

URANEX NL REPORT FOR THE QUARTER ENDED 31st December 2009

HIGHLIGHTS

TANZANIA

Manyoni

- Significant increase in JORC Compliant Manyoni Inferred Resource to 19 Million Pounds contained U₃O₈ (100ppm cut off).
- Pre-Feasibility Study drilling continues to indicate further resource extension potential.
- Pre-Feasibility Study metallurgical testwork identifies favourable process route.

Mkuju

- Multiple stacked mineralised horizons intersected at three prospect areas with assays up to 6.3m @ 1,401 ppm U₃O₈ at Likuyu North.
- Resource definition drilling programme to be undertaken in the 2010 field season at the Likuyu North Prospect.

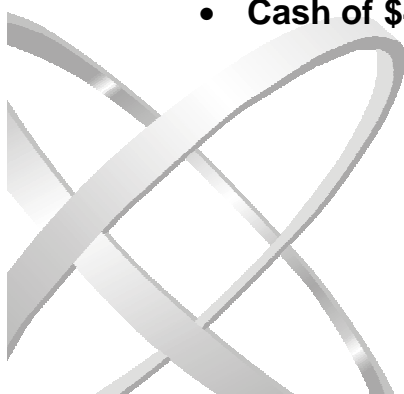
AUSTRALIA

Thatcher Soak, Western Australia

- Planning and permitting underway for 2010 drilling programme.

CORPORATE

- Cash of \$4M as at December 31, 2009.



OPERATIONS

TANZANIA

Manyoni Project (Uranex 100%)

Inferred resources have been defined at Playas C, A, and E, with additional mineralisation identified at Playas B, D, F and G. The Company expects that with further drilling, resources will be added in these four areas, supporting the “One Plant – Multiple Sources” strategy Uranex has adopted for the Manyoni Project.

