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

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**NEWS RELEASE**

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Toronto, Ontario

**Uranium One Reports Exploration Results at the Dominion Uranium Project**

Toronto, Ontario and Johannesburg, South Africa – sxr Uranium One Inc. is pleased to provide an update on the results of its resource delineation and exploration activities at the Dominion Uranium Project in South Africa for the period from April 15 to September 8, 2006.

Prior to April 15, 2006, Uranium One completed drill programs comprising some 105 BQ and NQ calibre drill holes, totalling 27,779 metres of drilling, including 2,534 metres of deflections. This drilling focused primarily on defining the shallow (less than 500 metres) resource in the Rietkuil 1 and Dominion 1 and 2 areas. The results of these drill programs were reflected in the revised Dominion resource estimate announced by the Company on June 14, 2006 and described in more detail in an independent technical report prepared by SRK Consulting and filed on SEDAR on July 24, 2006 (also available on the Company's website at [www.uranium1.com](http://www.uranium1.com)).

During the period from April 15 to September 8, 2006, drilling activities focused on the delineation of additional resources in the down-dip extension of known ore-shoots in the Rietkuil 1 and Dominion 1 and 2 decline areas and the identification of new ore-shoots in the remaining target area. The drilling strategy is to drill steeply plunging (-90 degrees) boreholes in order to intersect interpreted uranium-bearing reefs as close as possible to a right angle. During this period, a total of 78 boreholes (32,585 metres) have been drilled, 40 at Rietkuil and 38 at Dominion. Assay values from 21 of these boreholes have been received; assay results from 44 boreholes are pending and are expected by the end of October. Thirteen boreholes consisted either of faulted reef intersections (not sampled) or areas of no reef development.

Assay results for six of the Rietkuil ore-shoot boreholes (9 reef intersections) have indicated Upper Reef values ranging between 0.79 kg/tonne (over 160 cm composite width) to 2.18 kg/tonne (over 100 cm composite width). At Dominion, assay results for four boreholes (6 reef intersections) drilled in the ore-shoot have indicated Upper Reef values ranging between 0.40 kg/tonne and 0.81 kg/tonne (both over 160 cm composite width). These results confirm the Company's modelling and grade predictions. In addition, previously defined geological domains have been refined and extrapolated based on the new drilling information.

Drilling in this period also commenced in a new area (Dominion 3), located approximately 3 km north of the Dominion 2 decline. Drilling at Dominion 3 is aimed at determining the resource potential associated with a possible new decline. In this area, a thick sedimentary sequence (attaining thicknesses of 15 m), containing well developed Lower, Middle and Upper Reef is present. Initial assay results have been encouraging, with three Lower Reef intersections from 2 boreholes, and 1 borehole containing faulted Lower Reef, showing values ranging between 0.12 kg/tonne and 4.67 kg/tonne (over 100 cm composite

width) and five Upper Reef intersections in the same 3 boreholes showing grades ranging from 0.25 kg/tonne (over 144 cm composite width) to 0.45 kg/tonne (over 160 cm composite width). In light of these results, the Company intends to continue with drilling in the Dominion 3 area to further assess the resource potential.

Since April 15, 2006, the number of diamond drill rigs on site has increased to 23; of these, 17 are currently dedicated to the Dominion and Rietkuil sections. Drilling at the Dominion Uranium Project is currently proceeding at the rate of approximately 7,500 metres per month, with a further 20,000 metres of drilling scheduled for the remainder of 2006. Drilling to year end will continue to focus on delineating the down-dip extensions of identified ore-shoots, as well as further exploration in the Dominion 3 area.

A map of the drill hole locations and a table of drill results for the drilling completed during the April 15 to September 8, 2006 period are also available on the Corporation's website.

#### *Quality Assurance and Quality Control*

The Dominion Uranium Project drilling program is being carried out under the direction of Mr. M.H.G. Heyns, Pr.Sci.Nat. (SACNASP), MSAIMM, MGSSA, Vice President, Geology and Exploration, sxr Uranium One Inc., and Dr. R.A. Stewart, Pr.Sci.Nat. (SACNASP), MGSSA, Regional Exploration Manager, sxr Uranium One Inc., both qualified persons for the purposes of NI 43-101. Exploration data is acquired by the Corporation and its consultants under strict quality assurance and quality control protocols. Half-core assay samples are collected by appropriately qualified personnel. Samples are prepared at an onsite preparation facility managed by Superlabs Ltd. and are assayed at the Set Point Laboratory located in Johannesburg, South Africa, which is accredited under SANAS and ISO/IEC 17025. Gold assays are performed using conventional fire assay procedures with an inductively coupled plasma optical-emission spectroscopic ("ICP-OES") finish on 50g aliquots, and uranium assays are performed using x-ray fluorescence spectrometry on a pressed powder pellet or a borate fusion disc. Quality control procedures follow industry standard protocols and include the use of blind control samples.

#### *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 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 potential mineralization and reserves and future plans and objectives*

*of Uranium One, 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.*

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*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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