



Quarterly Report
For the
Three Months Ending
March 31, 2008

UEX Corporation, Vancouver, B.C., Canada



Message to Shareholders

During the three months ended March 31, 2008, UEX Corporation ("UEX", or the "Company") funded over \$9.0 million of exploration and development drilling at its 100%-owned, optioned, and joint-ventured uranium projects, all in the prolific Athabasca Basin. The Company's exploration and development expenditures are budgeted at approximately \$30 million for 2008. UEX is well-financed, with approximately \$41.0 million in cash as of the date of this document.

UEX continued to make important strides in its exploration and development activities in the Athabasca Basin of northern Saskatchewan, Canada, an area that hosts the world's highest grade uranium deposits. The Company carried out significant drilling, development, pre-feasibility and feasibility programs on the Raven, Horseshoe and West Bear Deposits at its 100%-owned Hidden Bay Project.

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 Western Athabasca Projects (the "Projects") exceeded \$30.0 million and UEX, now fully-vested, holds a 49% interest in the Projects. UEX and AREVA, as joint venture partners, are now funding expenditures 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 believes that the Anne and Kianna Deposits have reached a size sufficient to consider underground exploration, so in early 2007, UEX approved the commencement of a development program proposed by AREVA 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 development work at Shea Creek regarding the planned shaft(s) is on schedule, and we expect to be in a position to apply in 2008 for the permits required for shaft construction.

The 2007 Shea Creek drilling has significantly increased the size of the Kianna Deposit, with multiple high-grade intersections, especially in the basement portion of the deposit, our main focus. The 2008 budget at Shea Creek includes \$10 million for development and \$10.3 million for exploration. Exploration drilling at Shea Creek commenced in early January 2008 with four rigs capable of performing directional drilling. The four rigs are presently focused on the areas between the deposits and beyond them looking for additional resources along the Saskatoon Lake Conductor.

UEX received an interim resource estimate report from Golder Associates Ltd. ("Golder") of Saskatoon, SK, for the West Bear Deposit ("West Bear") in December, 2007. The new resource estimate is 73,800 tonnes grading 1.004% U_3O_8 containing 1.614 million pounds of U_3O_8 using a cut-off grade of 0.15% U_3O_8 . It is based on the 2005 and 2007 sonic drilling programs and incorporates only the high-grade main deposit area, where mineralization occurs at a vertical depth of between 10 and 31 metres from surface. This new estimate shows an increase of 223,000 pounds of U_3O_8 representing a 16.0% increase in total pounds of U_3O_8 from the 2005 Cameco Corporation ("Cameco") National Instrument 43-101 ("N.I. 43-101") compliant indicated resource estimate. In order to create a final resource calculation for the full 500 metre strike length of the deposit based on a lower cut-off of 0.01% U_3O_8 , additional sampling was required to sample (0.01 to 0.05%) material not previously sampled during the 2005 and 2007 winter sonic programs. This additional sampling was carried out in the summer of 2007. Sample analyses from these samples are currently pending. Once all assays are received and fully interpreted, a final resource estimate will be carried out by Golder which will incorporate the entire deposit, including the eastern deposit area and the high-grade main deposit area. Golder's final resource estimate is expected to be delivered to UEX during 2008.

UEX plans to initiate a final feasibility study at the Raven and Horseshoe Deposits (“Raven” and “Horseshoe”) following receipt of an N.I. 43-101 compliant resource estimate. Drilling of nearly 68,000 metres completed during the 2007 definition and exploration programs was designed to further define the extent of the Horseshoe Deposit, test areas where mineralization extends into previously unexplored areas, and test portions of the Raven Deposit to establish mineralization continuity for resource definition. The 2007 drilling has exceeded our expectations, and in particular the results from Horseshoe are impressive, with strong continuity between drill holes and significant grades and widths of mineralization. UEX plans to move aggressively to final feasibility at Raven and Horseshoe, in parallel with environmental, metallurgical and geotechnical studies that are underway. To this end, a winter 2008 program comprising 38,685 metres of drilling was focused at Raven and Horseshoe, with 20,371 metres of drilling at Horseshoe, and an additional 18,314 metres at Raven. The winter 2008 drilling program was completed at the end of April.

The historical resource at the Horseshoe Deposit is approximately 13.2 million pounds of U_3O_8 grading 0.17% U_3O_8 . Our extensive drilling and in-house modeling suggest this resource has been understated both in its grade and contained pounds. We are confident that our work will be confirmed by Golder who should complete a National Instrument 43-101 compliant resource estimate on the Horseshoe Deposit in 2008. The historical resource at the Raven Deposit is approximately 9.62 million pounds of U_3O_8 grading 0.14% U_3O_8 . Our goal is not only to confirm the resource at Raven, but to expand on it as we believe we have done at Horseshoe.

The management of UEX looks forward to the future exploration and development of its existing uranium projects.

“signed”

Stephen H. Sorensen, President & CEO

May 15, 2008

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. UEX believes sustainable growth is best achieved by the acquisition and partnering of prospective uranium projects at various stages of exploration and development, located in different but prospective geological domains in the Athabasca Basin.

UEX holds a diversified portfolio of uranium projects, located in several prospective geological domains in the Athabasca Basin and has strong affiliations with nuclear industry leaders. Since going public in July of 2002, UEX has aggressively pursued this strategy and has produced a growing capital appreciation for its shareholders.

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 385,452 hectares (952,450 acres), are located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium belt, which accounts for approximately 23% 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 89.3% interest and AREVA holds a 10.7% 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 as at December 31, 2007. 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, 2007, UEX's expenditures under the option were approximately \$589,730.

Growth Strategy

Incurred and planned exploration and development expenditures by UEX for 2008 are estimated at approximately \$30.0 million in the Athabasca Basin. The main strategies of UEX are:

- To complete the additional exploration and geotechnical drilling and development work required to delineate and develop economic resources at the Shea Creek Project;
- To improve the confidence in resources and the geological model of the Raven and Horseshoe Deposits through additional delineation and exploration drilling, and initiate a final feasibility study at the Raven and Horseshoe Deposits following receipt of N.I. 43-101 compliant resource estimates;
- To complete an N.I. 43-101 compliant resource estimate and a final feasibility study at West Bear;
- To maintain, aggressively explore and advance to discovery its other uranium projects;
- To continue the negotiation and acquisition of new uranium projects that can be readily financed in current market conditions;
- To provide for a diversification of project stages (from early exploration through to development), project locations and project partners;
- To leverage its strong relationships with the world's two largest uranium companies, Cameco Corporation ("Cameco") and the AREVA Group.

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 725% since January 2001 and by May 12, 2008 the spot price was US\$60.00 per pound U₃O₈, after peaking at a spot price of US\$136.00 per pound U₃O₈ during June 2007.

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 rising 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 towards the construction of new nuclear power plants. Global warming concerns also support increased interest in nuclear power.

Uranium Supply and Demand

Uranium supply sources include primary mine production and secondary sources. Principal primary producers of uranium include Cameco and AREVA, both of which produce principally from deposits in the Athabasca Basin of northern Saskatchewan. In 2007, worldwide annual consumption was estimated at approximately 174 million pounds U_3O_8 . World primary production in 2007 was approximately 107 million pounds U_3O_8 , which was about 8 million pounds less than industry predictions, due to production problems. 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 February 2008, 439 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 has since increased to US\$60.00 per pound U_3O_8 as of the date of this document, and the long term uranium market outlook remains positive with increased consumption, and the continuing draw down of secondary uranium sources. Given the lead time necessary to find and develop new mines, the projected gaps in both supply and future depletion of existing high grade uranium deposits means that uranium exploration must be accelerated in order to meet future demand.

