

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011

URANEX NL

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ASX Code: UNX

 Number of Shares
178.6M Ordinary Shares
11.9M Unlisted Options

 Market Capital
A\$61.9 Million
(@0.35c)

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

HIGHLIGHTS
Operations

- Further substantial high grade intersections and an expanded mineralised zone were reported at the Likuyu North Prospect, within our 100% owned Mkuju Uranium Project. A total of 156 holes (17,137m) have now been drilled in the current aircore drilling program.
- Significant recent intersections include:
 - 24m @ 836ppm eU₃O₈ (including 4m @ 3,064ppm and 1m @ 4,961ppm eU₃O₈)**
 - 15m @ 1,002ppm eU₃O₈ (including 3m @ 2,483ppm eU₃O₈)**
 - 10m @ 1,190ppm eU₃O₈ (including 4m @ 2,391ppm and 1m @ 5,343ppm eU₃O₈)**
 - 10m @ 1,073ppm eU₃O₈ (including 3m @ 2,012ppm eU₃O₈)**
 - 30m @ 320ppm eU₃O₈ (including 10m @ 498ppm eU₃O₈)**
- The remaining 12,500m of the 2011 aircore (80 holes) and diamond (24 holes) drilling program has now commenced to define the mineralisation, along and potentially beyond the 5km uranium anomaly, and to provide samples for chemical assay and metallurgical testing.
- Validation of gamma downhole data and resource modelling underway.
- Metallurgical test work program has now commenced with the appointment of Australian Nuclear Science and Technology Organisation (ANSTO) to perform preliminary evaluation of the processing options at Likuyu North.
- Drilling of the 1,200m (6 hole) diamond and aircore program is set to commence at the Songea Coal Project where the Company has identified the 250-300km² Lumecha Coalfield. Uranex has appointed SRK Consulting to provide technical advice and independent coal expertise.

Corporate

- Heads of Agreement was signed with a Chinese based investment group to purchase Uranex's Australian uranium assets for A\$20m cash. A non-refundable deposit of A\$0.5m has been received.
- Capital Raising Program commenced to raise \$4.7m via a Share Placement to sophisticated and professional investors and a Share Purchase Plan for eligible shareholders in the company, with both share issues priced at \$0.35 per share.
- IMX Resources Limited announced its intention to distribute its shareholding in Uranex to its members at a rate of 1 Uranex share for 5.67 IMX shares held. This represents the entire IMX shareholding in Uranex.
- Appointment, soon after the quarter ended, of RBS Morgans and Renaissance Capital to lead the divestment of the Company's central Tanzanian assets including the Manyoni Uranium Project, which hosts 29Mlbs U₃O₈ at 100ppm.

OPERATIONS

TANZANIA

MKUJU URANIUM PROJECT (URANEX 100%)

The Mkuju Uranium Project is located in southern Tanzania, 500km south-west of Dar es Salaam, and comprises 12 granted licences (100% Uranex) plus applications covering a total area of over 4,000km². In south-west Tanzania, exposure of the Karoo Supergroup is partly controlled by north-easterly striking regional faults which incorporate the Proterozoic basement (Figure 1).

The national road between Songea and Tunduru crosses through the Mkuju Uranium Project licences, while approximately 10km to the north a 600km rail link is planned to connect the 1,200Mt Liganga iron ore deposit, located just to the north east of Lake Nyasa, and the coastal port town of Mtwara.

The Company is targeting sandstone hosted stacked, tabular and roll-front deposits. Examples of sandstone hosted stacked, tabular and roll-front deposits are Uranium One's Nyota prospect in southern Tanzania (101.4Mlbs @ 422ppm U₃O₈) and Paladin Energy Limited's Kayelekera Mine in Malawi (46Mlbs @ 802ppm U₃O₈), both of which are hosted nearby in similar geological settings of Karoo sandstones.

The Company has identified five key radiometric anomalies: Likuyu North (5x1km), Likuyu South (18x2km), the Matemanga cluster (10x6km), Mteramwahi North (17x4km), and Mteramwahi South (19x3km) for a total of approximately 69km uranium strike length within the 4,000km² area of the combined granted licences and applications (Figure 2).

The Likuyu North Prospect covers an approximate area of 5x1km, representing less than 10% of the total uranium anomalies at Mkuju. Drilling to date has been completed along only 1km of the 5km uranium anomaly strike, with the remainder to be tested in 2011 and early 2012.

Further substantial high grade results reported during the quarter have confirmed the Likuyu North prospect as a significant new uranium discovery. 78 of the 112 holes drilled and reported to date intersected uranium mineralisation of >1m @ 200ppm eU₃O₈ (Figures 3 and 4). The most notable intersections reported during the quarter are reported in Table 1.

Resource definition drilling is continuing at Likuyu North, with a further 80 aircore and 24 diamond drillholes underway (Figure 5), to define the mineralisation along and potentially beyond the 5km uranium anomaly and to provide high quality samples for chemical assay and metallurgical testing.

