UEX CORPORATION

2007 ANNUAL REPORT

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Message to Shareholders

During 2007, UEX Corporation ("UEX", or the "Company") funded over 88,000 metres of exploration and development drilling at its 100%-owned, optioned, and joint-ventured uranium projects, all in the prolific Athabasca Basin. The Company's exploration and development expenditures for 2007 totaled approximately $35 million and are budgeted at approximately $30 million for 2008. UEX is well-financed, with approximately $43.0 million in cash as of the date of this document.

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

UEX received confirmation from AREVA Resources Canada Inc. ("AREVA") in January 2008 that total expenditures incurred by UEX as of December 31, 2007 on the Western Athabasca Projects (the "Projects") exceeded $30.0 million and UEX, now fully-vested, holds a 49% interest in the Projects. UEX and AREVA, as joint venture partners, are now funding expenditures on a pro rata basis: 49% by UEX and 51% by AREVA on the Projects which include the high-grade Anne, Colette and Kianna Deposits on the Shea Creek Project. AREVA believes that the Anne and Kianna Deposits have reached a size sufficient to consider underground exploration, so in early 2007, UEX approved the commencement of a development program proposed by AREVA for the Shea Creek Project, which includes the permitting and construction of one or two exploration shafts strategically located midway between the Anne and Kianna Deposits, budgeted at approximately $100 million per proposed shaft. The development work at Shea Creek regarding the planned shaft(s) is on schedule, and we expect to be in a position to apply for the permits required for shaft construction in 2008.

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

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

UEX plans to initiate a final feasibility study at the Raven and Horseshoe Deposits ("Raven" and "Horseshoe") following receipt of an N.I. 43-101 compliant resource estimate. Drilling of nearly 68,000 metres completed during the winter and summer/fall 2007 definition and exploration programs was designed to further define the extent of Horseshoe mineralization, test areas where Horseshoe mineralization extends into previously unexplored areas, and test portions of Raven to establish mineralization continuity for future resource definition. The 2007 drilling has exceeded our expectations, and in particular the results from Horseshoe are impressive, with strong continuity between drill holes and significant grades and widths of mineralization. In this economic environment, UEX plans to move aggressively to final feasibility at Raven and Horseshoe, in parallel with environmental, metallurgical and geotechnical studies that are underway. To this end, a winter 2008 program comprising approximately 45,000 metres of drilling has been focused at Raven and Horseshoe with 25,000 metres of drilling to further define the extent of Horseshoe mineralization as well as test areas where Horseshoe mineralization extends into previously unexplored areas, and an additional 20,000 metres at Raven to trace mineralization continuity for future resource definition and delineate potential new mineralized zones identified by 2007 drilling programs. The winter 2008 drilling program is expected to be completed by the end of April.

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

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

"signed"

Stephen H. Sorensen, President & CEO

March 31, 2008

Management Discussion & Analysis

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

Overview

Strategy

UEX's goals are to remain the leading uranium explorer in the Athabasca Basin of northern Saskatchewan, to advance its portfolio of uranium deposits and discoveries through the development stage, and by leveraging its strong partnerships with leading uranium producers, generate revenues through the sale of uranium production. UEX believes sustainable growth is best achieved by the acquisition and partnering of prospective uranium projects at various stages of exploration and development, located in different but prospective geological domains in the Athabasca Basin.

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

About UEX

UEX is a Canadian uranium exploration and development company actively involved in 19 uranium projects in the Athabasca Basin, including seven that are 100% owned and operated by UEX, one joint venture with AREVA that is operated by UEX, ten joint-ventured with AREVA and one under option from Japan-Canada Uranium Company, Limited ("JCU"), which are operated by AREVA. AREVA is part of the AREVA Group, the world's largest nuclear energy company. The 19 projects, totaling 385,452 hectares (952,450 acres), are located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium belt, which accounts for approximately 23% of global primary uranium production.

UEX 100% owned projects are the Hidden Bay Project, the Riou Lake Project, and the Northern Athabasca Projects, which is a collective term for the Butler Lake, Fond du Lac, Munroe Lake, Otherside River and Jacques Point projects, staked in 2004. UEX operates the Black Lake Project, a joint venture with AREVA under which UEX holds an 89.3% interest and AREVA holds a 10.7% interest. The Black Lake Project was the site of a new uranium discovery made by UEX during a drilling program in September 2004.

The Western Athabasca Projects, which include the Anne, Colette and Kianna Deposits, are ten joint ventures with UEX holding a 49% interest and AREVA holding a 51% interest as at December 31, 2007. AREVA is the operator of the Western Athabasca Projects.

In 2004, UEX entered into an agreement with AREVA whereby UEX was granted the option to acquire up to a 49% interest in eight uranium projects owned by AREVA, including the Shea Creek Project (containing the Anne and Colette uranium deposits) located in the western Athabasca Basin in northern Saskatchewan (collectively the "Western Athabasca Projects"). In December 2004, the Brander Lake and James Creek projects were staked by AREVA, bringing the total number of projects under the UEX-AREVA Western Athabasca option agreement to ten. In order to earn the 49% interest, UEX was required to fund $30 million in exploration expenditures over an eleven year period. In the event that the Anne and Colette deposits are mined, UEX agreed to pay to AREVA a royalty of US$0.212 per pound of U_3O_8, to a maximum royalty of US$10.0 million.

At December 31, 2007, UEX has earned its 49% interest in the Western Athabasca Projects having incurred expenditures in excess of $30 million. UEX is currently in the process of preparing joint venture agreements with AREVA.

In June 2004, UEX announced an agreement with JCU whereby JCU granted UEX an option to acquire a 25% interest in the Beatty River Project ("Beatty River"), located in the western

Athabasca Basin in northern Saskatchewan. Beatty River is located 40 kilometres south of the Shea Creek uranium deposits.

At present, AREVA owns a 50.71% interest and JCU owns a 49.29% interest in Beatty River. Under the agreement, UEX can earn a 25% interest in Beatty River by funding $865,000 in exploration expenditures by December 31, 2010. As at December 31, 2007, UEX's expenditures under the option were approximately $588,459.

Growth Strategy

Incurred exploration and development expenditures by UEX for 2007 were approximately $35.2 million in the Athabasca Basin. The main strategies of UEX are:

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

Uranium Industry Trends

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

Current trends are encouraging for explorers and producers of uranium. The uranium spot price has appreciated over 900% since January 2001 and by March 24, 2008 the spot price was US$73.00 per pound U_3O_8, after peaking at a spot price of US$136.00 per pound U_3O_8 during June 2007.

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

UEX believes that public opinion in many countries has moved in favour of nuclear power, and rising natural gas and oil prices have made nuclear energy the lowest cost option in some countries. In the U.S., other than hydro, nuclear energy is the cheapest source of electricity, and in recent months, several U.S. utilities have taken steps towards the construction of new nuclear power plants. Global warming concerns support increased interest in nuclear power.

Uranium Supply and Demand

Uranium supply sources include primary mine production and secondary sources. Principal primary producers of uranium include Cameco and AREVA, both of which produce principally from deposits in the Athabasca Basin of northern Saskatchewan. In 2007, worldwide annual fuel consumption was estimated at approximately 174 million pounds U_3O_8. World primary production in 2007 was approximately 107 million pounds U_3O_8, which was about 8 million pounds less than industry predictions, due to production problems. The resulting shortfall between consumption and production has been covered by several secondary sources including excess inventories held

by utilities, producers, other fuel cycle participants, reprocessed uranium and plutonium derived from used reactor fuel, and uranium derived from the dismantling of Russian nuclear weapons. These secondary sources will decline in importance as excess inventories and recycled uranium from nuclear weapons are progressively consumed over the next decade, resulting in the need for further primary mine supply.

Demand for uranium is directly linked to the level of electricity generated by nuclear power plants. As of February 2008, 439 reactors were in operation worldwide. Nuclear electricity generation worldwide is growing, since world nuclear generating capacity continues to expand as more reactors are built than are closed, and existing reactors are being operated at higher capacity.

Long Term Outlook

In 2000, uranium spot prices reached a low of US$7.10 per pound U_3O_8 due to the increased availability of secondary supplies, short term lower demand, and increased inventory sales. The spot price has since increased to US$73.00 per pound U_3O_8 as of the date of this document, and the long term uranium market outlook remains positive with increased consumption, and the continuing draw down of secondary uranium sources. Given the lead time necessary to find and develop new mines, the projected gaps in both supply and future depletion of existing high grade uranium deposits means that uranium exploration must be accelerated in order to meet future demand.

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

Selected Financial Information

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

For the Years Ended December 31

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

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

For the Quarters Ended

	December 2007	September 2007	June 2007	March 2007	December 2006	September 2006	June 2006	March 2006
	$	$	$	$	$	$	$	$
Investment income	693,362	762,380	754,608	823,869	846,630	913,154	910,953	595,667
Net earnings (loss) for the period	2,120,037	(8,373,384)	261,419	249,394	357,526	(1,981,057)	2,405,263	(4,471,898)
Basic and diluted earnings (loss) per share	0.011	(0.046)	0.001	0.001	0.002	(0.011)	0.013	(0.026)
Capitalized exploration and development expenditures, net of non-cash items	8,988,909	8,840,867	6,778,834	10,590,427	3,652,544	5,658,930	3,676,380	7,595,177
Total assets	153,021,833	153,017,409	148,362,637	148,186,531	137,994,482	139,557,023	136,398,706	138,336,861

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 182,903,052 common shares were issued and outstanding as of December 31, 2007, and an unlimited number of preferred shares issuable in series, of which 1,000,000 preferred shares have been designated Series 1 preferred shares, none of which are issued and outstanding. As of March 31, 2008, the number of common shares outstanding was 183,603,052.

At December 31, 2007, the Company had reserved a total of 10,181,200 common shares related to director, employee and consultant options, the details of which are as follows:

Exercise Prices	Number Outstanding, December 31, 2007	Weighted Average Remaining Contractual Life
$ 0.08	756,500	5.7 years
0.10	16,000	0.5 years
0.12	84,000	0.5 years
0.84	400,000	6.5 years
0.95	575,000	6.7 years
1.80	99,700	7.5 years
2.75	175,000	7.2 years
3.56	1,850,000	8.7 years
5.00	1,550,000	8.0 years
5.02	1,000,000	9.1 years
6.40	3,675,000	9.0 years
	10,181,200	8.2 years

Results of Operations for the Year Ended December 31, 2007

For the year ended December 31, 2007, the Company reported a net loss of $5,472,534 compared to net loss of $3,690,166 for the year ended December 31, 2006. The $1,782,368 increase in net loss for the year ended December 31, 2007 was primarily due to a $562,449 increase in stock-based compensation expense, a $232,185 decrease in investment income, and a $959,258 decrease in future income tax recovery from that recorded in the year ended December 31, 2006 resulting from a reduction in future corporate tax rates.

Investment income was $3,034,219 for the year ended December 31, 2007, compared to $3,266,404 for the year ended December 31, 2006, a decrease of $232,185 due to the investment during the year of lower cash balances than those invested during the year ended December 31, 2006.

The granting and vesting of stock options during the year ended December 31, 2007 resulted in total stock-based compensation expense of $11,583,987, of which $2,646,014 was allocated to mineral property expenditures and the remaining $8,937,973 was charged to operations. Total stock-based compensation expense for the year ended December 31, 2006 was $9,558,640, of which $1,183,116 was allocated to mineral property expenditures and $8,375,524 was charged to operations.

The future income tax recovery of $1,638,347 during the year ended December 31, 2007 was due to a $2,195,868 future income tax recovery resulting from the Canadian federal government enacting amendments to tax legislation which provided for a reduction in future corporate tax rates, offset by future income tax expense of $557,521 due to the reduction of future income tax assets applied against the taxable income generated during the year. The future income tax recovery of $2,362,448 during the year ended December 31, 2006 was due to a $3,155,126 future income tax recovery resulting from the Canadian federal and Saskatchewan provincial governments enacting amendments to tax legislation which provided for a reduction in future corporate tax rates, offset by future income tax expense of $792,768 due to the reduction of future income tax assets applied against the taxable income generated during that year.

Operating expenses before stock-based compensation expense for the year ended December 31, 2007 were $1,207,127 compared to $943,494 for the year ended December 31, 2006, a difference of $263,633, mainly due to a significant increase in the Company's business activity during the year ended December 31, 2007. This increased activity led to higher administrative expenses, legal and audit fees, and stock exchange listing fees.

General and administrative expenses were $230,055 for the year ended December 31, 2007, higher than the general and administrative expenses of $99,344 for the year ended December 31, 2006, due to higher office costs attributed to a significant increase in the Company's business activity. Salaries and benefits totaled $414,329 during the year ended December 31, 2007 which were in line with the salaries and benefits of $414,855 incurred by the Company in the year ended December 31, 2006. Rent costs for the year ended December 31, 2007 were $65,129, compared to rent costs of $62,845 during the year ended December 31, 2006. Legal and audit expenses for the year ended December 31, 2007 were $185,648, higher than the legal and audit expenses of $131,873 during the year ended December 31, 2006, due to higher legal fees resulting from a significant increase in the Company's business activity. Filing fees and stock exchange fees rose in the year ended December 31, 2007 to $179,011, an increase of $37,764 over 2006, due mainly to increased costs relating to stock exchange and regulatory fees which are based on the Company's greater market capitalization.

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

Project	Balance December 31, 2005	2006 Exploration & Development Expenditures	Balance December 31, 2006	2007 Exploration & Development Expenditures	Balance December 31, 2007
Western Athabasca	$ 11,050,485	$ 6,810,174	$ 17,860,659	$ 12,842,288	$ 30,702,947
Hidden Bay	15,612,941	6,227,201	21,840,142	19,432,988	41,273,130
Black Lake	5,015,925	5,416,115	10,432,040	3,451,876	13,883,916
Riou Lake	4,684,083	2,205,191	6,889,274	565,123	7,454,397
Beatty River	238,687	209,813	448,500	139,959	588,459
Northern Athabasca	1,086,931	1,828,952	2,915,883	2,720,850	5,636,733
	$ 37,689,052	$ 22,697,446	$ 60,386,498	$ 39,153,084	$ 99,539,582

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

During the year ended December 31, 2007, the Company incurred exploration and development expenditures totaling $35,199,037, before non-cash stock-based compensation, future income taxes and amortization of $3,954,047. Exploration and development expenditures during the year ended December 31, 2006 totaled $20,853,031, before non-cash stock-based compensation, future income taxes and amortization of $1,844,415. This $14,346,006 increase in expenditures before non-cash items resulted from increased exploration and development activities during the year, consistent with the continued implementation of the Company's strategy.

Results of Operations for the Three Months Ended December 31, 2007

During the three months ended December 31, 2007, the Company earned $320,874 before income taxes and $2,390,037 after the provision for future income taxes, which included a future income tax recovery of $2,195,868 due to the enactment of amendments to current tax legislation reducing future corporate tax rates. There were no significant non-recurring year-end adjustments affecting the Company's fourth quarter results.

Financing Activities

The Company realized $5,491,046 from the exercise of stock options during the year ended December 31, 2007 compared to $595,544 received from stock options exercised and $212,500 from share purchase warrants exercised during the year ended December 31, 2006.

During the year ended December 31, 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. The net proceeds after a broker commission of $1,995,000 and other expenses was $50,996,383.

Exploration and Development Activities

The following is a general discussion of UEX's exploration and development activities during the year ended December, 2007. 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: 2007 Exploration and Development Programs

AREVA acts as operator on the ten Western Athabasca Projects, which include the Shea Creek exploration and development project, and the Douglas River, Erica, Alexandra, Mirror River, Laurie, Nikita, Uchrich, James Creek and Brander Lake exploration projects totaling 181,509 hectares (448,327 acres).

Shea Creek Project

The Shea Creek Project ("Shea Creek"), hosts the Kianna, Anne and Colette Deposits, and consists of 11 claims totaling 19,581 hectares (48,365 acres).

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

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

At the Kianna Deposit, high-grade uranium mineralization has been intersected in multiple zones at depths from 662 metres to 922 metres, a vertical distance of approximately 260 metres - located in sandstone high above the unconformity, at the unconformity, and below the unconformity in basement rocks, with unconformity depths ranging from approximately 710 to 760 metres.

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

- Perched ("P"), sandstone-hosted mineralization found in discrete zones tens of metres above the unconformity currently has a defined strike length of 80 metres and a width of 60 metres (previously announced 2005 hole SHE-114-5, 27.4% U_3O_8 over 8.8 metres, including 58.3% U_3O_8 over 3.5 metres);

- Unconformity-type mineralization ("UC"), in close proximity to the unconformity has a defined strike length of 200 metres and a width of 200 metres (previously announced 2006 hole SHE-115-3, grading 12.57% U_3O_8 over 11.9 metres, including 27.35% U_3O_8 over 4.2 metres);

- Basement-hosted mineralization ("B"), found in zones up to 200 metres below the unconformity has outlined a strike length of 200 metres and a down-dip extension of 160 metres (previously announced 2005 hole SHE-114-11, grading 5.40% U_3O_8 over 37.7 metres, including 25.46% U_3O_8 over 4.0 metres).

2007 Kianna Deposit Drilling Program Summary

The 2007 winter/spring drilling program at the Kianna Deposit operated from January to June 2007. Sixteen directional cuts were made from pilot holes SHE-115 and SHE-118. To view a map of the 2007 drilling at the Kianna Deposit, visit UEX's website at www.uex-corporation.com. Highlights of the 2007 winter/spring drilling program that expanded the dimensions of the unconformity and basement portions of the deposit include:

- The recorded mineralized impacts and visible mineralization seen in the SHE-115 series of holes and SHE-118-7 confirmed and expanded upon the high grade basement mineralization associated with an east-west structural corridor within the Kianna Deposit. The interpretation of results concludes that the basement component of the deposit was expanded by an extra 100 metres in strike length to a current known length of 200 metres and is still open.

- The results from the SHE-118 series provided the continuity of mineralization needed to assess the southern portion of the unconformity component of the deposit. These results have

outlined a continuous zone of mineralization at the unconformity that is currently 200 metres in length and will be the foundation to continue the expansion of the deposit. The basement mineralization of a number of holes from the SHE-118 series was not expected and this new mineralization opens new exploratory targets within the Kianna Deposit.

