

**URANIUM CITY RESOURCES INC. ANNOUNCES \$3 MILLION OFFERING**

**KIRKLAND LAKE, ON, March 31 /CNW/** - Uranium City Resources Inc. ("UCR" or the "Company") (TSX VENTURE: UCR) is pleased to announce that it has entered into an agreement to raise up to \$3 million (the "Offering") by way of a brokered private placement on a best efforts basis with Northern Securities Inc. acting as Agent. The offering will consist of the issuance of up to \$1.5 million in units (the "Units") priced at \$0.35 per Unit and up to \$1.5 million in flow-through units ("Flow-Through Units") at \$0.40 per Flow-Through Unit. Each Unit will consist of one common share and one half of a common share purchase warrant ("Warrant"). Each Flow-Through Unit will consist of one flow-through share and one half of a Warrant. Each full Warrant will entitle the holder to purchase one additional common share at \$0.45 for a period of 18 months following the closing of the Offering.

The Agent will be entitled to a cash commission equal to 7% of the aggregate gross proceeds raised under the Offering. The Company will also grant to the Agent non-assignable warrants ("Agent Warrants") equal in number to 10% of the number of Units and Flow-Through Units sold under the Offering. The securities issued under the Offering will be subject to a four-month hold period. Each Agent Warrant will entitle the holder thereof to acquire one Unit at a price of \$0.35 per Unit for a period of 18 months following the closing of the Offering.

The proceeds will be used for exploration and development purposes of the Company's land holdings in Northern Saskatchewan as well as for general working purposes.

The Company conducted its' initial exploration campaign during 2005. An airborne VTEM survey was flown in April 2005 in order to confirm known targets and establish the potential of delineating new targets and extensions. Geochemical surveys were conducted throughout the summer field season in order to confirm and prioritise targets determined by the airborne survey. In addition, rock samples were taken (grabs and chips samples) from some of the known uranium showings through UCR's land holdings. Two drilling campaigns were conducted at the Contact Lake and Fish Hook uranium projects. Drilling results were encouraging – values from Contact Lake established anomalous values of Uranium; values from Fish Hook confirmed the known Uranium grade as well as anomalous values of Vanadium and other metals from this past-producing mine.

Integration of the data acquired by UCR in 2005 has outlined a number of high-priority targets that warrant drilling. UCR has determined that its' initial drilling priorities are at Fish Hook, Nicholson and on-strike from Lorado.

UCR has allocated a budget of \$500,000 for approximately 5,000 metres of drilling during this initial phase (please see the Company's press release of 28-Mar-2006).

The Uranium City Mining District continuously produced Uranium for over 30 years. In excess of 65 million pounds of Uranium was produced from 16 mines within the district. Districts wide mining operations were suspended in 1982, when the falling price made the extraction of Uranium uneconomic. The district was in production mode when the shut-down call was announced.

UCR is of the view that, given the past-producing status of the district and the recent increase in the price of Uranium, that it is worthwhile to explore a known uranium district. Proven geology, with the advent of technology (geochemical and geophysical surveys) allows for a more detailed examination of rocks a known and proven uranium mining district.

Forward looking statements:

*This news release contains certain forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond UCR's ability to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Although UCR believes that the assumptions inherent in the forward- looking statements are reasonable, undue reliance should not be placed on these forward-looking statements.*

For further information please contact:

Robert J. Kasner  
Phone (705) 567-5351  
Fax: (705) 567-5557  
E-Mail: [kasner1@ntl.aibn.com](mailto:kasner1@ntl.aibn.com)

David M. Leng  
phone (416) 987-7188  
Cell (905) 537-5377  
Email: [david\\_m\\_leng@yahoo.ca](mailto:david_m_leng@yahoo.ca)

**The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.**