Data validation and geological modelling of the mineralisation is underway, with a maiden resource estimate targeted for Q1 2012. A QA/QC program, consisting of re-probing cased aircore holes combined with chemical assays from diamond drill hole core, is continuing to validate down hole gamma probe data and to enable disequilibrium factors to be calculated and applied to the data prior to resource estimation. To date, a small number of re-probed holes have shown discrepancies between probing events. This is not unusual in uranium exploration given that the initial results are based on probe results and not chemical assays. The results are currently being validated through re-probing and chemical assays from diamond drilled twin holes

Geophysical surveys comprising radiometric and magnetic components over 50m line spacings have been contracted for late October with Fugro Airborne Surveys. The survey will assist in defining the geological structures and stratigraphy controlling mineralisation at Likuyu North and elsewhere within the Company's extensive Mkuju Uranium Project.

Mineralogical testing on samples using Scanning Electron Microscope (SEM) has previously returned excellent results, including the presence of uraninite and autunite or meta-autunite, typically in fine masses coating or in between other minerals. The potential implications for this favourable mineral assemblage and habit of uranium include ease of leaching under acidic conditions and expected high yield recoveries.

A metallurgical test work program has now commenced, in conjunction with diamond drilling for resource definition, which will include additional mineralogical analysis to identify potential processing and uranium recovery options. Core drilled in the current resource definition program will be dispatched for preliminary metallurgical and geotechnical test work by the Australian Nuclear Science and Technology Organisation.

