



UXA Resources Limited

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ASX ANNOUNCEMENT

First phase drilling intersects strongly anomalous uranium values in 5 RC holes along strike from U40

eU₃O₈ values peak at 690 ppm

UXA Resources Limited (ASX:UXA) is pleased to announce strongly anomalous uranium values, up to 690ppm eU₃O₈, from first phase RC percussion drilling at the Nabarlek North Joint Venture project, with RIL Australia Pty Ltd, located in the Northern Territory

Nabarlek North Project (EL 24868)

The first phase drilling program, consisting of 27 holes drilled for 2,308m, has been completed along three lines in the south east corner of the Nabarlek North tenement (Figure 1) targeting the potential strike length extension of the U40 uranium prospect and testing of elevated surface radiometric values identified by UXA's field work in late 2010.

UXA Managing Director, Dr Russell Penney said "we are delighted that gamma logging of the RC percussion holes has returned strongly anomalous results in 5 of the holes broadly defining a north – south zone. Early indicators are pointing to the possibility that these results represent extensions of the U40 mineralisation, known to the south, into our project area".

Drill hole NNRC04a returned peaks up to 690ppm eU₃O₈ in a 1.31m zone averaging 460ppm eU₃O₈ (see Table 1) and a second interval peaking at 540ppm eU₃O₈.

Geochemical samples have been collected from all anomalous zones and submitted for multi-element assay to confirm the gamma logging results and identify any other metal anomalism.

A second phase 1,700m RC drill program will follow up phase one results and will also target anomalies generated by a radon cup survey, currently in progress. The 20km² radon sampling program covers the south and south eastern sections of the Nabarlek North tenement. This method has the ability to "see" anomalies through cover rocks by detecting radon gas escaping from radioactive decay of uranium. Results from the radon survey are expected in early October with the commencement of 2nd phase drilling shortly thereafter.

Hole ID	Northing m.	Easting m.	From m.	Interval m.*	Average eU ₃ O ₈ ppm	Peak eU ₃ O ₈ ppm
NNRC04a	8645300	327300	50.85	1.31	460	690
			59.34	0.39	402	540
NNRC06	8645300	327150	32.89	0.39	216	265
NNRC08	8645300	327050	7.30	1.50	101	155
			10.34	0.85	113	135
NNRC22	8645410	327188	16.50	0.73	117	178
NNRC23	8645410	326698	21.50	2.50	99	205

Table 1. Anomalous gamma logging results from Nabarlek North RC drilling program

All holes drilled at 60 degrees inclination towards the West (270 degrees). Gamma logging by GAA Wireline, tool SSG02 calibrated on 29th August 2011 at API pits Adelaide and corrected for borehole diameter and steel drill rods.

* The down-hole interval may not represent "true width", which cannot yet be determined as structural controls on the mineralisation are not known.

Nabarlek North and Nabarlek West licences (EL 24564, 24868 and 28245) cover 221km² and are highly prospective for unconformity style uranium deposits and share similar geological features with the former high grade Nabarlek open cut mine (located 7km south) and the operating Ranger uranium mine in the Northern Territory. Additionally, Nabarlek North lies 280 metres immediately north of a recent high grade mineralisation discovery (U40 area) which reported high grade uranium intercepts up to 6.80m @ 6.71% U₃O₈¹.

The Nabarlek licences form part of UXA's joint venture with RIL Australia Pty Ltd ("RILA"), a subsidiary of Reliance Industries Limited, a Fortune Global 500 company and India's largest company by market value. RILA holds 49% interest in the licences and is contributing 49% of exploration funding.

