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Trading Symbol: SXR - Toronto Stock Exchange, Johannesburg Stock Exchange

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## **NEWS RELEASE**

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October 11, 2006

Toronto, Ontario

### **Uranium One Granted New Order Mining Right and Additional, Adjacent Prospecting Rights for its Dominion Uranium Project**

Toronto, Ontario and Johannesburg, South Africa – sxr Uranium One Inc. (“Uranium One” or the “Company”) is pleased to announce that the South African Department of Minerals and Energy (“DME”) has granted Uranium One a new order mining right for the Dominion Uranium Project under the Mineral and Petroleum Resources Development Act 2002.

The mining right has been granted for an initial period of 30 years. The area covered by the mining right comprises approximately 14,000 hectares, incorporates all the resources covered by the current prospecting right, and includes all areas in the Dominion mine plan. The Company continues to hold old order mining rights over a further area of approximately 1,400 hectares adjacent to the Dominion project.

Uranium One has also been formally notified by the DME that additional, exclusive prospecting rights in excess of 14,000 hectares have also been granted to the Company. These prospecting rights cover a natural extension to the Company’s Dominion Uranium Project.

Neal Froneman, President and CEO of Uranium One, commented:

“We are extremely pleased to have reached this milestone and to have received the mining right which is a major legislative requirement to our commencing production at Dominion on schedule, and to complete the transformation of Uranium One from a development stage company into a focused uranium producer.

Uranium One would like to thank the employees of the Department of Minerals and Energy of South Africa, with whom the Company has been working to secure the new order mining right, for this positive outcome. It is clear that the Government of South Africa is supportive of its domestic uranium industry and Uranium One is proud to be positioned to become the major player in this sector.

With the approval of the mining right we are now well placed to become the pre-eminent South African uranium producer, benefiting not only our shareholders, but also our employees and, through our broad based empowerment structure, the local communities in which we will operate.”

#### *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, as well as a number of exploration projects. The Corporation holds an

approximate 71% 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 and Management’s Discussion and Analysis 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.*

*Investors are cautioned not to assume that all or any part of the mineral deposits in the measured and indicated resource categories will ever be converted into reserves. In addition, “inferred resources” have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will be ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for preliminary assessments as defined under NI 43-101. Investors are cautioned not to assume that all or any part of an inferred resource exists or is economically or legally mineable.*

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