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NEWS RELEASE

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UEX Discovers New Uranium Mineralization at Telephone Lake

UEX Corporation ("UEX") is pleased to announce that Cameco Corporation ("Cameco") has reported to UEX the results from Winter 2005 diamond drilling program on UEX's 100%-owned Hidden Bay Uranium Project ("Hidden Bay" the "Project", or the "Property"). Highlights of the program include the discovery of uranium mineralization along the Telephone Lake Trend adjacent to the McClean Lake Mine Property operated by AREVA subsidiary COGEMA Resources Inc. ("COGEMA"). Hole SP-156, located only 2.1 kilometres southwest of COGEMA's Sue E Deposit, encountered the highest-grade uranium mineralization encountered to date along the Telephone Lake Trend on the Project. The Winter 2005 diamond drilling program was undertaken in conjunction with the West Bear Deposit sonic drilling program previously reported by UEX (see UEX News Releases dated June 2, 2005 and July 25, 2005). Hidden Bay, which is managed by Cameco under a service agreement, is located in the eastern Athabasca Basin area of northern Saskatchewan and totals 57,721 hectares (142,571 acres).

To view a map depicting the 2005 winter exploration program at Hidden Bay, please access UEX's website at www.uex-corporation.com under "Latest Updates".

Winter 2005 Hidden Bay Diamond Drilling Program

The original 2005 winter exploration program called for 8,700 metres of diamond drilling to be completed, testing six target areas on the Property. However, only three of these target areas could be tested this winter due to poor ice conditions, an unusually heavy snow pack, and an early spring thaw. A total of 6,802 metres of diamond drilling was completed in 52 holes. The 2005 winter diamond drilling program may be summarized as follows:

Telephone Lake Trend (6 holes, totaling 1,539 metres)

Six holes were drilled to follow up on encouraging geochemistry, alteration, and structure in holes SP-148 and SP-146 (drilled by UEX in 2002 and 2003) located at the north end of the Telephone Lake Trend, only 2.1 kilometres southwest of the Sue E Deposit and 2.5 kilometres south of the McClean Lake Deposits, both located on COGEMA's McClean Lake Mine Property.

Hole SP-156, located 50 metres south of SP-148, encountered uranium mineralization located in basement rocks approximately 6.2 metres below the unconformity, which was reached at 183.6 metres. The mineralized interval, from 189.8 to 190.3 metres, averaged 4.52% U₃O₈ over its 0.5 metres. Hole SP-156 represents the best uranium intersection encountered to date along the Telephone Lake Trend.

Hole SP-158, drilled 15 metres in the down-dip direction of SP-156, did not intersect the

down-dip extension of the mineralization. However, a second mineralized interval was encountered at the unconformity that returned an assay of 0.52% U₃O₈ over 0.2 metres. Mineralization from these holes remains open down-dip to the east and will be a priority drill target in the Winter 2006 drilling program.

The original drill plan in the Telephone Lake area called for the drill testing of targets along the southern end of the Telephone Lake Trend where in 2004 anomalous radioactivity and alteration were observed in the shallow basement environment. These targets, located under a lake, could not be drilled this winter due to poor ice conditions on the lake.

West Bear Area (22 holes, totaling 2,276 metres)

Closely-spaced holes were drilled to determine whether uranium mineralization extended east and southeast of the limits of the West Bear Deposit as defined by historical Gulf Minerals holes, in the direction of the high Ni-Co mineralization encountered in WBE-019, 027, 028 and 029 by UEX in 2002 and 2003. Almost every hole encountered strong hydrothermal alteration, faulted graphitic basement rocks, and highly anomalous radioactivity at the unconformity, an identical geological environment to that which hosts the West Bear Deposit. Hole WBE-078, the only hole that did encounter significant uranium mineralization at the unconformity, returned a probe-defined grade of 0.28% eU₃O₈ over 1.0 metre.

The diamond drill rig was also used to extend sonic holes UEX-011 and 012, which were abandoned in mineralization when the sonic rig was unable to reach the intended depth.

Pebble Hill Area (24 holes, totaling 2,987 metres)

The objective of this program was to determine the limits of uranium mineralization associated with the Pebble Hill Occurrence, located 1 kilometre west of the West Bear Deposit, and to test for additional mineralization in the immediate area. This program failed to extend the known mineralization at Pebble Hill Occurrence or define additional mineralization in the immediate area. However, the drilling program did extend the alteration zone associated with the Pebble Hill Occurrence 100 metres to the northwest, where it remains open for expansion. Additional drilling is planned in 2006 to test for uranium mineralization in this direction.

Planned but Untested Targets

Holes were also planned to test targets in three other areas during the Winter 2005 diamond drilling program. These were as follows:

- *Tent-Seal Trend* – A review of the available assessment data indicated that basement-hosted uranium mineralization occurs approximately 65 metres from the western property boundary under Tent Lake on COGEMA's McClean Lake Mine Property. UEX's target is similar mineralization along the Tent-Seal Trend on the Hidden Bay side of the boundary. Five unsuccessful attempts were made to access the drill target area but access was hindered by an unusually deep snow pack in this area. Drill testing for possible extensions of the known mineralization onto the Project is a priority target that will be tested in 2006.
- *Moosippi Lake* – UEX intended to drill holes to follow-up encouraging hydrothermal alteration observed in holes in the Moosippi Lake area along conductive features believed to lie to the west and along strike of the Raven-Horseshoe Deposits. This

target was not tested during the winter program as spring thaw occurred before drill could be mobilized to the area to test the target.

- *Post Landing Area* – Holes were originally planned to followed-up HLEM and VTEM conductors that were observed to have a pattern similar to that observed in the nearby Eagle Point Deposits, presently being mined and milled by Cameco. This target was not tested during the winter program as spring thaw occurred before the drill rig could be mobilized to the area to test the target.

Planned Exploration Programs

Additional target areas remain to be tested in similar favourable geological, geochemical, and geophysical settings in the West Bear area, including several which could not be drill- tested due to poor ice conditions during the 2005 winter program. Testing of these targets will be carried out as part of another aggressive diamond drilling campaign at Hidden Bay in Winter 2006.

The technical information in this document has been compiled and reviewed by Roger Lemaitre, P. Geo., a qualified person as defined by National Instrument 43-101.

About UEX

UEX is a Canadian uranium exploration company formed under an agreement between Pioneer Metals Corporation and Cameco. Cameco, the world's largest supplier of uranium, is UEX's largest shareholder and manages exploration at UEX's 100%-owned Hidden Bay Project. UEX began trading on the Toronto Stock Exchange in July 2002 and is actively involved in the exploration and development of 19 uranium projects, including seven that are 100%-owned and operated by UEX, one joint ventured with COGEMA that is operated by UEX, ten under option from COGEMA and one under option from Japan-Canada Uranium Company, Limited, which are operated by COGEMA. The 19 projects, totaling 386,650 hectares (955,400 acres), are located in the eastern, western and northern perimeters of the Athabasca Basin, the richest uranium belt in the world, which accounts for approximately 30% of global primary uranium production. Upon completion of a recent financing (see UEX News Release July 18, 2005) UEX will have a cash position in excess of \$52.0 million (CDN).

Forward looking statements:

This news release contains certain forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond UEX's ability to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Although UEX believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these forward-looking statements.

ON BEHALF OF THE BOARD OF DIRECTORS OF UEX CORPORATION

"signed"

Stephen H. Sorensen, President & C.E.O.