



Quarterly Report
For the
Six-Month Period Ending
June 30, 2010

UEX Corporation, Vancouver, B.C., Canada



Message to Shareholders

During the quarter ended June 30, 2010 UEX released the first independent National Instrument 43-101 compliant resource estimate on its 49% owned Shea Creek deposits. Golder Associates Ltd. reported to UEX that, based upon drilling to December 31, 2009, the Kianna, Anne and Colette Deposits contained approximately 63.5 million pounds of U_3O_8 in the Indicated Mineral Resource category and 24.5 million pounds of U_3O_8 in the Inferred Mineral Resource category at a combined average grade of just under 1.5% U_3O_8 .

This resource estimate places Shea Creek into the top tier of Athabasca Basin deposits, as it now stands behind only McArthur River and Cigar Lake in size and continues to grow. The three Shea Creek deposits remain open in almost all directions and current drilling programs continue to expand these exceptional deposits, which represent the Basin's largest undeveloped uranium resource.

Drilling in 2010 at Shea Creek, announced in March and June 2010, has resulted in the discovery of a new and significant mineralized area located between the Colette and Kianna Deposits. Mineralization in this area, known as 58B, has been intersected at both the unconformity and in the basement rocks indicating similar structures to the three known Shea Creek deposits. This mineralization also remains open in all directions and therefore the 58B Area will provide significant targets for future exploration.

Concurrent with the exploration at the 58B Area, AREVA Resources Canada Inc., the operator of Shea Creek, has been conducting extensive exploration at the north end of the Kianna Deposit. It is expected the 2010 drilling program will conclude in late August and a full reporting of results will follow.

On the Hidden Bay Project in the eastern Athabasca Basin, our geological personnel are conducting a review of historical drill core as part of a comprehensive compilation of previous exploration data. This compilation will result in the generation of new drill targets that will form part of our future drilling programs.

In addition to the ongoing data compilation on Hidden Bay, we have engaged SRK Consulting (Canada) Inc. of Vancouver and Saskatoon to prepare a scoping study on the project's two most significant deposits, the Horseshoe and Raven Deposits. These deposits have a National Instrument 43-101 compliant resource estimate of 36.62 million pounds of U_3O_8 with an average grade of 0.16% U_3O_8 in the Indicated Mineral Resource category and 2.72 million pounds of U_3O_8 with an average grade of 0.11% U_3O_8 in the Inferred Mineral Resource category.

UEX is in the unique position of being involved in both the third largest and sixth largest undeveloped resources in the Athabasca Basin. We have a current cash position of approximately \$10.4 million and expect to end the 2010 fiscal year with approximately \$7 million in our treasury.

"signed"

Graham C. Thody, President & CEO

August 12, 2010

UEX Corporation

Management Discussion & Analysis

Six-Month Period Ended June 30, 2010

(Expressed in Canadian Dollars, unless indicated otherwise.)

Introduction

This Management Discussion and Analysis ("MD&A") of UEX Corporation ("UEX" or the "Company") provides a detailed analysis of the Company's business and compares its financial results with those of the previous year. This MD&A is dated August 12, 2010 and should be read in conjunction with the Company's unaudited interim financial statements and related notes for the six-month period ended June 30, 2010. The financial statements are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Other continuous disclosure documents, including the Company's press releases, interim and annual financial statements and Annual Information Form are available through its filings with the applicable securities regulatory authorities in Canada at www.sedar.com.

Overview

UEX's fundamental goal is to remain one of the leading uranium explorers in the Athabasca Basin of northern Saskatchewan and to advance its portfolio of uranium deposits and discoveries through the development stage to the production stage. Since being listed on the Toronto Stock Exchange in July of 2002, UEX has aggressively pursued exploration on a diversified portfolio of prospective uranium projects in three areas within the Athabasca Basin. The Company is focusing its main efforts on two advanced projects, the 100%-owned Horseshoe, Raven and West Bear Deposits in the eastern Athabasca Basin, and the Kianna, Anne and Colette Deposits and the 58B Area within the 49%-owned Shea Creek Project in the western Athabasca Basin.

UEX is 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 Resources Canada Inc. ("AREVA") that is operated by UEX, ten joint-ventured with AREVA and one under option from JCU (Canada) Exploration 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 338,972 hectares (837,618 acres), are located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium district, which accounts for approximately 22% of global primary uranium production.

UEX's 100%-owned projects are the Hidden Bay Project ("Hidden Bay"), the Riou Lake Project, and the Northern Athabasca Projects. Hidden Bay includes the Horseshoe, Raven and West Bear Deposits.

The Hidden Bay National Instrument 43-101 ("N.I. 43-101") compliant mineral resource estimates at a cut-off grade of 0.05% U₃O₈ are as follows:

Deposit		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)
<i>Horseshoe</i>	Indicated	5,119,700	0.203	22,895,000	Inferred	287,000	0.166	1,049,000
<i>Raven</i>		5,173,900	0.107	12,149,000		822,200	0.092	1,666,000
<i>West Bear</i>		78,914	0.908	1,578,500		-	-	-
TOTAL		10,372,514	0.160	36,622,500		1,109,200	0.111	2,715,000

UEX also operates the Black Lake Project, a joint venture with AREVA under which UEX holds an 89.96% interest and AREVA holds a 10.04% interest. The Black Lake Project was the site of a uranium discovery made by UEX during a drilling program in September 2004.

The Western Athabasca Projects, which include the Anne, Colette and Kianna Deposits and the 58B Area located on the Shea Creek Project, are ten joint ventures with UEX holding a 49% interest and AREVA holding a 51% interest. AREVA is the operator of the Western Athabasca Projects. UEX and AREVA are currently in the process of negotiating joint venture agreements for these projects.

The Shea Creek N.I. 43-101 compliant mineral resource estimates based upon drilling results to December 31, 2009 at a cut-off grade of 0.30% U₃O₈ are as follows:

Deposit		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)
<i>Kianna</i>	Indicated	713,000	1.442	22,665,000	Inferred	573,100	1.360	17,184,000
<i>Anne</i>		484,500	2.368	25,295,000		299,300	0.674	4,448,000
<i>Colette</i>		675,100	1.049	15,613,000		196,500	0.668	2,893,000
TOTAL		1,872,600	1.540	63,572,000		1,068,900	1.041	24,525,000

UEX holds an option with JCU to acquire a 25% interest in the Beatty River Project (“Beatty River”), located in the western Athabasca Basin in northern Saskatchewan, by funding \$865,000 in exploration expenditures by December 31, 2011. Beatty River is located 40 kilometres south of the Shea Creek uranium deposits. At present, AREVA holds a 50.7% interest and JCU holds a 49.3% interest in Beatty River. At June 30, 2010, UEX’s expenditures under the option were \$787,455.

Growth Strategy

The main growth strategies of UEX are:

- To continue the exploration and development work required to delineate and develop economic resources at the Shea Creek Project;
- To advance the development process at the Horseshoe, Raven and West Bear Deposits;
- To maintain, explore and advance to discovery its other uranium projects; and
- To pursue a diversified portfolio of projects from early exploration through to development and production.

Uranium Industry Trends

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

During 2009, the uranium spot price peaked at US\$54.00 per pound U₃O₈ during the month of June, and the long-term uranium price peaked at US\$70.00 per pound U₃O₈ during March. On August 9, 2010 the spot price was at US\$46.50 per pound U₃O₈. The long-term uranium price was US\$60.00 per pound U₃O₈ as of July 26, 2010. (Spot and long-term uranium prices stated are as reported by The Ux Consulting Company, LLC at www.uxc.com).

In recent years, the nuclear industry has seen increased capacity at existing nuclear plants, extensions of plant licenses, and new plant planning and construction. Electricity demands are rising rapidly worldwide. Public opinion in many countries has moved in favour of nuclear power, and recent historically high natural gas and oil prices have made nuclear energy the lowest cost option in some countries. In the U.S., other than hydro, nuclear energy is the least expensive source of electricity, and several U.S. utilities have recently taken steps toward the planning and construction of new nuclear power plants. Global warming and clean energy concerns also support increased interest in nuclear power.

Uranium Supply and Demand

Uranium supply sources include primary mine production and secondary sources. Principal primary producers of uranium include Cameco Corporation (“Cameco”) and AREVA, both of which produce principally from deposits in the Athabasca Basin of northern Saskatchewan. In 2009,

worldwide annual consumption was estimated at approximately 169 million pounds U₃O₈. World primary production in 2009 was approximately 130 million pounds U₃O₈. 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, resulting in the need for further primary mine supply.

Demand for uranium is directly linked to the level of electricity generated by nuclear power plants. As of January 2010, 436 reactors were in operation worldwide. Nuclear electricity generation worldwide is growing, since world nuclear generating capacity continues to expand as more reactors are built than are closed, and existing reactors are being operated at higher capacity.

