

Mantra Resources Look-a-like Plus More?

Plenty of Targets; Drilling in March

We provide an update on Uranex NL (UNX) following our recent meeting with Managing Director Matt Gauci. UNX's main focus is its Mkuju Uranium Project in Southern Tanzania. UNX's tenure is located adjacent to Mantra's (MRU) Mkuju River project (MRP), MRU are currently in the process of being acquired for \$1.2b all cash offer by Russian-state owned uranium miner ARMZ. UNX stock has run hard since the announcement of the MRU takeover and encouraging higher grade drill results at Mkuju, however, we believe it has a significant amount of upside with a number of uranium targets identified. The company expects to re-commence drilling in March.

- MRU Mkuju River Project Mark II?:** UNX's tenure is immediately south of MRU. MRU is currently the subject of a takeover for \$1.2b which values its current resource of 101.4mlb at A\$10.26/lb. UNX's 2010 drill program has focused on drilling the Likuyu North prospect located 30km southwest of MRU's Nyota deposit. The prospect has a strike length of 5km. 16 diamond holes were recently completed all of which intersected uranium mineralisation. Assay results were very encouraging and include 10.5m at 1,124ppm U₃O₈, including 2m at 2,135ppm U₃O₈, 13m at 614ppm U₃O₈ including 4.5m at 1,154ppm U₃O₈ and 2m at 1,244ppm U₃O₈.
- Targeting MRU Style Mineralisation and Large Higher-Grade ISR Deposits:** UNX has initially been targeting shallow sandstone hosted deposits at Likuyu North (which the drilling is targeting) which is the same type of mineralisation as Mantra and PDN's Kayelekera mine. These horizons tend to be multi-layered and shallow <70m and are free dig meaning lower cost to mine. In addition, UNX will be targeting roll front style deposits which tend to be large and of an even higher grade these have the potential to be mined using ISR (In-Situ Recovery) extraction techniques. The ISR method of mining is the lowest cost method of uranium extraction and is used at Beverley-Four Mile, Kazakhstan and in the US.
- Radiometric Survey Identifies 5 Main Anomalies; Drilling to Recommence in March 2011:** Based on radiometric surveys UNX appears to have identified five similar targets to MRU which total 69km of strike. Likuyu North (5km), Likuyu South (18km), Matemanga Cluster (10km), Mteramwahi North (17km) and Mteramwahi South (19km). UNX are currently preparing a 2011 budget with the aim to 1) extend the Likuyu North mineralisation, 2) define an initial resource estimate on Likuyu North and 3) Drill test all other anomalies along the 69km of strike.
- Strong Cash Position Following Raising:** UNX has \$5.2m in cash and this is expected to grow with the exercise of company options (would bring in \$1.5-5m) and the expected divestiture of its non-core Australian assets in the June quarter which would include the 14mlb Thatcher Soak project in Western Australia.
- Catalysts:** March Budget Details; March Commencement of Drilling; Ongoing Drill Results; Q3/Q4 2011 Resource Update

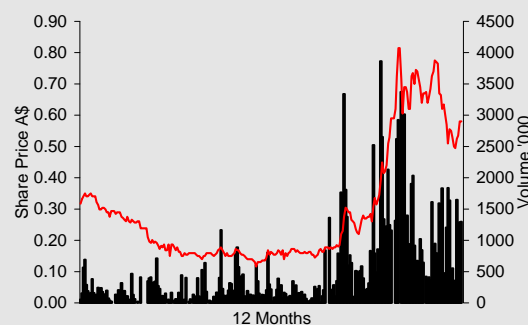
3 March 2011

RIC: UNX.AX		BBG: UNX AU	
Price	\$		0.575
Shares o/s	m		169.6
Market Cap.	A\$m		97.5
Cash	A\$m		5.2
Debt	%		0
Ent. Value	A\$m		92.3
52wk High/Low	A\$		0.895/0.1168

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Disclaimer: Patersons Securities Ltd was lead manager and underwriter for a \$5.8m rights issue at \$0.14/sh conducted in October 2010. Patersons received a fee for this service.

