



UXA Resources Limited

ABN 65 112 714 397

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The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

Drilling commences at Stuart Shelf project, South Australia

UXA Resources Limited (ASX: UXA) is pleased to announce that drilling has commenced at the Stuart Shelf project in the highly prospective Olympic Dam-Prominent Hill area in South Australia (see Figure 1).

Operator and joint venture partner Straits Resources (ASX: SRL, "Straits" earning 70% interest) has commenced a diamond drill program, with the first three holes totalling 3600 metres already determined.

The joint venture comprises 9 tenements spanning some 3,300km² in the highly prospective Olympic Dam-Prominent Hill area prospective for world class Cu-Au (U) deposits. Previous drilling by UXA at the Winjabbie prospect, which is one of Straits drill targets, intersected 42 metres @ 0.34% Cu.

UXA Resources Managing Director Dr Russell Penney commented, "Stuart Shelf is located in one of the most highly prospective regions for world class copper gold deposits in the world today, and so we are excited to see drilling commence on the project.

"This represents the second drilling program launched in the past two months for UXA, having commenced an 8 hole Phase 2 drilling campaign at our flagship Dome 5 zinc lead silver prospect near Broken Hill, NSW in early December."

For further information, contact.

Russell Penney
Managing Director.

Tel: +61 8 8363 7970
Email: info@uxa.com.au
Website: www.uxa.com.au

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.

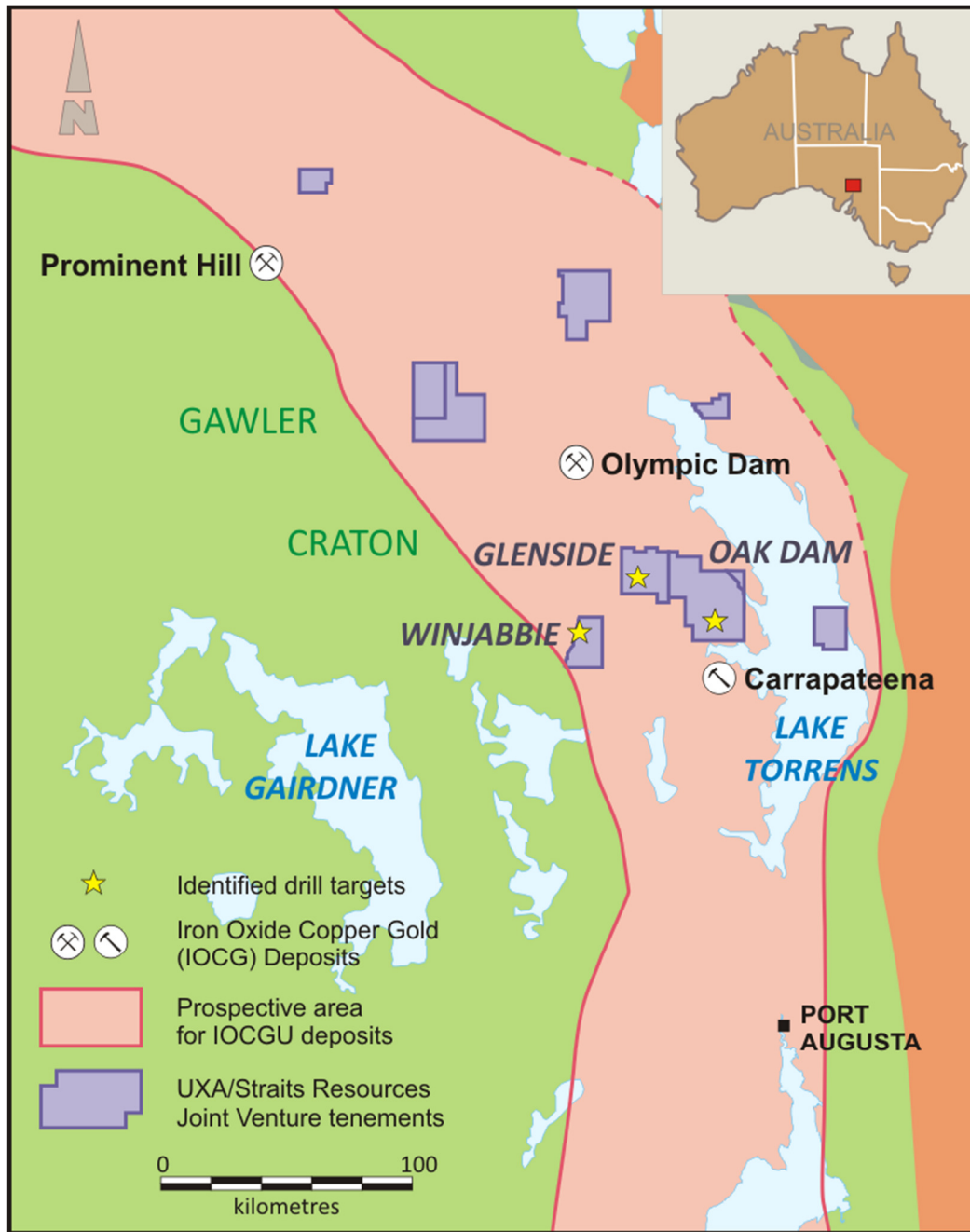


Figure 1

ABOUT UXA RESOURCES

UXA Resources Limited (ASX:UXA) is a diversified explorer that has assembled a pipeline of highly prospective tenements throughout Australia, all located within world class mining provinces and near existing infrastructure.

The company has a three-pronged strategy to deliver growth and increase shareholder value, via:

1. Development of its flagship assets, Dome 5 zinc-lead-silver project in NSW and the Nabarlek and Pandanus West project in NT;
2. Retained exposure to advanced exploration projects via strategic joint ventures; and
3. Expanding markets for its 100%-owned GAA Wireline borehole logging business, which has exclusive global rights to the increasingly utilised PFN technology

As a testament to the quality of UXA's exploration portfolio, the company has attracted several highly regarded strategic partners from among the world's most renowned and prominent resources companies, including Reliance Industries of India, and Teck Resources of Canada, as well as ASX-listed Straits Resources. These partners provide additional capital, scope and expertise to accelerate UXA's major exploration programs.

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

