



Head Office: 4 Al Wende Avenue, P.O.Box 546, Kirkland Lake, Ontario, P2N3J5
T: +1.705.567.5351, F: +1.705.567.5557, E: kasner1@ntl.aibn.com
Corporate Office: 330 Bay Street- Suite 1505, Toronto, Ontario, M5H 2R7
T: +1.416.987.7188, F: +1.416.861.1925

UCR Intersects 0.322% U₃O₈ Over 4.0 Metres from Drilling East Target

For Immediate Release

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TSX.V:UCR

[Uranium City Resources Inc – UCR:TSX.V, A0F7F5:Berlin] (“UCR” or the “Company”) today announced initial drill results from the East Target, located in the Uranium City Mining District (UCMD), Northern Saskatchewan. UCR has to date completed a total of 21 holes at the East Target during the initial phase of drilling.

Bob Kasner, CEO of UCR said, “As we have received these initial assay results from the East Target drilling campaign, it can be firmly said that these results are consistent with known historical drilling. More importantly, since these intersections are at shallow depths, it shows that the East Target potential is a story that is quickly evolving, especially when combined with results of exploration in the immediate vicinity, which outlined new areas of mineralisation. Assay results from the remaining drill holes are pending and will continue to be released, as they become available. These results will aid in determining where drilling efforts are to focus with resumption of drilling in late January.”

The core lengths are actual lengths as drilled and have not been adjusted for the true width of the mineralised zones. Hole ET06-02 (length = 135.32m and dip of -65°) had no significant mineralisation.

Hole	Total Hole Depth (metres)	Dip	From (metres)	To (metres)	Length (metres)	Average Grade Within Interval (%U ₃ O ₈)
ET06-01	113.08	-45°	25.33	26.33	1.00	0.054
			31.58	37.58	6.00	0.0513
			45.18	49.18	4.00	0.322
			68.60	71.60	3.00	0.0983

Hole	Total Hole Depth (metres)	Dip	From (metres)	To (metres)	Length (metres)	Average Grade Within Interval (%U ₃ O ₈)
ET06-03	91.13	-45°	36.10	36.60	0.50	0.051
			76.72	77.82	1.12	0.041

Hole	Total Hole Depth (metres)	Dip	From (metres)	To (metres)	Length (metres)	Average Grade Within Interval (%U ₃ O ₈)
ET06-06	162.00	-65°	97.27	100.02	2.75	0.087

Mr. Kasner further stated, “Mineralisation within the UCMD is primarily associated with veins that “pinch and swell” along strike and at depth. Seeing the variety of widths associated within these drill intersections confirms that the mineralisation we’re seeing at the East Target is vein associated. The mineralised veins are stacked, as seen in the multiple lenses intersected in hole ET06-01. The drilling focus continues to be determining the lateral and vertical extent of this veining. Having identified a west-trending radioactive linear feature of over 600m (2,000’) that is on surface that and is parallel to the known mineralised system, will require a great deal of additional drilling and exploration work”.

Exploration by UCR geologists at the East Target uses scintillometers for determining presence of radioactivity and geological mapping to establish rock units, alteration and mineralisation characteristics. Work has been focused on the East Target due to the proximity to the St. Louis Fault which hosts the three largest past-producing mines (Fay, Ace and Verna) within the UCMD and recent identification of a new zone of mineralisation (please see UCR release of 06-Dec-06).

SRC Geoanalytical Laboratories, Saskatoon, Saskatchewan, completed all analyses using multi-acid partial and total digestion with ICP-OES analytical finish. UCR converted from ppm (parts per million) to percentage U₃O₈.

The technical information in this news release has been reviewed by David Leng, P. Geo., a qualified person as defined by National Instrument 43-101.

About Uranium City Resources:

Uranium City Resources has a number of 100% owned uranium projects within the Uranium City Mining District, an area with over 30 years of past mining and nearly 70 million pounds of uranium production. Since 2005, the Company has spent over C\$3 million exploring its properties and has outlined numerous uranium targets. Recent drill programs have confirmed the presence of uranium mineralization and drilling is to continue throughout 2007.

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:

Uranium City Resources – Head Office

T: +1.705.567.5351

E: kasner1@ntl.aibn.com

David Leng, P.Geo., VP Corporate Affairs & Investor Relations

T: +1.905.537.5377

E: david.leng@geologist.com

Andreas Curkovic, Equicom Group

T: +1.416.815.0700 ext 262

E: acurkovic@equicomgroup.com