The recent resurgence of concern over energy security and supply, and the corresponding interest in nuclear power as a reliable and clean source of energy has heightened the awareness that new uranium supplies will be needed in the long term. The new uranium production is likely to come from deposits in Canada, Australia, Africa, Kazakhstan and the United States. Most deposits generally have much lower grades than the high-grade deposits in the Athabasca Basin, and consequently it is anticipated that the new supply will come at higher cost, which is expected to put further upward pressure on the uranium price over the next several years.

Selected Financial Information

The following is selected financial data from the audited financial statements of UEX for the last three completed fiscal years. The data should be read in conjunction with the audited financial statements for the year ending December 31, 2007 and the notes thereto.

For the Years Ended December 31

	2007	2006	2005
	\$	\$	\$
Investment income	3,034,219	3,266,404	812,979
Net earnings (loss) for the year	(5,472,534)	(3,690,166)	488,921
Basic and diluted earnings (loss) per share	(0.03)	(0.02)	0.00
Capitalized exploration and development expenditures, net of non-cash items	35,199,037	20,853,031	17,124,476
Total assets	153,021,833	137,994,482	83,128,228

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

	March 2008	December 2007	September 2007	June 2007	March 2007	December 2006	September 2006	June 2006
	\$	\$	\$	\$	\$	\$	\$	\$
Investment income	479,096	693,362	762,380	754,608	823,869	846,630	913,154	910,953
Net earnings (loss) for the period	(806,660)	2,120,037	(8,373,384)	261,419	249,394	357,526	(1,981,057)	2,405,263
Basic and diluted earnings (loss) per share	(0.004)	0.011	(0.046)	0.001	0.001	0.002	(0.011)	0.013
Capitalized exploration and development expenditures, net of non-cash items	9,289,928	8,988,909	8,840,867	6,778,834	10,590,427	3,652,544	5,658,930	3,676,380
Total assets	154,368,149	153,021,833	153,017,409	148,362,637	148,186,531	137,994,482	139,557,023	136,398,706

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 183,603,052 common shares were issued and outstanding as of March 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 May 15, 2008, the number of common shares outstanding was 183,703,052.

At March 31, 2008, the Company had reserved a total of 10,481,200 common shares related to director, employee and consultant options, the details of which are as follows:

Exercise Prices	Number Outstanding, March 31, 2008	Weighted Average Remaining Contractual Life
\$ 0.08	156,500	5.5 years
0.10	16,000	0.2 years
0.12	84,000	0.2 years
0.84	300,000	6.3 years
0.95	575,000	6.4 years
1.80	99,700	7.3 years
2.75	175,000	6.9 years
3.56	1,850,000	8.4 years
4.41	1,000,000	10.0 years
5.00	1,550,000	7.8 years
5.02	1,000,000	8.9 years
6.40	3,675,000	8.8 years
	10,481,200	7.4 years

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

For the three month period ended March 31, 2008, the Company reported a net loss of \$806,660 compared to net earnings of \$249,394 for the three months ended March 31, 2007. The net loss for the three month period ended March 31, 2008 was primarily due to a \$756,686 increase in stock-based compensation expense, and a \$344,773 decrease in investment income.

Investment income was \$479,096 for the three month period ended March 31, 2008, compared to \$823,869 for the three months ended March 31, 2007, a decrease of \$344,773 due to the investment during the period of lower cash balances than those invested during the three months ended March 31, 2007 and due to lower interest rates.

The granting and vesting of stock options during the three month period ended March 31, 2008 resulted in total stock-based compensation expense of \$1,082,252, of which \$279,217 was allocated to mineral property expenditures and the remaining \$803,035 was charged to operations. Total stock-based compensation expense for the three months ended March 31, 2007 was \$970,404, of which \$924,055 was allocated to mineral property expenditures and \$46,349 was charged to operations.

The future income tax recovery of \$2,024 during the three month period ended March 31, 2008 reflects the benefit of the increase in future income tax assets during the period. The future income tax expense of \$133,915 for the three months ended March 31, 2007 was due to the reduction of future income tax assets applied against the taxable income generated during that period.

Operating expenses before stock-based compensation expense for the three month period ended March 31, 2008 were \$484,745 compared to \$394,211 for the three months ended March 31, 2007, a difference of \$90,534, mainly due 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 three months ended March 31, 2008.

General and administrative expenses were \$58,363 for the three month period ended March 31, 2008, higher than the general and administrative expenses of \$49,585 for the three months ended March 31, 2007, due to higher office costs attributed to an increase in the Company's business activity. Salaries and benefits totaled \$115,816 during the three month period ended March 31, 2008 which were in line with the salaries and benefits of \$116,741 incurred by the Company in the three months ended March 31, 2007. Rent costs for the three month period ended March 31, 2008 were \$24,905, compared to rent costs of \$18,855 during the three months ended March 31, 2007, an increase of \$6,050 due to greater office space requirements. Legal and

audit expenses for the three month period ended March 31, 2008 were \$25,163, lower than the legal and audit expenses of \$64,738 during the three months ended March 31, 2007 where higher legal fees resulted from the development of Corporate Governance guidelines and the proposal of a shareholder rights plan. Filing fees and stock exchange fees rose in the three month period ended March 31, 2008 to \$133,911, an increase of \$10,794 over the same period in 2007, due mainly to increased costs relating to stock exchange and regulatory fees which are based on the Company's greater market capitalization.

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

Project	Balance December 31, 2007	Exploration & Development Expenditures During the Period	Balance March 31, 2008
Western Athabasca	\$ 30,702,947	\$ 1,376,683	\$ 32,079,630
Hidden Bay	41,273,130	6,927,688	48,200,818
Black Lake	13,883,916	194,823	14,078,739
Riou Lake	7,454,397	1,189,766	8,644,163
Beatty River	588,459	1,271	589,730
Northern Athabasca	5,636,733	8,344	5,645,077
	\$ 99,539,582	\$ 9,698,575	\$109,238,157

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

During the three month period ended March 31, 2008, the Company incurred exploration and development expenditures totaling \$9,289,928, before non-cash stock-based compensation, future income taxes and amortization of \$408,647. Exploration and development expenditures during the three months ended March 31, 2007 totaled \$10,590,427, before non-cash stock-based compensation, future income taxes and amortization of \$1,363,729. This \$1,300,499 decrease in expenditures before non-cash items, is due to the fact that the Company incurred 49% of costs relating to the Western Athabasca Projects during 2008, while during 2007 UEX funded 100% of those costs.

Financing Activities

The Company realized \$132,000 from the exercise of stock options during the three month period ended March 31, 2008 compared to \$2,976,246 received from stock options exercised during the three months ended March 31, 2007.

Exploration and Development Activities

The following is a general discussion of UEX's exploration and development activities during the three month period ended March 31, 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 181,509 hectares (448,327 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 (48,365 acres).

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

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

At the Kianna Deposit, 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 - located in sandstone high above the unconformity, at the unconformity, and below the unconformity in basement rocks, with unconformity depths ranging from approximately 710 to 760 metres.

The AREVA-UEX drilling programs of 2004 through to 2007 have outlined three distinct styles of high-grade uranium mineralization that are still open in all directions:

- Perched ("P"), sandstone-hosted mineralization found in discrete zones tens of metres above the unconformity currently has a defined strike length of 80 metres and a width of 60 metres (previously announced 2005 hole SHE-114-5, 27.4% U₃O₈ over 8.8 metres, including 58.3% U₃O₈ over 3.5 metres);
- Unconformity-type mineralization ("UC"), in close proximity to the unconformity has a defined strike length of 200 metres and a width of 200 metres (previously announced 2006 hole SHE-115-3, grading 12.57% U₃O₈ over 11.9 metres, including 27.35% U₃O₈ over 4.2 metres);
- Basement-hosted mineralization ("B"), found in zones up to 200 metres below the unconformity has outlined a strike length of 200 metres and a down-dip extension of 160 metres (previously announced 2005 hole SHE-114-11, grading 5.40% U₃O₈ over 37.7 metres, including 25.46% U₃O₈ over 4.0 metres).

