



May 3, 2010

## URSA Major Minerals announces year-end financial results

**URSA Major Minerals Incorporated** ("URSA Major" or the "Company") (TSX-UMJ) announces its financial results for the year ended January 31, 2010. The audited financial statements and related Management Discussion and Analysis have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)). Additionally these documents are available on URSA Major's website at [www.ursamajorminerals.com](http://www.ursamajorminerals.com). All amounts are in Canadian dollars unless otherwise indicated.

### 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.

### 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 10<sup>th</sup>, 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 15<sup>th</sup> 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.

For more information please see URSA Major's website at [www.ursamajorminerals.com](http://www.ursamajorminerals.com).

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