



UEX CORPORATION

2008 ANNUAL REPORT



Message to Shareholders

During 2008, UEX Corporation (“UEX”, or the “Company”) funded over \$28.8 million of exploration and development drilling at its 100%-owned, optioned, and joint-ventured uranium projects, all in the prolific Athabasca Basin, an area that hosts the world’s highest-grade uranium deposits. UEX is well-financed, with approximately \$16.0 million in cash as of the date of this document. Exploration and development budgets on UEX projects for 2009 total approximately \$17.5 million, of which UEX will be responsible for approximately \$12.0 million. The recently announced private placement is expected to close by April 15, 2009. Upon successful completion of the private placement, UEX will have a cash position of approximately \$23.6 million, or \$26.0 million if Cameco Corporation exercises its right to subscribe for additional shares.

At its 100%-owned Hidden Bay Project in the eastern Athabasca Basin, UEX continued to make important strides in exploration and development. The Company carried out significant drilling, engineering and environmental baseline programs on its Raven and Horseshoe Deposits (“Raven” and “Horseshoe”), and is advancing towards a pre-feasibility study on the West Bear Deposit (“West Bear”). Significant milestones were the receipt of National Instrument 43-101 (“N.I. 43-101”) compliant resource estimate reports from Golder Associates Ltd. (“Golder”) of Saskatoon, SK, for the Horseshoe and Raven Deposits, and an updated West Bear resource estimate showing a combined mineral resource estimate for the three deposits of 7.624 million tonnes grading 0.175% U₃O₈ in the indicated category containing 29.425 million pounds of U₃O₈, and 0.805 million tonnes grading 0.144% U₃O₈ in the inferred category containing 2.560 million pounds of U₃O₈ at a cut-off of 0.05% U₃O₈. Since mineralization at Raven and Horseshoe is still open, and additional mineralization at Horseshoe Northeast is currently being defined, UEX’s goal for 2009 is to establish resources of 40 million pounds of U₃O₈ on its Hidden Bay Project.

On its Western Athabasca Projects (the “Projects”), UEX received confirmation from AREVA Resources Canada Inc. (“AREVA”) in January 2008 that total expenditures incurred by UEX as of December 31, 2007 on the Projects had exceeded \$30.0 million and, as a result, UEX is now fully-vested with a 49% interest in the Projects. UEX and AREVA, as joint venture partners, have funded expenditures throughout 2008 on a pro rata basis: 49% by UEX and 51% by AREVA on the Projects which include the high-grade Anne, Colette and Kianna Deposits on the Shea Creek Project. AREVA and UEX believe that the Anne and Kianna Deposits are of a size sufficient to warrant underground exploration so, in early 2007, a development program was commenced for the Shea Creek Project, which includes the permitting and construction of one or two exploration shafts budgeted at approximately \$100 million per proposed shaft.

The Shea Creek drilling continues to expand the Kianna Deposit, with multiple high-grade intersections, especially in the basement portion of the deposit, our main focus. The 2009 budgets at Shea Creek include \$2 million for development and \$8.25 million for exploration.

With high quality, advanced stage assets and a strong ability to finance future costs, UEX is well positioned to benefit from the continued strength of the uranium and nuclear sectors.

“signed”

Stephen H. Sorensen, President & CEO

March 31, 2009

Management Discussion & Analysis

All dollar figures are in Canadian funds, unless indicated otherwise.

Overview

Strategy

UEX's goals are to remain the leading uranium explorer in the Athabasca Basin of northern Saskatchewan, to advance its portfolio of uranium deposits and discoveries through the development stage, and by leveraging its strong partnerships with leading uranium producers, generate revenues through the sale of uranium production. Since being listed on the Toronto Stock Exchange in July of 2002, UEX has aggressively pursued exploration on a diversified portfolio of prospective uranium projects in three areas within the Athabasca Basin. UEX's remarkable exploration success on two of these three areas has allowed UEX to change its focus towards exclusively advanced projects, by developing, in parallel, both of these major uranium resource projects, the 100%-owned West Bear, Raven and Horseshoe deposits in the eastern Athabasca Basin, and the Kianna, Anne and Colette deposits within the 49%-owned Shea Creek Project in the western Athabasca Basin.

About UEX

UEX is a Canadian uranium exploration and development company actively involved in 19 uranium projects in the Athabasca Basin, including seven that are 100% owned and operated by UEX, one joint venture with AREVA that is operated by UEX, ten joint-ventured with AREVA and one under option from Japan-Canada Uranium Company, Limited ("JCU"), which are operated by AREVA. AREVA is part of the AREVA Group, the world's largest nuclear energy company. The 19 projects, totaling 356,088 hectares (879,913 acres), are located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium belt, which accounts for approximately 21% 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, staked in 2004. UEX operates the Black Lake Project, a joint venture with AREVA under which UEX holds an 89.96% interest and AREVA holds a 10.04% interest. The Black Lake Project was the site of a new uranium discovery made by UEX during a drilling program in September 2004.

The Western Athabasca Projects, which include the Anne, Colette and Kianna Deposits, are ten joint ventures with UEX holding a 49% interest and AREVA holding a 51% interest. AREVA is the operator of the Western Athabasca Projects. UEX is currently in the process of preparing joint venture agreements with AREVA.

In June 2004, UEX announced an agreement with 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, 2010. As at December 31, 2008, UEX's expenditures under the option were \$597,581.

Growth Strategy

The main growth strategies of UEX are:

- To continue the exploration and geotechnical drilling and development work required to delineate and develop economic resources at the Shea Creek Project;
- To initiate a final feasibility study at the Raven and Horseshoe Deposits;

- To complete a pre-feasibility study at the West Bear Deposit;
- To maintain, explore and advance to discovery its other uranium projects; and
- To provide for a diversification of project stages (from early exploration through to development), project locations and project partners.

Uranium Industry Trends

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

Current trends are encouraging for explorers and producers of uranium. The uranium spot price has appreciated over 479% since January 2001 and by March 30, 2009 the spot price was US\$42.00 per pound U_3O_8 , after peaking at a spot price of US\$136.00 per pound U_3O_8 during June 2007. The long-term uranium price was US\$70.00 per pound U_3O_8 , as of March 30, 2009. (Spot and long-term uranium prices as reported by The Ux Consulting Company, LLC).

In recent years, the nuclear industry has seen increased capacity at existing nuclear plants, extensions of plant licenses, and new plant construction. Electricity demands are rising rapidly worldwide. For example, in China, at least 30 new reactors are planned in order to increase China's nuclear power generation to 40 million kilowatts by 2020. India also has similar ambitious plans.

UEX believes that public opinion in many countries has moved in favour of nuclear power, and historically high natural gas and oil prices have made nuclear energy the lowest cost option in some 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 toward 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 Corporation ("Cameco") and AREVA, both of which produce principally from deposits in the Athabasca Basin of northern Saskatchewan. In 2008, worldwide annual consumption was estimated at approximately 172 million pounds U_3O_8 . World primary production in 2008 was approximately 115 million pounds U_3O_8 . The resulting shortfall between consumption and production 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. As of January 2009, 436 reactors were in operation worldwide. 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.

Long-Term Outlook

In 2000, uranium spot prices reached a low of US\$7.10 per pound U_3O_8 due to the increased availability of secondary supplies, short-term lower demand, and increased inventory sales. The spot price is at US\$42.00 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 drawdown of secondary uranium sources. Given the lead time necessary to find and develop new mines, the projected gap 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.

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 public 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 completed fiscal years. The data should be read in conjunction with the audited financial statements for the year ending December 31, 2008 and the notes thereto.

For the Years Ended December 31

	2008	2007	2006
	\$	\$	\$
Investment income	1,249,734	3,034,219	3,266,404
Net loss for the year	(8,803,994)	(5,472,534)	(3,690,166)
Basic and diluted earnings (loss) per share	(0.05)	(0.03)	(0.02)
Capitalized exploration and development expenditures, net of non-cash items	28,852,805	35,199,037	20,853,031
Total assets	154,984,327	153,021,833	137,994,482

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

	Dec. 2008	Sep. 2008	June 2008	March 2008	Dec. 2007	Sep. 2007	June 2007	March 2007
	\$	\$	\$	\$	\$	\$	\$	\$
Investment income	207,887	251,284	311,467	479,096	693,362	762,380	754,608	823,869
Net earnings (loss) for the period	23,363	(2,098,103)	(5,922,594)	(806,660)	2,120,037	(8,373,384)	261,419	249,394
Basic and diluted earnings (loss) per share	0.000	(0.011)	(0.032)	(0.004)	0.011	(0.046)	0.001	0.001
Capitalized exploration and development expenditures, net of non-cash items	6,816,899	6,680,659	6,065,319	9,289,928	8,988,909	8,840,867	6,778,834	10,590,427
Total assets	154,984,327	154,941,483	154,893,093	154,368,149	153,021,833	153,017,409	148,362,637	148,186,531

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 183,703,052 common shares were issued and outstanding as of December 31, 2008, and an unlimited number of preferred shares issuable in series, of which 1,000,000 preferred shares have been designated Series 1 Preferred Shares, none of which are issued and outstanding. As of March 31, 2009, the number of common shares outstanding was 183,703,052.

At December 31, 2008, the Company had reserved a total of 11,051,200 common shares related to director, employee and consultant options, the details of which are as follows:

Exercise Prices	Number Outstanding, December 31, 2008	Weighted Average Remaining Contractual Life
\$ 0.08	156,500	4.7 years
0.84	300,000	5.5 years
0.95	575,000	5.7 years
1.20	4,020,000	9.4 years
1.80	99,700	6.5 years
2.75	175,000	6.2 years
3.56	1,850,000	7.7 years
4.22	3,875,000	8.8 years
	11,051,200	8.5 years

On December 22, 2008, the Company's Board of Directors approved the re-pricing of 3,875,000 outstanding stock options from an exercise price of \$4.22 per option to an exercise price of \$0.52 per option. The modification of these stock options is subject to shareholder approval. Until the re-pricing is approved, these options cannot be exercised.

In addition, a total of 7,225,000 stock options with a weighted-average exercise price of \$5.63 per option were voluntarily surrendered by directors, employees, and consultants.

Results of Operations for the Year Ended December 31, 2008

For the year ended December 31, 2008, the Company reported a net loss of \$8,803,994 compared to a net loss of \$5,472,534 for the year ended December 31, 2007. The higher net loss for the year ended December 31, 2008 was primarily due to a \$1,784,476 decrease in investment income, a \$1,553,803 decrease in future income tax recovery, and the \$435,360 write-down of mineral property costs during 2008.

Investment income was \$1,249,743 for the year ended December 31, 2008, compared to \$3,034,219 for the year ended December 31, 2007, a decrease of \$1,784,476 due to the investment during the year of lower cash balances than those invested during the year ended December 31, 2007, and also due to lower interest rates.

The granting and vesting of stock options during the year ended December 31, 2008 resulted in a total stock-based compensation expense of \$9,609,891, of which \$1,399,010 was allocated to mineral property expenditures and the remaining \$8,210,881 was charged to operations. Total stock-based compensation expense for the year ended December 31, 2007 was \$11,583,987, of which \$2,646,014 was allocated to mineral property expenditures and \$8,937,973 was charged to operations.

The future income tax recovery of \$84,544 during the year ended December 31, 2008 is primarily due to a \$117,548 decrease in future income tax liabilities resulting from the write-down of mineral property costs, offset by a \$33,004 decrease in future income tax assets during the year. The future income tax recovery of \$1,638,347 for the year ended December 31, 2007 was due to a \$2,195,868 future income tax recovery resulting from the Canadian federal government enacting amendments to tax legislation which provided for a reduction in future corporate tax rates, offset by future income tax expense of \$557,521 due to the reduction of future income tax assets applied against the taxable income generated during that year.

Operating expenses before stock-based compensation expense for the year ended December 31, 2008 were \$1,492,040 compared to \$1,207,127 for the year ended December 31, 2007, an increase of \$284,913, due mainly to a \$100,000 donation to the Saskatchewan Research Council toward its uranium lab expansion, and an increase in the Company's business activity during the year ended December 31, 2008. This increased activity led to higher legal and audit fees, stock exchange listing fees, rent, and salaries.

General and administrative expenses were \$238,755 for the year ended December 31, 2008, which were comparable to the general and administrative expenses of \$230,055 for the year ended December 31, 2007. Salaries and benefits totaled \$465,086 during the year ended December 31, 2008, an increase over the salaries and benefits of \$414,329 incurred by the Company during the year ended December 31, 2007, due to higher salary costs attributed to the increase in the Corporation's business activity. Rent costs for the year ended December 31, 2008 were \$87,733, compared to rent costs of \$65,129 during the year ended December 31, 2007, an increase of \$22,604 due to greater office space requirements. Legal and audit expenses for the year ended December 31, 2008 were \$219,795, higher than the legal and audit expenses of \$185,648 during the year ended December, 2007, due to an increased amount of legal services provided to the Company during 2008. Filing fees and stock exchange fees increased in the year ended December 31, 2008 to \$215,786 compared to \$179,011 during 2007, due mainly to increased filing and listing fees.

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

Project	2007		2008		Write-down of Mineral Properties	Balance December 31, 2008
	Balance December 31, 2006	Exploration & Development Expenditures	Balance December 31, 2007	Exploration & Development Expenditures		
Hidden Bay	\$ 21,840,142	\$ 19,432,988	\$ 41,273,130	\$ 18,064,686	\$ -	\$ 59,337,816
Western Athabasca	17,860,142	12,842,288	30,702,947	9,751,660	-	40,454,607
Black Lake	10,432,040	3,451,876	13,883,916	1,369,198	-	15,253,114
Riou Lake	6,889,274	565,123	7,454,397	1,477,100	-	8,931,497
Northern Athabasca	2,915,883	2,720,850	5,636,733	212,489	(435,360)	5,413,862
Beatty River	448,500	139,959	588,459	9,122	-	597,581
	\$ 60,386,498	\$ 39,153,084	\$ 99,539,582	\$ 30,884,255	\$ (435,360)	\$129,988,447

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

During the year ended December 31, 2008, the Company incurred exploration and development expenditures totaling \$28,852,805, before non-cash stock-based compensation, future income taxes and amortization totaling \$2,031,450. Exploration and development expenditures during the year ended December 31, 2007 totaled \$35,199,037, before non-cash stock-based compensation, future income taxes and amortization totaling \$3,954,047. This \$6,346,232 decrease in expenditures, before non-cash items, is due to the fact that the Company was required to fund only 49% of the costs relating to the Western Athabasca Projects during 2008, whereas the Company funded 100% of those costs during 2007. The Company reduced its exploration activities in the Northern Athabasca Projects during 2008 and consequently incurred less exploration expenditures.

Results of Operations for the Three Months Ended December 31, 2008

During the three months ended December 31, 2008, the Company earned \$23,363. The significant adjustments recorded during the fourth quarter are as follows:

- A total of 7,225,000 stock options with a weighted-average exercise price of \$5.63 per option were voluntarily surrendered by directors, employees, and consultants. A total of 1,349,999 of these options were not vested at the time of cancellation. As a result, previously recognized stock-based compensation expense of \$1,037,632 relating to unvested options was reversed. The effect on fourth quarter results was an increase to net earnings of \$420,875, a decrease in mineral properties of \$616,758, and a decrease of \$1,037,632 in contributed surplus; and
- The Company determined that it will allow certain claims of the Northern Athabasca Projects to lapse in 2009 and 2010. As a result, the Company wrote-off \$435,360 of deferred mineral property costs associated with those claims. The effect of this write-down

on fourth quarter results was a decrease in net earnings of \$317,812, net of future income taxes.

There were no other significant non-recurring year-end adjustments affecting the Company's fourth quarter results.

Financing Activities

The Company realized \$143,680 from the exercise of stock options during the year ended December 31, 2008 compared to \$5,491,046 received from stock options exercised during the year ended December 31, 2007.

Exploration and Development Activities

The following is a general discussion of UEX's exploration and development activities during the year ended December 30, 2008. For more detailed 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.

Western Athabasca Projects: 2008 Exploration and Development Programs

AREVA acts as operator on the ten Western Athabasca Projects, which include the Shea Creek exploration and development project, and the Douglas River, Erica, Alexandra, Mirror River, Laurie, Nikita, Uchrich, James Creek and Brander Lake exploration projects totaling 157,255 hectares (388,586 acres).

Shea Creek Project

The Shea Creek Project ("Shea Creek"), hosts the Kianna, Anne and Colette Deposits, and consists of 11 claims totaling 19,581 hectares (48,386 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-metre 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.

The Kianna, Anne and Colette Deposits within Shea Creek are distributed along a strike length of over three kilometres of the north-northwest trending Saskatoon Lake graphitic conductor. The Saskatoon Lake Conductor is coincident with a southwest-dipping, reverse fault that displaces the flat lying unconformity with the overlying Athabasca Group sandstone by several tens of metres. Depths to the unconformity typically range from 700 to 740 metres.

Mineralized areas along the Saskatoon Lake Conductor at Shea Creek occur often in areas where northeast trending discordant faults offset the northwest trending conductive graphitic unit. Three styles and settings of mineralization are present:

- Basement-hosted mineralization ("B") found in zones up to 200 metres below the unconformity. Drilling at Kianna has outlined a zone of this style of mineralization with a strike length of 200 metres and a down-dip extension of 160 metres which includes intercepts such as SHE-114-11, grading 4.09% U₃O₈ over 45.0 metres, including 18.07% U₃O₈ over 6.0 metres. This mineralization style at Anne and Colette includes intercepts

such as SHE-122-1 at Anne, grading 4.21% U_3O_8 over 36.0 metres, including 23.17% U_3O_8 over 3.5 metres, and SHE-111-6 at Colette, grading 3.23% U_3O_8 over 8.0 metres. The basement mineralization at Colette has been traced over a strike length of 240 metres, and is largely open.