Figure 1: Mkuju Uranium Project Location

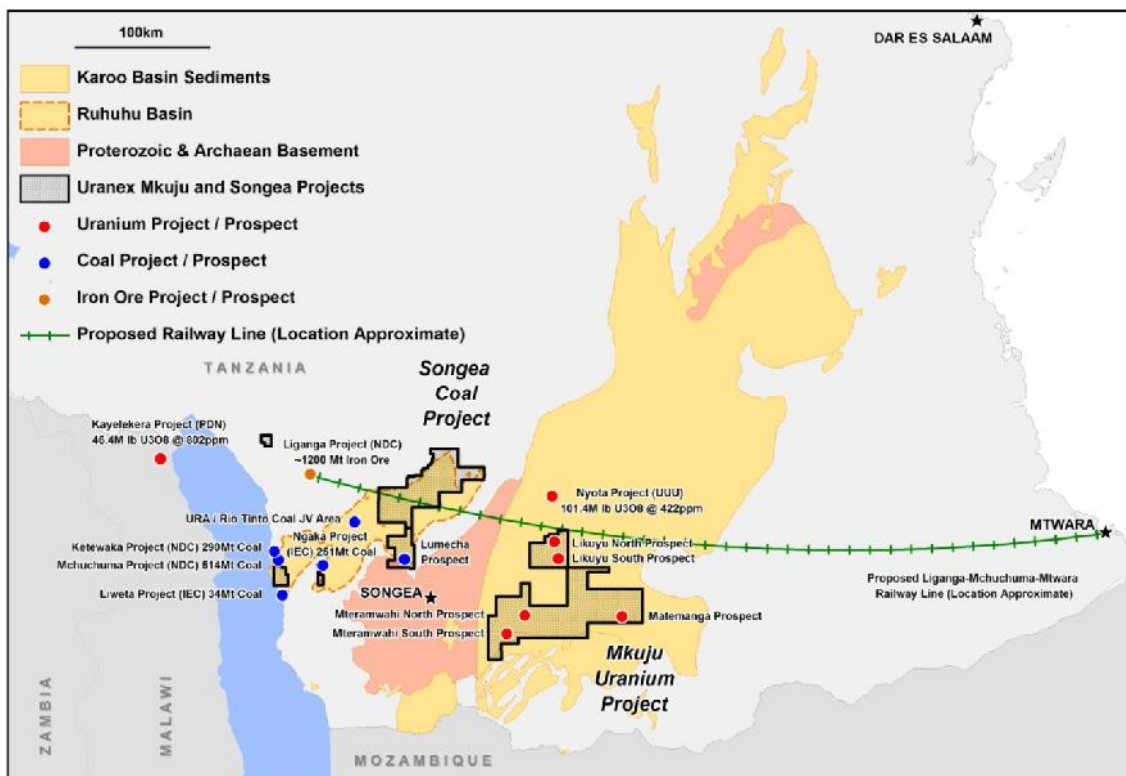


Figure 2: Mkuju Uranium Project Regional Radiometric Anomalies

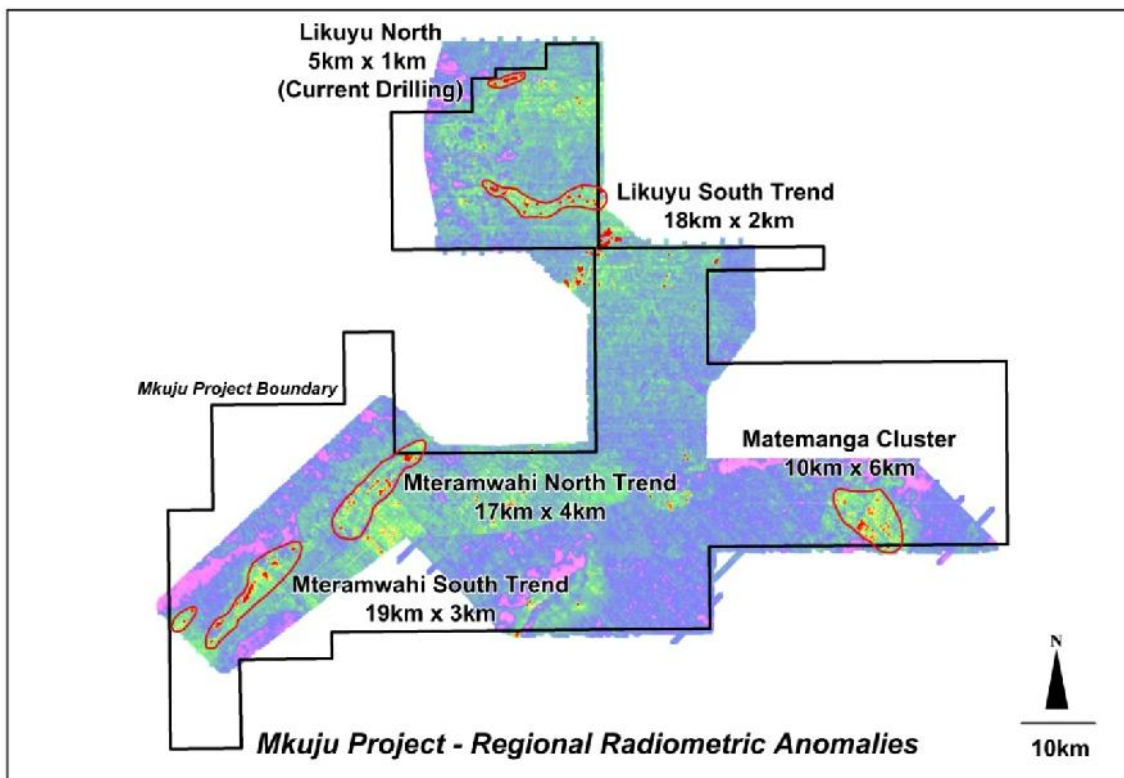


Figure 3: Likuyu North Major Drilling Intersections – Eastern Zone

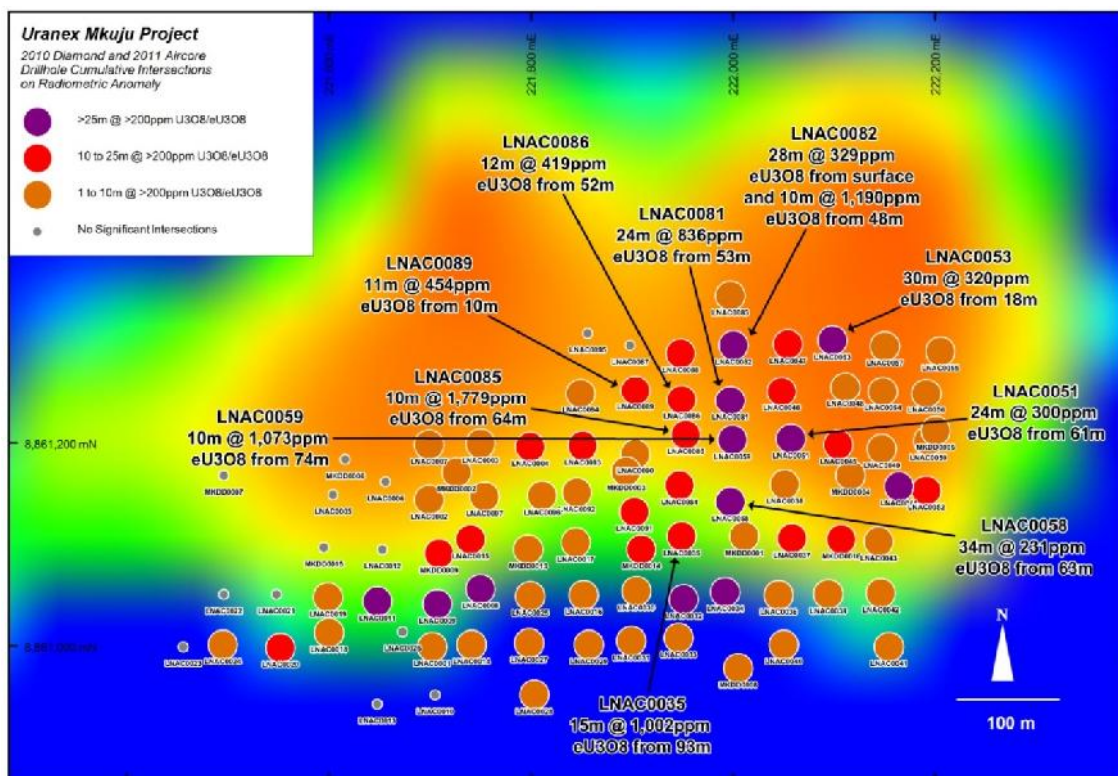


Figure 4: Likuyu North Mineralised Area – Western Zone

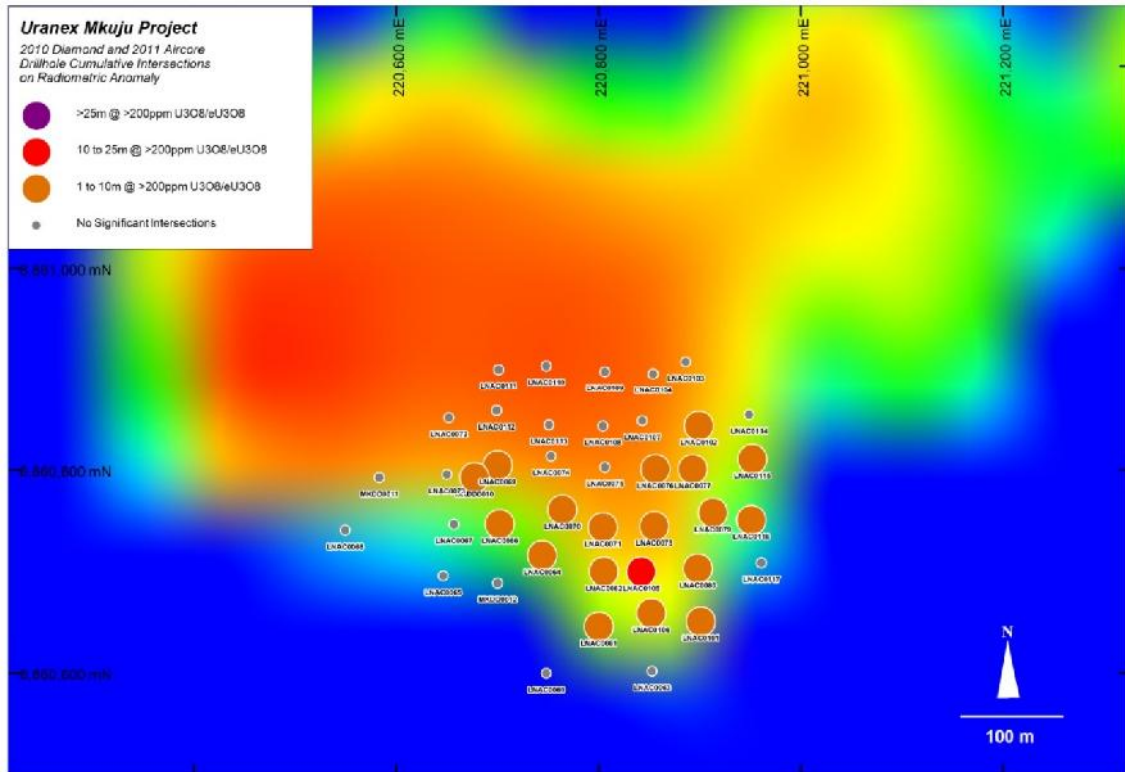


Figure 5: Likuyu North 2011 Planned Drilling

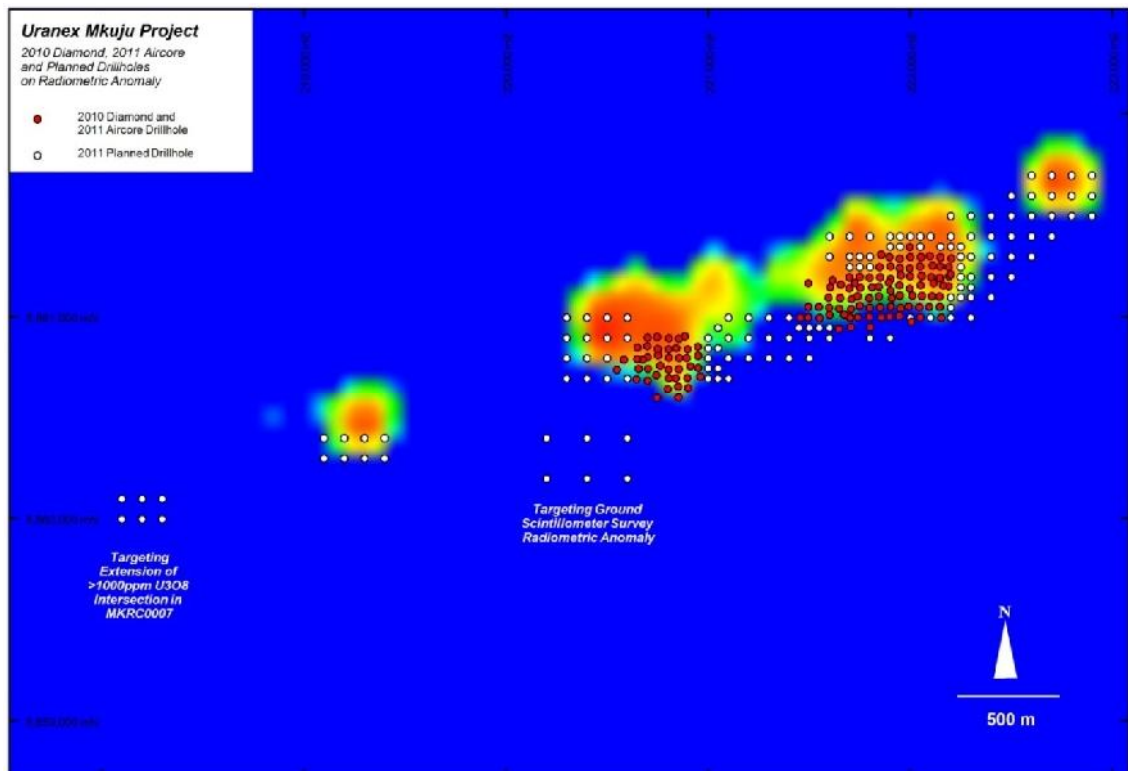


Table 1: 2011 Q3 Aircore Drilling Results

Hole	Easting (m)	Northing (m)	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)
LNAC0035	221949	8861109	45.0	46.0	1.0	207
and			71.0	72.0	1.0	272
and			88.0	89.0	1.0	351
and			93.0	108.0	15.0	1,002
including			94.0	97.0	3.0	2,483
LNAC0038	222049	8861157	62.0	64.0	2.0	317
and			84.0	85.0	1.0	422
LNAC0051	222057	8861205	22.0	23.0	1.0	830
and			46.5	47.5	1.0	267
and			61.0	85.0	24.0	300
LNAC0052	222191	8861154	31.0	36.0	5.0	302
and			39.0	49.0	10.0	235
and			73.0	74.0	1.0	227
and			84.0	86.0	2.0	214
and			91.0	94.0	3.0	346
LNAC0053	222098	8861303	18.0	48.0	30.0	320
including			32.0	42.0	10.0	498
and			50.5	51.5	1.0	253
LNAC0054	222148	8861252	27.0	28.0	1.0	329
and			31.0	33.0	2.0	258
and			42.0	46.0	4.0	305
LNAC0055	222205	8861292	23.0	24.0	1.0	213
LNAC0056	222191	8861250	26.0	27.0	1.0	236
and			48.0	50.0	2.0	321
LNAC0057	222150	8861297	34.0	35.0	1.0	286