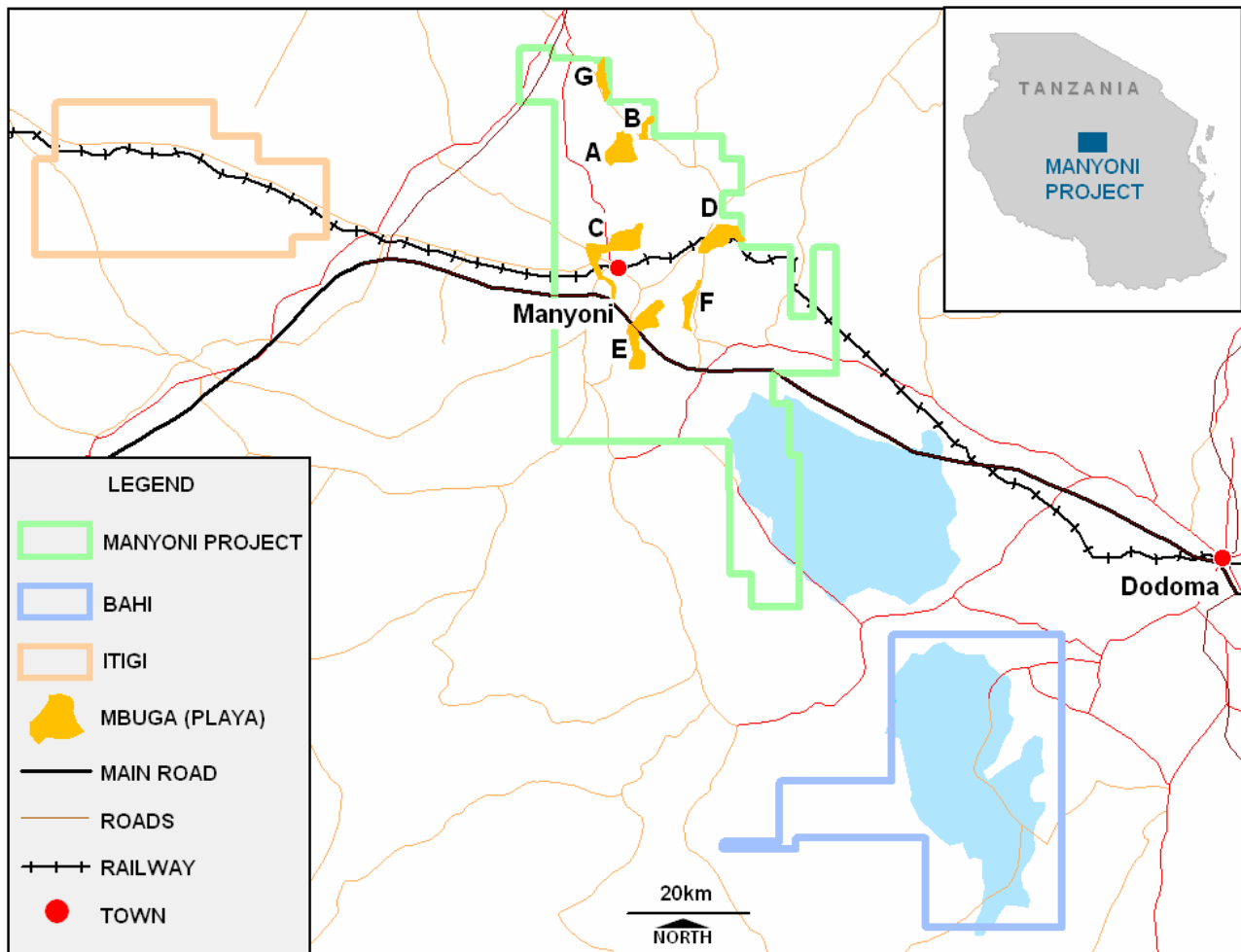


Figure 1 - Bahi Region Exploration including the Manyoni and Itigi Project.

Pre-Feasibility Study (PFS)

A draft PFS progress report was received on schedule from study manager, AMC Consultants (AMC) just prior to Christmas.

Analysis and review of the report findings plus an additional external review, by industry specialists over the last month, has confirmed that there are no identified “technical show stoppers” to proceeding with developing a uranium mining and treatment project at Manyoni.

Initial metallurgical test work on mineralised samples from Manyoni has confirmed that both the mineralised Mbuga clays and the lower grade “saprolite” is amenable to being treated by acid leaching at ambient temperatures, with individual test results obtaining recoveries up to 90%. In order to handle the processing of the Mbuga high grade clays it will need to be blended with the saprolite.

The proposed mining of the very shallow mineralisation at Manyoni will be straight forward, incorporating truck and excavator mining of the unconsolidated, free-digging, mineralised material.

Concurrently with the technical evaluations, environmental baseline work was undertaken around the Project area. This has included the installation of groundwater monitoring bores, additional ground and surface water investigation and analyses, vegetation study and airborne dust sampling.

Substantial benefit for the Project is provided by existing infrastructure in the Manyoni area, including main country trunk road, railway and power. Also the nearby town of Manyoni comprises approximately 25,000 people, providing access to an available workforce.

As reported previously, during the course of the PFS work a review of the specific gravities of the Manyoni mineralisation resulted in an increase in the stated resources by 27%. In addition, the infill and extension drilling programme conducted late last year has also indicated additional saprolitic mineralisation both at depth and laterally at Playa C (which is scheduled to be mined first) and at Playas A, E & F. Assay results are still awaited before any quantification of additional resources can be completed.

Based on the initial metallurgical test work early in the PFS, a base case mining and processing operation producing between 350 and 400 tonnes of U_3O_8 per year was proposed. This gives a Project life of around 7 years with the currently identified resources.

Notwithstanding, the high grade Mbuga clay mineralisation at Manyoni is primarily the mineral Schrockingerite that is readily leachable. Also late last year, initial acid bottle roll tests on mineralised saprolite samples gave approximately 80% recoveries in 1 hour. Coupled with a re-review of the results of the sizing test work undertaken early in the PFS on both the clay and saprolite material it is now indicated that the Manyoni mineralisation should be very amenable to heap leaching.

Given the large tonnage of relatively low grade mineralisation at Manyoni (and with the likelihood that it will be increased when the assay results from recent drilling are received) the decision has been made to undertake a new series of metallurgical analyses to fully evaluate the heap leach potential for Manyoni. This will involve a series of column tests that will take several months and these tests are planned to commence in February.

It is considered that the successful outcome of this proposed new test work and a full evaluation of heap leach potential at Manyoni will considerably enhance the economic potential of the Project resulting from increased annual production, longer Project life and with lower initial capital and operating costs.

Consequently the decision has been made to extend the PFS to incorporate a full analysis of the heap leach potential for Manyoni. At this stage it is projected that this work should be completed during the September Quarter of 2010.