The planned minimum budget of \$20.3 million for 2008 at Shea Creek includes \$10.0 million for development and \$10.3 million for exploration. Expenditures under the joint venture are funded 49% by UEX and 51% by AREVA.

2008 Drilling Program at Shea Creek

Four drill rigs focusing on the three Shea Creek deposits and the areas between and beyond them began drilling on January 14, 2008 (To view a map of the initial rig locations, visit UEX's website at www.uex-corporation.com).

The first drill began drilling 150 metres south of the Kianna Deposit from pilot hole SHE-123. The last hole completed, SHE-123-2, intersected high-grade basement-hosted mineralization grading 2.80% U₃O₈ over 4.9 metres (previously announced November 14, 2007). It is believed that the mineralization is part of a large basement structure seen further at depth and is parallel to the main mineralizing structure seen at the Kianna Deposit itself, 150 metres to the north. The goal is to continue testing this structure for additional mineralization.

A second drill is concentrating on expanding the southern portion of the Anne Deposit that still remains open in all directions. Directional drilling 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.

A third drill is currently in the southern portion of the Colette Deposit. The drilling programs at both the Anne and Colette Deposits were halted due to the discovery of the Kianna Deposit in July 2005.

Basement-hosted mineralization was intersected for the first time in the southern part of the Colette Deposit in 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 is also present at Colette. This part of the program will follow up on the last drilling fence at Colette where hole SHE-111-5 intersected 0.38% U_3O_8 over 8.4 metres directly below the unconformity and 0.44% U_3O_8 over 22.0 metres in the basement. Currently, this intersection remains open and the next drill fence is 250 metres further to the southeast.

A fourth drill is investigating the Saskatoon Lake Conductor 1.5 kilometres south of the Anne Deposit where drill hole SHE-2 (drilled in the early 1990's) displayed hydrothermal alteration in the sandstones (dravite, drusy quartz, black organic material, tilted blocks) and basement. A flat-lying and brecciated shear zone was also intersected from 706 to 706.7 metres, grading 0.73% U_3O_8 .

Four follow-up drill holes are planned to reduce the overall line spacing from 400 metres to 200 metres immediately north and south of SHE-2. This phase of drilling will be completed in April 2008; once completed the fourth rig will be utilized for the 2008 development program leaving three exploration drills at Shea Creek for the remainder of the year.

Ground geophysics consisting of an electromagnetic (EM) survey will also be carried out over the Saskatoon Lake Conductor in the area south of Saskatoon Lake. A total of 100 line kilometres of grid preparation will be done to facilitate the EM survey.

2008 Development Program at Shea Creek

In 2007 the Shea Creek Project moved from exclusively exploration to include initial development work totaling approximately \$3.3 million. A budget of \$10.0 million is planned for development work in 2008.

The first phase of development proposed by AREVA is the sinking of one or two underground exploratory shafts, an exploration drift, with related test mining facilities. This infrastructure will later be used to better define the potential ore bodies, their mineral resources and geology, possible mining methods and mining conditions. AREVA has started the necessary studies for site characterization and base line studies for the exploratory shaft(s). The first proposed shaft has been strategically located between the Kianna and Anne Deposits to provide underground access to both deposits as well as the highly-prospective corridor between them (see UEX's website at www.ux-corporation.com for a map depicting the shaft location). Each of the proposed shafts will have a vertical depth of approximately 950 metres and an estimated capital cost of \$100 million (CDN).

The objective of the 2008 development program at Shea Creek is two-fold:

- Submit a Project Description to the federal and provincial regulatory agencies for the exploratory shaft(s), an exploration drift, and related test mining facilities; and
- Complete a scoping level study for a mine design and a mining test by year-end.

SNC Lavalin and McIntosh Engineering have been selected for the conceptual shaft design and associated facilities.

Permitting for the geotechnical and hydrogeological work this spring has been initiated, and data collection for the baseline study is ongoing. SRK has been selected to conduct the geotechnical and hydrogeological field work which commenced in April 2008.

Any shaft sinking must be preceded by the required regulatory process, the first step of which is the submission to the regulators of the project description. AREVA is planning to submit the project description to the federal and provincial regulatory agencies in 2008 for the exploratory shaft(s), an exploration drift, and related test mining facilities.

Work to support the project description began in 2007. AREVA drilled five pilot holes - two of these pilot holes SHE-123 at Kianna – depth 847 metres and SHE-125 at Anne – depth 821 metres were also used for hydrogeological purposes. Packer tests on the two holes were performed by Golder during the summer of 2007. The importance of these tests is to estimate groundwater inflows in underground openings. A final report is expected later this year.

In addition five hydrogeological holes were drilled in 2007 each to a depth of 800 metres in the vicinity of the first planned shaft location. Three holes were instrumented with Westbay multilevel piezometers and the remaining two instrumented with vibrating wire piezometers. The instrumented hydrogeological holes were used as observation stations for a well pumping test conducted in September 2007 in which water was extracted from pilot hole SHE-121 over a period of several days with an air lifting apparatus. Well development and water sampling of the Westbay installations was undertaken in the fall of 2007. Hydraulic response testing was also conducted in the Westbay monitoring stations later in fall 2007.

Environmental baseline studies were initiated pertaining to surface hydrology with monitoring stations and lake level gauges installed during the summer of 2007. Aquatic and terrestrial ecology began in July 2007. The aquatic studies began in September 2007 followed by terrestrial studies presently under way. These studies will be ongoing into 2008.

Environmental Impact Statement and Licensing

Baseline data collection and site characterization continues in 2008 in support of the Environmental Impact Statement (EIS). Discussions with the required regulatory authorities have commenced in preparation for filing the project description.

Hydrogeological site characterization is focusing on test work in the vicinity of the proposed exploratory shaft(s) and on collection of far field (regional) information. It includes drilling boreholes for test work such as geotechnical/geophysical data collection, packer testing, installation of instrumentation for collection of hydraulic head and groundwater chemistry data, and well pumping tests. Regular monitoring of existing and planned stations continues to expand the baseline database.

Investigations in Advance of Shaft Sinking

In 2008, AREVA is working towards identifying potential shaft locations with the drilling and logging of up to three shaft pilot holes (approximately 3,000 metres). The timing of these holes will be coordinated with AREVA's Exploration Department to ensure drill availability and are currently expected to be drilled from June to August. The structural information will be collected from all holes to provide information as to the suitability of sites tested.

AREVA has selected a contractor to begin preliminary design for the shaft and hoisting plant including the identification of long lead items required to be ordered in 2009 to 2010 timeframes.

Studies, Engineering and Procurement

During 2008, the drilling of a hole is planned to obtain a fresh core sample for metallurgical testing to determine the amenability of the Shea Creek ore to the milling process. Analysis of the drill core will also be made from a mining prospective including the collection of density data. Other proposed tests on the core will include the performance of fire assays for gold, and PGM (platinum group metal) analysis. Core samples that are representative of waste rock will also be collected and laboratory testing (waste rock characterization) performed to determine suitable mining options.

Also planned for 2008 is the drilling of a geotechnical hole (approximately 1,000 metres), with detailed geotechnical logging and collection of samples for rock strength testing. This field program is expected to take two months at site.

Studies are budgeted to identify potential mining methods using current information. Also included is an estimate of the Canadian Nuclear Safety Commission (CNSC) fees that will relate to the review of the project description and time spent to develop the Environmental Assessment guidelines for the sinking of the exploratory shaft(s).