LNAC0058	221997	8861143	8.0	9.0	1.0	276
and			63.0	97.0	34.0	231
LNAC0059	221999	8861204	26.0	30.0	4.0	254
and			49.0	62.0	13.0	262
including			60.0	61.0	1.0	725
and			68.0	69.0	1.0	267
and			74.0	84.0	10.0	1,073
including			75.0	78.0	3.0	2,012
LNAC0069	220700	8860806	0.0	4.0	4.0	992
LNAC0070	220764	8860762	38.0	39.0	1.0	233
LNAC0071	220804	8860745	38.0	41.0	3.0	207
LNAC0076	220856	8860802	6.0	8.0	2.0	267
and			24.0	25.0	1.0	246
LNAC0077	220893	8860802	16.0	17.0	1.0	325
and			26.0	30.0	4.0	329
LNAC0078	220855	8860746	24.0	25.0	1.0	250
LNAC0079	220913	8860759	48.0	49.0	1.0	221
and			51.0	53.0	2.0	280
LNAC0080	220898	8860704	63.0	64.0	1.0	262
LNAC0081	221997	8861243	13.0	15.0	2.0	281
and			37.0	41.0	4.0	232
and			53.0	77.0	24.0	836
including			64.0	68.0	4.0	3,064
including			66.0	67.0	1.0	4,961
LNAC0082	222000	8861298	0.0	28.0	28.0	329
including			20.0	27.0	7.0	634
and			48.0	58.0	10.0	1,190
including			52.0	56.0	4.0	2,391
including			53.0	54.0	1.0	5,343
LNAC0083	222000	8861350	15.0	17.0	2.0	316
and			55.0	56.0	1.0	241
and			58.0	60.0	2.0	437

Table 1 continued: 2011 Q3 Aircore Drilling Results

Hole	Easting (m)	Northing (m)	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)	
LNAC0084	221947	8861159	45.0	56.0	11.0	284	
and			60.0	61.0	1.0	340	
and			70.0	73.0	3.0	568	
and			78.0	79.0	1.0	319	
LNAC0085	221953	8861209	17.0	20.0	3.0	493	
and			46.5	47.5	1.0	220	
and			64.0	74.0	10.0	1,779	
