

**sxr Uranium One Inc.**

390 Bay Street, Suite 1610  
Toronto, Ontario M5H 2Y2

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

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**NEWS RELEASE**

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December 1, 2006

**Uranium One Announces C\$135 Million Convertible Debenture Offering**

Toronto, Ontario and Johannesburg, South Africa – sxr Uranium One Inc. (“Uranium One”) announces that it has entered into an agreement to sell to a syndicate of underwriters led by BMO Capital Markets on a bought deal basis C\$135 million aggregate principal amount of 4.25% convertible senior debentures due December 31, 2011 (the “Debentures”). The Debentures will bear interest at a rate of 4.25% per annum payable semi-annually, and will be convertible at the option of the holder into common shares of Uranium One at a conversion rate of 50 common shares per \$1,000 principal amount of Debentures, which is equal to a conversion price of C\$20.00 per common share. Uranium One has granted the Underwriters an over-allotment option to purchase additional Debentures representing 15% of the purchased Debentures at the same price, exercisable by the Underwriters for a period of 30 days from Closing. Closing is expected on or about December 20, 2006.

Proceeds from the offering will be utilized to fund the development and operation of Dominion and for general corporate purposes. In light of the debenture offering, which is on terms which provide the Corporation with greater flexibility than those currently available in the project finance market, the Corporation will not be proceeding with the proposed Dominion project finance facility for Phase I and Phase II.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

*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 Alease 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 October 26, 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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