting and sustained robust metal prices, we can anticipate some early cash flow from the project while we pursue the building of a mill on site. The deal provides URSA Major with a major purchaser for all of the expected Shakespeare nickel and copper concentrates. This significantly reduces project risk and is very important for our financing objectives" stated Richard Sutcliffe, URSA Major's CEO.

The memorandum of agreement is subject to concluding a formal off-take agreement and in addition, the extraction of a bulk sample is subject to ongoing permitting requirements.

At the Shakespeare project, URSA Major completed a positive full feasibility study in January 2006 and is currently advancing the property toward a production decision. The feasibility study is available on the company's website at www.ursamajorminerals.com. As reported on October 26, 2006, URSA Major is submitting applications for the permitting of two open pits (Shakespeare East and West Zones), a mill to process up to 4,500 tonnes per day, co-disposal waste management facility and related site infrastructure.

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