including			65.0	70.0	5.0	3,193	
including			66.0	68.0	2.0	5,124	
LNAC0086	221949	8861244	5.0	6.0	1.0	201	
and			30.0	35.0	5.0	346	
and			52.0	64.0	12.0	419	
LNAC0088	221948	8861290	7.0	8.0	1.0	238	
and			17.0	19.0	2.0	233	
and			34.0	44.0	10.0	474	
and			55.0	56.0	1.0	255	
LNAC0089	221903	8861253	10.0	21.0	11.0	454	
including			19.0	20.0	1.0	1,447	
and			38.5	39.5	1.0	233	
and			44.0	49.0	5.0	444	
LNAC0090	221903	8861190	17.0	19.0	2.0	473	
and			26.0	28.0	2.0	350	
and			31.0	32.0	1.0	248	
and			47.0	49.0	2.0	423	
and			56.0	58.0	2.0	271	
LNAC0091	221902	8861133	12.0	14.0	2.0	229	
and			40.0	43.0	3.0	345	
and			58.0	59.0	1.0	224	
and			62.0	68.0	6.0	361	
LNAC0092	221845	8861152	24.5	25.5	1.0	228	
and			37.0	38.0	1.0	248	
and			55.0	56.0	1.0	225	
and			73.0	78.0	5.0	419	
and			87.0	88.0	1.0	216	
LNAC0093	221851	8861198	19.0	20.0	1.0	329	
and			24.0	26.0	2.0	408	
and			30.0	34.0	4.0	272	
and			51.0	56.0	5.0	703	
LNAC0094	221849	8861250	Awaiting Results				
LNAC0096	221811	8861149	36.0	37.0	1.0	214	
LNAC0097	221754	8861148	19.0	20.0	1.0	528	
and			36.5	37.5	1.0	247	
LNAC0101	220901	8860652	66.0	68.0	2.0	334	
LNAC0102	220899	8860845	10.0	12.0	2.0	362	
and			14.0	16.0	2.0	400	
LNAC0105	220842	8860701	46.0	57.0	11.0	314	
including			47.0	48.0	1.0	1,059	
and			58.5	59.5	1.0	206	
LNAC0106	220852	8860660	41.0	43.0	2.0	256	
LNAC0115	220952	8860812	23.0	24.0	1.0	423	
LNAC0116	220951	8860752	Awaiting Results				