Long-Term Outlook

In 2000, uranium spot prices reached a low of US\$7.10 per pound U₃O₈ due to the increased availability of secondary supplies, short-term lower demand, and increased inventory sales. The spot price is at US\$46.50 per pound of U₃O₈ as of the date of this document, and the long-term uranium market outlook remains positive with increased consumption and the continuing drawdown of secondary uranium sources. Given the lead time necessary to find and develop new mines, the projected gap in both supply and future depletion of existing, high-grade uranium deposits means that uranium exploration must be accelerated in order to meet future demand.

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

Selected Financial Information

The following is selected financial data from the audited financial statements of UEX for the last three completed fiscal years. The data should be read in conjunction with the audited financial statements for the year ended December 31, 2009 and the notes thereto.

For the Years Ended December 31

	2009	2008	2007
	\$	\$	\$
Investment income	85,704	1,249,734	3,034,219
Net loss for the year	(8,020,216)	(8,803,994)	(5,472,534)
Basic and diluted earnings (loss) per share	(0.04)	(0.05)	(0.03)
Capitalized exploration and development expenditures, net of non-cash items	14,503,291	28,852,805	35,199,037
Total assets	163,317,185	154,984,327	153,021,833

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

	June 2010	March 2010	Dec. 2009	Sep. 2009	June 2009	March 2009	Dec. 2008	Sep. 2008
	\$	\$	\$	\$	\$	\$	\$	\$
Investment income	28,345	21,511	9,404	11,981	18,389	45,930	207,887	251,284
Net earnings (loss) for the period	(589,383)	(316,104)	(821,778)	(1,638,125)	(5,231,009)	(329,304)	23,363	(2,098,103)
Basic and diluted earnings (loss) per share	(0.003)	(0.002)	(0.004)	(0.009)	(0.027)	(0.002)	0.000	(0.011)
Capitalized exploration and development expenditures, net of non-cash items	2,500,527	2,716,071	1,631,760	4,238,985	3,185,818	5,446,728	6,816,899	6,680,659
Total assets	162,662,703	163,299,342	163,317,185	160,901,363	160,778,872	152,469,623	154,984,327	154,941,483

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 197,162,652 common shares were issued and outstanding as of June 30, 2010, 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 August 12, 2010, the number of common shares outstanding remained at 197,162,652.

At June 30, 2010, the Company had a total of 16,754,700 stock options outstanding related to director, employee and consultant options, the details of which are as follows:

Exercise Prices	Number Outstanding, June 30, 2010	Weighted-Average Remaining Contractual Life
\$ 0.72	200,000	2.9 years
0.84	300,000	4.0 years
0.87	1,900,000	9.0 years
0.95	575,000	4.2 years
1.00	600,000	9.5 years
1.20	4,020,000	5.7 years
1.34	1,685,000	9.2 years
1.45	6,350,000	6.5 years
1.80	99,700	5.0 years
2.75	175,000	4.7 years
3.56	850,000	6.2 years
	16,754,700	6.8 years

Results of Operations for the Three-Month Period Ended June, 2010

For the three-month period ended June 30, 2010, the Company reported a net loss of \$589,383 compared to a net loss of \$5,231,009 for the three months ended June 30, 2009. The lower net loss for the three-month period ended June 30, 2010 was primarily due to a \$4,609,688 decrease in stock-based compensation, and a \$33,678 decrease in other operating expenses.

Investment income was \$28,345 for the three-month period ended June 30, 2010, compared to \$18,389 for the three months ended June 30, 2009, an increase of \$9,956 due to higher average interest rates during 2010 than those existing during the three months ended June 30, 2009.

During the three-month period ended June 30, 2010, the Company granted 2,100,000 stock options with a weighted-average fair value of \$0.50 per option, compared to the granting of 7,850,000 stock options with a weighted-average fair value of \$0.84 during the three months ended June 30, 2009. The granting and vesting of stock options during the three-month period ended June 30, 2010 resulted in total stock-based compensation expense of \$531,436, of which \$129,978 was allocated to mineral property expenditures and the remaining \$401,458 was charged to operations. The granting and vesting of stock options during the three months ended June 30, 2009 resulted in total stock-based compensation expense of \$5,642,151, of which \$631,005 was allocated to mineral property expenditures and \$5,011,146 was charged to operations.

The future income tax recovery for the three-month periods ended June 30, 2010 and 2009 were \$69,099 and \$80,795, respectively. These future income tax recoveries reflect the benefit of similar increases in future income tax assets during the periods.

Operating expenses before stock-based compensation expense for the three-month period ended June 30, 2010 were \$285,369, compared to \$319,047 for the three months ended June 30, 2009. This decrease of \$33,678 is mainly due to a \$25,791 decrease in legal and audit fees and a \$14,176 decrease in salaries and benefits.

Results of Operations for the Six-Month Period Ended June 30, 2010

For the six-month period ended June 30, 2010, the Company reported a net loss of \$905,487 compared to a net loss of \$5,560,313 for the six months ended June 30, 2009. The lower net loss for the six-month period ended June 30, 2010 was primarily due to a \$4,621,737 decrease in stock-based compensation and a \$59,739 decrease in other operating expenses, offset by a \$14,463 decrease in investment income.

Investment income was \$49,856 for the six-month period ended June 30, 2010, compared to \$64,319 for the six months ended June, 2009, a decrease of \$14,463 due to lower interest rates during 2010 being applied to lower cash balances than those existing during the six months ended June 30, 2009.

During the six-month period ended June 30, 2010, the Company granted 2,100,000 stock options with a weighted-average fair value of \$0.50 per option, compared to the granting of 7,850,000 stock options with a weighted-average fair value of \$0.84 during the six months ended June 30, 2009. The granting and vesting of stock options during the six-month period ended June 30, 2010 resulted in total stock-based compensation expense of \$689,429, of which \$170,250 was allocated to mineral property expenditures and the remaining \$519,179 was charged to operations. The granting and vesting of stock options during the six months ended June 30, 2009 resulted in total stock-based compensation expense of \$5,914,139, of which \$773,223 was allocated to mineral property expenditures and \$5,140,916 was charged to operations.

The future income tax recovery for the six-month periods ended June 30, 2010 and 2009 were \$142,313 and \$154,500, respectively. These future income tax recoveries reflect the benefit of similar increases in future income tax assets during the periods.

Operating expenses before stock-based compensation expense for the six-month period ended June 30, 2010 were \$578,477, compared to \$638,216 for the six months ended June 30, 2009. This decrease of \$59,739 is mainly due to a \$42,551 decrease in legal and audit fees and a \$27,896 decrease in salaries and benefits.

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

Project	Balance December 31, 2009	Exploration & Development Expenditures During the Period	Balance June 30, 2010
Hidden Bay	\$ 69,040,753	\$ 2,022,127	\$ 71,062,880
Western Athabasca	46,403,391	3,215,951	49,619,342
Black Lake	15,409,894	31,062	15,440,956
Riou Lake	9,011,798	10,080	9,021,878
Northern Athabasca	5,438,633	19,020	5,457,653
Beatty River	604,797	182,658	787,455
	\$145,909,266	\$ 5,480,898	\$151,390,164

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

During the six-month period ended June 30, 2010, the Company incurred exploration and development expenditures totaling \$5,216,598, before non-cash stock-based compensation, future income taxes and amortization totaling \$264,300. Exploration and development expenditures during the six months ended June 30, 2009 totaled \$8,632,546, before non-cash stock-based compensation, future income taxes and amortization totaling \$1,090,993. This \$3,415,948 decrease in expenditures, before non-cash items, is due to lower overall exploration and development budgets for 2010 relating to the Hidden Bay Project, compared to 2009. The Company conducted extensive drilling programs at its Hidden Bay Project during the six months ended June 30, 2009 while performing the necessary drilling for the purposes of obtaining N.I. 43-101 resource estimates on its Horseshoe and Raven Deposits, which were received during 2009. As a result, drilling conducted in 2010 was considerably reduced when compared to 2009.

Financing Activities

The Company did not issue any common shares during the six-month period ended June 30, 2010.

During the six months ended June 30, 2009, the Company issued 8,700,000 flow-through common shares at \$1.00 per share for gross proceeds of \$8,700,000, pursuant to a brokered private placement. A commission of \$348,000 was paid to the broker and \$78,968 of additional issuance costs were incurred.

During the six-month period ended June 30, 2010, the Company renounced \$12,763,472 of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds, and the Company recorded the related future income tax liability of \$3,446,137, with a corresponding reduction in share capital.

