URANEX NL

REPORT FOR THE QUARTER ENDED

30th September 2008

HIGHLIGHTS

TANZANIA

Bahi

- **Uranex names first Bahi Region uranium project the MANYONI PROJECT.**
- **Manyoni Project Pre-Feasibility targeted for December 2008.**
- **Final Feasibility targeted for late 2009.**
- **Production start up targeted for late 2010 - 2011.**

Mkuju

- **15,000m drilling program commenced.**
- **Large roll-front Uranium deposits targeted.**
- **16,000 cps scintillometer field reading observed during Board site visit.**

AUSTRALIA

Thatcher Soak, Western Australia

- **Thatcher Soak Scoping Study commenced.**
- **Initial Resource upgrade drilling completed.**

GENERAL

- **Board visits Tanzanian Projects and meets Government.**
- **Build of technical team expertise and personnel continues.**

OPERATIONS

TANZANIA

Bahi Region (Uranex 100%)

Manyoni Project

Uranex has specifically named its first uranium project in the Bahi Region of Tanzania the Manyoni Project. Previously referred to as the Bahi Project, it has been renamed the Manyoni Project to differentiate between the Company's development project and its other exploration holdings in the Bahi Region still undergoing continuing exploration. The Manyoni Project, comprising less than 50% of the Company's exploration in the Bahi region, encompasses up to five playa lakes in the Manyoni District and forms the basis of the Company's Bahi resource estimate announced in June 2008.

Tanzanian Pre-Feasibility Study for Manyoni Project Area:

In meetings with Tanzanian Minister of Energy and Minerals, Hon. William Ngeleja (MP), and Commissioner for Minerals, Dr DP Kafumu, the Company put its Manyoni Project on course for production with the aim to present a pre-feasibility study to the Government by December 2008.

Working in close cooperation with Government, the study will evaluate options on:

- Resource material sourcing, including variations on the "One Plant – Multiple Sources" strategy
- Project payback period based on the high grade schrockingerite zone at Manyoni C1
- Applicable mining methods and parameters
- Favourable metallurgical process routes and parameters
- Associated physical and social environment impact parameters, and
- Product refinement levels and attendant sales alternatives.

This initial study will focus on resource distribution, mining, metallurgical recovery, preliminary estimates of capital and operating costs, infrastructure, the physical and social environment, and sales opportunities internationally.

Figure 1. Manyoni Project test pit, playa lake C1

Figure 2. Schrockingerite in sandy clays

Results will address the validity of anticipated low capital and operating costs, reflecting the shallow, negligible-strip, nature of the deposits, and the anticipated largely interstitial nature (ie between - not in - the unconsolidated hosting sediment grains) of the mineralisation.

Paulsam Geo-Engineering, based in Dar es Salaam, Tanzania has been commissioned to undertake a local study on the Manyoni Project to meet requirements of the Ministry of Energy and Minerals in Tanzania. This study will have access to Hatch's Environmental Baseline study and preliminary metallurgical sighting tests, and METS preliminary metallurgical test work results (see below).

Manyoni Resource Estimate:

Completed and released in the June 2008 Quarter, the Manyoni resource estimate comprises a JORC Inferred Resource of 14 million tonnes, averaging 218ppm U_3O_8 for a contained U_3O_8 content of approximately 6.7 million pounds (or approximately 3,000 tonnes contained U_3O_8), at a cut off grade of 150ppm U_3O_8. Estimated contained U_3O_8 more than doubles to approximately 15.3 million pounds (or approximately 6,900 tonnes) at the 100ppm U_3O_8 cut off grade.

The reported Inferred Resources at two cut off grades are as follows:

Cut off U_3O_8 ppm	Deposit	Tonnes Million	U_3O_8 ppm	U_3O_8 Million Pounds
100	C1	24	163	8.6
	Playa A	10	148	3.3
	Playa E	12	128	3.4
	Total	**46**	**151**	**15.3**
150	C1	8	245	4.3
	Playa A	4	189	1.7
	Playa E	2	166	0.7
	Total	**14**	**218**	**6.7**

(Rounding errors may occur)

The Resource Estimate paved the way for metallurgical test work and the planning of a local study for the Tanzanian Government in the September Quarter.