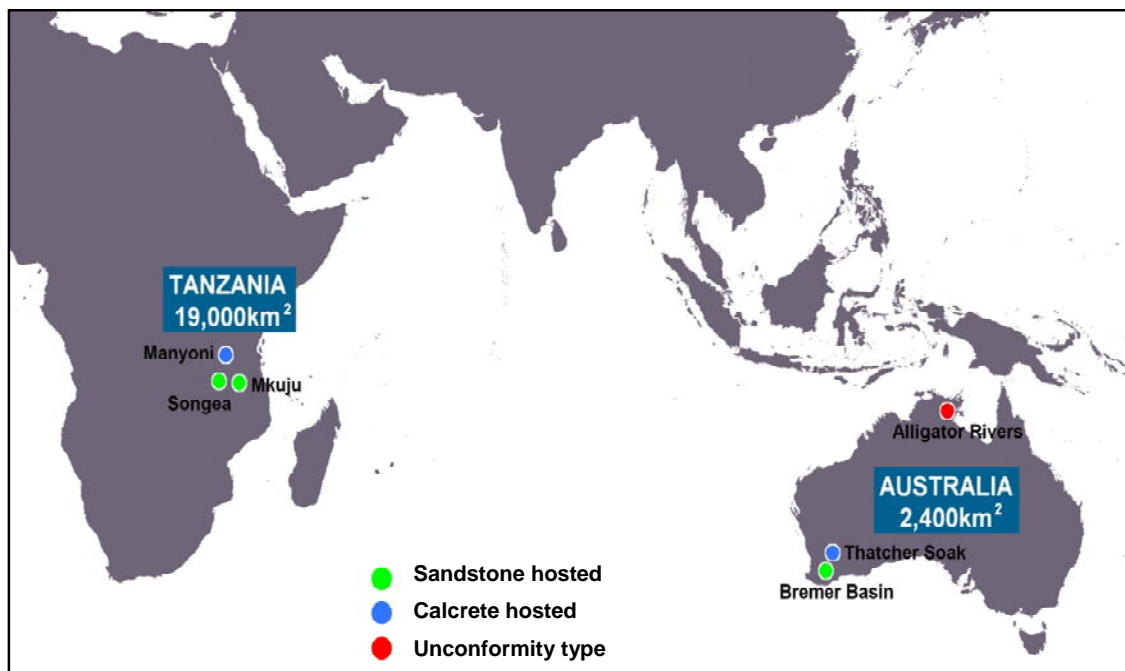
12 Month Share Price Performance



Company Background

UNX first listed on the ASX in 2005. The company has changed significantly from its beginnings when it focused on the Manyoni Project in central Tanzania and the Thatcher Soak project in Western Australia. UNX changed direction in August 2010 when Matt Gauci was appointed Managing Director. The focus immediately shifted toward the company's Mkuju Uranium Project and the potential to find higher grade resources. The other project that appears interesting is the Alligator Rivers project in the Northern Territory which has the potential for large higher grade resources.

Figure 1: UNX Project Locations



Source: Company Reports

Capital Structure

UNX has \$5.2m in cash due to a recent rights issue for \$5.2m. Following the rights issue the company has 169m shares on issue and a basic market capitalisation of \$98m. The company has 2.8m unlisted options at an average strike price of \$0.23/sh. A recent call of 63 cents on partly paid shares resulted in acceptance of 100,000 partly paid. UNX will be auctioning within one month 4.2m partly paid shares that remain unpaid.

Major shareholders in UNX include: IMX resources (29%), Acorn Capital (14%) and CQS Asset Management (10%).

