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## UCR Commences Phase One of 2006 Winter Drilling Campaign

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 that drilling is ongoing at the East Target, located in the Uranium City Mining District, Northern Saskatchewan. To date, a total of nine holes have been completed. Drill results are expected in the coming weeks. UCR identified the East Target as a high-priority target based on its geological setting and outstanding exploration potential (please see UCR press release of 07-Sep-06).

Bob Kasner, CEO of UCR said, “We have designated the East Target as our priority because there is a known deposit on surface and the lateral and down-dip extent is largely untested. Our geologists have recently done detailed exploration work at the East Target, and this drilling campaign will test lateral and down-dip expansion potential. The potential of this target is evidenced by the proximity of the three largest historical mines to the St. Louis Fault, and the East Target is in the footwall of the St. Louis Fault.”

Phase one of the 2006 winter drilling program at the East Target is projected to consist of approximately 3,000 metres. Drilling is to test the East Target along strike and down-dip for additional uranium mineralisation. At the East Target, uranium mineralisation has been identified in multiple veins from surface to a depth of up to 100 feet.<sup>(1)</sup> Historical drilling returned values in the vicinity of 0.30% U<sub>3</sub>O<sub>8</sub> over a core length of 19 feet.<sup>(1)</sup>

Based on compilation of historical data, UCR has established that according to the mine closure report, historical surface mining was a total of 8,567 tons of 0.29% U<sub>3</sub>O<sub>8</sub> containing 50,700 pounds of uranium.<sup>(2)</sup> **Remaining resources to the 100 foot level are 47,800 tons of 0.285% containing 267,500 pounds uranium.**<sup>(2)</sup> UCR believes that there is very good potential to confirm and expand these resources.

<sup>(1)</sup> Eldorado Nuclear Ltd, Mining Division. Internal Report, 20-July-81 by Murray Strachan

<sup>(2)</sup> Eldorado Nuclear Ltd, Mining Division. Mine Closing Report, by D.M. Ward

<sup>(1)</sup> and <sup>(2)</sup> This work was completed prior to NI 43-101 being implemented. UCR has not verified the historical resource/reserve values, and is not treating it as a current mineral reserve/resource estimate and should not be unduly relied upon.

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

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### 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 2006.

### 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.*

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