Metallurgical test work - Two phases of test work were commenced during the Quarter:

A) Preliminary sighting tests were undertaken on selected assay pulps. Preliminary results indicate that a carbonate leach regime may be a favourable metallurgical process route. A formal report is expected from Hatch Associates during the December Quarter. Results to date have been used in the selection of samples for Stage B composites.

B) Mineral Engineering Technical Services (METS) have been appointed to oversee preliminary metallurgical test work undertaken at AMMTEC in Perth. Samples from test pits in the Manyoni C1 Resource will be used to construct test work composites for analysis. The planned work includes mineralogy, sizing and leach tests, and is expected to commence in October. Results are expected during December 2008 and January 2009.

Mkuju Project (Uranex 100%)

Roll-front Uranium deposit drilling: A 15,000m reverse circulation (RC) drilling programme has commenced at Mkuju in southern Tanzania (see Figure 3).

The results of this drilling will provide the Company with significant additional insight into the scope for large Wyoming type 'roll-front' uranium deposits within the approximately 8,000 km^2 of Uranex properties in the Mkuju region.

The photograph in Figure 4, taken at Likuyu in the far north of Uranex's Mkuju project area, at the site of the current drilling, dramatically demonstrates the multi-stacked sandstone/siltstone inter-layered sequences in the Karoo Basin sediments. The visible mineralisation within the siltstone horizon emphasises the scope for large 'roll-front' developments within the sandstone-siltstone inter-layered sequence.

The vertical section of the Karoo Basin sequence in Uranex's Mkuju Project area ranges up to 100m thick, over 1,000's of square kilometres of incisive ridge and valley topography.

A scintillometer reading exceeding 16,000cps (counts per second) is shown in the accompanying Figure 5 photograph. It was recorded in the area of current drilling during a site visit by the Board and continues to reinforce the uranium potential of the Mkuju Project Area.

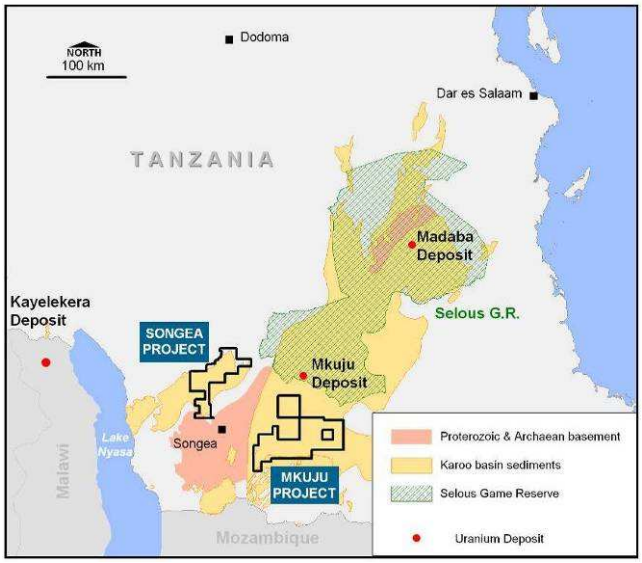

Figure 3. Mkuju and Songea Project Areas

Figure 4. Multi-stacked Karoo Basin sediments

Figure 5. Mkuju 16,042 cps reading (October 2008)

URANEX

AUSTRALIA

Thatcher Soak - Western Australia (Uranex 100%)

Thatcher Soak Resource Estimate:

Completed and released in the June 2008 Quarter, the Thatcher Soak resource estimate comprises a JORC Inferred Resource of 17 million tonnes, averaging 290ppm U_3O_8 for a contained U_3O_8 content of approximately 11 million pounds (or approximately 4,900 tonnes contained U_3O_8), at a cut off grade of 150ppm U_3O_8. Estimated contained U_3O_8 increases to an approximate 14 million pounds (or approximately 6,300 tonnes) at the 100ppm U_3O_8 cut off grade.

