UEX CORPORATION

Quarterly Report
For the
Nine Months Ending
September 30, 2006

UEX Corporation, Vancouver, B.C., Canada

Message to Shareholders

In the nine months ending September 30, 2006, UEX Corporation ("UEX", or the "Corporation") carried out exploration activities on its uranium exploration projects, including a drilling program at the Shea Creek Project, the site of the Kianna Deposit, a new high-grade uranium discovery made in July 2005. UEX is well-financed, and at September 30, 2006 held a cash position exceeding $82.0 million. The Corporation's incurred exploration expenditures on its projects for the nine months ending September 30, 2006 were approximately $17.0 million, and UEX estimates its total exploration expenditures for 2006 will be $19.0 million. In March 2006, UEX was added to the S&P/TSX Composite Index. During the third quarter, the Corporation increased its interest in the West Athabasca Projects, which includes the Shea Creek Project, to 24.5% as a result of additional exploration expenditures.

During the months ahead, UEX management looks forward to the successful pursuit of an economic uranium resource on the world-class Kianna Deposit discovery and related Shea Creek deposits, and to the advancement of the West Bear Deposit towards commercial production. UEX plans to increase its exploration and development activities at the Raven-Horseshoe Deposit, and further explore all of its other Athabasca Basin projects.

"signed"

Stephen H. Sorensen, President & CEO

November 10, 2006

Management Discussion & Analysis

Overview

Strategy

UEX's goal is to remain the leading uranium explorer in the uranium-rich Athabasca Basin of northern Saskatchewan and, through its efforts, eventually join the elite ranks of Canada's uranium producers. Sustainable growth is realized by the acquisition and partnering of prospective uranium projects at various stages of exploration and development, and located in different but prospective geological domains in the Athabasca Basin.

UEX believes that diversification of projects, project locations and project partners is the key to successful discoveries. UEX holds a diversified portfolio of projects, located in several prospective geological domains in the Athabasca Basin and has strong affiliations with nuclear industry leaders. Since going public in July of 2002, UEX has aggressively pursued this strategy and has produced a growing capital appreciation for its shareholders.

All dollar figures are quoted in Canadian funds unless described otherwise.

About UEX

UEX is a Canadian uranium exploration company formed under an agreement between Pioneer Metals Corporation ("Pioneer") and Cameco Corporation ("Cameco"), the world's largest supplier of uranium. Cameco is UEX's largest shareholder, holding approximately 21.63% of the common shares of UEX, and has one representative on UEX's Board of Directors. UEX began trading on the Toronto Stock Exchange in July 2002 and is actively involved in the exploration and development of 19 uranium projects in the Athabasca Basin, including seven that are 100% owned and operated by UEX, one joint venture with AREVA Canada Resources Inc. ("AREVA", formerly COGEMA Resources Inc.) that is operated by UEX, ten under option from AREVA and one under option from Japan-Canada Uranium Company, Limited, which are operated by AREVA. AREVA is part of the AREVA Group, the world's largest nuclear energy company. The 19 projects, totaling approximately 386,600 hectares (955,400 acres), are located in the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium belt, which accounts for approximately 30% of global primary uranium production.

UEX 100% owned projects are the Hidden Bay Project, the Riou Lake Project, and the Northern Athabasca Projects, which is a collective term for the Butler Lake, Fond du Lac, Munroe Lake, Otherside River and Jacques Point projects.

UEX operates the Black Lake Project in the northern Athabasca Basin which is a joint venture with AREVA. As of December 31, 2005, UEX held a 76.43% interest and AREVA held a 23.57% interest. AREVA elected not to participate in the 2006 exploration programs at Black Lake, and as a result, their interest will be subject to dilution.

In March 2004, UEX entered into a letter agreement with AREVA whereby UEX was granted the option to acquire up to a 49% interest in eight uranium projects owned by AREVA, including the Shea Creek Project ("Shea Creek", containing the Anne and Colette uranium deposits) located in the western Athabasca Basin in northern Saskatchewan (collectively the "Western Athabasca Projects"). In December 2004, the Brander Lake and James Creek projects were staked by AREVA, bringing the total number of projects under the UEX-AREVA Western Athabasca Projects option agreement to ten. UEX and AREVA entered into a definitive option agreement dated November 10, 2004 relating to the Western Athabasca Projects. In order to earn a 49% interest, UEX must fund $30 million in exploration expenditures as follows:

Prior to December 31, 2005	Minimum $2,000,000
2006:	Minimum $2,000,000
2007 to 2010:	Minimum $2,500,000 per year
2011 to 2013:	Minimum $3,000,000 per year
2014 and 2015:	Minimum $3,500,000 per year

The Corporation earns a 12.25% interest in the Western Athabasca Projects for every $7,500,000 of expenditures incurred to a maximum total interest in the projects of 49%. Excess contributions in any year are carried forward and reduce the obligations of UEX in subsequent years. UEX's exploration expenditures exceed $16.4 million under the option agreement and UEX has earned a 24.5% interest.

In June 2004, UEX announced an agreement with Japan-Canada Uranium Company, Limited ("JCU") whereby JCU granted UEX an option to acquire a 25% interest in the Beatty River Project ("Beatty River"), located in the western Athabasca Basin in northern Saskatchewan. Beatty River is located 40 kilometres south of the Shea Creek uranium deposits.

At present, AREVA owns a 50.71% interest and JCU owns a 49.29% interest in Beatty River. Under the agreement, UEX can earn a 25% interest in Beatty River by funding $865,000 in exploration expenditures by December 31, 2008. AREVA is maintaining its 50.71% interest in Beatty River by matching UEX's exploration expenditures.

Growth Strategy

UEX, having remained the leading uranium explorer in the Athabasca Basin, has planned expenditures estimated at $19.0 million in 2006. The main strategies of UEX are:

- To improve the geological model and complete the additional drilling required to delineate and develop an economic resource on the Anne, Colette and Kianna Deposits at the Shea Creek Project, and the Raven-Horseshoe Deposit at the Hidden Bay Project;
- To complete a final feasibility study for the West Bear Deposit at the Hidden Bay Project;
- To further explore the uranium discovery made in the Fall of 2004 at the Black Lake Project;
- To maintain and aggressively explore and advance to discovery its other uranium projects;
- To continue the negotiation and acquisition of new uranium projects in the Athabasca Basin;
- To maintain a diversified portfolio of projects, from grassroots exploration through to production;

- To leverage its strong relationships with the world's two largest uranium companies, the AREVA Group and Cameco.

Uranium Industry Trends

A number of trends in the nuclear industry have the potential to affect UEX's business environment.

Current trends continue to be encouraging for explorers and producers of uranium. The uranium spot price has increased over eight times since the reported spot price of January 2001 and by October 30, 2006 the spot price was quoted at US$60.00 per pound U_3O_8, an increase of over 80% from the spot price of US$33.25 per pound U_3O_8 quoted on October 31, 2005.

In recent years, the nuclear industry has seen increased capacity at existing nuclear plants, extensions of plant licenses, and new plant construction. For example, the China Atomic Energy Authority has announced plans to accelerate construction of up to 30 new nuclear power plants in order to quadruple its nuclear power capacity by 2020. New reactors are scheduled for construction in India, Finland, France, Russia, and the Ukraine. UEX believes that public opinion in many countries has moved in favour of nuclear power, and rising natural gas and oil prices have made nuclear energy the lowest cost option in several countries. In the U.S., other than hydro, nuclear energy is the cheapest source of electricity, and in recent months, several U.S. utilities have taken steps towards the construction of new nuclear power plants. Global warming concerns also support increased interest in nuclear power.

Uranium Supply and Demand

Uranium supply sources include primary mine production and secondary sources. Principal primary producers of uranium include Cameco (approximately 19.4% of global mine production in 2005) and AREVA, both of which produce principally from deposits in the Athabasca Basin of northern Saskatchewan. In 2005, worldwide annual fuel consumption totaled approximately 175 million pounds U_3O_8 while world primary production was approximately 108 million pounds U_3O_8. The resulting shortfall has been covered by several secondary sources including excess inventories held by utilities, producers, other fuel cycle participants, reprocessed uranium and plutonium derived from used reactor fuel, and uranium derived from the dismantling of Russian nuclear weapons. These secondary sources will decline in importance as excess inventories and recycled uranium from nuclear weapons are progressively consumed over the next decade, resulting in the need for further primary mine supply.

Demand for uranium is directly linked to the level of electricity generated by nuclear power plants, which supply approximately 16% of the world's electricity. As of January 2006, 440 reactors were in operation worldwide, with 82 new reactors planned to be constructed within the next ten years. Nuclear electricity generation worldwide is growing, since world nuclear generating capacity continues to expand as more reactors are built than are closed, and existing reactors are being operated at higher capacity. Reactors in the United States, for example, increased operational capacity from an average of 58% in 1980 to approximately 90% in 2005.