Liquidity and Capital Resources

As UEX has not begun production on any of its exploration and development properties, the Company does not generate cash from operations. As at June 30, 2010 the Company had current assets of \$11,078,056, including \$10,897,916 in cash and cash equivalents, compared to current assets as at December 31, 2009 that totaled \$17,243,131. Working capital at June 30, 2010 was \$10,782,211, compared to working capital of \$16,548,206 at December 31, 2009. At June 30, 2010, the Company's cash balances were invested in highly liquid term deposits redeemable within 90 days or less. The Company had sufficient cash resources at June 30, 2010 to fund its remaining 2010 budgets for exploration, development and administrative costs. The Company anticipates having working capital of approximately \$7 million at its fiscal year end.

Accounts payable and accrued liabilities at June 30, 2010 were \$295,845, which is lower than the amount at December 31, 2009 of \$694,925 due to a lower amount of exploration and development activities during June 2010 compared to December 2009.

The Company has an obligation under operating leases for its office premises until November 30, 2015. The future minimum lease payments are as follows: 2010 - \$21,665; 2011 - \$56,197; 2012 - \$57,653; 2013 - \$59,110; 2014 - \$60,566; and 2015 - \$56,743. The Company has no other financial commitments or obligations beyond those required to fund exploration and development related to the maintenance and title of its mineral dispositions and its option agreement obligations to JCU.

The Company's net future income tax liability of \$18,196,768 at June 30, 2010 is comprised of a \$19,649,013 future income tax liability related to the tax effect of the difference between the carrying value of the Company's mineral properties and their tax values, offset by the Company's future income tax assets totaling \$1,452,245. At December 31, 2009, the Company's net future income tax liability was \$14,829,975.

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

Off-Balance Sheet Arrangements

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

Financial Instruments

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

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company's objective when managing capital is 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 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. Accounts payable and accrued liabilities are due within the current operating period.

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The maximum exposure to credit risk is equal

to the carrying value of cash and cash equivalents and accounts receivable. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments that are redeemable 90 days or less from the original date of acquisition.

The Company is subject to interest rate risk on its cash and cash equivalents.

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

Related Party Transactions

The Company did not have any related party transactions during the six-month periods ended June 30, 2010 and 2009.

Exploration and Development Activities

The following is a general discussion of UEX's exploration and development activities during the six-month period ended June 30, 2010. 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: 2010 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 154,301 hectares (381,286 acres).

UEX has approved total 2010 expenditures of approximately \$11.8 million proposed by AREVA for the Western Athabasca Projects. The 2010 expenditures include an exploration budget of \$8.7 million, of which \$7.96 million has been allocated to Shea Creek, and a development budget for Shea Creek of \$3.1 million. Subsequent to the budget approval, AREVA informed UEX that they wished to reduce the 2010 development budget to approximately \$750,000 due primarily to extreme exchange rate fluctuations (AREVA's global budget is calculated in Euros) and to Canadian human resource limitations. Expenditures under the joint venture are funded 49% by UEX and 51% by AREVA.

Shea Creek Project

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

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

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

The Kianna, Anne and Colette Deposits within Shea Creek are distributed along a strike length of over three kilometres of the north-northwest trending Saskatoon Lake graphitic conductor. The Saskatoon Lake Conductor is coincident with a southwest-dipping reverse fault that displaces the

flat-lying unconformity with the overlying Athabasca Group sandstone by several tens of metres. Depths to the unconformity typically range from 700 to 740 metres.

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

- Basement-hosted mineralization ("B") is found in zones up to 200 metres below the unconformity. Drilling at the Kianna Deposit ("Kianna") has outlined a zone of this style of mineralization with a strike length of 200 metres and a downdip extension of 160 metres which includes intercepts such as SHE-114-11 grading 4.09% U_3O_8 over 45.0 metres, including 18.07% U_3O_8 over 6.0 metres. This mineralization style is also seen at the Anne Deposit ("Anne") and the Colette Deposit ("Colette"), which includes intercepts such as SHE-122-1 at Anne, grading 4.21% U_3O_8 over 36.0 metres, including 23.17% U_3O_8 over 3.5 metres, and SHE-111-6 at Colette, grading 3.23% U_3O_8 over 8.0 metres. The basement mineralization at Colette has been traced over a strike length of 240 metres, and is largely open. In the 58B Area, basement mineralization includes intercepts such as 2.21% U_3O_8 over 2.6 metres, including 6.73% U_3O_8 over 0.7 metres in SHE-58B.
- Unconformity-type mineralization ("UC") is disseminated, nodular and massive mineralization in close proximity to the unconformity. Drilling between Kianna and Anne has established that mineralization at the unconformity is continuous between the deposits, indicating a strike length of at least 1,000 metres of mineralization which is open in all directions. Intercepts of this style include SHE-115-3, grading 9.34% U_3O_8 over 12.2 metres, including 21.15% U_3O_8 over 4.3 metres at Kianna and SHE-99-2, grading 5.65% U_3O_8 over 17.9 metres, including 14.55% U_3O_8 over 6.5 metres at Anne. The unconformity mineralization at Colette has been traced over a strike length of 650 metres, and is open in all directions. Intercepts at Colette include SHE-52 grading 2.34% U_3O_8 over 16.8 metres. Recent drilling in the 58B Area has intersected significant unconformity mineralization such as 6.55% U_3O_8 over 2.4 metres in SHE-133-4.
- Perched mineralization ("P") is sandstone-hosted pervasive and fracture-controlled pitchblende-bearing mineralization found in discrete zones tens of metres above the unconformity. At Kianna, the largest of these pods has a defined strike length of 80 metres and a width of 60 metres, and includes intercepts such as SHE-114-5, grading 20.72% eU_3O_8 over 10.2 metres, including 27.73% eU_3O_8 over 7.60 metres. This mineralization style at Colette includes intercepts such as SHE-111-11, grading 1.43% U_3O_8 over 6.0 metres. Fracture/fault-controlled perched mineralization is also developed within the Anne area; however intersections cannot be correlated between drill holes with the current density of drill information.

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

Uranium grades reported below are calculated from gamma probe logging. True widths of mineralized intervals have not yet been determined. The probe results are reported as uranium equivalent (eU_3O_8). Equivalent uranium probe results are obtained using a DHT27-STD gamma probe which collects continuous readings along the length of the drill hole. Probe results are calibrated using a radiometric to grade conversion calculated from the comparison of probe results against geochemical analyses in previous drill holes in the Shea Creek area. The reader is referred to UEX's news release of March 24, 2009 for further discussion of probe calibration and comparative treatment of geochemical and probe data.

Shea Creek Resource Estimate

The N.I. 43-101 compliant independent mineral resource estimate for the Shea Creek deposits was commissioned by UEX, and completed by Golder Associates Ltd. ("Golder") of Burnaby, B.C. (see UEX's news release of May 26, 2010). A supporting technical report entitled "Technical Report on the Shea Creek Property, Saskatchewan, Canada including Mineral Resource Estimates for the Kianna, Anne and Colette Deposits" by K. Palmer, P.Geo. with an effective date of May 26, 2010 was filed on SEDAR on July 9, 2010.

The resource estimate for Shea Creek incorporates resources from the Kianna, Anne and Colette Deposits based on drilling information up to December 31, 2009. Mineralization encountered during the ongoing 2010 program is therefore not included.

At a cut-off grade of 0.30% U₃O₈, Indicated Mineral Resources for the three Shea Creek deposits comprise 1,872,600 tonnes grading 1.54% U₃O₈ containing 63.57 million pounds of U₃O₈, and an additional 1,068,900 tonnes grading 1.04% U₃O₈ in the Inferred category containing 24.53 million pounds of U₃O₈.

This estimate confirms Shea Creek as the largest undeveloped uranium resource in the Athabasca Basin. It also ranks as the third largest uranium resource in the Basin, exceeded in size only by McArthur River and Cigar Lake. Resources at Shea Creek have been expanding from the beginning of drilling in 2004 through the present 2010 work. Since the largest areas of the existing resource, including the Kianna and Colette basement zones, continue to be open along most dimensions, there is significant potential to expand resources. In addition, new areas of mineralization remain undefined, such as the sparsely tested 58B Area that is currently being explored.

Shea Creek resources at various cut-off grades are summarized in Table 1. Significantly, at higher cut-off grades most of the contained uranium is retained at substantially higher grades. For example, at a 1.5% U₃O₈ cut-off grade, the contained uranium and 3.79% Indicated grade are comparable to the Cameco Corporation operated pre-development stage Millennium Deposit resource which is calculated at a substantially lower cut-off of 0.5% U₃O₈.

TABLE 1
Shea Creek Mineral Resources, Tonnes and Grade at Various U₃O₈ % Cut-offs.

These mineral resources were completed in May 2010 (incorporating drilling information up to December 31, 2009) using CIM standards of estimation of mineral resources and reserves.

