

## CHAIRMAN'S LETTER

**“World uranium industry fundamentals and support continue to strengthen, still driven by intensifying international government focus on carbon emission reduction, carbon dioxide amelioration and increasing recognition of the importance of nuclear power as an essential part of the world's future energy supply. Projected demand and growth of the world nuclear power industry continues unabated” Terry Ward, Chairman**

22 October 2009

Dear Shareholder,

The activities and progress in the year continued to build on the success of preceding years, with the commencement of a pre-feasibility study at the Manyoni Project in central Tanzania, plus additional drilling and a scoping study at Thatcher Soak in Western Australia. Further encouraging geological exploration and drilling was carried out at the Mkuju Project in southern Tanzania. Continuing exploration development of our other Australian projects rounded out a successful year.

Despite the ongoing delays occasioned by the supply-demand tightness in the exploration services industry worldwide in the first half of the year and the impacts of the mid-year global financial collapse, your Company managed to continue to progress its primary goals of development towards production for both the Manyoni Project and the Thatcher Soak Project. Response to the deteriorating world financial situation was affected by rationalising our resources and activities, with the closure of the Perth office and the re-location of all operations in the Melbourne office.

Operational emphasis in the coming year will continue to focus on the advancement of the Manyoni and Thatcher Soak Projects.

The main area of exploration focus will build on the geological and mineralisation modelling of the Mkuju and Songea project areas, based on local mapping and drilling results to date, with the objective of drill targeting and deposit definition of major occurrences of uranium mineralisation of the Wyoming 'roll-front' type.

The Tanzanian Government continues to be a strong supporter of the development of a uranium mining industry, with the generation of appropriate Regulations and Codes of Practice, which are based on world best practice as promulgated in the major uranium producing countries.

Exploration of the Ranger 'crystalline basement' deposit type at Bynoe and Alligator Rivers in the Northern Territory will continue, along with continued investigation of the scope for deep palaeo-channel mineralisation accumulations at the Bremer Basin project in WA.

# URANEX

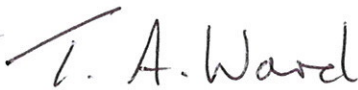
The Company's cash position was \$8.5 million at 30 June 2009. A successful capital raising of \$4.7M was accomplished, with share placements to three professional investors. A share purchase plan was initiated to enable eligible shareholders to participate in further funding. These initiatives resulted in total funds raised of approximately \$5 million.

The necessary rationalisation of operations during the year placed significant responsibility on directors, management and staff. Coming at such an important time in the advance to production status, they are to be congratulated in navigating Uranex through the period.

The basic fundamentals of the nuclear industry have not changed from last year and remain strong with considerable upside potential. The growth of nuclear power generators continues. The ever intensifying international focus on carbon emission reduction and carbon dioxide amelioration, coupled with the increasing global demand for low emission and lower cost power, is resulting in the continually widening recognition of the increasing importance of nuclear power as an essential part of the world's future energy supply.

Your Company, with its advanced stage Manyoni and Thatcher Soak projects and its diverse suite of advancing, large-scale exploration projects, remains well placed to become a significant producer in the inevitable major expansion of the future world uranium production industry.

As ever, Uranex is determined to achieve this status by matching project design and development specifically to the geology of its resource assets, and by practising good governance, corporate citizenship and sustainability in the progression and operation of all its production projects and exploration activities.



**Terrance Ward**  
**Chairman**