Long Term Outlook

In 2000, uranium spot prices reached 26 year lows of US$7.10 per pound U_3O_8 due to the increased availability of secondary supplies and increased inventory sales. The spot price has since increased to US$60.00 per pound U_3O_8 as of the date of this document, and the long term uranium market outlook remains positive with increased consumption, and the continuing draw down of secondary uranium sources. Given the lead time necessary to find and develop new mines, the projected gaps in both supply and future depletion of existing high grade uranium deposits means that uranium exploration must be accelerated in order to meet future demand. Even now, with the spot price of U_3O_8 at US$60.00 per pound, uranium exploration budgets still fall short of the exploration expenditures carried out in the Athabasca Basin during the 1970's and 1980's when several new discoveries were made. The recent resurgence of concern over energy security and supply, and the corresponding interest in nuclear power as a reliable and clean source of energy has heightened the awareness that new uranium supplies will be needed in the long term. The new uranium production is likely to come from deposits in Canada, Australia, Africa, Kazakhstan and the United States. Most deposits generally have much lower grades than the high-grade deposits in the Athabasca Basin, and consequently it is anticipated that the new supply will come at higher cost, which is expected to put further upward pressure on the uranium price over the next several years.

Selected Financial Information

The following is selected financial data from the audited financial statements of UEX for the last three complete fiscal years. The data should be read in conjunction with the audited financial statements for the year ending December 31, 2005 and the notes thereto.

For the Years Ended December 31

	2005	2004	2003
(CDN$)			
Investment Income	$812,979	$254,714	$30,167
Net Loss (Before Income Taxes)	($261,533)	($1,919,682)	($462,093)
Loss Per Share (Before Income Taxes)	($0.00)	($0.01)	($0.00)
Capitalized Exploration Expenditures, net of Stock-Based Compensation	$17,124,476	$6,677,175	$921,706
Total Assets	$83,128,228	$44,521,387	$16,677,563

The following quarterly financial data is derived from the interim, unaudited financial statements of UEX as at (and for the three month periods ended on) the dates indicated below. The data should be read in conjunction with UEX's interim, unaudited financial statements and the notes thereto.

For the Quarters Ended

	Sept. 2006	June 2006	Mar. 2006	Dec. 2005	Sept. 2005	June 2005	Mar. 2005	Dec. 2004
(CDN$)	$	$	$	$	$	$	$	$
Investment Income	913,154	910,953	595,667	355,349	275,478	42,513	139,639	138,860
Net Earnings (Loss) Before Income Taxes	(2,914,134)	669,356	(4,371,276)	183,104	(4,710)	(176,786)	(263,141)	(635,422)
Earnings (Loss) Per Share	(0.011)	0.013	(0.026)	0.001	(0.000)	(0.001)	(0.001)	(0.005)
Capitalized Exploration Expenditures, net of Stock-Based Compensation	5,658,930	3,676,380	7,595,177	3,908,244	4,829,102	2,899,159	5,487,971	4,467,923
Total Assets	139,557,023	136,398,706	138,336,861	83,128,228	82,711,917	56,386,345	46,585,561	44,521,387

Share Capital

The Corporation is authorized to issue an unlimited number of common shares without par value, of which 180,594,218 common shares were issued and outstanding as of September 30, 2006, and an unlimited number of preferred shares issuable in series, of which 1,000,000 preferred shares have been designated Series 1 shares, none of which are issued and outstanding. As of November 10, 2006, the number of common shares outstanding was 180,594,218.

At September 30, 2006, the Corporation had reserved a total of 7,881,300 common shares related to director and employee options, the details of which are as follows:

Exercise prices	Number outstanding, September 30, 2006	Weighted average remaining contractual life
$ 0.08	1,160,000	6.98 years
0.10	16,000	6.22 years
0.12	138,100	4.21 years
0.84	500,000	7.75 years
0.95	675,000	7.91 years
1.69	367,200	8.09 years
1.80	250,000	8.76 years
2.75	175,000	8.42 years
3.56	2,650,000	9.93 years
5.00	1,950,000	9.29 years
	7,881,300	8.76 years

Results of Operations

Three Months Ending September 30, 2006

For the three months ending September 30, 2006, the Corporation reported a net loss of $1,981,057, compared to a net loss of $4,710 for the three months ending September 30, 2005. The larger net loss for the three months ending September 30, 2006 was primarily due to a $3,523,677 increase in stock-based compensation expense, which was partially offset by a $637,676 increase in investment income, and a future income tax recovery of $933,077.

Investment income was $913,154 for the three months ending September 30, 2006, compared to $275,478 for the three months ending September 30, 2005, an increase of $637,676. The increase resulted from the investment during the period of larger cash balances resulting from the Corporation's equity offerings than those invested during the three months ending September 30, 2005.

The granting and vesting of stock options during the three months ending September 30, 2006 resulted in total stock-based compensation expense of $4,380,354, of which $738,665 was included in mineral property expenditures and the remaining $3,641,689 was charged to operations. Total stock-based compensation expense for the three months ending September 30, 2005 was $172,013, of which $54,001 was included in mineral property expenditures and the remaining $118,012 was charged to operations.

The future income tax recovery of $933,077 for the three months ending September 30, 2006 is mainly due to the enactment of amendments to current tax legislation by the Federal and Saskatchewan governments, which provided for a reduction in future corporate tax rates. There was no future income tax expense during the three months ending September 30, 2005.

Operating expenses before stock-based compensation expense for the three months ending September 30, 2006 were $185,599 compared to $167,191 for the three months ending September 30, 2005.

General and administrative expenses were $16,106 for the three months ending September 30, 2006, slightly higher than the general and administrative expenses of $15,143 for the three months ending September 30, 2005. Salaries and benefits totaled $102,503 in the three months ending September

30, 2006, an increase over the salaries and benefits cost of $69,363 incurred by the Corporation in three months ending September 30, 2005, primarily due to the hiring of additional employees, and higher salary costs attributed to a significant increase in the Corporation's business activity. Rent costs for the three months ending September 30, 2006 were $13,386 compared to rent costs of $10,783 for the three months ending September 30, 2005, due mainly to the expansion of the Corporation's office premises. Legal, accounting and audit expenses for the three months ending September 30, 2006 were $5,504 compared to $12,219 during the three months ending September 30, 2005, due mainly to a decrease in legal fees incurred by the Corporation in 2006. Filing fees and stock exchange fees were $25,384 during the three months ending September 30, 2006, compared to $24,614 over the same period in 2005.

Nine Months Ending September 30, 2006

For the nine months ending September 30, 2006, the Corporation reported a net loss of $4,047,692 compared to a net loss of $444,637 for the nine months ending September 30, 2005. The larger net loss for the nine months ending September 30, 2006 was primarily due to a $7,921,675 increase in stock-based compensation expense, which was partially offset by a $1,943,856 increase in investment income, and a future income tax recovery of $2,568,362.

Investment income was $2,401,486 for the nine months ending September 30, 2006, compared to $457,630 for the nine months ending September 30, 2005, an increase of $1,943,856. The increase resulted from the investment during the period of larger cash balances resulting from the Corporation's equity offerings than those invested during the nine months ending September 30, 2005.

The granting and vesting of stock options during the nine months ending September 30, 2006 resulted in total stock-based compensation expense of $9,448,799, of which $1,119,624 was included in mineral property expenditures and the remaining $8,329,175 was charged to operations. Total stock-based compensation expense for the nine months ending September 30, 2005 was $569,502, of which $162,002 was included in mineral property expenditures and $407,500 was charged to operations.

The future income tax recovery of $2,568,362 for the nine months ending September 30, 2006 is mainly due to the enactment of amendments to current tax legislation by the Federal and Saskatchewan governments, which provided for a reduction in future corporate tax rates. There was no future income tax recovery during the nine months ending September 30, 2005.

Operating expenses before stock-based compensation expense for the nine months ending September 30, 2006 were $688,365 compared to $578,882 for the nine months ending September 30, 2005, a difference of $109,483, mainly due to a significant increase in the Corporation's business activity, which led to higher administrative expenses, salaries, and stock exchange listing fees.

General and administrative expenses were $56,593 for the nine months ending September 30, 2006, compared to general and administrative expenses of $65,118 for the nine months ending September 30, 2005. Salaries and benefits totaled $312,419 in the nine months ending September 30, 2006, an increase over the salaries and benefits cost of $195,681 incurred by the Corporation in nine months ending September 30, 2005, primarily due to the hiring of additional employees, and higher salary costs attributed to a significant increase in the Corporation's business activity. Rent costs for the nine months ending September 30, 2006 were $49,299, compared to rent costs of $28,225 for the nine months ending September 30, 2005, due mainly to the expansion of the Corporation's office premises. Legal, accounting and audit expenses for the nine months ending September 30, 2006 were $63,679, compared to $118,877 during nine months ending September 30, 2005, a decrease of $55,198 due mainly to a decrease in legal fees incurred by the Corporation in 2006. In addition, the accounting function was performed by employees of the Corporation during the nine months ending September 30, 2006. The Corporation relied on outside accounting services during the first six months of 2005. Filing fees and stock exchange fees rose in the nine months ending September 30, 2006 to $137,034, an increase of $29,164 over the same period in 2005, in which those expenses were $107,870, due mainly to increased costs relating to stock exchange and regulatory fees which are based on the Corporation's market capitalization.