Category	Cut-off U₃O₈ (%)	Tonnes	Grade U₃O₈ (%)	U₃O₈ (lbs)
Indicated	0.10	2,733,900	1.118	67,414,000
	0.30	1,872,600	1.540	63,572,000
	0.50	1,383,000	1.946	59,342,000
	1.00	785,200	2.885	49,948,000
	1.50	509,500	3.786	42,527,000
Inferred	0.10	1,862,800	0.674	27,688,000
	0.30	1,068,900	1.041	24,525,000
	0.50	746,700	1.323	21,776,000
	1.00	322,700	2.159	15,360,000
	1.50	188,700	2.829	11,771,000

The majority of the resources are from the Kianna and Anne Deposits, where a significant portion of the resources lie in basement rocks beneath the Athabasca unconformity. A breakdown of resources by deposit at a cut-off grade of 0.3% U₃O₈ is provided in Table 2 and at a cut-off grade of 1.0% U₃O₈ in Table 3.

TABLE 2
Breakdown of the Contribution of Each Deposit at Shea Creek to the Total Resources at a 0.3% U₃O₈ Cut-off.

Deposit		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)
Kianna	Indicated	713,000	1.442	22,665,000	Inferred	573,100	1.360	17,184,000
Anne		484,500	2.368	25,295,000		299,300	0.674	4,448,000
Colette		675,100	1.049	15,613,000		196,500	0.668	2,893,000
TOTALS		1,872,600	1.540	63,572,000		1,068,900	1.041	24,525,000

TABLE 3
Breakdown of the Contribution of Each Deposit at Shea Creek to the Total Resources at a 1.0% U₃O₈ Cut-off.

Deposit		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)		Tonnes	Grade U ₃ O ₈ (%)	U ₃ O ₈ (lbs)
Kianna	Indicated	297,400	2.687	17,621,000	Inferred	256,000	2.329	13,143,000
Anne		232,300	4.321	22,130,000		43,100	1.402	1,332,000
Colette		255,600	1.811	10,205,000		23,600	1.700	884,000
TOTALS		785,200	2.885	49,948,000		322,700	2.159	15,360,000

The Shea Creek resource estimate was prepared by K. Palmer, P.Geol., of Golder, an independent Qualified Person as defined by N.I. 43-101, and peer reviewed by G. Greenough, P.Geol. and O. Tavchandjian, P.Geol., both of Golder. The resource calculation utilized 361 diamond drill holes (totaling 292,100 metres) which were drilled from 1992 to 2009. Drill spacing across the deposits is variable, ranging from about 7 metres to more than 50 metres, which is reflected in the different resource categories.

The mineralized wireframe models from the Kianna, Anne and Colette Deposits which form the basis of the resource outlines were constructed using a minimum cut-off grade of 0.05% U₃O₈. The resource estimate utilized a geostatistical-block model technique with ordinary kriging methods and the DATAMINE Studio 3 software package. Log histogram and log probability plots were created for uranium geochemical data for each mineralized zone in order to define a capping strategy, and as a result a total of 52 samples were capped at various grades for the different zones.

The resource database utilized primarily uranium geochemical analyses from the Saskatchewan Research Council (SRC) Geoanalytical Laboratories in Saskatoon, Saskatchewan. In addition to AREVA's internal quality controls, duplicate and independent check analyses were performed by UEX on sample suites representing approximately 5% of the mineralized assay database since mineralization was discovered in 1992. In cases where geochemical analyses were not available due to incomplete sampling or core recovery issues, downhole gamma probe data were used to calculate equivalent uranium grades based on correlation of assays with previous probe results. A total of 678 dry bulk density samples, representing all rock types and mineralization styles from the three Shea Creek deposits, form a comprehensive basis for the density component of the resource estimate.

2010 Drilling and Exploration Program at Shea Creek

The 2010 exploration program at Shea Creek began in mid-January and consists of diamond drilling utilizing at least four drills. The drilling program was initially intended to focus on the Kianna, Anne, and Colette Deposits as well as the area between the Kianna and Colette Deposits ("58B Area").

Kianna Deposit

2010 drilling at Kianna has been planned to:

- Investigate the north side of the Kianna Deposit. A new pilot hole was placed 100 metres north of the main deposit to investigate the potential for unconformity mineralization. Directional drilling from this pilot hole will test potential open mineralization associated with drill hole SHE-114-17, as well as the downdip extension of the Kianna basement mineralization which to date has not been determined;
- Test the eastern portion of the Kianna basement mineralization and the extent of the high-grade mineralization recently intersected in drill hole SHE-114-20 grading 1.02% eU₃O₈ over 141.4 metres, including 5.55% eU₃O₈ over 15.8 metres (see UEX's news release of November 19, 2009); and
- Further investigate the western and downdip portions of the Kianna basement where open areas of potential mineralization may exist.

Anne Deposit

Mineralization at the Anne Deposit is open in many areas of the unconformity, and also to the southeast. The 2010 drilling program at Anne was intended to further step out to the southeast along strike to test open areas of mineralization, which could expand the overall strike length of the mineralization at Shea Creek. A new pilot hole and three directional cuts were initially planned. Due to the success of the drilling program at the 58B Area during the first half of 2010, UEX and AREVA have reallocated funds intended for the Anne Deposit drill program and have expanded the drill program in the 58B Area.

Area Between the Kianna and Colette Deposits ("58B Area")

The area between the Kianna and Colette Deposits, along a one-kilometre strike length of the Shea Creek conductive trend, is highly prospective and has been tested by very few holes. Previous drilling intersected multiple intervals of basement-hosted mineralization in the 58B Area located 700 metres northwest of Kianna. In 1997, drill hole SHE-58B intersected unconformity mineralization grading 0.44% eU₃O₈ over 8.1 metres and basement-hosted mineralization grading 2.21% U₃O₈ over 2.6 metres including 6.73% U₃O₈ over 0.7 metres.

Drilling in the 58B Area during 2009 intersected basement-hosted mineralization grading 1.34% eU₃O₈ over 3.2 metres and 0.88% eU₃O₈ over 1.1 metres in drill hole SHE-133-2 (see UEX's news release of November 19, 2009). This basement-hosted mineralization occurs in steeply dipping vein systems, suggesting the potential for Kianna-style structurally controlled mineralization in the basement.

The 2010 drilling program at 58B is utilizing the previously drilled pilot holes SHE-133 and SHE-104. Nine directional cuts were completed from these pilot holes (see UEX's news releases of March 17, 2010 and June 14, 2010). Highlights of the drill results include:

- **SHE-133-3: (UC) 1.81% eU₃O₈ over 7.6 metres, including
2.65% eU₃O₈ over 4.8 metres, and
(B) 4.80% eU₃O₈ over 0.9 metres;**
- **SHE-133-4: (UC) 6.55% eU₃O₈ over 2.4 metres.**
- **SHE-133-5: (UC) 3.00% eU₃O₈ over 2.9 metres, and
(B) 6.53% eU₃O₈ over 1.6 metres;**
- **SHE-133-6: (UC) 1.48% eU₃O₈ over 0.8 metres, and
(B) 6.17% eU₃O₈ over 1.6 metres;**
- **SHE-133-7: (UC) 2.13% eU₃O₈ over 10.6 metres;**
- **SHE-133-8: (UC) 2.57% eU₃O₈ over 1.5 metres;**
- **SHE-133-9: (UC) 1.90% eU₃O₈ over 1.1 metres;**
- **SHE-104-5: (B) 1.18% eU₃O₈ over 0.9 metres; and**
- **SHE-104-6: (UC) 2.10% eU₃O₈ over 1.2 metres.**

These results, along with historical holes, have outlined continuous unconformity mineralization over a northwesterly strike length of 200 metres and at least 80 metres in lateral width. These results have expanded the overall footprint of mineralization suggesting the potential for a new deposit.

The mineralization in the 58B Area was not included in the N.I. 43-101 compliant resource estimate and consequently will increase the overall Shea Creek resource.

A significant aspect of the basement intercepts in the 58B Area is that many occur in a set of east-northeast-trending, steeply dipping pitchblende veins which drilling has intersected to a depth of at least 100 metres below the Athabasca unconformity. This mineralization style and orientation at 58B are comparable to the Kianna Deposit basement mineralization, which forms a large part of the overall Shea Creek resource, and which itself is still open.

The presence of all three styles of mineralization (basement, unconformity and perched) in the 58B Area is encouraging, and is typical of the Kianna, Anne and Colette Deposits. These three deposits and the 58B Area lie along the same structural trend, which is underlain by the over 30-kilometre long graphitic Saskatoon Lake Conductor. 58B occurs within the sparsely drilled 800-metre strike length of this trend situated between the Kianna and Colette Deposits, including a 400-metre interval having only one reconnaissance drill hole. Consequently, there is room for identification of additional deposits and a high potential for interconnectivity of mineralization such as exists along the greater than one-kilometre strike length comprising the Kianna and Anne Deposits.

