

sxr Uranium One Inc.
26 Wellington Street East, Suite 820
Toronto, Ontario M5E 1S2

Trading Symbol: SXR – The Toronto Stock Exchange

NEWS RELEASE

May 17, 2006

Toronto, Ontario

Aflease Gold Commences Construction at Modder East

Toronto, Ontario and Johannesburg, South Africa: sxr Uranium One Inc. announced today that the Board of Aflease Gold Limited has approved the commencement of the initial phase of the construction of the Modder East Gold Mine located near the Town of Springs on South Africa's East Rand.

Activities under the 20 million Rand program approved by the Aflease Gold Board include site clearing and box cut excavation. The program also includes the selection and training of workers, the provision of basic services and surface infrastructure and the purchase of trackless development equipment for the decline. A sod turning ceremony, to mark the commencement of the box cut, will take place tomorrow (May 18) at the Modder East Project site.

The decision to fast track the Project reflects the confidence of the Aflease Gold Board in the robust nature of the Project, based on internal work recently done by the Company in connection with the preparation of a formal feasibility study for the Project. The feasibility study will be audited by the Company's independent engineering consultants, SRK Consulting. Assuming the study confirms Aflease Gold's own assessment of the Project, formal approval to proceed with further Project construction and financing will be sought at that time from the Aflease Gold Board, and the Board of its parent company, sxr Uranium One.

Neal Froneman, CEO of Aflease Gold and CEO and President of sxr Uranium One, said: "I am very gratified by the decision to get moving and by the confidence shown in the Project by the Aflease Gold Board. The decision is also a testament to three years of hard preparatory work on the project by our Modder East technical team. I look forward to completing the board approval process in July and thereafter to the completion of the first new gold mine to be developed in the East Rand in over two decades."

The projected Modder East mine would employ in excess of 1,000 people, the majority of whom would be drawn from local communities. Further details on the Project, including final projected capital expenditures and operating costs, will be made available following completion of the feasibility study.

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 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 a 79% 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.

For further information please contact:

Neal Froneman
Chief Executive Officer
Tel: + 27 11 482-3605

Carol Smith
Investor Relations
Tel: + 27 11 482-3605

Don Falconer
Vice President, Investor Relations
Tel: +1 416 350-3657

***Cautionary note concerning forward-looking statements:** Statements in this release that are not historical facts are “forward-looking statements” involving known and unknown risk and uncertainties which are beyond the ability of the Corporation to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.*

To receive the Corporation’s news releases by email, contact John Fraser, Corporate Communications at john@uranium1.com or Don Falconer, Investor Relations, at don@uranium1.com. The TSX has neither approved nor disapproved of the information contained herein.