The continuity of expenditures on UEX's uranium projects is as follows:

	Balance December 31, 2005	Exploration & development expenditures during the nine months ending September 30, 2006	Balance September 30, 2006
	$	$	$
West Athabasca	11,050,485	5,630,165	16,680,650
Hidden Bay	15,612,941	5,085,460	20,698,401
Black Lake	5,015,925	5,174,820	10,190,745
Riou Lake	4,684,083	1,447,307	6,131,390
Beatty River	238,687	202,648	441,335
North Athabasca	1,086,931	1,120,305	2,207, 236
	37,689,052	18,660,705	56,349,757

(For further information regarding exploration and development expenditures on the projects shown in the above table, please refer to "Exploration Activities" below.)

Exploration and development expenditures, during the nine months ending September 30, 2006 totaled $18,660,705, including stock-based compensation expense, an increase of $5,282,471 over the exploration and development expenditures including stock-based compensation expense of $13,378,234 for the nine months ending September 30, 2005. This increase resulted from increased exploration and development activities during the period, consistent with the continued implementation of the Corporation's strategy.

Financing Activities

UEX completed a brokered private placement during the nine months ending September 30, 2006. On February 15, 2006, the Corporation issued 8,222,600 common shares at $5.00 per share and 2,000,000 flow-through common shares at $6.00 per share for gross proceeds of $53,113,000. A commission of $1,995,000 was paid to the broker. The net amount raised in the nine months ending September 30, 2006 was $50,996,383 after costs. UEX completed two private placements during the nine months ending September 30, 2005. On June 29, 2005, the Corporation issued 6,000,000 flow-through common shares at $2.00 per share for gross proceeds of $12,000,000 before broker's commissions of $480,000 and financing expenses of $70,237. On August 3, 2005, the Corporation issued 10,000,000 common shares at $2.65 per share for gross proceeds of $26,500,000 before broker's commissions of $1,590,000 and financing expenses of $64,122.

The Corporation realized $463,040 from the exercise of stock options and $212,500 from the exercise of share purchase warrants during the nine months ending September 30, 2006 compared to $617,650 received from stock options exercised and $1,081,325 from share purchase warrants exercised during the nine months ending September 30, 2005.

Exploration Activities

Following is a general discussion of UEX's exploration activities during the Third Quarter 2006. Exploration program descriptions may refer only to the exploration statistics available at the date of this document, and may not include specific results from those programs. UEX will update its shareholders following receipt of each program's results, and their subsequent compilation and interpretation.

For other information regarding UEX's exploration projects, please refer to UEX's current Annual Information Form, available at www.sedar.com or to UEX's website at www.uex-corporation.com

West Athabasca Projects: Results of 2006 Exploration Programs

AREVA acts as operator at the West Athabasca Projects, which collectively is ten uranium exploration projects, namely Shea Creek, Douglas River, Erica, Alexandra, Mirror River, Laurie, Nikita, Uchrich, James Creek and Brander Lake totaling 181,509 hectares (448,327 acres).

Shea Creek, containing the uranium deposits known as Anne, Colette and the newly-discovered Kianna, consists of 11 claims totaling 19,581 hectares (48,365 acres).

Directional drilling, first introduced in the Athabasca Basin by AREVA, is utilized at Shea Creek. This technology, which uses a steerable drill bit to allow several target intersections to be completed from one pilot hole, reduces the cost while improving targeting precision when drilling deep targets. A pilot hole is strategically positioned within a target area and subsequent directional cuts from the pilot hole are made towards specific targets. For example, a vertical pilot hole may reach the unconformity at a depth of 700 metres and continue into the basement for another 150 metres. Directional drilling from that pilot hole could begin in the sandstone at the 400 metre level, angling in a new direction to a different unconformity impact location and beyond, thus saving the time and expense of "re-drilling" the 400 metres length to the point where the directional hole begins.

As a result, a unique nomenclature is used for the Shea Creek drillholes. For example, "SHE-109" refers to a vertical pilot hole, with subsequent directional cuts from that pilot hole numbered "SHE-109-1", "SHE-109-2", etc.

2006 Shea Creek Exploration

In January 2006, AREVA began its third drilling campaign at Shea Creek since the inception of the UEX-COGEMA Western Athabasca Projects option agreement. The 2006 drilling program is focused on follow-up of significant intersections encountered in 2005 of high-grade, uranium mineralization in the 63B area, now called the Kianna Deposit. The Kianna Deposit area lies within a 2.2 kilometre conductive corridor between the Anne and Colette Deposits, 600 metres northwest of the Anne Deposit and 1,600 metres southeast of the Colette Deposit.

Two drill rigs were mobilized for the 2006 diamond drilling program on the Kianna Deposit and the Colette Deposit areas. Fourteen unconformity impacts totaling approximately 7,222 metres were completed at the Kianna Deposit to mid-June 2006, and two exploration holes totaling 1,450 metres were completed on geophysical targets near the Colette Deposit. During the 2006 summer months, AREVA analyzed and interpreted the initial 2006 results, and resumed the drilling program at the Kianna Deposit in September 2006. The 2006 Kianna Deposit drilling program is expected to be completed by mid-November 2006.

Mineralization at the Kianna Deposit has been traced over a strike length of 200 metres and a width of 100 metres, and remains open in all directions. The AREVA-UEX drilling programs of 2004, 2005 and 2006 have outlined three distinct styles of high-grade uranium mineralization:

- Perched ("P"), sandstone-hosted mineralization found in discrete zones tens of metres above the unconformity (2005 hole SHE-114-5, 27.4% U_3O_8 over 8.8 metres, including 58.3% U_3O_8 over 3.5 metres);
- Unconformity-type mineralization ("UC"), in close proximity to the unconformity (2006 hole SHE-115-3, grading 12.57% U_3O_8 over 11.9 metres, including 27.35% U_3O_8 over 4.2 metres);
- Basement-hosted mineralization ("B"), found in zones up to 200 metres below the unconformity (2005 hole SHE-114-11, grading 5.4% U_3O_8 over 37.7 metres, including 25.46% U_3O_8 over 4.0 metres).

Table 1 below summarizes the most significant 2006 mineralized intersections reported to mid-June 2006 from the latest pilot hole SHE-118, and from the SHE-114 and SHE-115 series of holes as calculated from gamma probe logging, and displayed in descending numerical order.

TABLE 1.
Summary of 2005-2006 Kianna Deposit Drill Results
All Uranium Intersections Calculated from Gamma Probe Logging

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U_3O_8)
SHE-118	880.0	711.4	703.5	712.1	8.6	5.62
		including	706.9	708.1	1.2	11.50
		including	709.6	710.6	1.0	15.07
			737.5	739.4	1.9	0.71
			762.9	765.4	2.5	0.56
			766.5	771.3	4.8	0.50
SHE-115-7	943.0	723.3	720.3	724.4	4.1	0.94
			814.2	816.6	2.4	0.63
			817.3	823.8	6.5	1.03
			832.4	835.5	3.1	1.46
SHE-115-6	974.0	745.6	702.7	710.9	8.2	2.25
			730.2	741.3	11.1	2.96
		including	738.3	741.3	3.0	6.03
			773.4	774.5	1.1	2.48
			793.9	795.2	1.3	2.93
			820.2	828.9	8.7	2.42
			870.3	875.5	5.2	0.72
SHE-115-5	959.5	735.2	731.5	736.4	4.9	12.74
		including	732.4	734.8	2.4	23.55
			791.9	796.3	4.4	3.77
		including	794.4	794.9	0.5	9.21
SHE-115-4	935.0	758.5	745.8	765.6	19.8	3.56
		including	745.8	757.1	11.3	5.89
		including	751.0	751.8	0.8	14.34
		including	754.7	755.4	0.7	12.80
		including	760.6	765.6	5.0	0.71
SHE-115-3	1015.0	743.5	735.0	746.9	11.9	12.57
		including	738.6	739.6	1.0	19.89
		including	741.4	745.6	4.2	27.35
			847.5	852.3	4.8	0.53
			892.2	897.1	4.9	1.04
SHE-115-2	980.0	737.5	730.7	742.8	12.1	1.20
			769.9	772.3	2.4	1.70
			847.1	852.0	4.9	2.84
		including	849.0	849.6	0.6	12.23
SHE-115-1	956.0	734.8	659.9	666.4	6.5	0.42
			728.25	737.75	9.5	0.50
			781.35	782.35	1.0	2.52
			911.0	916.7	5.7	3.63
		including	911.6	912.4	0.8	20.66
SHE-115	845.0	718.0	716.1	720.0	3.9	0.48
SHE-114-17	989.0	729.3	718.8	721.3	2.5	0.98
			724.5	727.0	2.5	1.06
			881.8	890.2	8.4	3.20
		including	882.5	883.6	1.1	16.62
SHE-114-16	914.0	716.3			*Weakly mineralized*	
SHE-114-15	989.0	714.4	895.1	919.0	23.9	0.29