* Intersections included for ≥ 1 m @ ≥ 200 ppm eU₃O₈

* Holes with no intersections ≥ 1 m @ ≥ 200 ppm eU₃O₈ have not been included in this table

* Holes LNAC0001 to LNAC0034, LNAC0036 to LNAC0037, LNAC0039 to LNAC0050

and LNAC0060 to LNAC0066 included in June Quarterly Activities Report

* Holes LNAC0098 to LNAC0100 are yet to be reported

SONGEA COAL PROJECT (URANEX 100%)

Exploration at the Company's 100% owned Songea Coal Project in southern Tanzania was completed including desktop studies, geological mapping and field traverses, resulting in the identification of the Lumecha Coalfield, interpreted to extend over 250-300km².

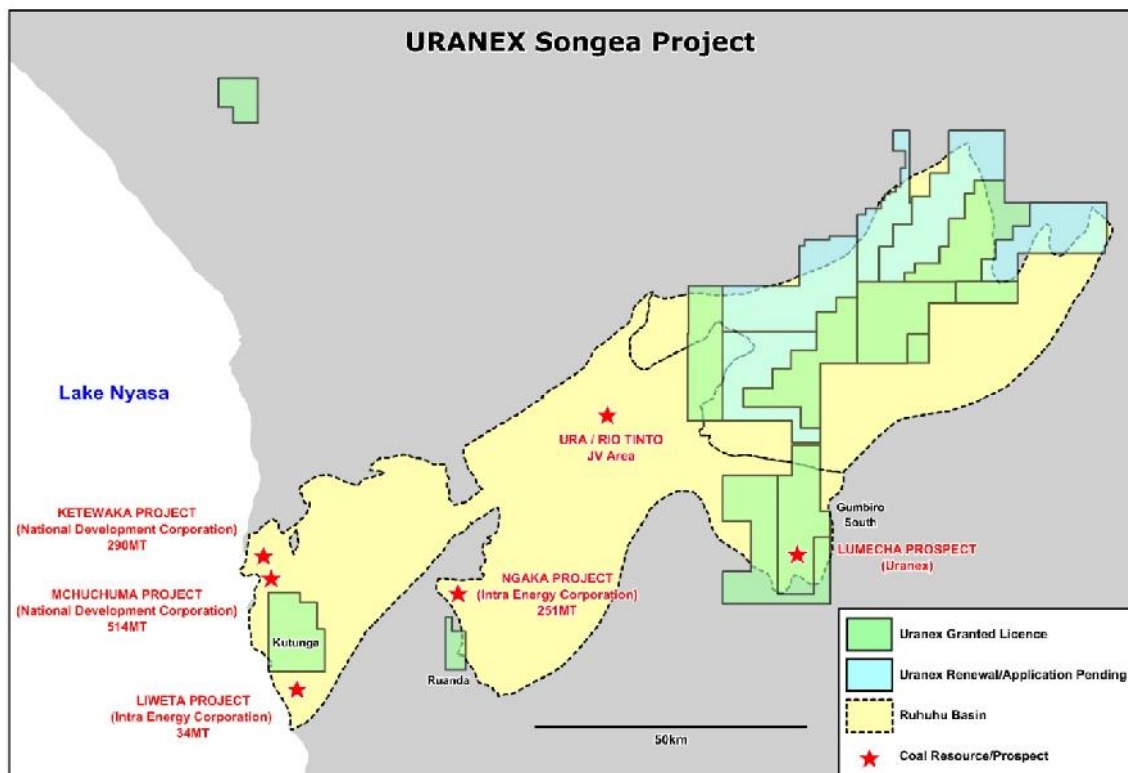
The Songea Coal Project covers a total area of 2,500km² in the Ruhuhu Basin, where eight (8) Karoo Basins containing eleven (11) recognised coalfields have been identified. The two most significant coalfields, Ketewaka-Mchuchuma (804Mt) and Ngaka (250Mt), occur in a similar geological setting within 50km of the Songea Coal Project (Figure 6).

Within the basin, coal tends to occur at the base of the Karoo sandstones and close to the contacts with gneissic rocks (basement). The Mchuchuma Formation has been sub-divided into two distinct facies with the lower (and most significant) or sandstone-coal facies having thick coal seams with relatively low sulphur and ash contents. It consists of succession thick high-energy sandstone and arkoses separated by coal seams ranging in thickness from less than 1m to 7.5m with good continuity.

Significantly, extensive rail, port and power projects are either in the proposed or approvals process in the Ruhuhu Basin (Figure 1). Namely, 450kms of rail link from the Ruhuhu Basin to the port of Mtwara on the Indian Ocean is proposed while redevelopment of the Mtwara Port is in the approvals process.