Drilling

The PFS drilling programme that was designed to upgrade the Resource Classification and expand the existing resources was completed during the Quarter. High quality sonic drilling core samples and density determinations from this programme facilitated a review of the existing resource by Independent Resource Consultant, Hellman and Schofield. This review resulted in an increase in the resource from 46 million tonnes @ 148ppm, for **15 Million pounds of contained U_3O_8** , to 57 million tonnes @ 150ppm, for **19 Million pounds of U_3O_8** (100ppm U_3O_8 cut off grade). This represents an approximately **27% increase** in the contained U_3O_8 Inferred Resources for the Manyoni Project.

The drilling programme focused on increasing the confidence in the resources at Playa Deposits C, A and E, as well as exploring for additional mineralised zones at depth and laterally. Significant zones of mineralisation were intersected, particularly at Playa Deposit A, and laboratory assay results for these samples are pending (expected February 2010).

Selected intercepts from initial assays results at Playa Deposit C include:

Hole	Easting (m)	Northing (m)	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
BSD1020	707546.6	9367811.9	1	1.5	0.5	276
BSD1021	707597.4	9367832.2	0.25	1	0.75	261
BSD1022	707648.6	9367849.8	0	0.75	0.75	343
BSD1027	707818.3	9367913.6	0.5	2	1.5	150
BSD1032	707496.1	9367884.8	0.5	3.25	2.75	233
BSD1038	707769.8	9368001.4	0.5	1.5	1	612
BSD1040	707291.7	9367939.6	1.75	3	1.25	180
BSD1041	707341.1	9367957.5	1.5	3	1.5	241
BSD1042	707389.9	9367970.4	1.75	3.25	1.5	175
BSD1043	707435.5	9367987.2	2.25	3.25	1	199
BSD1044	707481.1	9368003.9	0.5	2.75	2.25	143
BSD1045	707526.9	9368020.8	0.25	2.25	2	653
<i>Including</i>			0.75	1.25	0.5	1942
BSD1046	707596.5	9368044.7	0.2	2.25	2.05	1017
<i>Including</i>			1	1.35	0.35	3330
BSD1047	707641.1	9368062.2	1	1.7	0.7	1451
<i>Including</i>			1.45	1.7	0.25	3241
BSD1053	707514.4	9368117.6	0.25	4.25	4	297
<i>Including</i>			0.85	1.4	0.55	2325
BSD1054	707605.1	9368150.2	0.85	1.1	0.25	870
BSD1058	707390.3	9368180.9	1	5.25	4.25	321
<i>Including</i>			1	2.25	1.25	655
BSD1061	707480.8	9368213.9	0.5	2	1.5	664
<i>Including</i>			1.75	2	0.25	1263
BSD1062	707526.4	9368230.4	0.5	2.5	2	205
BSD1063	707571.6	9368246.8	0.75	2.25	1.5	956
<i>Including</i>			1	1.75	0.75	1701
BSD1064	707614.6	9368265.4	1.5	2.5	1	248
<i>And</i>			3	4.25	1.25	220
BSD1067	707527.9	9368341.5	0.5	2.25	1.75	379
<i>Including</i>			0.5	1	0.5	808
BSD1068	707344.5	9368276.1	1.5	3.5	2	137
BSD1076	707312.0	9368368.8	1.75	2.5	0.75	335
BSD1077	707338.6	9368370.8	0.5	2.75	2.25	487
<i>Including</i>			0.5	1.75	1.25	707
BSD1078	707357.4	9368385.4	1.25	2.25	1	207