SHE-115-11: (B) 6.72% U_3O_8 over 15.1 metres, including 11.81% U_3O_8 over 6.2 metres. SHE-115-11 targeted the continuity of high-grade basement mineralization along the east-west structural corridor in the vicinity of SHE-114-8. The unconformity was intersected at 724.6 metres, approximately 31.0 metres south-southeast of the unconformity impact point of hole SHE-114-8, and 23.0 metres northwest of the unconformity impact point of hole SHE-115.

An intersection of high-grade, basement-hosted mineralization grading 6.72% U_3O_8 over 15.1 metres was encountered from 854.2 to 869.3 metres, which included 11.81% U_3O_8 over 6.2 metres. Several other intervals of weak, basement-hosted mineralization were intersected below the unconformity from 811.4 to 817.7 metres, and from 839.5 to 852.8 metres. From the reported 15.1 metres of the strongly mineralized zone approximately 3.7 metres more mineralization was not probed because of a technical problem and the hole was stopped at a depth of 877.0 metres.

The results from SHE-115-11 significantly expanded the known strike length of the Kianna Deposit basement mineralization and confirmed AREVA's theory that mineralization within the basement at Kianna is structurally-controlled.

SHE-115-12: (UC) 0.18% U_3O_8 over 1.2 metres, and (B) 0.06% U_3O_8 over 9.9 metres. SHE-115-12 targeted the continuity of high-grade basement mineralization along the east-west structural corridor in the vicinity of SHE-115-11. The unconformity was intersected at 719.4 metres, approximately 15.0 metres southeast of the unconformity of SHE-115-11. Weak mineralization was intersected at the unconformity grading 0.18% U_3O_8 over 1.2 metres between 718.7 and 719.9 metres. Trace basement mineralization was intersected grading 0.06% over 9.9 metres between 820.6 and 830.5 metres and is associated with a structure but the main mineralizing east-west structural corridor was not intersected.

SHE-115-13: (B) Mineralization intersected between 852.9 and 864.0 metres, hole was lost and no mineralized intervals were recorded. SHE-115-13 targeted the continuity of high-grade basement mineralization along the east-west structural corridor to the west of SHE-115-11. The unconformity was intersected at 722.0 metres, approximately 20.0 metres west of the unconformity of SHE-115-11. The hole was lost at 869.0 metres when the drilling crew was unable to retrieve a broken rod in the hole. This hole is the most westerly drilled hole on the Kianna Deposit and mineralization is still encountered at depths between 852.9 and 864.0 metres in the basement along the interpreted structural corridor implying the deposit is still open.

SHE-115-14: (B) 5.65% U_3O_8 over 1.7 metres, including 15.30% U_3O_8 over 0.4 metres. SHE-115-14 continued to target the continuity of high-grade basement mineralization along the east-west structural corridor in the vicinity of SHE-115-11. The unconformity was intersected at 723.6 metres, approximately 19.0 metres west of the unconformity of hole SHE-115-11. High-grade basement mineralization associated with structures was intersected from 863.6 to 865.3 metres grading 5.65% U_3O_8 over 1.7 metres, including 15.30% U_3O_8 over 0.4 metres. The structure intersected was not the main east-west structural corridor and the drill hole "over-shot" the intended target. The narrow high grade intercept implies that mineralizing fluids are present.

SHE-115-15: The target was to test the continuity of high grade basement mineralization 40 metres north and down-dip of the mineralized impact in SHE-115-11. The hole was stopped at 833.0 metres before the intersection of the intended target. The stoppage was due to the loss of a drill bit at the end of a hole after the rods became stuck, attempts to drill the bit out with a reduced rod string size were unsuccessful.

SHE-115-15A: (B) 7.11% U_3O_8 over 6.5 metres, including 15.82% U_3O_8 over 2.6 metres, including 31.95% U_3O_8 over 1.2 metres, and 2.82% U_3O_8 over 1.8 metres. SHE-115-15A targeted the continuity of high-grade basement north and down-dip of the mineralized impact in SHE-115-

11 along the east-west structural corridor. The unconformity was intersected at 721.2 metres, approximately 9.0 metres north of the unconformity of hole SHE-115-11. High-grade basement mineralization was intersected from 831.1 to 837.6 metres grading 7.11% U_3O_8 over 6.5 metres, including 15.82% U_3O_8 over 2.6 metres from 831.1 to 833.7 metres, which includes 31.95% U_3O_8 over 1.2 metres from 831.9 to 833.1 metres, and 2.82% U_3O_8 over 1.8 metres from 835.8 to 837.6 metres. Additional basement mineralization was intersected from 940.9 to 944.3 metres grading 0.43% U_3O_8 over 3.4 metres.

SHE-115-16: The target was to test the continuity of high grade basement mineralization north west and down-dip of the mineralized impact in SHE-115-11. The hole was lost at 848.0 metres before the intersection of the intended target. Basement mineralization was intersected at a depth of 844.5 to 844.8 metres and it is believed to be the possible beginning of a much larger mineralizing envelope very similar to the intersection seen in SHE-115-11. The rods broke at 596.0 metres and after several attempts to retrieve the drill string the hole was abandoned. This top priority target will be drilled in future programs.

SHE-118-4: (UC) 1.14% U_3O_8 over 16.8 metres, including 2.22 % U_3O_8 over 6.2 metres. SHE-118-4 targeted the continuation of unconformity-style and possible deep basement mineralization. The unconformity was intersected at 730.9 metres, approximately 17.0 metres east of the unconformity impact point of hole SHE-115-5, 17.0 metres south-southwest of unconformity impact point of hole SHE-115-3, and 19.0 metres northwest of the unconformity impact point of SHE-118.

High-grade unconformity-style mineralization was encountered straddling the unconformity, grading 1.14% U_3O_8 over 16.8 metres from 715.75 metres to 732.55 metres, which included 2.22% U_3O_8 over 6.2 metres. Several intervals of weak, basement-hosted mineralization were intersected within fault zones below the unconformity between 795.0 to 892.5 metres, with the most notable intersection grading 0.52% U_3O_8 over 7.2 metres from 795.6 to 802.8 metres.

SHE-118-5: Unconformity mineralization was intersected consisting of disseminated pitchblende within the matrix of the breccia or within the basement fault gouge directly below the unconformity. SHE-118-5 targeted the continuation of unconformity-style mineralization 20 metres north-west of pilot hole SHE-118. The hole was lost at 758.0 metres because rods broke at a depth of 700.0 metres in the hole and could not be retrieved, and as a result no gamma probing was performed. The hole was re-drilled as SHE-118-5A.

SHE-118-5A: (UC) 3.24% U_3O_8 over 8.0 metres, including 10.76% U_3O_8 over 1.9 metres, and (B) 0.40% U_3O_8 over 3.3 metres. SHE-118-5A targeted the continuation of unconformity-style mineralization on the eastern side of the Kianna Deposit. The unconformity was intersected 20 metres north-west of pilot hole SHE-118 at a depth of 711.0 metres. High-grade unconformity-style mineralization was encountered between 706.0 and 714.0 metres grading 3.24% U_3O_8 over 8.0 metres, including 10.76% U_3O_8 over 1.9 metres between 710.0 and 711.9 metres. Additional mineralization was intersected in the basement from 732.5 to 735.8 metres grading 0.40% U_3O_8 over 3.3 metres.

SHE-118-6: (UC) 3.20% U_3O_8 over 5.1 metres. SHE-118-6 targeted the continuation of unconformity-style mineralization on the eastern side of the Kianna Deposit. The unconformity was intersected 21 metres west of pilot hole SHE-118 at a depth of 706.4 metres. High-grade unconformity-style mineralization was encountered between 701.6 and 706.7 metres grading 3.20% U_3O_8 over 5.1 metres. The hole was abandoned at 716.0 metres because the core barrel was dropped by the driller and could not be retrieved and the hole was restarted as SHE-118-6A.

SHE-118-6A: (UC) 8.35% U_3O_8 over 3.0 metres, including 11.75% U3O8 over 2.1 metres, and (B) 0.42% U_3O_8 over 4.0 metres. SHE-118-6A was a restart of SHE-118-6 and targeted the continuation of unconformity-style mineralization on the eastern side of the Kianna Deposit. The unconformity was intersected 22 metres west of pilot hole SHE-118 at a depth of 707.9 metres. High-grade unconformity-style mineralization was encountered between 705.45 and 708.45 metres grading 8.35% U_3O_8 over 3.0 metres, including 11.75% U_3O_8 over 2.1 metres between

705.85 to 707.95 metres. Basement mineralization was intersected consisting of 0.42% U_3O_8 over 4.0 metres between 806.85 and 810.85 metres. The full significance of the mineralization approximately 100 metres below the unconformity is not thoroughly understood. It is the first time a hole has been drilled in this area and it is 50 metres south of the main east-west structural corridor containing basement mineralization.

SHE-118-7: (UC) 1.33% U_3O_8 over 5.7 metres, and (B) 0.40% U_3O_8 over 2.9 metres. SHE-118-7 targeted the continuation of unconformity-style mineralization on the southern portion of the Kianna Deposit. The unconformity was intersected 20 metres further west of SHE-118-6A. High-grade unconformity-style mineralization was encountered between 704.9 and 710.6 metres grading 1.33% U_3O_8 over 5.7 metres. The significance of the mineralized impact confirms the continuity of unconformity mineralization over 150 metres on the southern most drill fence on the Kianna Deposit (see accompanying Section 2 on UEX's website). Basement mineralization was intersected between 800.7 to 803.6 metres which graded 0.40% U_3O_8 over 2.9 metres.

SHE-118-8: (UC) 7.10% U_3O_8 over 3.9 metres, including 18.74% U_3O_8 over 1.2 metres and (B) 3.50% U_3O_8 over 5.7 metres, and 1.54% U_3O_8 over 3.5 metres. SHE-118-8 targeted the continuity of unconformity mineralization and tested the extension of basement mineralization along the east-west structural corridor that cuts through the Kianna deposit. The unconformity was intersected 35 metres west of pilot hole SHE-118 at a depth of 712.8 metres. High-grade unconformity-style mineralization was encountered from 710.4 to 714.3 metres grading 7.10% U_3O_8 over 3.9 metres, including 18.74% U_3O_8 over 1.2 metres between 711.3 and 712.5 metres. High-grade basement mineralization was encountered between 801.0 and 806.7 metres grading 3.50% U_3O_8 over 5.7 metres, and between 816.9 and 820.1 metres grading 1.54% U_3O_8 over 3.5 metres. The basement impacts confirm the continuation of mineralization that still remains open at depth and along strike.

SHE-118-9: (UC) 2.74% U_3O_8 over 10.5 metres, including 4.07% U_3O_8 over 6.1 metres, which includes 8.28% U_3O_8 over 1.1 metres, and (B) 2.37% U_3O_8 over 8.7 metres, including 11.75% U_3O_8 over 0.5 metres. SHE-118-9 targeted the continuity of unconformity mineralization between SHE-118 and SHE-102 (drilled in 2000). The unconformity was intersected 8 metres south east of pilot hole SHE-118 at a depth of 715.8 metres. High-grade unconformity-style mineralization was encountered between 706.2 and 716.7 metres grading 2.74% U_3O_8 over 10.5 metres, including 4.07% U_3O_8 over 6.1 metres from 710.6 to 716.7 metres, which includes 8.28% U_3O_8 over 1.1 metres from 711.7 to 712.8 metres. High-grade basement mineralization was encountered between 760.2 and 768.9 metres grading 2.37% U_3O_8 over 8.7 metres. The basement impact was not expected along the interpreted basement structure. This new mineralization with potentially high grades opens a new exploratory target within the Kianna Deposit.

SHE-118-10: (UC) 0.37% U_3O_8 over 2.6 metres. SHE-118-10 targeted the continuity of unconformity mineralization 40 metres south west of SHE-118 and intersected the unconformity at 721.6 metres. Disseminated mineralization was associated with hematized breccias above the unconformity. A mineralized interval of 0.37% U_3O_8 over 2.6 metres between 719.0 and 721.6 metres was recorded.

TABLE 1

2007 Kianna Deposit Drill Results
All Uranium Intersections Calculated from Gamma Probe Logging

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U3O8)
SHE-115-11	887.0	724.6	854.2	869.3	15.1	6.72
		including	862.4	868.6	6.2	11.81
SHE-115-12	896.0	719.4	718.7	719.9	1.2	0.18
			820.6	830.5	9.9	0.06
SHE-115-13**	869.0	722.0	Mineralization intersected between 852.9-864.0 metres			
SHE-115-14	989.0	723.6	863.6	865.3	1.7	5.65
		including	864.5	864.9	0.4	15.30
SHE-115-15**	833.0	724.4				
SHE-115-15A	1004.0	721.2	831.1	837.6	6.5	7.11
		including	831.1	833.7	2.6	15.82
		including	831.9	833.1	1.2	31.95
			835.8	837.6	1.8	2.82
			940.9	944.3	3.4	0.43
SHE-115-16**	848.0	722.0	Mineralization intersected between 844.5-844.8 metres			
SHE-118-4	950.0	730.9	715.75	732.55	16.8	1.14
		including	725.75	731.95	6.2	2.22
			795.6	802.8	7.2	0.52
SHE-118-5**	758.0	711.6				
SHE-118-5A	830.0	711.0	706.0	714.0	8.0	3.24
		including	710.0	711.9	1.9	10.76
			732.5	735.8	3.3	0.40
SHE-118-6	716.0	706.4	701.6	706.7	5.1	3.20
SHE-118-6A	817.0	707.9	705.45	708.45	3.0	8.35
		including	705.85	707.95	2.1	11.75
			806.85	810.85	4.0	0.42
SHE-118-7	821.0	709.8	704.9	710.6	5.7	1.33
			800.7	803.6	2.9	0.40
SHE-118-8	937.0	712.8	710.4	714.3	3.9	7.10
		including	711.3	712.5	1.2	18.74
			801.0	806.7	5.7	3.50
			816.6	820.1	3.5	1.54
SHE-118-9	797.0	715.8	706.2	716.7	10.5	2.74
		including	710.6	716.7	6.1	4.07
		including	711.7	712.8	1.1	8.28
			760.2	768.9	8.7	2.37
		including	765.0	765.5	0.5	11.75
SHE-118-10	830.0	721.6	719.0	721.6	2.6	0.37

**No probing - hole lost

2007 Shea Creek Development Program

On February 28, 2007, AREVA proposed a supplementary development program to UEX to begin during the current drilling program, consisting of:

- Geotechnical logging of pilot holes in the Kianna and Anne Deposits area;
- Drilling of geotechnical holes specifically for piezometer installation for groundwater monitoring purposes;
- Packer testing and water sampling of drill holes; and

- Work contracted under the supervision of AREVA, with involvement from AREVA's exploration and mining teams as needed.

Five pilot holes were completed on the western side of the known trend of mineralization from the Anne deposit to the Kianna deposit. These holes were drilled for exploration and development purposes as follows:

- To collect geotechnical data and hydrological properties pertaining to packer tests to estimate groundwater inflows in underground openings and groundwater sampling to evaluate water quality. This work is currently being performed by Golder;
- To be used as pilot holes for future exploration directional drilling. It is important to note that these holes were not targeted to intersect mineralization.

The five holes were labeled SHE-121 to SHE-125. The geological profiles for the five holes were similar in terms of regional alteration within the sandstones, weak brecciation at the unconformity and the basement lithological sequence. Increases in radioactivity were seen in all the holes with three holes having recordable mineralized intervals (see Table 2). The significance of the mineralization encountered in these pilot holes outlines the potential of expanding mineralization between and at the known deposits.

TABLE 2

2007 Pilot Holes/Geotechnical Program Drill Results
All Uranium Intersections Calculated from Gamma Probe Logging

Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection (% U3O8)
SHE-121	837.0	714.5				
SHE-122	846.0	718.5	714.65	716.95	2.3	0.37
SHE-123	847.0	722.9				
SHE-124	815.0	702.7	772.1	772.8	0.7	0.93
SHE-125	821.0	703.6	728.9	729.3	0.4	0.21

AREVA is planning to submit a project description to the federal and provincial regulatory agencies in 2008 for one or two underground exploration shafts and related test mining facilities. Construction could begin in 2010 based on the outcome of regulatory procedures.

As first announced (see UEX News Release, April 10, 2007) AREVA has started the necessary studies for site characterization and base line studies for an exploration shaft. The first proposed shaft has been strategically located between the Kianna and Anne Deposits to provide underground access to both deposits as well as the highly-prospective corridor between them (see UEX's website at www.uex-corporation.com for a map depicting the shaft location). Each of the proposed shafts will have a vertical depth of approximately 950 metres and an estimated capital cost of $100 million (CDN).

Three drill rigs during the 2007 summer completed five piezometer holes each to a depth of 800 metres in the vicinity of the planned shaft location. The piezometer installation and pumping tests, groundwater monitoring and sampling have recently been completed.

Packer tests for hydrological studies were performed by Golder during the summer. The importance of these tests is to estimate groundwater inflows in underground openings. A final report is expected later this year.

An environmental baseline study has been started in the form of surface hydrology with monitoring stations and lake level gauges installed during the summer. Aquatic and terrestrial ecology began in July. The aquatic studies began in September followed by terrestrial studies later in the fall. These studies will be ongoing into 2008.

This development work and related studies are required to file a Project Description to the federal and provincial regulatory agencies.

Fall 2007 Drilling Program at Shea Creek

Drilling utilizing three drills started in mid-September and continued to mid-December. One drill was used to expand the Anne Deposit; currently the Anne Deposit is open in all directions. Pilot hole SHE-122 completed during the summer months, was used to test the unconformity and basement extensions of mineralization in the northern portion of the Anne Deposit. With the discovery of high-grade basement mineralization in the Kianna Deposit, a greater focus is being placed on the basement mineralization at the Anne Deposit.

SHE-122-1: (B) 4.73% U3O8 over 33.7 metres, including 23.21% U3O8 over 3.6 metres, and 1.24% U3O8 over 11.4 metres. SHE-122-1, the first hole of the 2007 fall drilling program at Shea Creek, has resulted in the second-best intersection of high-grade mineralization to date at the Anne Deposit. The hole was a step-out of 20 metres and targeted the continuation of potential mineralization within a basement structure that was first observed in SHE-96-3 during the 1999 drilling campaign. The unconformity was intersected 35 metres northwest of pilot hole SHE-122 at a depth of 713.0 meters.