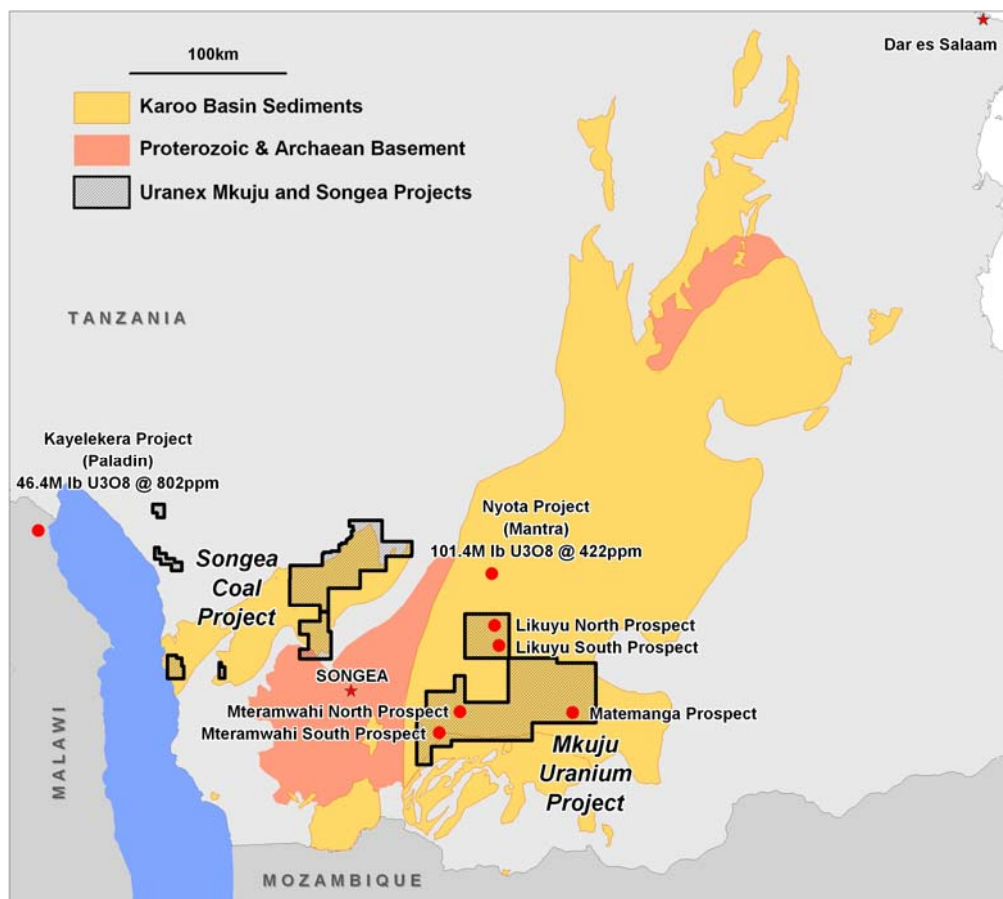
The company is debt free.

Asset Overview

Mkuju Uranium Project

UNX's Mkuju Uranium project which covers an area of 5,000km² is located in Southern Tanzania adjacent to the MRU's tenure. MRU which was at the development stage with 101.4mlb resource was offered an all-cash bid by Russian owned ARMZ for \$1.2b in December 2010.

Figure 2: UNX Southern Tanzania Project Locations



Source: Company Reports

Following a change in management in August 2010, UNX immediately focused on the Likuyu North prospect which has a radiometric strike length of 5km and has similar sandstone hosted mineralisation to MRU's Nyota deposit located 30km away. In 2010, UNX conducted a 16 hole diamond program at Likuyu North which concluded in mid-December. In early December prior to MRU's bid UNX released some preliminary drill intercepts. Since then final assays have been received for 14 holes which all intersected uranium mineralisation. Best results include:

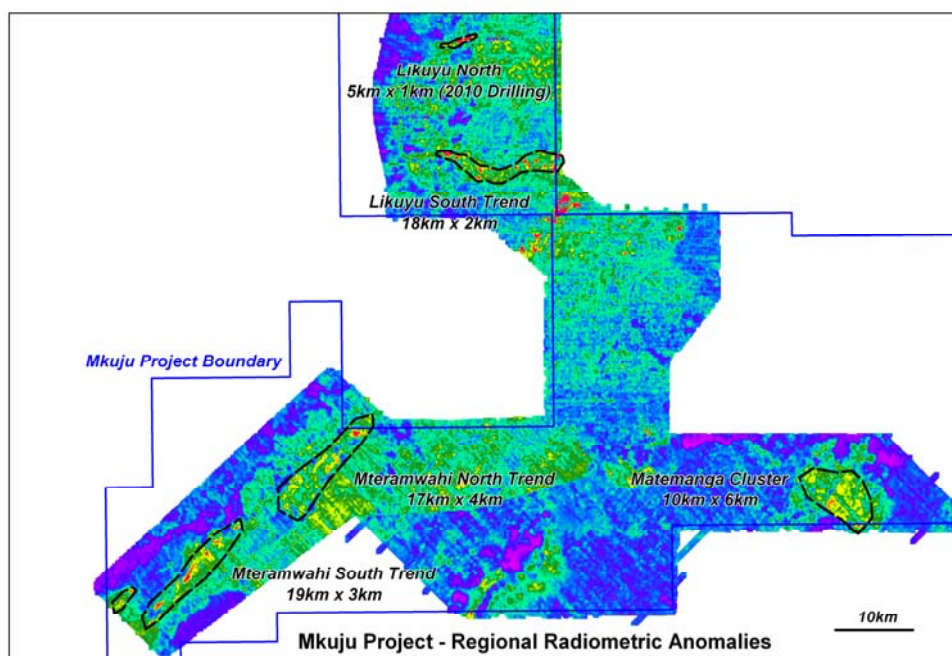
- 10.5m at 1,124ppm U₃O₈ from 74.5m including 2m at 2,135ppm U₃O₈ from 78.5m
- 13m at 614ppm U₃O₈ from 95m including 4.5m at 1,154ppm U₃O₈ from 95m
- 7.5m at 352ppm U₃O₈ from 79.5m
- 4m at 337ppm U₃O₈ from 16m
- 2m at 1,244ppm U₃O₈ from 54m