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U_3O_8)
SHE-114-14	1016.0	718.3	712.7	717.5	4.8	0.45
			925.9	933.7	7.8	0.57
SHE-114-13	936.0	715.9	810.0	817.0	*Massive pitchblende veins in the basement. Hole lost – not probed*	
SHE-114-12	926.5	713.8	682.8	688.4	5.6	1.81
			713.1	716.8	3.7	2.08
			834.4	841.2	6.8	1.37
SHE-114-11	934.0	714.2	678.5	692.2	13.7	5.83
		including	683.9	692.2	8.3	8.89
		including	687.3	690.8	3.5	17.05
			710.3	713.7	3.4	1.43
			789.9	791.3	1.4	2.04
			800.0	802.4	2.4	1.05
			816.1	853.8	37.7	5.40
		including	827.2	853.8	26.6	7.03
		including	827.2	841.7	14.5	10.02
		including	835.2	839.2	4.0	25.46
		including	842.4	853.8	11.4	3.66
		including	844.6	845.7	1.1	20.39
SHE-114-10A	804.0	728.4	726.4	732.5	6.1	1.15
SHE-114-10			*Hole lost – not probed*			
SHE-114-9	890.0	720.1	677.0	697.0	20.0	5.88
		including	683.6	684.9	1.3	10.30
		including	692.6	695.5	2.9	13.59
			709.2	719.2	10.0	1.48
			803.9	805.4	1.5	1.71
			808.5	812.9	4.4	1.02
			825.7	827.5	1.8	1.09
			829.9	832.5	2.6	1.64
			840.7	841.9	1.2	1.38
SHE-114-8	889.5	715.8	835.7	843.6	7.9	5.81
		including	836.8	838.2	1.4	19.11
			853.4	861.8	8.4	4.38
		including	857.2	858.4	1.2	15.13
SHE-114-7	800.0	722.5	665.6	679.7	14.1	7.73
		including	667.4	668.9	1.5	23.82
		including	669.2	671.1	1.9	16.22
		including	673.9	675.7	1.8	12.47
SHE-114-6	747.0	715.3	*Mineralized - hole lost – not probed*			
SHE-114-5	866.0	714.2	677.8	686.6	8.8	27.40
		including	681.1	684.6	3.5	58.32
			814.4	816.6	2.2	1.08
			821.2	823.0	1.8	5.49
SHE-114-4	884.0	732.5	723.6	729.7	6.10	1.10
			794.8	796.0	1.2	1.26
			796.8	801.2	4.4	1.27
SHE-114-3	835.0	752.7	748.9	752.9	4.0	1.06
SHE-114-2	863.0	735.7	731.2	735.8	4.6	1.71
SHE-114-1	850.0	720.8	680.4	687.9	7.5	1.36
			806.9	807.6	0.7	1.71
			809.3	810.4	1.1	2.60
SHE-114 (Fall 2004)	795.0	713.9	684.0	686.0	2.0	3.26
			713.2	715.2	2.0	0.69

True widths of mineralized intervals have not yet been determined. The technical information in this document regarding Shea Creek has been compiled and reviewed by Erwin Koning, P. Geo., AREVA's District Geologist, West Athabasca Region, a qualified person as defined by National Instrument 43-101 ("N.I. 43-101").

To view a drawing of the Kianna Deposit area at Shea Creek, please refer to UEX's website at www.uex-corporation.com under "Western Athabasca Projects – Shea Creek".

Colette Deposit: 2006 Winter Drilling Program Results

Two diamond drill holes (SHE-116 and SHE-117) were targeted 600 metres and 800 metres to the west of the Colette Deposit mineralization to test a newly-discovered zone of low resistivity identified by the 2005 DC Resistivity survey. The targeted zone exhibited a resistivity response similar to what was observed in the mineralized zone at Colette. Hole SHE-116 encountered some encouraging sandstone alteration features but did not intersect significant mineralization. Within hole SHE-117, a zone of increased brecciation and associated dravite alteration was observed between 650.0 to 670.0 metres, with an accompanying increase in radioactivity throughout the interval. AREVA has recommended follow-up drilling in the area.

2006 Laurie Project Exploration

A diamond drilling program of five holes totaling approximately 2,060 metres was carried out over the TEM conductors defined by previous ground geophysical programs. Graphite was intersected in quantities sufficient to explain the conductor in four of the five holes, but alteration in the basement was minimal, and no significant mineralization was intersected.

2006 Brander Lake Project Exploration

A ground geophysical program was carried out in the winter of 2006 totaling 39.8 line kilometres of TEM moving loop. Subtle, low amplitude anomalies detected in the south and southwestern areas of the property are planned to be the subject of future exploration programs.

2006 Nikita Project Exploration

A ground geophysical program totaling 14.0 kilometres of TEM moving loop was carried out in the winter of 2006. Due to poor winter field conditions a planned DC-Resistivity survey was carried out in the summer of 2006, with results pending.

2006 Mirror River Project Exploration

Due to poor field conditions, the planned diamond drilling program at Mirror River of approximately 2,300 metres in 6 diamond drill holes to test previously-defined TEM conductors was postponed.

2006 Alexandra, Erica and Uchrich Projects Exploration

No field work was carried out during the Third Quarter 2006. Processing and interpretation of the collected data from the 2004 Fugro MEGATEM® and Falcon® Gravity Gradiometer survey, integrated with ground geophysical data, is ongoing.

Hidden Bay Project: 2006 Winter Exploration Program Results

On August 22, 2006 UEX announced the results of the Winter 2006 exploration program at Hidden Bay, which was carried out in two areas:

- Telephone Lake area, to further explore along strike of the Sue Deposits located to the north on the McClean Lake Mine property. A total of 7,624 metres were drilled in 29 holes, of which 24 were completed, with five abandoned due to poor ground conditions.
- West Bear-Mitchell-Dwyer area, to reassess historical mineralization at the Pebble Hill and North Shore Prospects, and near the West Bear Deposit ("West Bear"), currently the subject of a full feasibility study. A total of 3,958 metres were drilled in 36 holes in the West Bear area, and along the adjacent Mitchell-Dwyer Trend.

Highlights include intersections of 0.20% U_3O_8 over 6.80 metres and 0.11% U_3O_8 over 6.50 metres within a 30 metre mineralized intercept in hole SP-166, which tested a complex fault structure on the Telephone Lake trend.

Significant intercepts with grades greater than 0.1% U_3O_8 are reported in Table 2 below. True widths of mineralized intervals have not yet been determined. All uranium analyses were performed at Saskatchewan Research Council Geoanalytical Laboratories ("SRC") by fluorimetry and ICP.

TABLE 2.
Winter 2006 Hidden Bay Reconnaissance Drilling Results
Significant Intersections over 0.1% U_3O_8

Hole	Area	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Composite Grade (% U3O8)
SP-165	Telephone	288.4	101.3	267.00	268.00	1.00	0.14
SP-166	Telephone	295.0	179.2, 184.1, & 186.5*	129.70	136.50	6.80	0.20
			including	*129.70*	*130.20*	*0.50*	*0.57*
			and	*133.15*	*133.55*	*0.40*	*0.64*
			and	*135.50*	*136.00*	*0.50*	*0.66*
				148.50	155.00	6.50	0.11
			including	*149.05*	*149.25*	*0.20*	*0.64*
			and	*151.10*	*151.30*	*0.20*	*0.11*
			and	*154.60*	*155.00*	*0.40*	*0.32*
SP-173	Telephone	301.1	126.0	125.95	126.00	0.05	0.17
SP-174	Telephone	302.7	118.3	188.00	188.03	0.03	0.34
				205.20	205.30	0.10	0.26
SP-176	Telephone	285.5	124.0	202.35	202.85	0.50	0.37
WBE-108	West Bear	60.0	20.9	24.90	25.20	0.30	0.33
WBE-112	Blanche L.	114.0	30.1	68.36	68.49	0.13	0.10
WBE-117	N. Shore	72.0	44.7	35.68	36.00	0.32	0.12
				43.57	43.77	0.20	0.51
WBE-118	N. Shore	84.0	44.3	45.00	45.52	0.52	0.25
WBE-122	N. Shore	84.0	44.5	44.47	44.63	0.16	0.38
WBE-123	N. Shore	84.0	45.1	46.18	46.51	0.33	0.12
* multiple unconformities intersected due to fault repetition							

Hidden Bay: 2006 Summer-Fall Drilling Program Results

2006 Raven-Horseshoe Drilling Program

The Raven-Horseshoe Uranium Deposit (“Raven-Horseshoe”) hosts a total historical resource estimate of 6.7 million tonnes at an average grade of 0.16% U_3O_8, representing approximately 23 million contained pounds of U_3O_8. [Note: this is a historical resource estimate completed by Gulf Minerals ("Gulf") that was not estimated using current Canadian Institute of Mining, Metallurgy and Petroleum categories, and for which no current resource or reserve confidence categories were applied.] Unlike unconformity-type deposits such as McArthur River and Cigar Lake, Raven-Horseshoe is within competent pre-Athabasca basement rocks with no overlying sandstone that could allow underground ramp access and conventional underground mining methods if an economic resource is defined. Cameco’s producing Eagle Point Mine, located 17 kilometres to the northeast, is also in basement rocks and is mined by such methods.

