

Fully Underwritten Rights Issue to Raise A\$5.78M

Australian based uranium exploration and development company Uranex NL (**ASX: UNX**) ("Uranex" or "the Company") is pleased to announce a non-renounceable rights issue ("Rights Issue") to raise approximately \$5.78m (before costs) to drive its ongoing uranium exploration and development plans across Australia and Tanzania.

The Rights Issue offers one new share for every three shares held at a price of 14 cents per share, and is to be fully underwritten by Patersons Securities Limited. Uranex will apply for the quotation of new shares on the ASX.

The funds raised will be applied to exploration/development activities across the company's 100%-owned pipeline of projects, including:

- Manyoni project in central Tanzania - Pre-Feasibility Study development,
- Thatcher Soak project in Western Australia - Scoping Study development,
- Mkuju and Songea projects in southern Tanzania – advanced exploration
- Alligator Rivers, Amadeus and Bremer Basin in the Northern Territory and Western Australia - early stage exploration

Of particular focus of the Company is advanced exploration activities at the Mkuju Uranium Project in South Tanzania, which covers a total area of approximately 5,000km² and adjoins Mantra Resources' Mkuju River Project, where a Mineral Resource of 84.3 million pounds @ 464ppm U₃O₈ has been defined.

The current 5000m drilling programme at the Mkuju Uranium Project is focused on three (3) previously identified anomalous zones over a total strike extent of 5km at the Likuyu North prospect, with 15-20 diamond drill holes underway. Diamond drilling of a further five (5) holes is also planned at two (2) zones over a total strike of 2km at the Grand Central Prospect.

Drilling to date has intersected uranium mineralisation in all holes with results of up to 5,990 ppm U₃O₈ returned from the surface of core samples using a Niton portable XRF analyser.

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.

Core samples from identified uranium bearing zones in diamond holes are currently being cut, pulverised and analysed with the Niton portable XRF analyser, and 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.

The Offer Document relating to this Rights Issue is expected to be lodged with ASX on 28 October 2010 and will be available after lodgement on the ASX website www.asx.com.au and also on the Company's website www.uranex.com.au.

URANEX NL

ABN 26 115 111 763

Level 3
15 Queen Street
Melbourne VIC 3000
Australia

Ph: (03) 9621 1533
Fax: (03) 9621 1544

info@uranex.com.au
www.uranex.com.au

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

A proposed timetable is included below.

Proposed Timetable

Offer Document released to ASX	28 October 2010
Record Date	08 November 2010
Offer Document dispatched	10 November 2010
Closing date	24 November 2010
Allotment and issue of new shares	30 November 2010
Dispatch of shareholding statements for New Shares	30 November 2010
Trading of New Shares expected to commence	01 December 2010

Matthew Gauci
Managing Director

For further information, please contact: Tel: + 61 (0)3 9621 1533

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.