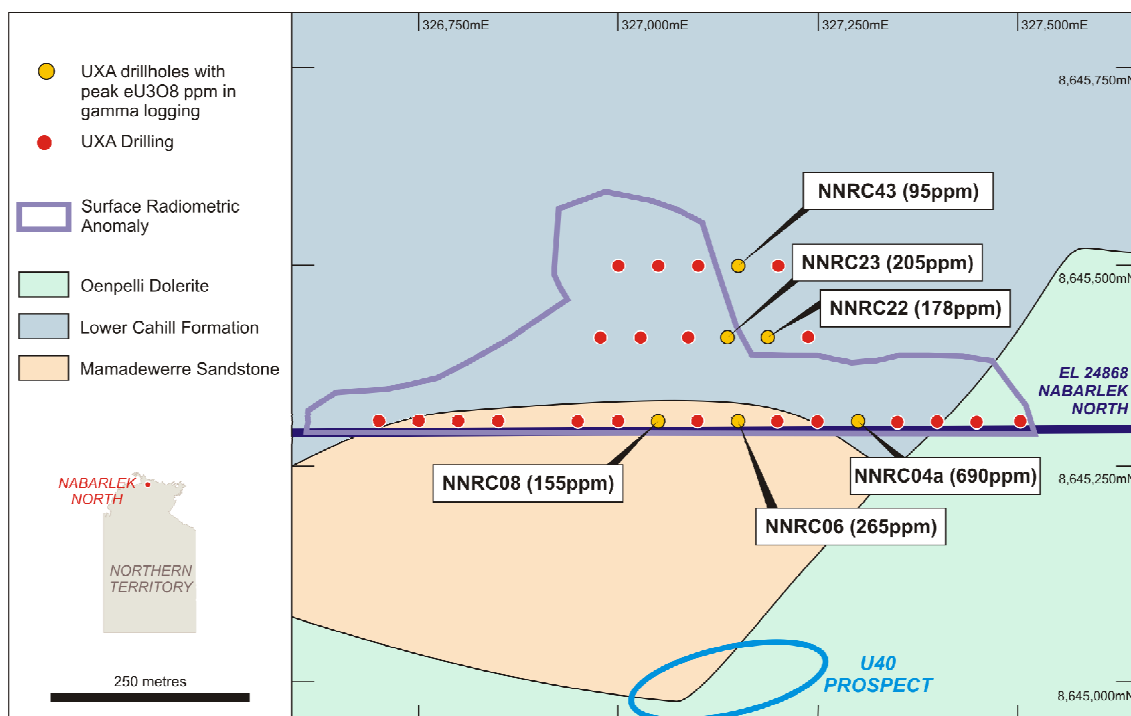


Figure 1, Gamma logging results from UXA's drill program at Nabarlek North

¹ UEL ASX Release 16 December 2010

For further information, contact.



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Technical Information in this report is based on information compiled by Dr Russell Penney who is employed by UXA Resources Limited and who is a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Penney has sufficient exploration experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC 2004”). Dr Penney consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

About UXA Resources Limited

UXA Resources Limited (ASX:UXA) is a diversified explorer that has assembled a pipeline of highly prospective tenements throughout Australia, targeting the discovery of base metals (copper-gold, lead-zinc-silver) coal and uranium deposits, all located within world class mining provinces and close to existing infrastructure. UXA has formed strategic joint venture agreements with significant partners which provide additional capital and scope to accelerate the company’s major exploration programs.

UXA is also the 100% owner of GAA Wireline, a borehole logging business that provides UXA with another revenue stream channelled towards exploration. GAA have several long term USA and Australian based service contracts covering the coal, coal seam gas, iron ore and uranium sectors. GAA owns the exclusive rights to PFN technology, a unique borehole logging tool that provides immediate uranium analysis in the field and was used in the Beverley and the Four Mile uranium discoveries in South Australia.

In New South Wales and South Australia, UXA has signed an option agreement with Teck Australia Pty Ltd (a wholly owned subsidiary the major Canadian mining company Teck Resources Ltd) and has completed 2,650m infill and step out drilling at the Dome 5 zinc-silver-lead prospect, located 50km from Broken Hill and in close proximity to the main railway corridor. In addition to the original 5 hole discovery made in 2007 by Teck and PlatSearch, UXA’s drilling has identified a significant zone of Mississippi Valley Type (MVT) mineralisation.

In South Australia, UXA’s Joint Venture with Straits Resources Limited allows Straits to explore nine of UXA’s Stuart Shelf tenements for IOCG(U) deposits, a region that host the world class Olympic Dam, Prominent Hill and Carapateena deposits. Straits has the right to earn a 70% interest in the tenements by spending \$10 million on exploration over seven years.

In the Northern Territory, UXA is the operator of the Nabarlek and Pandanus West joint venture with RIL Australia Pty Ltd, a subsidiary of Reliance Industries Limited, one of India’s largest private sector companies. Following successful airborne geophysical surveys and the recent U40 uranium discovery located within 280m of UXA’s Nabarlek North tenement, a major drilling program is currently underway targeting unconformity style uranium.

In Western Australia, UXA has assembled five tenements and formed agreements with Rey Resources Ltd to explore for sandstone hosted uranium and P. Askins to explore for coal and uranium. The project area is located immediately west of the Canning coal field basin, south east of Derby and close to a major sealed highway. Two of the licences cover major radiometric anomalies and UXA was awarded a grant of \$100,000 by the WA Government to co-fund exploration for uranium.

More information on UXA can be found on our website at www.uxa.com.au