Colette Deposit

Previous drilling at the Colette Deposit is widely spaced and, as a result, the extent of high-grade mineralization at the unconformity is poorly defined. In addition, a significant zone of basement mineralization which is open downdip to the west was intersected in multiple drill holes completed in 2007 and 2008 in southern parts of this deposit. Perched mineralization in northern portions of this deposit also remains only partially outlined. Drilling in 2010 at Colette was initially planned to:

- Test the continuity of higher-grade mineralization at the unconformity;
- Expand the extent of the perched mineralization located in the northern part of this deposit and test for underlying basement mineralization. Stacked zones of mineralization observed in the other deposits at Shea Creek may also exist here; and
- Test open extensions of basement mineralization located in the southern part of this deposit.

Due to the success of the drilling program at the 58B Area during the first half of 2010, UEX and AREVA have reallocated funds intended for the Colette Deposit drill program to the expansion of the drill program in the 58B Area.

2010 Development Work at Shea Creek

Development work at Shea Creek was reduced to a budget of \$750,000, due primarily to extreme exchange rate fluctuations (AREVA's global budget is calculated in Euros) as well as Canadian human resource limitations. Development expenses will serve to update surface infrastructure including a review of options regarding power generation. The expenses will also provide for the collection of geotechnical and hydrogeological information in the new areas of exploration. AREVA, the joint venture operator, had previously considered the possibility of sinking an exploration shaft to facilitate the exploration of the Shea Creek deposits from underground. Upon further review, it was decided that the rate of resource expansion achieved using surface drilling was significantly faster, and at a lower cost, than the exploration shaft alternative and hence surface drilling has been adopted as the best approach for this phase of the project.

2010 Exploration Program at the Mirror River Project

The Mirror River Project is one of the ten 49%-owned Western Athabasca Uranium Projects joint-ventured with AREVA, the operator. A \$643,000 budget for 2010 was approved to carry out a ground geophysical program of IP/DC resistivity. UEX's 49% share of this budget is \$315,000. This ground geophysical program was completed on April 22, 2010 and consisted of 52.5 line-kilometres of IP/DC resistivity over conductive areas outlined by a previous airborne MEGATEM® survey that has the potential to be associated with unconformity-style uranium mineralization. Results of the geophysical program are being processed, compiled and interpreted.

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 50.7% interest and JCU owns a 49.3% 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, 2011.

No significant exploration work was conducted on the Beatty River Project during 2009.

A 2010 diamond drilling program consisting of three holes totaling 1,164 metres at a cost of approximately \$485,000 has been completed. No significant mineralization was intersected. Results of the drilling program are being processed, compiled and interpreted.

Hidden Bay Project: 2010 Exploration and Development Programs

UEX operates its 100%-owned Hidden Bay Project, which consists of 41 claims totaling 57,024 hectares (140,909 acres). The Horseshoe, Raven and West Bear Deposits are located within the Hidden Bay Project.

A budget of \$1.6 million was approved for UEX's 2010 winter program on the Hidden Bay property.

Winter 2010 Drilling Program at Telephone Lake

A winter 2010 diamond drilling program in the Telephone Lake area of the Hidden Bay property consisting of 21 holes totaling 6,531 metres commenced on February 1st and was completed on March 1st. Two drills, operated by Driftwood Diamond Drilling Ltd. of Smithers, British Columbia, were utilized during the program.

The drilling program was designed to test potential downdip continuation of known mineralization, to test along strike for extensions of unconformity mineralization, and to test gaps where widely-spaced sections have geology favourable for basement-hosted mineralization. Results of the drilling program are being processed, compiled and interpreted.

Winter 2010 Geophysical Program in the Telephone-Shamus Area

A geophysical program consisting of approximately 200 line-kilometres of linecutting and 120 line-kilometres of DC Resistivity and gravity was completed in May 2010. This geophysical survey extended from the southwestern parts of the Telephone Lake area southwesterly to the Hidden Bay property boundary and tested for areas of alteration potentially associated with uranium mineralization. Areas of anomalous alteration and low-grade mineralization have previously been intersected in several drill holes on the Shamus grid and mineralization occurs to the southwest on adjacent properties along the same trend. Results of the geophysical program are being processed, compiled and interpreted.

Summer 2010 Compilation Program at the Hidden Bay Property

A small field program is presently being carried out by UEX geological personnel to examine and evaluate historical drill core on the Hidden Bay Property. This program is part of a comprehensive

property-wide compilation of previous exploration data. This compilation will result in the generation of new drill targets that will form part of future drilling programs.

Uranium Deposits

Hidden Bay is host to three uranium deposits which have recently estimated N.I. 43-101 compliant resources: Horseshoe, Raven and West Bear. These deposits are of the unconformity type: West Bear is a classic unconformity-hosted deposit at very shallow depths, while Horseshoe and Raven are basement-hosted varieties of the unconformity type. Previous N.I. 43-101 compliant resources are supported by a technical report by K. Palmer, P.Geo. of Golder Associates Ltd. with an effective date of January 23, 2009. This report was filed at www.sedar.com ("SEDAR") on February 19, 2009. In July 2009, UEX received updated N.I. 43-101 resources based on additional drilling and expansion of the known area of deposits from the late fall 2008 and winter 2009 drilling programs. A N.I. 43-101 compliant report with an effective date of July 15, 2009 was filed on SEDAR on September 8, 2009. The updated resources using a 0.05% U₃O₈ cut-off grade are provided in Tables 4 and 5 below:

Table 4
July 2009 N.I. 43-101 Compliant Indicated Mineral Resources on the Hidden Bay Project at a Cut-off Grade of 0.05% U₃O₈

Deposit	Tonnes	U ₃ O ₈ (%)	U ₃ O ₈ (lbs)
Horseshoe	5,119,700	0.203	22,895,000
Raven	5,173,900	0.107	12,149,000
West Bear	78,914	0.908	1,578,500
Total	10,372,514	0.160	36,622,500

Table 5
July 2009 N.I. 43-101 Compliant Inferred Mineral Resources on the Hidden Bay Project at a Cut-off Grade of 0.05% U₃O₈
(There are no Inferred resources for the West Bear Deposit)

Deposit	Tonnes	U ₃ O ₈ (%)	U ₃ O ₈ (lbs)
Horseshoe	287,000	0.166	1,049,000
Raven	822,200	0.092	1,666,000
Total	1,109,200	0.111	2,715,000

The resource estimates were calculated using a minimum cut-off grade of 0.01% U₃O₈ utilizing a geostatistical-block model technique with ordinary kriging methods and the DATAMINE Studio 3 software package.

Horseshoe and Raven Deposits

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

UEX received a report on metallurgical test work for the Horseshoe and Raven Deposits. Representative samples derived from composited drill core assay rejects from the Horseshoe Deposit and from three HQ-diameter metallurgical holes, two from Horseshoe and one from Raven, have undergone testing for leach and effluent treatment conditions and grindability analysis under the direction of Melis Engineering Ltd. of Saskatoon, Saskatchewan at SGS Lakefield Research Limited in Lakefield, Ontario. These tests indicate that uranium in both deposits is easily leached under relatively mild atmospheric leach conditions, producing leach extractions of 98%, and lacking any significant concentrations of deleterious elements such as arsenic, molybdenum, selenium or base metals.

Horseshoe and Raven mineralization is comprised of pitchblende and other uranium oxides and silicates without the potentially deleterious nickel-arsenide minerals that may affect extraction and pose tailings disposal problems. Initial effluent treatment testwork indicates that regulatory

discharge limits will be achievable. Tailings aging tests of waste raffinate and leach residue suggest that while molybdenum and residual uranium levels in the tailings supernatant increase upon aging, excess tailings water would be re-used and/or treated in the mill process and waste treatment circuits under normal operating conditions to potentially mitigate these effects. These results suggest that methods for treatment of waste and effluent generated by the processing of this mineralization would be comparable to those in use at operating mines in the area.

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

As part of the advancement of development on the Horseshoe and Raven Deposits, environmental baseline studies carried out by Golder to collect biological, hydrogeological and other environmental data were completed in 2009. During the 2007 and 2008 drilling programs, geotechnical studies were completed to assess rock properties and the hydrogeology of the Horseshoe and Raven Deposits area. The Company is currently reviewing draft reports on this work, and has initiated a scoping level evaluation of the potential economic viability of mining the deposits.

The Horseshoe and Raven Deposits are situated in close proximity to two mills, namely Cameco's Rabbit Lake Mill less than 5 kilometres to the northeast of these deposits, and AREVA's McClean Lake facilities located 22 kilometres to the northwest of these deposits, which could facilitate potential production if such a decision is made. Given the location of the Horseshoe and Raven Deposits in impermeable basement rocks, any open pits created by mining either deposit will be evaluated as tailings disposal facilities for UEX's deposits.