Erica Project 2008 Exploration Program

A ground geophysical program is planned consisting of 47.0 line kilometres of grid preparation. Following grid establishment, either 36.0 kilometres of pole-pole DC-resistivity or 72.0 kilometres of double moving loop EM surveys will be collected over the grid.

James Creek Project 2008 Exploration Program

A ground geophysical program consisted of 50.0 line kilometres of grid preparation and 65.0 kilometres of rechaining over established grids. Approximately 76.0 line kilometres of MT data was collected over the grids.

Nikita Project 2008 Exploration Program

A ground geophysical program is planned consisting of 60.0 line kilometres of grid preparation. Following grid establishment, either 54.0 kilometres of pole-pole DC-resistivity or 108.0 kilometres of double moving loop EM surveys will be collected over the grid.

No significant exploration work is planned for 2008 on the Alexandra, Brander Lake, Douglas River, Laurie, Mirror River and Uchrich Projects.

Hidden Bay Project: Exploration and Development Programs

UEX operates its 100%-owned Hidden Bay Project, which consists of 41 claims that are 100%-owned totaling 57,024 hectares (140,904 acres). The West Bear, Raven and Horseshoe Deposits are located within the Hidden Bay Project.

Raven and Horseshoe Exploration and Development Programs

The Raven and Horseshoe Deposits host a total historical resource estimate of 6.7 million tonnes at an average grade of 0.16% U₃O₈, representing approximately 23 million contained pounds of U₃O₈. [Note: this is a historical resource estimate completed by Gulf Minerals ("Gulf") in 1978 that was not estimated using current Canadian Institute of Mining, Metallurgy and Petroleum categories, and for which no current resource or reserve confidence categories were applied.] 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.

During the winter of 2007, five diamond drills tested both deposit areas and completed 25 holes in Raven totaling 6,408 metres, and 63 holes in Horseshoe totaling 21,804 metres. The purpose of UEX's drilling program was to further define the extent of Horseshoe mineralization to provide the basis for an N.I. 43-101 compliant resource estimate, test areas where Horseshoe mineralization extends into previously unexplored areas, and test portions of Raven to establish mineralization continuity for future resource definition.

Golder has been engaged to oversee a resource calculation for Horseshoe, and has initiated components of a final feasibility study. Golder provides technical guidance on aspects of the final phases of definition drilling for both Raven and Horseshoe, including geotechnical analysis of drill core. Golder is also responsible for environmental management planning and is in the latter stages of environmental baseline collection. Two HQ-diameter drill holes have recently been completed at Horseshoe to provide representative samples for metallurgical testing from two of the largest zones: the A and BE Zones. The metallurgical work is being supervised by Melis

Engineering Ltd. of Saskatoon, Saskatchewan, and will provide >100 kilogram samples for comprehensive metallurgical testing of different styles of mineralization in the deposit. As previously reported, initial test work on three drill core reject composite samples revealed low levels of deleterious elements and obtained over 97% uranium extraction under mild acid leach conditions.

In recognition of the potential limited future tailings facility capacity at the two nearby operating mills in the area, UEX has also requested that Golder 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.

Raven and Horseshoe are located less than 5 kilometres south of Cameco's Rabbit Lake, and 12 kilometres southeast of AREVA's McClean Lake milling operations, and are hosted by competent basement rocks that could be amenable to both open-pit and conventional underground ramp access mining methods.

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".

While the feasibility study for Raven and Horseshoe is evaluating several mining methods, the probability of more favourable economics using an open pit mine design has led UEX to quote these intercepts with an open pit resource in mind and hence a 0.05% U₃O₈ cutoff. Should future results dictate otherwise, these results and their corresponding resource estimates would be re-stated with the appropriate cut-off as determined at that time.

UEX completed the 2007 summer/fall exploration drilling programs at the Raven and Horseshoe on November 30, 2007. The program was comprised of approximately 40,000 metres of drilling using five drilling rigs. 30,696 metres in 89 holes were drilled to further define the extent of Horseshoe mineralization to provide the basis for an N.I. 43-101 compliant resource estimate as well as test areas where Horseshoe mineralization extends into previously unexplored areas, and a further 8,767 metres in 33 holes was drilled at Raven to further trace mineralization continuity for future resource definition and delineate potential new mineralized zones identified by the winter 2007 drilling program. Results from the final 43 holes at Horseshoe and 33 holes from Raven were released on April 9, 2008.

As with previously reported results, the drill results reported here represent a continuing combination of infill and step-out drill holes, the latter which at Horseshoe have extended mineralization further beyond and beneath the limits of the historical drilling conducted by Gulf. At Raven, drilling has established better continuity to mineralization than previously interpreted and identified higher grade areas within the deposit. The results reported here represent the last holes of a 39,000 metre, 122 hole drilling program conducted during summer/fall program at the two deposits

Drilling in 2006 and 2007, and subsequent drilling between January and April of 2008, which will be released once analytical results have been received, have defined contiguous mineralization in the central Horseshoe deposit in several shallow east-southeast plunging stacked zones over a strike length of more than 450 metres, and dip lengths of up to 300 metres. The UEX drilling programs have been encountering higher grades, wider intersections, better continuity and an overall greater extent of mineralization at Horseshoe than was outlined here by Gulf in the 1970's.

Geochemical results have been received for 41 of the 43 holes drilled. Two additional holes, HU-156 and HU-157, were drilled for metallurgical testing purposes, and will not have geochemical results until metallurgical processing on the core has been completed. Down-hole probe data is

instead reported below. Holes up to HU-134, and hole HU-137 were previously reported (see UEX News Releases, October 29, 2007 and January 2, 2008). Drill holes composited to grades of at least 0.05% U_3O_8 with a grade-thickness product of greater than 0.1 are listed in Table 1. The most significant of these intercepts include the following:

- 0.27% U_3O_8 over 21.5 metres, and
0.36% U_3O_8 over 10.5 metres in hole HU-136 (BE and A2 zones, section 4682N)
- 0.34% U_3O_8 over 27.1 metres in hole HU-138,
including 0.98% U_3O_8 over 6.3 metres (BE zone, section 4682N)
- 0.32% U_3O_8 over 11.4 metres in hole HU-139 (BW zone, section 4724N)
- 0.47% U_3O_8 over 37.4 metres in hole HU-144 (BW zone, section 4724N)
- 0.12% U_3O_8 over 18.0 metres in hole HU-153 (BW zone, section 4755N)
- 0.19% U_3O_8 over 15.5 metres in hole HU-155 (BW zone, section 4755N)
- 0.90% $eU_3O_8^*$ over 19.7 metres in hole HU-156 (A zone, section 4606N)
- 0.14% $eU_3O_8^*$ over 34.8 metres in hole HU-157 (BE zone, section 4724N)
- 0.34% U_3O_8 over 23.4 metres in hole HU-158 (BW zone, section 4755N)
- 0.45% U_3O_8 over 13.8 metres in hole HU-161 (BW zone, section 4740N)
- 0.29% U_3O_8 over 21.5 metres in hole HU-163 (BW zone, section 4755N)
- 0.12% U_3O_8 over 49.2 metres in hole HU-168 (BW zone, section 4740N)
- 0.31% U_3O_8 over 24.1 metres in hole HU-171 (BW zone, section 4740N)
- 0.21% U_3O_8 over 9.6 metres in hole HU-173 (BW zone, section 4740N)
- 0.12% U_3O_8 over 18.5 metres, and
0.25% U_3O_8 over 24.3 metres in hole HU-175 (BW zone, section 4740N)
- 0.35% U_3O_8 over 9.8 metres in hole HU-178 (BW zone, section 4710N)

** Intersections from metallurgical holes HU-156 and HU-157 are reported here from downhole radiometric probe data using an algorithm calculated to estimate equivalent U_3O_8 grade based on normalization with previous analytical results from the Horseshoe deposit. Results may vary +/- 15% in U_3O_8 grade from actual future reportable geochemical analytical data, but are reported here for completeness. Final results will be reported when received; samples are currently being processed by SGS Lakefield Research.*

