

Financial Statements of

UEX CORPORATION

Years ended December 31, 2006 and 2005



KPMG LLP
Chartered Accountants
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Fax (604) 691-3031
Internet www.kpmg.ca

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of UEX Corporation as at December 31, 2006 and 2005 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP (signed)

Chartered Accountants

Vancouver, Canada

February 28, 2007

UEX CORPORATION

Balance Sheets

December 31, 2006 and 2005

	2006	2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 76,866,056	\$ 44,921,021
Amounts receivable	465,424	423,835
Prepaid expenses	74,412	33,220
	<u>77,405,892</u>	<u>45,378,076</u>
Equipment (note 3)	202,092	61,100
Mineral properties (note 4)	60,386,498	37,689,052
	<u>\$ 137,994,482</u>	<u>\$ 83,128,228</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 837,401	\$ 1,896,519
Future income taxes (note 5)	11,346,499	9,121,818
Shareholders' equity:		
Share capital (note 6)	119,783,082	71,526,422
Contributed surplus (note 7)	11,132,774	1,998,577
Deficit	(5,105,274)	(1,415,108)
	<u>125,810,582</u>	<u>72,109,891</u>
Nature of operations (note 1)		
Commitments (notes 4 and 9)		
Subsequent events (notes 6(d) and 10)		
	<u>\$ 137,994,482</u>	<u>\$ 83,128,228</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

"Stephen H. Sorensen" Director

"Graham C. Thody" Director

UEX CORPORATION

Statements of Operations and Deficit

Years ended December 31, 2006 and 2005

	2006	2005
Expenses:		
Amortization	\$ 5,314	\$ 21,929
Bank charges and interest	1,270	2,243
Filing fees and stock exchange	141,247	111,255
General and administration	99,344	85,200
Insurance	29,342	16,742
Legal, accounting and audit	131,873	148,406
Rent	62,845	39,055
Salaries and benefits	414,855	259,594
Stock-based compensation (note 6(c))	8,375,524	431,102
Telephone	8,804	6,938
Travel and promotion	48,600	33,074
Loss before the following	(9,319,018)	(1,155,538)
Investment and other income	3,266,404	812,979
Administrative expense recovery	-	82,698
Write-down of mineral properties (note 4)	-	(1,672)
Loss before income taxes	(6,052,614)	(261,533)
Future income tax recovery (note 5)	2,362,448	750,454
Net earnings (loss) for the year	(3,690,166)	488,921
Deficit, beginning of year	(1,415,108)	(1,904,029)
Deficit, end of year	\$ (5,105,274)	\$ (1,415,108)
Earnings (loss) per share:		
Basic	\$ (0.02)	\$ -
Diluted	(0.02)	-
Weighted average number of shares outstanding:		
Basic	178,985,557	158,987,256
Diluted	182,107,061	163,503,886

See accompanying notes to financial statements.

UEX CORPORATION

Statements of Cash Flows

Years ended December 31, 2006 and 2005

	2006	2005
Cash provided by (used for):		
Operations:		
Net earnings (loss) for the year	\$ (3,690,166)	\$ 488,921
Items not involving cash		
Amortization	5,314	21,929
Future income tax recovery	(2,362,448)	(750,454)
Stock-based compensation	8,375,524	431,102
Write-down of mineral properties	-	1,672
Changes in non-cash operating working capital:		
Amounts receivable	(41,589)	(269,960)
Prepaid expenses	(41,192)	(10,048)
Accounts payable and accrued liabilities	8,333	(40,708)
	2,253,776	(127,546)
Financing:		
Common shares issued, net of share issuance costs	51,804,427	38,016,942
Investments:		
Mineral property expenditures	(21,920,482)	(17,191,476)
Purchase of equipment	(192,686)	(25,082)
	(22,113,168)	(17,216,558)
Increase in cash and cash equivalents	31,945,035	20,672,838
Cash and cash equivalents, beginning of year	44,921,021	24,248,183
Cash and cash equivalents, end of year	\$ 76,866,056	\$ 44,921,021
Supplementary information:		
Interest received	\$ 3,239,265	\$ 747,796
Non-cash transactions:		
Decrease in accounts payable and accrued liabilities relating to mineral property expenditures	1,067,451	67,000
Non-cash stock-based compensation included in mineral property expenditures	1,183,116	216,003
Increase in mineral properties due to future income taxes	614,919	312,035
Amortization included in mineral properties	46,380	-

See accompanying notes to financial statements.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

1. Nature of operations:

The Company was incorporated under the Canada Business Corporations Act on October 2, 2001. On October 23, 2001, the Company entered into an agreement with Pioneer Metals Corporation (Pioneer) and Cameco Corporation (Cameco) to establish the Company as a public uranium exploration company. On July 17, 2002, under a plan of arrangement with Pioneer, Pioneer transferred to the Company its uranium exploration properties and all related assets, including the Riou Lake and Black Lake Projects. On the same date, Cameco transferred its Hidden Bay uranium exploration property and certain related assets, in exchange for shares of the Company.

