



CORPORATION

Quarterly Report
For the
Three Months Ending
March 31, 2003

UEX Corporation, Vancouver, B.C., Canada



Letter To Shareholders

UEX Corporation ("UEX") is a public uranium exploration company with exploration activities in the Athabasca Basin of northern Saskatchewan, Canada, an area that hosts the world's largest, high-grade uranium deposits. UEX began trading on the TSX on July 17, 2002.

During the three months ending March 31, 2003, UEX carried out exploration on its Hidden Bay and Black Lake uranium properties. The programs of geophysics and diamond drilling, budgeted at approximately \$1,000,000, concluded in April 2003.

Significant Events During the Three Months Ending March 31, 2003

Black Lake Property Agreement

On January 7, 2003 UEX announced that an agreement-in-principle (the "Agreement") had been reached between UEX, Cameco Corporation ("Cameco"), COGEMA Resources Inc. ("COGEMA") and UEM Inc. ("UEM") regarding the ownership and exploration of the Black Lake Uranium Project ("Black Lake"), located in the Athabasca Basin area of northern Saskatchewan, near Stony Rapids.

The Black Lake claims are held by UEM, a private corporation owned equally by Cameco and COGEMA. COGEMA, a private corporation headquartered in Paris, France with Canadian offices in Saskatoon, SK, is a uranium exploration and mining company owned by COGEMA S.A., the world's leader of the uranium fuel cycle. Cameco, the world's largest uranium supplier, owns a direct 35% equity interest in the common shares of UEX.

In the July 2002 reorganization, UEX assumed an option agreement between Pioneer and UEM where Pioneer would spend \$2.5 million to earn a 60% interest in Black Lake. Upon the completion of the reorganization, UEX was credited with Pioneer's expenditures on Black Lake of approximately \$300,000. In October 2001, Cameco had agreed to use its best efforts to transfer its 50% indirect interest in Black Lake to UEX and as a signatory to the Agreement of January 2003, Cameco will formally transfer its interest in Black Lake. This transfer will result in UEX and COGEMA having equal ownership in Black Lake, thereby eliminating the previous option agreement between UEX and UEM. UEX will operate Black Lake.

For the winter of 2003, UEX proposed a diamond drilling program of at least four holes at Black Lake. COGEMA will have the opportunity to review the results of the 2003 Black Lake program before making a decision to contribute its share of costs or have its interest in Black Lake diluted. A formal Joint Venture Agreement between UEX and COGEMA will be negotiated.

Summer 2002 Exploration Results

On January 14, 2003, UEX announced the results of summer 2002 exploration programs at the Hidden Bay and Riou Lake Uranium Projects. Under a service agreement Cameco manages the Hidden Bay Project while UEX manages the Riou Lake Project. The summer programs were conducted between July and October 2002.

Hidden Bay Project

Summer exploration on the Hidden Bay Project included:

- 3635 metres of drilling on the Raven-Horseshoe grid (4 holes, 1718 metres) and the Telephone Lake area (6 holes, 1917 metres). At Raven-Horseshoe, holes LB-103, LB-104, LB-105 and TW-31 tested EM conductors. No mineralization was intersected. Drilling in the Telephone Lake area tested along strike and down dip of anomalous mineralization and alteration identified in historical, widely spaced holes. Hole SP-146 (drilled to 285 m) intersected anomalous radioactivity with radiometric peaks up to 4500 counts per second at 177.8 m, approximately 8 m below the unconformity within strongly

hematite altered pelitic gneiss. This area is open on strike to the south and to the north in the direction of a high-priority, winter-accessible drill target identified in the 2002 summer program.

- a high-resolution, airborne magnetometer survey. The results of the magnetometer survey significantly aided geological interpretation in overburden covered areas of the property and will help prioritize prospective exploration areas.
- reconnaissance MMI (Mobile Metal Ion) soil sampling programs. In the northern portion of the Raven-Horseshoe grid a significant, multi-sample uranium anomaly was found above a historically interpreted conductor lying parallel to the Rabbit Lake fault in an area untested by diamond drilling, approximately 5 km southwest of the Rabbit Lake Mine.
- outcrop mapping, relogging of historical diamond drill holes and data compilation.