Drill core axis angles and continuity of mineralization between drill holes suggest that the vertical to steep drill holes cross the shallow-dipping mineralized zones at a high angle, which is close to true thickness. Many of the holes reported here are from the B West zone which previously was not fully defined, and the known dimensions of which have now been substantially expanded. The results are currently being incorporated into a digital three-dimensional model for an upcoming National Instrument 43-101 ("N.I. 43-101") compliant resource calculation. The 15 to 30 metre, and locally tighter, drill hole spacing now completed throughout Horseshoe should enable much of the resource to be placed into an indicated category. Once all analytical results from drill holes in the Horseshoe southwest area are received, for which drilling was completed in early March 2008, it is anticipated that an N.I. 43-101 compliant resource estimate for Horseshoe should be completed by Golder Associates Ltd. ("Golder") of Saskatoon, SK, during the summer of 2008. Mineralization intersected historically by Gulf to the northeast of the central Horseshoe deposit area will be tested early in the upcoming summer 2008 drilling program, and is likely to add to the total mineral inventory of the deposit area.

Table 1.
Summer/Fall 2007 Horseshoe Drilling Program
Intersections from Drill Holes HU-135 to HU-179.

Note that hole HU-137 is excluded since it was already released. 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. Results are still pending for metallurgical holes HU-156 and HU-157 which are currently being processed; equivalent probe grades are provided here. No intervals greater than 0.05% and a grade thickness product higher than 0.1 were intersected in holes HU-141, 142, 148, 149, 154, 165, 172, 174, 176, and 179.

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U₃O₈)
HU-135	4650	378	278.0	278.6	0.6	0.198
HU-135			286.9	299.4	12.5	0.098
HU-135			358.0	361.5	3.5	0.051
HU-136	4682	461	257.5	279.0	21.5	0.269
HU-136		<i>including</i>	257.5	262.0	4.5	0.752
HU-136			295.0	296.0	1.0	0.253
HU-136			302.5	313.0	10.5	0.363
HU-136			325.0	326.0	1.0	0.205
HU-138	4682	449	266.7	269.6	2.9	0.249
HU-138			282.9	310.0	27.1	0.338
HU-138		<i>including</i>	289.5	295.8	6.3	0.975
HU-138			333.6	335.3	1.7	0.064
HU-139	4724	311	187.2	191.9	4.7	0.054
HU-139			200.6	212.0	11.4	0.323
HU-140	4724	293	179.0	187.2	8.2	0.201
HU-143	4650	380	319.5	321.8	2.3	0.095
HU-143			327.3	329.0	1.7	0.399
HU-144	4724	290	136.8	138.5	1.7	0.101
HU-144			238.6	276.0	37.4	0.472
HU-144		<i>including</i>	253.0	259.2	6.2	1.083
HU-144		<i>including</i>	268.9	276.0	7.1	1.000
HU-145	4593	269	157.6	167.6	10.0	0.058
HU-145			196.0	201.3	5.3	0.102
HU-146	4611	284	148.4	156.5	8.1	0.111
HU-146			207.8	214.8	7.0	0.173
HU-147	4724	323	276.0	277.1	1.1	0.169
HU-147			281.1	303.3	22.2	0.215
HU-150	4611	284	233.8	239.7	5.9	0.261
HU-150			250.6	260.0	9.4	0.180
HU-151	4755	350	107.8	109.5	1.7	0.065
HU-151			132.8	134.5	1.7	0.110
HU-151			225.9	236.0	10.1	0.116
HU-151			257.5	262.0	4.5	0.313
HU-151			273.0	273.9	0.9	0.138
HU-152	4611	284	244.8	247.3	2.5	0.277
HU-153	4755	362	153.7	156.7	3.0	0.061
HU-153			281.0	299.0	18.0	0.117
HU-153			311.9	315.5	3.6	0.255
HU-153			331.1	333.9	2.8	0.444
HU-155	4755	236	307.0	322.5	15.5	0.193
HU-156*	4604	236	166.5	186.2	19.7	e0.895*
HU-157*	4724	430	284.3	319.1	34.8	e0.143*
HU-158	4755	428	257.1	265.7	8.6	0.213
HU-158			306.6	330.0	23.4	0.338
HU-158		<i>including</i>	317.2	317.7	0.5	3.832

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U₃O₈)
HU-159	4755	458	389.6	390.6	1.0	0.109
HU-160	4755	477	270.0	280.9	10.9	0.066
HU-160			287.5	293.0	5.5	0.069
HU-160			313.4	314.5	1.1	0.092
HU-160			440.5	443.2	2.7	0.118
HU-160			452.5	463.2	10.7	0.144
HU-161	4740	341	130.0	131.5	1.5	0.141
HU-161			247.7	249.0	1.3	0.106
HU-161			279.0	292.8	13.8	0.449
HU-161		<i>including</i>	287.8	288.7	0.9	5.188
HU-162	4785	341	131.3	133.8	2.5	0.100
HU-162			220.7	221.8	1.1	0.400
HU-163	4755	483	301.0	302.7	1.7	0.160
HU-163			326.5	348.0	21.5	0.292
HU-163		<i>including</i>	329.5	337.2	7.7	0.575
HU-164	4740	341	155.4	164.0	8.6	0.079
HU-164			245.2	247.0	1.8	0.093
HU-164			263.0	266.5	3.5	0.095
HU-164			276.5	284.0	7.5	0.210
HU-166	4740	368	291.5	303.0	11.5	0.149
HU-166			319.0	325.0	6.0	0.065
HU-167	4785	374	243.0	244.0	1.0	0.147
HU-168	4740	362	286.6	335.8	49.2	0.124
HU-168		<i>including</i>	286.6	293.0	6.4	0.241
HU-169	4755	476	320.5	326.5	6.0	0.296
HU-170	4785	386	309.8	312.6	2.8	0.415
HU-171	4740	404	235.3	236.9	1.6	0.328
HU-171			309.8	333.9	24.1	0.312
HU-173	4740	419	243.0	250.8	7.8	0.071
HU-173			258.2	258.7	0.5	0.094
HU-173			271.0	273.3	2.3	0.167
HU-173			287.0	296.6	9.6	0.214
HU-173			305.0	309.5	4.5	0.073
HU-173			319.6	329.0	9.4	0.079
HU-175	4740	299	116.3	120.5	4.2	0.099
HU-175			136.0	137.0	1.0	0.193
HU-175			183.3	185.4	2.1	0.069
HU-175			211.5	230.0	18.5	0.123
HU-175			252.1	276.4	24.3	0.251
HU-175		<i>including</i>	252.1	255.4	3.3	0.664
HU-175		<i>including</i>	267.2	268.7	1.5	1.350
HU-177	4785	488	400.4	402.5	2.1	0.090
HU-178	4710	314	130.8	131.6	0.8	0.142
HU-178			275.2	276.3	1.1	0.187
HU-178			281.5	291.3	9.8	0.347
HU-178		<i>including</i>	288.7	290.3	1.6	1.020

* Intercepts reported here for holes HU-156 and HU-157 are equivalent grades calculated from downhole probe data normalized to the Saskatchewan Research Council test pit, and to other drill holes from the Horseshoe deposit area. These are metallurgical drill holes for which analytical data will be released once sample processing is completed. Analytical data may vary by +/-15 % from probe results.