Hole	Easting (m)	Northing (m)	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
BSD1081	707425.7	9368409.9	0.5	2.5	2	379
BSD1082	707448.7	9368418.5	0.5	2.75	2.25	493
<i>Including</i>			1.25	1.75	0.5	1098
BSD1083	707471.8	9368424.8	0.5	1.5	1	1120
BSD9001	707601.1	9368046.6	1	2.1	1.1	1971
<i>Including</i>			1	1.46	0.46	4088
BSD9002	707605.8	9368048.4	0.2	3.3	3.1	1766
<i>Including</i>			1	2.5	1.5	3066
BSD9003	707610.5	9368050.2	0.5	2	1.5	877
BSD9004	707615.1	9368052.2	1	2	1	1187
BSD9005	707619.8	9368053.8	1	2	1	1899
BSD9006	707591.6	9368043.0	0.6	1.3	0.7	4997
<i>And</i>			1.9	2.35	0.45	1191
BSD9007	707586.9	9368041.4	0.6	1	0.4	3847
BSD9008	707582.7	9368040.1	0.5	1.1	0.6	4248
<i>And</i>			1.4	2.5	1.1	877
BSD9009	707577.6	9368038.1	0.5	2	1.5	1515
<i>Including</i>			0.5	1.05	0.55	3514
BSD9010	707572.7	9368036.5	1.5	2.6	1.1	485
BSD9011	707598.1	9368040.0	0.45	1	0.55	1746
<i>Including</i>			0.75	1	0.25	3158
BSD9014	707603.2	9368025.9	0.5	1.4	0.9	586
BSD9016	707594.7	9368049.5	1	2.3	1.3	1428
BSD9017	707593.0	9368054.2	1.35	2.45	1.1	1344
BSD9019	707589.6	9368063.5	0.75	1.25	0.5	1542
<i>And</i>			1.75	3	1.25	690
BSD9020	707587.9	9368068.6	0.25	3.5	3.25	834
<i>Including</i>			1.25	2	0.75	2498
BSD9023	707561.6	9368140.6	0.5	2.75	2.25	249
BSD9031	707480.1	9368348.8	0.25	2	1.75	882
<i>Including</i>			0.5	1	0.5	1837
BSD9033	707459.4	9368394.8	0.5	2.5	2	814
<i>Including</i>			0.5	1.25	0.75	1770
BSD9034	707438.3	9368441.5	0.5	2.75	2.25	625
<i>Including</i>			0.75	1.25	0.5	1436
BSD9037	707403.0	9368533.0	0.5	1.25	0.75	710
BSD9044	707621.5	9367974.0	0.25	3.75	3.5	2117
<i>Including</i>			0.25	1.75	1.5	4608
<i>Including</i>			0.5	1	0.5	>10000
BSD9061	707663.9	9368071.2	0.5	1.5	1	878

Bahi Region (Uranex 100%)

Exploration is set to intensify in 2010 at the Itigi prospect, approximately 50km west of Manyoni (Figure 1) following the formal grant of an exploration licence. The Itigi airborne radiometric anomaly (Figure 2) represents the most prominent anomaly in the Bahi region, and is now a high priority for further work.

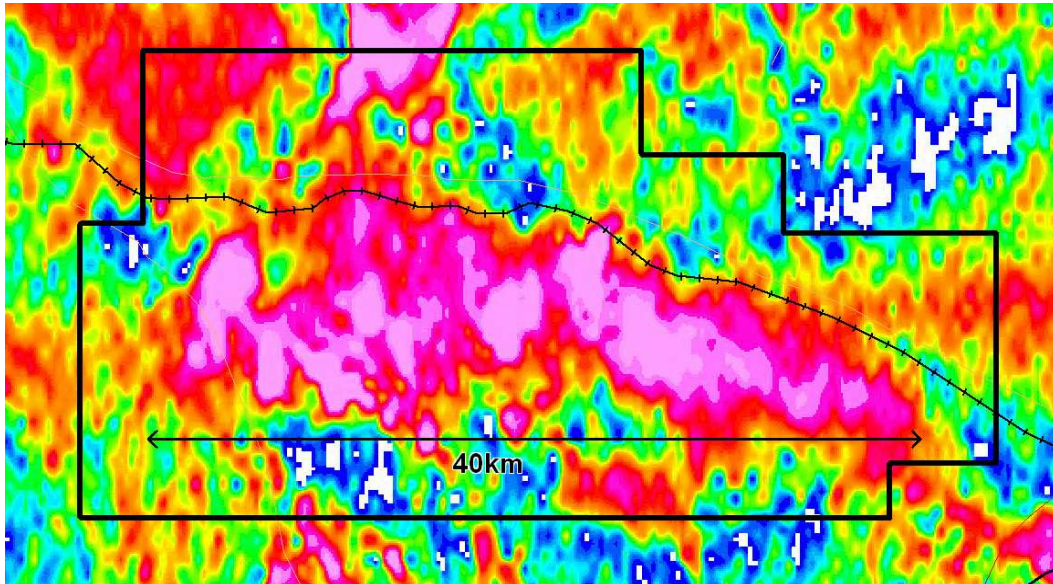


Figure 2 - Itigi Project Radiometric Image.

