

Uranium City Resources Closes Private Placement Offering

For Immediate Release

TSXV:UCR

Kirkland Lake, Ontario, May 28, 2007 - Uranium City Resources ("UCR"), a junior uranium exploration company with significant property holdings in the past producing Beaverlodge / Uranium City Mining District in north-west Saskatchewan, is pleased to announce the closing of its \$6.5 million private placement of units ("Units") and flow-through units ("Flow-Through Units") as previously announced May 2nd and 7th, 2007. The offering was completed by Evergreen Capital Partners Inc. and First Canadian Securities, a division of Limited Market Dealer Inc.

The placement was over subscribed and the agents' option to increase the size of the placement was fully exercised. As a result, UCR issued 1,612,246 Units and 10,773,583 Flow-Through Units. Each Unit was comprised of one common share and one common share purchase warrant (each, a "Warrant") and issued at a price of \$0.49. Each Flow-Through Unit was comprised of one "flow-through" common share and one Warrant and issued at a price of \$0.53. Each Warrant entitles the holder thereof to purchase one common share of UCR at a price of \$1.00 until May 25, 2008 and thereafter at a price of \$1.25 until May 25, 2009.

The agents received a cash commission equal to 7% of the total gross proceeds sold under the offering as well as non-assignable warrants ("Agent Warrants") representing 9% of the number of Units and Flow-Through Units sold under the Offering. As a result, an aggregate of 1,114,724 broker's warrants were issued to the Agents. Each Agent Warrant will entitle the holder thereof to purchase one unit of securities of the Company (each, an "Agent's Unit") at a price of \$0.49 until May 25, 2009. Each Agent's Unit will be comprised of one common share and one Warrant.

All of the securities issued pursuant to the private placement are subject to a four-month hold period.

The company intends to use the proceeds of this placement to continue exploration on its large land holdings in the Uranium City Mining District and for general working capital.

UCR currently has 50,994,132 common shares issued and outstanding.

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 control or prediction and could cause actual events or results to differ

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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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