Drilling at Raven comprised infill drilling between widely spaced sections, and step-out drill holes into areas previously defined as mineralized by Gulf, but for which drill spacing was insufficient to

confidently establish mineralization continuity. Thirty-three drill holes comprising 8,800 metres were completed with geochemical results received from all but two holes. 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 2. The most significant of these intercepts include the following:

- 2.98% U₃O₈ over 5.2 metres, in hole RU-026 including 7.99% U₃O₈ over 1.5 metres (section 5476E)
- 0.13% U₃O₈ over 37.5 metres in hole RU-036 (section 5448E)
- 0.13% U₃O₈ over 16.5 metres in hole RU-042 (section 5418E)
- 0.43% U₃O₈ over 7.7 metres in hole RU-043 (section 5506E)
- 0.13% U₃O₈ over 24.0 metres in hole RU-047 (section 5445E)
- 0.18% U₃O₈ over 38.0 metres in hole RU-048 (section 5418E)
- 0.34% U₃O₈ over 10.0 metres in hole RU-051 (section 5506E)
- 0.16% U₃O₈ over 22.5 metres in hole RU-058 (section 5445E)

Mineralization at Raven occurs in a horizontal, cylindrical shaped zone of mineralization fringing an intense clay alteration zone developed in the hanging wall of a steeply dipping fault zone. 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 RU-026 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. Definition drilling has now tested the deposit over a strike length of more than 400 metres where mineralization is laterally continuous.

Table 2.
Summer/Fall 2007 Raven Drilling Program
Intersections from Drill Holes RU-026 to RU-058.

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-034, 044, 046, 049, 050 and 053.

<i>Hole</i>	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U₃O₈)
RU-026	5476	351	116.8	122.0	5.2	2.976
RU-026		<i>including</i>	118.5	120.0	1.5	7.986
RU-026		<i>including</i>	119.5	120.0	0.5	19.454
RU-026			134.5	138.0	3.5	0.101
RU-026			151.0	152.0	1.0	0.176
RU-027	5534	320	73.2	73.4	0.2	0.964
RU-027			102.6	112.1	9.5	0.195
RU-027			217.7	227.6	9.9	0.052
RU-028	5476	262	219.5	221.5	2.0	0.060
RU-029	5534	320	112.1	125.4	13.3	0.076
RU-029			188.0	193.8	5.8	0.141
RU-030	5476	332	87.5	90.0	2.5	0.133
RU-030			136.4	136.7	0.3	0.672
RU-031	5534	341	162.7	164.1	1.4	0.165
RU-032	5476	250	184.5	186.0	1.5	0.837
RU-033	5534	182	105.7	107.3	1.6	0.521
RU-035	5506	320	104.0	106.0	2.0	0.773
RU-035			151.5	153.1	1.6	0.075
RU-035			195.2	199.1	3.9	0.081
RU-035			218.0	219.0	1.0	0.130
RU-036	5448	350	106.5	113.0	6.5	0.148
RU-036			118.0	155.5	37.5	0.134
RU-036			258.0	260.0	2.0	0.083
RU-037	5506	282	97.4	103.5	6.1	0.181

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U₃O₈)
RU-037			132.0	135.0	3.0	0.074
RU-038	5448	319	121.5	122.5	1.0	0.171
RU-038			127.0	128.5	1.5	0.433
RU-038			163.3	164.5	1.2	1.234
RU-039	5506	269	93.2	97.8	4.6	0.137
RU-040	5448	299	91.5	93.5	2.0	0.276
RU-041	5506	302	138.8	144.5	5.7	0.082
RU-041			197.7	199.0	1.3	0.635
RU-041			212.0	218.8	6.8	0.090
RU-042	5418	359	108.5	112.5	4.0	0.065
RU-042			120.5	121.5	1.0	0.106
RU-042			162.0	178.5	16.5	0.126
RU-042			291.5	297.0	5.5	0.117
RU-042			303.0	303.5	0.5	0.225
RU-043	5506	281	104.8	106.7	1.9	0.126
RU-043			213.6	221.3	7.7	0.431
RU-043		<i>including</i>	214.1	216.6	2.8	0.764
RU-045	5506	278	125.6	128.0	2.4	0.068
RU-047	5445	340	105.5	129.5	24.0	0.133
RU-047			141.5	153.0	11.5	0.105
RU-047			184.0	187.5	3.5	0.459
RU-047			254.0	256.0	2.0	0.154
RU-047			266.0	273.0	7.0	0.094
RU-048	5418	221	113.5	151.5	38.0	0.175
RU-048		<i>including</i>	132.0	139.5	7.5	0.416
RU-048			164.5	168.5	4.0	0.111
RU-048			177.5	188.5	11.0	0.137
RU-051	5506	212	95.3	96.3	1.0	0.199
RU-051			111.3	121.3	10.0	0.340
RU-051		<i>including</i>	118.1	120.1	2.0	0.901
RU-052	5445	293	118.0	120.0	2.0	0.080
RU-052			125.5	130.5	5.0	0.074
RU-054	5580	272	252.5	257.4	4.9	0.174
RU-055	5445	271	108.0	111.0	3.0	0.105
RU-055			195.0	205.0	10.0	0.093
RU-056	5525	329	218.0	224.0	6.0	0.085
RU-057	5580	302	172.0	174.0	2.0	0.185
RU-058	5445	259	103.0	125.5	22.5	0.156
RU-058			143.0	147.0	4.0	0.088
RU-058			167.0	189.5	22.5	0.073

In addition to the drilling at the Horseshoe and Raven Deposits, the summer/fall 2007 exploration programs at the Wolf Lake and Tent-Seal target areas were completed using a helicopter-based drill. A total of 5,973 metres of drilling were completed in these project areas and were designed to follow up on mineralization and favorable geological settings identified by historic drill holes. Results will be reported when assays are received and fully interpreted.

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 has

commenced systematic insertion of sample blanks into the sample stream. In addition, repeat analyses are routinely analyzed, and laboratory standards are inserted by SRC to assess sample repeatability and accuracy of results.

The technical information in this document regarding Raven and Horseshoe has been compiled by David Rhys, P. Geo., a Qualified Person as defined by N.I. 43-101. True widths of mineralized intervals have not yet been determined.

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 for 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 winter temperatures during the winter of 2008 created excellent surface access conditions and drilling was successfully completed in this area.

In addition, six holes for 3,107 metres were drilled to test the northeastern extensions of Horseshoe, where coincident resistivity and gravity anomalies occur in areas of alteration, and 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 surface. These pods collectively have a linear, east-northeast trend over a strike length of more than 500 metres.

Sample analysis from the 2008 winter drilling program is in progress at the SRC. The cumulative results from the 2007 summer/fall drilling program that have yet to be released, and the 2008 winter drilling program should provide enough information to calculate an N.I. 43-101 compliant resource estimate at the Raven Deposit later in 2008.

2008 Winter Drilling Program at 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% U_3O_8 over intervals of several metres, including 0.39% U_3O_8 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.

West Bear Deposit

A 2005 N.I. 43-101 compliant indicated resource estimate prepared by Roger Lemaitre, P.Eng., P.Geo. of Cameco, which was based only on UEX's 2005 sonic drilling program, outlined an indicated resource of 45,600 tonnes, grading 1.385% U_3O_8 and totaling 1.391 million pounds U_3O_8

at West Bear using a cut off grade of 0.15% U₃O₈. The West Bear resource estimate technical report 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).

The new interim resource estimate calculated by Kevin Palmer, P. Geo. of Golder dated December 11, 2007 incorporating the results from both the 2005 and 2007 winter sonic drilling programs, outlined an indicated resource of 73,800 tonnes, grading 1.004% U₃O₈ and totaling 1.614 million pounds of U₃O₈ at West Bear in the high-grade main deposit area. The resource estimate was calculated using a cut-off grade of 0.15% U₃O₈ utilizing a geostatistical-block model technique with ordinary kriging methods and the DATAMINE Studio 3 software package.