High-grade basement mineralization was encountered between 713.8 and 747.5 metres grading 4.73% U_3O_8 over 33.7 metres, including 23.21% U_3O_8 over 3.6 metres from 715.9 to 719.5 metres. A second zone of high-grade basement mineralization was also encountered between 773.4 and 784.8 metres grading 1.24% U_3O_8 over 11.4 metres. It is currently recognized that all the mineralization is associated with a large structure that remains open along its strike length. The high-grade zone directly below the unconformity will expand the basement mineralization at the Anne Deposit. New drilling targets have also been outlined to follow-up on this success.

SHE-122-2: (UC) 1.16% U_3O_8 over 6.8 metres. SHE-122-2 is located on the eastern side of the Anne Deposit. The hole intersected the unconformity at 740.2 metres approximately 40 metres due east of SHE-122-1 with the intended purpose of expanding the potential for high grade basement mineralization. Mineralization was associated with breccias at the unconformity between 735.8 to 742.6 metres grading 1.16% U_3O_8 over 6.8 metres. The results indicate that the deposit is still open to the east.

SHE-122-3: (UC) 0.65% U_3O_8 over 3.5 metres; (B) 1.08% U_3O_8 over 1.6 metres; (B) 3.50% U_3O_8 over 1.6 metres; and (B) 0.65% U_3O_8 over 2.0 metres. SHE-122-3 is located on the western side of the Anne Deposit. The purpose of the hole was to extend upon the unconformity mineralization and expanding the potential for high grade basement mineralization. The unconformity was intersected 45 metres north of pilot hole SHE-122 at a depth of 726.8 metres. Mineralization was associated with breccias at the unconformity between 723.4 to 726.9 metres grading 0.65% U_3O_8 over 3.5 metres. High-grade basement-hosted mineralization was encountered between 738.4 to 740.0 metres grading 1.08% U_3O_8 over 1.6 metres. A second zone of high-grade basement-hosted mineralization was encountered between 773.0 to 774.6 metres grading 3.50% U_3O_8 over 1.6 metres. An additional zone of mineralization was encountered in the basement between 786.8 to 788.8 metres grading 0.65% U_3O_8 over 2.0 metres.

The mineralization at the unconformity and within the basement in the northern portion of the Anne Deposit (the Anne Deposit has a strike length greater than 250 metres) is still open in all directions.

Another two drills were used to explore the area between the Kianna and Anne Deposits, where historical drilling intersected mineralization in 9 out of 13 drill holes. The two deposits are about 600 metres apart. Drilling is using pilot holes SHE-121 and SHE-123 to target inferred structures that offset a favourable geological trend between the Anne and Kianna Deposits. Structural offsets are considered important for uranium deposition and are recognized in all three deposits at Shea Creek.

SHE-121-1: (P) 0.17% U3O8 over 5.5 metres. SHE-121-1 is located between the Anne and Kianna deposits. The purpose of this hole was to start exploration drilling between the deposits and target unconformity mineralization and identify basement structures that could host additional deposits. The unconformity was intersected 50 metres south east of SHE-121 at a depth of 718.1 metres. The majority of the mineralization intersected was a perched style above the unconformity in the sandstone between 708.2 and 713.7 metres grading 0.17% U_3O_8 over 5.5 metres. Perched mineralization is seen in all three deposits at Shea Creek and is considered very significant for follow-up drilling.

SHE-121-2: (UC) 1.13% U_3O_8 over 3.8 metres; and (B) 0.88% over 2.0 metres. SHE-121-2 is located between the Anne and Kianna deposits. The location of the hole is 200 metres north of the Anne Deposit. The purpose of the hole was to try to intersect unconformity mineralization near a structure identified from an historical drilling campaign. The unconformity was intersected 65 metres north-east of pilot hole SHE-121 at a depth of 725.9 metres. The majority of the mineralization was associated with breccias at the unconformity between 723.5 to 727.3 metres grading 1.13% U_3O_8 over 3.80 meters and within a basement structure between 747.8 to 749.8 metres grading 0.88% U_3O_8 over 2.0 metres. The results of this fall drilling program and historical work performed in the area (SHE-38A which intersected 5.50% U_3O_8 over 3.7 metres at the unconformity) has uncovered a strike length of 50 metres of mineralization at the unconformity that still remains open. The significance of this mineralization impact at the unconformity warrants additional drilling.

SHE-121-3: (UC) 0.39% U_3O_8 over 2.8 metres; (B) 1.57% U_3O_8 over 3.7 metres, including 2.05% U_3O_8 over 2.8 metres; and (B) 0.22% U_3O_8 over 2.0 metres. SHE-121-3 is located between the Anne and Kianna deposits. The hole location is 225 metres north of the Anne Deposit. The purpose of the hole was to extend upon the unconformity mineralization in SHE-121-2, and to identify possible basement structures. The unconformity was intersected 65 metres north-east of pilot hole SHE-121 at a depth of 727.8 metres. The majority of the mineralization at the unconformity was associated with breccias between 725.3 to 728.1 metres grading 0.39% U_3O_8 over 2.8 metres. High-grade basement-hosted mineralization was encountered between 750.8 to 754.5 metres grading 1.57% U_3O_8 over 3.7 metres, including 2.05% U_3O_8 over 2.8 metres. A second zone in the basement was encountered between 770.8 to 772.8 metres grading 0.22% U_3O_8 over 2.0 metres.

The significance of the unconformity mineralization with previous released results this fall has uncovered a mineralized strike length of 90 metres that remains open in all directions. In addition, multiple intersections of basement-hosted mineralization within structures warrants additional drilling.

SHE-123-1: (UC) 0.37% U3O8 over 2.1 metres. SHE-123-1 is located between the Anne and Kianna deposits and the purpose of this hole was the same as SHE-121-1. The unconformity was intersected 65 metres southeast of SHE-123 at a depth of 743.4 metres. The mineralization was associated with breccias just above the unconformity between 740.6 to 742.7 metres grading 0.37% U_3O_8 over 2.1 metres.

SHE-123-2: (B) 2.80% U_3O_8 over 4.9 metres; and (B) 0.50% U_3O_8 over 2.7 metres. SHE-123-2 is located between the Anne and Kianna deposits. The location of the hole is 150 metres south of the Kianna Deposit. The purpose of the hole was to try and identify possible mineralizing basement structures similar to those seen at the Anne and Kianna Deposits. The unconformity was intersected 65 metres north-east of pilot hole SHE-123 at a depth of 749.2 metres. The mineralization intersected is thought to be associated with a large basement structure seen further at depth. The majority of the mineralization was vein hosted between 799.8 to 804.7 metres grading 2.80 % U_3O_8 over 4.9 metres and 826.4 to 829.1 metres grading 0.50% U_3O_8 over 2.7 metres. Further drilling will be initiated to follow-up on this new success.

TABLE 3

Fall 2007 Shea Creek Drill Results
All Uranium Intersections Calculated from Gamma Probe Logging

2007 Fall Drilling Results						
Hole	Total Depth of Hole (metres)	Depth to Unconformity (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade Within the Intersection ($\%U_3O_8$)
SHE-121-1	881.0	718.1	708.2	713.7	5.5	0.17
SHE-121-2	883.0	725.9	723.5	727.3	3.8	1.13
			747.8	749.8	2.0	0.88
SHE 121-3	842.0	727.8	725.3	728.1	2.8	0.39
			750.8	754.5	3.7	1.57
		including	750.8	753.6	2.8	2.05
			770.8	772.8	2.0	0.22
SHE-122-1	898.0	713.0	713.8	747.5	33.7	4.73
		including	715.9	719.5	3.6	23.21
			773.4	784.8	11.4	1.24
SHE-122-2	839.0	740.4	735.8	742.6	6.8	1.16
SHE-122-3	845.0	726.8	723.4	726.9	3.5	0.65
			738.4	740.0	1.6	1.08
			773.0	774.6	1.6	3.50
			786.8	788.8	2.0	0.65
SHE-123-1	863.0	743.4	740.6	742.7	2.1	0.37
SHE-123-2	930.0	749.2	799.8	804.7	4.9	2.80
			826.4	829.1	2.7	0.50

Uranium grades shown in Tables 1, 2 and 3 are calculated from gamma probe logging. True widths of mineralized intervals have not yet been determined. The technical information in this document regarding exploration results for the Western Athabasca Projects has been reviewed by Erwin Koning, P. Geo., AREVA's District Geologist, West Athabasca Region, a qualified person as defined by N.I. 43-101.

Mirror River Project 2007 Winter Program

AREVA carried out a diamond drilling program at Mirror River of approximately 2,072 metres in 3 completed drill holes, and in 4 holes that were lost or abandoned due to poor rock conditions, to test previously-defined electromagnetic conductors. Although some prospective features such as fracturing and graphitic basement were encountered, no significant uranium mineralization was intersected in the drill holes.

James Creek Project 2007 Winter Program

A ground geophysical program consisting of 141.6 line kilometres of grid preparation and 105.0 kilometres of Double Loop electromagnetic surveying was carried out in the winter of 2007. Results are being processed, compiled and interpreted.

Nikita Project 2007 Winter Program

A total of 95.4 kilometres of grid preparation was completed for a ground geophysical program and 80.0 line km of DC Resistivity were completed. Processing, compilation and interpretation of the results are ongoing.

Alexandra Project 2007 Winter Program

A total of 84.0 kilometres of line cutting was completed for a ground geophysical program totaling 72.0 line kilometres of DC resistivity surveying. Results are being processed, compiled and interpreted.

No significant exploration work was done in 2007 on the Erica, Douglas River, Brander Lake, Laurie and Uchrich Projects.

Western Athabasca Projects: 2008 Exploration and Development Programs

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

2008 Drilling Program at Shea Creek

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

The first drill began drilling 150 metres south of the Kianna Deposit from pilot hole SHE-123. The last hole completed, SHE-123-2, intersected high-grade basement-hosted mineralization grading 2.80% U_3O_8 over 4.9 metres (previously announced November 14, 2007). It is believed that the mineralization is part of a large basement structure seen further at depth and is parallel to the main mineralizing structure seen at the Kianna Deposit itself, 150 metres to the north. The goal is to continue testing this structure for additional mineralization.

A second drill is concentrating on expanding the southern portion of the Anne Deposit that still remains open in all directions. Directional drilling started from pilot hole SHE-125 (drilled in 2007) with the goal of connecting the mineralization seen at the Anne Deposit to the SHE-105 series of mineralized holes (drilled in 2000) located 100 metres along strike to the southeast.

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

Basement-hosted mineralization was intersected for the first time in the southern part of the Colette Deposit in the fall of 2004. All other mineralized intercepts had previously been characterized by unconformity-type mineralization, opening the possibility that the high-grade basement-hosted mineralization as discovered at Anne and Kianna is also present at Colette. This part of the program will follow up on the last drilling fence at Colette where hole SHE-111-5 intersected 0.38% U_3O_8 over 8.4 metres directly below the unconformity and 0.44% U_3O_8 over 22.0 metres in the basement. Currently, this intersection remains open and the next drill fence is 250 metres further to the southeast.

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

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

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

2008 Development Program at Shea Creek

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

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

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

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

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

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

Environmental Impact Statement and Licensing

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

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

Investigations in Advance of Shaft Sinking

In 2008, AREVA is working towards identifying potential shaft locations with the drilling and logging of up to three shaft pilot holes (approximately 3,000 metres). The timing of these holes will be coordinated with AREVA's Exploration Department to ensure drill availability and are

currently expected to be drilled from June to August. The structural information will be collected from all holes to provide information as to the suitability of sites tested.

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

Studies, Engineering and Procurement

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

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

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

Erica Project 2008 Exploration Program

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

James Creek Project 2008 Exploration Program

A ground geophysical program consisting of 50.0 line kilometres of grid preparation and 65.0 kilometres of rechaining over established grids. Approximately 80 line kilometres of MT data will be collected over the grids.

Nikita Project 2008 Exploration Program

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

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

Hidden Bay Project: 2007 Exploration and Development Program

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

During the 2007 winter drilling program, UEX completed 28,212 metres of diamond drilling in 88 holes and 3,386 metres of sonic drilling in 113 holes on the Hidden Bay Project, as described below.

2007 Raven and Horseshoe Winter Exploration and Development Program

The Raven and Horseshoe Deposits host a total historical resource estimate of 6.7 million tonnes at an average grade of 0.16% U_3O_8, representing approximately 23 million contained pounds of U_3O_8. [Note: this is a historical resource estimate completed by Gulf Minerals ("Gulf") in 1978 that

was not estimated using current Canadian Institute of Mining, Metallurgy and Petroleum categories, and for which no current resource or reserve confidence categories were applied.] Raven and Horseshoe are basement-hosted deposits and are located approximately 5 kilometres southeast of the edge of the Athabasca Group sandstones, which normally cover uranium deposits in the Athabasca Basin.

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

Golder has been engaged to oversee a resource calculation for Horseshoe, and has initiated components of a final feasibility study. Golder provides technical guidance on aspects of the final phases of definition drilling for both Raven and Horseshoe, including geotechnical analysis of drill core. Golder is also responsible for environmental management planning and is in the latter stages of environmental baseline collection. Two HQ-diameter drill holes have recently been completed at Horseshoe to provide representative samples for metallurgical testing from two of the largest zones: the A and BE Zones. The metallurgical work is being supervised by Melis Engineering Ltd. of Saskatoon, Saskatchewan, and will provide >100 kilogram samples for comprehensive metallurgical testing of different styles of mineralization in the deposit. As previously reported, initial test work on three drill core reject composite samples revealed low levels of deleterious elements and obtained over 97% uranium extraction under mild acid leach conditions.

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

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

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

While the feasibility study for Raven and Horseshoe is evaluating several mining methods, the probability of more favourable economics using an open pit mine design has led UEX to quote these intercepts with an open pit resource in mind and hence a 0.05% U_3O_8 cutoff. Should future results dictate otherwise, these results and their corresponding resource estimates would be re-stated with the appropriate cut-off as determined at that time.

Winter 2007 Horseshoe Deposit Drilling Results

Numerous mineralized intercepts were obtained at Horseshoe during the 2007 winter drilling program, and those composited to grades of at least 0.05% U_3O_8 with a grade-thickness product of greater than 0.05 are listed in Table 4. Some of the most significant intercepts include the following, listed in chronological order as drilled:

- 0.32% U_3O_8 over 16.00 metres in hole HU-28 (A zone, section 4640N)
- 0.21% U_3O_8 over 10.50 metres in hole HU-30 (A zone, section 4640N)
- 0.58% U_3O_8 over 6.80 metres in hole HU-32 (A zone, section 4611N)
- 0.49% U_3O_8 over 17.00 metres in hole HU-33 (A zone, section 4611N)
- 0.07% U_3O_8 over 16.50 metres in hole HU-34 (A zone, section 4650N)
- 1.08% U_3O_8 over 2.60 metres in hole HU-36 (A zone, section 4665N)
- 0.16% U_3O_8 over 8.50 metres in hole HU-36 (A zone, section 4665N)
- 0.74% U_3O_8 over 13.40 metres in hole HU-37 (A zone, section 4611N)
- 0.37% U_3O_8 over 20.30 metres in hole HU-38 (A zone, section 4650N)
- 0.63% U_3O_8 over 12.75 metres in hole HU-39 (A zone, section 4611N)
- 0.15% U_3O_8 over 10.40 metres in hole HU-40 (A zone, section 4697N)
- 0.12% U_3O_8 over 13.90 metres in hole HU-40 (A zone, section 4697N)
- 0.31% U_3O_8 over 65.00 metres in hole HU-43 (A zone, section 4665N)
- 0.21% U_3O_8 over 28.95 metres in hole HU-44 (A zone, section 4697N)
- 0.09% U_3O_8 over 15.20 metres in hole HU-44 (A zone, section 4697N)
- 0.58% U_3O_8 over 19.00 metres in hole HU-45 (A zone, section 4593N)
- 0.14% U_3O_8 over 13.10 metres in hole HU-46 (B zone, section 4665N)
- 0.23% U_3O_8 over 15.00 metres in hole HU-47 (A-B zone, section 4697N)
- 0.39% U_3O_8 over 2.60 metres in hole HU-48 (B zone, section 4665N)
- 0.21% U_3O_8 over 16.40 metres in hole HU-49 (A zone, section 4593N)
- 0.38% U_3O_8 over 24.60 metres in hole HU-50 (A-B zone, section 4724N)
- 0.31% U_3O_8 over 23.00 metres in hole HU-51 (A zone, section 4593N)
- 0.11% U_3O_8 over 24.40 metres in hole HU-52 (B zone, section 4665N)
- 0.30% U_3O_8 over 5.65 metres in hole HU-54 (A-B zone, section 4697N)
- 0.17% U_3O_8 over 13.70 metres in hole HU-54 (A-B zone, section 4697N)
- 0.18% U_3O_8 over 8.50 metres in hole HU-54 (A-B zone, section 4697N)
- 0.40% U_3O_8 over 6.50 metres in hole HU-56 (B zone, section 4665N)
- 0.10% U_3O_8 over 15.40 metres in hole HU-58 (A-B zone, section 4697N)
- 0.50% U_3O_8 over 26.60 metres in hole HU-61 (A zone, section 4593N)
- 0.14% U_3O_8 over 14.90 metres in hole HU-62 (A-B zone, section 4697N)
- 0.18% U_3O_8 over 60.90 metres in hole HU-63 (A-B zone, section 4755N)
- 0.20% U_3O_8 over 11.00 metres in hole HU-65 (A-B zone, section 4697N)
- 0.61% U_3O_8 over 17.65 metres in hole HU-65 (A-B zone, section 4697N)
- 0.12% U_3O_8 over 20.00 metres in hole HU-66 (A zone, section 4593N)
- 0.43% U_3O_8 over 10.90 metres in hole HU-72 (A-B zone, section 4724N)
- 0.50% U_3O_8 over 9.80 metres in hole HU-81 (A-B zone, section 4724N)
- 0.80% U_3O_8 over 4.10 metres in hole HU-83 (A zone, section 4540N)
- 0.15% U_3O_8 over 14.50 metres in hole HU-84 (A zone, section 4540N)
- 0.21% U_3O_8 over 38.50 metres in hole HU-85 (A-B zone, section 4724N)
- 0.13% U_3O_8 over 12.00 metres in hole HU-88 (A-B zone, section 4724N)
- 0.26% U_3O_8 over 5.40 metres in hole HU-88 (A-B zone, section 4724N)
- 0.22% U_3O_8 over 38.20 metres in hole HU-88 (A-B zone, section 4724N)
- 0.17% U_3O_8 over 12.10 metres in hole HU-89 (A-B zone, section 4755N)
- 0.37% U_3O_8 over 6.20 metres in hole HU-89 (A-B zone, section 4755N)

Many intercepts occur as narrower, higher-grade zones when composited to cut-offs of 0.10% U_3O_8. For example, the intercept in hole HU-043 listed above contains a zone of 2.04% U_3O_8 over 7.50 metres, which includes 10.59% U_3O_8 over 0.50 metres. Other significant higher-grade intercepts include 0.99% over 11.40 metres in hole HU-61, 1.58% U_3O_8 over 5.20 metres in HU-065, and 1.97% U_3O_8 over 3.85 metres in HU-037, which includes 5.27% U_3O_8 over 0.55 metres (see Table 4 for other significant higher-grade intercepts included in wider intervals of mineralization).

