

UCR ADOPTS SHAREHOLDER RIGHTS PLAN

Toronto, April 3, 2007 – Uranium City Resources Inc. (the "**Company**") (UCR: TSX.V, A0F7F5: Berlin) announces that its board of directors (the "**Board**") has adopted a Shareholder Rights Plan (the "**Plan**"), similar to existing shareholder rights plans adopted by other Canadian public companies.

The objectives of the Plan are to ensure, to the extent possible, that all shareholders of the Company are treated equally and fairly in connection with any take-over bid for the Company. The Plan discourages discriminatory, coercive or unfair take-overs of the Company and gives the Company's Board time if, in the circumstances, the Board determines it is appropriate to take such time, to pursue alternatives to maximize shareholder value in the event an unsolicited take-over bid is made for all or a portion of the outstanding common shares of the Company (the "**Common Shares**").

In order to implement the adoption of the Plan, the Board authorized the issuance of one right (a "**Right**") in respect of each Common Share outstanding at the close of business on April 2, 2007 (the "**Record Time**"). In addition, the Board authorized the issuance of one Right in respect of each additional Common Share issued after the Record Time. The Rights trade with and are represented by Common Share certificates, including certificates issued prior to the Record Time. Until such time as the Rights separate from the Common Shares and become exercisable, Rights certificates will not be distributed to shareholders.

If a person, or a group acting in concert, acquires (other than pursuant to an exemption available under the Plan) beneficial ownership of 20% or more of the Common Shares, Rights (other than those held by such acquiring person which will become void) will separate from the Common Shares and permit the holder thereof to purchase Common Shares at a 50% discount to their market price. A person, or a group acting in concert, who is the beneficial owner of 20% or more of the outstanding Common Shares as of the Record Time is exempt from the dilutive effects of the Plan provided such person (or persons) does not increase its beneficial ownership by more than 1% (other than in accordance with the terms of the Plan). At any time prior to the Rights becoming exercisable, the Board may waive the operation of the Plan with respect to certain events before they occur.

The issuance of the Rights is not dilutive until the Rights separate from the underlying Common Shares and become exercisable or until the exercise of the Rights. The issuance of the Rights will not change the manner in which shareholders currently trade their Common Shares.

The Plan is subject to the approval of the TSX Venture Exchange, and requires confirmation by the Company's shareholders within six months of the Plan's effective date, being April 2, 2007. If the Plan is not confirmed by shareholders, the Plan and all outstanding Rights will terminate and be void and of no further force and effect.

The Plan is not being proposed in response to, or in contemplation of, any specific take-over bid for the Company. The Board did not adopt the Plan to prevent a take-over of the Company, to secure the continuance of management or the directors in their respective offices or to deter fair offers for the Common Shares.

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