- Perched (“P”) sandstone-hosted pervasive and fracture controlled pitchblende bearing mineralization found in discrete zones tens of metres above the unconformity. At Kianna, the largest of these pods has a defined strike length of 80 metres and a width of 60 metres, and includes intercepts such as SHE-114-5, grading 20.72% eU_3O_8 over 10.2 metres, including 27.73% eU_3O_8 over 7.60 metres. This mineralization style at Colette includes intercepts such as SHE-111-11, grading 1.43% U_3O_8 over 6.0 metres. Fracture/fault-controlled perched mineralization is also developed within the Anne area, however intersections cannot be correlated between drill holes with the current density of drill information.
- Unconformity-type (“UC”) disseminated, nodular and massive mineralization in close proximity to the unconformity. At Kianna, the principal zone of this style has a defined strike length of 200 metres and a plan width of 200 metres with intercepts such as SHE-115-3, grading 9.34% U_3O_8 over 12.2 metres, including 21.15% U_3O_8 over 4.3 metres. Much of the mineralization at Anne and Colette are of this style also with intercepts such as SHE-99-2 at Anne, grading 5.65% U_3O_8 over 17.9 metres, including 14.55% U_3O_8 over 6.5 metres, and SHE-52 at Colette, grading 2.34% U_3O_8 over 16.8 metres. The unconformity mineralization at Anne has been traced over a strike length of 250 metres, a plan view width of 100 metres, and is open in all directions. The unconformity mineralization at Colette has been traced over a strike length of 650 metres, and is open in all directions.

Mineralization of these styles is open in many parts of the deposits. The zones may be stacked with additional underlying zones successively beneath a zone at or above the unconformity. For example, at Kianna, high-grade uranium mineralization has been intersected in multiple zones at depths from 662 metres to 922 metres, a vertical distance of approximately 260 metres. Areas of low-grade mineralization intersected near the unconformity in widely spaced holes between the deposits suggest the potential for additional mineralized zones in areas which are largely untested, or where historical drill holes did not penetrate sufficiently deeply to test for all mineralization settings. In addition, excellent exploration potential occurs along the extensions of the Saskatoon Lake conductor in southern and central parts of the property, as well as along parallel conductors to the west.

Principal composites reported here are mainly geochemical, and are based on analysis of split half cores typically collected at approximately 0.5-metre sample intervals. The analysis was performed by the Saskatchewan Research Council Geoanalytical Laboratories (“SRC”) using ICP-MS and ICP-OES analysis for uranium. In addition to the geochemical analyses, downhole radiometric probe data is available for most drill holes. As is standard practice in uranium exploration in the Athabasca Basin, the probe data can be used to estimate uranium grade when sufficient geochemical data is available to calibrate the probe results to specific mineral deposits or mineralized areas. The converted probe data, which are denoted as “ eU_3O_8 ”, then form a check for the geochemical data, and allow estimation of the uranium grade of mineralized intervals in areas of poor core recovery where representative sampling is not possible. Compositing drilling results in areas of less than 80% core recovery, or where sampling is incomplete, are reported here as equivalent probe data.

The conversion formula from probe data to equivalent uranium grades (denoted as “ eU ” or “ eU_3O_8 ”) on an exploration or mining project is periodically modified for different mineralized areas as new geochemical data are received. Probe data reported in UEX disclosures prior to 2008 utilized a modified conversion coefficient which had been developed by AREVA in its operations at the Dominique-Peter Deposit at the nearby Cluff Lake mining operations in the 1980s. Cluff Lake is located 13 kilometres north of the Shea Creek Project and, prior to generation of sufficient geochemical data at Shea Creek, was considered to be a reasonable analogue for estimation of

probe equivalent grades at Shea Creek. In early 2008, AREVA calculated specific probe conversion coefficients for the Kianna and Anne Deposits based on geochemical data received up to that time, which replaced the earlier Cluff Lake coefficient. Consequently, the geochemical data reported here, and the probe equivalent grades which are reported here in areas of poor core recovery or incomplete sampling, differ from, and supercede all previously composited probe estimated intervals reported by AREVA to UEX and disclosed by UEX in 2004 to 2009 news releases.

True widths of mineralized intervals have not yet been determined. The technical information in this document regarding exploration results for the Western Athabasca Projects has been reviewed and approved by R. Sierd Eriks, P. Geo., UEX's Vice President of Exploration, David Rhys, P. Geo., consultant to UEX, and Erwin Koning, P. Geo., AREVA's District Geologist, West Athabasca Region, who are Qualified Persons as defined by N.I. 43-101.

Gold Mineralization

Gold was mined as a by-product from the D orebody at Cluff Lake. At Shea Creek, locally high gold grades are also present. Significant composited gold intercepts with a grade of greater than 3.0 g/T Au and grade-thickness product of greater than 5.0 are illustrated in Table 1; the morphology and true thickness of areas which are high in gold content are as yet undetermined. Analyses are by fire assay by the SRC laboratories. The high gold grades frequently, but not always, occur in areas of higher grade uranium mineralization, and can be present both in unconformity and basement mineralization in all three deposits at Shea Creek. Native gold grains both encapsulated in pitchblende, sometimes in association with Bi-tellurides, and free in the surrounding clay alteration have been identified in samples from basement and sandstone hosted mineralization.

Significant gold-bearing intercepts include 20.79 g/T Au over 2.40 metres in drill hole SHE-087, 14.02 g/T Au over 3.30 metres in hole SHE-115-03, 13.75 g/T Au over 2.50 metres in hole SHE-079, 9.70 g/T Au over 3.50 metres in hole SHE-102, and 5.95 g/T Au over 5.70 metres in hole SHE-115-04. Future work to establish patterns of gold distribution is planned, especially to identify if any consistent local gold-enriched domains can be identified which might enhance the potential value of parts of the Shea Creek Deposits.

**Table 1:
Summary of Significant Gold Intercepts with a Grade of >3 g/Tonne Au and a Grade-Thickness (Au g/Tonne x metres) of >5 from Drill Holes at Shea Creek**

(Gold analyses are by fire assay at the SRC Laboratories. The true thickness and morphology of areas of higher grade gold mineralization are as yet undetermined.)

Hole	From (m)	To (m)	Length (m)	Au ppm (g/Tonne)	Area	Mineralization style
SHE-016	717.70	721.00	3.30	5.80	Anne	Unconformity
SHE-018	719.60	720.10	0.50	10.74	Kianna South	Unconformity
SHE-023	736.90	738.10	1.20	7.50	Colette	Unconformity
SHE-052	710.10	713.50	3.40	5.37	Colette	Unconformity
SHE-078	702.00	708.00	6.00	3.85	Colette	Unconformity
SHE-079	714.50	717.00	2.50	13.75	Anne	Unconformity
SHE-079	729.50	731.00	1.50	5.88	Anne	Basement
SHE-087	708.60	711.00	2.40	20.79	Anne	Unconformity
SHE-091	707.00	710.00	3.00	3.44	Colette	Unconformity
SHE-094-01	742.10	744.30	2.20	7.49	Anne	Basement
SHE-094-05	716.40	718.70	2.30	3.53	Anne	Unconformity
SHE-095-03	719.80	720.20	0.40	19.50	Anne	Unconformity
SHE-096-03	710.20	716.00	5.80	4.14	Anne	Unconformity
SHE-099	707.20	708.90	1.70	7.55	Anne	Unconformity

Hole	From (m)	To (m)	Length (m)	Au ppm (g/Tonne)	Area	Mineralization style
SHE-100-01	717.00	719.50	2.50	6.20	Anne	Unconformity
SHE-101-04	736.20	737.70	1.50	4.61	Anne	Unconformity
SHE-102	716.80	720.30	3.50	9.70	Kianna	Unconformity
SHE-102-02	715.20	715.80	0.60	23.00	Kianna	Unconformity
SHE-109-01	723.80	725.30	1.50	6.20	Anne	Unconformity
SHE-111-08	732.50	733.50	1.00	27.26	Colette South	Unconformity
SHE-114-11	837.00	839.90	2.90	6.03	Kianna	Basement
SHE-115	715.50	716.50	1.00	5.63	Kianna	Unconformity
SHE-115-03*	743.00	746.30	3.30	14.02	Kianna	Unconformity
SHE-115-05**	732.00	737.70	5.70	5.95	Kianna	Unconformity
SHE-115-05	794.50	795.00	0.50	19.04	Kianna	Basement
SHE-115-06	743.50	745.00	1.50	4.21	Kianna	Unconformity
SHE-115-10	833.50	840.00	6.50	3.20	Kianna	Basement
SHE-118	706.00	711.40	5.40	5.43	Kianna	Unconformity
SHE-118-01	873.50	874.00	0.50	18.26	Kianna	Basement

* includes 0.3 m unsampled, composited at 0 grade

** includes 0.1 m unsampled, composited at 0 grade

2008 Winter/Spring Drilling Program at Shea Creek

The 2008 winter/spring drilling program at Shea Creek commenced on January 14, 2008 and continued to June 12, 2008. Twenty holes were completed utilizing four drills, including five pilot holes and fifteen directional cuts. To view maps of the 2008 drilling at Shea Creek, visit UEX's website at www.uex-corporation.com. Highlights of the 2008 winter/spring drilling program are given below by areas.

South of Kianna Deposit

Drilling was completed 150 metres south of Kianna and 400 metres north of Anne from pilot hole SHE-123. The last hole completed prior to this program, SHE-123-2, intersected high-grade basement-hosted mineralization grading 2.80% eU₃O₈ over 4.9 metres (previously announced November 14, 2007). This mineralization has been interpreted by AREVA geologists as occurring in a different, but parallel, fault to an interpreted controlling fault that is host to mineralization in the Kianna Deposit 150 metres to the north. Alternatively, the mineralization may be continuous and form parts of the same mineralized zones associated with Kianna, which would have significant positive impact on the size and extent of mineralization, and may suggest a continuous link of mineralized zones between Kianna and Anne.

The recorded mineralized impacts and visible mineralization observed in the SHE-123 series of holes have outlined a new zone of high-grade mineralization approximately 50 metres in width and 75 metres in length. The holes reported here tested the extent of the mineralization to the south, including mineralization at the unconformity and in the basement.

Results of principal intercepts south of Kianna are reported in Table 2. True widths of mineralized intervals have not yet been determined. Some of the more significant intercepts in the area south of Kianna with grade-thickness product greater than 5.0 include:

- (UC) 0.89% U₃O₈ over 7.1 metres in hole SHE-123-3;
- (UC) 11.11% U₃O₈ over 3.6 metres, including 32.26% U₃O₈ over 1.1 metres, in hole SHE-123-6;
- (UC) 5.20% U₃O₈ over 3.3 metres, including 11.49% U₃O₈ over 1.3 metres, in hole SHE-123-7;
- (UC) 8.41% U₃O₈ over 4.9 metres, including 19.76% U₃O₈ over 2.0 metres, in hole SHE-123-8;

- (UC) 2.51% U₃O₈ over 2.8 metres, including 5.73% U₃O₈ over 1.0 metres, in hole SHE-123-9;
- (B) 1.67% U₃O₈ over 7.5 metres, including 18.39% U₃O₈ over 0.5 metres, and (B) 1.22% eU₃O₈ over 7.4 metres in hole SHE-123-9.

North of Kianna Deposit

SHE-130 was drilled as a pilot hole to position a series of directional cuts to intersect the proposed mineralizing structure seen in SHE-114-17. A drill tested the extensions of the mineralization in SHE-114-17 from pilot hole SHE-130.

Previous hole SHE-114-17 (first reported on June 6, 2006) was the northernmost hole drilled in the Kianna area, and intersected high-grade mineralization that has not been associated with the main mineralizing structures seen within the deposit. Both unconformity mineralization grading 0.63% eU₃O₈ over 10.6 metres and basement-hosted mineralization grading 3.20% eU₃O₈ over 8.4 metres, including 16.62% eU₃O₈ over 1.1 metres, were intersected in this hole.

South of Colette Deposit

Drilling was continued in the southern portion of the Colette Deposit to expand on known unconformity and basement mineralization. Drilling at the Colette Deposit was previously halted due to the discovery of the Kianna Deposit in July 2005.

Basement-hosted mineralization in the southern part of the Colette Deposit was intersected for the first time during the fall of 2004. All other mineralized intercepts had previously been characterized by unconformity-type mineralization, opening the possibility that the high-grade basement-hosted mineralization as discovered at Anne and Kianna could also be present at Colette.

One pilot hole and six directional holes were drilled in the southern portion of the Colette Deposit during the 2008 winter/spring drilling program. Hole SHE-126 was a pilot hole drilled 62 metres southeast of SHE-111-5 (first reported on July 13, 2005) to test for the extension of unconformity and basement mineralization. Significant basement mineralization was intersected in hole SHE-126 between 749.9 and 763.7 metres grading 0.40% U₃O₈ over 13.8 metres. SHE-126-1A was a restart after the initial directional cut (SHE-126-1) was lost at the unconformity. The hole intersected basement mineralization between 756.0 and 766.2 metres grading 0.70% U₃O₈ over 10.2 metres, including 4.52% U₃O₈ over 1.0 metres between 757.5 and 758.5 metres. Directional holes SHE-126-2 to SHE-126-5 intersected trace to minor basement mineralization. The best intercept was in hole SHE-126-5 grading 2.24% eU₃O₈ over 1.2 metres between 778.6 and 779.8 metres. Complete results are presented in Table 2.

The 2008 winter/spring drilling intersected significant basement mineralization and extended this mineralization over a strike length of 100 metres for a total known length of 200 metres. The mineralization is located directly beneath the graphitic shear zone which is developed throughout, and between the Shea Creek deposits, within and adjacent to which mineralization is localized. Mineralization here is developed along the shear zone in a style that appears comparable to Cameco's Millennium Deposit. Mineralization is open both up and down dip, and the projection of this zone to the unconformity is untested here.

The drilling outlined a 200-metre strike length of basement mineralization in addition to the 700-metre strike length of the unconformity mineralization from previous drilling programs. Both styles of mineralization are open in all directions. Drilling on the southern portion of the deposit will resume in the future once priority targets near Anne and Kianna are tested.

Anne Deposit

Drilling in this area concentrated on expanding the southwestern portion of the Anne Deposit that still remains open in all directions. Directional drilling was started from pilot hole SHE-125 (drilled in 2007) with the goal of connecting the mineralization seen at the Anne Deposit to the SHE-105 series of mineralized holes (drilled in 2000) located 100 metres along strike to the southeast. The

purpose of these holes was to test the southwestern extension of unconformity mineralization at the Anne Deposit and the possibility of basement mineralization.

Three directional holes were drilled from pilot hole SHE-125. Significant unconformity mineralization was intersected in directional hole SHE-125-3 between 709.0 and 727.4 metres grading 0.35% U₃O₈ over 18.4 metres. The hole also intersected basement mineralization between 755.6 and 762.0 metres grading 0.16% eU₃O₈ over 6.4 metres. Minor unconformity mineralization was encountered in hole SHE-125-1 between 716.0 and 718.0 metres grading 0.32% U₃O₈ over 2.0 metres, and between 733.8 and 734.3 metres grading 0.59% U₃O₈ over 0.5 metres. Trace mineralization was observed at the unconformity in hole SHE-125-2. Holes SHE-125-1 and SHE-125-2 both intersected minor basement mineralization grading 0.585% U₃O₈ over 0.5 metres and 0.121% U₃O₈ over 1.5 metres respectively. Complete results are presented in Table 2.

Mineralization was intersected in all the holes at the unconformity and it is likely that the mineralization is continuous from the Anne Deposit. Additional drilling in this area is required to assess this possibility and to further expand the open mineralization here.

After the completion of SHE-125-3, the drill was moved to the north side of the Kianna Deposit to commence the SHE-130 series of holes.

South of Anne Deposit

Reconnaissance drilling was carried out in an area along the Saskatoon Lake Conductor 1.5 kilometres south of the Anne Deposit. Three drill holes were completed here to follow up drill hole SHE-2 (drilled in 1992), which intersected a flat-lying and brecciated shear zone grading 0.34% U₃O₈ from 706.8 to 707.2 metres that is associated with significant hydrothermal alteration and structural disruption of the basal Athabasca sandstone. This hole represents the original discovery hole of the Shea Creek deposits.

The three new drill holes were designed to reduce the overall line spacing from 400 metres to 200 metres immediately north and south of SHE-2. Drilling showed that the geological trend is continuous from the Anne Deposit area. No unconformity mineralization was intersected in these holes. Minor mineralization was observed in the basement of hole SHE-127 along a fracture between 736.9 and 737.4 metres at a grade of 0.24% eU₃O₈ over 0.5 metres.

After the completion of SHE-129, the drill rig was moved to the vicinity of the Kianna Deposit for geotechnical drilling, as is described under "2008 Development Work at Shea Creek" below.

TABLE 2
2008 Winter/Spring Shea Creek Drill Results

Only intervals with composite grades greater than 0.10% U₃O₈ and a grade-thickness product greater than 0.05 are listed below. True widths of mineralized intervals have not yet been determined. Composites reported as "% U₃O₈" are composited from geochemical analyses by the Saskatchewan Research Council Geoanalytical Laboratories, analyzed by ICP. Where 20% or more of a composited interval is not recovered during drilling (core loss), is unsampled, or where no geochemical sampling at all has occurred across a mineralized interval, down-hole radiometric probe equivalent grades reported as "% eU₃O₈" are shown.