Mkuju Project (Uranex 100%)

Located in south-western Tanzania, the Mkuju Project comprises 11 licences covering an area of approximately 8,000km².

Significant progress was achieved during the Quarter, with highly anomalous uranium analytical results received from drilling and trenching at three prospects, Likuyu North, Likuyu South and Grand Central. Best results are shown in the following and include up to 6.3m @ 1,401ppm U₃O₈ at Likuyu North.

Prospect	Hole	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
Likuyu North	MKRC0007	75	76	1	1028
	MKRC0013	1	4	3	210
		8	10	2	182
	MKRC0014	28	30	2	124
	MKRC0021	24	26	2	191
		28	31	3	147
		34	35	1	237
		40	41	1	213
	MKRC0031	9	11	2	246
	MKRC0089	18	19	1	776
		71	74	3	169
		78	80	2	138
	92	95	3	256	
	99	105	6	412	
<i>Including</i>	102	103	1	839	
	111	115	4	904	
<i>Including</i>	112	114	2	1680	

Prospect	Hole	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)
	MKRC0092	34	36	2	147
		74	75	1	247
	MKUG280*	6	8.3	2.3	437
	MKTR0001 <i>Including</i>	0	6.3	6.3	1401
		3.6	5.6	2	3040

*Note prefixes MKRC – RC Drilling, MKUG- Auger Drilling and MKTR – trenches.

At Likuyu North, significant zones and thicknesses (up to 6m) of uranium mineralisation have been delineated where a detailed ground scintillometer survey has also confirmed the coherency of the large 5km by 1km radiometric anomaly. In addition, RC drilling to depths of 130m has further confirmed the depth extent of the mineralisation enabling an interpretation of a 3D anomaly envelope that could contain significant mineralisation similar to that of Mantra's Nyota deposit, 15km to the north.

Planning for the 2010 field programme has commenced, to be focused on the Likuyu North prospect, where the strongest and most coherent radiometric anomaly, combined with best drilling results have been returned. The aims are to infill and extend the currently identified mineralisation, with a view to defining a resource.

