

**URUGUAY MINERAL EXPLORATION INC.
MEDIA RELEASE**

11th April, 2006

SYMBOLS: UME (TSXV), UGY (AIM)

**Interim Results for the quarter ended February 28, 2006
Quarterly production of 25,451 ounces and encouraging
drilling results at Argentinita**

Uruguay Minerals Exploration Inc today announced results for the quarter ended February 28, 2006. Profit after tax for the quarter was \$2,322,000 as production continued at the planned 100,000 ounce per annum rate and the cash cost of \$203 per ounce was in accordance with expectations.

Highlights for the three months ended February 28, 2006 include.

- Gold production of 25,451 ounces at an average cash cost of \$203 per ounce.
- Net profit after tax of \$2,322,000 or \$0.05 per share after booking a fair value adjustment of \$937,000 on non-hedge gold derivatives.
- Cash flow from operations of \$4,495,000 before non-cash working capital movements.
- Sales were \$12,167,000 and the average price of gold sold was \$510 per ounce.
- The Lascano airborne gravity/mag survey has been completed (9,423 line kilometers) and the results are being evaluated.
- The Company has received encouraging drill results from its Argentinita project (Minas De Corrales) and is preparing to start a new drilling at Crucera, in south central Uruguay. Key drill results for the Argentinita project are attached.

The Argentinita results are encouraging as they confirm that the Company's structural interpretation of the area around the Flores granite is robust. The Company is developing a better understanding of the mineralization controls in this area which support a model that involves the emplacement of larger mineralized bodies in this area.

Highlights for the nine months ended February 28, 2006 include.

- Gold production of 75,937 ounces at an average cash cost of \$US199 per ounce.
- Net profit after tax of \$6,506,000 or \$0.14 per share.
- Cash flow from operations of \$13,702,000 before non-cash working capital movements.
- Sales were \$35,214,000 and the average price of gold sold was \$465 per ounce.

CHAIRMAN'S STATEMENT QUARTER TO FEBRUARY 28 2006

The attached financial statements show a quarterly profit after tax of \$2,322,000 (\$6,506,000 for the 9 months ended February 28, 2006). During the quarter 25,451 ounces of gold were produced at a cash cost of \$ 203 per ounce bringing the 9 month period total to 75,937 ounces at a cash cost of \$ 199 per ounce. The average price of sales for the quarter was \$ 510 per ounce. These results reflect the hard work that has gone into developing the Minas de Corrales Gold project over the past 2 years.

Efforts have continued in expanding exploration activities with a total of 17 full-time geologists and a number of consultants working in Uruguay. The Company now has 8 drill rigs (3 diamond, 1 diamond/reverse circulation, 3 reverse circulation and 1 rab rig) available to it.

After mining 31,000 contained ounces of gold from Zapucay / Argentinita area during 2004/05 the project was returned to exploration. Recent intersections demonstrate the potential to expand resources and target more significant volumes of mineralization.

Exploration activities away from the Minas De Corales area include the completion of an airborne geophysical survey at Lascano and the extension of this survey to other prospective areas. As detailed in the attached Management Discussion and Analysis plans are also in place to test gold targets in the Florida belt. A separate Presidents Report will no longer be published as these explanations have been incorporated into the Management Discussion and Analysis.

The Board met throughout the first week of April in Uruguay, during which time we reviewed the progress of all our activities. We are particularly pleased with the work that is being done on the Lascano anomaly, production at the mine and near mine exploration activities. Considerations commenced on the options on how best to generate shareholder value from the Cinco Rios diamond project.

We remain on course to declare our first dividend with the results for the full year which we expect to publish in August.

Once again I place on record the thanks of all the Board for the hard work of our employees.