While true widths of mineralized intervals have not yet been determined, drill core axis angles and continuity of mineralization between drill holes suggest that the vertical to steep angle of drill holes crosses the shallow-dipping mineralized zones at a high angle, which is close to true thickness.

Infill sampling will be required to fully assess the intercepts in HU-43 and HU-52 since they contain cumulative unsampled intervals of up to 12.70 metres where the core did not contain sufficiently anomalous radioactivity to meet UEX's sampling criteria as determined by hand-held scintillometer (greater than 200 counts per second, or "cps"). These unsampled intervals were sampled during the 2007 summer drilling program. If the intervals contain low-grade mineralization, they could be mined with adjacent higher-grade material pending a positive feasibility study. Geochemical results of this sampling are pending.

The results of the winter 2007 drilling program, when integrated with previously-reported holes from 2006, have now outlined mineralization at Horseshoe over a strike length of 500 metres. Within this mineralized area, definition drilling at 15 to 30 metres spacing has defined a continuous pair of stacked, shallow-dipping, mineralized zones over a 350 metre strike length. The zones, termed the A and B zones, comprise competent zones of hematization with disseminated and veinlet pitchblende-boltwoodite-uranophane mineralization within competent quartzitic gneiss. The zones plunge shallowly to the northeast and are linear in plan view.

Mineralization depths increase as the mineralized zones plunge to the northeast, ranging in vertical depth below surface from 130 to 220 metres in the southwestern parts of the A zone between sections 4540-4650N, to depths of 240 to 390 metres below surface along sections 4690-4750N where the A and B zones converge to the northeast. Where the zones, converge, they are collectively referred to as the A-B zone in Table 4 and the intercepts above. Mineralization is still open to the northeast and additional drilling was carried out during the summer/fall of 2007.

Table 4.
Winter 2007 Horseshoe Drilling Program
Significant Intersections from Drill Holes HU-028 to HU-090

Only intervals with composite grades greater than 0.05% U_3O_8 and a grade-thickness product greater than 0.05 are listed below.All analyses were performed by the Saskatchewan Research Council Geoanalytical Laboratories ("SRC") by ICP.

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
HU-028	4638	600.0	185.60	201.60	16.00	0.32
HU-028		*including*	191.80	193.40	1.60	2.55
HU-028		*and*	192.70	193.10	0.40	5.31
HU-029	4650	251.0	188.00	194.00	6.00	0.06
HU-029			205.70	209.30	3.60	0.06
HU-030	4611	321.0	188.00	198.50	10.50	0.21
HU-030			246.85	247.90	1.05	1.02
HU-032	4638	295.0	193.80	200.60	6.80	0.58
HU-032			222.00	223.00	1.00	0.09
HU-033	4611	255.0	177.00	194.00	17.00	0.49
HU-033		*including*	190.30	193.40	3.10	1.90
HU-033		*and*	193.00	193.40	0.40	5.93
HU-034	4650	235.0	170.70	187.20	16.50	0.07
HU-036	4665	272.0	223.50	226.10	2.60	1.08
HU-036			238.00	246.50	8.50	0.16
HU-037	4611	258.4	181.00	194.40	13.40	0.74
HU-037		*including*	181.00	184.85	3.85	1.97
HU-037		*and*	184.30	184.85	0.55	5.27
HU-037			211.30	212.25	0.95	0.79
HU-038	4650	262.0	199.50	219.80	20.30	0.37
HU-038		*including*	199.50	200.50	1.00	3.90
HU-039	4611	255.0	136.90	139.40	2.50	0.29
HU-039			150.60	163.35	12.75	0.63
HU-039		*including*	162.75	163.35	0.60	7.55
HU-039			204.50	205.90	1.40	0.16

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
HU-040	4697	407.0	236.30	238.30	2.00	0.18
HU-040			262.00	272.40	10.40	0.15
HU-040			290.50	304.40	13.90	0.12
HU-041	4650	253.8	183.50	190.30	6.80	0.08
HU-041			212.80	214.00	1.20	0.22
HU-043	4665	329.6	127.40	127.80	0.40	0.12
HU-043			156.60	161.40	4.80	0.05
HU-043			179.40	244.40	65.00	0.31*
HU-043		*including*	180.30	187.80	7.50	2.04
HU-043		*and*	183.80	187.10	3.30	4.27
HU-043		*and*	184.20	184.70	0.50	10.59
HU-043			260.80	262.40	1.60	0.09
HU-043			287.00	288.70	1.70	0.05
HU-043			297.90	298.40	0.50	0.19
HU-044	4697	362.0	158.30	159.00	0.70	0.43
HU-044			178.30	179.40	1.10	0.11
HU-044			206.95	235.90	28.95	0.21
HU-044		*including*	220.10	226.00	5.90	0.67
HU-044			253.50	268.70	15.20	0.09
HU-045	4593	347.0	163.00	164.30	1.30	0.30
HU-045			172.00	191.00	19.00	0.58
HU-045		*including*	172.00	172.80	0.80	1.94
HU-045		*and*	175.40	179.70	4.30	0.90
HU-045		*and*	190.00	191.00	1.00	2.72
HU-046	4665	296.0	96.80	98.00	1.20	0.07
HU-046			100.50	101.00	0.50	0.12
HU-046			117.90	119.00	1.10	0.14
HU-046			151.40	153.40	2.00	0.07
HU-046			207.70	208.60	0.90	0.20
HU-046			234.10	234.40	0.30	0.21
HU-046			237.90	239.30	1.40	0.10
HU-046			242.10	243.50	1.40	0.07
HU-046			254.30	267.40	13.10	0.14
HU-046			272.20	273.10	0.90	0.12
HU-047	4697	363.9	247.00	249.00	2.00	0.14
HU-047			279.00	294.00	15.00	0.23
HU-048	4665	361.0	110.60	111.80	1.20	0.12
HU-048			127.50	129.30	1.80	0.09
HU-048			135.20	139.70	4.50	0.06
HU-048			145.30	146.40	1.10	0.08
HU-048			154.50	157.60	3.10	0.07
HU-048			163.50	163.90	0.40	0.12
HU-048			183.30	184.40	1.10	0.06
HU-048			253.90	256.50	2.60	0.39
HU-049	4593	267.0	180.90	197.30	16.40	0.21
HU-050	4724	431.0	274.70	276.40	1.70	0.06
HU-050			297.70	322.30	24.60	0.38
HU-050		*including*	306.60	321.10	14.50	0.56
HU-051	4593	289.8	175.00	198.00	23.00	0.31**
HU-051		*including*	197.00	197.50	0.50	5.66
HU-052	4665	302.0	155.90	156.70	0.80	0.11
HU-052			197.20	198.30	1.10	0.05
HU-052			228.90	253.30	24.40	0.11***
HU-052			258.50	259.50	1.00	0.15
HU-053	4638	476.0	131.20	132.50	1.30	0.09

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
HU-053			152.70	154.00	1.30	0.15
HU-054	4697	344.0	249.00	254.65	5.65	0.30
HU-054			265.90	267.40	1.50	0.09
HU-054			273.30	287.00	13.70	0.17
HU-054			300.30	308.80	8.50	0.18
HU-054			317.10	318.20	1.10	0.07
HU-054			325.70	326.20	0.50	0.10
HU-056	4665	293.0	137.50	139.50	2.00	0.06
HU-056			161.80	170.30	8.50	0.09
HU-056			221.80	228.30	6.50	0.40
HU-056			245.40	245.70	0.30	0.15
HU-057	4665	271.0	135.00	140.00	5.00	0.07
HU-057			163.00	165.00	2.00	0.09
HU-058	4697	350.0	254.90	260.10	5.20	0.13
HU-058			264.00	264.70	0.70	0.09
HU-058			267.60	269.20	1.60	0.18
HU-058			307.00	322.40	15.40	0.10
HU-060	4665	191.0	119.30	120.10	0.80	0.12
HU-061	4593	308.0	156.90	183.50	26.60	0.50
HU-061		*including*	162.50	173.90	11.4	0.99
HU-062	4697	379.0	250.80	252.60	1.80	0.45
HU-062			269.10	284.00	14.90	0.14
HU-062			299.20	304.10	4.90	0.07
HU-062			323.70	330.20	6.50	0.06
HU-062			338.20	340.70	2.50	0.13
HU-063	4755	422.0	288.50	289.00	0.50	0.10
HU-063			322.40	383.30	60.90	0.18
HU-065	4697	437.0	281.00	292.00	11.00	0.20
HU-065			312.40	314.00	1.60	0.11
HU-065			331.30	331.90	0.60	0.34
HU-065			402.60	420.25	17.65	0.61
HU-065		*including*	407.10	420.25	13.15	0.80
HU-065		*and*	408.40	413.60	5.20	1.58
HU-066	4593	307.0	151.00	171.00	20.00	0.12
HU-067	4755	419.0	264.50	275.00	10.50	0.06
HU-067			300.00	301.00	1.00	0.10
HU-067			325.00	328.00	3.00	0.07
HU-067			363.00	369.50	6.50	0.11
HU-068	4593	281.0	113.00	114.00	1.00	0.06
HU-068			181.20	184.30	3.10	0.08
HU-068			191.00	192.00	1.00	0.06
HU-068			239.00	240.60	1.60	0.35
HU-069	4697	458.0	421.00	421.30	0.30	0.19
HU-070	4593	275.0	111.20	111.60	0.40	0.23
HU-070			116.10	117.30	1.20	0.08
HU-070			120.40	123.80	3.40	0.05
HU-070			131.00	133.00	2.00	0.05
HU-070			143.60	144.10	0.50	0.07
HU-070			217.30	223.60	6.30	0.08
HU-071	4755	515.0	245.60	246.50	0.90	0.30
HU-071			278.30	280.50	2.20	0.23
HU-072	4724	485.0	285.00	288.00	3.00	0.06
HU-072			326.50	328.00	1.50	0.17
HU-072			333.10	344.00	10.90	0.43
HU-072			401.00	410.40	9.40	0.09

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
HU-072			415.00	416.00	1.00	0.05
HU-075	4755	483.0	257.50	259.00	1.50	0.47
HU-075			308.00	308.30	0.30	0.13
HU-076	4540	275.0	121.00	122.00	1.00	0.07
HU-076			137.00	138.00	1.00	0.07
HU-077	4724	533.0	415.30	415.70	0.40	0.14
HU-080	4540	242.0	153.30	154.00	0.70	0.16
HU-081	4724	449.0	265.10	267.00	1.90	0.51
HU-081			279.80	280.20	0.40	0.33
HU-081			315.00	324.80	9.80	0.50
HU-081			334.00	343.00	9.00	0.14
HU-081			401.00	407.00	6.00	0.17
HU-081			411.00	412.00	1.00	0.06
HU-083	4540	269.0	163.00	164.00	1.00	0.32
HU-083			170.50	173.20	2.70	0.20
HU-083			177.40	177.70	0.30	0.25
HU-083			182.50	186.60	4.10	0.80
HU-083		*including*	183.0	183.40	0.40	4.37
HU-084	4540	242.0	178.80	193.30	14.50	0.15
HU-084			197.00	198.00	1.00	0.06
HU-085	4724	449.0	264.00	266.00	2.00	0.08
HU-085			288.00	326.50	38.50	0.21
HU-085		*including*	304.90	314.50	9.60	0.35
HU-085			333.50	335.00	1.50	0.09
HU-087	4827	565.7	279.00	280.00	1.00	0.60
HU-088	4724	429.0	207.30	207.80	0.50	0.09
HU-088			209.30	210.00	0.70	0.07
HU-088			220.60	232.60	12.00	0.13
HU-088			264.40	269.80	5.40	0.26
HU-088			286.30	289.05	2.75	0.07
HU-088			291.40	294.70	3.30	0.08
HU-088			297.10	335.30	38.20	0.22
HU-088		*including*	323.50	330.80	7.30	0.55
HU-089	4755	335.0	201.30	213.40	12.10	0.17
HU-089			243.20	243.60	0.40	0.13
HU-089			251.00	256.00	5.00	0.05
HU-089			263.80	270.00	6.20	0.37
HU-090	4724	403.4	149.00	151.00	2.00	0.10
HU-090			310.50	314.00	3.50	0.12
HU-090			320.00	321.00	1.00	0.09

** includes 12.70 metres not analyzed, and here composited at zero grade*
*** includes 9.0 metres sampled that analyzed less than 0.01% U_3O_8*
**** includes 5.1 metres not analyzed, and here composited at zero grade*

Winter 2007 Raven Deposit Drilling Results

The winter 2007 drilling program at Raven was designed to further test the continuity of mineralization identified by Gulf during its exploration of the deposit during the 1970's. Gulf's historical drilling was generally too widely-spaced to calculate a current resource or to fully interpret the continuity of mineralization. Previous drilling conducted by UEX in 2005 in a western area of Raven encountered narrow, discontinuous intercepts. The current target area was subsequently identified as an area where greater grade and continuity potential could occur, based on the interpretation of historical Gulf data. Uranium mineralization generally occurs at depths between 80 and 240 metres. The winter 2007 drilling program tested this area over a 300 metre strike length, with drill holes positioned on 60 metre-spaced sections, approximately 30

metres apart on each section line. Between three and six holes tested each cross section, following up areas where mineralization was previously intersected by Gulf. All holes were inclined at -70° to -88° drilling grid north (north-northwest).

Mineralized intervals intersected during the program and composited to grades of 0.05% U_3O_8 with a grade-thickness product of greater than 0.05 are listed in Table 5. Some of the most significant intercepts include:

- 0.09% U_3O_8 over 40.70 metres in hole RU-001 (section 5475E)
- 0.80% U_3O_8 over 2.20 metres in hole RU-002 (section 5475E)
- 0.08% U_3O_8 over 14.60 metres in hole RU-002 (section 5475E)
- 0.12% U_3O_8 over 9.00 metres in hole RU-002 (section 5475E)
- 0.11% U_3O_8 over 9.00 metres in hole RU-003 (section 5475E)
- 0.16% U_3O_8 over 27.00 metres in hole RU-004 (section 5475E)
- 0.25% U_3O_8 over 13.30 metres in hole RU-005 (section 5535E)
- 0.19% U_3O_8 over 16.70 metres in hole RU-012 (section 5415E)
- 0.45% U_3O_8 over 5.60 metres in hole RU-014 (section 5415E)
- 0.09% U_3O_8 over 36.20 metres in hole RU-015 (section 5630E)
- 0.15% U_3O_8 over 8.30 metres in hole RU-015 (section 5630E)
- 0.36% U_3O_8 over 4.50 metres in hole RU-017 (section 5630E)
- 0.51% U_3O_8 over 4.10 metres in hole RU-023 (section 5660E)
- 0.07% U_3O_8 over 20.00 metres in hole RU-024 (section 5660E)
- 0.06% U_3O_8 over 38.70 metres in hole RU-024 (section 5660E)
- 0.10% U_3O_8 over 33.60 metres in hole RU-025 (section 5415E)

As with Horseshoe drilling, some infill sampling was carried out during the 2007 summer drilling program to fully assess the mineralized intercepts in RU-001, RU-003, and RU-012 since they contain cumulative unsampled intervals of up to 3.9 metres where the core did not contain sufficiently anomalous radioactivity to meet UEX's sampling criteria of greater than 200 cps, as determined by hand-held scintillometer. Geochemical results of this sampling are pending.

The mineralization intersected during the winter 2007 program at Raven is more complex in morphology than that observed in the current areas of definition drilling at Horseshoe. It comprises a combination of pitchblende-boltwoodite-uranophane bearing narrow, higher-grade veinlets, disseminations with red hematite, and irregular pods and blebs. Further drilling will be required to assess its continuity and infill the current 60 metre-spaced sections. Mineralization intersected in several drill holes is open, and extends into areas not previously tested by Gulf. The intercepts reported here occur at vertical depths below surface of between 70 and 250 metres, and are shallower on average than the intercepts at Horseshoe to the east.

Table 5.
Winter 2007 Raven Drilling Program
Significant Intersections from Drill Holes RU-001 to RU-025

Only intervals with composite grades greater than 0.05% U_3O_8 and a grade-thickness product greater than 0.05 are listed below. Analyses performed by SRC by ICP.