Riou Lake Project

At Riou Lake, summer exploration activity consisted of:

- 2346 metres of diamond drilling in three holes, testing three geophysical targets. In the radioactive springs area, hole RLG-D15 (drilled to 845 m) encountered broad areas of rotated bedding, strong bleaching and numerous clay-coated fractures that suggest the presence of a significant structure that has localized hydrothermal fluid flow. The results of a borehole EM survey showed the hole missed the probable intersection point of the fault with the unconformity by about 150 metres. Follow-up drilling is planned. Holes RLG-D16 (drilled to 761 m) and RLG-D17 (drilled to 740 m) did not intersect any significant faults or alteration, although graphite-bearing gneiss is present in basement rocks in RLG-D16.
- a surface outcrop sampling program, which tested for potential surface expression of alteration and uranium mineralization over the Riou Lake fault. Samples were collected along lines spaced 500 metres apart and were analyzed by the Saskatchewan Research Council. Three anomalous areas were identified, containing above-background concentrations of several pathfinder elements and minerals including lead, arsenic, phosphate, boron and uranium. These anomalies are coincident with bleached alteration zones and quartz/clay veinlets developed along the trace of the fault, which may reflect the presence of a potentially uranium-bearing alteration zone at depth.
- drill core examination and re-evaluation.

Subsequent Events To the Three Months Ending March 31, 2003

On May 13, 2003 UEX announced a proposed private placement to raise up to \$1,000,000. The offering, to be conducted on a best efforts basis, will consist of up to \$700,000 or 7,000,000 flow-through common shares at \$0.10 per share and up to \$300,000 or 3,000,000 Units at \$0.10 per unit. Each Unit will consist of one common share and one common share purchase warrant. Each common share purchase warrant will entitle the holder to purchase one common share at \$0.15 per share for the two year period following the closing date. The private placement is expected to be completed on or about June 5, 2003.

UEX has recently outlined budgets for its summer 2003 exploration programs, which total approximately \$700,000 on both the Hidden Bay and Riou Lake projects.

UEX's website can be accessed at www.uex-corporation.com for detailed information about the company and its properties in the Athabasca Basin.

ON BEHALF OF THE BOARD OF DIRECTORS OF UEX CORPORATION

"Stephen Sorensen"

Stephen H. Sorensen
President & CEO

UEX CORPORATION
UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2003
(Prepared By Management)

UEX CORPORATION
BALANCE SHEET
(UNAUDITED - PREPARED BY MANAGEMENT)

	March 31 2003	December 31 2002
	\$	\$
ASSETS		
Current Assets		
Cash	44,603	39,779
Short-term investments	680,000	1,325,000
Amounts receivable	65,314	113,231
Prepaid expenses	16,348	8,709
	<hr/>	<hr/>
	806,265	1,486,719
Mineral properties (Note 3)	12,984,238	12,384,240
	<hr/>	<hr/>
	13,790,503	13,870,959

LIABILITIES

Current Liability		
Accounts payable and accrued liabilities	184,446	187,255
Future Income Taxes	4,331,000	4,331,000
	<hr/>	<hr/>
	4,515,446	4,518,255

SHAREHOLDERS' DEFICIENCY

Share Capital (Note 4)	9,591,506	9,591,506
Stock Options	17,594	17,594
Deficit	(334,043)	(256,396)
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	9,275,057	9,352,704
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	13,790,503	13,870,959

APPROVED BY THE DIRECTORS

Graham C. Thody (Signed)

Stephen H. Sorensen (Signed)

Refer to accompanying notes.

UEX CORPORATION
STATEMENT OF OPERATIONS AND DEFICIT
(UNAUDITED - PREPARED BY MANAGEMENT)

THREE MONTH PERIOD ENDED MARCH 31	2003	2002
	\$	\$
Revenue		
Interest	9,189	5
Expenses		
Bank charges and interest	171	973
Filing fees and stock exchange	12,474	-
General and administration	802	-
Insurance	376	-
Legal and accounting	11,900	-
Office	152	4,261
Rent	8,391	7,722
Salaries	50,180	37,555
Telephone	739	966
Travel and promotion	1,651	-
	<u>86,836</u>	<u>51,477</u>
Net Loss For The Period	(77,647)	(51,472)
Deficit, beginning of period	<u>(256,396)</u>	-
Deficit, End Of Period	(334,043)	(51,472)
Loss Per Share	(0.0008)	(51,472)
Weighted Average Number Of Shares	93,726,844	1

Refer to accompanying notes.

UEX CORPORATION
STATEMENT OF CASH FLOW
(UNAUDITED - PREPARED BY MANAGEMENT)

THREE MONTH PERIOD ENDED MARCH 31	2003	2002
	\$	\$
Operating Activities		
Net loss for the period	(77,647)	(51,472)
Cash provided by changes in non-cash working capital items		
Amounts receivable	47,917	(26,883)
Prepaid expenses	(7,639)	(8,208)
Deferred financing charges	-	(168,222)
Deferred exploration charges	-	(355,250)
Pre-acquisition property costs	-	(18,164)
Accounts payable	(2,809)	181,825
	37,469	(394,902)
	(40,178)	(446,374)
Financing Activities		
Short-term investments	645,000	-
Due to Pioneer Metals Corporation	-	457,510
	645,000	457,510
Investing Activity		
Mineral properties	(599,998)	-
Increase During The Period	4,824	11,136
Cash, beginning of period	39,779	-
Cash, End Of Period	44,603	11,136

Refer to accompanying notes.