Radiometric Review

Recently, UNX released result of a radiometric review which identified 5 areas of interest (Figure 3). In total there is 69km of strike which are prospective for uranium mineralisation. These include:

- **Likuyu North** (5km x 1km): 16 hole drill program conducted in 2010 which concluded in December 2010. In 2009, the company conducted a trenching and RC drill hole program. 17 holes intersected mineralisation.
- **Likuyu South Trend** (18km x 2km)
- **Mteramwahi North Trend** (17km x 4km)
- **Mteramwahi South Trend** (19km x 3km)
- **Matemanga Cluster** (10km x 6km)

Figure 3: Mkuju Uranium Project Radiometric Anomalies



Source: Company Reports

Targeting MRU Style Mineralisation and Large Higher-Grade ISR Deposits

UNX has initially been targeting shallow sandstone hosted deposits at Likuyu North which is the same type of mineralisation as Mantra and PDN's Kayelekera mine. These uranium bearing horizons tend to be multi-layered and shallow <70m and are usually free dig. In addition, UNX will be targeting in its 2011 drill program roll front style deposits which tend to be large and of higher grade these have the potential to be mined using ISR extraction techniques. The ISR method of mining is the lowest cost method of uranium extraction used at Beverley-Four Mile, Kazakhstan and in the US.

Forward Plan 2011

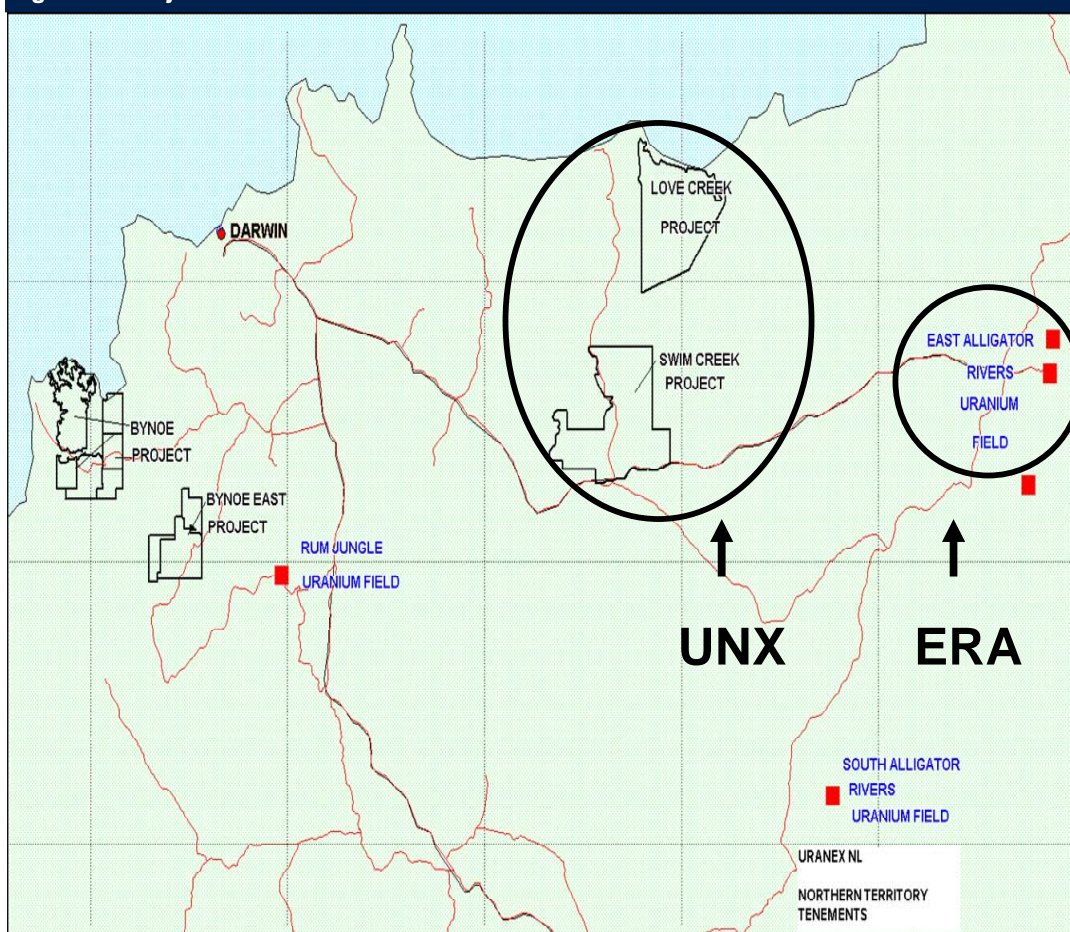
UNX are currently preparing a 2011 budget with the aim to 1) extend the Likuyu North mineralisation, 2) define an initial resource on Likuyu North and 3) Drill test all other anomalies along the 69km of strike. Drilling is expected to recommence in March 2011.