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

2. Significant accounting policies:

(a) Use of estimates:

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

(b) Cash equivalents

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

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

2. Significant accounting policies (continued):

(c) Equipment:

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

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

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

(d) Mineral properties:

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 the recovery of costs is determined to be unlikely. Upon reaching commercial production, these capitalized costs are amortized over the estimated ore reserves on a unit-of-production basis. For properties which do not yet have proven reserves, the amounts shown represent costs to date and are not intended to represent present or future values. The underlying value of all properties is entirely dependent on the existence and economic recovery of reserves in the future. All administrative costs are expensed in the year incurred.

(e) Asset retirement obligations:

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

(f) Financial instruments:

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

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

2. Significant accounting policies (continued):

(g) Stock-based compensation:

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

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

(h) Income taxes:

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

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

(i) Earnings (loss) per share:

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding and earnings (loss) available to shareholders. For all periods presented, earnings (loss) available to shareholders equals reported earnings (loss). The treasury stock method is used to calculate diluted earnings per share. However, outstanding options and warrants would have no dilutive effects on basic loss per share for 2006 due to the Company's loss for the year.

(j) Variable interest entities:

The Company applies Canadian Institute of Chartered Accountants (CICA) Accounting Guideline 15, *Consolidation of Variable Interest Entities* (AcG-15). AcG-15 prescribes the application of consolidation principles for entities that meet the definition of a variable interest entity (VIE). An enterprise holding other than a voting interest in a VIE could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses, receive the majority of its expected residual returns, or both. Management has determined the Company does not have any variable interest entities for the years ended December 31, 2006 and 2005.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

3. Equipment:

2006	Cost	Accumulated amortization	Net book value
Exploration equipment	\$ 200,729	\$ 61,600	\$ 139,129
Computer equipment	70,506	14,464	56,042
Computer software	12,992	7,614	5,378
Furniture and fixtures	1,714	171	1,543
	\$ 285,941	\$ 83,849	\$ 202,092

2005	Cost	Accumulated amortization	Net book value
Exploration equipment	\$ 80,410	\$ 27,757	\$ 52,653
Computer equipment	10,609	3,280	7,329
Computer software	2,236	1,118	1,118
	\$ 93,255	\$ 32,155	\$ 61,100

4. Mineral properties:

The continuity of expenditures on mineral properties is as follows:

Project	Balance December 31, 2005	Exploration and development expenditures	Write-down of mineral properties	Balance December 31, 2006
West Athabasca	\$ 11,050,485	\$ 6,810,174	\$ -	\$ 17,860,659
Hidden Bay	15,612,941	6,227,201	-	21,840,142
Black Lake	5,015,925	5,416,115	-	10,432,040
Riou Lake	4,684,083	2,205,191	-	6,889,274
Beatty River	238,687	209,813	-	448,500
North Athabasca	1,086,931	1,828,952	-	2,915,883
	\$ 37,689,052	\$ 22,697,446	\$ -	\$ 60,386,498

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

4. Mineral properties (continued):

Project	Balance December 31, 2004	Exploration and development expenditures	Write-down of mineral properties	Balance December 31, 2005
West Athabasca	\$ 3,480,946	\$ 7,569,539	\$ -	\$ 11,050,485
Hidden Bay	11,514,610	4,098,331	-	15,612,941
Black Lake	1,654,998	3,360,927	-	5,015,925
Riou Lake	2,824,469	1,859,614	-	4,684,083
Beatty River	27,009	211,678	-	238,687
North Athabasca	534,506	552,425	-	1,086,931
Other	1,672	-	(1,672)	-
	\$ 20,038,210	\$ 17,652,514	\$ (1,672)	\$ 37,689,052

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

(a) West Athabasca Projects:

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

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

The Company will earn a 12.25% interest in the West Athabasca Projects, which includes the Anne, Colette and Kianna deposits, for every \$7,500,000 incurred to a maximum total interest of 49%. At December 31, 2006, the Company has earned a 24.5% interest in the West Athabasca Projects.