Scoping Studies for Horseshoe and Raven

With a high proportion of the Horseshoe and Raven resource base in the Indicated category, UEX has engaged SRK Consulting (Canada) Inc. of Vancouver, British Columbia and Saskatoon, Saskatchewan to perform a scoping-level evaluation of the potential economic viability of mining the deposits, which could then be advanced to feasibility level if results are encouraging. These studies 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, operating plans, cash flow analyses and projections in order to determine net present values and internal rates of return for the deposits at various uranium price levels. In support of such work, environmental baseline studies have been underway since 2006, previously reported metallurgical studies have been completed and initial geotechnical studies have been performed. UEX has engaged a Mining Engineer to oversee all monitoring of the project.

West Bear Deposit

On January 5, 2009, UEX announced it had received a N.I. 43-101 compliant resource estimate report from Golder for the West Bear Deposit. The mineral resource estimate contains 78,914 tonnes grading 0.908% U₃O₈ in the Indicated category containing 1.58 million pounds U₃O₈ at a cut-off grade of 0.05% U₃O₈. A supporting technical report entitled "Technical Report on the Hidden Bay Property, Saskatchewan, Canada including Mineral Resource Estimates for Horseshoe, Raven and West Bear Deposits" by K. Palmer, P.Geol. with an effective date of January 23, 2009 was filed on SEDAR on February 19, 2009.

West Bear Preliminary Feasibility Study

UEX received the results of the Preliminary Feasibility Study (the "Study") on the West Bear Deposit prepared by Golder (see UEX's news release of February 18, 2010). The Study has been filed on SEDAR at www.sedar.com and posted on UEX's website at www.uex-corporation.com.

The Study has upgraded the previously released West Bear resource estimate to a Probable Mineral Reserve estimate of 1,492,261 pounds of U₃O₈ grading 0.94% U₃O₈ at a cut-off of 0.18% U₃O₈ which represents 96% of the mineral resource. The high conversion rate reflects the near-

surface nature of the West Bear mineralization which is amenable to open-cast mining in a shallow pit.

The Study presents a base case scenario uranium price of \$77.73 (Canadian) per pound of U₃O₈, resulting in a Net Present Value of \$23.4 million and an Internal Rate of Return of 118%. The feasibility of mining West Bear is most sensitive to the uranium price and is moderately sensitive to capital and operating costs. A detailed uranium price sensitivity analysis is provided in the Study as follows:

U ₃ O ₈ Price (C\$/lb)	Pre-tax		Post-tax	
	NPV (C\$M)	IRR (%)	NPV (C\$M)	IRR (%)
50.00	-2.8	n/a	-3.1	n/a
75.00	32.6	161	20.8	105
77.73 (base case)	36.5	180	23.4	118
100.00	68.0	332	44.6	223
125.00	103.5	502	68.5	340

The uranium price sensitivity analysis is presented on an undiscounted basis as West Bear would be mined within a period of approximately 12 months. Potentially economic material would be mined using open-pit methods and then transported off-site to an existing processing facility for custom milling. Capital costs are estimated to be approximately \$20.8 million and mine closure costs are estimated at \$8.75 million. Working capital requirements are estimated to be approximately \$0.5 million per month over the life of the operation. The Study concludes with various recommendations regarding environmental, socio-economic, toll milling and mining matters.

Other Athabasca Projects

During 2009, UEX's major focus was to expand on the successes of exploration and development on its Hidden Bay and Western Athabasca Projects. Consequently, no significant exploration work was conducted on its Black Lake, Riou Lake and Northern Athabasca Projects during 2009 or planned for 2010.

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, Saskatchewan.

Riou Lake Project

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

Northern Athabasca Projects

UEX's 100%-owned Northern Athabasca Projects consists of five projects totaling 57,975 hectares in 17 claims located on the northern rim of the Athabasca Basin near Stony Rapids, Saskatchewan.

Qualified Person

The disclosure of technical information regarding UEX's properties in this MD&A has been reviewed and approved by R. Sierd Eriks, P.Geo., UEX's Vice President of Exploration, who is a Qualified Person as defined by N.I. 43-101.

Risks and Uncertainties

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

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

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

Uranium price fluctuations could adversely affect UEX

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

Competition in the uranium industry could adversely affect UEX

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

Resource estimates are based on interpretation and assumptions

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

Mineralization estimates for UEX's properties may require adjustments or downward revisions based upon further exploration or development work, actual production experience, or future changes in uranium price. In addition, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

In addition, certain of the resource estimates presented in this document and in UEX's filings with securities regulatory authorities, press releases and other public statements that may be made

from time to time are historical estimates. These historical estimates were not made using current Canadian Institute of Mining, Metallurgy and Petroleum categories and no current resource or reserve confidence categories were applied. As a result, these estimates are not compliant with N.I. 43-101. UEX has not independently verified the results of these historical resource estimates and they may not be reliable.

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

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

Competition from other energy sources and public acceptance of nuclear energy

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

Dependence on key management employees

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

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

Mining and refining operations and exploration activities, particularly uranium mining, refining and conversion in Canada, are subject to extensive regulation by provincial, state, municipal and federal governments. Such regulations relate to production, development, exploration, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mines decommissioning and reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing and constructing. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact UEX's decision to proceed with exploration or development or that such laws or regulations may result in UEX incurring significant costs to remediate or decommission properties which do not comply with applicable environmental standards at such time. UEX believes it is in substantial compliance with all material laws and regulations that currently apply to its operations. However, there can be no assurance that all permits which UEX may require for the conduct of uranium exploration operations will be obtainable or can be maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any uranium exploration project which UEX

might undertake. World-wide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies.

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

Dilution from further equity financing

If UEX raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders of UEX and reduce the value of their investment.

Conflicts of interest

Some of the directors of UEX are also directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of those consequences will be that corporate opportunities presented to a director of UEX may be offered to another company or companies with which the director is associated, and may not be presented or made available to UEX. The directors of UEX are required by law to act honestly and in good faith with a view to the best interests of UEX, to disclose any interest which they may have in any project or opportunity of UEX, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by procedures prescribed in the Company's Code of Ethics and by the Canada Business Corporations Act.

Accounting policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and they may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with Canadian GAAP. Management of UEX exercises judgement in applying accounting methods to ensure that, while GAAP compliant, they reflect the most appropriate manner in which to record the Company's financial condition and operating results. In certain instances, Canadian GAAP allows accounting policies and methods to be selected from two or more alternatives, any of which might be reasonable but may result in UEX reporting materially different amounts. Management regularly re-evaluates its assumptions but the choice of method or policy employed may have a significant impact on the actual values reported.

Internal controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Market price of shares

Securities of mining companies have experienced substantial volatility in the past, including during the current credit crisis, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of UEX's securities is also likely to be significantly affected by short-term changes in commodity prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of operations as reflected in its periodic reports. Other factors unrelated to the performance of UEX that may have an effect on the price of the securities of UEX include the following: the extent of analytical coverage available to investors concerning the business of UEX may be limited if investment banks with research capabilities do not follow UEX's securities;

lessening in trading volume and general market interest in UEX's securities may affect an investor's ability to trade significant numbers of securities of UEX; and the size of UEX's public float and its inclusion in market indices may limit the ability of some institutions to invest in UEX's securities. If an active market for the securities of UEX does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the securities of UEX at any given point in time may not accurately reflect the long-term value of UEX. Securities class-action litigation has been brought against companies following periods of volatility in the market price of their securities. UEX may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Reliance on other companies as operators

Where another company is the operator and majority owner of a property in which UEX has an interest, UEX is and will be, to a certain extent, dependent on that company for the nature and timing of activities related to those properties and may be unable to direct or control such activities.

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

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

International Financial Reporting Standards ("IFRS")

The use of IFRS for financial reporting in Canada will be applicable for the fiscal year beginning January 1, 2011. The Company's IFRS transition plan consists of three main phases – Scoping, Analysis and Implementation. The Scoping phase involves a high-level analysis of the significant accounting differences between IFRS and Canadian GAAP and determining the potential impact of the new accounting standards on business areas such as information technology, internal controls and disclosure controls. The Analysis phase involves a more comprehensive analysis of the accounting standards, including the development of accounting policies and the quantification of the conversion impact. The Implementation phase executes the changes identified in the Analysis phase.

The Company has completed the Scoping phase, and both the Analysis and Implementation phases are in progress. The Company has made an initial determination of which IFRS 1 optional elections may be utilized. In addition, the Company has made an initial determination of which accounting policies will be adopted under IFRS. The Company is still analyzing how IFRS will impact financial statement disclosure and the options that are available. A more in-depth discussion of the expected accounting changes follows after the transition plan summary.

The following table highlights some of the key activities in the transition plan and what has been accomplished as of June 30, 2010.