One of the goals of the 2007 winter sonic drilling program was to test the eastern deposit area for uranium mineralization not previously drilled. The 2007 program extended the uranium mineralization 150 metres east of the boundary outlined during the 2005 sonic drilling program on drill fences spaced 25 metres apart with holes spaced at 5 metre intervals. This new uranium mineralization forms a narrow continuous lens straddling the unconformity in the northern section of the eastern deposit area. This mineralization includes intercepts of 0.360% U₃O₈ over 2.0 metres in hole UEX-116 (see Section 2075E on UEX's website under West Bear) and 0.670% U₃O₈ over 3.05 metres in hole UEX-120 (see Section 2025E on UEX's website under West Bear).

A small secondary lens of uranium mineralization not previously identified by Gulf was also discovered in the southern section of the eastern deposit area. This southern lens of mineralization extends over a strike length of over 75 metres and includes an intercept of 0.421% U₃O₈ over 2.55 metres in hole UEX-172 (see Section 2025E on UEX's website under West Bear).

In order to create a final resource calculation for the full 500 metre strike length of the deposit based on a lower cut-off, additional sampling was required to sample material not previously sampled during the 2005 and 2007 winter sonic programs. This additional sampling was carried out in the summer of 2007. Sample analyses from these samples have recently been received. Once all assays are fully interpreted, a final resource estimate will be carried out by Golder which will incorporate the entire deposit, including the eastern deposit area and the high-grade main deposit area reported here. Golder's final resource estimate is expected to be delivered to UEX during 2008.

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 is currently overseeing a confirmation metallurgical testing program using representative composites derived from fresh drill core samples collected from the 2007 sonic drilling program. The composites are currently being 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 Feasibility Studies

Golder is carrying out an environmental baseline study ("EBS") and a 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 2008 following the input of more detailed information on the project design generated from the West Bear feasibility study.

UEX looks forward to the completion of the feasibility study, which is expected to be delivered in 2008, following Golder's integration of the results from UEX's 2007 sonic drilling program. The feasibility 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 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.

Golder and UEX have created a Strategic Planning Group, consisting of key representatives from both companies, in order to commence the permitting process for West Bear in 2008. Following receipt of the final EBS report from Golder, UEX plans to initiate the environmental assessment ("EA") process with the appropriate government agencies on both provincial and federal levels. The first step in the provincial EA process is to provide a Project Proposal to the CNSC and Saskatchewan EA Branch that details the project description.

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. UEX believes that at current uranium prices, the West Bear Deposit could become a viable source of future cash flow.

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. Results of the 2008 winter drilling program along with geophysical programs conducted in late 2007 are being processed, compiled and interpreted.

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 13 claims totaling 33,182 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.

Northern Athabasca Projects

UEX's 100%-owned Northern Athabasca Projects consists of five projects totaling 83,758 hectares in 24 claims located on the northern rim of the Athabasca Basin near Stony Rapids, Saskatchewan, as follows: Butler Lake - 19,648 hectares, Fond du Lac - 16,838 hectares, Otherside River - 12,762 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 the first quarter of 2008. A 2007 summer/fall drilling program consisted of four holes and an extension of one hole for a total of 2,785 metres. Geochemical results of the drilling program are pending.

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.

A 2007 geophysical program focused on the south end of the project. A 30 km block of DC-Resistivity data was collected during the months of August and September. Interpretation of the data is ongoing. No significant exploration work is planned for 2008 on the Beatty River Project.

Liquidity and Capital Resources

As UEX has not begun production on any of its exploration properties, the Company does not generate cash from operations. As at March 31, 2008 the Company had current assets of \$44,856,892, including \$43,091,369 in cash and cash equivalents compared to current assets as at December 31, 2007 that totaled \$53,191,977. Working capital at March 31, 2008 was \$39,316,061, 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 March 31, 2008 were \$5,540,831, which is higher than the amount at December 31, 2007 of \$4,703,355. The increase is due to significantly more exploration and development activities during March 2008 than the level of exploration and development activities during December 2007.

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

The Company's net future income tax liability of \$14,726,645 at March 31, 2008, is comprised of a \$15,481,826 future income tax liability related to the tax effect of the difference between the carrying value of the Company's mineral properties determined in accordance with GAAP and their tax values, offset by the Company's future income tax assets totaling \$755,181. 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.

Events Subsequent to March 31, 2008

Subsequent to March 31, 2008, the Company issued 100,000 common shares on the exercise of stock options for proceeds of \$11,680.

Critical Accounting Estimates

The Company prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles, which requires management to estimate various matters that are inherently uncertain as of the date of the financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the 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.

Internal Control Over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting that occurred during the most recent interim period ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Caution Regarding Forward Looking Statements

Statements contained in this document which 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, 2007 is available at www.sedar.com or at UEX's website at www.uex-corporation.com

UEX CORPORATION
INTERIM FINANCIAL STATEMENTS
MARCH 31, 2008
(Unaudited - Prepared By Management)



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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

UEX CORPORATION
BALANCE SHEET
(UNAUDITED - PREPARED BY MANAGEMENT)

	March 31 2008	December 31 2007
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	43,091,369	51,830,474
Amounts receivable	1,449,003	1,112,004
Prepaid expenses	316,520	249,499
	<hr/>	<hr/>
	44,856,892	53,191,977
Equipment (Note 3)	273,100	290,274
Mineral properties (Note 4)	109,238,157	99,539,582
	<hr/>	<hr/>
	154,368,149	153,021,833
<hr/>		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	5,540,831	4,703,355
Future income taxes (Note 5)	14,726,645	14,625,397
	<hr/>	<hr/>
	20,267,476	19,328,752
<hr/>		
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	124,686,363	124,485,587
Contributed surplus (Note 7)	20,798,778	19,785,302
Deficit	(11,384,468)	(10,577,808)
	<hr/>	<hr/>
	134,100,673	133,693,081
	<hr/>	<hr/>
	154,368,149	153,021,833
<hr/>		

Commitments (Note 9)
Subsequent event (Note 12)

APPROVED BY THE DIRECTORS

Graham C. Thody (Signed)

Stephen H. Sorensen (Signed)

Refer to accompanying notes.

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

THREE MONTH PERIOD ENDED MARCH 31	2008	2007
	\$	\$
Expenses		
Amortization	2,508	2,477
Bank charges and interest	829	944
Donations	105,000	-
Filing fees and stock exchange	133,911	123,117
General and administration	58,363	49,585
Insurance	11,774	12,175
Legal and audit	25,163	64,738
Rent	24,905	18,855
Salaries and benefits	115,816	116,741
Stock-based compensation	803,035	46,349
Telephone	1,811	2,061
Travel and promotion	4,665	3,518
Loss before the following	(1,287,780)	(440,560)
Investment income	479,096	823,869
Earnings (loss) before income taxes	(808,684)	383,309
Future income taxes	2,024	(133,915)
Net earnings (loss) and comprehensive income (loss) for the period	(806,660)	249,394
Deficit, beginning of period	(10,577,808)	(5,105,274)
Deficit, end of period	(11,384,468)	(4,855,880)
Basic and diluted earnings (loss) per share	(0.004)	0.001
Weighted average number of shares outstanding		
Basic	183,549,206	181,453,712
Diluted	185,518,283	184,379,964

Refer to accompanying notes.