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

(b) Hidden Bay Project:

The Company's 100%-owned Hidden Bay Project assets, including the West Bear and Raven-Horseshoe deposits, are located immediately west of Wollaston Lake in Saskatchewan.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

4. Mineral properties (continued):

(c) Black Lake Project:

The Black Lake Project, located in the Athabasca Basin, is a joint venture with the Company holding an 87.24% (2005 - 76.43%) interest and AREVA holding a 12.76% (2005 - 23.57%) interest as at December 31, 2006. As a result of AREVA electing not to participate in the 2006 exploration programs at Black Lake, the Company's interest in the Black Lake Project increased and AREVA's interest decreased by 10.81%.

(d) Riou Lake Project:

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

(e) Beatty River Project:

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

(f) North Athabasca Project:

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

5. Income taxes:

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

	2006	2005
Loss before income taxes	\$ (6,052,614)	\$ (261,533)
Statutory rates	34.12%	34.87%
Income tax recovery at statutory rates	\$ 2,065,152	\$ 91,197
Non-deductible expenses and permanent differences	(2,889,916)	(195,433)
Future income taxes related to mineral properties	-	654
Benefit of previously unrecognized future income tax assets	-	870,519
Change in future corporate tax rates	3,187,212	(16,483)
Future income tax recovery	\$ 2,362,448	\$ 750,454

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

5. Income taxes (continued):

During the year ended December 31, 2006, the Federal and Saskatchewan governments enacted amendments to current tax legislation, which provided for a reduction in future corporate tax rates. The effect of the changes in income tax legislation on the Company's future income tax liability was a reduction of \$3,155,126.

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

	2006	2005
Future tax assets:		
Losses carried forward	\$ 228,323	\$ 636,807
Equipment	25,345	10,971
Share issuance costs	1,110,937	855,063
	<u>1,364,605</u>	<u>1,502,841</u>
Future tax liabilities:		
Mineral properties	(12,711,104)	(10,624,659)
	<u>\$ (11,346,499)</u>	<u>\$ (9,121,818)</u>

At December 31, 2006, the Company has approximately \$694,000 of non-capital losses available to be carried forward for federal income tax purposes that are available to offset future federal taxable income. These operating losses expire between 2011 and 2015.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

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, 2004	146,949,685	\$ 37,776,499
Issued in 2005:		
For cash by way of private placements, net of share issuance costs	16,000,000	36,292,967
Future income taxes on share issuance costs	-	753,040
For cash on exercise of stock options (note 6(c))	1,097,500	617,650
For cash on exercise of warrants	5,225,300	1,106,325
Contributed surplus transferred on exercise of stock options	-	554,541
Future income taxes on flow-through expenditures renounced to shareholders	-	(5,574,600)
Balance, December 31, 2005	169,272,485	71,526,422
Issued in 2006:		
For cash by way of private placements, net of share issuance costs	10,222,600	50,996,383
Future income taxes on share issuance costs	-	722,190
For cash on exercise of stock options (note 6(c))	1,041,500	595,544
For cash on exercise of warrants	283,333	212,500
Contributed surplus transferred on exercise of stock options	-	424,443
Future income taxes on flow-through expenditures renounced to shareholders	-	(4,694,400)
Balance, December 31, 2006	180,819,918	\$ 119,783,082

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

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

6. Share capital (continued):

(b) Issued and outstanding - common shares (continued):

During the year ended December 31, 2005, the Company entered into the following private placements:

- (i) On June 29, 2005 the Company issued 6,000,000 flow-through common shares at \$2.00 per share for gross proceeds of \$12,000,000, pursuant to a brokered private placement. A commission of \$480,000 was paid to the broker and \$70,237 of additional issuance costs were incurred; and
- (ii) On August 3, 2005 the Company issued 10,000,000 common shares at \$2.65 per share for gross proceeds of \$26,500,000, pursuant to a brokered private placement. A commission of \$1,590,000 was paid to the broker and \$66,796 of additional issuance costs were incurred.

(c) Stock-based compensation:

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

A summary of the status of the Company's stock-based compensation plan as of December 31, 2006 and 2005, and changes during the years ended on these dates are presented below.