Hole	Section (East)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
RU-001	5475	218.8	84.00	88.80	4.80	0.13
RU-001			116.20	117.30	1.10	0.07
RU-001			128.80	169.50	40.70	0.09*
RU-002	5475	313.0	89.30	91.50	2.20	0.80
RU-002			98.70	99.20	0.50	0.16
RU-002			106.40	106.80	0.40	2.13
RU-002			124.90	139.50	14.60	0.08
RU-002			143.50	144.30	0.80	0.18
RU-002			148.00	149.60	1.60	0.11
RU-002			158.70	159.40	0.70	0.12
RU-002			192.80	193.50	0.70	0.07

Hole	Section (East)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
RU-002			198.00	199.0	1.00	0.06
RU-002			205.40	210.70	5.30	0.11
RU-002			222.70	231.70	9.00	0.12
RU-003	5475	239.0	107.70	108.60	0.90	0.10
RU-003			113.00	114.00	1.00	0.09
RU-003			116.00	117.00	1.00	0.07
RU-003			200.00	209.00	9.00	0.11**
RU-003			215.90	218.00	2.10	0.42
RU-004	5475	212.0	107.00	134.00	27.00	0.16
RU-004		*including*	109.20	113.00	3.80	0.49
RU-004		*including*	130.00	133.50	3.50	0.39
RU-004			138.00	140.00	2.00	0.07
RU-004			142.00	143.00	1.00.	0.06
RU-005	5535	299.0	23.00	23.70	0.70	0.07
RU-005			97.60	99.00	1.40	0.09
RU-005			224.90	238.20	13.30	0.25
RU-007	5535	263.0	94.40	95.40	1.00	0.10
RU-007			111.00	117.00	6.00	0.12
RU-007			220.40	224.20	3.80	0.08
RU-007			232.00	236.60	4.60	0.11
RU-009	5535	241.7	70.00	71.00	1.00	0.08
RU-009			72.00	72.60	0.60	0.09
RU-009			92.90	93.60	0.70	0.10
RU-009			121.20	122.00	0.80	0.08
RU-009			185.00	193.00	8.00	0.06
RU-010	5415	314.0	140.30	141.30	1.00	0.08
RU-010			151.30	158.30	7.00	0.11
RU-011	5535	194.0	51.20	52.20	1.00	0.06
RU-011			63.20	64.20	1.00	0.13
RU-011			70.20	72.20	2.00	0.15
RU-011			155.20	157.70	2.50	0.06
RU-012	5415	253.7	105.90	122.60	16.70	0.19***
RU-012		*including*	117.20	117.80	0.60	1.80
RU-012			130.60	131.60	1.00	0.05
RU-012			148.00	149.50	1.50	0.10
RU-012			212.30	214.30	2.00	0.08
RU-012			224.30	227.50	3.20	0.08
RU-013	5535	314.0	191.20	193.20	2.00	0.06
RU-013			213.70	216.30	2.60	0.15
RU-013			287.10	287.70	0.60	0.18
RU-014	5415	225.0	129.00	134.60	5.60	0.45
RU-014			192.00	194.00	2.00	0.12
RU-015	5630	225.0	78.20	79.00	0.80	0.22
RU-015			90.80	91.30	0.50	0.14
RU-015			95.00	95.60	0.60	0.19
RU-015			100.60	136.80	36.20	0.09
RU-015			148.10	150.40	2.30	0.19
RU-015			161.00	164.00	3.00	0.07
RU-015			197.00	200.00	3.00	0.06
RU-015			228.00	236.30	8.30	0.15
RU-015			240.30	244.00	3.70	0.06
RU-016	5415	205.5	163.20	165.10	1.90	0.24
RU-017	5630	254.0	214.40	220.80	6.40	0.11
RU-017			231.00	235.50	4.50	0.36
RU-018	5630	290.5	79.70	81.40	1.70	0.13

Hole	Section (East)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
RU-018			104.90	105.90	1.00	0.10
RU-020	5630	240.0	90.00	91.00	1.00	0.06
RU-020			121.20	129.60	8.40	0.10
RU-020			188.60	194.60	6.00	0.08
RU-021	5630	220.0	183.30	144.00	0.70	0.07
RU-021			193.00	194.00	1.00	0.56
RU-021			199.00	200.00	1.00	0.10
RU-022	5660	244.7	126.00	127.00	1.00	0.05
RU-022			150.40	156.00	5.60	0.11
RU-022			195.90	199.00	3.10	0.06
RU-022			203.50	205.00	1.50	0.11
RU-022			214.40	215.00	0.60	0.12
RU-023	5660	321.0	128.00	129.00	1.00	0.06
RU-023			209.60	210.00	0.40	0.23
RU-023			222.00	226.10	4.10	0.51
RU-023		*including*	225.30	226.10	0.80	1.73
RU-024	5660	287.0	95.70	97.20	1.50	0.06
RU-024			101.50	102.00	0.50	0.09
RU-024			109.00	129.00	20.00	0.07
RU-024			183.30	222.00	38.70	0.06
RU-025	5415	310.0	151.40	185.00	33.60	0.10
RU-025		*including*	152.10	152.90	0.80	0.99
RU-025			226.60	231.50	4.90	0.15
RU-025			254.00	255.00	1.00	0.07

** includes 3.90 metres not analyzed, and here composited at zero grade*
*** includes 1.8 metres not analyzed, and here composited at zero grade*
**** includes 0.5 metres not analyzed, and here composited at zero grade*

Summer/Fall 2007 Drilling Programs at Raven and Horseshoe

UEX completed the 2007 summer/fall exploration drilling programs at the Raven and Horseshoe on November 30, 2007. The program was comprised of approximately 40,000 metres of drilling using five drilling rigs. 30,696 metres in 89 holes were drilled to further define the extent of Horseshoe mineralization to provide the basis for an N.I. 43-101 compliant resource estimate as well as test areas where Horseshoe mineralization extends into previously unexplored areas, and a further 8,767 metres in 33 holes was drilled at Raven to further trace mineralization continuity for future resource definition and delineate potential new mineralized zones identified by the winter 2007 drilling program. To date, results from the first 45 holes at Horseshoe have been received. Results from an additional 44 holes from Horseshoe and 33 holes from Raven will be released as they are received from the analytical laboratory.

The initial 45 holes of the summer/fall drilling program at Horseshoe were largely infill drilling which was intended to bring a significant portion of the upcoming resource calculation at Horseshoe into an indicated category, providing a resource with sufficient confidence levels to support the basis of a feasibility study. In addition, stepout drilling has extended mineralization further beyond and beneath the limits of the historical drilling conducted by Gulf at Horseshoe with mineralization still open in northeastern portions of the deposit. Preliminary interpretation of the current drilling indicates that in addition to the A and B Zones which were reported above, several newer pods of mineralization have been discovered, which include the A1, A2, BE (B east), and C Zones. Cross sections illustrating the geometry of these zones have been placed on UEX's website under Projects, East Athabasca - Hidden Bay property.

Many significant drill intercepts were obtained from the initial 45 summer/fall 2007 Horseshoe drill holes. Those composited to grades of at least 0.05% U_3O_8 with a grade-thickness product of greater than 0.1 are listed in Table 6. Some of the most significant of these intercepts include the following:

- 0.39% U_3O_8 over 7.0 metres in hole HU-91 (A zone, section 4665N)
- 0.15% U_3O_8 over 12.0 metres in hole HU-92 (A east zone, section 4665N)
- 0.83% U_3O_8 over 23.0 metres in hole HU-93 (A zone, section 4626N)
- 0.22% U_3O_8 over 25.4 metres in hole HU-98 (BE zone, section 4682N)
- 1.86% U_3O_8 over 8.3 metres in hole HU-99 (A zone, section 4626N)
- 0.28% U_3O_8 over 38.8 metres in hole HU-100 (A zone, section 4593N)
- 0.80% U_3O_8 over 22.3 metres in hole HU-101 (A zone, section 4611N)
- 0.68% U_3O_8 over 21.0 metres in hole HU-102 (A2 zone, section 4682N)
- 0.37% U_3O_8 over 11.4 metres in hole HU-103 (BE zone, section 4724N)
- 0.12% U_3O_8 over 17.9 metres in hole HU-104 (A zone, section 4570N)
- 2.20% U_3O_8 over 4.3 metres in hole HU-106 (A zone, section 4626N)
- 0.18% U_3O_8 over 31.0 metres in hole HU-107 (BE zone, section 4740N)
- 0.32% U_3O_8 over 15.0 metres in hole HU-108 (A east zone, section 4665N)
- 0.18% U_3O_8 over 50.4 metres in hole HU-109 (BE zone, section 4740N)
- 0.36% U_3O_8 over 20.4 metres in hole HU-111 (A zone, section 4626N)
- 0.31% U_3O_8 over 16.1 metres in hole HU-112 (BW zone, section 4682N)
- 0.73% U_3O_8 over 15.4 metres in hole HU-113 (BE zone, section 4665N)
- 0.16% U_3O_8 over 65.0 metres in hole HU-117 (BE zone, section 4665N)
- 0.34% U_3O_8 over 16.1 metres in hole HU-118 (A zone, section 4626N)
- 0.22% U_3O_8 over 56.4 metres in hole HU-119 (BE zone, section 4740N)
- 0.26% U_3O_8 over 32.0 metres in hole HU-123 (BE zone, section 4665N)
- 0.65% U_3O_8 over 23.1 metres in hole HU-126 (A zone, section 4644N)
- 0.64% U_3O_8 over 16.0 metres in hole HU-130 (BW zone, section 4724N)
- 0.25% U_3O_8 over 17.0 metres in hole HU-131 (BE zone, section 4682N)
- 0.28% U_3O_8 over 43.8 metres in hole HU-133 (BE zone, section 4682N)
- 0.75% U_3O_8 over 31.7 metres in hole HU-134 (BW zone, section 4724N)
  including 3.0% U_3O_8 over 6.1 metres
- 0.25% U_3O_8 over 5.9 metres in hole HU-137 (BW zone, section 4724N)

The central portions of the Horseshoe deposit have now been drilled at 15 to 30 metre hole spacing, with some at 7.5 metres in areas where higher grade mineralization required tighter definition, which should enable much of the resource to be placed into an indicated category. Once all drill results are fully received and in house modeling of mineralization is completed, it is anticipated that an N.I. 43-101 compliant resource estimate for Horseshoe should be completed during 2008 by Golder.

The UEX drilling programs have been encountering higher grades, wider intersections, better continuity and an overall greater extent of mineralization at Horseshoe than the mineralized areas outlined by Gulf in the 1970's. Drill core axis angles and continuity of mineralization between drill holes suggest that the vertical to steep drill holes cross the shallow-dipping mineralized zones at a high angle, so intersections should approximate true thickness.

Mineralization at Horseshoe comprises shallow dipping zones of hematization with disseminated and veinlet pitchblende-boltwoodite-uranophane mineralization that are hosted by folded arkosic quartzite gneiss. Mineralization defined to date occurs in five dominant zones termed A, BW, BE, A1 and A2, which define two different styles that comprise: a) disseminated pitchblende-chlorite-hematite, and b) narrower, higher grade nodular and veinlet pitchblende in hematite-clay alteration. Many of the intercepts reported here are broad zones intersected in the BE and BW zones which are mainly of the disseminated style, and which demonstrate the consistent grades over broad widths of these zones. To view maps and cross sections of Raven and Horseshoe, see UEX's website at www.uex-corporation.com under "Projects –Hidden Bay".

Table 6.
Summer/Fall 2007 Horseshoe Drilling Program
Significant Intersections from Drill Holes HU-091 to HU-112

Only intervals with composite grades greater than 0.05% U_3O_8 and a grade-thickness product greater than 0.1 are listed below. All analyses were performed by SRC by ICP.

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
HU-91	4665	281	173.30	174.50	1.20	0.091
HU-91			187.00	194.00	7.00	0.393
HU-91			221.00	223.10	2.10	0.205
HU-92	4665	311	162.00	164.00	2.00	0.114
HU-92			215.00	227.00	12.00	0.150
HU-92			243.00	245.50	2.50	0.279
HU-92			289.00	291.00	2.00	0.073
HU-93	4626	220	179.60	202.60	23.00	0.827
HU-93		*including*	180.90	181.40	0.50	10.257
HU-93		*including*	196.60	197.60	1.00	4.857
HU-94	4700	324	249.00	254.60	5.60	0.152
HU-94			259.20	274.00	14.80	0.092
HU-94		*including*	260.50	262.50	2.00	0.277
HU-94			293.70	295.40	1.70	0.157
HU-95	4626	233	217.60	221.80	4.20	0.098
HU-95			224.70	226.00	1.30	0.918
HU-96	4650	209	140.60	142.00	1.40	0.151
HU-96			172.00	174.00	2.00	0.064
HU-96			181.60	186.00	4.40	0.132
HU-97	4650	221	99.50	107.00	7.50	0.105
HU-97			119.00	121.00	2.00	0.241
HU-97			141.00	141.80	0.80	0.191
HU-98	4682	327	194.00	219.40	25.40	0.222
HU-98		*including*	209.50	219.40	9.90	0.406
HU-98		*including*	236.70	243.50	6.80	0.402
HU-98			236.70	258.00	21.30	0.186
HU-99	4626	220	182.30	190.60	8.30	1.861
HU-99		*including*	185.10	188.20	3.10	4.198
HU-100	4593	206	153.00	195.10	38.80*	0.277*
HU-100		*including*	162.80	164.00	1.20	3.450
HU-100		*including*	171.40	173.00	1.60	2.133
HU-101**	4611	221	162.10	184.40	22.30	0.798**
HU-101		*including*	169.00	171.30	2.30	1.905
HU-101		*including*	176.00	178.20	2.20	3.872
HU-102	4682	330	196.50	203.50	7.00	0.906
HU-102			223.00	244.00	21.00	0.684
HU-102		*including*	229.00	234.50	5.50	1.569
HU-102			256.00	264.00	8.00	0.097
HU-103	4724	354	231.00	236.60	5.60	0.180
HU-103			275.00	278.00	3.00	0.385
HU-103			300.00	307.00	7.00	0.061
HU-103			320.60	332.00	11.40	0.374
HU-104	4570	221	136.80	138.80	2.00	0.096
HU-104			140.30	141.80	1.50	0.083
HU-104			147.80	149.60	1.80	0.062
HU-104			151.60	169.50	17.90	0.120
HU-104			177.30	178.40	1.10	0.121
HU-104			196.30	200.60	4.30	0.092
HU-105	4682	315	135.00	141.00	6.00	0.053
HU-105			152.50	154.00	1.50	0.222

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
HU-105			236.00	237.90	1.90	0.078
HU-106	4626	236	180.80	185.10	4.30	2.201
HU-106			211.50	213.65	2.15	0.124
HU-107	4740	475	296.00	327.00	31.00	0.176
HU-107			352.40	353.30	0.90	0.156
HU-108	4665	374	251.80	266.80	15.00	0.324
HU-108			317.80	319.80	2.00	0.111
HU-109	4740	476	272.80	274.80	2.00	0.057
HU-109			277.60	328.00	50.40	0.184
HU-109		*including*	286.00	298.60	12.60	0.339
HU-109			363.00	373.00	10.00	0.117
HU-110	4682	320	172.00	173.50	1.50	0.055
HU-110			186.00	189.00	3.00	0.087
HU-110			266.00	267.50	1.50	0.074
HU-110			275.50	276.50	1.00	0.366
HU-111	4626	231	163.50	183.90	20.40	0.362
HU-111			179.20	183.90	4.70	1.273
HU-111			204.60	206.70	2.10	0.416
HU-112	4682	296	237.00	238.00	1.00	0.211
HU-112			242.80	258.90	16.10	0.305
HU-113	4665	411	256.50	271.90	15.40	0.725
		including	256.50	259.00	2.50	1.784
		including	266.40	271.90	5.50	1.195
		including	270.20	271.60	1.40	3.330
HU-114	4682	287	225.80	227.50	1.70	0.076
			230.20	235.50	5.30	0.278
HU-115	4740	437	299.70	302.00	2.30	0.103
			311.40	312.90	1.50	0.078
HU-116	4607	335	139.70	140.30	0.60	0.259
			304.70	310.00	5.30	0.201
HU-117	4665	430	264.70	329.70	65.00	0.156
		including	264.70	266.20	1.50	0.593
		including	273.20	286.80	13.60	0.269
		including	319.40	327.00	7.60	0.365
HU-118	4626	227	170.90	187.00	16.10	0.341
		including	180.20	187.00	6.80	0.684
			192.00	195.00	3.00	0.074
HU-119	4740	440	246.00	248.30	2.30	0.224
			273.30	274.20	0.90	0.111
			290.00	346.40	56.40	0.217
		including	291.80	302.30	10.50	0.357
HU-120	4626	230	131.60	132.80	1.20	0.390
			172.20	174.70	2.50	0.077
			178.20	179.00	0.80	0.140
			194.60	195.90	1.30	0.231
			207.10	207.50	0.40	0.295
HU-121	4740	530	266.00	269.00	3.00	0.088
			345.00	347.30	2.30	0.223
HU-122	4635	284	199.40	199.90	0.50	0.248
HU-123	4665	452.7	285.00	317.00	32.00	0.264
		including	296.70	308.60	11.90	0.512
HU-124	4638	386	208.20	208.70	0.50	0.248
HU-126	4644	257	190.50	213.60	23.10	0.648
		including	199.90	205.00	5.10	1.892
HU-129	4644	242	187.20	190.40	3.20	0.358

Hole	Section (North)	Depth of Hole (metres)	From (metres)	To (metres)	Length (metres)	Avg. Grade (% U_3O_8)
HU-130	4724	338	288.90	304.80	15.90	0.643
		including	298.40	304.10	5.70	1.149
HU-131	4682	338	252.50	269.50	17.00	0.253
			277.00	279.00	2.00	0.096
			290.00	290.60	0.60	0.177
			300.00	307.00	7.00	0.101
HU-132	4650	395	272.60	274.60	2.00	0.142
			290.00	291.30	1.30	0.080
			314.70	319.30	4.60	0.141
HU-133	4682	350	254.20	298.00	43.80	0.275
HU-134	4724	342	136.40	138.20	1.80	0.078
			211.00	213.40	2.40	0.139
			225.00	226.80	1.80	0.155
			243.90	281.50	37.60	0.648
		including	248.60	280.30	31.70	0.753
		including	272.20	278.30	6.10	3.000
HU-137	4724	306	225.80	231.70	5.90	0.253
			259.30	260.70	1.40	0.673

** includes 3.30 metres not analyzed, and here composited at zero grade: sampling to be completed*
*** two samples over 1.3 m are still at the lab and should increase the grade of this intercept slightly since they are currently included at zero grade*

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

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

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

Winter 2007 West Bear Deposit Sonic Drilling Program

During the year ended December 31, 2007, UEX completed its 2007 winter sonic drilling program of 113 holes totaling 3,386 metres at West Bear. The main objectives of the 2007 winter sonic drilling program were to test the eastern deposit area for uranium mineralization and better define the deposit geometry and uranium grades in the high-grade core of the main deposit area. The 2007 winter sonic drilling program, when integrated with previously-reported holes from 2005, has now defined the West Bear Deposit over a strike length of 500 metres on drill fences spaced 25 metres apart with holes spaced at 5 metre intervals. In the high-grade core area of the deposit, between Lines 17+50E and 18+50E, holes spaced at 5 metre intervals have now been drilled on fences spaced at 12.5 metre intervals. UEX is very encouraged by the number of 2007 sonic drill holes that have extended the uranium mineralization to the east by 150 metres and

confirmed the continuity of uranium grades in the high-grade core of the main deposit area.