The reported Inferred Resource estimate for Thatcher Soak is as follows:

Cut off U_3O_8 ppm	Tonnes (Million)	Grade U_3O_8 ppm	Contained U_3O_8 (Million Pounds)
100	28	220	14
150	17	290	11

(Rounding errors may occur)

Following the announcement of the initial JORC Inferred Resource estimate at Thatcher Soak in June this year, the Company has conducted a Sonic drilling programme, and commenced a Scoping Study.

Thatcher Soak Sonic Drilling:

Twelve holes were completed during September totalling 193m on a widely spaced pattern covering all three domains within the Inferred Resource. Sonic drilling is now the preferred drilling method for advanced projects at Uranex in unconsolidated shallow sediments. Samples are preserved in close to in-situ condition within 4" lexan tubes.

Figure 6. Thatcher Soak Sonic 'core' samples

Figure 7. Thatcher Soak Carnotite in Calcrete

The Sonic drilling programme is intended to yield high quality samples for density determination together with assay correlation data for Gamma eU_3O_8 values. The samples will increase confidence levels in the initial Resource Estimate, and facilitate metallurgical testing. This work will commence during the December Quarter 2008 and will feed directly into the Scoping Study.

Thatcher Soak Scoping Study:

The high quality Sonic drilling samples will contribute significantly to the Resource Model, and to the Scoping Study which was commissioned during October. Mineral Engineering Technical Services (METS) will perform preliminary metallurgical test work on the current Sonic drilling samples, and will provide an overview and executive summary, collating and encompassing all other study contributions, including mining, environment, social, and economics.

Working in close cooperation with the WA and Federal Governments, and using recognised consultants, the Scoping Study will evaluate options on:

- Applicable mining methods and parameters;
- Favourable metallurgical process routes and parameters;
- Associated social and physical environment impact parameters; and
- Product refinement levels and attendant sales alternatives.

Bremer Basin Project - Western Australia (Uranex 100%)

Access and Line clearing of approximately 200 kilometres was completed in September. This will now allow anthropological site clearance to be completed in late October.

RAB drilling will commence in November on lines across palaeo-channels previously defined by an airborne electromagnetic survey. Approximately 2,000 metres of drilling will target potential shallow lignite hosted uranium mineralisation (Mulga Rock style) and roll front / blanket style redox controlled mineralisation deeper in the palaeo-channels.

Bynoe Project - Northern Territory (Uranex 100%)

A helicopter assisted ground check of airborne radiometric anomalies was completed in Bynoe East during July. All anomalies in both EL 24020 and 24021 were located by GPS, and then checked by foot traverses using a scintillometer across the anomalies. Geological observations were made and samples taken on obvious anomalies.

Planned RAB drill sites to follow up previous results were marked out at Bynoe North with follow up drilling planned for October. Drilling will comprise 65 holes for approximately 2,000 metres.

Alligator Rivers Project - Northern Territory (Uranex 100%)

Love Creek (EL 26164) & Swim Creek (EL 26165)

As with Bynoe East, a helicopter assisted ground check of airborne uranium anomalies was conducted in July. Anomalies were checked, where possible by scintillometer foot traverses. Geological observations were made and samples taken.

An airborne EM survey is planned for the December Quarter in association with Geoscience Australia.

URANEX

GENERAL

Uranex Board Visit to Tanzania

The Board visited Tanzania at the end of the Quarter, making site visits to both the Manyoni Project and Mkuju Project. During this time meetings between Board members and all levels of Government were held regarding the advancement and the Company's commitment to vigorous progression of its Tanzanian projects.

These meetings included one with His Excellency Jakaya Mrisho Kikwete, the President of the United Republic of Tanzania.

Members of the Board also held discussions with the Prime Minister, the Minister for Energy and Minerals, the Commissioner and Deputy Commissioner of Minerals, and the District Commissioner for Manyoni.

