



UXA Resources Limited

ABN 65 112 714 397

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The Manager
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ASX ANNOUNCEMENT

UXA EXPLORATION UPDATE

Drilling commences at Dome 5 zinc-lead-silver prospect, NSW

Stuart Shelf drilling program set to commence in early 2012

Summary

UXA Resources Limited ("UXA Resources" or "UXA") (ASX:UXA) is pleased to announce the commencement of its second phase 8 hole, 2,800m mud-rotary and diamond drilling program at the Dome 5 zinc-lead-silver prospect, part of the Mundi Plains Project, located 50km northwest of Broken Hill in NSW. The purpose of the program is to better define the extent of mineralisation, and ultimately enable the definition of a maiden resource estimate for the project.

In addition, joint venture partner Straits Resources Ltd expects to commence drilling on UXA's Stuart Shelf IOCG project in South Australia, early in 2012.

Dome 5, Mundi Plains, NSW Drilling Program (EL 6404)

The new 8 hole drilling program will focus on testing a potential exploration target of 5MT – 10MT mineralised body at 10% lead + zinc, with silver credits¹. Drilling will include further widely spaced step-out holes (250m centres) and some infill holes within the currently defined 500m wide high grade zone. That mineralised zone extends in a roughly north west – south east orientation and is relatively flat lying at 315 – 340m depth. It comprises two vertically stacked zones of coarse grained sphalerite, galena, fluorite "MVT" style mineralisation.

It is anticipated that the drilling program will pause over the holiday period, re-commencing in mid-January with results to follow by early February 2012.

About Dome 5

The initial Dome 5 zinc discovery at Mundi Plains was made by Teck Australia Pty Ltd ("Teck"), a wholly owned subsidiary of the major Canadian mining company Teck Resources Limited, in joint venture with PlatSearch NL in 2007. The discovery was of Mississippi Valley Type ("MVT") mineralisation in a flat lying zone at approximately 320 metres depth. The mineralisation lies close to the base of the Adelaidean sedimentary sequences where they on-lap onto a granite

¹ The exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if future exploration will result in the determination of a Mineral Resource.

dome ("Dome 5"). All of the original five holes drilled within a one square kilometre area encountered sphalerite-galena mineralisation, with two high grade mineralised intersections returning up to 0.85m @ 19.15% Zn, 4.9% Pb, 83ppm Ag. Subsequent drilling by UXA has outlined a 500m wide zone of high grade mineralised drill intercepts with a best intersection of 3.0m @ 15.8% Zn + Pb and 63ppm Ag.

UXA has an option agreement to earn up to 100% of Teck's joint venture interest, subject to certain earn-back rights by Teck (see 14/9/10 ASX release for terms of the agreement) and has agreed to an initial A\$1.2M spend on exploration, targeting MVT-style lead-zinc-silver mineralisation and IOCG-style copper-gold mineralisation.

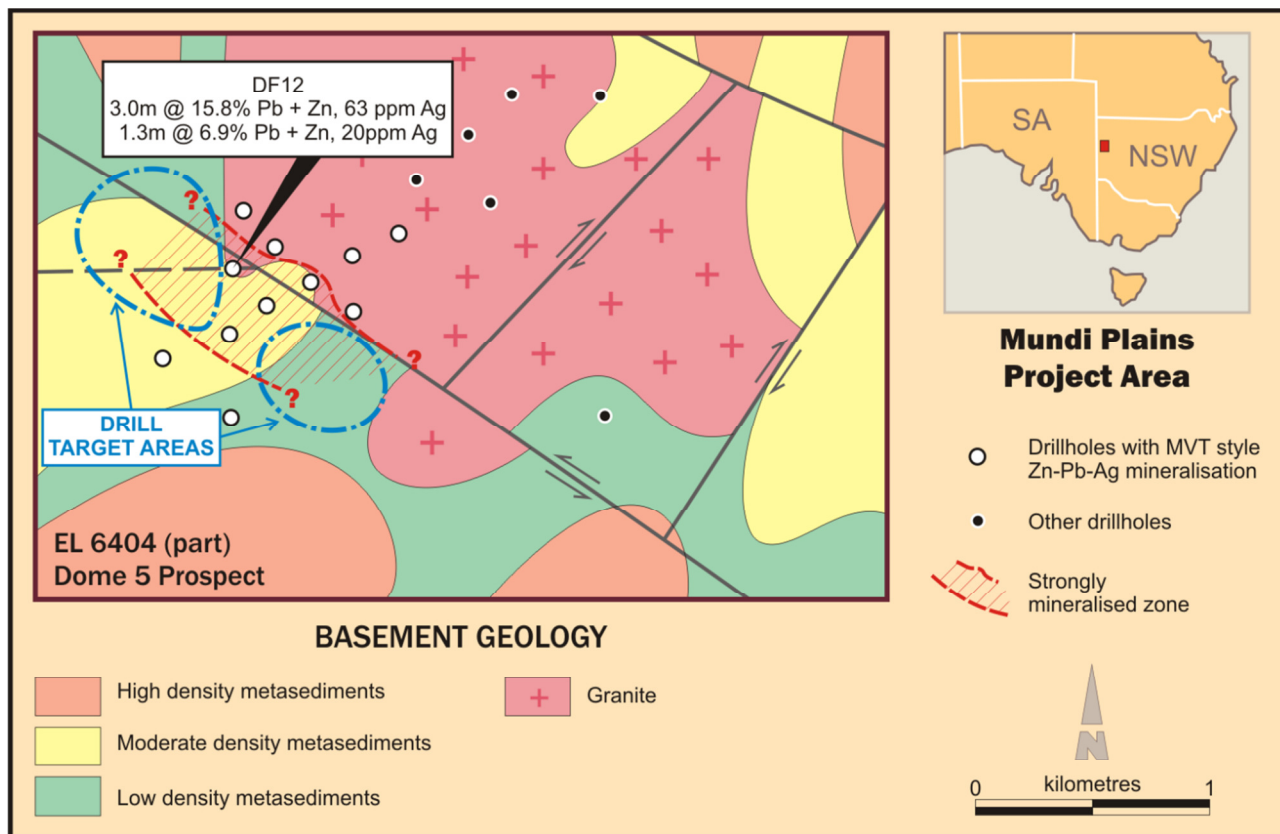


Figure 1. Location of drilling at Dome 5, New South Wales

Stuart Shelf – Straits Joint Venture

The Stuart Shelf Joint Venture is between UXA and Straits Resources Limited ("Straits" earning a 70% interest). The joint venture includes 9 tenements for a total of 3,300km² in the highly prospective Olympic Dam-Prominent Hill area prospective for world class IOCG, Cu-Au (U) deposits. Straits has completed a geophysical evaluation of the highest priority targets and heritage clearance surveys have been successfully completed prior to the commencement of a diamond drilling program.

A diamond drilling program had been delayed by the availability of suitable rigs, with the program now expected to commence in early 2012 with a 3 hole, 3,500m – 4,000m program targeting a number of geophysical anomalies.



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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 and a 2nd phase drilling program is planned to commence in late 2011.

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