A 2005 N.I. 43-101 compliant indicated resource estimate prepared by Roger Lemaitre, P.Eng., P.Geo. of Cameco, which was based only on UEX's 2005 sonic drilling program, outlined an indicated resource of 45,600 tonnes, grading 1.385% U_3O_8 and totaling 1.391 million pounds U_3O_8 at West Bear using a cut off grade of 0.15% U_3O_8. The West Bear resource estimate technical report dated March 2, 2006 is available for review at www.sedar.com

UEX's 2007 winter sonic drilling program included additional infill holes spaced at 5 metre intervals on two sections (1762.5E and 1787.5E) in the high-grade core of the main deposit area between sections 1750E, 1775E and 1800E drilled by Cameco in 2005. These holes were designed to better define the deposit geometry and uranium grades in this main deposit area. Uranium grades in this high-grade core area were increased, and include intercepts of 6.032% U_3O_8 over 10.67 metres in hole UEX-206 (see Section 1762.5E on UEX's website under West Bear) and 2.341% U_3O_8 over 7.08 metres in hole UEX-197 (see Section 1787.5E on UEX's website under West Bear).

The new interim resource estimate calculated by Kevin Palmer, P.Geo. of Golder of Burnaby, BC dated December 11, 2007 incorporating the results from both the 2005 and 2007 winter sonic drilling programs, outlined an indicated resource of 73,800 tonnes, grading 1.004% U_3O_8 and totaling 1.614 million pounds of U_3O_8 at West Bear in the high-grade main deposit area. The resource estimate was calculated using a cut-off grade of 0.15% U_3O_8 utilizing a geostatistical-block model technique with ordinary kriging methods and the DATAMINE Studio 3 software package.

The 2005 West Bear resource estimate report by Cameco notes that only two-thirds of the strike length of the mineralized area included as part of an historical resource outlined by Gulf Minerals ("Gulf") was tested during the 2005 sonic drilling program. A number of historical Gulf holes indicated that uranium mineralization likely extends to the east up to 150 metres beyond the current boundaries of the deposit.

One of the goals of the 2007 winter sonic drilling program was to test the eastern deposit area for uranium mineralization not previously drilled. The 2007 program extended the uranium mineralization 150 metres east of the boundary outlined during the 2005 sonic drilling program on drill fences spaced 25 metres apart with holes spaced at 5 metre intervals. This new uranium mineralization forms a narrow continuous lens straddling the unconformity in the northern section of the eastern deposit area. This mineralization includes intercepts of 0.360% U_3O_8 over 2.0 metres in hole UEX-116 (see Section 2075E on UEX's website under West Bear) and 0.670% U_3O_8 over 3.05 metres in hole UEX-120 (see Section 2025E on UEX's website under West Bear).

A small secondary lens of uranium mineralization not previously identified by Gulf Minerals was also discovered in the southern section of the eastern deposit area. This southern lens of mineralization extends over a strike length of over 75 metres and includes an intercept of 0.421% U_3O_8 over 2.55 metres in hole UEX-172 (see Section 2025E on UEX's website under West Bear).

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

The results of holes UEX-102 to UEX-184 drilled within the eastern deposit area are presented below in Tables 7 and 8. Significant results from these holes include the following mineralized intersections, which occur between 10 and 31 metres depth:

- 0.157% U_3O_8 over 0.70 metres in hole UEX-102 (section 2050E)
- 0.134% U_3O_8 over 1.39 metres in hole UEX-103 (section 2050E)
- 0.720% U_3O_8 over 0.76 metres in hole UEX-107 (section 2050E)
- 0.135% U_3O_8 over 1.50 metres in hole UEX-108 (section 2050E)
- 0.150% U_3O_8 over 0.50 metres in hole UEX-109 (section 2050E)
- 0.105% U_3O_8 over 1.26 metres in hole UEX-111 (section 2050E)
- 0.195% U_3O_8 over 0.50 metres in hole UEX-112 (section 2075E)
- 0.107% U_3O_8 over 0.50 metres in hole UEX-113 (section 2075E)
- 0.206% U_3O_8 over 0.69 metres in hole UEX-114 (section 2075E)
- 0.503% U_3O_8 over 1.00 metres in hole UEX-115 (section 2075E)
- 0.360% U_3O_8 over 2.00 metres in hole UEX-116 (section 2075E)
- 0.670% U_3O_8 over 3.05 metres in hole UEX-120 (section 2025E)
- 0.166% U_3O_8 over 0.50 metres in hole UEX-120 (section 2025E)
- 0.173% U_3O_8 over 0.60 metres in hole UEX-121 (section 2025E)
- 0.139% U_3O_8 over 0.66 metres in hole UEX-132 (section 2075E)
- 0.144% U_3O_8 over 0.60 metres in hole UEX-135 (section 2050E)
- 0.389% U_3O_8 over 0.60 metres in hole UEX-148 (section 2000E)
- 0.295% U_3O_8 over 1.34 metres in hole UEX-148 (section 2000E)
- 0.126% U_3O_8 over 2.40 metres in hole UEX-157 (section 1975E)
- 0.139% U_3O_8 over 0.85 metres in hole UEX-162 (section 1950E)
- 0.173% U_3O_8 over 0.50 metres in hole UEX-163 (section 1950E)
- 0.329% U_3O_8 over 1.04 metres in hole UEX-164 (section 1950E)
- 0.421% U_3O_8 over 2.55 metres in hole UEX-172 (section 2025E)
  including 1.146% U_3O_8 over 0.86 metres
- 0.329% U_3O_8 over 0.91 metres in hole UEX-176 (section 2000E)
- 0.283% U_3O_8 over 0.50 metres in hole UEX-181 (section 2000E)

In addition, infill drilling on two sections (1762.5E and 1787.5E) was carried out in the high-grade core of the main deposit area between sections 1750E, 1775E and 1800E drilled by Cameco in 2005 in order to better define the ore body geometry and uranium grades in this main deposit area. Uranium grades in this high-grade core area were increased, with up to 6.032% U_3O_8 over 10.67 metres in hole UEX-206 and 2.341% U_3O_8 over 7.08 metres in hole UEX-197. Some of the most significant intercepts, which occur between 10 and 31 metres depth, include the following:

- 2.341% U_3O_8 over 7.08 metres in hole UEX-197 (section 1787.5E)
  including 6.073% U_3O_8 over 2.57 metres
- 0.219% U_3O_8 over 2.19 metres in hole UEX-197 (section 1787.5E)
- 1.275% U_3O_8 over 9.20 metres in hole UEX-198 (section 1787.5E)
  including 2.851% U_3O_8 over 2.52 metres
- 1.185% U_3O_8 over 10.15 metres in hole UEX-199 (section 1787.5E)
  including 2.687% U_3O_8 over 2.81 metres
- 0.842% U_3O_8 over 8.80 metres in hole UEX-200 (section 1787.5E)
  including 1.242% U_3O_8 over 5.15 metres
- 0.119% U_3O_8 over 2.95 metres in hole UEX-201 (section 1787.5E)
- 0.786% U_3O_8 over 7.49 metres in hole UEX-205 (section 1762.5E)
  including 1.697% U_3O_8 over 2.93 metres
- 6.032% U_3O_8 over 10.67 metres in hole UEX-206 (section 1762.5E)
  including 18.288% U_3O_8 over 2.70 metres
  including 25.221% U_3O_8 over 1.76 metres
- 4.040% U_3O_8 over 11.41 metres in hole UEX-207 (section 1762.5E)
  including 5.969% U_3O_8 over 7.60 metres
- 1.254% U_3O_8 over 11.38 metres in hole UEX-208 (section 1762.5E)
  including 1.648% U_3O_8 over 7.96 metres

- 0.534% U_3O_8 over 4.80 metres in hole UEX-209 (section 1762.5E)
  including 1.163% U_3O_8 over 1.00 metres
- 0.348% U_3O_8 over 2.14 metres in hole UEX-210 (section 1762.5E)
- 0.186% U_3O_8 over 3.38 metres in hole UEX-211 (section 1762.5E)
  including 0.449% U_3O_8 over 0.73 metres

Full results are shown in Table 7 below. Only intervals with grades greater than 0.05% U_3O_8 and a grade-thickness product of greater than 0.05 are listed in Table 7.

Table 7.
West Bear Deposit - 2007 Winter Sonic Drilling Program
Mineralized Intersections from Drill Holes UEX-102 to UEX-214

Only intervals with composite grades **greater** than 0.05% U_3O_8 and a grade-thickness product greater than 0.05 are listed below. All analyses were performed by SRC by ICP.

Hole	West Bear Grid Coordinates			Hole Length (m)	From (m)	To (m)	Length (m)	U_3O_8 (wt%)	Grade-Thickness Product (m% U_3O_8)
	Easting	Northing	Elevation						
UEX-102	2050.0	1495.0	410.5	35.05	19.10	19.80	0.70	0.157	0.110
UEX-103	2050.0	1490.0	410.5	32.00	19.81	21.20	1.39	0.134	0.186
UEX-104	2050.0	1485.0	410.5	32.00	22.04	22.86	0.82	0.066	0.054
UEX-105	2050.0	1480.0	410.5	32.00	22.86	24.38	1.52	0.054	0.083
UEX-106	2050.0	1475.0	410.5	32.00	21.83	23.86	2.03	0.049	0.099
				including	21.83	22.86	1.03	0.058	0.060
UEX-107	2050.0	1470.0	410.5	35.05	22.10	22.86	0.76	0.720	0.547
UEX-108	2050.0	1465.0	410.5	32.00	21.51	23.01	1.50	0.135	0.202
UEX-109	2050.0	1460.0	410.6	33.53	24.38	24.88	0.50	0.150	0.075
UEX-111	2050.0	1450.0	410.6	28.96	22.86	24.12	1.26	0.105	0.132
UEX-112	2075.0	1505.0	410.5	32.00	25.38	25.88	0.50	0.195	0.097
UEX-113	2075.0	1500.0	410.5	30.48	16.67	18.17	1.50	0.074	0.111
					19.67	20.17	0.50	0.107	0.054
UEX-114	2075.0	1495.0	410.5	32.00	19.81	20.50	0.69	0.206	0.142
UEX-115	2075.0	1490.0	410.5	33.53	19.81	20.81	1.00	0.503	0.503
UEX-116	2075.0	1485.0	410.5	32.00	23.25	25.25	2.00	0.360	0.720
UEX-120	2025.0	1495.0	410.6	32.00	16.76	19.81	3.05	0.670	2.043
					24.36	24.86	0.50	0.166	0.083
UEX-121	2025.0	1490.0	410.6	32.00	24.95	25.55	0.60	0.173	0.104
UEX-129	2100.0	1505.0	410.4	35.05	24.38	25.95	1.57	0.078	0.123
UEX-132	2075.0	1510.0	410.6	28.96	22.20	22.86	0.66	0.139	0.092
					23.27	24.17	0.90	0.083	0.075
UEX-135	2050.0	1500.0	410.5	28.96	18.02	18.65	0.63	0.062	0.039
					19.95	20.55	0.60	0.144	0.086
UEX-137	2050.0	1510.0	410.4	32.00	19.81	20.40	0.59	0.097	0.057
					22.86	24.35	1.49	0.081	0.121
UEX-148	2000.0	1495.0	410.6	28.96	16.76	17.36	0.60	0.389	0.233
					17.86	19.20	1.34	0.295	0.396
UEX-153	1975.0	1485.0	410.6	28.96	20.19	20.59	0.40	0.066	0.026
					21.34	22.34	1.00	0.070	0.070
UEX-157	1975.0	1505.0	410.6	35.05	23.25	25.65	2.40	0.126	0.303
UEX-162	1950.0	1490.0	410.6	28.96	21.34	22.19	0.85	0.139	0.118
UEX-163	1950.0	1485.0	410.6	28.96	23.50	24.00	0.50	0.173	0.087
UEX-164	1950.0	1480.0	410.6	28.96	21.82	22.86	1.04	0.329	0.342
UEX-172	2025.0	1460.0	410.6	30.48	20.31	22.86	2.55	0.421	1.073
				including	20.31	21.15	0.84	0.063	0.053
				including	22.00	22.86	0.86	1.146	0.985

Hole	West Bear Grid Coordinates			Hole Length (m)	From (m)	To (m)	Length (m)	U_3O_8 (wt%)	Grade-Thickness Product (m% U_3O_8)
	Easting	Northing	Elevation						
UEX-176	2000.0	1440.0	410.7	33.53	28.05	28.96	0.91	0.329	0.300
UEX-181	2000.0	1465.0	410.6	32.00	24.10	24.60	0.50	0.283	0.141
UEX-187	1900.0	1495.0	410.7	30.48	17.60	26.05	8.45	0.090	0.757
				including	17.60	21.86	4.26	0.079	0.337
				including	22.86	23.80	0.94	0.093	0.087
				including	24.90	26.05	1.15	0.236	0.272
UEX-197	1787.5	1515.0	411.3	32.00	17.80	24.88	7.08	2.341	16.571
				including	18.29	20.86	2.57	6.073	15.609
					28.96	31.15	2.19	0.219	0.480
UEX-198	1787.5	1510.0	411.4	30.48	13.25	22.45	9.20	1.275	11.734
				including	16.76	19.28	2.52	2.851	7.185
UEX-199	1787.5	1505.0	411.4	30.48	12.45	22.60	10.15	1.185	12.031
				including	17.50	20.31	2.81	2.688	7.553
UEX-200	1787.5	1500.0	411.5	30.48	14.00	22.80	8.80	0.842	7.409
				including	15.45	20.60	5.150	1.242	6.396
UEX-201	1787.5	1495.0	411.9	25.91	20.00	22.95	2.95	0.119	0.351
UEX-202	1787.5	1490.0	412.0	25.91	18.61	23.50	4.890	0.059	0.290
UEX-205	1762.5	1510.0	411.7	30.48	18.29	25.78	7.49	0.786	5.889
				including	21.07	24.00	2.93	1.697	4.971
UEX-206	1762.5	1505.0	411.6	33.53	16.76	27.43	10.67	6.032	64.365
				Including	21.10	23.80	2.70	18.288	49.378
				including	21.10	22.86	1.76	25.221	44.389
UEX-207	1762.5	1500.0	411.6	30.48	14.50	25.91	11.41	4.040	46.097
				including	16.40	24.00	7.60	5.969	45.361
					29.50	30.48	0.98	0.366	0.359
UEX-208	1762.5	1495.0	411.6	32.00	10.67	12.00	1.33	0.323	0.430
					13.72	25.10	11.38	1.254	14.269
				including	14.90	22.86	7.960	1.648	13.115
UEX-209	1762.5	1490.0	411.5	28.96	17.65	22.45	4.80	0.534	2.563
				including	20.95	21.95	1.000	1.163	1.162
UEX-210	1762.5	1485.0	411.5	28.96	22.86	25.00	2.14	0.348	0.746
UEX-211	1762.5	1480.0	411.5	27.43	22.53	25.91	3.380	0.186	0.628
				including	25.18	25.91	0.73	0.449	0.328
UEX-214	2125.0	1510.0	410.3	32.00	20.30	20.80	0.50	0.130	0.065

Table 8.
West Bear Deposit - 2007 Winter Sonic Drilling Program
Mineralized Intersections from Drill Holes UEX-102 to UEX-214

Only intervals with composite grades **lower** than 0.05% U_3O_8 and a grade-thickness product lower than 0.05 are listed below. All analyses were performed by SRC by ICP.

Hole	West Bear Grid Coordinates			Hole Length (m)	From (m)	To (m)	Length (m)	U_3O_8 (wt%)	Grade-Thickness Product (m% U_3O_8)
	Easting	Northing	Elevation						
UEX-118	2075.0	1475.0	410.6	35.05	30.11	30.48	0.37	0.076	0.028
UEX-128	2100.0	1510.0	410.5	35.05	23.86	24.38	0.52	0.077	0.040
					24.93	25.03	0.10	0.090	0.009
UEX-136	2050.0	1505.0	410.5	36.58	22.90	23.10	0.20	0.237	0.047
					27.60	28.10	0.50	0.056	0.028
UEX-147	2000.0	1500.0	410.6	28.96	16.76	17.29	0.53	0.061	0.032
UEX-149	2000.0	1490.0	410.6	27.43	19.47	19.81	0.34	0.053	0.018
UEX-160	1950.0	1500.0	410.7	28.96	23.94	24.44	0.50	0.066	0.033
UEX-166	1950.0	1470.0	410.6	28.96	23.63	24.00	0.37	0.087	0.032

A total of 28 additional sonic drill holes were not mineralized.

Geochemical samples are selected with the aid of a hand-held scintillometer to identify areas of above-background radioactivity. Samples are split, with half remaining in the core box, and the remainder shipped to SRC where they are crushed and ground to minus 106 microns. The pulp is digested in aqua regia leach and analyzed by ICP for uranium and other elements. Check samples have been submitted to SRC's Analytical Laboratory (a separate facility) for uranium analysis using the delayed neutron activation technique to confirm the accuracy of the original analysis. In addition to the geochemical analyses, down-hole probe radiometric results, obtained for all sonic drill holes on completion of drilling, provide an independent check of the geochemical data. Probe results can be used for uranium grade calculations where poor ground conditions occur and core recoveries are low, although the sonic drilling method at West Bear produced core recoveries at, or close to, 100%.

The core lengths of the individual mineralized intersections are believed to be indicative of the true thicknesses of the mineralized zones, as the deposit is flat lying, and in the shape of a ribbon. All sonic drill holes were drilled at -90° (vertical).

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

Metallurgical Testing

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

West Bear Environmental Baseline and Feasibility Studies

Golder is carrying out an environmental baseline study ("EBS") and a feasibility study for West Bear. The EBS has been underway at West Bear since August 2005 and Golder continues to collect biological, hydrogeological and other environmental data. Further baseline studies are scheduled for 2008 following the input of more detailed information on the project design generated from the West Bear feasibility study.

