

Financial Statements of

UEX CORPORATION

Years ended December 31, 2007 and 2006



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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
	<u>53,191,977</u>	<u>77,405,892</u>
Equipment (note 3)	290,274	202,092
Mineral properties (note 4)	99,539,582	60,386,498
	<u>\$ 153,021,833</u>	<u>\$ 137,994,482</u>

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)
	<u>133,693,081</u>	<u>125,810,582</u>
Nature of operations (note 1)		
Commitments (notes 4 and 9)		
Subsequent events (notes 4(e) and 10)		
	<u>\$ 153,021,833</u>	<u>\$ 137,994,482</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

“Stephen H. Sorensen” Director

“Graham C. Thody” Director

UEX CORPORATION

Statements of Operations, 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.

UEX CORPORATION

Notes to Financial Statements

Years ended December 31, 2007 and 2006

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.

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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.

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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.

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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
	<u>\$ 495,454</u>	<u>\$ 205,180</u>	<u>\$ 290,274</u>

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
	<u>\$ 285,941</u>	<u>\$ 83,849</u>	<u>\$ 202,092</u>

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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
	<u>\$ 60,386,498</u>	<u>\$ 39,153,084</u>	<u>\$ 99,539,582</u>

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
	<u>\$ 37,689,052</u>	<u>\$ 22,697,446</u>	<u>\$ 60,386,498</u>

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:

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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 U₃O₈ sold to a maximum royalty of US\$10,000,000.

(b) Hidden Bay Project:

The Company's 100%-owned Hidden Bay Project assets, including the West Bear, 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.

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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)

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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.

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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.

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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.

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Notes to Financial Statements

Years ended December 31, 2007 and 2006

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.