Tony Shearer
Chairman
April 10, 2006

Argentinita Drill Results

Current quarter drill results include

RCARG 71	8 m @ 2.29 g/t Au from 14 m
RCARG 74	14 m @ 1.97 g/t Au from 4 m
RCARG 94	6 m @ 2.36 g/t Au from 36 m
RCARG 101	10 m @ 3.29 g/t Au from 20 m

From the previous quarter better results from this prospect include

RCARG 05	12 m @ 2.30 g/t from 0 m
RCARG 23	20 m @ 2.81 g/t from 10 m
RCARG 24	23 m @ 2.37 g/t from 10 m

Subsequent to the end of the quarter the following results have been received

RCARG 109	32 m @ 1.26 g/t (which includes 8m @ 4.46g/t) from 114m
RCARG 114	32 m @ 3.10 g/t from 28m
RCARG 116	26 m @ 1.73 g/t from 78m

Crucera Drill Results

Historic drill results (American Resource Corporation) – selected holes:

Hole No	Easting	Northing	Intercept	From -To
VCR 1	1048.68	1009.08	7m @ 9.94 g/t	8m to 15m
VCR 2	1049.49	1020.15	2m @ 6.80 g/t	17m to 19m
VCR 3	1074.39	1011.56	6m @ 8.94 g/t	6m to 12m
VCR 4	1076.02	1026.13	3m @ 7.11 g/t	17m to 20m
VCR 6	1100.11	1028.54	8m @ 4.07 g/t	24m to 32m
VCR 8	1123.21	1017.5	2m @ 4.09 g/t	21m to 23m
VCR 9	1148.05	1003.73	5m @ 2.40 g/t	7m to 12m
VCR 15	1223.25	995.18	4m @ 4.3 g/t	8m to 12m
VCR 16	1223.39	1006.71	2m @ 6.24 g/t	21m to 23m
VCR 17	1248.03	991.96	10m @ 2.65 g/t	9m to 19m
VCR 18	1248.17	1000.15	4m @ 4.69 g/t	19m to 23m
VCR 19	1273.37	991.52	4m @ 4.90 g/t	8m to 12m
VCR 20	1273.68	999.55	3m @ 3.12 g/t	17m to 20m
VCR 21	1297.99	989.93	4m @ 4.58 g/t	7m to 11m
VCR 22	1297.33	998.03	4m @ 3.08 g/t	17m to 21m
VCR 23	1317.2	986	4m @ 4.43 g/t	6m to 10m
VCR 25	1099.38	1012.72	3m @ 3.10 g/t	14m to 17m
VCR 26	1024.26	1009.33	2m @ 3.59 g/t	7m to 9m
VCR 30	862.74	1001.16	3m @ 6.16 g/t	9m to 12m
VCR 31	863.72	1007.87	4m @ 5.83 g/t	7m to 11m
VCR 32	845.61	1008.22	23m @ 5.22 g/t	6m to 9m
VCR 33	848.29	1014.14	5m @ 12.23 g/t	9m to 14m
VCR 35	823.9	1021.83	4m @ 4.73 g/t	4m to 8m
VCR 36	823.82	1029.24	2m @ 7.5 g/t	12m to 14m
VCR 37	798.7	1023.83	3m @ 3.09 g/t	6m to 9m
VCR 38	797.78	1031.33	3m @ 8.64 g/t	14m to 17m
VCR 39	773.74	1021.42	3m @ 7.29 g/t	6m to 9m
VCR 40	773.09	1028.57	4.0m @ 4.09 g/t	13m to 16m
VCR 45	699.83	1006.94	4.0m @ 18.03 g/t	9m to 13m
VCR 46	698.39	1014.21	4.0m @ 7.65 g/t	19m to 23m
VCR 52	662.36	988.36	5.0m @ 2.28 g/t	13m to 18m

ENDS

The Management Discussion and Analysis for the period ended February 28, 2006 can be obtained from the following link: www.uruguayminerals.com

Editors note:

Uruguay Mineral Exploration Inc., which joined AIM in December 2004, is a gold producer and exploration company focussed on identifying and developing mineral opportunities in Uruguay. UME is a fully integrated mining company, possessing the skills necessary to explore and develop its discoveries. The Company operates the only producing gold mine in the country (San Gregorio), and is also the leading mineral exploration company in Uruguay having assembled an exploration portfolio based on gold, base metals (copper, nickel, lead, zinc) and diamond prospects. In the first half of 2003, the Company discovered the Arenal deposit, currently the largest known gold resource in Uruguay. It is quoted in Canada (TSXV) and London (AIM) and Collins Stewart is the nominated adviser and broker.

For further information, please contact

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