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U ₃ O ₈)
SHE-123-3	923.0	750.9 <i>including</i>	714.1	718.6	4.5	0.55
			744.4	751.5	7.1	0.89
			745.9	746.4	0.5	6.13
			768.6	776.1	7.5	0.21
			782.1	784.2	2.1	1.92
			799.5	799.9	0.4	0.25
SHE-123-4*	833.0	753.3	741.0	756.5	15.5	0.24
			765.0	770.5	5.5	0.32

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U ₃ O ₈)
			787.1	787.6	0.5	2.00
SHE-123-5*	827.0	730.5				
SHE-123-6	859.0	735.6 <i>including</i>	733.0	736.6	3.6	11.11
			734.5	735.6	1.1	32.26
			844.0	845.5	1.5	0.13
SHE-123-7	875.0	732.3 <i>including</i>	729.5	732.8	3.3	5.20
			731.0	732.3	1.3	11.49
			740.3	741.3	1.0	0.13
			761.5	762.5	1.0	0.16
			792.3	802.0	9.7	0.16
SHE-123-8	915.0	734.9 <i>including</i>	732.5	737.4	4.9	8.41
			732.5	734.5	2.0	19.76
			822.1	823.1	1.0	0.11
SHE-123-9	950.0	737.8 <i>including</i> <i>including</i>	733.0	735.8	2.8	2.51
			734.0	735.0	1.0	5.73
			809.5	817.0	7.5	1.67
			810.0	810.5	0.5	18.39
			812.1	819.5	7.4	e1.22
SHE-125-1	854.0	717.0	821.5	825.0	3.5	0.18
			716.0	718.0	2.0	0.32
			733.8	734.3	0.5	0.59
			781.3	784.3	3.0	0.14
SHE-125-2	761.0	727.6	742.8	744.3	1.5	0.12
SHE-125-3	839.0	726.4	709.0	727.4	18.4	0.35
			755.6	762.0	6.4	0.16
SHE-126	848.0	724.0	723.0	724.5	1.5	0.15
			749.9	763.7	13.8	0.40
			768.2	768.7	0.5	0.41
			774.6	776.7	2.1	0.18
SHE-126-1*	740.0	725.4				
SHE-126-1A	836.0	724.8 <i>including</i>	756.0	766.2	10.2	0.70
			757.5	758.5	1.0	4.52
			773.4	773.9	0.5	0.32
SHE-126-2	832.0	733.4	772.8	773.3	0.5	0.26
			821.0	822.0	1.0	0.22
SHE-126-3	848.0	721.5	721.0	722.5	1.5	0.27
			762.9	766.9	4.0	0.16
SHE-126-4*	853.0	728.7				
SHE-126-5	858.0	733.8	778.6	779.8	1.2	e2.24
SHE-127	804.0	696.7	736.9	737.4	0.5	e0.24
SHE-128*	819.0	709.9				
SHE-129*	870.0	786.3				
SHE-130*	868.0	725.9				

*No significant analyses

2008 Summer/Fall Drilling Program at Shea Creek

The 2008 summer/fall drilling program at Shea Creek commenced on June 13, 2008 and continued to December 5, 2008. Twenty-three holes were completed utilizing four drills, including twenty-one directional cuts and two piezometer test holes. To view maps of the 2008 summer/fall drilling at Shea Creek, visit the "News Releases" section of UEX's website at www.uex-corporation.com.

Highlights of the 2008 summer/fall drilling program are given below by areas. Technical difficulties encountered in several drill holes listed below were related largely to inexperienced drill crews during the industry-wide crew shortages encountered in 2008; previous drilling in many of these areas encountered far fewer problems.

South of Kianna Deposit

High-grade unconformity-hosted mineralization grading 8.41% U_3O_8 over 4.9 metres was intersected in hole SHE-123-8 and 11.11% U_3O_8 over 3.6 metres was intersected in hole SHE-123-6 during the 2008 winter/spring program, approximately 150 metres south of Kianna. This area was further tested during the summer/fall program with the continuation of the SHE-123 series of holes, and the restarting of the SHE-118 drill hole series that was initially drilled in 2006, for a total of 11 holes in this area. The drilling of the new 118-series holes (seven holes, SHE-118-11 to SHE-118-16, and SHE-118-13A) was designed to test the continuity of mineralization between the area of the 123-8 intercept and Kianna, while the new 123-series holes (four holes, SHE-123-10 to SHE-123-14) tested southward continuity of the SHE-123-8 intercept towards Anne.

The new drill holes, along with previous drill holes in this area, have now outlined a continuous zone of unconformity mineralization extending from the northwestern end of Kianna to the high-grade mineralization in drill hole SHE-123-8, and then southeast to the southeastern limit of Anne. This indicates a continuous zone of unconformity mineralization including both the Anne and Kianna Deposits, with a strike length of over 900 metres, which is still open along strike.

Results of principal intercepts south of Kianna are reported in Table 3. True widths of mineralized intervals have not yet been determined. Some of the more significant intercepts in the area south of Kianna with grade-thickness product greater than 5.0 include:

- (UC) 5.86% U_3O_8 over 3.2 metres in hole SHE-118-11;
- (UC) 1.54% U_3O_8 over 6.8 metres in hole SHE-118-13;
- (UC) 1.23% U_3O_8 over 6.7 metres in hole SHE-118-13A;
- (UC) 1.25% U_3O_8 over 13.0 metres in hole SHE-118-14;
- (UC) 1.11% U_3O_8 over 17.5 metres, including 5.12% U_3O_8 over 2.5 metres, and
(B) 19.24% U_3O_8 over 1.0 metres in hole SHE-118-15;
- (UC) 0.50% eU_3O_8 over 13.8 metres in hole SHE-118-16; and
- (B) 4.23% U_3O_8 over 2.0 metres in hole SHE-123-12.

In addition to the drill holes described above, two holes (P-08-1 and P-08-2) were drilled approximately 150 metres to the west of Kianna for geotechnical purposes. These holes were drilled to allow piezometer work for engineering studies well to the west of any known mineralization in an area that is otherwise untested by drilling. P-08-1 intersected 0.63% eU_3O_8 over 0.7 metres at the unconformity. Although this is a narrow intersection, it is highly significant since it indicates the presence of unconformity mineralization at least 150 metres outside the interpreted mineralized trend between the Kianna and Anne Deposits. No mineralization was intersected in nearby hole P-08-2.

Kianna Deposit

During 2008, only limited drilling occurred at Kianna. Three holes were drilled in the immediate area of known mineralization to further trace its lateral and vertical extent, drill holes SHE-115-17, SHE-115-17A and SHE-115-18, while two holes, SHE-130-1 and SHE-130-2, were drilled to the north-northeast of Kianna in a previously untested area.

Drill hole SHE-115-17 targeted basement mineralization in western parts of the deposit where a previous drill hole (SHE-115-16, drilled in 2007) could not be completed due to stuck rods. Hole SHE-115-17 also was not completed due to rod breakage and could not be probed. Re-drilling of hole SHE-115-17 in hole SHE-115-17A intersected unconformity (0.62% eU_3O_8 over 1.7 metres) and two intervals of basement mineralization, the latter including 0.24% eU_3O_8 over 4.1 metres.

The most significant drilling intercept during the recent Kianna drilling program was in hole SHE-115-18, where perched mineralization was intersected 24.7 metres above the unconformity, returning 8.42% eU₃O₈ over 12.6 metres between 686.9 and 699.5 metres. This represents a continuation of the known perched mineralized zone in the Kianna Deposit. Unconformity mineralization and multiple basement intercepts were also intersected in this drill hole, including 3.06% U₃O₈ over 1.5 metres approximately 80 metres below the unconformity. Complete results are reported in Table 3.

Drill holes SHE-130-1A and SHE-130-2 were completed approximately 50 metres north-northeast of Kianna. Both intersected narrow intervals of mineralization, including 0.17% U₃O₈ over 1.0 metres in basement 118 metres below the unconformity in hole SHE-130-1A. While no broad intercepts of mineralization were obtained in these holes, they lie northeast of the main north-northwest trend of mineralization, and suggest the potential for nearby basement-hosted mineralization in this area that could link to Kianna.

Anne Deposit

Drilling at the Anne Deposit during the 2008 summer/fall program was concentrated in the northwestern portions of Anne. Objectives were to better delineate the unconformity mineralization and expand areas of open high grade basement mineralization, such as previous hole SHE-122-1 (first reported on October 18, 2007), which intersected 4.21% U₃O₈ over 36.0 metres. Four directional drilling cuts in holes SHE-122-4 to SHE-122-7 were completed to test this area.

The best intercept obtained in this program includes unconformity mineralization in hole SHE-122-5, which returned 3.64% U₃O₈ over 20.5 metres, including 11.41% U₃O₈ over 6.0 metres between 727.5 and 733.5 metres. Other intercepts include unconformity mineralization of 2.63% U₃O₈ over 8.0 metres (including 13.00% eU₃O₈ over 1.5 metres) and basement mineralization of 3.57% U₃O₈ over 4.0 metres in hole SHE-122-4, which demonstrate the commonly stacked nature of Shea Creek mineralization. SHE-122-6 and SHE-122-7, both drilled along the southwestern margins of the basement pod, intersected both unconformity mineralization and 0.8 to 1.5 metre wide intervals of basement mineralization. SHE-122-6 intersected unconformity mineralization from 713.0 to 737.0 metres grading 0.33% U₃O₈ over 24.0 metres. Basement mineralization intercepts include 1.01% U₃O₈ over 2.5 metres in hole SHE-122-6, 31.5 metres below the unconformity, and 1.90% U₃O₈ over 1.0 metres in SHE-122-7, 52 metres below the unconformity. Complete results are presented in Table 3.

TABLE 3
2008 Summer/Fall Shea Creek Drill Results

Only intervals with composite grades greater than 0.10% U₃O₈ and a grade-thickness product reported greater than 0.05 are listed below. True widths of mineralized intervals have not yet been determined. Composites reported as "% U₃O₈" are composited from geochemical analyses by the Saskatchewan Research Council Geoanalytical Laboratories, analyzed by ICP. Where 20% or more of a composited interval is not recovered during drilling (core loss), is unsampled, or where no geochemical sampling at all has occurred across a mineralized interval, down-hole radiometric probe equivalent grades reported as "% eU₃O₈" are shown.

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U ₃ O ₈)
SHE-115-17*	847.0	723.0				
SHE-115-17A	1043.0	724.0	723.2	724.9	1.7	e0.62
			832.7	833.9	1.2	e0.39
			954.2	958.3	4.1	e0.24
SHE-115-18	911.0	724.2	686.9	699.5	12.6	e8.42
			722.0	726.0	4.0	0.29
			805.0	806.5	1.5	3.06
			842.0	845.5	3.5	0.56
			895.0	906.0	11.0	0.84

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U ₃ O ₈)
		<i>including</i>	901.5 910.5	903.0 910.9	1.5 0.4	3.34 1.40
SHE-118-11	893.2	740.0 <i>including</i>	737.3 738.9 785.5 856.8 860.6	740.5 739.5 791.5 858.6 863.5	3.2 0.6 6.0 1.8 2.9	5.86 24.30 0.13 0.15 0.33
SHE-118-12	1010.0	737.0	736.0	737.0	1.0	1.91
SHE-118-13	785.0	738.1 <i>including</i>	734.3 737.7	741.1 739.6	6.8 1.9	1.54 4.69
SHE-118-13A	866.0	739.9	737.0	743.7	6.7	1.23
SHE-118-14	836.0	732.7 <i>including</i> <i>including</i>	728.0 729.0 732.7 746.0 752.0 802.0	741.0 730.0 733.5 747.0 758.0 803.0	13.0 1.0 0.8 1.0 6.1 1.0	1.25 5.78 5.72 0.28 0.58 0.09
SHE-118-15	782.0	739.6 <i>including</i>	738.0 741.0 765.5	755.5 743.5 766.5	17.5 2.5 1.0	1.11 5.12 19.24
SHE-118-16	827.6	741.3 <i>including</i>	729.4 740.5	743.2 741.3	13.8 0.8	e0.50 2.38
SHE-122-4	863.0	717.8 <i>including</i> <i>including</i>	716.5 717.5 735.0 742.5 756.5 759.0 780.5	724.5 719.0 735.5 748.0 760.5 760.5 781.5	8.0 1.5 0.5 5.5 4.0 1.5 1.0	2.63 13.00 1.29 0.50 3.57 6.66 0.12
SHE-122-5	777.2	728.5 <i>including</i> <i>and</i>	727.0 727.5 728.5	747.5 733.5 732.5	20.5 6.0 4.0	3.64 11.41 15.63
SHE-122-6	860.0	721.0	713.0 752.5 760.0 790.0	737.0 755 764.0 793.5	24.0 2.5 4.0 3.5	0.33 1.01 0.19 0.90
SHE-122-7	833.0	719.1	719.1 771.0 787.0	721.5 772.0 787.5	2.4 1.0 0.5	0.35 1.90 0.23
SHE-123-10*	869.0	724.7				
SHE-123-11	803.0	726.7	726.7 736.0	727.5 739.0	0.8 3.0	0.59 0.05
SHE-123-12	968.0	739.3	734.0 809.5	739.0 811.5	5.0 2.0	0.11 4.23
SHE-123-13	858.0	730.0	730.0	733.0	3.0	0.09
SHE-130-1*	792.0	724.8				
SHE-130-1A	917.0	725.1	843.5 868.5 914.5	844.5 869.5 915.5	1.0 8.0 1.0	0.17 0.17 0.28
SHE-130-2*	914.0	719.0				
P-08-1	1001.0	713.1	712.4	713.1	0.7	e0.63

*No significant analyses

2008 Development Program at Shea Creek

In 2008 the Shea Creek Project continued its transition from an exploration stage program to one with primary objectives that include initial development work as well as delineation of resources. Total expenditures for development work in 2008 were approximately \$6.8 million.

Studies, Engineering and Procurement

The first proposed phase of development will be the completion of an underground exploration program to increase the confidence and quantity of mineralization. This program would involve the sinking of one or two underground exploratory shafts, from which exploration drifts could be excavated to allow delineation drilling. The first proposed shaft has been strategically located between the Kianna and Anne Deposits to facilitate underground access to both deposits as well as the highly prospective corridor between them. In February 2008, a scoping level study was initiated to determine the costs of this process. SNC Lavalin, McIntosh Engineering and AREVA personnel are continuing this work. Studies to optimize the facilities based on field data will continue in 2009.

Geotechnical and hydrogeological data collection commenced in 2007 with the drilling and instrumenting of several drill holes in the area. This work continued in 2008 with the drilling of a potential pilot shaft hole to a depth of 1,000 metres which allowed complete detailing of geotechnical and hydrogeological parameters. In addition, a large diameter (PQ) pumping hole was drilled to ascertain additional hydrogeological data. SRK Consulting is the lead consultant for this phase of work. This data will provide a basis for groundwater inflows and ground stability assessments for underground infrastructure.

Metallurgical testing of the Shea Creek mineralization commenced in 2008. Core samples were sent for bench scale testing to AREVA's McClean Lake Mill to assess recoveries and processing alternatives.

Environmental Impact Statement and Licensing

Any construction or underground development must be preceded by the required regulatory process, the first step of which is the gathering of environmental baseline data. As previously announced (see UEX News Release, April 10, 2007), AREVA has started the necessary studies for site characterization and baseline studies. Baseline data collection and site characterization will continue in 2009 in support of the future Environmental Impact Statement.

Erica Project 2008 Exploration Program

A ground geophysical program consisting of 30.2 line kilometres of grid preparation was completed. Following grid establishment, 25.8 kilometres of DC-resistivity was carried out over the grid.

James Creek Project 2008 Exploration Program

A ground geophysical program consisted of 115.0 kilometres of linecutting and a magnetotelluric survey totaling 76.0 line kilometres.

Nikita Project 2008 Exploration Program

A ground geophysical program consisting of 55.8 line kilometres of grid preparation was completed. Following grid establishment, 54.2 kilometres of DC-resistivity was carried out over the grid.

No significant exploration work was done in 2008 on the Alexandra, Brander Lake, Douglas River, Laurie, Mirror River or Uchrich Projects.

Western Athabasca Projects: 2009 Exploration and Development Programs

UEX has approved total 2009 expenditures of approximately \$11.0 million proposed by AREVA for the Western Athabasca Projects. The 2009 expenditures include an exploration budget of \$9.0

million of which \$8.25 million has been allocated to Shea Creek and a development budget for Shea Creek of \$2.0 million. Expenditures under the joint venture are funded 49% by UEX and 51% by AREVA.

2009 Drilling and Exploration Program at Shea Creek

The 2009 diamond drilling program at Shea Creek began in early February with three diamond drills. The principal objectives of the drilling program are as follows:

- To perform infill drilling on the Kianna and Anne deposits at approximately 20-metre centres;
- To extend known mineralization of the two deposits through step-out drilling; and
- To further test the prospective corridor between the Anne and Kianna deposits.

2009 Development Work at Shea Creek

In 2009, the Shea Creek Project will continue its transition from an exclusive exploration program to include initial development work. A budget of \$2 million has been approved for 2009 studies supporting future development work. In addition, baseline data collection and site characterization will continue in 2009 in support of a future Environmental Impact Statement.

Alexandra Project 2009 Exploration Program

A ground geophysical program is planned over the conductive zone outlined by the 2004 airborne MEGATEM survey. The ground geophysical surveys consist of 55 line kilometres of new grid preparation. Following grid establishment, either 65 kilometres of pole-pole DC-resistivity or 130 kilometres of double moving loop will be collected over the grid.

No significant exploration work is planned for 2009 on the Brander Lake, Douglas River, Erica, James Creek, Laurie, Mirror River, Nikita or Uchrich Projects.

Hidden Bay Project: 2008 Exploration and Development Programs

UEX operates its 100%-owned Hidden Bay Project, which consists of 41 claims that are 100%-owned totaling 56,624 hectares (139,921 acres). The Raven, Horseshoe and West Bear Deposits are located within the Hidden Bay Project.

Raven and Horseshoe Exploration and Development Programs

Raven and Horseshoe are basement-hosted deposits and are located approximately 5 kilometres southeast of the edge of the Athabasca Group sandstones, which normally cover uranium deposits in the Athabasca Basin.

On September 29, 2008, UEX announced it received a N.I. 43-101 compliant resource estimate report from Golder Associates Ltd. ("Golder") for the Horseshoe Deposit. The mineral resource estimate contains 3.578 million tonnes grading 0.237% U₃O₈ in the indicated category containing 18.693 million pounds of U₃O₈, and 0.311 million tonnes grading 0.208% U₃O₈ in the inferred category containing 1.426 million pounds of U₃O₈ at a cut-off of 0.05% U₃O₈. A supporting technical report entitled "Technical Report on the Hidden Bay Property, Saskatchewan, Canada including Mineral Resource Estimates For Horseshoe, Raven and West Bear Deposits" by K. Palmer dated January 20, 2009 has been filed on www.sedar.com.

