

Dear Shareholder,

The attached formal notice convenes a General Meeting of your Company to consider and, if thought fit, to approve three Resolutions to enable the Company to raise capital funds to continue the further evaluation and development of its assets.

This meeting is being called because ASX rules stipulate that companies may not issue any new shares through a placement to investors, without shareholder approval, in any rolling 12 month period, in excess of 15% of the existing issued share capital at that time. In May this year your Company issued 13,400,000 shares, representing 13.9% of its then issued quoted shares. Therefore, shareholder approval is now required to issue further shares to raise more capital.

As an exploration and pre-development company, Uranex relies on raising capital periodically to fund its ongoing activities and it is with this fact, clearly in our minds, that your Board has been working towards the possible early development of the Manyoni Project in Central Tanzania. The Manyoni Project currently has a JORC resource of 29M lbs of U₃O₈ at a 100ppm cut off grade, with excellent potential to increase this substantially. The Manyoni Project is currently subject of a Pre-Feasibility Study (PFS), looking at the viability of a low cost heap leaching operation. Initial results are expected later this Quarter and if they prove positive we will be looking to undertake some optimisation studies with a view to commencing a Bankable Feasibility Study (BFS) in 2011.

At the same time, the Company has also continued to evaluate the very prospective exploration tenements that are held in the Mkuju area of Southern Tanzania. These tenements are located very close to the uranium deposit held by Mantra Resources Limited which reportedly contains JORC resources of 85M lbs of U₃O₈. As has been reported, we have had very good isolated results from our work to date on our tenements and our geologists are confident that, following the work program scheduled at Mkuju over the next year, we will indeed have sufficient continuity of results to define a maiden resource.

In Australia the Company holds 100% of the Thatcher Soak deposit in Western Australia (WA) that contains a JORC resource of 14M lbs of U₃O₈ at a 100ppm cut off grade. We are evaluating all potential opportunities in relation to this project. The Company also holds a number of exploration tenements in WA and the Northern Territory and continues to evaluate these as funds are available to do so.

The Company's current approved budget for the FY2010/11 is just under \$7m. Funds are allocated to completing the Manyoni PFS and moving to commencing a BFS. Approximately \$2m is allocated to further drilling at Mkuju and the balance is spread between undertaking additional exploration around Manyoni (e.g. at Itigi), in our other tenements in Southern Tanzania at Songea, in Australia and for working capital purposes.

You will also have seen our recent announcement regarding the appointment of Matt Gauci as Managing Director. I can add no more to what was said in that announcement but repeat that we are very pleased indeed that Matt has agreed to join the Company and lead it through to its next exciting phase of development.

So, in proposing these three Resolutions we are seeking your approval to place sufficient new shares to raise sufficient funds to at least complete the current approved FY2010/11 budget.

The enclosed Explanatory Memorandum details these Resolutions. In summary:

Resolution 1 – Seeks to “refresh” the ability of the Company to issue 15% of its current issued capital without further shareholder approval;

Resolution 2 – Seeks shareholder approval for a placement to Acorn Capital Ltd to invest \$1.96m and to take an 11.3% interest in the Company. Acorn Capital Ltd is a highly respected professional investment fund with a focus on the junior resource sector and their wish to invest in Uranex is viewed by the Board as an endorsement of our activities and strategy. These funds will give us sufficient time to secure additional funding required for at least the balance of FY2010/11; and

Resolution 3 – Seeks shareholder approval to raise up to an additional \$5m, to ensure that our proposed work program for the remainder of this year can be fully funded, by issuing new shares, within the 3 months of our meeting, at a price no less than 80% of the average price of shares traded over the previous 5 day period.

With this in mind we have been talking and will continue to talk with a number of professional investors, both in Australia and overseas, over the next month or so to seek their interest in supporting the Company.


Your Board also believes that current share prices for Uranex shares are unreasonably low. Accordingly, we are strongly of the view that existing shareholders should, where possible, also be given the opportunity to acquire additional shares at the same price or less than any new investors we look to bring on to the members’ register under the approvals sought in Resolutions 2 and 3. This could mean announcing a Rights Issue or a Share Purchase Plan along with any proposed placement to new investors.

So, in summary, we are requesting your support and approval of these Resolutions to give your Board and our new Managing Director the best possible opportunity to negotiate the best terms for raising new funds to the benefit of all existing shareholders.

I firmly believe that the Company’s assets, particularly at Manyoni and Mkuju, in Tanzania hold exciting prospectivity. In addition it also appears that the uranium market globally is poised to strengthen markedly over the next 12 months or so as the 23 Chinese power stations currently under construction start to move to secure their future uranium supplies.

When all of these factors are taken together, they combine to present a potentially very strong future for your Company and I hope you will provide the Board and Management with the approvals now being sought to enable your Company to raise the funds it needs to proceed as proposed.

Yours Truly


Andrew Daley
Chairman