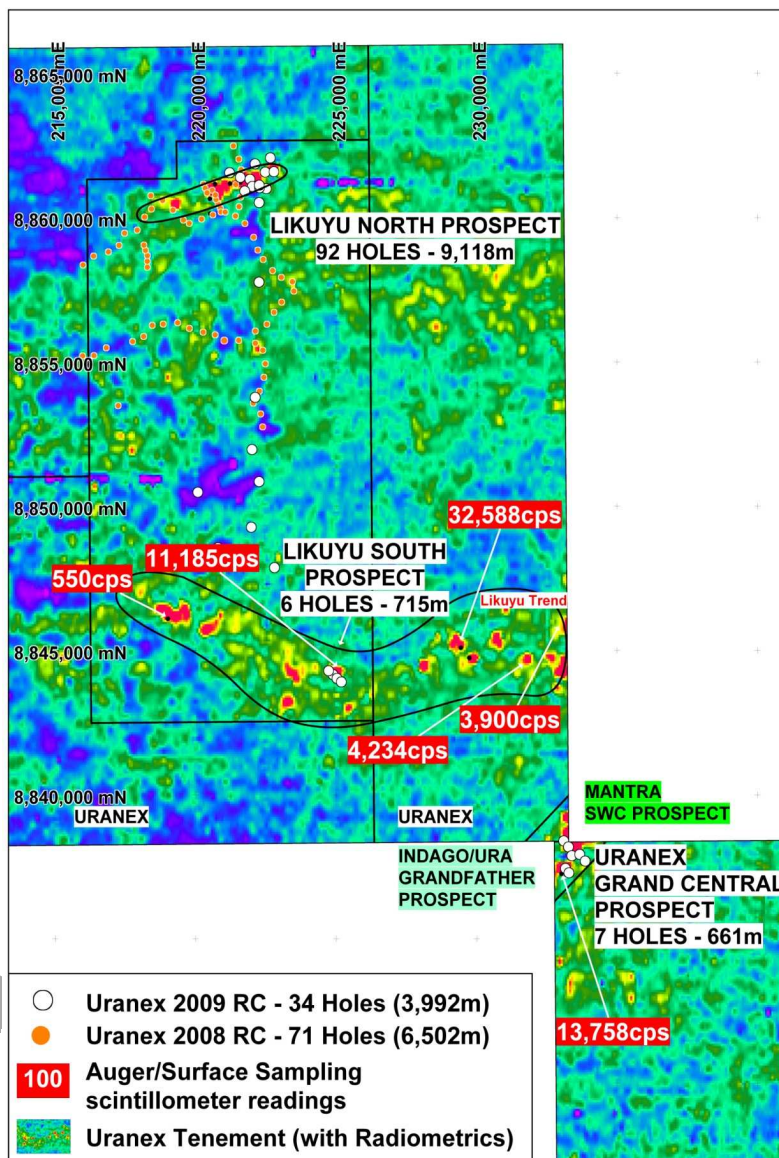


Figure 3 – Mkuju Radiometric Image, Prospect and Drilling Locations.

Thatcher Soak, Western Australia (Uranex 100%)

Laboratory assay results from two minor drilling programmes conducted in 2009 were received during the Quarter.

The results from aircore drilling in the "Dog Leg" area (Figure 4) are expected to make a small contribution to increased Thatcher Soak resources upon remodelling. In addition, results from high quality sonic samples have confirmed the robust nature of the existing Inferred Resource estimate (28 million tonnes @ 220 ppm U_3O_8 , for 14 million pounds contained U_3O_8 , at a 100ppm U_3O_8 cut off grade).

Planning activities have commenced for the 2010 field season, with formal submission of a drilling Programme of Work (POW). This programme entails infill drilling over the highest grade areas of the existing resource, and collection of further samples for metallurgical testwork.

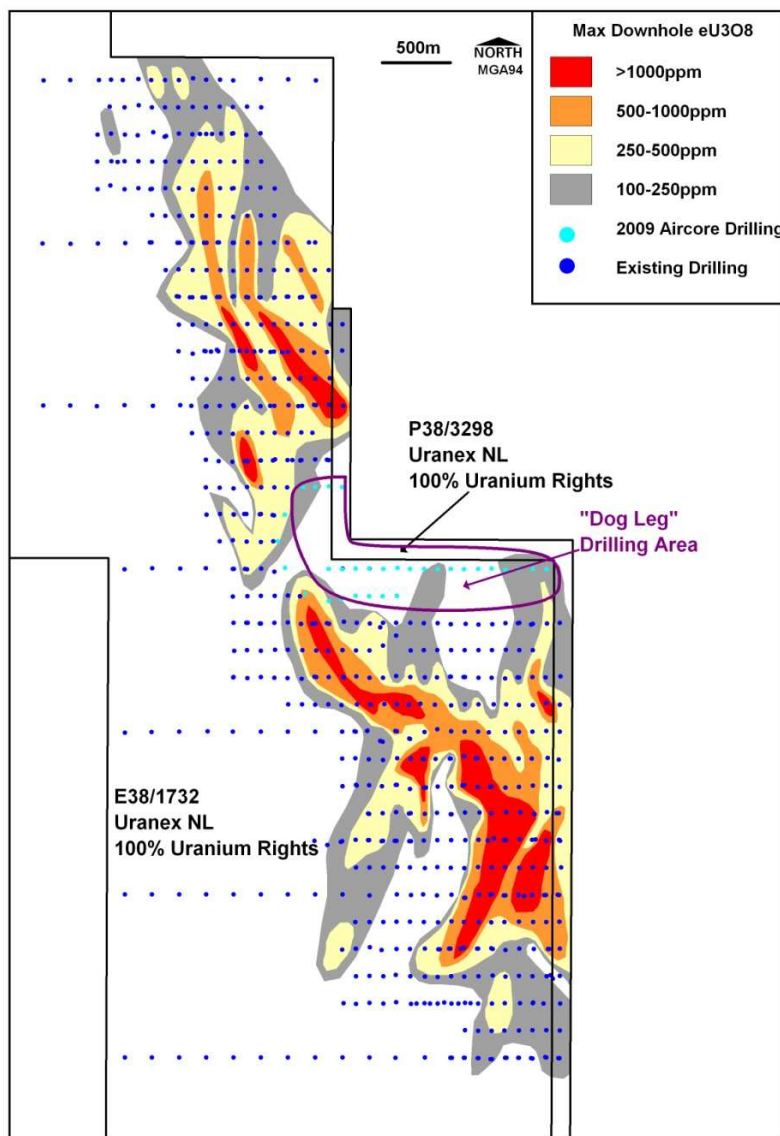


Figure 4 – Thatcher Soak Drill Coverage and eU_3O_8 Contours.