In 2005, UEX completed approximately 13,000 metres of diamond drilling at Raven-Horseshoe in 44 drill holes, with 28 holes targeting the Raven Zone and 16 targeting the Horseshoe Zone. The Phase 1 drilling program tested five 50-metre spaced cross sections in the western portion of the Raven Zone over a 200 metre strike length, and three 50-metre spaced cross sections in the western Horseshoe Zone over a 100 metre strike length, with drill holes spaced 25 metres apart on each cross section.

In July 2006, UEX began a $3.0 million diamond drilling program at Raven-Horseshoe to assist in the definition of the mineralization present there, with the future objective of calculating a N.I. 43-101 compliant resource. The drilling program consists of approximately 12,000 metres of drilling and is designed to delineate the extent of higher grade portions of the Horseshoe Zone.

On October 3, 2006, UEX announced the results from the first 16 holes of UEX’s Phase 2 drilling at Raven-Horseshoe. The results include an intersection in hole HU-16 grading 4.53% U_3O_8 over 12.35 metres, from 201.50 metres to 213.85 metres, representing the best intercept to date in the deposit, which occurs in the Horseshoe Zone within an area of widely-spaced historical drilling.

The 2006 drilling results reported to date are from two additional cross sections to the northeast of the 2005 Phase 1 drilling area in the Horseshoe Zone, with sections spaced 70 metres apart, and holes on those sections spaced 30 metres apart. Significant results include the following mineralized intersections, which occur between 156 and 257 metres depth:

- 4.53% U_3O_8 over 12.35 metres in hole HU-16, including 10.30% U_3O_8 over 3.40 metres, which includes 22.17% U_3O_8 over 0.60 metres (A zone)
- 0.62% U_3O_8 over 11.50 metres in hole HU-15 (A zone)
- 0.81% U_3O_8 over 4.55 metres in hole HU-11 (B zone)
- 0.25% U_3O_8 over 8.70 metres in hole HU-08 (A zone)
- 0.40% U_3O_8 over 11.56 metres in hole HU-07 (A zone)
- 0.33% U_3O_8 over 11.45 metres in hole HU-06 (A zone)

Full results are shown in Table 3 below. Only intervals with grades greater than 0.15% U_3O_8 and a grade-thickness product of greater than 0.1 are listed in Table 3. Analyses were performed by SRC utilizing ICP. True widths of mineralized intervals have not yet been determined.

The 2005 and 2006 drilling reported to date has only tested 250 metres of the 1,100 metre strike length of the Raven Zone, and 375 metres of the 800 metre strike length of the Horseshoe Zone as defined by Gulf. Drilling at the Horseshoe Zone continued into October 2006 and results from the holes not yet reported are still being received, complied and interpreted. UEX plans to continue the drilling program in the winter of 2007.

TABLE 3.
Summer/Fall 2006 Horseshoe Drilling Program
Significant Intersections from Drill Holes HU-01 to HU-16

Only intervals with grades greater than 0.15% U_3O_8 and grade-thickness product greater than 0.1 are listed below. Analyses performed at SRC by ICP.

Hole	Total Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U3O8)
HU-16	272	199.60	213.85	14.25	3.97
	including	201.50	213.85	12.35	4.53
	including	204.80	208.20	3.40	10.30
	including	204.80	205.40	0.60	22.17
	including	212.85	213.60	0.75	12.38
HU-15*	320	180.50	192.00	11.50	0.62
	including	180.50	183.40	2.90	0.76
	including	181.00	181.40	0.40	3.81
	including	188.80	191.00	2.20	1.94
		193.60	194.20	0.60	0.20
HU-14	309	168.70	169.50	0.80	0.28
		179.90	181.40	1.50	0.44
		208.20	208.60	0.40	0.31
HU-13	317	239.00	242.35	3.35	0.38
	including	240.70	242.35	1.65	0.56
HU-12	321	187.00	191.20	4.20	0.31
		196.30	197.30	1.00	0.24
HU-11	341	242.66	243.55	0.89	0.47
		253.30	257.85	4.55	0.81
	including	256.08	257.85	1.77	1.75
HU-09	266	190.90	191.20	0.30	0.58
HU-08	353	156.30	157.40	1.10	0.26
		164.30	173.00	8.70	0.25
		165.50	167.40	1.90	0.58
		184.50	186.00	1.50	0.18
HU-07	323	163.58	175.14	11.56	0.40
	including	163.85	164.52	0.67	1.14
	including	166.08	171.26	5.18	0.58
	including	170.74	171.26	0.52	1.89
HU-06	302	166.93	168.23	1.30	0.21
		171.85	183.30	11.45	0.33
	including	174.64	178.20	3.56	0.61
	including	180.47	180.67	0.20	2.52

*Includes unsampled interval from 185.7 to 186.9 metres, composited here at zero grade. Interval has now been sampled and will be reported when results are received.

Upon receipt of the latest drilling results, UEX commenced a 3-dimensional digital modeling study of the Raven-Horseshoe mineralization and engaged Golder Associates ("Golder") of Saskatoon, Saskatchewan to begin an environmental baseline study, and a study of geotechnical and metallurgical data from Raven-Horseshoe drillcore for the purposes of future feasibility studies.

To view maps of Raven-Horseshoe, please access UEX's website at www.uex-corporation.com under "Projects – Eastern Athabasca – Hidden Bay".

Sample Handling and Quality Assurance

Geochemical samples are selected with the aid of a hand-held scintillometer to identify areas of above background radioactivity. Samples are split, with half remaining in the core box, and the remainder shipped to SRC where they are crushed and ground to minus 106 microns. The pulp is digested in aqua regia leach and analyzed by ICP for U_3O_8 and other elements. In addition to the geochemical analyses, down-hole probe radiometric results, obtained for all drill holes on completion of drilling, provide an independent check of the geochemical data. Probe results can be used for grade calculations where poor ground conditions occur and drill core recoveries are low, although in the Raven-Horseshoe deposit recoveries are generally at, or close to, 100%. UEX has commenced systematic insertion of sample blanks into the sample stream. In addition, repeat analyses are routinely analyzed, and laboratory standards are inserted by SRC to assess sample repeatability and accuracy of results.

2006 West Rabbit Lake Fault Drilling Program

Nine diamond drill holes totaling 1,882 metres were drilled to test prospective targets on the central Hidden Bay Project southwest of the Rabbit Lake Mine operated by Cameco. Results from the drilling program are still being received, complied and interpreted.

2006 West Bear Deposit Resource Estimate and Feasibility Study

Based on the results of the 2005 West Bear sonic drilling program, UEX retained Roger Lemaitre of Cameco, a qualified person, to calculate a N.I. 43-101 compliant resource estimate. This resource estimate dated March 2, 2006 (the "2005 West Bear Report") estimates the West Bear Deposit contains an indicated resource of 45,600 metric tonnes averaging 1.385% U_3O_8, for a total uranium content of 1,391,000 pounds of U_3O_8, using a geostatistical-block model technique and the GEMCOM software package. The 2005 West Bear Report indicates that the deposit also contains 0.34% nickel, 0.11% cobalt, and 0.50% arsenic.

This new resource estimate represents a three-fold increase in uranium grade and an increase in total pounds of uranium from the historical 1980 Gulf resource estimate of 131,000 tonnes at an average grade of 0.44% U_3O_8, representing 1.26 million pounds of U_3O_8 [Note: Gulf's 1980 historical resource estimate was not calculated using current Canadian Institute of Mining, Metallurgy and Petroleum categories, and no current resource or reserve confidence categories were applied. As a result, Gulf's resource estimate is not compliant with N.I. 43-101]. The 2005 West Bear Report is available for review at www.sedar.com

The 2005 West Bear Report notes that only two-thirds of the strike length of the mineralized area included as part of the historical resource outlined by Gulf was tested during the 2005 program. A number of historical Gulf holes indicate that uranium mineralization likely extends to the east up to 150 metres beyond the current boundaries of the deposit. UEX believes this eastern area has the potential to significantly increase the total pounds of uranium contained in the deposit.