On January 5, 2009, UEX announced it received a N.I. 43-101 compliant resource estimate report from Golder for the Raven Deposit. The mineral resource estimate contains 3.978 million tonnes grading 0.105% U₃O₈ in the Indicated category containing 9.154 million pounds of U₃O₈, and 0.494 million tonnes grading 0.104% U₃O₈ in the Inferred category containing 1.134 million pounds of U₃O₈ at a cutoff grade of 0.05% U₃O₈. A supporting technical report entitled "Technical Report on the Hidden Bay Property, Saskatchewan, Canada including Mineral Resource Estimates For Horseshoe, Raven and West Bear Deposits" by K. Palmer dated January 20, 2009 has been filed on www.sedar.com.

UEX is considering various production options which include a toll milling arrangement with one of the operators of the two active uranium mills in the region, namely Cameco's Rabbit Lake mill less than 5 kilometres to the northeast, and AREVA's McClean Lake facilities located 12 kilometres to the northwest, or potentially constructing a stand-alone facility which could process ore from all of UEX's Hidden Bay deposits. In all scenarios, given the location of the deposits in less permeable basement rocks, any open pits created by mining either deposit will be evaluated as tailings disposal facilities for UEX's deposits, and for other operators in the area.

The current Horseshoe mineral resource estimate was prepared by K. Palmer, P. Geo., of Golder, who is independent of UEX. The mineral resource calculation utilized 272 diamond drill holes (86,100 metres from holes HU-001 to HU-256, and HO-01 to HO-16) drilled between 2005 and 2008, which test the deposit at 7.5 to 30-metre drill centres. The mineral resource estimate was calculated using a minimum cut-off grade of 0.05% U₃O₈ utilizing a geostatistical block-model technique with ordinary kriging methods and the DATAMINE Studio 3 software package.

Details of the mineral resources at different cut-off levels are provided in Tables 4 and 5 below. Note that approximately 93% of the resource is in the indicated category at a 0.05% U₃O₈ cut-off. At a cut-off of 0.20%, most of the contained U₃O₈ in the deposit is within areas averaging 0.433% U₃O₈.

Table 4
September 2008 Indicated Mineral Resources at Horseshoe
Tonnes and Grade at Various U₃O₈ Cut-offs

Cutoff	Tonnes	Dry Density	U₃O₈ (%)	U₃O₈ (lbs)
0.05	3,577,700	2.48	0.237	18,693,000
0.10	2,725,300	2.48	0.287	17,255,000
0.15	1,944,100	2.48	0.353	15,116,000
0.20	1,343,000	2.48	0.433	12,817,000
0.25	945,500	2.48	0.521	10,866,000
0.30	693,000	2.48	0.612	9,347,000
0.35	525,400	2.48	0.704	8,154,000
0.40	400,200	2.48	0.807	7,120,000

Table 5
September 2008 Inferred Mineral Resources at Horseshoe
Tonnes and Grade at Various U₃O₈ Cut-offs

Cutoff	Tonnes	Dry Density	U₃O₈ (%)	U₃O₈ (lbs)
0.05	311,200	2.37	0.208	1,426,000
0.10	248,600	2.37	0.239	1,310,000
0.15	180,600	2.43	0.282	1,124,000
0.20	132,400	2.45	0.320	935,000
0.25	83,900	2.47	0.376	695,000
0.30	53,100	2.47	0.439	514,000
0.35	33,000	2.47	0.512	372,000
0.40	19,300	2.49	0.607	258,000

The current Raven resource estimate was prepared by K. Palmer, P. Geo., of Golder, who is independent of UEX. The resource calculation utilized 187 diamond drill holes (45,300 metres from holes RU-001 to RU-160, and RV-001 to RV-028) drilled between 2005 and 2008, to define the deposit at 7.5 to 50 metre drill centres. The resource estimate was calculated using a minimum cutoff grade of 0.02% U₃O₈ utilizing a geostatistical-block model technique with ordinary kriging methods and the DATAMINE Studio 3 software package.

Details of the resources at different cutoff levels are provided in Tables 6 and 7 below. The bulk of the resource is in Indicated category at a 0.05% U₃O₈ cutoff. At a cutoff grade of 0.10%, most of the contained U₃O₈ in the Indicated Resource is within areas averaging 0.165% U₃O₈.

Table 6
January 2009 Indicated Mineral Resources at the Raven Deposit
with tonnes and grade at various U₃O₈ cutoff grades.

Cutoff	Tonnes	Dry Density	U₃O₈ (%)	U₃O₈ (lbs)
0.02	7,602,400	2.46	0.074	11,572,000
0.05	3,967,600	2.46	0.105	9,154,000
0.10	1,446,900	2.46	0.165	5,273,000
0.15	598,500	2.47	0.229	3,019,000
0.20	286,400	2.48	0.291	1,838,000
0.25	154,000	2.48	0.350	1,189,000
0.30	85,500	2.48	0.412	777,000
0.35	52,000	2.49	0.470	539,000
0.40	31,800	2.49	0.532	373,000

Table 7
January 2009 Inferred Mineral Resources at the Raven Deposit
with tonnes and grade at various U₃O₈ cutoff grades.

Cutoff	Tonnes	Dry Density	U₃O₈ (%)	U₃O₈ (lbs)
0.02	833,200	2.41	0.078	1,418,000
0.05	494,000	2.42	0.104	1,134,000
0.10	146,200	2.45	0.189	611,000
0.15	81,200	2.47	0.244	437,000
0.20	40,100	2.47	0.316	279,000
0.25	20,700	2.47	0.401	183,000
0.30	14,600	2.46	0.454	146,000
0.35	11,400	2.46	0.489	123,000
0.40	9,100	2.47	0.518	104,000

The current resources at Raven are still open to the west and east into areas that were included within the historical resources defined by Gulf. Historical drilling results include several significant drilling intersections by Gulf that lie beyond the limits of the current resource, including intercepts of 0.21% U₃O₈ over 15.54 metres in hole LB-031, 0.52% U₃O₈ over 3.35 metres in hole LB-038, and 0.16% U₃O₈ over 13.72 metres in hole LB-048, which suggest that mineralization at Raven may extend for at least 200 metres westward from the current resource outline.

In addition to the resource calculation, UEX has received an interim report on ongoing metallurgical test work for the Horseshoe and Raven Deposits. Representative samples derived from composited drill core assay rejects from the Horseshoe Deposit, and from three HQ diameter metallurgical holes, two from Horseshoe and one from Raven, have now undergone preliminary testing for leach and effluent treatment conditions and grindability analysis under the direction of Melis Engineering Ltd. of Saskatoon, Saskatchewan at SGS Lakefield Research Limited in Lakefield, Ontario. These tests indicate that uranium in both deposits is easily leached under relatively mild atmospheric leach conditions, producing leach extractions of 98%, and lacking any significant concentrations of deleterious elements.

Metallurgical testing for the Horseshoe and Raven deposits was comprised of two phases:

- (i) Initial Phase I testing in 2007 of four composites blended from assay reject samples derived from definition drill holes in the Horseshoe Deposit, and representing different grade ranges from the A and B West zones; and
- (ii) Phase II comminution testwork, uranium leaching testwork, and environmental data generation from three diamond drill holes drilled at HQ (63.5 mm) diameter for metallurgical purposes, including two in the Horseshoe Deposit and one in the Raven Deposit.

Drill holes for the Phase II testwork were chosen in portions of the deposits to test areas both of representative uranium grade and mineralization style. Hole HU-156 was selected to test higher

grade portions of the Horseshoe A zone in the nodular mineralization style, while hole HU-157 tested disseminated mineralization style in the Horseshoe BE zone. Hole RU-130 was drilled in western-central portions of the Raven deposit, and crossed typical areas of mineralization in two of the principal lithologic host lithologies within that deposit, intersecting 0.14% U₃O₈ over 10.9 metres. Compositing intervals >0.05% U₃O₈ that occur in the drill holes and were subject to metallurgical testing are summarized in Table 8. A total of five composites representing high and low grade populations from holes HU-156 and HU-157, and mineralization from hole RU-130, were prepared.

Table 8
Composited drill hole intersections from which Phase II metallurgical samples were derived, composited to a minimum of 0.05% U₃O₈.

The data is composited from ICP geochemical analysis of splits from 0.5 m metallurgical samples which were analyzed by SRC Analytical Laboratories. Metallurgical samples also include some intervening intervals below the 0.05% cutoff for compositing.

Metallurgical Composites	Deposit	Zone	Drill hole	From (m)	To (m)	Length (m)	Grade %U ₃ O ₈
AH, AL	Horseshoe	A zone	HU-156	168.8	187.0	18.2	1.01
BEH, BEL	Horseshoe	BE zone	HU-157	285.5	320.4	34.9	0.13
RU-130	Raven	Main	RU-130	109.0	119.0	10.9	0.14
				136.7	137.0	0.5	1.29
				144.6	149.0	4.4	0.16

Blended composites prepared for testing are listed in Table 9 below, along with key elemental analyses.

Table 9
Summary of Horseshoe and Raven composite assays

All elements were analyzed at SGS Lakefield Research Ltd. by Total Digestion (HF/HNO₃/HClO₄ + HNO₃) ICP except for As and Se which were analyzed by Aqua Regia Digestion (3:1 HCl:HNO₃) ICP

Composite	Assay, %					
	U ₃ O ₈	As	Fe	Ni	Mo	Se
A	0.414	0.0048	1.61	0.0045	0.0014	< 0.0001
B	0.297	0.0083	3.85	0.0060	0.0008	< 0.0001
HU16	4.07	0.0785	3.36	0.0175	0.0012	< 0.0001
Main	0.33	0.0063	2.66	0.0054	0.0015	< 0.0001
AH	2.18	0.014	4.20	0.0042	0.0025	< 0.0030
AL	0.38	0.0052	1.29	0.0036	0.0018	< 0.0030
BEH	0.31	0.0055	1.39	0.0042	0.0024	< 0.0030
BEL	0.054	< 0.0040	0.73	0.0034	0.0016	< 0.0030
RU-130	0.21	< 0.0060	1.72	0.0084	0.0025	< 0.0030

The elemental analyses of the composites show that Horseshoe is relatively low in deleterious elements such as arsenic, molybdenum, selenium and base metals; hence the Horseshoe zone should present minimal processing and environmental difficulties.

Leaching tests on composites from both testing phases indicate that the uranium in the Horseshoe and Raven zones is easily leached under relatively mild atmospheric leach conditions. On average, leach extractions of 98% can be achieved with a grind K₈₀ of approximately 100 µm, 12 hour leach retention time, free acid level of 10 g H₂SO₄/L representing acid additions of approximately 50 kg H₂SO₄/t, and a 475 mV redox/potential controlled with NaClO₃ at addition rates of 0.5 to 1 kg NaClO₃/t. These excellent extraction levels are comparable to other metallurgically simple basement-hosted deposits in the region, including the nearby Eagle Point Deposit.

Horseshoe mineralization is comprised of pitchblende and other uranium oxides and silicates without the potentially deleterious nickel-arsenide minerals that may affect extraction and pose tailings disposal problems. Initial effluent treatment testwork indicates that regulatory discharge limits will be achievable. Tailings aging tests of waste raffinate and leach residue suggest that while molybdenum and residual uranium levels in the tailings supernatant increase upon aging, excess tailings water would be re-used and/or treated in the mill process and waste treatment circuits under normal operating conditions to potentially mitigate these effects. These results suggest that methods of treatment of waste and effluent generated by the processing of this mineralization would be comparable to those in use at operating mines in the area.

Nine composites were submitted for Bond ball mill work index (BWI) and SPI[®] determinations. The Raven-Horseshoe composites were categorized as medium in hardness from the perspective of SAG milling and moderately hard for ball mill grinding.

Exploration of the deposit areas continues with exploration drilling currently underway with plans to test additional historically-known areas of mineralization contained in the historical Gulf resource but outside the current resource area.

In progressing toward a feasibility study on the Horseshoe and Raven Deposits, environmental baseline studies were commenced by Golder in 2006, and Golder continues to collect biological, hydrogeological and other environmental data. During the 2007 and 2008 drilling programs, geotechnical studies of the area of the deposits also commenced, assessing rock properties and hydrogeology of the area of both the Horseshoe and Raven Deposits. Further baseline and geotechnical studies are scheduled for 2009 following the input of more detailed information on the project design generated from the ongoing feasibility study.

In recognition of the potential limited future tailings facility capacity at the two nearby operating mills in the area, UEX will assess the economic benefit of an assumption that following open-pit mining of the Raven and Horseshoe Deposits, the final pits would be used as tailings management facilities. Given the basement hosted nature of the Raven and Horseshoe Deposits, overall strength of the host rocks encountered during drilling, and lack of overlying Athabasca sandstone cover, it is anticipated that the ground conditions and low permeability host rocks to the deposits could be highly amenable to such a use and may increase the value of the project.

To view a map of Hidden Bay area uranium mines, mills, deposits and tailings management facilities please access UEX's website at www.uex-corporation.com under "Projects – Eastern Athabasca – Hidden Bay".

During ongoing exploration at Hidden Bay, 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 uranium 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 at Raven and Horseshoe recoveries are generally at, or close to, 100%. UEX systematically inserts 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.

The technical information in this document regarding Raven and Horseshoe has been compiled by David Rhys, P. Geo., and the metallurgical component by B. Fielder, P. Eng., who are Qualified Persons as defined by N.I. 43-101.

2008 Winter Drilling Program at Horseshoe and Raven

During the 2008 winter drilling program, 149 holes totaling 38,685 metres were drilled in the Horseshoe and Raven Deposits area using six drill rigs.

In the Horseshoe area, 77 holes totaling 20,371 metres were completed. The majority of the Horseshoe drilling (71 holes totaling 17,264 metres) tested the southeastern parts of the Horseshoe Deposit. This area contains a shallow northwest dipping mineralized zone that is contiguous with the A Zone of Horseshoe. The zone was open in many areas to the west, and required further infill drilling to test continuity of several significant historical intercepts so that it could be included in future Horseshoe resource calculations. It was not possible to test this area during the 2007 summer/fall drilling program due to the local swampy conditions. Cold temperatures during the winter of 2008 created excellent surface access conditions and drilling was successfully completed in this area.

In addition, six holes totaling 3,107 metres were drilled to test the northeastern extensions of Horseshoe where coincident resistivity and gravity anomalies occur in areas of alteration, and there is intensive faulting associated with the Dragon Lake Fault. The Dragon Lake Fault is known to be associated with uranium mineralization where it intersects the Rabbit Lake Fault a few kilometres to the north, adjacent to the past producing Rabbit Lake Deposit.

At Raven, 72 holes totaling 18,314 metres were completed. Infill and stepout drilling confirmed and extended known mineralization at the Raven Deposit. The drilling outlined several stacked, generally stratabound pods which occur in the core of the Raven syncline between depths of 50 and 350 metres below the surface. These pods collectively have a linear, east-northeast trend over a strike length of more than 500 metres.

Horseshoe Deposit Results

The 2008 drilling, combined with results from previous drilling programs in 2006 and 2007, has now defined the Horseshoe Deposit over a strike length of approximately 550 metres. Throughout this area, mineralization occurs in several stacked, linear and shallow dipping, east-northeast plunging zones. These have now been defined continuously to the limits of mineralization at a drill spacing of 15 to 30 metres.

The 2008 drilling was concentrated mainly in the Horseshoe South area which lies under swampy low ground that prevented drilling in the summer of 2007. Drill holes composited to grades of at least 0.05% U₃O₈ with a grade-thickness product of greater than 0.1 are listed in Table 10. Several holes reported in Table 10 lacked any significant intercepts because they tested the limits of mineralized zones and consequently provide boundaries for resource modeling purposes. The most significant of the intercepts are listed below and except for holes HU-180, HU-208 and HU-212, which were drilled in the B West Zone where some additional infill holes were required, all of the holes listed below were drilled in the Horseshoe South area:

- 0.32% U₃O₈ over 18.6 metres in hole HU-180 (BW zone, section 4710N)
- 0.87% U₃O₈ over 10.3 metres in hole HU-182 (section 4490N)
- 0.28% U₃O₈ over 14.3 metres in hole HU-184 (section 4516N)
- 0.25% U₃O₈ over 7.1 metres in hole HU-188 (section 4490N)
- 0.18% U₃O₈ over 11.1 metres in hole HU-189 (section 4490N)
- 0.60% U₃O₈ over 3.5 metres in hole HU-194 (section 4540N)
- 0.21% U₃O₈ over 13.2 metres in hole HU-199 (section 4516N)
- 0.23% U₃O₈ over 13.6 metres in hole HU-208 (BW zone, section 4724N)
- 2.81% U₃O₈ over 0.8 metres in hole HU-209 (section 4385N)
- 0.34% U₃O₈ over 19.6 metres in hole HU-212 (BW zone, section 4724N)
- 0.22% U₃O₈ over 10.4 metres in hole HU-216 (section 4735N)
- 0.29% U₃O₈ over 18.1 metres in hole HU-217 (section 4385N)
- 0.27% U₃O₈ over 34.0 metres in hole HU-220 (section 4516N)
- 0.16% U₃O₈ over 20.9 metres in hole HU-221 (section 4735N)
- 0.23% U₃O₈ over 26.6 metres in hole HU-223 (section 4516N)
- 0.39% U₃O₈ over 7.1 metres in hole HU-225 (section 4593N)
- 0.10% U₃O₈ over 18.0 metres in hole HU-235 (section 4640N)
- 2.84% U₃O₈ over 1.8 metres in hole HU-242 (section 4411N)
- 0.81% U₃O₈ over 9.6 metres in hole HU-247 (section 4437N)
- 0.81% U₃O₈ over 3.8 metres in hole HU-254 (section 4385N)

The B West Zone and the M1 Zone which lie above the B West Zone pass through this area and extend through the previous drilling continuously to the northeast end of the deposit. Other zones, including the large A Zone, which will host much of the Horseshoe resource, also extend through the Horseshoe South area either continuously, or as a series of sub-zones which extend off its southwestern end. Many of the intercepts reported here lie beyond the limits of previous drilling and have, as with previous drilling programs, significantly extended the overall footprint of the deposit. The mineralization in the Horseshoe South area lies at depths of 80 to 250 metres below surface, shallower than other parts of the deposit to the northeast.

