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Trading Symbol: SXR - Toronto Stock Exchange, JSE Limited (Johannesburg Stock Exchange)

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**NEWS RELEASE**

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January 8, 2007

Toronto, Ontario

**Sweetwater Uranium Assets Withdrawn From Sale by Rio Tinto;  
Exclusivity Agreement Relating to Shootaring Canyon Uranium Assets Extended**

Toronto, Ontario and Johannesburg, South Africa – sxr Uranium One Inc. (“Uranium One”) today announced that Rio Tinto Energy America, Inc. has decided to withdraw the Sweetwater uranium mill and related properties from sale in order to re-evaluate whether these should be retained and developed.

Uranium One has been advised that Rio Tinto’s decision has been prompted by significant and unexpected changes in the world-wide market for uranium since the July 7, 2006 exclusivity agreement between the parties relating to these assets. Rio Tinto has agreed that, if it subsequently decides to re-offer these assets for sale in the next two years, it will invite Uranium One to re-submit a bid. Rio Tinto has agreed to acquire from Uranium One copies of the third party technical reports prepared for Uranium One as part of its due diligence investigations.

Concurrently, in a separate development, Uranium One has exercised its right to extend by three months the exclusivity period under the July 10, 2006 exclusivity agreement between Uranium One, U.S. Energy Corp. and Crested Corp. relating to the acquisition of the Shootaring Canyon uranium mill and associated uranium properties in the western United States.

Said Neal Froneman, Uranium One CEO: “We are naturally very disappointed with Rio Tinto’s decision to withdraw the Sweetwater assets from sale, particularly at this stage in our negotiations. However, our negotiations with U.S. Energy Corp. with respect to the Shootaring Canyon assets are progressing well and we look forward to finalizing definitive acquisition documentation for these assets during the first quarter of 2007. In the meantime, we will continue to seek out growth opportunities in the United States in accordance with the continuing strategic importance to Uranium One of the U.S. market.”

The Sweetwater assets were initially offered for sale by Rio Tinto in a competitive bidding process commencing in 2005. On July 7, 2006, after selecting Uranium One as the preferred bidder, Rio Tinto entered into an exclusivity agreement under which it granted to Uranium One the exclusive right to negotiate a definitive acquisition agreement consistent with the terms of Uranium One’s bid and to carry out due diligence for a period of 180 days.

The Shootaring Canyon uranium assets are the subject of a separate exclusivity agreement dated July 10, 2006. As a result of the extension, the exclusive rights granted to Uranium One to negotiate and finalize the terms of definitive acquisition documentation with U.S. Energy Corp.

and Crested Corp. have been extended to April 6, 2007. The purchase transaction remains subject, among other things, to the satisfactory completion of Uranium One's due diligence investigations, to Uranium One board approval and to the receipt of all required governmental and regulatory approvals.

#### *About sxr Uranium One*

sxr Uranium One Inc. is a Canadian uranium and gold resource company with a primary listing on the Toronto stock exchange and a secondary listing on the JSE Limited (the Johannesburg stock exchange). The Corporation owns the Dominion Uranium Project in South Africa and the Honeymoon Uranium Project in South Australia, and is actively pursuing growth opportunities in the uranium sector in the western United States. The Corporation holds an approximate 71.6% interest in Aflase Gold Limited, which owns the Modder East Gold Project in South Africa. Through a joint venture with Pitchstone Exploration Ltd., the Corporation is also engaged in uranium exploration activities in the Athabasca Basin of Saskatchewan.

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#### ***Cautionary Statement***

*No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

*This News Release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian legislation. All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Uranium One and the timing of commencement of construction activities, are forward-looking statements (or forward-looking information) that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors could cause actual results to differ materially from Uranium One's expectations. Such factors include, among others, the actual results of exploration activities, actual results of reclamation activities, the estimation or realization of mineral reserves and resources, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, availability of capital required to place Uranium One's properties into production, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of commodities, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, Uranium One's hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage, as well as those factors discussed under "Risk Factors" in Uranium One's Annual Information Form, Management's Discussion and Analysis for the third quarter of 2006 and Uranium One's (final) short form prospectus dated December 15, 2006 as filed with securities regulatory authorities in Canada. Although Uranium One has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended.*

*There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Uranium One does not undertake to update any forward-looking statements that are included herein, except in accordance with applicable securities laws.*

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