Figure 8. His Excellency President Jakaya Mrisho Kikwete meeting with Uranex Chairman Terry Ward, MD John Cottle, Corporate Affairs Manager, Tanzania Godwin Nyelo (out of picture), and Exploration Manager (Africa) Nathan Jombwe recently in Tanzania.

Perth Office

The Perth technical team has recently re-located to 1318 Hay Street, West Perth.

General Manager, Tim Riley, continues the in-house technical focus of the Company, building the Perth based technical team. This team additionally includes a Senior Resource Geologist, a Tanzanian dedicated Senior Exploration Geologist, a Geological Data Analyst, and technical Database Administrator.

The additional Tanzanian capability will be largely focused on the Manyoni Project, allowing the Exploration Manager (Africa) greater flexibility and capacity to progress the Company's other tenements in Tanzania, and particularly those of the Mkuju and Songea Projects in Southern Tanzania.

DR JOHN COTTLE
MANAGING DIRECTOR
URANEX NL
61 3 9621 1533

MS FIONA ELLIS
CORPORATE AFFAIRS
GRYPHON MANAGEMENT
61 3 9670 1501

Information in this announcement relating to exploration results is based on data compiled by Dr John Cottle who is a Fellow and Chartered Professional - Geology of the Australasian Institute of Mining and Metallurgy, and who is a director of the Company. Dr Cottle 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. Dr Cottle has signed a certificate consenting to the inclusion of the data in the form and context in which it appears.

NOTES

- Where Uranium mineralisation grades in this report are annotated with a sub-prefix 'e', they have been reported as uranium equivalent grades derived from down-hole gamma ray logging results and should be regarded as approximations only.
- Gamma logging or "total count gamma logging" (the method used by Uranex) is a common method used to estimate uranium grade where the radiation contribution from thorium and potassium is very small. Sandstone and calcrete hosted deposits are usually of this type. Gamma logging does not account for energy derived from thorium and potassium (as does spectral gamma logging) and thus the result is expressed as an equivalent value or eU_3O_8.
- The gamma radiation from potassium, uranium and thorium is dominated by gamma rays at specific energy levels. These energy levels are sufficiently well separated such that they can be measured independently of each other. They are typically measured as narrow energy bands that contain the specific energy levels. Bands are used because the measuring systems do not have the resolution to target a specific energy wavelength. There is some scattering of higher energy gamma radiation, eg thorium, into lower energy radiation, eg uranium and potassium. This scattered radiation can be calculated from suitable calibration procedures and removed from the lower energy level measurements. This method is commonly termed spectral gamma logging.
- Uranex's independent contractor uses gamma probes which are initially calibrated at the PIRSA (Primary Industry & Resources South Australia) test pits and then subjected to annual recalibration to ensure the integrity of the probe instrument.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Uranex NL

ABN

26 115 111 763

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	34	34
1.2	Payments for (a) exploration and evaluation	(949)	(949)
	(b) development		
	(c) production		
	(d) administration	(556)	(556)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	208	208
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(1,263)	(1,263)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(396)	(396)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities	(10)	(10)
1.11	Loans repaid by other entities		
1.12	Other – payments for bonds	(161)	(161)
	Net investing cash flows	(567)	(567)
1.13	Total operating and investing cash flows (carried forward)	(1,830)	(1,830)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,830)	(1,830)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,830)	(1,830)
1.20	Cash at beginning of quarter/year to date	11,033	11,033
1.21	Exchange rate adjustments to item 1.20	10	10
1.22	**Cash at end of quarter**	9,213	9,213

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	10

1.25 Explanation necessary for an understanding of the transactions

Directors remuneration entitlements and expenses

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		

+ See chapter 19 for defined terms.

3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	1,500
4.2	Development	
	Total	**1,500**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	83	285
5.2	Deposits at call	9,130	10,748
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	9,213	11,0330

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference** +**securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+**Ordinary securities**	83,455,100 5,140,000 500,000	83,455,100 - -	 64 cents 96 cents	 1 cent 1 cent
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+**Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:  Date: 29 October 2008.
(Managing Director)

Print name: John Cottle.....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.