Key Activity	Milestones	Status
<i>Financial Statement Preparation</i>		
<ul style="list-style-type: none"> • Identification of significant accounting differences • Selection of accounting policy choices • Selection of choices available under IFRS 1 (first-time adoption) • Financial statement format • Changes in disclosure 	<p>Identification of major differences and accounting policy choices made during the third quarter of 2010</p> <p>Quantification and development of disclosure to occur through 2010</p>	<p>Identification of areas of major accounting differences completed</p> <p>Completed review of probable accounting changes</p> <p>Completed review of probable utilization of IFRS 1 optional elections</p> <p>Detailed analysis required for financial statement disclosure options</p>
<i>Infrastructure</i>		
<ul style="list-style-type: none"> • Development of knowledge and resources • IT impact assessment and conversion 	<p>Major knowledge training completed by end of 2009; new developments monitored throughout 2010</p> <p>IT systems ready to process information in parallel in 2010</p>	<p>Formal course training completed and more courses being attended throughout 2010</p> <p>Regular updates provided to the audit committee</p> <p>IASB activity being monitored on ongoing basis</p> <p>IT system ready to account for the Company's activities under both Canadian GAAP and IFRS for 2010</p>
<i>Control Environment</i>		
<ul style="list-style-type: none"> • Assessment of impact on ICFR and DC&P • Changes in processes to accommodate IFRS • Documentation requirements 	<p>Processes and documentation to be complete by end of 2010</p>	<p>Impact assessment started</p> <p>Processes and policies being evaluated and amended to accommodate accounting policy choices</p>
<i>Business Policy</i>		
<ul style="list-style-type: none"> • Assessment of impact on capital adequacy 	<p>Assessment to be complete by mid-2010</p>	<p>Impact assessment to be monitored throughout 2010</p>

Financial Statement Impact – IFRS 1

The Company expects to use the IFRS 1 optional election related to Stock-based Compensation available to first time adopters of IFRS.

IFRS – Accounting Policy Choices

To date, the Company has identified one accounting policy choice which is significantly different from the Company's current accounting policies. Under *IFRS 6 Exploration for and Evaluation of Mineral Resources*, there are two options for the recognition and measurement of exploration and evaluation expenditures. The Company is currently reviewing the option to expense exploration and evaluation expenditures through the statement of operations as they are incurred. This would be a departure from the Company's current accounting practice of capitalizing mineral property exploration costs until such time as the project to which they relate is put into commercial production, sold, abandoned or the recovery of costs is determined to be unlikely. This may also impact the recognition and measurement of future income taxes in accordance with *IAS 12, Income Taxes*.

The Company is in the process of assessing the IFRS conversion adjustments, but does not expect any significant changes from the adoption of the following IFRS:

- *IFRS 2 – Share Based Payments;*
- *IAS 16 - Property, Plant and Equipment;*
- *IAS 36 - Impairment of Assets; and*
- *IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.*

Critical Accounting Estimates

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

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

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

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

Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Company’s Board and Audit Committee.

Internal Controls Over Financial Reporting

The Company’s certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

There have been no changes in the Company’s internal controls over financial reporting that occurred during the most recent interim period ended June, 2010 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 that are not historical facts are forward-looking statements and are prospective. These statements appear in a number of different places in this Management Discussion and Analysis, but principally under the headings "Overview" and "Outlook" above and can be identified by words such as "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the commencement or advancement of exploration activities on our properties, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of any legal proceedings, and other expectations, intention and plans that are not historical fact. Forward-looking statements are based on certain factors and assumptions including expected economic conditions, uranium prices, results of operations, performance, and business prospects and opportunities. UEX considers the factors and assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions readers that these assumptions may ultimately prove to be incorrect. Forward-looking statements by their nature necessarily involve risks, uncertainties and other factors including without limitation, the risk that uranium price fluctuations could adversely affect UEX, that UEX's exploration activities may not result in profitable commercial mining operations, that competition from other energy sources and public acceptance of nuclear energy may affect UEX's prospects, that competition in the uranium industry could adversely affect UEX, that failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties, that compliance with and changes to environmental and other regulatory laws could adversely affect UEX, and other factors described herein under "Risks and Uncertainties" as well as other 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.

UEX CORPORATION
INTERIM FINANCIAL STATEMENTS
JUNE 30, 2010
(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
INTERIM BALANCE SHEETS
(Unaudited - Prepared by Management)

	June 30 2010	December 31 2009
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	10,897,916	16,938,416
Amounts receivable	115,618	200,152
Prepaid expenses	64,522	104,563
	<hr/>	<hr/>
	11,078,056	17,243,131
Equipment (Note 3)	154,483	164,788
Mineral properties (Note 4)	151,390,164	145,909,266
	<hr/>	<hr/>
	162,662,703	163,317,185
<hr/>		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	295,845	694,925
Future income taxes (Note 5)	18,196,768	14,829,975
	<hr/>	<hr/>
	18,492,613	15,524,900
<hr/>		
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	134,697,971	138,144,108
Contributed surplus (Note 7)	37,739,624	37,050,195
Deficit	(28,307,505)	(27,402,018)
	<hr/>	<hr/>
	144,130,090	147,792,285
	<hr/>	<hr/>
	162,622,703	163,317,185
<hr/>		

Commitments (Note 9)

APPROVED ON BEHALF OF THE BOARD:

Graham C. Thody (Signed)

Emmet McGrath (Signed)

Refer to accompanying notes.

UEX CORPORATION**INTERIM STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT***(Unaudited - Prepared by Management)*

	Three-Month Period Ended June 30 2010 \$	Three-Month Period Ended June 30 2009 \$	Six-Month Period Ended June 30 2010 \$	Six-Month Period Ended June 30 2009 \$
Expenses				
Amortization	2,563	2,599	4,965	5,001
Bank charges and interest	697	743	1,387	1,485
Filing fees and stock exchange	29,268	31,200	83,999	89,473
General and administration	79,431	73,467	124,385	121,519
Insurance	11,209	11,253	22,417	22,507
Legal and audit	17,137	42,928	44,572	87,123
Rent	26,428	25,453	52,060	50,409
Salaries and benefits	108,262	122,438	221,111	249,007
Stock-based compensation	401,458	5,011,146	519,179	5,140,916
Telephone	2,210	2,233	4,484	4,446
Travel and promotion	8,164	6,733	19,097	7,246
Loss before the following	(686,827)	(5,330,193)	(1,097,656)	(5,779,132)
Investment income	28,345	18,389	49,856	64,319
Loss before income taxes	(658,482)	(5,311,804)	(1,047,800)	(5,714,813)
Future income tax recovery (Note 5)	69,099	80,795	142,313	154,500
Net loss and comprehensive loss for the period	(589,383)	(5,231,009)	(905,487)	(5,560,313)
Deficit, beginning of period	(27,718,122)	(19,711,106)	(27,402,018)	(19,381,802)
Deficit, end of period	(28,307,505)	(24,942,115)	(28,307,505)	(24,942,115)
Basic and diluted loss per share	(0.003)	(0.027)	(0.005)	(0.030)
Basic and diluted weighted average number of shares outstanding	197,162,652	191,064,590	197,162,652	187,404,157

Refer to accompanying notes.

UEX CORPORATION
INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Prepared by Management)

	Three-Month Period Ended June 30 2010	Three-Month Period Ended June 30 2009	Six-Month Period Ended June 30 2010	Six-Month Period Ended June 30 2009
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(589,383)	(5,231,009)	(905,487)	(5,560,313)
Items not involving cash				
Amortization	2,563	2,599	4,965	5,001
Stock-based compensation	401,458	5,011,146	519,179	5,140,916
Future income tax recovery	(69,099)	(80,795)	(142,313)	(154,500)
Changes in non-cash working capital				
Amounts receivable	(39,013)	(9,795)	98,167	71,835
Prepaid expenses	30,449	98,514	40,041	59,351
Accounts payable and accrued liabilities	(27,243)	(3,747)	(68,062)	(189,555)
	(290,268)	(213,087)	(453,510)	(627,265)
Investing activities				
Mineral property expenditures	(2,981,468)	(3,564,978)	(5,561,249)	(11,322,543)
Purchase of equipment	(16,928)	(783)	(25,741)	(7,193)
	(2,998,396)	(3,565,761)	(5,586,990)	(11,329,736)
Financing activities				
Issuance of share capital	-	8,273,032	-	8,273,032
Change in cash and cash equivalents during the period				
	(3,288,664)	4,494,184	(6,040,500)	(3,683,969)
Cash and cash equivalents, beginning of period	14,186,580	15,988,152	16,938,416	24,166,305
Cash and cash equivalents, end of period	10,897,916	20,482,336	10,897,916	20,482,336
Supplementary Information				
Interest received	1,645	20,666	11,466	83,045
Non-cash transactions:				
Increase (decrease) in accounts payable and accrued liabilities relating to mineral property expenditures	(570,424)	(523,768)	(331,018)	(2,774,244)
Decrease (increase) in amounts receivable relating to mineral property expenditures	89,483	144,608	(13,633)	84,247
Non-cash stock-based compensation included in mineral property expenditures	129,978	631,005	170,250	773,223
Increase to mineral properties due to future income taxes	48,074	233,385	62,969	285,986
Amortization included in mineral properties	16,780	15,982	31,081	31,784

Refer to accompanying notes.