UEX planned to continue the sonic drilling program in the West Bear area during the winter of 2006 to define the eastern end of West Bear and to test open targets in the immediate deposit area. However, the sonic drilling program was postponed until the winter of 2007 because of access problems created by unusually warm winter weather.

In July 2005 an Environmental Baseline Study ("EBS") began at West Bear. An EBS is a required first step in any mine development plan and forms the basis of the Environmental Impact Statement normally required for the development of uranium mines in Saskatchewan. Golder is carrying out the EBS at the West Bear Deposit. The EBS is estimated to cost approximately $500,000 and is near completion. In March 2006, UEX awarded the contract for a final feasibility study for West Bear to Golder.

With the relatively soft nature of the host rocks and overburden, UEX believes that West Bear could be mined using low cost, open pit mining techniques within a very short timeframe. The deposit is located close to two existing uranium mills: Cameco's Rabbit Lake Mill (51.9 kilometres by road), and the McClean Lake Mill (73.7 kilometres by road), operated by AREVA.

The technical information in this document regarding Hidden Bay was compiled and reviewed by David Rhys, P. Geo., a qualified person as defined by N.I. 43-101.

Black Lake Project: 2006 Winter Exploration Program

2006 Winter Drilling Program

UEX's \$3.3 million 2006 winter exploration program, consisting of ground geophysical surveys and diamond drilling using two diamond drill rigs, continued reconnaissance exploration of the main fault associated with the Black Lake conductive trend. This trend hosts UEX's 2004 discovery hole BL-18 which encountered unconformity-type uranium mineralization in the sandstone, immediately above the Athabasca unconformity. The 2004 intercept averaged 0.694 % U_3O_8 over 4.4 metres between 310.5 and 314.9 metres depth, including 1.96% U_3O_8 over 0.5 metres (see UEX News Release, October 12, 2004).

A total of 16,651 metres in 39 diamond drill holes were drilled during the 2006 winter program. Five drill holes were abandoned due to poor ground conditions. The thirty-four completed holes tested the Eastern Fault Zone and other prospective parts of the property.

The majority of the holes drilled during 2006 winter exploration program along the Eastern Fault Zone demonstrated sandstone structure and alteration indicative of a prospective setting for uranium deposition, along with graphitic basement rocks, but did not encounter significant uranium mineralization. However, a previously-unknown mineralized reverse fault, or basement "wedge" was intersected in hole BL-82. In the Athabasca Basin, the presence of a mineralized basement "wedge" is considered to be an important geological feature for potential uranium deposition, having formed a structural trap for mineralizing hydrothermal fluids. Hole BL-82 graded 0.50% U_3O_8 over 3.3 metres, including 1.6% U_3O_8 over 0.7 metres, and was drilled to follow-up a zone of anomalous radioactivity encountered in the basement in hole BL-80. Further follow-up drilling in this target area is planned for winter 2007.

All samples were analyzed at SRC by ICP, with additional uranium analyses by fluorimetry. The technical information in this document regarding Black Lake has been compiled and reviewed by Sierd Eriks, P. Geo., a qualified person as defined by N.I. 43-101.

2006 Winter Ground Geophysics

Moving loop electromagnetic ("EM") surveys were carried out to provide in-fill to previous EM surveys. The winter 2006 surveys detected at least one discrete conductor on most of the lines surveyed, confirming previously-defined conductive trends. These and previous EM survey results will assist in the selection of future drilling targets along the Black Lake conductive trend.

Black Lake: Summer/Fall 2006 Exploration Program

A summer/fall exploration 2006 program of diamond drilling and geophysical surveying was carried out at Black Lake, ending in October 2006. A total of 10,833 metres of diamond drilling in 22 holes was completed in target areas that were accessible under summer conditions, with one hole abandoned due to technical problems. A DC-resistivity survey was carried out to assist in the mapping of alteration zones in the sandstone near discovery hole BL-18 and other prospective areas of the Black Lake property. Results from the geophysical survey and the drilling program are still being received, complied and interpreted.

Riou Lake Project: 2006 Exploration Program

A winter 2006 program consisting of 46.4 kilometres of UTEM III moving loop electromagnetic surveys was carried out to better define the geophysical conductors outlined by the 2005 airborne MEGATEM survey and previous ground electromagnetic surveys. A ground gravity survey totaling 83.3 kilometres was also carried out to identify potentially prospective areas of low density associated with alteration along the Riou Lake and other faults. This new geophysical data, when integrated with the results of the airborne surveys, assisted in the selection of drill targets for a helicopter-assisted summer/fall 2006 drilling program of approximately 2,487 metres in three holes, including one hole which was restarted from a wedge at 335 metres depth after the initial hole was lost in highly fractured rock. Results from the program are still being received, complied and interpreted.

Northern Athabasca Projects: 2006 Exploration Program

During the summer of 2006, as part of a helicopter-assisted exploration program, UEX drilled approximately 4,353 metres in eight holes on four of the Northern Athabasca Projects – Butler Lake, Fond du Lac, Munroe Lakes, and Otherside River to follow-up anomalous geophysical responses obtained from airborne and ground geophysical programs. Results from the drilling program are still being received, complied and interpreted.

Liquidity and Capital Resources

As UEX has not begun production on any of its exploration properties, the Corporation does not generate cash from operations. As at September 30, 2006 the Corporation had current assets of $83,016,381, including $82,609,178 in cash and cash equivalents, compared to current assets at December 31, 2005 that totaled $45,378,076. Working capital at September 30, 2006 was $79,775,252, compared to working capital of $43,481,557 at December 31, 2005.

Accounts payable and accrued liabilities at September 30, 2006 were $3,241,129, which is higher than the amount at December 31, 2005 of $1,896,519.

The Corporation has no financial commitments or obligations beyond those required to fund exploration related to the maintenance and title of its mineral dispositions and its option agreement obligations to AREVA and JCU.

The Corporation's net future income tax liability of $11,105,183 at September 30, 2006, is comprised of a $12,675,703 future income tax liability related to the tax effect of the difference between the carrying value of the Corporation's mineral properties determined in accordance with GAAP and their tax values, offset by the Corporation's future income tax assets totaling $1,570,520. At December 31, 2005, the Corporation's net future income tax liability was $9,121,818. The increase in the future income tax liability in 2006 was primarily due to flow-through share expenditures renounced to shareholders during the year.

All acquisition, exploration, development and start-up costs are capitalized until such time as the project to which they relate is put into commercial production, sold, abandoned or recovery of costs is determined to be unlikely. Upon reaching commercial production, these capitalized costs are amortized over the estimated ore reserves on a unit-of-production basis. For properties which do not yet have proven reserves, the capitalized amounts represent costs to date and are not intended to represent present or future values. The underlying value of all properties is entirely dependent on the existence and economic recovery of reserves in the future.

Related party transactions

During the nine months ending September 30, 2006, the Corporation did not enter into any related party transactions for legal and accounting services as compared to the nine months ending September 30, 2005, in which fees for legal and accounting services totaling $115,759 were paid to firms of which a director, and a former director of the Corporation, are partners or owners, namely: Graham C. Thody, Director, a partner at Nemeth, Thody, Anderson, Chartered Accountants, of Vancouver, B.C., and a former director, Peter C. Kalbfleisch, a partner at Blake Cassels & Graydon LLP, of Vancouver, B.C. There are no ongoing contractual obligations to either party. Nemeth Thody Anderson ceased providing accounting services to the Corporation on June 30, 2005.

Cameco's management contract for exploration activities at the Hidden Bay Project ended on December 31, 2005, and since that date Cameco has provided certain exploration and claims management services from time-to-time. During the nine months ending September 30, 2006, the Corporation was charged by Cameco a total of $35,251 (2005 - $533,907) for expenses incurred by Cameco at the Hidden Bay Project, of which no mark-up over Cameco's cost was charged. At September 30, 2006, $75 due to Cameco was included in accounts payable and accrued liabilities (December 31, 2005 - $92,093).

Outlook

UEX will continue to focus its efforts on the development of its Saskatchewan uranium exploration properties. The Corporation will use its current resources as well as the net proceeds of future share issuances to achieve its goals. The ability of UEX to maintain the continuity of its exploration is dependent upon the results of future exploration programs and UEX's ability to obtain the necessary financing to further explore and develop its Saskatchewan uranium properties. Funds raised during the 2006 fiscal year will be utilized to continue exploration work on the Corporation's properties in 2007 and for general corporate purposes.

2006 Exploration Programs

For the nine months ending September 30, 2006, UEX's exploration expenditures at its projects were approximately $17.0 million, net of stock-based compensation and related future income tax expenses. The Corporation estimates its total annual expenditures on the Hidden Bay, Riou Lake, Black Lake, Northern Athabasca, Western Athabasca and Beatty River projects at approximately $19.0 million to December 31, 2006, net of any recoveries from joint venture partners and Saskatchewan government exploration incentives. Further exploration on UEX's projects for 2007 is dependent upon results obtained from the aforementioned programs, and future exploration budgets will be allocated to best pursue the exploration objectives of each project. As of November 10, 2006, the Corporation had approximately $80.0 million in cash and cash equivalents.