	Number of options	Weighted-average exercise price
Outstanding, December 31, 2004	4,770,000	\$ 0.60
Granted during the year	425,000	2.19
Exercised during the year	(1,097,500)	0.56
Outstanding, December 31, 2005	4,097,500	0.78
Granted during the year	4,600,000	4.17
Exercised during the year	(1,041,500)	0.57
Outstanding, December 31, 2006	7,656,000	\$ 2.84
Exercisable, December 31, 2006	7,372,668	\$ 2.80

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

6. Share capital (continued):

(c) Stock-based compensation (continued):

As at December 31, 2006, the Company had reserved a total of 7,656,000 common shares for issuance related to director and employee options, the details of which are as follows:

Exercise prices	Number outstanding, December 31, 2006	Weighted average remaining contractual life
\$ 0.08	1,054,100	6.7 years
0.10	16,000	6.0 years
0.12	84,000	3.8 years
0.84	500,000	7.5 years
0.95	675,000	7.7 years
1.69	367,200	7.8 years
1.80	184,700	8.5 years
2.75	175,000	8.2 years
3.56	2,650,000	9.7 years
5.00	1,950,000	9.0 years
	7,656,000	8.6 years

The estimated fair value of all options granted and vested during 2006 is \$9,558,640 (2005 - \$647,105). Included in deferred exploration and development expenditures for the year is \$1,183,116 (2005 - \$216,003) of stock-based compensation. The unamortized balance of stock-based compensation expense for options that were not vested at December 31, 2006 is \$320,163 (2005 - \$321,617).

The weighted average fair value of options granted during the year ended December 31, 2006 was \$2.08 (2005 - \$1.35) per option using the Black-Scholes option pricing model with the following assumptions:

	2006	2005
Volatility percentage	69%	83%
Risk-free interest rate	3.9%	3.3%
Dividend yield	-	-
Expected life of options	3 years	4 years

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

6. Share capital (continued):

(d) Flow-through shares:

During 2006, the Company raised \$12,000,000 (2005 - \$12,000,000) by way of flow-through common shares. Once renounced by the Company, flow-through shares provide shareholders with the tax deductions associated with qualified exploration expenditures. At December 31, 2006, the flow-through funds raised by the Company have been incurred on qualified exploration expenditures.

In February 2006, the Company renounced \$12,000,000 (2005 - \$14,250,000) of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds. The Company recorded a future income tax liability of \$4,694,400 (2005 - \$5,574,600), with a corresponding reduction in share capital.

In February 2007, the Company renounced \$12,000,000 of tax deductions related to the 2006 flow-through financing and recorded share issuance costs and a future income tax liability of \$3,720,000.

7. Contributed surplus:

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

	2006	2005
Contributed surplus, beginning of year	\$ 1,998,577	\$ 1,906,013
Fair value of options granted and vested during the year	9,558,640	647,105
Transferred to share capital on exercise of options	(424,443)	(554,541)
Contributed surplus, end of year	\$ 11,132,774	\$ 1,998,577

8. Related party transactions:

During the year ended December 31, 2006, the Company was charged by Cameco, a significant shareholder, a total of \$37,875 (2005 - \$646,927) for expenses incurred by Cameco on the Company's Hidden Bay mineral property, for which no mark-up over Cameco's cost was charged. At December 31, 2006, \$7,413 due to Cameco was included in accounts payable and accrued liabilities (2005 - \$92,093).

During the year ended December 31, 2006, no fees for legal and accounting services were paid to related parties. During the year ended December 31, 2005, fees for legal and accounting services in the amount of \$115,759, a portion of which were share issuance costs, were paid to firms of which a director or a former director of the Company are partners.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2006 and 2005

9. Commitments:

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

2007	\$	40,782
2008		40,782
2009		40,782
2010		37,384

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

10. Subsequent events:

Subsequent to December 31, 2006:

- (a) The Company issued 1,298,134 common shares on the exercise of stock options for proceeds of \$2,967,246.
- (b) The Company granted stock options on February 16, 2007 enabling an officer of the Company to acquire up to 1,000,000 common shares at an exercise price of \$5.02 per share, vesting over a period of two years and expiring on February 16, 2017.



Corporate Information

Corporate Office

Suite 1007 – 808 Nelson Street
Vancouver, British Columbia, Canada V6Z 2H2

Telephone: (604) 669-2349
Fax: (604) 669-1240
e-mail: uex@intergate.ca
Website: www.uex-corporation.com

Solicitors

Blake Cassels & Graydon LLP
Suite 2600 - 3 Bentall Centre
P.O. Box 49314
595 Burrard Street
Vancouver, British Columbia V7X 1L3

Auditors

KPMG LLP
777 Dunsmuir Street
Vancouver, British Columbia V7Y 1Q3

Transfer Agency

Computershare Investor Services Inc.
3rd Floor, 510 Burrard Street
Vancouver, British Columbia V6C 3B9

Directors & Officers

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

Graham C. Thody
Chairman, Director

Colin C. Macdonald
Director

Walter T. Segsworth
Director

Suraj P. Ahuja
Director

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

E. Louie Zioulas
Vice-President, Finance

R. Sierd Eriks
Vice-President, Exploration