In addition to the results reported above, geochemical results have now been received from metallurgical holes HU-156 and HU-157, which are currently undergoing metallurgical processing at SGS Lakefield Research ("Lakefield") under the supervision of Melis and Associates of Saskatoon, SK. Previously, only probe results were released from these holes since the whole core was sent to Lakefield for processing. Geochemical data from hole HU-156, in the Horseshoe A Zone returned 1.01% U₃O₈ over 18.2 metres between 168.8 and 187.0 metres, including 2.2% U₃O₈ over 5.2 metres. This compares closely to, although is higher in grade than, previously released probe results of 0.90% eU₃O₈ over 19.7 metres. This intercept upgrades this part of the A Zone, having higher grades and widths than adjacent holes. Hole HU-157 intersected 0.13% U₃O₈ over 34.9 metres between 285.5 and 320.4 metres, which is closely comparable to the 0.14% e U₃O₈ over 34.8 metres previously reported from probe grades. The very good correlation between values obtained from probe and geochemical grades allowed independent verification of geochemical results to be used in the resource calculation, in addition to other quality assurance and quality control procedures routinely undertaken by UEX. Processing and metallurgical testing on these holes are currently underway.

Additional mineralization intersected by Gulf Minerals ("Gulf") historically at Horseshoe is present to the northeast of the resource area. Drilling in this area is continuing, and additional resources could be delineated there.

Table 10.
Winter 2008 Horseshoe Drilling Program
Intersections from Drill Holes HU-180 to HU-256.

Only intervals with composite grades greater than 0.05% U₃O₈ and a grade-thickness product greater than 0.1 are listed below. All analyses were performed by Saskatchewan Research Council by ICP. No intervals greater than 0.05% and a grade thickness product higher than 0.1 were intersected in holes HU-181, 186, 187, 191, 196, 202, 203, 204, 206, 207, 210, 211, 215, 218, 219, 222, 224, 227, 229, 230, 231, 233, 234, 236, 237, 238, 239, 241, 243, 244, 245, 248, 250, 251, 253, 255 and 256.

<i>Hole</i>	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U₃O₈)
HU-180	4710	344	216.0	217.4	1.4	0.090
HU-180			220.8	221.7	0.9	0.077
HU-180			244.1	252.4	8.3	0.103
HU-180			261.0	279.6	18.6	0.322
HU-182	4490	200	172.7	183.0	10.3	0.871
HU-183	4710	341	106.9	112.7	5.8	0.166
HU-183			115.9	117.0	1.1	0.196
HU-183			240.9	243.0	2.1	0.085
HU-183			269.3	275.3	6.0	0.215
HU-184	4516	221	181.5	195.8	14.3	0.277
HU-185	4490	209	182.4	186.7	4.3	0.308
HU-188	4490	220	166.2	173.3	7.1	0.254
HU-189	4490	207	164.5	166.0	1.5	0.115
HU-189			176.9	188.0	11.1	0.177
HU-190	4540	220	96.2	97.7	1.5	0.147
HU-190			120.5	127.1	6.6	0.151
HU-190			192.5	194.1	1.6	0.189
HU-192	4540	237	166.0	167.0	1.0	0.129

<i>Hole</i>	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U ₃ O ₈)
HU-192			192.5	194.5	2.0	0.203
HU-193	4490	242	176.0	176.8	0.8	0.200
HU-193			200.1	201.9	1.8	0.777
HU-193			206.5	207.2	0.7	0.447
HU-194	4540	240	146.0	149.0	3.0	0.100
HU-194			153.0	156.5	3.5	0.604
HU-194			179.0	180.5	1.5	0.486
HU-195	4411	222	195.7	196.6	0.9	0.433
HU-197	4465	211	135.0	138.2	3.2	0.216
HU-198	4411	219	155.0	157.0	2.0	0.105
HU-198			166.8	168.5	1.7	0.073
HU-198			209.8	210.4	0.6	0.733
HU-199	4516	224	111.8	125.0	13.2	0.211
HU-199			205.8	206.7	0.9	0.376
HU-200	4465	260	99.5	100.0	0.5	0.653
HU-200			140.0	142.0	2.0	0.127
HU-200			221.7	230.2	8.5	0.151
HU-201	4411	240	214.7	216.0	1.3	0.186
HU-205	4490	200	167.9	168.8	0.9	0.537
HU-208	4724	326	243.7	248.0	4.3	0.116
HU-208			288.5	302.1	13.6	0.232
HU-209	4385	241	210.5	211.3	0.8	2.806
HU-212	4724	307	137.0	138.5	1.5	0.116
HU-212			211.0	212.6	1.6	0.387
HU-212			243.0	245.6	2.6	0.083
HU-212			252.8	272.4	19.6	0.344
HU-213	4385	249	135.8	136.9	1.1	0.165
HU-214	4570	215	131.2	132.2	1.0	0.644
HU-214			137.9	139.5	1.6	0.869
HU-214			171.3	173.0	1.7	0.177
HU-216	4735	347	122.0	123.4	1.4	0.082
HU-216			237.0	245.2	8.2	0.158
HU-216			257.0	259.0	2.0	0.120
HU-216			274.6	285.0	10.4	0.218
HU-216			320.0	320.6	0.6	0.205
HU-217	4385	246	187.4	205.5	18.1	0.290
HU-220	4516	230	122.0	156.0	34.0	0.268
HU-221	4735	323	134.9	137.0	2.1	0.117
HU-221			278.5	281.5	3.0	0.087
HU-221			286.7	307.6	20.9	0.155
HU-223	4516	200	104.5	131.1	26.6	0.228
HU-225	4593	256	155.7	162.8	7.1	0.390
HU-225			183.3	184.2	0.9	0.766
HU-226	4516	215	185.8	189.3	3.5	0.363
HU-228	4516	260	132.0	135.0	3.0	0.05
HU-228			142.0	143.0	1.0	0.21
HU-232	4516	291	184.0	184.8	0.8	0.36
HU-232			204.5	207.2	2.7	0.37
HU-235	4640	222	167.0	185.0	18.0	0.10
HU-240	4411	267	120.4	123.0	2.6	0.20
HU-240			191.0	194.2	3.2	0.18
HU-240			200.0	205.4	5.4	0.05
HU-240			211.3	212.0	0.7	0.69
HU-242	4411	252	192.0	193.8	1.8	2.84

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U ₃ O ₈)
HU-246	4411	252	236.8	237.6	0.8	0.42
HU-247	4437	270	131.7	134.0	2.3	0.09
HU-247			175.0	177.0	2.0	0.07
HU-247			206.6	216.2	9.6	0.81
HU-249	4437	270	199.0	200.3	1.3	0.13
HU-249			206.0	207.5	1.5	0.13
HU-249			215.7	216.3	0.6	0.65
HU-252	4385	250	224.3	225.5	1.2	0.07
HU-254	4385	249	199.5	203.3	3.8	0.81

Raven Deposit Results

The winter 2008 drilling program at the Raven Deposit continued to expand along 30 metre step-out cross sections along strike, with some infill drilling where necessary to provide a minimum 30-metre drill spacing for resource calculation. Apart from some infill holes which were required early during the summer 2008 program, drilling at Raven is sufficient to proceed with the planned fall 2008 timeline for completion of a resource estimate. Recent and historical drilling suggest that mineralization is still open in some areas to the east, and these areas will be further tested.

Drill holes from the initial winter 2008 drill holes at Raven which composited to grades of at least 0.05% U₃O₈ with a grade-thickness product of greater than 0.1 are listed in Table 11. The most significant of these intercepts include the following:

- 0.09% U₃O₈ over 22.2 metres in hole RU-068 (section 5385E)
- 0.09% U₃O₈ over 20.0 metres, and
- 0.30% U₃O₈ over 11.0 metres in hole RU-071 (section 5630E)
- 0.21% U₃O₈ over 8.0 metres in hole RU-077 (section 5630E)
- 0.22% U₃O₈ over 8.1 metres in hole RU-085 (section 5385E)
- 0.17% U₃O₈ over 13.5 metres, and
- 0.21% U₃O₈ over 8.5 metres in hole RU-087 (section 5360E)
- 0.16% U₃O₈ over 11.0 metres in hole RU-091 (section 5360E)
- 0.39% U₃O₈ over 4.3 metres in hole RU-092 (section 5506E)
- 0.38% U₃O₈ over 37.3 metres, including
- 0.82% U₃O₈ over 9.4 metres in hole RU-095 (section 5445E)
- 0.51% U₃O₈ over 7.0 metres in hole RU-103 (section 5360E)
- 1.04% U₃O₈ over 1.9 metres in hole RU-104 (section 5506E)
- 0.24% U₃O₈ over 10.1 metres in hole RU-105 (section 5695E)
- 0.31% U₃O₈ over 11.3 metres in hole RU-109 (section 5418E)
- 0.52% U₃O₈ over 19.8 metres in hole RU-118 (section 5725E)
- 0.08% U₃O₈ over 23.4 metres in hole RU-123 (section 5330E)
- 0.14% U₃O₈ over 10.9 metres in hole RU-130 (section 5430E)

To date, mineralization at Raven has been defined over a strike length of approximately 700 metres in a horizontal, cylindrically-shaped zone fringing an area of intense clay alteration that is developed in the hanging wall of a steeply dipping fault. Mineralization occurs near the axis of the Raven syncline at depths of 50 to 275 metres below surface. Highest grades typically occur in its upper northern and central margins, where intersections such as seen in hole RU-095 are locally developed. Areas of lower-grade mineralization, which typically grade between 0.05% and 0.15% U₃O₈, may be developed over widths of several tens of metres, defining several sub-horizontal, elongated zones that are controlled by the distribution of lithologic units.

One metallurgical drill hole, hole RU-130, was completed at Raven late during the winter program utilizing HQ diameter rods. The core is currently being prepared for metallurgical testing by Melis and Associates, and will be utilized in future economic assessment of the deposit.

Table 11.
Winter 2008 Raven Drilling Program
Intersections from Drill Holes RU-059 to RU-130

Only intervals with composite grades greater than 0.05% U₃O₈ and a grade-thickness product greater than 0.1 are listed below. All analyses were performed by SRC by ICP. No intervals greater than 0.05% and a grade thickness product higher than 0.1 were intersected in holes RU-059, 061, 062 066, 074, 082, 086, 088, 089, 101, 102, 106, 107, 108, 110, 111, 112, 114, 117, 119, 124, 127 and 129.

<i>Hole</i>	Section (East)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U₃O₈)
RU-060	5580	242	71.0	71.5	0.5	0.355
RU-060			141.4	150.0	8.6	0.084
RU-060			164.5	166.1	1.6	0.059
RU-063	5580	272	206.0	208.5	2.5	0.063
RU-063			212.0	213.0	1.0	0.153
RU-063			231.7	234.6	2.9	0.054
RU-063			242.7	243.6	0.9	0.121
RU-063			246.0	253.0	7.0	0.079
RU-064	5385	297	139.1	140.5	1.4	0.097
RU-064			142.6	143.9	1.3	0.080
RU-064			145.9	153.4	7.5	0.093
RU-064			158.0	163.0	5.0	0.086
RU-064			187.9	204.3	16.4	0.092
RU-065	5580	272	209.0	213.0	4.0	0.089
RU-065			218.7	223.0	4.3	0.098
RU-067	5580	242	153.7	155.7	2.0	0.133
RU-067			188.0	195.5	7.5	0.096
RU-068	5385	302	108.0	130.2	22.2	0.093
RU-068			207.2	210.0	2.8	0.068
RU-069	5580	246	205.0	205.5	0.5	0.391
RU-070	5664	244	179.1	180.1	1.0	0.533
RU-070			194.5	199.2	4.7	0.112
RU-070			225.5	226.7	1.2	0.206
RU-071	5630	302	63.0	64.0	1.0	0.540
RU-071			113.0	114.0	1.0	0.203
RU-071			121.0	141.0	20.0	0.088
RU-071			146.0	147.0	1.0	0.199
RU-071			167.0	178.0	11.0	0.304
RU-071			185.0	186.0	1.0	0.354
RU-072	5385	251	164.1	165.3	1.2	0.247
RU-072			182.5	186.4	3.9	0.120
RU-072			192.5	194.2	1.7	0.225
RU-073	5664	239	162.3	165.1	2.8	0.097
RU-075	5630	302	121.0	143.0	22.0	0.067
RU-075			160.0	161.0	1.0	0.193
RU-075			169.0	184.5	15.5	0.090
RU-075			268.3	269.0	0.7	0.191
RU-076	5664	239	62.7	64.0	1.3	0.081
RU-076			127.0	128.6	1.6	0.071
RU-076			148.0	149.1	1.1	0.097
RU-076			154.4	156.2	1.8	0.264
RU-077	5630	302	93.0	101.0	8.0	0.208
RU-078	5385	232	106.3	111.6	5.3	0.119
RU-078			197.0	199.8	2.8	0.086
RU-079	5360	341	117.7	120.5	2.8	0.054
RU-079			133.0	137.0	4.0	0.067
RU-079			141.8	144.5	2.7	0.085
RU-079			160.0	169.0	9.0	0.074

<i>Hole</i>	Section (East)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U ₃ O ₈)
RU-079			188.0	196.0	8.0	0.073
RU-079			223.0	225.0	2.0	0.117
RU-080	5630	247	129.9	132.5	2.6	0.100
RU-080			216.3	219.6	3.3	0.211
RU-081	5630	200	32.1	33.1	1.0	0.253
RU-081			110.4	113.6	3.2	0.173
RU-081			129.5	133.5	4.0	0.070
RU-083	5360	341	123.0	132.0	9.0	0.077
RU-084	5630	200	93.5	96.9	3.4	0.078
RU-085	5385	302	102.0	109.8	7.8	0.051
RU-085			127.9	128.9	1.0	0.100
RU-085			157.2	165.3	8.1	0.222
RU-087	5360	240	98.0	111.5	13.5	0.172
RU-087			133.0	138.0	5.0	0.058
RU-087			237.0	245.5	8.5	0.214
RU-090	5664	161	42.0	44.1	2.1	0.336
RU-090			68.6	69.1	0.5	0.163
RU-090			120.4	122.7	2.3	0.357
RU-090			131.6	132.7	1.1	0.272
RU-091	5360	300	152.5	167.0	14.5	0.100
RU-091			187.0	198.0	11.0	0.163
RU-091			210.0	220.0	10.0	0.065
RU-092	5506	278	186.3	186.6	0.3	0.863
RU-092			194.0	198.3	4.3	0.390
RU-092			209.4	212.6	3.2	0.091
RU-092			217.6	222.3	4.7	0.080
RU-093	5695	317	65.3	67.3	2.0	0.157
RU-093			103.7	117.8	14.1	0.076
RU-094	5360	360	87.6	88.2	0.6	0.259
RU-094			97.5	100.5	3.0	0.127
RU-094			113.0	118.5	5.5	0.072
RU-094			125.0	126.5	1.5	0.084
RU-094			137.0	146.5	9.5	0.100
RU-094			227.0	228.5	1.5	0.067
RU-094			241.0	245.0	4.0	0.094
RU-094			260.0	263.0	3.0	0.094
RU-095	5445	242	117.0	154.3	37.3	0.377
RU-095		<i>including</i>	120.4	129.8	9.4	0.816
RU-095			160.8	162.2	1.4	0.131
RU-095			185.4	186.1	0.7	0.403
RU-096	5360	263	183.0	185.0	2.0	0.162
RU-096			188.0	191.0	3.0	0.055
RU-097	5695	251	58.8	61.6	2.8	0.061
RU-097			178.6	181.5	2.9	0.073
RU-098	5445	239	93.9	95.2	1.3	0.180
RU-098			124.4	125.0	0.6	0.173
RU-099	5360	242	107.0	108.5	1.5	0.323
RU-099			158.4	179.0	20.6	0.072
RU-100	5695	251	89.7	92.5	2.8	0.051
RU-100			234.3	241.8	7.5	0.065
RU-103	5360	301	117.5	125.0	7.5	0.145
RU-103			157.0	164.0	7.0	0.507
RU-103			193.5	194.0	0.5	0.307
RU-103			206.5	208.0	1.5	0.160
RU-104	5506	179	79.0	80.9	1.9	1.036

<i>Hole</i>	<i>Section (East)</i>	<i>Depth of Hole (metres)</i>	<i>From (metres)</i>	<i>To (metres)</i>	<i>Length (metres)</i>	<i>Avg. Grade (% U₃O₈)</i>
RU-105	5695	266	226.1	236.2	10.1	0.24
RU-105			244.2	250.9	6.7	0.18
RU-109	5418	200	131.7	143.0	11.3	0.31
RU-113	5725	302	101.3	102.6	1.3	0.18
RU-113			150.8	151.5	0.7	0.17
RU-115	5725	281	226.0	231.2	5.2	0.14
RU-115			254.0	258.7	4.7	0.19
RU-116	5725	281	78.7	79.4	0.7	0.21
RU-118	5725	278	117.1	136.9	19.8	0.52
RU-120	5330	371	151.9	153.2	1.3	0.08
RU-120			159.9	165.7	5.8	0.08
RU-120			174.3	176.1	1.8	0.07
RU-120			182.7	191.5	8.8	0.12
RU-120			203.4	203.9	0.5	0.29
RU-121	5330	371	308.2	315.2	7.0	0.06
RU-122	5755	266	88.8	92.2	3.4	0.15
RU-123	5330	368	129.1	133.8	4.7	0.11
RU-123			280.6	304.0	23.4	0.08
RU-125	5330	338	143.3	146.0	2.7	0.07
RU-125			156.0	156.8	0.8	0.13
RU-125			259.3	260.4	1.1	0.47
RU-125			279.9	281.0	1.1	0.28
RU-126	5300	374	153.0	155.7	2.7	0.09
RU-126			170.9	178.0	7.1	0.09
RU-126			313.0	314.0	1.0	0.11
RU-128	5300	371	271.0	272.8	1.8	0.07
RU-128			275.4	279.7	4.3	0.15
RU-128			287.3	288.4	1.1	0.27
RU-128			305.0	308.0	3.0	0.07
RU-128			322.3	322.9	0.6	0.26
RU-130	5430	221	106.0	119.1	10.9	0.14
RU-130			136.7	137.2	0.5	1.29
RU-130			144.6	149.0	4.4	0.16

2008 Winter Drilling Program in the Shamus Area

One drill completed five holes totaling 1,731 metres in the Shamus area.