Critical Accounting Estimates

The Corporation prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles, which requires management to estimate various matters that are inherently uncertain as of the date of the financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Corporation's financial statements. The Corporation's significant accounting policies are discussed in the audited annual financial statements. Critical estimates inherent in these accounting policies are discussed below:

Valuation of Mineral Properties - The amounts shown for mineral properties and deferred exploration costs represent costs to date, and do not necessarily represent present or future values, as they are entirely dependent upon the economic recovery of current and future reserves. All acquisition, exploration, development and start-up costs are capitalized until such time as the project to which they relate is put into commercial production, sold, abandoned or recovery of costs is determined to be unlikely by management.

Asset Retirement Obligations - The Corporation's mining, exploration and development activities are subject to various environmental government regulations, including those for asset retirement obligations. The Corporation's judgements and estimates are made when estimating the discounted future cash settlement of an asset retirement obligation. In some cases, these obligations could be incurred many years from the date of estimate. These estimates may be revised as a result of changes in government regulations, or as a result of escalation of exploration properties to development or production stage.

Stock-based Compensation - UEX uses the Black-Scholes Option Pricing Model to determine the fair value of options granted. Option pricing models require management to estimate and input highly subjective assumptions including the expected future price volatility and the expected life of the options. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Corporation's stock options granted.

Caution Regarding Forward Looking Statements

Certain of the statements contained in this document are "forward-looking information" within the meaning of the Ontario Securities Act. These statements appear in a number of different places in this Management Discussion and Analysis, but principally under the headings "Overview" and "Outlook" above and can be identified by words such as "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the commencement or advancement of exploration activities on our properties, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of any legal proceedings, and other expectations, intention and plans that are not historical fact. Such forward-looking statements are subject to risks, uncertainties and other factors, including without limitation the risk factors described in UEX's Annual Information Form under the heading "Risk Factors" and include unanticipated and unusual events. These and other factors could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause such differences include, but are not limited to, volatility and sensitivity to market price for precious and base metals, environmental and safety issues including increased regulatory burdens, changes in government regulations and policies, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources and reserves, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development or mining results will not be consistent with the Corporation's expectations, and significant changes in the supply-demand fundamentals for precious and base metals that could negatively affect prices. Although UEX believes that the assumptions intrinsic in forward looking statements are reasonable, many of these factors are beyond the control of UEX. Consequently, all forward-looking statements made in this Management Discussion and Analysis are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by UEX will be realized. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. UEX disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

Additional Information

Additional information concerning UEX, including the Corporation's Annual Information Form for the year ended December 31, 2005 is available at www.sedar.com

UEX CORPORATION

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

(Unaudited - Prepared By Management)

Suite 1007 – 808 Nelson Street, Vancouver, B.C. V6Z 2H2
PH: (604) 669-2349 FAX: (604) 669-1240   uex@intergate.ca

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

UEX CORPORATION
BALANCE SHEET
(UNAUDITED - PREPARED BY MANAGEMENT)

	September 30 2006	December 31 2005
	$	$
ASSETS		
Current Assets		
Cash and cash equivalents	82,609,178	44,921,021
Amounts receivable	371,157	423,835
Prepaid expenses	36,046	33,220
	83,016,381	45,378,076
Equipment (Note 3)	190,885	61,100
Mineral properties (Note 4)	56,349,757	37,689,052
	139,557,023	83,128,228
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	3,241,129	1,896,519
Future income taxes (Note 5)	11,105,183	9,121,818
	14,346,312	11,018,337
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	119,568,451	71,526,422
Contributed surplus (Note 7)	11,105,060	1,998,577
Deficit	(5,462,800)	(1,415,108)
	125,210,711	72,109,891
	139,557,023	83,128,228

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 September 30 2006	Three Month Period Ended September 30 2005	Nine Month Period Ended September 30 2006	Nine Month Period Ended September 30 2005
	$	$	$	$
Expenses				
Amortization	1,099	5,253	3,264	15,758
Bank charges and interest	302	321	937	1,031
Filing fees and stock exchange	25,384	24,614	137,034	107,870
General and administration	16,106	15,143	56,953	65,118
Insurance	6,559	4,147	19,270	12,442
Legal, accounting and audit	5,504	12,219	63,679	118,877
Rent	13,836	10,783	49,299	28,225
Salaries and benefits	102,503	69,363	312,419	195,681
Stock-based compensation	3,641,689	118,012	8,329,175	407,500
Telephone	2,150	1,816	6,801	6,193
Travel and promotion	12,156	23,532	38,709	27,687
Loss before the following	(3,827,288)	(285,203)	(9,017,540)	(986,382)
Investment and other income	913,154	275,478	2,401,486	457,630
Administrative expense recovery	-	5,015	-	84,115
Loss before income taxes	(2,914,134)	(4,710)	(6,616,054)	(444,637)
Future income tax recovery	933,077	-	2,568,362	-
Net loss for the period	(1,981,057)	(4,710)	(4,047,692)	(444,637)
Deficit, beginning of period	(3,481,743)	(2,343,956)	(1,415,108)	(1,904,029)
Deficit, end of period	(5,462,800)	(2,348,666)	(5,462,800)	(2,348,666)
Basic and diluted loss per share	(0.011)	(0.000)	(0.023)	(0.003)
Weighted average number of shares				
Basic	180,443,618	165,269,767	178,428,008	155,525,567
Diluted	183,097,544	168,757,613	181,531,752	160,297,458

Refer to accompanying notes.

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

	Three Month Period Ended September 30 2006	Three Month Period Ended September 30 2005	Nine Month Period Ended September 30 2006	Nine Month Period Ended September 30 2005
	$	$	$	$
Operating Activities				
Net loss for the period	(1,981,057)	(4,710)	(4,047,692)	(444,637)
Items not involving cash				
Amortization	1,099	5,253	3,264	15,758
Stock-based compensation	3,641,689	118,012	8,329,175	407,500
Future income tax recovery	(933,077)	-	(2,568,362)	-
Changes in non-cash working capital				
Amounts receivable	188,850	(47,925)	40,570	14,506
Prepaid expenses	6,152	(5,331)	(2,826)	(39,541)
Accounts payable and accrued liabilities	(26,523)	(74,871)	(87,535)	19,652
	897,133	(9,572)	1,666,594	(26,762)
Investing Activities				
Mineral property expenditures	(5,658,930)	(4,829,102)	(16,930,487)	(13,216,232)
Change in accounts payable and accrued liabilities relating to mineral property expenditures	1,365,303	1,037,262	1,432,145	51,397
Change in amounts receivable relating to mineral property expenditures	(142,740)	(2,001)	12,108	(145,077)
Purchase of equipment	(19,248)	-	(164,125)	(20,455)
	(4,455,615)	(3,793,841)	(15,650,359)	(13,330,367)
Financing Activities				
Issuance of share capital	16,000	25,195,878	51,671,922	37,994,616
Change in cash and cash equivalents during the period	(3,542,482)	21,392,465	37,688,157	24,637,487
Cash and cash equivalents, beginning of period	86,151,660	27,493,205	44,921,021	24,248,183
Cash and cash equivalents, end of period	82,609,178	48,885,670	82,609,178	48,885,670
Supplementary Information				
Interest received	1,099,440	222,162	2,457,034	397,931
Non-cash stock-based compensation included in mineral property expenditures	738,665	54,001	1,119,624	162,002
Increase to mineral properties due to future income taxes	337,317	-	579,517	-
Amortization included in mineral properties	12,138	-	31,076	-

Refer to accompanying notes.

1. Basis of Presentation

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies as used in the most recent annual financial statements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2005.

2. Nature of Operations

The Company is in the process of exploring its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing and permitting to complete exploration and development, completion of commitments required under option agreements in order for the Company to earn its interest in the underlying mineral claims and upon future profitable production or the proceeds from the disposition of its mineral properties.