Bremer Basin, Western Australia (Uranex 100%)

Assay results from the RC drilling programme conducted in 2009 were received during the Quarter, with encouraging results up to 135ppm U₃O₈ intersected. This supports previous intersections of up to 248ppm U₃O₈. An RC programme is planned for 2010 which will test additional prospective palaeochannels, and attempt to extend the promising intersections obtained to date.

Bynoe, Northern Territory (Uranex 100%)

A review has been conducted of the Bynoe Project, and a decision taken to relinquish these tenements, to allow the Company to focus on other higher priority opportunities.

Alligator Rivers, Northern Territory (Uranex 100%)

No activity during the Quarter. RC drilling programme planned for 2010.

New Projects (Uranex 100%)

Applications for two new tenements have been made in the Pilbara region of Western Australia (Mt. Danvers), and in the Northern Territory (Amadeus). Both of these projects are prospective for a range of metals, including uranium. Exploration will commence once the licences have been granted.

CORPORATE

The Company's cash position as at 31 December 2009 was \$4M.

Mr. Andrew Daley was appointed Non Executive Chairman of the Company during the Quarter. Uranex wishes to acknowledge and thank Mr Terry Ward for his significant contribution as the Company's former and inaugural Chairman.

Management has been considerably strengthened with the appointment of Mr. Brendan Borg, Manager Exploration.



Dr. John Cottle
Managing Director
Telephone: +61 3 9621 1533

Information in this document 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 consents to the inclusion of the data in the form and context in which it appears.

About Uranex

Uranex NL is a uranium exploration and mining development company focused on the development of its advanced projects: The Manyoni Project Pre-Feasibility Study in central Tanzania; The Thatcher Soak Project in Western Australia, The Mkuju Project in southern Tanzania, and the exploration of its other significant licence holdings in Western Australia, Tanzania and the Northern Territory, in line with its disciplined business plan to become a recognised uranium producer.

These projects are near surface, in largely unconsolidated host sediments, which indicate low mining costs and simple processing requirements, thereby increasing operating margins and facilitating production at industry-low cut-off grades.

Uranex's foundations for Growth by Development and Production include its: Quality Assets embracing a diversity of mineralisation and occurrence types; Quality Management incorporating strong depths of operational, development, technical, and financial expertise; and Corporate expansion by productive joint ventures and acquisitions.

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")

31 December 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	15	26
1.2 Payments for		
(a) exploration and evaluation	(2,238)	(3,363)
(b) development	-	-
(c) production	-	-
(d) administration	(508)	(1,177)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	109	114
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(2,622)	(4,400)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(10)	(77)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – payments for bonds	-	(7)
	(10)	(84)
Net investing cash flows	(10)	(84)
1.13 <i>Total operating and investing cash flows (carried forward)</i>	(2,632)	(4,484)

+ See chapter 19 for defined terms.

1.13	<i>Total operating and investing cash flows (brought forward)</i>	(2,632)	(4,484)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	213
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) <i>Share cost issue</i>	-	(265)
Net financing cash flows			
		-	(52)
Net increase (decrease) in cash held			
		(2,632)	(4,536)
1.20	Cash at beginning of quarter/year to date	6,626	8,526
1.21	Exchange rate adjustments to item 1.20	1	5
1.22	Cash at end of quarter	3,995	3,995

Payments to directors of the entity and associates of the directors and 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	173
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

Directors remuneration entitlements and expenses and legal fees

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

-

+ See chapter 19 for defined terms.

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
Total	2,000

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	162	140
5.2 Deposits at call	3,833	6,486
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,995	6,626

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	EL 23070	EL	100	-
	EL 23071	EL	100	-
	EL 24019	EL	100	-
	EL 24684	EL	100	-
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	96,436,427	96,436,427		
	3,840,000	-	64 cents	1 cent
	500,000	-	96 cents	1 cent
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (forfeited)				
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)	2,550,000	-	<i>Exercise price</i> 30 cents	<i>Expiry date</i> Up to 6 month after retirement of employee/director
	3,250,000	-	34 cents	
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:



(Managing Director)

Date: 29 January 2010.

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.