

HIGH GRADE URANIUM AT MKUJU

- **10m @ 1,038 ppm U₃O₈ (Niton XRF) in diamond hole at Likuyu North**
- **Primary mineralisation, identified on-site as uraninite (pitchblend)**
- **Current drilling to be completed mid-December**
- **Further drilling programs planned for February 2011**

Australian based uranium exploration and development company Uranex NL (ASX: UNX) ("Uranex" or "the Company") is pleased to announce a high grade primary uranium discovery at the Likuyu North Prospect, part of its 100% owned Mkuju Project, in southern Tanzania.

Core samples from identified uranium bearing zones in five diamond holes have been cut, pulverised and analysed with a Niton portable XRF analyser, with a peak intersection of 10m @ 1,038 ppm U₃O₈ encountered in MKDD0009 at a depth of 75m (Figure 1). Table 1 shows significant Niton results returned from the program to date. Samples from the five holes analysed to date containing significant uranium are being prepared for dispatch to the SGS laboratories in South Africa for formal assaying by pressed pellet XRF.

The Mkuju Uranium project adjoins Mantra Resources' Mkuju River Project, where a Mineral Resource of 101.4 million pounds @ 422ppm U₃O₈ has been defined at the Nyota prospect, located 30km NE of the current drilling program at Likuyu North.

The intersection in MKDD0009 is significant for the Company as it is the first primary mineralisation drilled with a thickness of at least 10m @ >1,000ppm. Whilst similar secondary mineral assemblages to the nearby Mkuju River (Nyota) Project (Mantra Resources) had been identified earlier in the programme, the presence of primary uranium mineralisation, identified on-site to be uraninite (Figure 2), is an exciting development for the Company. It is noted that uraninite is part of the mineral assemblage at the nearby Kayelekera Mine in Malawi (Paladin). Formal identification of this primary uranium mineral will be conducted at SGS laboratories in South Africa.

The current drilling program will be concluded in the next 2-3 weeks, with another 3 or 4 diamond holes to be completed during this time. The remaining holes will attempt to extend the primary uranium mineralisation intersected in MKDD0009. Formal laboratory assays and identification of the mineral assemblages are expected early in the New Year.

An airborne geophysics program is planned for early 2011 to assist in planning for the 2011 field season, scheduled to commence in February.

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ASX Code: UNX

Number of Shares
165.1M Ordinary Shares
8.4M Unlisted Options
4.34M Partly Paid Shares

Market Capital
A\$42.9 Million (@0.26c)

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

Table 1: Significant Intersections – 2010 Diamond Programme

| Hole | ARC1960 Easting (m) | ARC1960 Northing (m) | From (m) | To (m) | Interval (m) | Niton U ₃ O ₈ (ppm) |
|--|---------------------|----------------------|----------|--------|--------------|---|
| MKDD0001 <i>including</i> and and <i>including</i> and | 222011 | 8861108 | 19.0 | 20.0 | 1.0 | 420 |
| | | | 19.0 | 19.5 | 0.5 | 741 |
| | | | 78.0 | 79.0 | 1.0 | 290 |
| | | | 98.0 | 99.0 | 1.0 | 528 |
| | | | 98.5 | 99.0 | 0.5 | 806 |
| | | | 110.0 | 112.0 | 2.0 | 263 |
| MKDD0002 <i>including</i> and and and <i>including</i> | 221734 | 8861174 | 16.0 | 20.0 | 4.0 | 268 |
| | | | 19.0 | 19.5 | 0.5 | 989 |
| | | | 32.5 | 33.5 | 1.0 | 289 |
| | | | 39.5 | 40.0 | 0.5 | 608 |
| | | | 41.0 | 42.0 | 1.0 | 358 |
| | | | 41.0 | 41.5 | 0.5 | 623 |
| MKDD0003 and and <i>including</i> and <i>including</i> and <i>including</i> and | 221893 | 8861165 | 26.0 | 27.0 | 1.0 | 222 |
| | | | 30.5 | 31.0 | 0.5 | 1,315 |
| | | | 34.0 | 35.0 | 1.0 | 680 |
| | | | 34.0 | 34.5 | 0.5 | 1,262 |
| | | | 46.0 | 48.0 | 2.0 | 663 |
| | | | 47.5 | 48.0 | 0.5 | 1,827 |
| | | | 54.0 | 55.5 | 1.5 | 1,498 |
| | | | 54.5 | 55.5 | 1.0 | 1,983 |
| | | | 63.5 | 64.0 | 0.5 | 600 |
| MKDD0004 and | 222114 | 8861168 | 26.0 | 26.5 | 0.5 | 651 |
| | | | 33.0 | 33.5 | 0.5 | 585 |
| MKDD0009 and <i>including</i> <i>including</i> | 221707 | 8861095 | 67.0 | 68.0 | 1.0 | 495 |
| | | | 75.0 | 85.0 | 10.0 | 1,038 |
| | | | 78.5 | 79.5 | 1.0 | 2,538 |
| | | | 78.5 | 79.0 | 0.5 | 3,073 |