The Shamus grid lies along the southern extensions of the northeast-trending Telephone Lake fault system, a significant fault which to the north is spatially associated with the Sue Deposits on AREVA's adjacent McClean Lake Mine.

Drilling at Shamus focused on further exploring a large area of alteration in pegmatite within the hanging wall of the Telephone Lake Fault, where previous drilling has intersected multiple mineralized faults in widely spaced holes that have returned grades ranging from 0.1% to 0.46% U₃O₈ over intervals of several metres, including 0.39% U₃O₈ over 2.2 metres in hole SHA-20. This target area is similar to the geological setting and style of the Eagle Point Deposit. Results of the drilling program are being processed, compiled and interpreted.

2008 Summer/Fall Drilling Program at Horseshoe and Raven

Drilling during the summer and fall of 2008 commenced in early June with further infill and step-out drilling at Raven, and testing of historically known mineralization northeast of Horseshoe conducted during June and July utilizing three drills.

Horseshoe Northeast Drilling Results

Drilling in the Horseshoe Northeast area targets areas of historically known, but poorly defined, mineralization intersected by Gulf in the 1970s which lie 50 to 250 metres to the northeast of the current Horseshoe resource area. In addition, exploration drilling targeting potential up and down dip extensions of clay alteration known to be associated with uranium mineralization was completed during this program. A total of 37 drill holes comprising 12,105 metres were completed in this area between September and November 2008, providing a first pass of widely spaced drill holes on approximately 60-metre spaced cross sections. Significant drilling intercepts are listed in Table 1; highlights include the following:

- 0.051% U₃O₈ over 54.0 metres in hole HU-267 (section 4954N)
- 0.580% U₃O₈ over 7.7 metres in hole HU-289 (section 4805N)
- 0.567% U₃O₈ over 23.0 metres, also in hole HU-289, including
1.903% U₃O₈ over 3.7 metres (section 4805N)
- 1.493% U₃O₈ over 1.3 metres in hole HU-298 (section 4870N)
- 0.098% U₃O₈ over 37.8 metres in hole HU-301 (section 4870N)
- 0.258% U₃O₈ over 41.5 metres in hole HU-302, including
3.985% U₃O₈ over 0.7 metres (section 4870N)
- 0.066% U₃O₈ over 41.2 metres, and
0.078% U₃O₈ over 17.8 metres in hole HU-308 (section 4915N)

Horseshoe Infill Drilling Results

Widely spaced drill holes in the Horseshoe S2 zone precluded much of this zone from being classified as Indicated status in the recent Horseshoe resource estimate. To better define this zone, which lies just southwest of the higher grade Horseshoe A zone, 11 holes were drilled in October 2008. These holes successfully defined the extent of the zone and confirmed its continuity, with several intercepts returning higher grades than adjacent drill holes in the resource. In addition, one hole, HU-297, was also drilled to better define the Horseshoe C zone and overlying B zones. In total, 12 holes comprising 3,264 metres were completed. Significant results are as follows, and additional composites are listed in Table 12:

- 0.358% U₃O₈ over 5.6 metres in hole HU-270 (S2 zone, section 4516N)
- 0.885% U₃O₈ over 7.6 metres in hole HU-282 (S2 zone, section 4495N)
- 0.073% U₃O₈ over 37.7 metres in hole HU-284 (S2 zone, section 4495N)
- 0.457% U₃O₈ over 7.3 metres in hole HU-286 (S2 zone, section 4520N)
- 0.229% U₃O₈ over 8.0 metres in hole HU-288 (S2 zone, section 4520N)
- 0.225% U₃O₈ over 34.2 metres in hole HU-291 (S2 zone, section 4520N)
- 0.176% U₃O₈ over 25.0 metres in hole HU-297 (BE zone, section 4715N)

These results will be incorporated into the Horseshoe wireframe model, and will form part of a global Horseshoe resource update that will include the Horseshoe Northeast results once the current drilling program is completed, which is expected to be in April 2009. The mineralization in these intercepts occurs in shallow dipping lenticular zones, so the intercepts do approximate true thickness since they cross these zones at a high angle.

Table 12.
Fall 2008 Horseshoe Drilling Program
Intersections from Drill Holes HU-257 to HU-309.

Only intervals with composite grades greater than 0.05% U₃O₈ and a grade-thickness product greater than 0.1 are listed below. All analyses were performed by Saskatchewan Research Council by ICP. No intervals greater than 0.05% U₃O₈ and a grade thickness product higher than 0.1 were intersected in holes HU-260, 263-266, 268, 271-280, 285, 290, 293, 299, 303 and 309. Drill holes HU-271 and HU-277 were lost before reaching target depth.

<i>Hole</i>	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U₃O₈)
HU-257	4823	396.0	208.3	209.7	1.4	0.70
HU-257			290.4	291.5	1.1	0.13
HU-257			296.4	296.9	0.5	0.38
HU-257			318.3	319.5	1.2	0.10
HU-259	4823	401.0	322.7	323.9	1.2	0.46

<i>Hole</i>	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U ₃ O ₈)
HU-259			340.2	340.7	0.5	0.30
HU-261	4890	378.7	338.0	339.8	1.8	0.202
HU-261			354.6	355.1	0.5	1.474
HU-262	4890	360.0	221.9	223.7	1.8	0.071
HU-267*	4954	282.0	102.0	104.6	2.6	0.074
HU-267			112.0	114.0	2.0	0.055
HU-267			121.5	122.5	1.0	0.124
HU-267			133.0	142.0	9.0	0.055
HU-267			161.0	162.0	1.0	0.132
HU-267			165.8	167.0	1.2	0.154
HU-267			202.0	256.0	54.0	0.051
HU-267		<i>including</i>	202.0	205.0	3.0	0.210
HU-267		<i>including</i>	212.0	220.0	8.0	0.076
HU-267		<i>including</i>	237.0	240.0	3.0	0.204
HU-267		<i>including</i>	255.0	256.0	1.0	0.206
HU-269	4516	221.0	128.6	129.2	0.6	0.499
HU-270	4516	221.0	173.5	179.1	5.6	0.358
HU-270		<i>including</i>	178.7	179.1	0.4	4.197
HU-281	4820	371.0	211.9	213.2	1.3	0.234
HU-282	4495	209.0	166.7	174.3	7.6	0.885
HU-282		<i>including</i>	172.6	174.3	1.7	3.048
HU-283	4820	340.0	296.2	297.1	0.9	0.629
HU-284	4495	212.0	133.5	171.2	37.7	0.073
HU-284		<i>including</i>	155.4	157.4	2.0	0.378
HU-284			183.2	185.0	1.8	0.081
HU-286	4520	251.0	189.0	196.3	7.3	0.457
HU-286		<i>including</i>	191.0	192.0	1.0	1.580
HU-286			207.0	207.6	0.6	0.506
HU-287	4870	329.0	160.7	162.4	1.7	0.094
HU-287			255.0	258.0	3.0	0.058
HU-287			285.0	285.7	0.7	0.391
HU-288	4520	242.0	178.0	186.0	8.0	0.229
HU-289	4805	409.0	232.0	239.7	7.7	0.580
HU-289		<i>including</i>	232.0	233.9	1.9	1.492
HU-289			315.9	317.5	1.6	0.196
HU-289			350.1	373.1	23.0	0.567
HU-289		<i>including</i>	354.9	358.7	3.8	1.280
HU-289		<i>including</i>	355.8	356.5	0.7	4.598
HU-289		<i>including</i>	369.1	372.8	3.7	1.903
HU-289		<i>including</i>	369.6	370.2	0.6	5.706
HU-291	4520	221.0	143.8	178.0	34.2	0.225
HU-291		<i>including</i>	172.4	178.0	5.6	0.395
HU-292	4870	401.0	276.5	277.5	1.0	0.117
HU-292			331.5	332.0	0.5	1.486
HU-294	4805	402.0	212.7	214.4	1.7	0.088
HU-295	4870	311.0	154.5	155.5	1.0	0.134
HU-295			174.6	179.0	4.4	0.129
HU-295			287.0	287.4	0.4	1.191
HU-295			296.4	296.8	0.4	0.495
HU-296	4560	239.0	191.2	195.0	3.8	0.108
HU-297	4715	455.0	274.5	276.1	1.6	0.358
HU-297			281.9	285.0	3.1	0.055
HU-297			292.4	294.0	1.6	0.198
HU-297			308.1	333.1	25.0	0.176
HU-297			339.5	344.0	4.5	0.135

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U ₃ O ₈)
HU-298	4870	464.0	346.2	347.5	1.3	1.493
HU-298			374.0	377.0	3.0	0.050
HU-298			392.5	397.2	4.7	0.178
HU-300	4954	419.0	303.8	305.6	1.8	0.085
HU-300			313.6	314.9	1.3	0.147
HU-301	4870	302.0	153.2	191.0	37.8	0.098
HU-301		<i>including</i>	186.9	189.2	2.3	0.792
HU-302	4805	453.0	342.5	384.0	41.5	0.258
HU-302		<i>including</i>	342.5	345.5	3.0	0.814
HU-302		<i>including</i>	357.9	358.6	0.7	3.985
HU-302		<i>including</i>	377.0	384.0	7.0	0.449
HU-302			413.5	414.5	1.0	0.154
HU-304	4954	260.0	158.9	164.0	5.1	0.068
HU-304			184.0	185.8	1.8	0.092
HU-305	4870	497.0	224.0	225.5	1.5	0.111
HU-305			261.5	266.5	5.0	0.089
HU-306	4985	294.0	94.0	99.0	5.0	0.105
HU-306			133.0	140.5	7.5	0.104
HU-306			218.0	219.0	1.0	0.137
HU-307	4954	302.0	152.6	154.7	2.1	0.111
HU-307			166.7	168.3	1.6	0.080
HU-307			177.1	189.0	11.9	0.055
HU-308	4915	305.0	126.3	167.0	41.2	0.066
HU-308			267.0	284.3	17.3	0.078

*HU-267 interval also composites to 0.035% U₃O₈ over 156 m, from 100.0-256.0 m

Raven Deposit Results

The fall 2008 drilling program at the Raven Deposit continued to expand the deposit on 30 metre step-out cross sections along strike to the east and west, with some infill drilling where necessary to provide a minimum 30-metre drill spacing for resource calculation. The 30 drill holes totaling 7,270 metres carried out during the program provided sufficient drill coverage and spacing at Raven to complete the January 2009 resource estimate.

Drill holes from the fall 2008 program at Raven which composited to grades of at least 0.05% U₃O₈ with a grade-thickness product of greater than 0.1 are listed in Table 13. The most significant of these intercepts include the following:

- 0.21% U₃O₈ over 14.0 metres in hole RU-132 (section 5360E)
- 1.76% U₃O₈ over 2.6 metres in hole RU-132 (section 5360E)
- 0.64% U₃O₈ over 4.0 metres in hole RU-139 (section 5330E)
- 0.21% U₃O₈ over 24.5 metres in hole RU-143 (section 5665E)
- 0.24% U₃O₈ over 24.1 metres in hole RU-157 (section 5775E)

Table 13.
Fall 2008 Raven Drilling Program

Intersections from Drill Holes RU-131 to RU-160.

Only intervals with composite grades greater than 0.05% U₃O₈ and a grade-thickness product greater than 0.1 are listed below. All analyses were performed by Saskatchewan Research Council by ICP. No intervals greater than 0.05% U₃O₈ and a grade thickness product higher than 0.1 were intersected in holes RU-131, 133, 134, 137, 140, 145, 147, 148, 149, 151, 153, 154, 155 and 158.

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U ₃ O ₈)
RU-132	5360	222.0	91.0	105.0	14.0	0.21
RU-132			116.4	119.0	2.6	1.76
RU-135	5315	222.0	70.5	71.5	1.0	0.30
RU-135			91.0	94.5	3.5	0.05

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U ₃ O ₈)
RU-135			99.5	100.5	1.0	0.17
RU-135			123.0	131.0	8.0	0.15
RU-135			145.0	150.0	5.0	0.05
RU-136	5315	300.0	144.0	147.0	3.0	0.06
RU-136			153.0	155.0	2.0	0.13
RU-136			232.0	233.3	1.3	0.09
RU-138	5315	333.0	198.9	200.6	1.7	0.11
RU-139	5330	222.0	70.0	74.0	4.0	0.64
RU-139			101.0	103.0	2.0	0.12
RU-139			109.0	112.0	3.0	0.11
RU-139			127.0	128.0	1.0	0.68
RU-141	5330	270.0	80.0	88.0	8.0	0.08
RU-142	5330	274.0	203.6	207.0	3.4	0.18
RU-143	5665	287.0	57.5	64.7	7.2	0.06
RU-143			71.0	77.6	6.6	0.15
RU-143			87.0	94.2	7.2	0.07
RU-143			99.0	103.8	4.8	0.05
RU-143			208.8	233.3	24.5	0.21
RU-144	5330	175.0	113.5	114.0	0.5	0.05
RU-144			118.5	119.0	0.5	0.07
RU-146	5288	252.0	106.5	108.0	1.5	0.09
RU-146			132.0	134.0	2.0	0.71
RU-150	5725	260.0	187.5	189.0	1.5	0.17
RU-152	5725	260.0	209.5	210.5	1.0	0.12
RU-156	5612	234.0	68.4	69.4	1.0	0.19
RU-157	5755	258.5	115.0	139.1	24.1	0.24
RU-159	5755	260.0	251.9	258.9	7.0	0.10
RU-160	5740	242.0	110.0	119.0	9.0	0.05

2008 Summer/Fall Drilling Program in the Tent Seal and Rabbit West Areas

Helicopter supported drilling of outlying targets at Tent-Seal and Rabbit West were conducted from August to October utilizing two drills, where previously alteration and mineralization have been intersected in several holes. Results of the 2008 summer/fall drilling program are being processed, compiled and interpreted.

West Bear Deposit

A 2005 N.I. 43-101 compliant indicated resource estimate was prepared by Roger Lemaitre, P. Eng., P. Geo. of Cameco, who is independent of UEX. The resource estimate, which was based only on UEX's 2005 sonic drilling program, outlined an indicated resource of 45,600 tonnes, grading 1.385% U₃O₈ and totaling 1.391 million pounds U₃O₈ at West Bear using a cut-off grade of 0.15% U₃O₈. A supporting technical report entitled "2005 Resource Estimate of the West Bear Uranium Deposit, Hidden Bay Project, Wollaston Lake, Saskatchewan" by R. Lemaitre dated March 2, 2006 is available for review at www.sedar.com

UEX's 2007 winter sonic drilling program included additional infill holes spaced at 5-metre intervals on two sections (1762.5E and 1787.5E) in the high-grade core of the main deposit area between sections 1750E, 1775E and 1800E drilled by Cameco in 2005. These holes were designed to better define the deposit geometry and uranium grades in this main deposit area. Uranium grades in this high-grade core area were increased, and include intercepts of 6.032% U₃O₈ over 10.67 metres in hole UEX-206 (see Section 1762.5E on UEX's website under West Bear) and 2.341% U₃O₈ over 7.08 metres in hole UEX-197 (see Section 1787.5E on UEX's website under West Bear).

On January 5, 2009, UEX announced it received a N.I. 43-101 compliant resource estimate report from Golder for the West Bear Deposit. The mineral resource estimate contains 78,914 tonnes

grading 0.908% U₃O₈ in the Indicated category containing 1.58 million pounds U₃O₈ at a cutoff grade of 0.05% U₃O₈. A supporting technical report entitled "Technical Report on the Hidden Bay Property, Saskatchewan, Canada including Mineral Resource Estimates For Horseshoe, Raven and West Bear Deposits" by K. Palmer dated January 20, 2009 has been filed on www.sedar.com.

The updated January 2009 West Bear resource estimate was also prepared by K. Palmer, P. Geo., of Golder, who is independent of UEX. The resource calculation utilized the results from 216 drill holes totaling 6,400 metres which were completed during 2005 and 2007 sonic drilling programs. Total contained Indicated uranium resources at the West Bear Deposit have not significantly changed from the December 2007 N.I. 43-101 compliant resource calculation (73,800 tonnes grading 1.00% U₃O₈, containing 1.61 million pounds of U₃O₈ using a cutoff grade of 0.15% U₃O₈ – see December 13, 2007 news release). The resource estimate was calculated using a minimum cutoff grade of 0.01% U₃O₈ utilizing a geostatistical-block model technique with ordinary kriging methods and the DATAMINE Studio 3 software package.

The new resource reported below reflects the remodeling of the deposit after significant resampling of drill core was undertaken to better define mineralization outlines. The changes in volume, with corresponding decrease in grade with respect to the December 2007 N.I. 43-101 compliant Indicated Resource reflect incorporation of lower grade material in the new resource outlines. All resources at West Bear are classified as Indicated; details at different cutoff levels are provided in Table 14 below:

Table 14
January 2009 Indicated Mineral Resources at the West Bear Deposit
with tonnes and grade at various U₃O₈ cutoff grades.

Cutoff	Tonnes	Dry Density	U ₃ O ₈ (%)	U ₃ O ₈ (lbs)
0.01	209,655	1.99	0.36	1,654,594
0.02	188,137	1.99	0.40	1,646,208
0.03	112,950	1.99	0.65	1,605,245
0.04	85,265	2.02	0.84	1,584,573
0.05	78,914	2.03	0.91	1,578,500
0.10	76,067	2.03	0.94	1,574,010
0.15	70,316	2.04	1.01	1,557,586
0.20	63,767	2.04	1.09	1,532,152
0.25	57,332	2.04	1.19	1,500,142
0.30	52,067	2.04	1.28	1,468,219
0.35	47,764	2.04	1.37	1,437,236
0.40	43,560	2.05	1.46	1,402,640

The information in this document regarding West Bear has been compiled and reviewed by Sierd Eriks, P. Geo., a qualified person as defined by N.I. 43-101.