Alligator Rivers Project (100%)

UNX's Alligator Rivers Project is located in the Northern Territory which hosts the world class uranium deposits Ranger, Nabarlek and Jabiluka (Figure 4). In total UNX has 800km² of tenure which is considered favourable for the formation of unconformity style mineralisation similar to Ranger, Nabarlek and Jabiluka uranium deposits. Ranger currently generates 10% of the world's uranium production, while Jabiluka hosts more than 100M lbs U₃O₈ @ 5000ppm.

An RC drill program is planned for the first half of 2011 and will target previously identified unconformity structure and geophysical conductors at depth, which indicate the potential for unconformity (Ranger Type) deposits.

Figure 4: Mkuju River Radiometric Anomalies



Source: Company Reports

Other Projects

Manyoni, Central Tanzania

UNX's Manyoni project is located in central Tanzania with a resource of 29mlb at 144ppm defined. Given the lower grade nature of the deposit, costs are likely to be higher so UNX is examining a heap leach solution. Results suggest there could be a number of challenges with variable recoveries from the ore. ANSTO is undertaking a review to look at metallurgical options.

Songea Coal Prospect, Southern Tanzania

UNX's Songea Coal Exploration project covers an area of approximately 2,700km² and is located 140km northwest of UNX's Mkuju Uranium Project (Figure 2). The licences are prospective for sandstone type uranium mineralisation and thermal coal deposits. Coal fields and coal resources have been identified by other companies in the basin which include: Atomic Resources (ATQ) 251Mt high quality thermal coal deposit and URA plc (URA-L) Songea Coal prospect which is the subject of a JV with Rio Tinto Mining and Exploration.

In UNX's initial fieldwork historical coal workings were identified approximately 2km south of UNX's southern licence. UNX is currently undertaking geological mapping targeting stratigraphic horizons prospective for coal. Drill targets have been defined and initial drill testing is expected to commence in the second half of 2011.

Divestiture

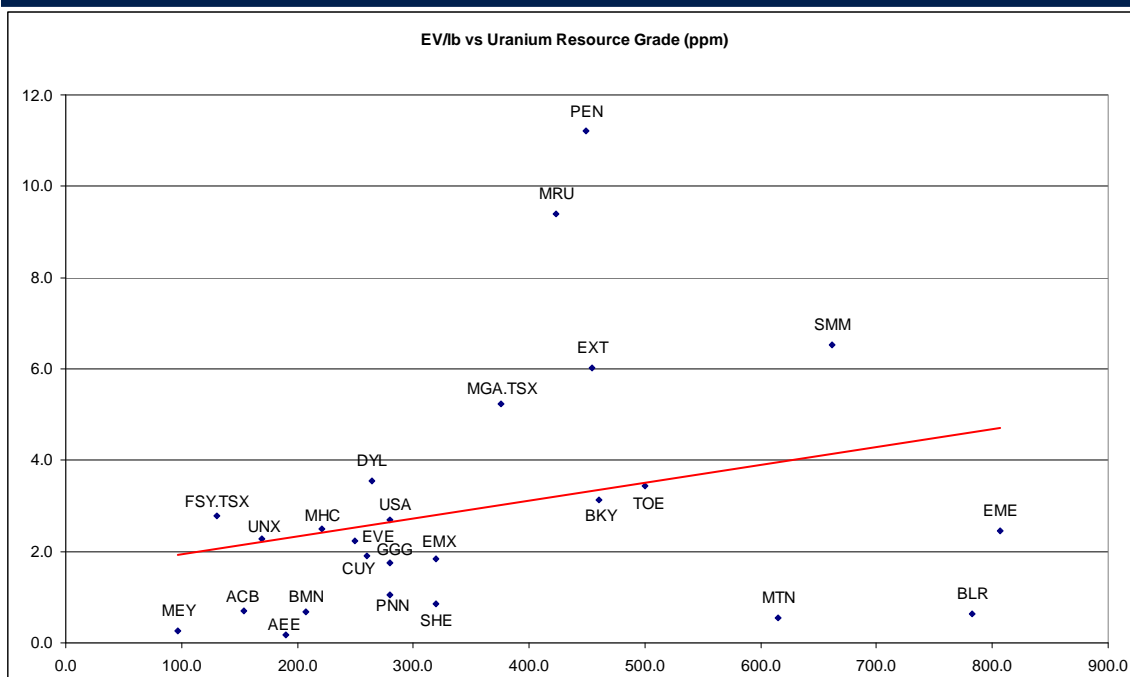
UNX is looking to divest its non-core assets located in Australia such as the 14mlb Thatcher Soak project in Western Australia. Other projects up for sale could include: Amadeus and Bremer Basin.