UEX looks forward to the completion of the feasibility study, which is expected to be delivered in 2008, following Golder's integration of the results from UEX's 2007 sonic drilling program. The feasibility study will examine the most efficient methods and procedures for extracting the defined

uranium resource, including the most appropriate road access and support infrastructure, mining methods and operating plans. Golder is currently carrying out mine, open pit slope, and waste dump design work. As the feasibility study progresses, Golder will supervise the tendering of contracts for all aspects of a potential mining operation, and will perform cash flow analyses and projections in order to determine net present values and internal rates of return for West Bear at various uranium price levels.

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

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

Telephone Lake Trend 2007 Winter Drilling Program

Four diamond drill holes were completed on prospective targets in the Phantom Lake area totaling 1,115 metres. Results are being processed, compiled and interpreted.

2007 West Rabbit Lake Fault Winter Drilling Program

Four diamond drill holes were completed on prospective targets in the West Rabbit Lake Fault area totaling 993 metres. Results are being processed, compiled and interpreted.

Hidden Bay Project: 2008 Exploration Program

2008 Winter Drilling Program at Horseshoe and Raven

Approximately 18,000 metres of drilling is in progress in and around the Horseshoe Deposit using three drill rigs.

Two drills have drilled 62 holes totaling 14,000 metres to test the south eastern parts of the Horseshoe Deposit. This area contains a shallow northwest dipping mineralized zone that is contiguous with the A zone of Horseshoe. The zone is open in many areas to the west, and requires further infill drilling to test continuity of several significant historical intercepts so that it can be included in future Horseshoe resource calculations. It was not possible to test this area during the 2007 summer/fall drilling program due to the local swampy conditions. Cold winter temperatures in 2008 have created excellent surface access conditions.

Two drills have drilled six holes for 4,500 metres to test the northeastern extensions of Horseshoe where resistivity and gravity anomalies occur associated with areas of alteration, and intensive faulting associated with the Dragon Lake Fault. The Dragon Lake Fault is known to be associated with uranium mineralization where it intersects the Rabbit Lake Fault a few kilometres to the north adjacent to the past producing Rabbit Lake Deposit.

At Raven, 62 holes totaling 15,500 metres have been drilled using two drill rigs. Infill and stepout drilling confirm and extend known mineralization at the Raven Deposit.

Drilling at Raven is outlining several stacked, generally stratabound pods which occur in the core of the Raven syncline between depths of 50 and 350 metres below surface. These pods collectively have a linear, east-northeast trend over a strike length of more than 500 metres. The cumulative results from the 2007 summer/fall drilling program that have yet to be released, and

the 2008 drilling program should provide enough information to calculate an N.I. 43-101 compliant resource estimate at the Raven Deposit later in 2008.

2008 Winter Drilling Program at the Shamus and Telephone Areas

One drill has drilled three holes totaling 1,700 metres in the Shamus Area.

Initial drilling at Shamus focused on further exploring a large area of alteration in pegmatite within the hanging wall of the Telephone Lake Fault, where previous drilling has intersected multiple mineralized faults in widely spaced holes that have returned grades ranging from 0.1% to 0.46% U_3O_8 over intervals of several metres, including 0.39% U_3O_8 over 2.2 metres in hole SHA-20. This target area, in pegmatite associated with fault strands in the hanging wall to a major graphitic fault, is similar to the geological setting and style of the Eagle Point deposit.

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

Black Lake Project

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

Winter 2007 Exploration Program

UEX's 2007 winter exploration program, consisting of ground geophysical surveying and diamond drilling using one diamond drill rig, was intended to continue exploration of the main fault associated with the Black Lake conductive trend. This trend hosts UEX's 2004 discovery hole BL-18 which encountered unconformity-type uranium mineralization in the sandstone, immediately above the Athabasca unconformity. The intercept averaged 0.694% U_3O_8 over 4.4 metres between 310.5 and 314.9 metres depth, including 1.96% U_3O_8 over 0.5 metres (see UEX News Release, October 12, 2004). To view maps from the 2007 winter exploration program at Black Lake, please access UEX's website at www.uex-corporation.com under "Latest Updates".

A total of 5,502 metres in eleven (11) diamond drill holes were drilled during the 2007 winter program. The results of holes BL-130 to BL-140 drilled to test the Eastern Fault Zone and other prospective parts of the Property are presented below in Table 9. Significant results from these holes include the following mineralized intersections:

- 0.67% U_3O_8 over 3.0 metres in hole BL-140 (section 128+50N)
  including 1.58% U_3O_8 over 1.0 metres
- 0.24% U_3O_8 over 3.0 metres in hole BL-137 (section 129+00N)
  including 0.56% U_3O_8 over 1.0 metres

These intercepts are located in the northeastern portion of the property, where previous drilling in hole BL-82 intersected 0.50% U_3O_8 over 3.3 metres including 1.6% U_3O_8 over 0.7 metres (see UEX News Release, August 14, 2006).

Six holes were drilled in the northeastern portion of the Property to follow up a mineralized reverse fault, or basement "wedge", previously intersected on section 128+00N in hole BL-82 (see accompanying Section 128+00N on UEX's website). In the Athabasca Basin, the presence of a basement "wedge" is considered to be an important geological feature for potential uranium deposition, having formed a structural trap for mineralizing hydrothermal fluids.

Follow-up drilling of this basement "wedge" was initially carried out in the winter 2007 program 100 metres along strike to the northeast of BL-82. Three inclined holes (BL-135, BL-136 and BL-137) were drilled from the same collar location along section 129+00N. Similar to hole BL-82, two unconformities were encountered in hole BL-137, the first at 258.0 metres. Uranium mineralization was intersected within a brecciated zone of sandstone 17.4 metres below the first unconformity in the lower half of the basement "wedge", grading 0.24% U_3O_8 over 3.0 metres

from 275.4 to 278.4 metres, including 0.56% U_3O_8 over 1.0 metres from 275.7 to 276.7 metres (see accompanying Section 129+00N on UEX's website). The core recovery within this mineralized section of the breccia is extremely poor (7% to 10%) and as a consequence the uranium grades are based on downhole radiometric probing. Below the second unconformity, at 284.7 metres, to the end of the hole at 413.0 metres the basement consisted of interbanded amphibolite and granitic gneiss including an interval of graphitic breccia.

A second series of inclined holes (BL-138, BL-139 and BL-140) was drilled halfway between sections 128+00N and 129+00N on line 128+50N. Hole BL-140 again encountered a basement "wedge" with the first unconformity at 259.1 metres. Uranium mineralization was intersected 15.0 metres below the first unconformity in moderately to strongly friable and altered sandstone grading 0.67% U_3O_8 over 3.0 metres from 274.1 to 277.1 metres, including 1.58% U_3O_8 over 1.0 metre from 274.4 to 275.4 metres (see accompanying Section 129+50N on UEX's website). Below the second unconformity, at 290.7 metres, to the end of the hole at 386.0 metres the basement consisted of interbanded amphibolite and granitic gneiss.

Hole BL-134 in the northeastern portion of the property tested a Mobile Metal Ion (MMI) geochemical anomaly on line 122+00N. The middle section of sandstone shows wide intervals with moderate to strong desilicification and poor core recovery possibly due to faulting. Graphitic gneisses were intersected in the basement rocks.

In addition, four holes (BL-130 to BL-133) were drilled along the Eastern Fault Zone in the southwestern portion of the Property. The holes show sandstone structure (fault/fracture zones showing intense desilicification and poor core recovery) and alteration (dravite and pyrite along fractures) indicative of a prospective setting for uranium deposition, along with weakly graphitic basement rocks. Many previous holes drilled along the Eastern Fault zone over several kilometres of strike length have also encountered faulting with pervasive dravite, pyrite, chlorite and illite alteration and anomalous uranium, lead and boron enrichment in the sandstone up to tens of metres above the unconformity. These are alteration features observed at, or near, unconformity-type uranium deposits. UEX is encouraged by the latest drilling results and plans to continue an optimized drilling program in conjunction with resistivity surveys to search for additional uranium mineralization that may be present along the 20 kilometre-long Black Lake conductor system.

Table 9.
Black Lake Project - 2007 Winter Drilling Program
Drill Holes BL-130 to BL-140
All analyses were performed by SRC using ICP
True widths of mineralized intervals have not yet been determined.

Hole	Black Lake Grid Coordinates			Hole Length (m)	From (m)	To (m)	Length (m)	U_3O_8 (wt%)	Grade-Thickness Product (m%U_3O_8)
	Northing	Easting	Elevation						
BL-130	5600N	125W	334.3	670.0	-	-	-	-	-
BL-131	808N	1150W	330.0	746.0	-	-	-	-	-
BL-132	4800N	1350W	328.1	656.0	-	-	-	-	-
BL-133	5600N	75W	334.5	638.0	-	-	-	-	-
BL-134	12200N	525W	323.9	453.0	-	-	-	-	-
BL-135	12900N	60E	317.6	343.0	-	-	-	-	-
BL-136	12900N	60E	317.7	404.0	-	-	-	-	-
BL-137	12900N	60E	317.6	413.0	275.4	278.4	3.0	0.24*	0.72
				including	275.7	276.7	1.0	0.56*	0.56
BL-138	12850N	60E	317.8	383.0	-	-	-	-	-
BL-139	12850N	60E	317.8	410.0	-	-	-	-	-
BL-140	12850N	60E	317.8	386.0	274.1	277.1	3.0	0.67	2.01
				including	274.4	275.4	1.0	1.58	1.58

***** Due to extremely poor core recovery within this mineralized section, uranium grades are based on downhole radiometric probing.

A ground geophysical survey consisting of 50.0 kilometres of pole-dipole resistivity was carried out along the Black Lake conductive system to test the southern extension of a previously defined conductive trend from the fall 2006 program (see UEX News Release, February 27, 2007). The use of resistivity surveys in the Athabasca Basin has proved to be a useful exploration tool for mapping alteration in sandstone, especially when applied to a known graphitic conductor system like that at Black Lake. The survey progress was hampered due to extremely poor contact resistance in the sandy ground, with the result that surveying was restricted to swamps where reasonable readings could be obtained, and which would not be accessible during the summer months. Infill and completion of the survey will be carried out during a summer/fall 2007 program.

Gravity and ground magnetic surveys totaling 38 line kilometres and 32 line kilometres respectively were completed to further define a north-south trending structure in the northern part of the Black Lake grid, where previous drilling has encountered anomalous uranium mineralization. These surveys were conducted on a secondary grid with lines oriented east-west and spaced at 100 metre intervals. The magnetic survey defined a distinctive north-south trending structure, which encompasses numerous previous drill holes containing uranium mineralization. This structure is also observed as a subtle signature in the gravity data. A more intense gravity and resistivity anomaly, coincident with the edge of the north-south trending magnetic feature, is present in the area of hole BL-82. These gravity and resistivity anomalies will be targeted in future drilling.

Summer/Fall 2007 Exploration Program

A summer/fall exploration 2007 program of geophysical surveying commenced in October 2007 at Black Lake and continued into December 2007. This geophysical program consisted of DC resistivity in the southern portion of the property to infill and complete missing areas from the winter 2007 survey.

2008 Winter Exploration Program at Black Lake

A diamond drilling program of three holes totaling 2,150 metres is currently underway. The drilling program is designed to test geophysical targets outlined during ground geophysical programs in the southern portion of the property in the area of historic drill hole BL-02 completed by Uranerz Exploration and Mining Limited in the winter of 1998. Hole BL-02 intersected basement hosted uranium mineralization several metres below the unconformity. The mineralization consisted of black, sooty pitchblende and orange-yellow uranium oxide stain over a core length of approximately 0.4 metres. Analytical results returned up to 4,045 ppm U_3O_8 between 562.9 and 563.0 metres with anomalous values of Pb, As, B, Cu and Ni associated with this uranium mineralization. However, no graphitic pelite basement lithologies were encountered and the conductor was interpreted not to have been intersected in hole BL-02.

The technical information in this document regarding Black Lake has been compiled and reviewed by Sierd Eriks, P. Geo., a qualified person as defined by N.I. 43-101. True widths of mineralized intervals have not yet been determined. All core samples were analyzed at SRC by ICP, with additional uranium analyses by fluorimetry.

Riou Lake Project

The Riou Lake Project ("Riou Lake") consists of 13 claims totaling 33,182 hectares and is located within the northern Athabasca Basin near the town of Stony Rapids, SK.

On April 23, 2007, UEX announced the results of a Fall 2006 drilling program at Riou Lake. Three holes were drilled totaling approximately 2,487 metres, including a hole that was restarted from a wedge at 335 metres depth after the initial hole was lost in highly fractured rock. One of the three holes encountered a narrow interval of uranium mineralization.

Hole RLG-D25 intersected uranium-bearing basement rock just below the unconformity at 602.3 metres, grading 0.66% U_3O_8 over 0.10 metres. The geochemical signature of the occurrence is

similar to that of uranium deposits in the Athabasca Basin with accompanying enrichment in nickel, arsenic, cobalt, copper, lead, potassium and magnesium. A subsequent re-evaluation of the KC Conductor in the area of hole RLG-D25 indicates that the hole narrowly missed the optimum target location where the top of the conductor intersects the unconformity, interpreted to be approximately 25 metres north of the hole collar. Follow-up drilling is planned for this prospective area of the KC Conductor in 2008.

The technical information regarding Riou Lake has been compiled and reviewed by Sierd Eriks, P. Geo., a qualified person as defined by N.I. 43-101. True widths of drill hole intervals have not yet been determined. All core samples were analyzed at SRC by ICP, with additional uranium analyses by fluorimetry.

2007 Winter Exploration Programs

A ground geophysical survey consisting of 30.0 kilometres of DC resistivity was carried out in the spring of 2007 on Riou Lake to follow up geophysical conductors outlined by the 2005 MEGATEM® airborne electromagnetic survey. The survey was conducted using a pole-pole array on a grid with lines oriented northeast-southwest and spaced at 400 metre intervals. The DC resistivity survey shows a plume-type feature with lower resistivity which is defined on a number of survey lines on the eastern portion of the grid. This feature may represent alteration of the sandstone and will be targeted in future drilling.

2008 Winter Exploration Program at Riou Lake

A diamond drilling program of five holes totaling 3,900 metres has recently been completed. The drilling program tested geophysical targets outlined during previous airborne and ground geophysical programs in the eastern portion of the Riou Lake property.

Northern Athabasca Projects

UEX's 100%-owned Northern Athabasca Projects consists of five projects totaling 83,758 hectares in 24 claims located on the northern rim of the Athabasca Basin near Stony Rapids, Saskatchewan, as follows: Butler Lake - 19,648 hectares, Fond du Lac – 16,838 hectares, Otherside River – 12,762 hectares, Munroe Lake – 18,275 hectares, and Jacques Point - 16,235 hectares. UEX staked the five project areas in 2004 following a review of the favourable geophysical and structural characteristics in the region.

2006 Drilling Program Results

On April 23, 2007, UEX announced the results of a Summer/Fall 2006 drilling program totaling 4,353 metres in 8 holes on the Butler Lake, Fond du Lac, Munroe Lake, and Otherside River projects. The helicopter-supported drilling program targeted anomalous geophysical responses obtained from the 2005 airborne and 2006 ground geophysical programs. None of the holes intersected significant uranium mineralization. However, on the Munroe Lake, hole ML-02 encountered strong dravite alteration in the sandstone. At the Butler Lake Project, anomalous uranium values up to 5 to 10 times background were observed in the basal 30.0 metres of sandstone. A subsequent borehole electromagnetic survey of holes BTL-01 and BTL-02 indicated that a strong basement conductor lies about 50 metres below the end of both holes.

2007 Winter Exploration Program

A fixed-loop, time-domain electromagnetic ("TDEM") survey, totaling 100.0 kilometres, was carried out on two separate grids in the winter of 2007 on UEX's Munroe Lake Project ("Munroe Lake"), one of the five Northern Projects staked by UEX in late 2004. A number of conductive trends on Munroe Lake, first identified by the 2005 MEGATEM® survey, were successfully delineated by the 2007 ground TDEM survey and represent "ground-truthing" of airborne anomalies within UEX's Northern Projects.

2007 Summer/Fall Diamond Drilling Program

A summer/fall exploration program was initiated in September 2007 comprised of ground geophysical surveying and diamond drilling using one helicopter-supported diamond drill rig. A DC resistivity survey is currently underway over a number of conductive trends on Munroe Lake that were successfully delineated by the winter 2007 ground TDEM survey. The use of resistivity surveys in the Athabasca Basin has proved to be a useful exploration tool for mapping alteration in sandstone, especially when applied to a known graphitic conductor system.

A recently completed drilling program consisted of four (4) holes and an extension of one hole for a total of 2,785 m. At the Butler Lake Project ("Butler Lake"), previous drilling in the summer and fall of 2006 encountered anomalous uranium values up to 5 to 10 times background in the basal 30.0 metres of sandstone (see UEX News Release, April 23, 2007). A subsequent borehole electromagnetic survey of hole BTL-02 indicated that a strong basement conductor lies about 50 metres below the end of the hole at 534.0 metres. Hole BTL-02 was deepened in an attempt to intersect this conductor. Two further holes at Butler Lake tested other conductors in the project area. In addition, two holes were drilled on the Jacques Point project to test ground TDEM conductors offset by faults interpreted from magnetics. Geochemical results of the drilling program are pending.

The technical information regarding the Northern Athabasca Projects has been compiled and reviewed by Sierd Eriks, P. Geo., a qualified person as defined by N.I. 43-101. True widths of drill hole intervals have not yet been determined. All core samples were analyzed at SRC by ICP, with additional uranium analyses by fluorimetry.

Beatty River Project

Beatty River consists of seven claims totaling 6,688 hectares located in the western Athabasca Basin approximately 40 kilometres south of the Shea Creek deposits. At present, AREVA owns a 50.71% interest and JCU owns a 49.29% interest in Beatty River. UEX entered into an agreement dated June 15, 2004 with JCU wherein JCU granted UEX an option to acquire a 25% interest in Beatty River. Under the agreement, UEX can earn a 25% interest in Beatty River by funding $865,000 in exploration expenditures by December 31, 2010.

2007 Summer/Fall Exploration Program

The 2007 geophysical program focused on the south end of the project. A 30 km block of DC-Resistivity data was collected during the months of August and September. Interpretation of the data is ongoing.