West Bear Metallurgical Testing

Melis Engineering Ltd. of Saskatoon, SK oversaw a confirmation metallurgical testing program using representative composites derived from fresh drill core samples collected from the 2007 sonic drilling program. The composites were processed at SGS Lakefield Research Ltd. of Lakefield, ON to confirm leach and effluent treatment conditions on fresh samples of core.

West Bear Environmental Baseline and Pre-Feasibility Studies

Golder is carrying out an environmental baseline study ("EBS") and a pre-feasibility study for West Bear. The EBS has been underway at West Bear since August 2005 and Golder continues to collect biological, hydrogeological and other environmental data. Further baseline studies are scheduled for 2009 following the input of more detailed information on the project design generated from the West Bear pre-feasibility study.

A pre-feasibility study of West Bear is nearing completion under the direction of Golder, and is anticipated to be delivered by mid-2009. This study will examine the most efficient methods and procedures for extracting the defined uranium resource, including the most appropriate road

access and support infrastructure, mining methods and operating plans. Golder is currently carrying out mine, open-pit slope, and waste dump design work. As the pre-feasibility study progresses, Golder will perform cash flow analyses and projections in order to determine net present values and internal rates of return for West Bear at various uranium price levels.

West Bear uranium mineralization occurs at a vertical depth of between 10 and 31 metres (or approximately 33 to 100 feet) from surface and is one of the shallowest undeveloped uranium deposits in the Athabasca Basin. Combined with the relatively soft nature of the host rocks and overburden, UEX believes that the deposit could be mined using low cost, open-pit techniques within a very short timeframe. The deposit is located close to two existing uranium mills, Cameco's Rabbit Lake Mill and the McClean Lake Mill, operated by AREVA.

Hidden Bay Project: 2009 Exploration Program

The winter 2009 drilling program on the Hidden Bay property began in early January with three diamond drills. To date, 96 holes totaling approximately 29,100 metres have been completed. Definition drilling of the Horseshoe Northeast mineralization was completed in late March, 2009. Three drills are currently testing extensions of the southwestern end of the Raven Deposit, where additional historical drilling intersections also lie outside of the current Raven Deposit mineral resource. In addition to defining extensions of mineralization in the Horseshoe Northeast and Raven West areas, this program is also testing the following:

- Currently open extensions of the eastern part of the Raven Deposit;
- The area between the Raven and Horseshoe deposits where mineralization was historically intersected; and
- The down dip extent of the alteration zones that host the Raven and Horseshoe Deposits.

Black Lake Project

The Black Lake Project ("Black Lake") is located within the northern part of the Athabasca Basin and consists of 12 claims totaling 30,381 hectares. The centre of the property area is approximately 15 kilometres south of the town of Stony Rapids, SK.

2008 Winter Exploration Program at Black Lake

A diamond drilling program of two holes totaling 1,395 metres was completed in April 2008. The drilling program was designed to test geophysical targets outlined during ground geophysical programs in the southern portion of the property in the area of historic drill hole BL-02 completed by Uranerz Exploration and Mining Limited in the winter of 1998. Hole BL-02 intersected basement hosted uranium mineralization several metres below the unconformity. The mineralization consisted of black, sooty pitchblende and orange-yellow uranium oxide stain over a core length of approximately 0.4 metres. Analytical results returned up to 4,045 ppm U_3O_8 between 562.9 and 563.0 metres, with anomalous values of Pb, As, B, Cu and Ni associated with this uranium mineralization. However, no graphitic pelite basement lithologies were encountered and the conductor was interpreted not to have been intersected in hole BL-02. No significant geochemical results were returned from the 2008 winter drilling program. Data from geophysical programs conducted in late 2007 are being processed, compiled and interpreted.

No significant exploration work is planned for 2009 on the Black Lake Project.

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.

Riou Lake Project

The Riou Lake Project ("Riou Lake") consists of 12 claims totaling 32,306 hectares and is located within the northern Athabasca Basin near the town of Stony Rapids, SK.

2008 Winter Exploration Program at Riou Lake

A diamond drilling program of five holes totaling 3,897 metres was completed in late March 2008.

The drilling program tested geophysical targets outlined during previous airborne and ground geophysical programs in the eastern portion of the Riou Lake property. Results of the drilling program are being processed, compiled and interpreted. No significant geochemical results were returned from the 2008 winter drilling program.

No significant exploration work is planned for 2009 on the Riou Lake Project.

Northern Athabasca Projects

UEX's 100%-owned Northern Athabasca Projects consists of five projects totaling 72,537 hectares in 21 claims located on the northern rim of the Athabasca Basin near Stony Rapids, Saskatchewan, as follows: Butler Lake – 13,134 hectares, Fond du Lac – 16,838 hectares, Otherside River – 8,055 hectares, Munroe Lake – 18,275 hectares, and Jacques Point - 16,235 hectares. UEX staked the five project areas in 2004 following a review of the favourable geophysical and structural characteristics in the region.

No exploration work was conducted on the Northern Athabasca Projects during 2008. A 2007 summer/fall drilling program consisted of four holes and an extension of one hole for a total of 2,785 metres. No significant geochemical results were returned.

No exploration work is planned for 2009 on the Northern Athabasca Projects.

Beatty River Project

Beatty River consists of seven claims totaling 6,688 hectares located in the western Athabasca Basin approximately 40 kilometres south of the Shea Creek deposits. At present, AREVA owns a 50.71% interest and JCU owns a 49.29% interest in Beatty River. UEX entered into an agreement dated June 15, 2004 with JCU wherein JCU granted UEX an option to acquire a 25% 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, 2010.

No significant exploration work was planned for 2008 or 2009 on the Beatty River Project.

Liquidity and Capital Resources

As UEX has not begun production on any of its exploration and development properties, the Company does not generate cash from operations. As at December 31, 2008 the Company had current assets of \$24,785,318, including \$24,166,305 in cash and cash equivalents, compared to current assets as at December 31, 2007 that totaled \$53,191,977. Working capital at December 31, 2008 was \$19,501,945, compared to working capital of \$48,488,622 at December 31, 2007. The Company's cash balances are invested in highly liquid bankers' acceptance notes, fully guaranteed by the bank, with terms of 90 days or less.

Accounts payable and accrued liabilities at December 31, 2008 were \$5,283,373, which is higher than the amount at December 31, 2007 of \$4,703,355.

The Company has an obligation under an operating lease for its office premises. The future minimum lease payments are as follows: 2009 - \$40,782; and 2010 - \$37,384. The Company has no other financial commitments or obligations beyond those required to fund exploration and development related to the maintenance and title of its mineral dispositions and its option agreement obligations to JCU.

The Company's net future income tax liability of \$15,058,296 at December 31, 2008, is comprised of a \$15,778,449 future income tax liability related to the tax effect of the difference between the carrying value of the Company's mineral properties and their tax values, offset by the Company's future income tax assets totaling \$720,153. At December 31, 2007, the Company's net future income tax liability was \$14,625,397.

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, and the ability to obtain sufficient financing to put the project into production.

On March 26, 2009, the Company entered into an agreement to issue, on an underwritten private placement basis, 8,000,000 flow-through common shares at \$1.00 per share to raise gross proceeds of \$8,000,000. The Company subsequently agreed to increase the size of the private placement to 8,700,000 flow-through shares. Closing of the private placement is expected to occur on or about April 15, 2009. Pursuant to an agreement dated October 23, 2001 among the Company, Pioneer Metals Corporation and Cameco, Cameco has the right to subscribe for an additional 2,349,802 shares in order to maintain its pro rata ownership in the Company. Upon successful completion of the private placement, the Company will have approximately \$23.6 million, or \$26.0 million if Cameco shall exercise its right to subscribe for additional shares, in cash and cash equivalents.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. Cash and cash equivalents are designated as held for trading and carried at fair value, with the unrealized gain or loss recorded in the statement of operations. Interest income is recorded in the statement of operations. Amounts receivable is classified as loans and receivables, and accounts payable and accrued liabilities are classified as other financial liabilities, and recorded at amortized cost using the effective interest rate method. In addition, any impairment of loans and receivables is deducted from amortized cost. The Company does not hold any derivative financial instruments.

The carrying amounts of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are a reasonable estimate of their fair values because of the short period to maturity of these instruments.

Risks and Uncertainties

An investment in UEX common shares is considered speculative due to the nature of UEX's business and the present stage of its development. A prospective investor should carefully consider the risk factors set out below.

It is not possible to determine if the exploration programs of UEX will result in profitable commercial mining operations.

The successful exploration and development of mineral properties is speculative. Such activities are subject to a number of uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Most exploration projects do not result in the discovery of commercially mineable deposits. There is no certainty that the expenditures made or to be made by UEX in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of uranium or other mineralized materials in commercial quantities. While discovery of a uranium deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current exploration programs of UEX will result in profitable commercial uranium mining operations.

Uranium price fluctuations could adversely affect UEX.

The market price of uranium is the most significant market risk for companies exploring for and producing uranium. The marketability of uranium is subject to numerous factors beyond the

control of UEX. The price of uranium may experience volatile and significant price movements over short periods of time. Factors impacting price include demand for nuclear power, political and economic conditions in uranium producing and consuming countries, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants and production levels and costs of production in countries such as Russia, Africa and Australia.

Competition from other energy sources and public acceptance of nuclear energy.

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrate and uranium conversion services. Furthermore, the growth of the uranium and nuclear power industry beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

Competition in the uranium industry could adversely affect UEX.

The international uranium industry is highly competitive. The uranium mining industry is global, and consists of a small, decreasing number of large players. In 2003, eight producers accounted for approximately 80% of the world's uranium production. However, given the large number of commercial reactors and diverse fuelling requirements, there are market niches for smaller low cost producers. The key requirement for most producers now is low cost production and flexible marketing more than high volume production. An enabling factor is mine location. Geographically, about 50% of the world's mined uranium comes from Canada and Australia with Canada well positioned for further development. UEX competes with other domestic and international companies that have greater financial, human and technical resources.

Failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties.

The Company has sufficient financial resources to carry out planned exploration on all its projects into 2009 and to fund its general administrative costs; however, there are no revenues from operations and no assurances that sufficient funding will be available to conduct further exploration and development of its projects or to fund exploration expenditures under the terms of any option agreements after that time. If the Company's exploration and development programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional funding could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties. It is intended that such funding will be obtained primarily from future equity issues. If additional funds are raised from the issuance of equity or equity-linked securities, the percentage ownership of the current shareholders of UEX will be reduced, and the newly issued securities may have rights, preferences or privileges senior to or equal to those of the holders of UEX's existing common shares. The ability of UEX to raise the additional capital and the cost of such capital will depend upon market conditions from time to time. There can be no assurances that such funds will be available at reasonable cost or at all.

Compliance with and changes to current environmental and other regulatory laws, regulations and permits governing operations and activities of uranium exploration companies, or more stringent interpretation, implementation, application or enforcement thereof, could have a material adverse impact on UEX.

Mining and refining operations and exploration activities, particularly uranium mining, refining and conversion in Canada, are subject to extensive regulation by provincial, state, municipal and federal governments. Such regulations relate to production, development, exploration, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mines decommissioning and reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing and constructing. It is possible that, in the future, the costs,

delays and other effects associated with such laws and regulations may impact UEX's decision to proceed with exploration or development or that such laws or regulations may result in UEX incurring significant costs to remediate or decommission properties which do not comply with applicable environmental standards at such time. UEX believes it is in substantial compliance with all material laws and regulations that currently apply to its operations. However, there can be no assurance that all permits which UEX may require for the conduct of uranium exploration operations will be obtainable or can be maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any uranium exploration project which UEX might undertake. World-wide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting UEX's financial position.

The nature of the risks UEX faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting UEX's financial position.

Dependence on key management employees.

UEX's development to date has depended, and in the future will continue to depend, on the efforts of key management employees.

Resource estimates are based on interpretation and assumptions.

Mineralization figures presented in this document and in UEX's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or this mineralization could be mined or processed profitably.

Because UEX has not commenced production on any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for UEX's properties may require adjustments or downward revisions based upon further exploration or development work, actual production experience, or future changes in uranium price. In addition, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

In addition, certain of the resource estimates presented in this document and in UEX's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are historical estimates. These historical estimates were not made using current Canadian Institute of Mining, Metallurgy and Petroleum categories and no current resource or reserve confidence categories were applied. As a result, these estimates are not compliant with N.I. 43-101. UEX has not independently verified the results of these historical resource estimates and they may not be reliable.

Critical Accounting Estimates

The Company prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), which require 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 Company's financial statements. The Company'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 Company's mining, exploration and development activities are subject to various environmental government regulations, including those for asset retirement obligations. The Company'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 Company's stock options granted.

Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officer conducted or caused to be conducted under his supervision an evaluation of the disclosure controls and procedures as required under Canadian Securities Administration regulations, as at December 31, 2008. Based on the evaluation, the Company's certifying officer concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officer, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officer believes that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, he does not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Controls Over Financial Reporting

The Company's certifying officer acknowledges that he is responsible for designing internal controls over financial reporting, or causing them to be designed under his supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

During the year ended December 31, 2008, the Company was able to enhance its internal control design through additional segregation of duties resulting from the addition of accounting personnel. This has allowed additional review of processes. We confirm that other than this addition of accounting personnel, there were no additional changes in these controls during the most recent interim period ending December 31, 2008 that had materially affected, or are reasonably likely to materially affect, such controls.

Based upon the *Internal Control over Financial Reporting – Guidance for Smaller Public Companies* by *The Committee of Sponsoring Organization of the Treadway Commission (COSO)* framework, the Company's certifying officer, has evaluated or caused to be evaluated under his supervision the effectiveness of the Company's internal controls over financial reporting. Based upon this assessment, management has concluded that as at December 31, 2008, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the preparation of the Company's financial statements in accordance with Canadian GAAP.

The internal controls over financial reporting were designed to ensure that testing and reliance could be achieved. Management and the Board of Directors work to mitigate the risk of a material misstatement in financial reporting; however, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

Caution Regarding Forward-Looking Statements

Statements contained in this document that are not historical facts are forward-looking statements and are prospective. 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. Forward-looking statements are based on certain factors and assumptions including expected economic conditions, uranium prices, results of operations, performance, and business prospects and opportunities. UEX considers the factors and assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions readers that these assumptions may ultimately prove to be incorrect. Forward-looking statements by their nature necessarily involve risks, uncertainties and other factors including without limitation, the risk that uranium price fluctuations could adversely affect UEX, that UEX's exploration activities may not result in profitable commercial mining operations, that competition from other energy sources and public acceptance of nuclear energy may affect UEX's prospects, that competition in the uranium industry could adversely affect UEX, that failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties, that compliance with and changes to environmental and other regulatory laws could adversely affect UEX, and other factors all as more particularly described under the heading "Narrative Description of the Business – Risk Factors" in the Company's most recent Annual Information Form 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. 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. Except as required by applicable securities laws (and UEX's disclosure policy), 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 Company's Annual Information Form for the year ended December 31, 2008 is available at www.sedar.com or at UEX's website at www.ux-corporation.com

Financial Statements of

UEX CORPORATION

Years ended December 31, 2008 and 2007



KPMG LLP
Chartered Accountants
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Canada

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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of UEX Corporation as at December 31, 2008 and 2007 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP (signed)

Chartered Accountants

Vancouver, Canada

March 6, 2009

UEX CORPORATION

Balance Sheets

December 31, 2008 and 2007

	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,166,305	\$ 51,830,474
Amounts receivable	432,243	1,112,004
Prepaid expenses	186,770	249,499
	24,785,318	53,191,977
Equipment (note 3)	210,532	290,274
Mineral properties (note 4)	129,988,477	99,539,582
	\$ 154,984,327	\$ 153,021,833

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,283,373	\$ 4,703,355
Future income taxes (note 5)	15,058,296	14,625,397
Shareholders' equity:		
Share capital (note 6)	124,699,739	124,485,587
Contributed surplus (note 7)	29,324,721	19,785,302
Deficit	(19,381,802)	(10,577,808)
	134,642,658	133,693,081
	\$ 154,984,327	\$ 153,021,833

Nature of operations and going concern (note 1)
Commitments (notes 4 and 8)

See accompanying notes to financial statements.

Approved on behalf of the Board:

"Stephen H. Sorensen" Director

"Graham C. Thody" Director

UEX CORPORATION

Statements of Operations, Comprehensive Loss and Deficit

Years ended December 31, 2008 and 2007

	2008	2007
Expenses:		
Amortization	\$ 12,008	\$ 10,543
Bank charges and interest	3,721	4,551
Donations	120,000	1,000
Filing fees and stock exchange	215,786	179,011
General and administration	238,755	230,055
Insurance	46,748	48,358
Legal and audit	219,795	185,648
Rent	87,733	65,129
Salaries and benefits	465,086	414,329
Stock-based compensation (note 6(c))	8,210,881	8,937,973
Telephone	8,391	9,549
Travel and promotion	74,017	58,954
Loss before the undernoted items	(9,702,921)	(10,145,100)
Investment income	1,249,743	3,034,219
Write-down of mineral property	(435,360)	-
Loss before income taxes	(8,888,538)	(7,110,881)
Future income tax recovery (note 5)	84,544	1,638,347
Net loss and comprehensive loss for the year	(8,803,994)	(5,472,534)
Deficit, beginning of year	(10,577,808)	(5,105,274)
Deficit, end of year	\$ (19,381,802)	\$ (10,577,808)
Loss per share:		
Basic	\$ (0.05)	\$ (0.03)
Diluted	(0.05)	(0.03)
Weighted average number of shares outstanding:		
Basic	183,662,888	182,368,774
Diluted	185,373,082	185,939,334

See accompanying notes to financial statements.