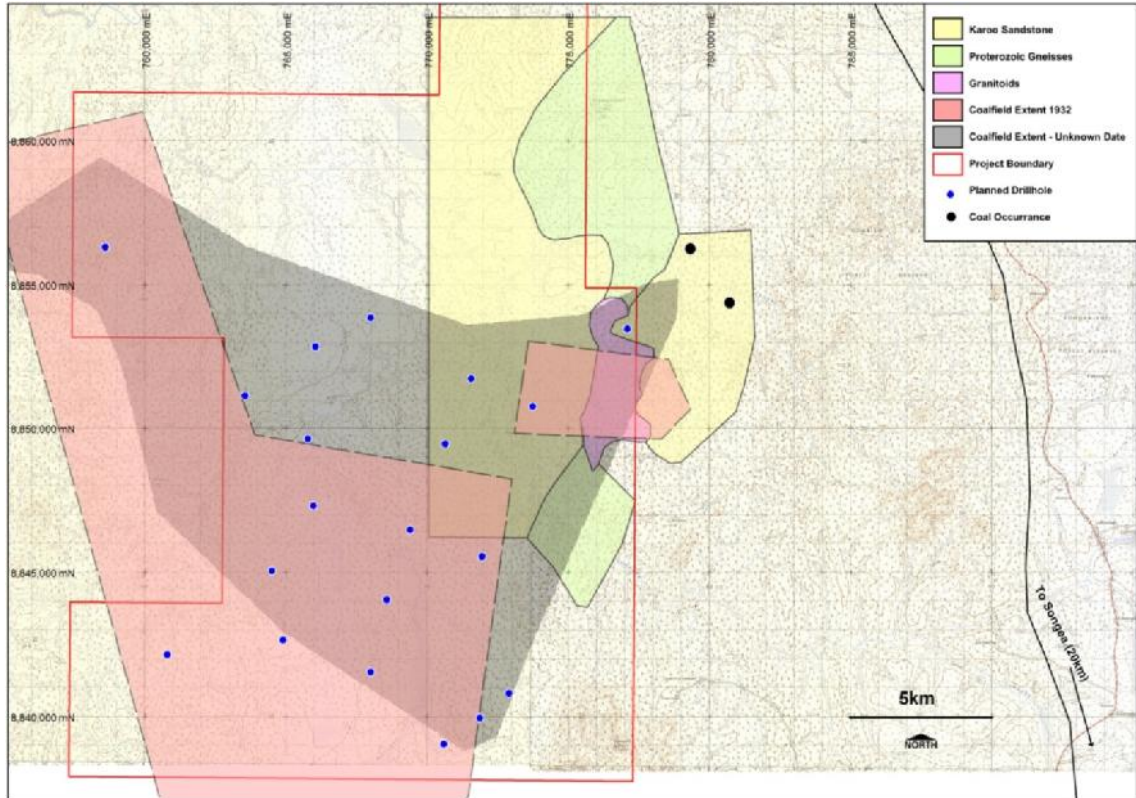
Domestically, three major coal fired power stations are in the approvals process while export markets are developing with bordering Malawi, Democratic Republic of Congo, Zambia and Kenya as well as customers in China and India via the Indian Ocean. It is anticipated that these deposits will offer a freight advantage over Australian exported coal.

Figure 6: Songea Coal Project on Simplified Geology

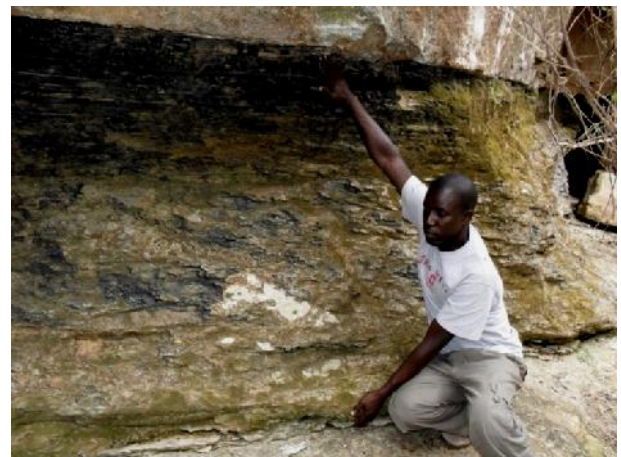


The 3,000m drilling program will test prospective Karoo sandstone units where the Lumecha coalfield has been identified and where outcropping coal seams have been identified close to the licence boundary (Figures 7, 8 and 9). Desktop and field studies have identified a coalfield where Karoo sandstone units exist in close proximity to older granitic and gneissic basement rocks. (Figure 5) The objective of this drilling program is to obtain early indications of the potential resource structure as well as quality data.

Figure 7: Lumecha Coal Field



Figures 8 and 9: Outcropping Coal Close to Songea Coal Project Boundary



MANYONI URANIUM PROJECT (URANEX 100%)

The Manyoni Uranium Project is located in central Tanzania and is host to 29Mlbs U_3O_8 at 100ppm cut-off and is currently the subject of a PFS (pre-Feasibility study) due for completion in Q4 2011. Work to date has been referred to the Australian Nuclear Science and Technology Organisation (ANSTO). An initial review by ANSTO confirmed poor recoveries were the result of different mineralogy and lower grades than first thought. ANSTO are subsequently conducting a new metallurgical test work program to identify leach conditions that may improve recoveries, and to investigate variability in uranium leach conditions at Manyoni. RBS Morgans and Renaissance Capital have been appointed to lead the divestment of the Company's central Tanzanian assets, including the Manyoni Uranium Project.