UFX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2003
(UNAUDITED - PREPARED BY MANAGEMENT)

1. Basis Of Presentation

These interim financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended December 31, 2002 and should be read in conjunction with the audited annual financial statements.

2. Operations

The Company was incorporated under the Canada Business Corporations Act on October 2, 2001. On October 23, 2001, the Company entered into an agreement with Pioneer Metals Corporation ("Pioneer") and Cameco Corporation ("Cameco") to establish the Company as a public uranium exploration company. On July 17, 2002, under a plan of arrangement with Pioneer, Pioneer transferred to the Company its uranium exploration properties and all related assets, including the Riou Lake Uranium, Black Lake and Serendipity Lakes Projects ("Riou Lake"), and Cameco transferred its Hidden Bay uranium exploration property and certain related assets in exchange for shares of the Company.

3. Mineral Properties

The mineral properties comprise the uranium exploration properties and all related assets that Pioneer and Cameco each transferred to the Company following the completion of the plan of arrangement.

The pre-acquisition property and deferred exploration costs that were incurred prior to the completion of the plan of arrangement have been re-allocated to the mineral properties to which they relate.

Mineral properties are summarized as follows:

	Riou Lake	Hidden Bay	Total
	\$	\$	\$
Exchanged for share capital	2,168,377	4,450,000	6,618,377
Future income taxes relating to the above acquisition	-	3,809,000	3,809,000
Pre-acquisition property costs	99,532	66,354	165,886
Exploration and development costs	678,426	1,712,549	2,390,975
	<u>2,946,335</u>	<u>10,037,903</u>	<u>12,984,238</u>

4. Share Capital

(a) Authorized

The authorized share capital of the Company consists of unlimited number of common shares and unlimited number of preferred shares issuable in series, of which 1,000,000 preferred shares have been designated series 1 preferred shares.

UEX CORPORATION
NOTES TO FINANCIAL STATEMENTS
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4. Share Capital (Cont'd)

(b) Issued - Common Shares

	Number Of Shares	Value \$
Issued in 2001:		
For cash, being balance, December 31, 2001	1	1
Issued in 2002:		
For the Riou Lake Uranium Project	46,534,309	2,168,377
For the Hidden Bay Uranium Project	31,022,869	4,450,000
For cash	16,003,665	2,953,208
For cash on exercise of stock options	166,000	19,920
Balance – December 31, 2002 and March 31, 2003	93,726,844	9,591,506

The value ascribed to the shares issued for the Riou Lake Uranium Project is equal to the historic carrying value expenditures made by Pioneer due to the fact that the Pioneer shareholders were issued in excess of 50% of the shares of the company at the time of transfer.

The value ascribed to the shares issued for the Hidden Bay Project is equal to the estimated fair value of that project at the time of the acquisition. Management has ascribed a value of \$0.14 per share to this acquisition, based upon the trading value of the Company's common shares during the period of the initial public offering.

(c) Common Shares Reserved

At March 31, 2003, the company had reserved a total of 4,850,000 common shares related to the director and employee options:

Number Of Shares	Option Price Per Common Share \$	Expiry Date \$
100,000	0.12	November 7, 2012
1,000,000	0.16	July 25, 2012
1,000,000	0.18	January 11, 2012
675,000	0.12	October 25, 2010
200,000	0.16	November 5, 2006
300,000	0.16	June 19, 2006
300,000	0.12	May 10, 2005
475,000	0.12	March 7, 2005
400,000	0.12	February 4, 2004
400,000	0.16	May 12, 2003

UEX CORPORATION
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4. Share Capital (Cont'd)

(c) Common Shares Reserved (con'd)

On completion of the underwriting, the Company issued 1,053,474 common share warrants to the agents entitling the agents to purchase one common share of the Company at a price of \$0.25 per share. These warrants expire on July 17, 2004.

5. Related Party Transaction

At March 31, 2003, accounts payable included \$4,400 due to an director of the Company for accounting services.

Corporate Information

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Directors & Officers

Stephen H. Sorensen
President, Chief Executive Officer
Director

Peter C. Kalbfleish
Director

Graham C. Thody
Director

Colin Macdonald
Director

Walter T. Segsworth
Director

Warren W. Stanyer
Corporate Secretary, Chief Financial Officer