3. Equipment

		September 30 2006		December 31 2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Exploration equipment	200,729	53,139	147,590	52,653
Computer equipment	48,541	9,197	39,344	7,329
Computer software	8,111	4,160	3,951	1,118
	257,381	66,496	190,885	61,100

4. Mineral Properties

The continuity of expenditures on mineral properties is as follows:

	Balance December 31 2005	Exploration and development expenditures during the nine month period	Balance September 30 2006
	$	$	$
West Athabasca	11,050,485	5,630,165	16,680,650
Hidden Bay	15,612,941	5,085,460	20,698,401
Black Lake	5,015,925	5,174,820	10,190,745
Riou Lake	4,684,083	1,447,307	6,131,390
Beatty River	238,687	202,648	441,335
North Athabasca	1,086,931	1,120,305	2,207,236
	37,689,052	18,660,705	56,349,757

4. Mineral Properties *(Cont'd)*

A summary of the company's mineral property interests is as follows:

(a) West Athabasca Projects

During 2004, the Company entered into an agreement with AREVA Resources Canada Inc. ("AREVA", formerly COGEMA Resources Inc.) whereby the Company was granted the option to acquire up to a 49% interest in certain uranium projects (the "West Athabasca Projects") located in the western Athabasca Basin in northern Saskatchewan. In order to earn this interest, the Company must fund $30,000,000 in exploration expenditures over an eleven year period, as follows:

First and second years	-	Minimum $2,000,000 per year
Third to sixth years	-	Minimum $2,500,000 per year
Seventh to ninth years	-	Minimum $3,000,000 per year
Tenth and eleventh years	-	Minimum $3,500,000 per year

The Company will earn a 12.25% interest in the West Athabasca Projects, which include the Anne, Colette and Kianna Deposits, for every $7,500,000 incurred to a maximum total interest of 49%.

At September 30, 2006, the Company had earned a 24.5% interest in the West Athabasca Projects.

The Anne and Colette Deposits, located within the West Athabasca Projects, are subject to a royalty of US $0.212 per pound of U_3O_8 sold to a maximum of US $10,000,000.

(b) Hidden Bay Project

The Company's 100%-owned Hidden Bay Project is located immediately west of Wollaston Lake in Saskatchewan.

(c) Black Lake Project

The Black Lake Project, located in the Athabasca Basin, is a joint venture with the Company holding a 76.43% interest and AREVA holding a 23.57% interest as of December 31, 2005. AREVA elected not to participate in the 2006 exploration programs at Black Lake, and as a result, their interest will be subject to dilution.

(d) Riou Lake Project

The Company has a 100% interest in the Riou Lake uranium exploration project located in the Athabasca Basin.

(e) Beatty River Project

During 2004, the Company entered into an option agreement with Japan-Canada Uranium Company, Limited ("JCU"), whereby the Company was granted an option to acquire a 25% interest in the Beatty River Project, located in the western Athabasca Basin in northern Saskatchewan, by funding $865,000 in exploration expenditures by December 31, 2008. At the time of the agreement, AREVA held a 50.71% interest and JCU held a 49.29% interest in the Beatty River Project.

(f) North Athabasca Projects

During 2004, the Company staked five uranium projects in the northern Athabasca Basin near Stony Rapids, Saskatchewan.

5. Future Income Taxes

The tax effects of temporary differences that give rise to significant portions of the Company's future income tax assets and liabilities at September 30, 2006 and December 31, 2005 are presented below:

	September 30 2006	December 31 2005
	$	$
Future income tax assets:		
Loss carry forwards	28,256	636,807
Equipment	21,870	10,971
Share issuance costs	1,520,394	855,063
	1,570,520	1,502,841
Future income tax liabilities:		
Mineral properties	12,675,703	10,624,659
Net future income tax liability	11,105,183	9,121,818

In February 2006, the Company renounced $12,000,000 of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds, resulting in an increase to the Company's future income tax liability of $4,694,400.

During the nine month period ended September 30, 2006, the Federal and Saskatchewan governments enacted amendments to current tax legislation, which provided for a reduction in future corporate tax rates. The effect of the changes in income tax legislation on the Company's future income tax liability was a reduction of $3,155,126.

A reconciliation of income taxes at statutory rates with the reported taxes for the three and nine month periods ended September 30, 2006 and 2005 is as follows:

	Three Month Period Ended September 30 2006	Three Month Period Ended September 30 2005	Nine Month Period Ended September 30 2006	Nine Month Period Ended September 30 2005
	$	$	$	$
Loss before income taxes	(2,914,134)	(4,710)	(6,616,054)	(444,637)
Income tax recovery at statutory rates	994,303	1,607	2,257,398	151,710
Non-deductible expenditures	(1,244,291)	(51,454)	(2,853,175)	(170,198)
Reduction in future corporate tax rates	1,174,052	-	3,155,126	-
Future tax rate differences	9,013	-	9,013	-
Losses not recognized	-	49,847	-	18,488
Future income tax recovery	933,077	-	2,568,362	-

6. Share Capital

(a) Authorized

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

(b) Issued And Outstanding Common Shares

	Number Of Shares	Value
		$
Balance, December 31, 2005	169,272,485	71,526,422
Issued for cash:		
Private placement, net of share issuance costs	10,222,600	50,996,383
Exercise of stock options	816,200	463,040
Exercise of warrants	283,333	212,500
Contributed surplus transferred on exercise of stock options	-	342,316
Future income taxes on share issuance costs	-	722,190
Future income taxes on flow-through expenditures renounced to shareholders	-	(4,694,400)
Balance, September 30, 2006	180,594,618	119,568,451

On February 15, 2006, the Company issued 8,222,600 common shares at $5.00 per share and 2,000,000 flow-through common shares at $6.00 per share for gross proceeds of $53,113,000, pursuant to a brokered private placement. A commission of $1,995,000 was paid to the broker and $121,617 of additional issuance costs were incurred.

(c) Stock-Based Compensation

A summary of the status of the Company's stock-based compensation plan as of September 30, 2006, and changes during the nine month period then ended are presented below:

	Number Of Shares	Weighted-Average Exercise Price
		$
Outstanding - December 31, 2005	4,097,500	0.78
Granted during the period	4,600,000	4.17
Exercised during the period	(816,200)	0.57
Outstanding – September 30, 2006	7,881,300	2.78
Exercisable – September 30, 2006	7,431,302	

6. Share Capital *(Cont'd)*

(c) Stock-Based Compensation *(Cont'd)*

As at September 30, 2006, the Company had reserved a total of 7,881,300 common shares for issuance related to director and employee options, the details of which are as follows:

Exercise Prices	Number Outstanding June 30, 2006	Weighted Average Remaining Contractual Life
$		
0.08	1,160,000	6.98 years
0.10	16,000	6.22 years
0.12	138,100	4.21 years
0.84	500,000	7.75 years
0.95	675,000	7.91 years
1.69	367,200	8.09 years
1.80	250,000	8.76 years
2.75	175,000	8.42 years
3.56	2,650,000	9.93 years
5.00	1,950,000	9.29 years
	7,811,300	8.76 years

The estimated fair value of all options granted and vested during the nine month period ended September 30, 2006 is $9,448,799 (2005 - $569,502). Included in deferred exploration and development expenditures is $1,119,624 (2005 - $162,002) of stock-based compensation. The unamortized balance of stock-based compensation expense for options that were not vested at September 30, 2006 is $430,005 (2005 - $399,220).

The weighted average fair value of options granted during the nine month period ended September 30, 2006 was $2.08 per option (2005 - $1.35 per option) using the Black-Scholes option pricing model with the following weighted average assumptions:

	2006	2005
Volatility percentage	59.61%	82.66%
Risk-free interest rate	3.93%	3.31%
Dividend yield	-	-
Expected life of options	4 years	4 years

(d) Flow-Through Shares

In February 2006, the Company renounced $12,000,000 of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds. The Company recorded a future income tax liability of $4,694,400, with a corresponding reduction in share capital.

7. Contributed Surplus

The continuity of the Company's contributed surplus is as follows:

	$
Contributed surplus, December 31, 2005	1,998,577
Fair value of options granted and vested during the period	9,448,799
Transferred to share capital on exercise of options	(342,316)
Contributed surplus, September 30, 2006	11,105,060

8. Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding and net earnings (loss) for the period. The treasury stock method is used to calculate diluted earnings per share. However, outstanding options and warrants have no dilutive effect on basic earnings (loss) per share for the periods presented.

9. Related Party Transactions

During the nine month period ended September 30, 2006, the Company was charged by Cameco Corporation ("Cameco") a total of $35,251 (2005 - $533,907) for expenses incurred by Cameco on the Company's Hidden Bay mineral property, of which no mark-up over Cameco's cost was charged. At September 30, 2006, $75 due to Cameco was included in accounts payable and accrued liabilities (December 31, 2005 - $92,093).

During the nine month period ended September 30, 2006, no fees for legal and accounting services were paid to related parties. During the nine month period ended September 30, 2005, fees for legal and accounting services in the amount of $115,759, a portion of which were share issue costs, were paid to firms of which a director or a former director of the Company are partners.

UEX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2006
(UNAUDITED - PREPARED BY MANAGEMENT)

Corporate Information

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Transfer Agency

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3rd Floor, 510 Burrard Street
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Directors & Officers

Stephen H. Sorensen
President, Chief Executive Officer, and Director

Graham C. Thody
Director

Colin C. Macdonald
Director

Walter T. Segsworth
Director

Suraj P. Ahuja
Director

Warren W. Stanyer
Vice-President, Corporate Development, and Corporate Secretary

Patrick D. McGowan
Vice-President, Exploration

E. Louie Zioulas
Vice-President, Finance