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

THREE MONTH PERIOD ENDED MARCH 31	2008	2007
	\$	\$
Cash provided by (used for):		
Operating activities		
Net earnings (loss) for the period	(806,660)	249,394
Items not involving cash		
Amortization	2,508	2,477
Stock-based compensation	803,035	46,349
Future income taxes	(2,024)	133,915
Changes in non-cash operating working capital		
Amounts receivable	40,410	75,837
Prepaid expenses	(67,021)	(170,299)
Accounts payable and accrued liabilities	10,890	(50,324)
	<u>(18,862)</u>	<u>287,349</u>
Investing activities		
Mineral property expenditures	(9,289,928)	(10,590,427)
Change in accounts payable and accrued liabilities relating to mineral property expenditures	826,586	5,489,658
Change in amounts receivable relating to mineral property expenditures	(377,409)	(257,840)
Purchase of equipment	(11,492)	(66,133)
	<u>(8,852,243)</u>	<u>(5,424,742)</u>
Financing activities		
Issuance of share capital	132,000	2,976,246
Change in cash and cash equivalents during the period	(8,739,105)	(2,161,147)
Cash and cash equivalents, beginning of period	<u>51,830,474</u>	<u>76,866,056</u>
Cash and cash equivalents, end of period	43,091,369	74,704,909
Supplementary information		
Interest received	530,583	902,040
Non-cash stock-based compensation included in mineral property expenditures	279,217	924,055
Increase to mineral properties due to future income taxes	103,272	422,756
Amortization included in mineral properties	26,158	16,918

Refer to accompanying notes.

UEX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2008
(UNAUDITED - PREPARED BY MANAGEMENT)

1. Basis of Presentation and Significant Accounting Policies

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, except for the adoption of new accounting pronouncements issued by the Canadian Institute of Chartered Accountants ("CICA") discussed below, follow the same accounting policies as used in the most recent annual financial statements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2007.

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the CICA:

- a) 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 capital requirements; and (iv) if it has not complied, the consequences of such non-compliance (see Note 10).
- b) Handbook Section 3862, *Financial Instrument Disclosures*, and Section 3863, *Financial Instruments – Presentation*, replace Section 3861, *Financial Instruments – Disclosure and Presentation*, revising and enhancing 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 11).
- c) 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 had no impact on the Company's disclosures in these interim financial statements.

2. Nature of Operations

The Company is in the process of exploring its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing 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.

3. Equipment

	March 31 2008		December 31 2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Exploration equipment	315,268	133,580	181,688	187,291
Computer equipment	99,613	40,169	59,444	62,664
Computer software	87,860	59,194	28,666	36,844
Furniture and fixtures	4,205	903	3,302	3,475
	506,946	233,846	273,100	290,274

UEX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2008
(UNAUDITED - PREPARED BY MANAGEMENT)

4. Mineral Properties

The continuity of exploration and development expenditures on mineral properties is as follows:

	Balance December 31 2007	Exploration and development expenditures during the period	Balance March 31 2008
	\$	\$	\$
Western Athabasca	30,702,947	1,376,683	32,079,630
Hidden Bay	41,273,130	6,927,688	48,200,818
Black Lake	13,883,916	194,823	14,078,739
Riou Lake	7,454,397	1,189,766	8,644,163
Beatty River	588,459	1,271	589,730
Northern Athabasca	5,636,733	8,344	5,645,077
	99,539,582	9,698,575	109,238,157

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

(a) 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 March 31, 2008.

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

(b) Hidden Bay Project

The Company's 100%-owned Hidden Bay Project assets, including the West Bear, Raven and Horseshoe Deposits, are located in the eastern margin of the Athabasca Basin.

(c) Black Lake Project

The Black Lake Project, located in the northern Athabasca Basin, is a joint venture with the Company holding an 89.31% interest and AREVA holding a 10.69% interest as at March 31, 2008.

(d) Riou Lake Project

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

(e) Beatty River Project

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

(f) Northern Athabasca Projects

During 2004, the Company staked five uranium projects in the northern Athabasca Basin.

UEX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2008
(UNAUDITED - PREPARED BY MANAGEMENT)

5. Future Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes for the three month periods ended March 31, 2008 and 2007 is as follows:

	Three Month Period Ended March 31 2008	Three Month Period Ended March 31 2007
	\$	\$
Earnings (loss) before income taxes	(808,684)	383,309
Income taxes (recovery) at statutory rates	(254,735)	130,785
Non-deductible expenses and permanent differences	253,372	16,193
Future tax rate differences	(661)	(13,063)
Future income taxes (recovery)	(2,024)	133,915

The tax effects of temporary differences that give rise to significant portion of the Company's future income tax assets and liabilities at March 31, 2008 and December 31, 2007 are presented below:

	March 31 2008	December 31 2007
	\$	\$
Future income tax assets:		
Loss carry forwards	564	-
Equipment	39,778	38,318
Share issuance costs	714,839	714,839
	<u>755,181</u>	<u>753,157</u>
Future income tax liabilities:		
Mineral properties	(15,481,826)	(15,378,554)
Net future income tax liabilities	<u>(14,726,645)</u>	<u>(14,625,397)</u>

UEX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2008
(UNAUDITED - PREPARED BY MANAGEMENT)

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, 2007	182,903,052	124,485,587
Issued for cash:		
Exercise of stock options	700,000	132,000
Contributed surplus transferred on exercise of stock options	-	68,776
Balance, March 31, 2008	183,603,052	124,686,363

(c) Stock-Based Compensation

A summary of the status of the Company's stock-based compensation plan as of March 31, 2008, and changes during the three month period then ended are presented below:

	Number Of Shares	Weighted-Average Exercise Price \$
Outstanding - December 31, 2007	10,181,200	4.37
Granted during the period	1,000,000	4.41
Exercised during the period	(700,000)	0.19
Outstanding - March 31, 2008	10,481,200	4.65
Exercisable - March 31, 2008	8,447,868	4.50

UEX CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2008
(UNAUDITED - PREPARED BY MANAGEMENT)

6. Share Capital (Cont'd)

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

As at March 31, 2008, the Company had reserved a total of 10,481,200 common shares for issuance related to director, employee and consultant options, the details of which are as follows:

Exercise Prices \$	Number Outstanding March 31, 2008	Weighted Average Remaining Contractual Life
0.08	156,500	5.5 years
0.10	16,000	0.2 years
0.12	84,000	0.2 years
0.84	300,000	6.3 years
0.95	575,000	6.4 years
1.80	99,700	7.3 years
2.75	175,000	6.9 years
3.56	1,850,000	8.4 years
4.41	1,000,000	10.0 years
5.00	1,550,000	7.8 years
5.02	1,000,000	8.9 years
6.40	3,675,000	8.8 years
	10,481,200	7.4 years

The estimated fair value of all options granted and vested during the three month period ended March 31, 2008 is \$1,082,252 (2007 - \$970,404). Included in deferred exploration and development expenditures is \$279,217 (2007 - \$924,055) of stock-based compensation. The unamortized balance of stock-based compensation expense for options that were not vested at March 31, 2008 is \$3,409,467.

The weighted average fair value of options granted during the three month period ended March 31, 2008 was \$2.11 per option (2007 - \$2.46 per option) using the Black-Scholes option pricing model with the following weighted average assumptions:

	2008	2007
Volatility percentage	70%	70%
Risk-free interest rate	2.8%	4.0%
Dividend yield	-	-
Expected life of options	3 years	3 years

7. Contributed Surplus

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

	\$
Contributed surplus, December 31, 2007	19,785,302
Fair value of options granted and vested during the period	1,082,252
Transferred to share capital on exercise of options	(68,776)
Contributed surplus, March 31, 2008	20,798,778

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8. 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 have no dilutive effect on basic earnings (loss) per share for the periods presented.

9. Commitments

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

	\$
2008	30,587
2009	40,782
2010	37,384

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

10. Management of Capital Risk

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.

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

11. Management of Financial Risk

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

The Company manages liquidity risk through the management of its capital structure as outlined in Note 10 of these interim financial statements. Accounts payable and accrued liabilities are due within the current operating period.

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.

12. Subsequent Event

Subsequent to March 31, 2008, the Company issued 100,000 common shares on the exercise of stock options for proceeds of \$11,680.

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Mark P. Eaton
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E. Louie Zioulas
Vice-President, Finance and Corporate Secretary