Note: Results for MKDD0005 to 8 and MKDD0010 to 12 are pending

Intercepts included for ≥ 1 m @ ≥ 200 ppm U₃O₈ and ≥ 0.5 m @ ≥ 500 ppm U₃O₈

Figure 1: Likuyu North Prospect – 2010 Diamond Drilling

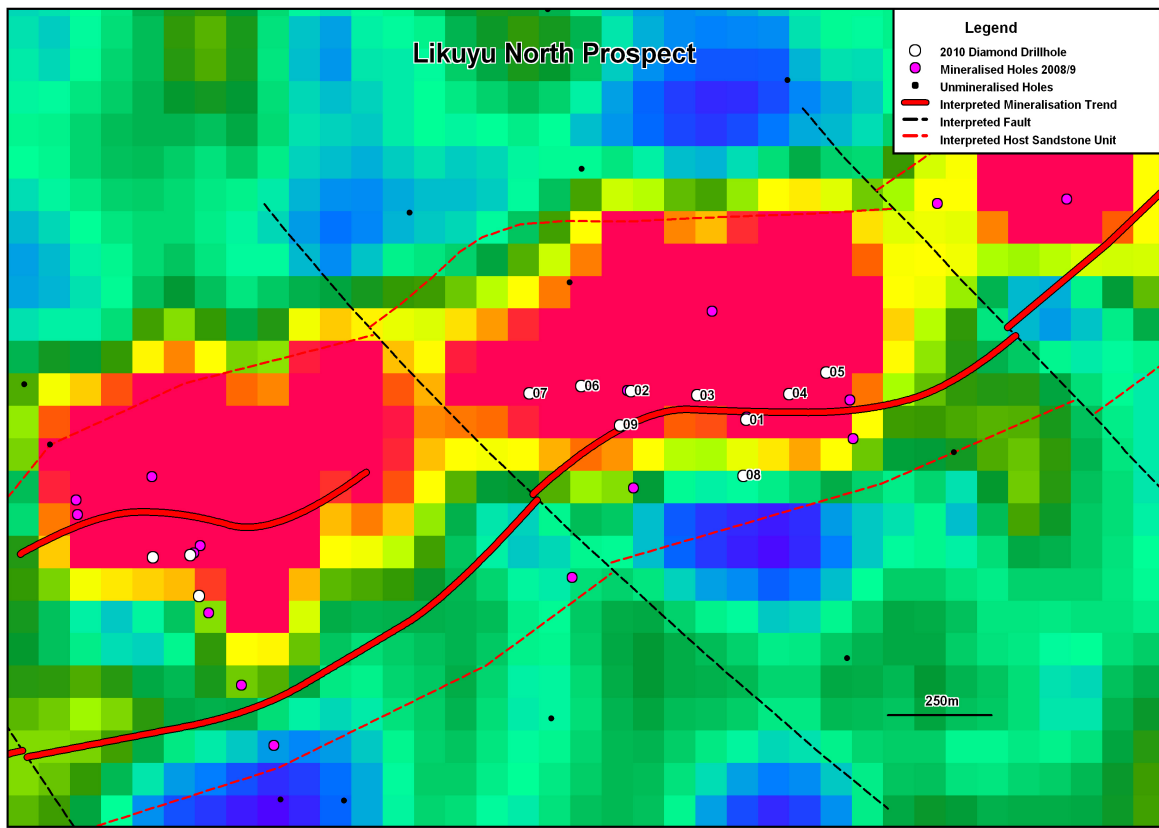


Figure 2: Primary uranium mineralisation (black) in MKDD0009– Likuyu North Prospect





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 U_3O_8 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 U_3O_8 grades only.