UEX CORPORATION

Statements of Cash Flows

Years ended December 31, 2008 and 2007

	2008	2007
Cash provided by (used for):		
Operations:		
Net loss for the year	\$ (8,803,994)	\$ (5,472,534)
Items not involving cash		
Amortization	12,008	10,543
Future income tax recovery	(84,544)	(1,638,347)
Stock-based compensation	8,210,881	8,937,973
Write-down of mineral property	435,360	-
Changes in non-cash operating working capital:		
Amounts receivable	29,060	(49,594)
Prepaid expenses	62,729	(175,087)
Accounts payable and accrued liabilities	144,756	(18,100)
	6,256	1,594,854
Investments:		
Mineral property expenditures	(27,766,842)	(31,911,969)
Purchase of equipment	(47,263)	(209,513)
	(27,814,105)	(32,121,482)
Financing:		
Common shares issued	143,680	5,491,046
Decrease in cash and cash equivalents	(27,664,169)	(25,035,582)
Cash and cash equivalents, beginning of year	51,830,474	76,866,056
Cash and cash equivalents, end of year	\$ 24,166,305	\$ 51,830,474
Supplementary information:		
Interest received	\$ 1,332,728	\$ 3,109,822
Non-cash transactions:		
Increase in accounts payable and accrued liabilities relating to mineral property expenditures	435,262	3,884,054
Decrease (increase) in amounts receivable relating to mineral property expenditures	650,701	(596,986)
Non-cash stock-based compensation included in mineral property expenditures	1,399,010	2,646,014
Increase in mineral properties due to future income taxes	517,443	1,197,245
Amortization included in mineral properties	114,997	110,788

See accompanying notes to financial statements.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

1. Nature of operations and going concern:

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 and Black Lake Projects. On the same date, Cameco transferred its Hidden Bay uranium exploration property and certain related assets, in exchange for shares of the Company.

The Company is in the process of exploring and developing 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 to complete exploration and development, the 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 proceeds from the disposition of its mineral properties. Based on the Board approved 2009 budgets of approximately \$12 million for exploration and development and administrative costs, the Company has sufficient funding to continue as a going concern.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements are stated in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Adoption of new accounting standards:

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

- (i) Handbook Section 1535, *Capital Disclosures*, specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any externally imposed capital requirements; and (iv) if it has not complied, the consequences of such non-compliance (see Note 9).
- (ii) Handbook Section 3862, *Financial Instrument - Disclosures*, and Section 3863, *Financial Instruments - Presentation*, replace Section 3861, *Financial Instruments - Disclosure and Presentation*, revising its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks (see note 10).

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

2. Significant accounting policies (continued):

(b) Adoption of new accounting standards (continued):

(iii) Handbook Section 1400, *General Standards on Financial Statement Presentation*, has been amended to require management of the Company to assess at each balance sheet date and, if necessary, disclose any uncertainty surrounding the ability of the Company to continue as a going concern. The adoption of this standard has enhanced the Company's disclosures in these financial statements.

(c) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation of mineral properties, determination of valuation allowances for future income tax assets and assumptions used in determining the fair value of non-cash stock-based compensation. Actual amounts may differ from such estimates.

(d) Cash equivalents:

Cash equivalents are highly liquid investments having a maturity of three months or less at the date of acquisition and are readily convertible to contracted amounts of cash.

(e) Equipment:

Equipment is stated at cost less accumulated amortization. Amortization is provided on a declining-balance basis over the expected useful lives of the assets, using the following rates:

Asset	Rate
Exploration equipment	30%
Computer equipment	30%
Computer software	100%
Furniture and fixtures	20%

In the year of acquisition, amortization is provided at one-half the declining balance rate.

(f) Mineral properties:

All acquisition, exploration and development costs are capitalized until such time as the project to which they relate is put into commercial production, sold, abandoned or the 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 amounts shown represent costs to date and are not intended to represent present or future values. The underlying value of all properties is dependent on the existence and economic recovery of reserves in the future. All administrative costs are expensed in the year incurred.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

2. Significant accounting policies (continued):

(g) Asset retirement obligations:

The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it incurs a legal obligation, if a reasonable estimate of fair value can be made, based on the discounted estimated future cash settlement of an asset retirement obligation. The asset retirement obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. This asset retirement cost will be depreciated over the life of the related asset. The liability is accreted, through operating expense, over a period ending when the liability is finally settled in cash, subject to annual adjustments for changes in estimates. The Company has assessed each of its mineral projects and determined that no material asset retirement obligations exist as at December 31, 2008 and 2007.

(h) Financial instruments:

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. Cash and cash equivalents are designated as held for trading and carried at fair value, with the unrealized gain or loss recorded in the statement of operations. Interest income is recorded in the statement of operations. Amounts receivable is classified as loans and receivables, and accounts payable and accrued liabilities are classified as other financial liabilities, and recorded at amortized cost using the effective interest rate method. In addition, any impairment of loans and receivables is deducted from the amortized cost. The Company does not hold any derivative financial instruments.

The carrying amounts of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are a reasonable estimate of their fair values because of the short period to maturity of these instruments.

(i) Stock-based compensation:

The Company has a share option plan which is described in note 6(c). The Company records all stock-based payments using the fair value method.

Under the fair value method, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable and are charged to operations over the vesting period. The offset is credited to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

(j) Income taxes:

Income taxes are accounted for under the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period the substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

2. Significant accounting policies (continued):

(j) Income taxes (continued):

The future income tax benefit on eligible mineral property expenditures which are renounced to investors due to the issuance of flow-through shares is charged to share capital at the time the tax credit associated with the expenditures are renounced to shareholders, provided there is reasonable assurance that the expenditures will be made.

(k) Earnings (loss) per share:

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding and earnings (loss) available to shareholders. For all periods presented, earnings (loss) available to shareholders equals reported earnings (loss). The treasury stock method is used to calculate diluted earnings per share. However, outstanding options and warrants would have no dilutive effects on basic loss per share for 2008 and 2007 due to the Company's loss for the year.

(l) Variable interest entities:

The Company applies CICA Accounting Guideline 15, *Consolidation of Variable Interest Entities* (AcG-15). AcG-15 prescribes the application of consolidation principles for entities that meet the definition of a variable interest entity (VIE). An enterprise holding other than a voting interest in a VIE could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses, receive the majority of its expected residual returns, or both. Management has determined the Company does not have any variable interest entities for the years ended December 31, 2008 and 2007.

(m) Future accounting policies:

(i) Recent accounting pronouncements:

CICA Handbook Section 3064, *Goodwill and Intangible Assets* (Section 3064) replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets* and establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. CICA Handbook Section 1000, *Financial Statement Concepts* is amended to clarify criteria for recognition of an asset. CICA Handbook Section 3450, *Research and Development Costs* is replaced by guidance in Section 3064. EIC 27 *Revenues and Expenditures During the Pre-Operating Period* is no longer applicable for entities that have adopted Section 3064. A number of other EIC abstracts have consequential amendments. CICA Accounting Guideline 11 *Enterprises in the Development Stage* is also amended to delete references to deferred costs and to provide guidance on development costs as intangible assets under CICA 3064. These changes are effective for the Company commencing January 1, 2009. The Company is currently assessing the financial reporting impact of these standards.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

2. Significant accounting policies (continued):

(m) Future accounting policies (continued):

(ii) International Financial Reporting Standards (IFRS):

In 2006, the Canadian Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly accountable companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. In July 2008, the Canadian Securities Administrators announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. We are currently assessing the financial reporting impact of the transition to IFRS and the changeover date.

3. Equipment:

2008	Cost	Accumulated amortization	Net book value
Exploration equipment	\$ 313,198	\$ 176,397	\$ 136,801
Computer equipment	108,948	55,841	53,107
Computer software	108,867	97,773	11,094
Furniture and fixtures	11,704	2,174	9,530
	\$ 542,717	\$ 332,185	\$ 210,532

2007	Cost	Accumulated amortization	Net book value
Exploration equipment	\$ 306,495	\$ 119,204	\$ 187,291
Computer equipment	98,076	35,412	62,664
Computer software	86,679	49,835	36,844
Furniture and fixtures	4,204	729	3,475
	\$ 495,454	\$ 205,180	\$ 290,274

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

4. Mineral properties:

The continuity of expenditures on mineral properties is as follows:

Project	Balance December 31, 2007	Exploration and development expenditures	Write-down of mineral property	Balance December 31, 2008
Hidden Bay	\$ 41,273,130	\$ 18,064,686	\$ -	\$ 59,337,816
Western Athabasca	30,702,947	9,751,660	-	40,454,607
Black Lake	13,883,916	1,369,198	-	15,253,114
Riou Lake	7,454,397	1,477,100	-	8,931,497
Northern Athabasca	5,636,733	212,489	(435,360)	5,413,862
Beatty River	588,459	9,122	-	597,581
	\$ 99,539,582	\$ 30,884,255	\$ (435,360)	\$ 129,988,477

Project	Balance December 31, 2006	Exploration and development expenditures	Balance December 31, 2007
Hidden Bay	\$ 21,840,142	\$ 19,432,988	\$ 41,273,130
Western Athabasca	17,860,659	12,842,288	30,702,947
Black Lake	10,432,040	3,451,876	13,883,916
Riou Lake	6,889,274	565,123	7,454,397
Northern Athabasca	2,915,883	2,720,850	5,636,733
Beatty River	448,500	139,959	588,459
	\$ 60,386,498	\$ 39,153,084	\$ 99,539,582

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

(a) Hidden Bay Project:

The Company's 100%-owned Hidden Bay Project, including the West Bear, Raven and Horseshoe Deposits, is located in the eastern Athabasca Basin of northern Saskatchewan, Canada.

(b) Western Athabasca Projects:

The Western Athabasca Projects, located in the western Athabasca Basin, which include the Anne, Colette and Kianna Deposits, are ten joint ventures with the Company holding a 49% interest and AREVA Resources Canada Inc. (AREVA) holding a 51% interest as at December 31, 2008 and 2007. The Company is in the process of preparing joint venture agreements with AREVA.

The Anne, Colette and Kianna Deposits are subject to a royalty of US\$0.212 per pound of U₃O₈ sold to a maximum royalty of US\$10,000,000.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

4. Mineral properties (continued):

(c) Black Lake Project:

The Black Lake Project, located in the northern Athabasca Basin, is a joint venture with the Company holding a 89.96% (2007 - 89.31%) interest and AREVA holding a 10.04% (2007 - 10.69%) interest as at December 31, 2008. As a result of AREVA electing not to participate in the 2008 exploration programs at Black Lake, the Company's interest in the Black Lake Project increased and AREVA's interest decreased by 0.65%.

(d) Riou Lake Project:

The Company has a 100% interest in the Riou Lake Project located in the northern Athabasca Basin.

(e) Northern Athabasca Projects:

The Company has a 100% interest in the Northern Athabasca Projects located in the northern Athabasca Basin. During the year ended December 31, 2008, the Company determined to allow certain mineral claims of the Northern Athabasca Projects to lapse and wrote-off \$435,360 of deferred mineral property costs associated with those claims.

(f) 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, by funding \$865,000 in exploration expenditures by December 31, 2008. On January 29, 2008, the deadline date was extended to December 31, 2010. At the time of the agreement, AREVA held a 50.71% interest and JCU held a 49.29% interest in the Beatty River Project.

5. Income taxes:

The tax effects of temporary differences that give rise to significant portions of the future tax assets and liabilities at December 31, 2008 and 2007 are presented below:

	2008	2007
Future tax assets:		
Losses carried forward	\$ 335,762	\$ -
Equipment	36,616	38,318
Share issuance costs	347,775	714,839
	720,153	753,157
Future tax liabilities:		
Mineral properties	(15,778,449)	(15,378,554)
Net future tax liabilities	\$ (15,058,296)	\$ (14,625,397)

The Company has non-capital losses available for income tax purposes totaling approximately \$1,123,562 which may be carried forward to reduce future year's taxable income. These losses will expire in 2028.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

5. Income taxes (continued):

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2008	2007
Loss before income taxes	\$ (8,888,538)	\$ (7,110,881)
Statutory rates	31.00%	34.12%
Income tax recovery at statutory rates	\$ 2,755,447	\$ 2,426,233
Non-deductible expenses and permanent differences	(2,546,800)	(3,014,805)
Change in future corporate tax rates	(124,103)	2,226,919
Future income tax recovery	\$ 84,544	\$ 1,638,347

During the year ended December 31, 2007, the Canadian government 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 \$2,195,868.

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, 2006	180,819,918	\$ 119,783,082
Issued in 2007:		
For cash on exercise of stock options (note 6(c))	2,083,134	5,491,046
Contributed surplus transferred on exercise of stock options	-	2,931,459
Future income taxes on flow-through expenditures renounced to shareholders	-	(3,720,000)
Balance, December 31, 2007	182,903,052	124,485,587
Issued in 2008:		
For cash on exercise of stock options (note 6(c))	800,000	143,680
Contributed surplus transferred on exercise of stock options	-	70,472
Balance, December 31, 2008	183,703,052	\$ 124,699,739

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

6. Share capital (continued):

(c) Stock-based compensation:

Under the Company's stock-based compensation plan, the Company may grant options to its key employees, directors, officers and others providing services to the Company. The maximum number of shares issuable under the plan changed to a rolling number equal to 10% of the issued and outstanding common shares of the Company from time to time. Under the plan, the exercise price of each option shall be fixed by the board of directors but shall not be less than the quoted closing market price of the shares on the Toronto Stock Exchange on the date prior to the option being granted and an option's maximum term is 10 years. The shares subject to each option shall become purchasable at such time or times as may be determined by the board of directors.

A summary of the status of the Company's stock-based compensation plan as of December 31, 2008 and 2007, and changes during the years ended on these dates are presented below.

	Number of options	Weighted-average exercise price
Outstanding, December 31, 2006	7,656,000	\$ 2.84
Granted during the year	4,675,000	6.10
Exercised during the year	(2,083,134)	2.64
Cancelled during the year	(66,666)	5.00
Outstanding, December 31, 2007	10,181,200	4.37
Granted during the year	8,895,000	2.88
Exercised during the year	(800,000)	0.18
Cancelled during the year	(7,225,000)	5.63
Outstanding, December 31, 2008	11,051,200	\$ 2.65
Exercisable, December 31, 2008	6,366,200	\$ 1.87

As at December 31, 2008, the Company had reserved a total of 11,051,200 common shares for issuance related to director, employee and consultant options, the details of which are as follows:

Exercise prices	Number outstanding, December 31, 2008	Weighted average remaining contractual life
\$ 0.08	156,500	4.7 years
0.84	300,000	5.5 years
0.95	575,000	5.7 years
1.20	4,020,000	9.4 years
1.80	99,700	6.5 years
2.75	175,000	6.2 years
3.56	1,850,000	7.7 years
4.22	3,875,000	8.8 years
	11,051,200	8.5 years

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

6. Share capital (continued):

(c) Stock-based compensation (continued):

On December 22, 2008, the Board approved the re-pricing of 3,875,000 outstanding stock options from an exercise price of \$4.22 per option to an exercise price of \$0.52 per option. The modification of these stock options is subject to shareholder approval. Until the re-pricing is approved, these options cannot be exercised.

The estimated fair value of all options granted and vested during 2008 is \$9,609,891 (2007 - \$11,583,987). Of this amount, included in deferred exploration and development expenditures for the year is \$1,399,010 (2007 - \$2,646,014). The unamortized balance of stock-based compensation expense for options that were not vested at December 31, 2008 is \$1,064,004 (2007 - \$2,727,328).

The weighted average fair value of options granted during the year ended December 31, 2008 was \$1.35 (2007 - \$3.03) per option using the Black-Scholes option pricing model with the following assumptions:

	2008	2007
Volatility	69%	71%
Risk-free interest rate	3.0%	4.5%
Dividend yield	-	-
Expected life of options	3 years	3 years

(d) Flow-through shares:

In February 2007, the Company renounced \$12,000,000 of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds. During the year ended December 31, 2007, the Company recorded a future income tax liability of \$3,720,000, with a corresponding reduction in share capital.

7. Contributed surplus:

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

	2008	2007
Contributed surplus, beginning of year	\$ 19,785,302	\$ 11,132,774
Fair value of options granted and vested during the year	9,609,891	11,583,987
Transferred to share capital on exercise of options	(70,472)	(2,931,459)
Contributed surplus, end of year	\$ 29,324,721	\$ 19,785,302

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

8. Commitments:

The Company has an obligation under an operating lease for its office premises. The future minimum lease payments are as follows:

2009	\$	40,782
2010		37,384

Other commitments in respect of the Company's mineral properties are disclosed in note 4.

9. Management of capital:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development programs on its mineral properties. The Company manages its capital structure, consisting of shareholders' equity and cash and cash equivalents, and makes adjustments to it, based on funds available to the Company, in order to support the exploration and development of its mineral properties. Historically, the Company has relied exclusively on the issuance of common shares for its capital requirements.

All of the Company's cash and cash equivalents are available for exploration and development programs and administrative operations.

The Company has not changed its approach to capital management during the current period. The Company is not subject to any external capital restrictions.

10. Management of financial risk:

The Company operates entirely in Canada and is therefore not subject to any significant foreign currency risks. The Company's financial instruments are exposed to limited liquidity risk, credit risk and interest rate risk.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in note 9 of these financial statements. Accounts payable and accrued liabilities are due within the current operating period.

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The maximum exposure to credit risk is equal to the carrying value of cash equivalents and accounts receivable. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments, such as bankers' acceptance notes, with maturities 90 days or less from the original date of acquisition.

The accounts receivable consists mainly of GST receivable and office recoveries and are not considered past due.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2008 and 2007

10. Management of financial risk (continued):

The Company holds a significant portion of its cash and cash equivalents in interest-bearing instruments. The primary objective of the Company's investment activities is to preserve principal while at the same time maximizing the income it receives from its investments without significantly increasing risk. To minimize interest rate risk, the Company maintains its portfolio of cash equivalents in highly liquid short-term interest-bearing investments, such as bankers' acceptance notes, with maturities 90 days or less from the original date of acquisition.



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