Valuation

Currently UNX is trading on an EV/lb resource basis at A\$2.30/lb compared to the peer average EV/lb of A\$3/lb. However, this has little relevance as this is mainly based on the lower grade Thatcher Soak deposit which UNX is looking to divest as soon as possible. We note that if UNX can establish higher grade resources of significant size (+20mlb at +400ppm) by the end of the 2011 then it has the potential to trade at much higher levels. Based on MRU's cash takeover offer this represents an EV/lb of A\$10.26/lb.

Another perspective is to look at how many pounds the market is attributing to UNX based on the average EV/lb. We calculate an EV for UNX of A\$92m and if we divide by A\$3/lb then this equates to a resource of approximately 30mlb.

Figure 5: EV/lb vs Grade ppm



Source: Company Reports

Directors and Management

Johann Jacobs, Chairman

Johann Jacobs has more than 30 years experience in the resource sector where he has managed established companies and acquisitions, expansions or start-up mining operations in Australia, South Africa and Indonesia. Mr Jacobs more recent roles have included Chairman of IMX Resources, Managing Director of the ASX-listed coal producer CIM Resources Ltd and Managing Director of the ASX-listed mineral sands developer Australian Zircon N.L.. In addition, he holds various directorships in private resource focused companies active in Australia and Internationally.

Matthew Gauci , Managing Director

Matthew Gauci has broad resources experience particularly in the uranium sector having been a founding member of the Australian Uranium Association. Mr Gauci was also a founding director of Scimitar Resources Limited and Epsilon Energy Limited. More recently, Matthew was a consultant to uranium companies in Australia and Africa.

Stephen Hunt , Non-Executive Director

Stephen Hunt has more than 20 years experience in the minerals marketing industry, including 16 years at BHP Billiton Ltd. In addition, Mt Hunt has been a director of Australian Zircon, DCM Australia and more recently through his own trading business, Minerals and Metals Marketing. Mr Hunt is a Non-Executive Director of IMX Resources Limited.

Mark S Chalmers , Non-Executive Director

Mark Chalmers, a Mining Engineer, is currently Principal of Uranium Associates Pty Ltd, a uranium industry consulting/advisory company. He was previously Managing Director of Uranium Equities Limited (ASX: UEQ) a uranium explorer and uranium technology development company and is currently Managing Director of Urtek LLC, a global leader in uranium recovery technology from phosphoric acid. Mr Chalmers Chairs the Australian Government's Uranium Council, an initiative focused on removing impediments to advancement of the uranium industry in Australia. Prior to this role, Mark held a number of executive positions including Senior Vice President and General Manager of Heathgate Resources, the operator of the Beverley ISR uranium mine in Australia and was Vice President - Operations of Cameco Corporation's USA subsidiary uranium operations. Over the course of his career, he has been involved with over a dozen uranium producing projects.

Frank Poullas , Non-Executive Director

Frank Poullas is employed by a major investment fund and in his personal capacity is a professional investor specialising in the uranium sector. For the last eight years he has been involved in various ventures increasing shareholder value in the uranium sector.

John M Nethersole, Company Secretary and Chief Financial Officer

John was appointed as Company Secretary on 28 May 2008. He has in excess of 30 years experience in accounting and finance in a broad range of industries including 16 years in resource related companies. He has previously held the position of Secretary for several publicly listed companies.

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