UEX CORPORATION
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SIX-MONTH PERIOD ENDED JUNE 30, 2010
(Unaudited - Prepared by Management)

1. Nature of Operations

The Company is in the business of exploring and developing its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from the disposition of its mineral properties.

2. Basis of Presentation and Significant Accounting Policies

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") 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, 2009.

a) Business Combinations

Effective January 1, 2010, the Company adopted three new CICA accounting standards:

- CICA Handbook Section 1582, "Business Combinations" which replaces CICA Handbook Section 1581, "Goodwill and Business Combinations," and establishes revised standards for the recognition, measurement, presentation and disclosure of business acquisitions and aligns Canadian GAAP with International Financial Reporting Standards.
- CICA Handbook Section 1601, "Consolidated Financial Statements" and CICA Handbook Section 1602, "Non-Controlling Interests," which replace Handbook Section 1600, "Consolidated Financial Statements," and establish revised standards for the preparation of consolidated financial statements.

The adoption of these standards had no impact on the Company's interim financial statements.

b) International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board announced that Canadian publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011. As a result, the Company will publish its first financial statements, prepared in accordance with IFRS, for the quarter ending March 31, 2011. The Company will also provide comparative data on an IFRS basis, including an opening balance sheet as at January 1, 2010.

While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences on recognition, measurement and disclosures. While the effects of IFRS have not yet been fully determined, the Company has identified a number of key areas which are likely to be impacted by changes in accounting policy and disclosures, including the accounting for mineral properties and future income taxes.

UEX CORPORATION
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SIX-MONTH PERIOD ENDED JUNE 30, 2010
(Unaudited - Prepared by Management)

3. Equipment

			June 30 2010	December 31 2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Exploration equipment	313,198	231,801	81,397	95,761
Computer equipment	287,244	221,974	65,270	60,342
Furniture and fixtures	12,883	5,067	7,816	8,685
	613,325	458,842	154,483	164,788

4. Mineral Properties

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

	Balance December 31 2009	Exploration and development expenditures during the period	Balance June 30 2010
	\$	\$	\$
Hidden Bay	69,040,753	2,022,127	71,062,880
Western Athabasca	46,403,391	3,215,951	49,619,342
Black Lake	15,409,894	31,062	15,440,956
Riou Lake	9,011,798	10,080	9,021,878
Northern Athabasca	5,438,633	19,020	5,457,653
Beatty River	604,797	182,658	787,455
	145,909,266	5,480,898	151,390,164

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

(a) Hidden Bay Project

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

(b) Western Athabasca Projects

The Western Athabasca Projects, located in the western Athabasca Basin, which include the Kianna, Anne and Colette Deposits, are ten joint ventures with the Company holding a 49% interest and AREVA Resources Canada Inc. ("AREVA") holding a 51% interest as at June 30, 2010. The Company is in the process of preparing joint venture agreements with AREVA.

The Kianna, 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.

(c) Black Lake Project

The Black Lake Project, located in the northern Athabasca Basin, is a joint venture with the Company holding an 89.96% interest and AREVA holding a 10.04% interest as at December 31, 2009.

UEX CORPORATION
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SIX-MONTH PERIOD ENDED JUNE 30, 2010
(Unaudited - Prepared by Management)

4. Mineral Properties (Cont'd)

(d) Riou Lake Project

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

(e) Northern Athabasca Projects

The Company has a 100% interest in the Northern Athabasca Projects located in the northern Athabasca Basin.

(f) Beatty River Project

The Company holds an option with JCU (Canada) Exploration Company, Limited to acquire a 25% interest in the Beatty River Project, located in the western Athabasca Basin, by funding \$865,000 in exploration expenditures by December 31, 2011.

5. Future Income Taxes

The tax effects of temporary differences that give rise to significant portion of the Company's future income tax assets and liabilities at June 30, 2010 and December 31, 2009 are presented below:

	June 30 2010	December 31 2009
	\$	\$
Future income tax assets:		
Loss carry forwards	1,196,735	1,055,763
Equipment	41,154	39,813
Share issuance costs	214,356	214,356
	<u>1,452,245</u>	<u>1,309,932</u>
Future income tax liabilities:		
Mineral properties	<u>(19,649,013)</u>	<u>(16,139,907)</u>
Net future income tax liabilities	<u>(18,196,768)</u>	<u>(14,829,975)</u>

A reconciliation of income taxes at statutory rates with the reported taxes for the three-month and six-month periods ended June 30, 2010 and 2009 is as follows:

	Three-Month Period Ended June 30 2010 \$	Three-Month Period Ended June 30 2009 \$	Six-Month Period Ended June 30 2010 \$	Six-Month Period Ended June 30 2009 \$
Loss before income taxes	(658,482)	(5,311,804)	(1,047,800)	(5,714,813)
Income recovery at statutory rates	187,667	1,593,541	298,623	1,714,444
Non-deductible expenses and permanent differences	(114,169)	(1,503,768)	(148,404)	(1,542,776)
Future tax rate differences	(4,399)	(8,978)	(7,906)	(17,168)
Future income tax recovery	<u>69,099</u>	<u>80,795</u>	<u>142,313</u>	<u>154,500</u>

UEX CORPORATION
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SIX-MONTH PERIOD ENDED JUNE 30, 2010
(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, 2009	197,162,652	138,144,108
Future income taxes on flow-through expenditures renounced to shareholders	-	(3,446,137)
Balance, June 30, 2010	197,162,652	134,697,971

During February 2010, the Company renounced \$12,763,472 of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds, and the Company recorded a future income tax liability of \$3,446,137, with a corresponding reduction in share capital.

(c) Stock-Based Compensation

A summary of the status of the Company's stock-based compensation plan as of June 30, 2010, and changes during the six-month period then ended, are presented below:

	Number of Shares	Weighted-Average Exercise Price \$
Outstanding – December 31, 2009	14,654,700	1.46
Granted during the period	2,100,000	0.86
Outstanding – June 30, 2010	16,754,700	1.38
Exercisable – June 30, 2010	14,171,368	1.44

The estimated fair value of all options granted and vested during the six-month period ended June 30, 2010 is \$689,429 (2009 - \$5,914,139). Included in deferred exploration and development expenditures is \$170,250 (2009 - \$773,223) of stock-based compensation. The unamortized balance of stock-based compensation expense for options that were not vested at June 30, 2010 is \$1,267,664.

The weighted-average fair value of options granted during the six-month period ended June 30, 2010 was \$0.50 per option (2009 - \$0.84) using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2010	2009
Volatility percentage	92%	91%
Risk-free interest rate	2.21%	1.7%
Dividend yield	-	-
Expected life of options	3 years	3 years

UEX CORPORATION
NOTES TO THE INTERIM FINANCIAL STATEMENTS
SIX-MONTH PERIOD ENDED JUNE 30, 2010
(Unaudited - Prepared by Management)

6. Share Capital (Cont'd)

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

As at June 30, 2010, the Company had a total of 16,754,700 stock options outstanding related to director, employee and consultant options, the details of which are as follows:

Exercise Prices	Number Outstanding June 30, 2010	Weighted-Average Remaining Contractual Life
\$		
0.72	200,000	2.9 years
0.84	300,000	4.0 years
0.87	1,900,000	9.0 years
0.95	575,000	4.2 years
1.00	600,000	9.5 years
1.20	4,020,000	5.7 years
1.34	1,685,000	9.2 years
1.45	6,350,000	6.5 years
1.80	99,700	5.0 years
2.75	175,000	4.7 years
3.56	850,000	6.2 years
	16,754,700	6.8 years

7. Contributed Surplus

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

	\$
Contributed surplus, December 31, 2009	37,050,195
Fair value of options vested during the period	689,429
Contributed surplus, June 30, 2009	37,739,624

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:

2010	\$ 21,665
2011	56,197
2012	57,653
2013	59,110
2014	60,566
2015	56,743

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

UEX CORPORATION
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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10. Management of Capital

The Company's objective when managing capital is 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 makes adjustments to it, based on funds available to the Company, in order to support the exploration and development of its mineral properties. Historically, the Company has relied exclusively on the issuance of common shares for its capital requirements.

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

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

11. Management of Financial Risk

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in Note 10 of these interim financial statements. Accounts payable and accrued liabilities are due within the current operating period.

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

The Company is subject to interest rate risk on its cash and cash equivalents.

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

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

Cash and cash equivalents are classified as held-for-trading and are therefore recorded at fair value. At June 30, 2010, the Company's cash and cash equivalents of \$10,897,916 (December 31, 2009 - \$16,938,416) are classified as Level 1 within the fair value hierarchy.



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Vice-President, Finance and Corporate Secretary