

DRILLING UPDATE AT MKUJU URANIUM PROJECT

- **Drilling at the Mkuju Uranium Project is progressing as planned**
- **First four diamond drill holes completed to a depth of 150m**
- **Uranium Mineralisation intersected in all four holes**
- **Niton Portable XRF grades up to 5,990 ppm U₃O₈ in 10cm increment core analysis**
- **Niton Portable XRF analysis on cut and pulverised core samples currently underway**

Australian based uranium exploration company Uranex NL (ASX: UNX) (“Uranex” or “the Company”) continues to advance its Mkuju Uranium Project in Southern Tanzania (Figure 1), with the first four diamond drill holes of the current campaign, drilled to a depth of around 150m, intersecting high-grade uranium mineralisation.

Drilling operations are shown in Figure 2.

Uranex’s Mkuju Uranium Project (MRU) adjoins Mantra Resources Limited’s Mkuju River Project (MRP), where a Mineral Resource of 84.3 million pounds @ 464ppm U₃O₈ has been defined at the Nyota Prospect (Nyota), located 30km NE of Uranex’s planned drilling program at the Likuyu North Prospect (Likuyu North).

At Likuyu North, the dominant uranium minerals are yellow/green in colour and have been identified by Uranex geologists as meta-autunite, meta-uranocircite or phosphuranylite. Similar uranium mineral assemblages have been identified at the nearby MRP and Kayelekera Mine (Paladin Energy Limited).

Figure 3 illustrates these yellow/green minerals in MKDD0002, the second hole drilled as part of this programme. Occurrence of a darker uranium bearing mineral, possibly uraninite, has also been identified.

A Niton portable XRF analyser is being utilised by Uranex in the field to rapidly assess core samples as they are drilled. The surface of core samples is being analysed at 10cm increments throughout the hole, providing on-site geologists with rapid identification and confirmation of uranium anomalous zones. Results of up to 5,990 ppm U₃O₈ have been returned from the surface of core samples using this method.

Core samples from identified uranium bearing zones in the first four diamond holes are currently being cut, pulverised and analysed with the Niton portable XRF analyser. The results will be provided to the market as they become available. Samples with significant uranium identified through this process will then be sent to the laboratory for formal assaying by pressed pellet XRF.

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ASX Code: UNX

Number of Shares
123.8M Ordinary Shares
4.4M Unlisted Options

Market Capital
A\$21.5 Million (@0.175c)

Board of Directors

Johann Jacobs
Chairman

Matthew Gauci
Managing Director

Stephen Hunt
Non-executive Director

Frank Poullas
Non-executive Director

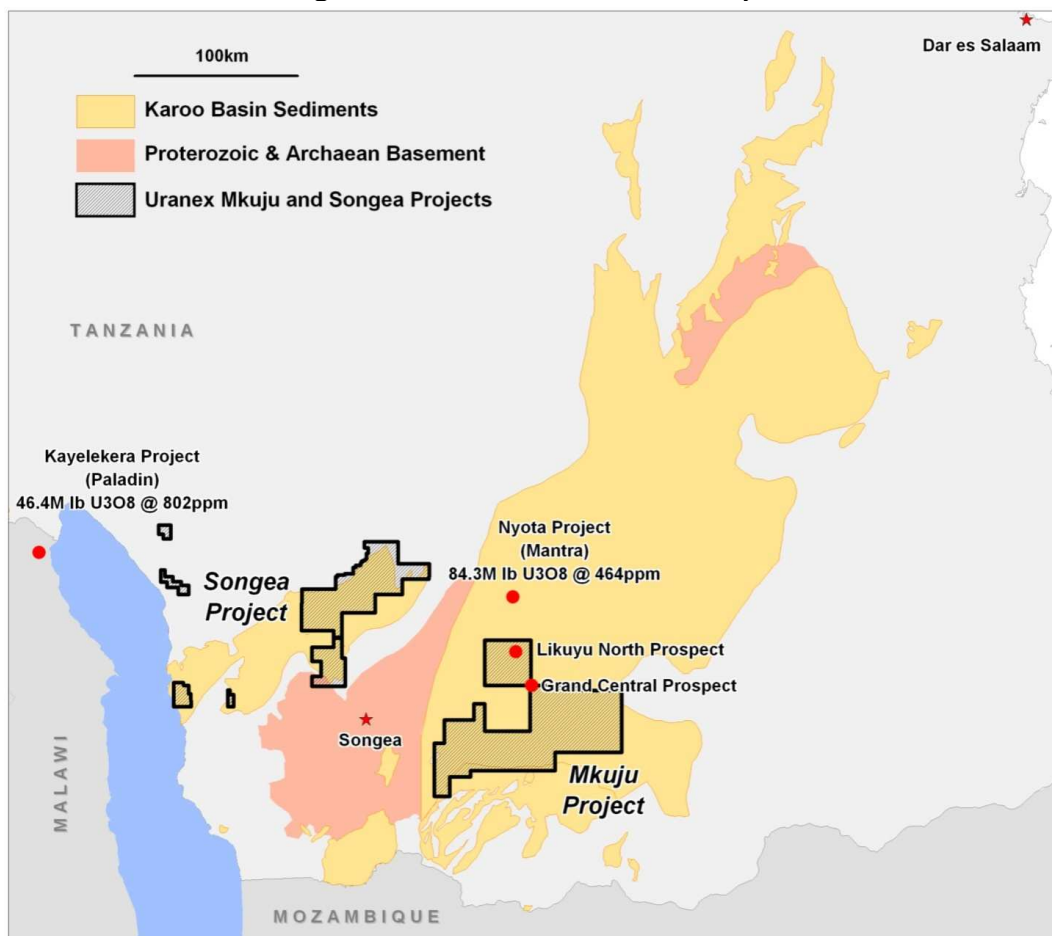
Mark Chalmers
Non-executive Director

John Nethersole
Company Secretary

The current drilling programme is focused on three previously identified anomalous zones over a total strike extent of 5km at the Likuyu North prospect, with 15-20 diamond drillholes planned. Diamond drilling of a further 5 holes is also planned at 2 zones over a total strike of 2km at the Grand Central Prospect.

The diamond drilling programme is being supported by RC and auger drilling as well as an Airborne Electromagnetic (AEM) survey, which will assist in defining the Karoo sandstone sequences and channels hosting the uranium mineralisation.

Figure 1: Southern Tanzanian Projects



Matthew Gauci
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Information in this report relating to exploration results is based on data compiled by Mr. Brendan Borg who is a Member of the Australasian Institute of Mining and Metallurgy, and who is a full-time employee of the Company. Mr. Borg has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Borg consents to the inclusion of the data in the form and context in which it appears.

Note: Niton Portable XRF

The estimates of U₃O₈ for samples referred to in this document are based on readings on core and pulverised core samples using a Niton XLt3 portable XRF analyser. Whilst Uranex believes that these readings are indicative of grade, the Company wishes to make clear that the Niton results are not formal assays and are an estimate of U₃O₈ grades only.

Figure 2: Drilling MKDD0002– Likuyu North Prospect



Figure 3: Uranium Mineralisation – MKDD0002