Liquidity and Capital Resources

As UEX has not begun production on any of its exploration properties, the Company does not generate cash from operations. As at December 31, 2007 the Company had current assets of $53,191,977, including $51,830,474 in cash and cash equivalents compared to current assets as at December 31, 2006 that totaled $77,405,892. Working capital at December 31, 2007 was $48,488,622, compared to working capital of $76,568,491 at December 31, 2006. The Company's cash balances are invested in highly liquid bankers' acceptance notes, fully guaranteed by the bank, with terms of 90 days or less.

Accounts payable and accrued liabilities at December 31, 2007 were $4,703,355, which is significantly higher than the amount at December 31, 2006 of $837,401. The increase is due to significantly more exploration activity during November and December 2007 than the level of exploration activity during the last two months of 2006.

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

The Company's net future income tax liability of $14,625,397 at December 31, 2007, is comprised of a $15,378,554 future income tax liability related to the tax effect of the difference

between the carrying value of the Company's mineral properties determined in accordance with GAAP and their tax values, offset by the Company's future income tax assets totaling $753,157. At December 31, 2006, the Company's net future income tax liability was $11,346,499. The increase in the future income tax liability in 2007 was primarily due to flow-through share expenditures renounced to shareholders during the period.

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.

Risks and Uncertainties

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

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

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

Uranium price fluctuations could adversely affect UEX.

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

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

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

Competition in the uranium industry could adversely affect UEX.

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

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

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

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

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

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium exploration operations may be required to compensate others

who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

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

Dependence on key management employees.

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

Resource estimates are based on interpretation and assumptions.

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

Because UEX has not commenced production on any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for UEX's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. 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.

Related party transactions

Cameco's management contract for exploration activities at the Hidden Bay Project ended on December 31, 2005, and since that date Cameco, a significant shareholder, has provided certain exploration and claims management services from time-to-time. During the year ending December 31, 2007, the Company was charged by Cameco a total of $69 (2006 - $37,875) for expenses incurred by Cameco at the Hidden Bay Project, of which no mark-up over Cameco's cost was charged. At December 31, 2007, no amounts due to Cameco were included in accounts payable and accrued liabilities (2006 - $7,413).

Events Subsequent to December 31, 2007

Subsequent to December 31, 2007:

(a) The Company issued 700,000 common shares on the exercise of stock options for proceeds of $132,000; and

(b) The Company granted stock options enabling a director to acquire up to 1,000,000 common shares at an exercise price of $4.41 per share, vesting over a period of two years and expiring on March 24, 2018.

Critical Accounting Estimates

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

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

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

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

Disclosure Controls and Procedures

UEX maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to Multilateral Instrument 52-109 is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators' rules and forms. UEX's Chief Executive Officer and acting Chief Financial Officer has evaluated UEX's disclosure controls and procedures as of December 31, 2007 and concluded that the current disclosure controls and procedures are effective.

Internal Control Over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting that occurred during the year ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Caution Regarding Forward Looking Statements

Statements contained in this document which are not historical facts are forward looking statements and are prospective. These statements appear in a number of different places in this Management Discussion and Analysis, but principally under the headings “Overview” and “Outlook” above and can be identified by words such as “estimates”, “projects”, “expects”, “intends”, “believes”, “plans”, or their negatives or other comparable words. Forward-looking statements include statements regarding the outlook for our future operations, plans and timing for the commencement or advancement of exploration activities on our properties, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of any legal proceedings, and other expectations, intention and plans that are not historical fact. Forward looking statements are based on certain factors and assumptions including expected economic conditions, uranium prices, results of operations, performance and business prospects and opportunities. UEX considers the factors and assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions readers that these assumptions may ultimately prove to be incorrect. Forward-looking statements by their nature necessarily involve risks, uncertainties and other factors including without limitation, the risk that uranium price fluctuations could adversely affect UEX, that UEX’s exploration activities may not result in profitable commercial mining operations, that competition from other energy sources and public acceptance of nuclear energy may affect UEX’s prospects, that competition in the uranium industry could adversely affect UEX, that failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties, that compliance with and changes to environmental and other regulatory laws could adversely affect UEX, and other factors all as more particularly described under the heading “Narrative Description of the Business – Risk Factors” in the Company’s most recent Annual Information Form and include unanticipated and unusual events. These and other factors could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Consequently, all forward-looking statements made in this Management Discussion and Analysis are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by UEX will be realized. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Except as required by applicable securities laws (and UEX’s disclosure policy), UEX disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

Additional Information

Additional information concerning UEX, including the Company’s Annual Information Form for the year ended December 31, 2007 is available at www.sedar.com or at UEX’s website at www.uex-corporation.com

Financial Statements of

UEX CORPORATION

Years ended December 31, 2007 and 2006

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

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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of UEX Corporation as at December 31, 2007 and 2006 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 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 29, 2008, except as to note 10
which is as of March 25, 2008

UEX CORPORATION

Balance Sheets

December 31, 2007 and 2006

	2007	2006
Assets		
Current assets:		
Cash and cash equivalents	$ 51,830,474	$ 76,866,056
Amounts receivable	1,112,004	465,424
Prepaid expenses	249,499	74,412
	53,191,977	77,405,892
Equipment (note 3)	290,274	202,092
Mineral properties (note 4)	99,539,582	60,386,498
	$ 153,021,833	$ 137,994,482
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,703,355	$ 837,401
Future income taxes (note 5)	14,625,397	11,346,499
Shareholders' equity:		
Share capital (note 6)	124,485,587	119,783,082
Contributed surplus (note 7)	19,785,302	11,132,774
Deficit	(10,577,808)	(5,105,274)
	133,693,081	125,810,582
Nature of operations (note 1)		
Commitments (notes 4 and 9)		
Subsequent events (notes 4(e) and 10)		
	$ 153,021,833	$ 137,994,482

See accompanying notes to financial statements.

Approved on behalf of the Board:

"Stephen H. Sorensen" Director

"Graham C. Thody" Director

UEX CORPORATION

Statements of Operations, Comprehensive Loss and Deficit

Years ended December 31, 2007 and 2006

	2007	2006
Expenses:		
Amortization	$ 10,543	$ 5,314
Bank charges and interest	4,551	1,270
Filing fees and stock exchange	179,011	141,247
General and administration	230,055	99,344
Insurance	48,358	29,342
Legal and audit	185,648	131,873
Rent	65,129	62,845
Salaries and benefits	414,329	414,855
Stock-based compensation (note 6(c))	8,937,973	8,375,524
Telephone	9,549	8,804
Travel and promotion	59,954	48,600
	10,145,100	9,319,018
Investment income	3,034,219	3,266,404
Loss before income taxes	(7,110,881)	(6,052,614)
Future income tax recovery (note 5)	1,638,347	2,362,448
Net loss and comprehensive loss for the year	(5,472,534)	(3,690,166)
Deficit, beginning of year	(5,105,274)	(1,415,108)
Deficit, end of year	$ (10,577,808)	$ (5,105,274)
Loss per share:		
Basic	$ (0.03)	$ (0.02)
Diluted	(0.03)	(0.02)
Weighted average number of shares outstanding:		
Basic	182,368,774	178,985,557
Diluted	185,939,334	182,107,061

See accompanying notes to financial statements.

UEX CORPORATION

Statements of Cash Flows

Years ended December 31, 2007 and 2006

	2007	2006
Cash provided by (used for):		
Operations:		
Net loss for the year	$ (5,472,534)	$ (3,690,166)
Items not involving cash		
Amortization	10,543	5,314
Future income tax recovery	(1,638,347)	(2,362,448)
Stock-based compensation	8,937,973	8,375,524
Changes in non-cash operating working capital:		
Amounts receivable	(49,594)	(41,589)
Prepaid expenses	(175,087)	(41,192)
Accounts payable and accrued liabilities	(18,100)	8,333
	1,594,854	2,253,776
Financing:		
Common shares issued, net of share issuance costs	5,491,046	51,804,427
Investments:		
Mineral property expenditures	(31,911,969)	(21,920,482)
Purchase of equipment	(209,513)	(192,686)
	(32,121,482)	(22,113,168)
Increase (decrease) in cash and cash equivalents	(25,035,582)	31,945,035
Cash and cash equivalents, beginning of year	76,866,056	44,921,021
Cash and cash equivalents, end of year	$ 51,830,474	$ 76,866,056
Supplementary information:		
Interest received	$ 3,109,822	$ 3,239,265
Non-cash transactions:		
Increase (decrease) in accounts payable and accrued liabilities relating to mineral property expenditures	3,884,054	(1,067,451)
Increase in amounts receivable relating to mineral property expenditures	(596,986)	-
Non-cash stock-based compensation included in mineral property expenditures	2,646,014	1,183,116
Increase in mineral properties due to future income taxes	1,197,245	614,919
Amortization included in mineral properties	110,788	46,380

See accompanying notes to financial statements.

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) Basis of presentation

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

(b) Financial Instruments

Effective January 1, 2007, the Company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA) relating to the recommendations of CICA Handbook Section 3855, *Financial Instruments - Recognition and Measurement*, Section 1530, *Comprehensive Income*, and Section 3865, *Hedges*. These sections provide guidance on the classification, recognition and measurement of financial instruments and hedges in financial statements and the inclusion of other comprehensive income. Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured at fair value except for loans and receivables, held-to-maturity instruments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value of financial instruments will depend on their initial classification. Held-for-trading financial instruments are measured at fair value and unrealized changes in fair value are recognized in operations.

As a result of the adoption of these new standards, the Company has classified cash and cash equivalents as held-for-trading, amounts receivable as loans and receivables, and accounts payable and accrued liabilities as other liabilities. The adoption of these standards has had no impact on the Company's financial statements and no effect on prior periods.

2. Significant accounting policies (continued):

(c) Use of estimates:

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

(d) Cash equivalents

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

(e) Equipment:

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

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

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

(f) Mineral properties:

All acquisition, exploration, 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.

2. Significant accounting policies (continued):

(g) Asset retirement obligations:

The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it incurs a legal obligation, if a reasonable estimate of fair value can be made, based on the discounted estimated future cash settlement of an asset retirement obligation. The asset retirement obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. This asset retirement cost will be depreciated over the life of the related asset. The liability is accreted, through operating expense, over a period ending when the liability is finally settled in cash, subject to annual adjustments for changes in estimates. The Company has assessed each of its mineral projects and determined that no material asset retirement obligations exist as at December 31, 2007 and 2006.

(h) Financial instruments:

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

(i) Stock-based compensation:

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

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

(j) Income taxes:

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

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

2. Significant accounting policies (continued):

(k) Earnings (loss) per share:

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding and earnings (loss) available to shareholders. For all periods presented, earnings (loss) available to shareholders equals reported earnings (loss). The treasury stock method is used to calculate diluted earnings per share. However, outstanding options and warrants would have no dilutive effects on basic loss per share for 2007 and 2006 due to the Company's loss for the year.

(l) Variable interest entities:

The Company applies CICA Accounting Guideline 15, *Consolidation of Variable Interest Entities* (AcG-15). AcG-15 prescribes the application of consolidation principles for entities that meet the definition of a variable interest entity (VIE). An enterprise holding other than a voting interest in a VIE could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses, receive the majority of its expected residual returns, or both. Management has determined the Company does not have any variable interest entities for the years ended December 31, 2007 and 2006.

3. Equipment:

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

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

4. Mineral properties:

The continuity of expenditures on mineral properties is as follows:

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

Project	Balance December 31, 2005	Exploration and development expenditures	Balance December 31, 2006
Western 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
Northern Athabasca	1,086,931	1,828,952	2,915,883
	$ 37,689,052	$ 22,697,446	$ 60,386,498

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

(a) Western Athabasca Projects:

The Western Athabasca Projects, which include the Anne, Colette and Kianna Deposits, are ten joint ventures with the Company holding a 49% (2006 - 24.5%) interest and AREVA Resources Canada Inc. (AREVA) holding a 51% (2006 - 75.5%) interest as at December 31, 2007.

During 2004, the Company entered into an agreement with AREVA whereby the Company was granted the option to acquire up to a 49% interest in the Western Athabasca Projects, located in the western Athabasca Basin in northern Saskatchewan. In order to earn this interest, the Company was required to fund $30,000,000 in exploration expenditures over an eleven year period as follows:

4. Mineral properties (continued):

(a) Western Athabasca Projects (continued):

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 would earn a 12.25% interest in the West Athabasca Projects for every $7,500,000 incurred to a maximum total interest of 49%. At December 31, 2007, the Company has earned its 49% interest in the Western Athabasca Projects. The Company is in the process of preparing joint venture agreements with AREVA.

The Anne and Colette Deposits are subject to a royalty of US$0.212 per pound of U_3O_8 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, Raven and Horseshoe Deposits, are located immediately west of Wollaston Lake in Saskatchewan.

(c) Black Lake Project:

The Black Lake Project, located in the Athabasca Basin, is a joint venture with the Company holding an 89.31% (2006 - 87.24%) interest and AREVA holding a 10.69% (2006 - 12.76%) interest as at December 31, 2007. As a result of AREVA electing not to participate in the 2007 exploration programs at Black Lake, the Company's interest in the Black Lake Project increased and AREVA's interest decreased by 2.07%.

(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. On January 29, 2008, the deadline date was extended to December 31, 2010. At the time of the agreement, AREVA held a 50.71% interest and JCU held a 49.29% interest in the Beatty River Project.

(f) Northern Athabasca 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:

	2007	2006
Loss before income taxes	$ (7,110,881)	$ (6,052,614)
Statutory rates	34.12%	34.12%
Income tax recovery at statutory rates	$ 2,426,233	$ 2,065,152
Non-deductible expenses and permanent differences	(3,014,805)	(2,889,916)
Change in future corporate tax rates	2,226,919	3,187,212
Future income tax recovery	$ 1,638,347	$ 2,362,448

During the year ended December 31, 2007, the Canadian government enacted amendments to current tax legislation, which provided for a reduction in future corporate tax rates. The effect of the changes in income tax legislation on the Company's future income tax liability was a reduction of $2,195,868 (2006 - $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, 2007 and 2006 are presented below:

	2007	2006
Future tax assets:		
Losses carried forward	$ -	$ 228,323
Equipment	38,318	25,345
Share issuance costs	714,839	1,110,937
	753,157	1,364,605
Future tax liabilities:		
Mineral properties	(15,378,554)	(12,711,104)
Net future tax liabilities	$ (14,625,397)	$ (11,346,499)

6. Share capital:

(a) Authorized:

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

(b) Issued and outstanding - common shares:

	Number of shares	Value
Balance, December 31, 2005	169,272,485	$ 71,526,422
Issued 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
Issued in 2007:		
For cash on exercise of stock options (note 6(c))	2,083,134	5,491,046
Contributed surplus transferred on exercise of stock options	-	2,931,459
Future income taxes on flow-through expenditures renounced to shareholders	-	(3,720,000)
Balance, December 31, 2007	182,903,052	$ 124,485,587

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.

6. Share capital (continued):

(c) Stock-based compensation:

Under the Company's stock-based compensation plan, the Company may grant options to its key employees, directors, officers and others providing services to the Company. The maximum number of shares issuable under the plan changed to a rolling number equal to 10% of the issued and outstanding common shares of the Company from time to time. Under the plan, the exercise price of each option shall be fixed by the board of directors but shall not be less than the quoted 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, 2007 and 2006, and changes during the years ended on these dates are presented below.

	Number of options	Weighted-average exercise price
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
Granted during the year	4,675,000	6.10
Exercised during the year	(2,083,134)	2.64
Cancelled during the year	(66,666)	5.00
Outstanding, December 31, 2007	10,181,200	$ 4.37
Exercisable, December 31, 2007	8,781,201	$ 4.16

6. Share capital (continued):

(c) Stock-based compensation (continued):

As at December 31, 2007, the Company had reserved a total of 10,181,200 common shares for issuance related to director, employee and consultant options, the details of which are as follows:

Exercise prices	Number outstanding, December 31, 2007	Weighted average remaining contractual life
$ 0.08	756,500	5.7 years
0.10	16,000	0.5 years
0.12	84,000	0.5 years
0.84	400,000	6.5 years
0.95	575,000	6.7 years
1.80	99,700	7.5 years
2.75	175,000	7.2 years
3.56	1,850,000	8.7 years
5.00	1,550,000	8.0 years
5.02	1,000,000	9.1 years
6.40	3,675,000	9.0 years
	10,181,200	8.2 years

The estimated fair value of all options granted and vested during 2007 is $11,583,987 (2006 - $9,558,640). Included in deferred exploration and development expenditures for the year is $2,646,014 (2006 - $1,183,116) of stock-based compensation. The unamortized balance of stock-based compensation expense for options that were not vested at December 31, 2007 is $2,727,328 (2006 - $320,163).

The weighted average fair value of options granted during the year ended December 31, 2007 was $3.03 (2006 - $2.08) per option using the Black-Scholes option pricing model with the following assumptions:

	2007	2006
Volatility percentage	71%	69%
Risk-free interest rate	4.5%	3.9%
Dividend yield	-	-
Expected life of options	3 years	3 years

(d) Flow-through shares:

During 2006, the Company raised $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.

6. Share capital (continued):

(d) Flow-through shares (continued):

In February 2007, the Company renounced $12,000,000 (2006 - $12,000,000) of tax deductions associated with qualified expenditures incurred and to be incurred with flow-through funds. The Company recorded a future income tax liability of $3,720,000 (2006 - $4,694,400), with a corresponding reduction in share capital.

7. Contributed surplus:

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

	2007	2006
Contributed surplus, beginning of year	$ 11,132,774	$ 1,998,577
Fair value of options granted and vested during the year	11,583,987	9,558,640
Transferred to share capital on exercise of options	(2,931,459)	(424,443)
Contributed surplus, end of year	$ 19,785,302	$ 11,132,774

8. Related party transactions:

During the year ended December 31, 2007, the Company was charged by Cameco, a significant shareholder, a total of $69 (2006 - $37,875) 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, 2007, no amounts due to Cameco were included in accounts payable and accrued liabilities (2006 - $7,413).

9. Commitments:

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

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:

(a) Subsequent to December 31, 2007, the Company issued 700,000 common shares on the exercise of stock options for proceeds of $132,000.

(b) On March 25, 2008, the Company granted stock options enabling a director to acquire up to 1,000,000 common shares at an exercise price of $4.41 per share, vesting over a period of two years and expiring on March 24, 2018.

Corporate Information

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