AUSTRALIA**THATCHER SOAK PROJECT (URANEX 100%)**

The Thatcher Soak Project is located within the main Yilgarn calcrete province in Western Australia. Other deposits in this province include Yeelirrie, Lake Way, Centipede and Lake Maitland. The Thatcher Soak Uranium Project is host to 14M lbs U_3O_8 at 100ppm cut-off and is currently the subject of an internal scoping study. Work during the quarter has included desktop financial modelling, project development and the completion of an Independent Geological Report by SRK Consulting. The Company announced its intention to divest its interest in the Thatcher Soak Project and confirmed the signing of a Heads of Agreement during the quarter. The divestment is to be settled by or on 22 November 2011, subject to due diligence and various approvals.

BREMER BASIN (URANEX 100%)

The Bremer Basin Project covers over 1,000km² and is located in southern Western Australia. Previous drilling at the Project has identified uranium mineralisation in targeted sedimentary, redox related deposits within palaeochannels. Results included an intersection of 2m at 185ppm U_3O_8 (including 1m at 248ppm U_3O_8). Work during the quarter has included desktop financial modelling, project development and the completion of an Independent Geological Report by SRK Consulting. The Company announced its intention to divest its interest in the Bremer Basin Project and confirmed the signing of a Heads of Agreement during the quarter. The divestment is to be settled by or on 22 November 2011, subject to due diligence and various approvals.

ALLIGATOR RIVERS (URANEX 100%)

The Alligator Rivers project is located in the Northern Territory Pine Creek geosyncline, which hosts world class uranium deposits such as Ranger, Nabarlek and Jabiluka. The Company's tenements incorporate a number of key geological elements considered favourable for the formation of unconformity-style mineralisation that typify the above major uranium deposits. Work during the quarter has included desktop financial modelling, project development and the completion of an Independent Geological Report by SRK Consulting. The Company announced its intention to divest its interest in the Thatcher Soak Project and confirmed the signing of a Heads of Agreement during the quarter. The divestment is to be settled by or on 22 November 2011, subject to due diligence and various approvals.

SUSTAINABILITY

Uranex aims to deliver best practice in all areas of sustainable development throughout the life of our projects and activities. This means working closely with local communities, protecting the environment, monitoring the social and environmental effects of exploration and future operations, striving to increase awareness on health issues and the development and maintenance of an effective safety culture.

In the area of radiation protection, monitoring results have continued to verify that exposures at our operations are very low (similar to normal background radiation) and our exploration practices continue to be highly protective of people and environments.

Highlights in environmental management include the implementation of a large scale environmental audit program, to inspect and assess the condition of former drill sites and exploration areas, to determine the outcomes following rehabilitation and closure. Drill site inspections continued during the quarter, with over 150 inspected to date. Inspections provided positive overall outcomes, including rapid revegetation rates, consistent with high rainfall conditions in former exploration areas.

Recent developments in OH&S include completing a review of the Uranex Emergency Response system, with an emphasis on developing and maintaining emergency preparedness for staff working in remote locations.

Recent highlights in the area of community relations include the establishment of the Mwamko Garden Project in Likuyu Seka Village, a sustainable business growing and selling vegetables in the region. The initial set up, seeds and equipment for the project were provided by Uranex. The Mwamko Garden Project has been inspirational in the community, highlighting further opportunities for sustainable business in the region.

In August 2011, Uranex initiated a community consultation program in the Mkuju project area in Tanzania. Public meetings were held in Likuyu Seka, Likuyu Mandela and Mtonya Villages with the aim of seeking community feedback and providing information about uranium, exploration and mining. These meetings were attended by more than 400 local people in total. Community engagement is a central part of Uranex operations and the consultation process has been effective in maintaining ongoing participation and communication with local stakeholders.

CORPORATE

DIVESTMENT

Heads of Agreement was signed with a Chinese based investment group to purchase Uranex's Australian uranium assets for A\$20m cash. A non-refundable deposit of A\$0.5m has been received.

Appointment of RBS Morgans and Renaissance Capital to lead the divestment of the Company's central Tanzanian assets, including the Manyoni Uranium Project, which hosts 29Mlbs U₃O₈ at 100ppm.

CAPITAL RAISING

Capital Raising Program commenced to raise \$4.7m via a Share Placement to sophisticated and professional investors and a Share Purchase Plan for eligible shareholders in the company, with both share issues priced at \$0.35 per share.

SHARE DISTRIBUTION

IMX Resources Limited announced its intention to distribute its shareholding in Uranex to its members at a rate of 1 Uranex share for 5.67 IMX shares held. This represents the entire IMX shareholding in Uranex.



Matthew Gauci
Managing Director
Uranex NL
Telephone: +61 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.

Down hole uranium results are calculated from Spectral Gamma probing conducted by Terratec Geophysical Services of Germany. All probes were calibrated at the Pelindaba Calibration facility in South Africa, with calibration certificates supplied by Terratec. Corrections to raw data, for bore diameter, PVC casing, and water in bores have been applied by Terratec. All eU3O8 values reported may be affected by issues such as possible disequilibrium, radon gas and uranium mobility which should be taken into account when interpreting the results. The Company has provided Terratec with certified laboratory assay results from the 2010 diamond drilling programme which will be used to assist in calculating a disequilibrium factor for the deposit as a whole. Initial comparisons indicate that the radiometric eU3O8 grade values are in general equivalent to the certified assay results.