URANEX

FOR RELEASE
5 August 2014

LARGE GRAPHITE INTERCEPTS CONTINUE AT NACHU

- **Longest continuous graphitic intercept found to date, 65m downhole graphitic schist, with visible graphitic flakes, in first drillhole, NARC063 of Block F, of the 2014 drilling program**
- **Electro-magnetic survey completed – final structural and 3D modelling in progress. Graphitic intercepts from 2014 drilling highlight the positive impact of the EM survey in determining drilling positions**
- **Third drill rig on site. Core drill rig joining the two Reverse Circulation (RC) drill rigs for the rapid progress of the JORC resource at the Nachu Graphite Project**
- **First batch of samples in transit to Australian Laboratory**

Uranex Limited (ASX:UNX) is pleased to report observations from the 2014 exploration program and that significant drilling progress has made up for some initial delay at the Nachu Graphite Project in Tanzania. Completion of the maiden JORC resource at Nachu by November 2014 remains firmly on track.

The 2014 exploration drilling program continues to identify significant graphitic mineralisation intersections in all holes drilled to date. Nineteen (19) Reverse Circulation (RC) drill holes for a total of 2,619 metres have been completed in the 2014 drilling program. These holes have been located within Block D, F and B of the Nachu Graphite Project with observations described below.

The second round of electro-magnetic (EM) surveying has been completed. Recent data acquired is being used in combination with the previous EM survey and drilling insights for modelling and interpretation to highlight the best target areas for graphitic mineralisation and optimal drilling locations. The 2014 drilling program continues to reinforce the value of the EM survey data in drillhole targeting. A continual process of interpretation and verification will continue throughout the 2014 drilling program to maximise insights into the graphite potential of the Nachu Graphite Project.

A third drill rig has arrived on site, a core drilling rig, will be used for a program of resource quality and metallurgical study data including the preparation of bulk samples for supply to end users. The objective of the current drilling phase, commenced in July, is to declare Uranex's maiden JORC resource by November. Drilling will include both RC and diamond drilling and will continue to include deeper hole analysis to confirm graphitic mineralisation at depth while using closer spaced holes as required in accordance with JORC requirements for resource reporting.

Drilling Intercept Highlights

Drilling has confirmed graphitic schist and potential mineralisation is present deeper than the already identified shallow mineralisation as reported on 25 July 2014 (Large Graphite Intercepts at Nachu). Since then a further 16 drillholes and 2,054 metres of RC drilling have been completed. Key intercepts from each Block drilled to date are noted below.

- Block F - NARC063 – completed to 167 metres at -60 degrees towards the west, includes the longest interval of continuous graphitic schist with visible graphitic flakes identified to date within the Nachu Graphite Project. 65 metres of graphitic schist with visible graphite flakes were observed from 3 to 68 metres downhole. A further 6 metres from 72 metres and 27 metres from 131 metres downhole of graphitic schist with visible graphite flakes were intersected. This initial hole into Block F for 2014 was designed to intercept an EM target modelled from the recent 2014 EM data, the EM modelling suggested an east dipping plane of conductivity dipping at between -40 to -80 degrees. Further planned drilling will confirm the orientation and true thickness of this intercept.

- Block B - NARC071 – completed to 100 metres at -60 degrees towards the west through the eastern limb of a potential anticline as identified through EM modelling in the southern area of Block B. The drillhole intersected a cumulative 48 metres of graphitic schist downhole within 57 metres of the surface. Further planned drilling will confirm the orientation and true thickness of this intercept.

- Block D- NARC070 – completed to 142 metres; vertical hole through the southern EM target within Block D. NARC070 is over 1,600 metres from the northern EM target previously reported within Block D and includes a similar geological profile including graphitic schist intersections of cumulative 29 metres of graphitic schist with visible graphitic flakes between 2 metres and 34 metres downhole.

Sample Analysis

Samples from the current drilling program are prepared and will be sent to an Australian Laboratory on a weekly basis. Assays are expected to arrive from later this month.

URANEX

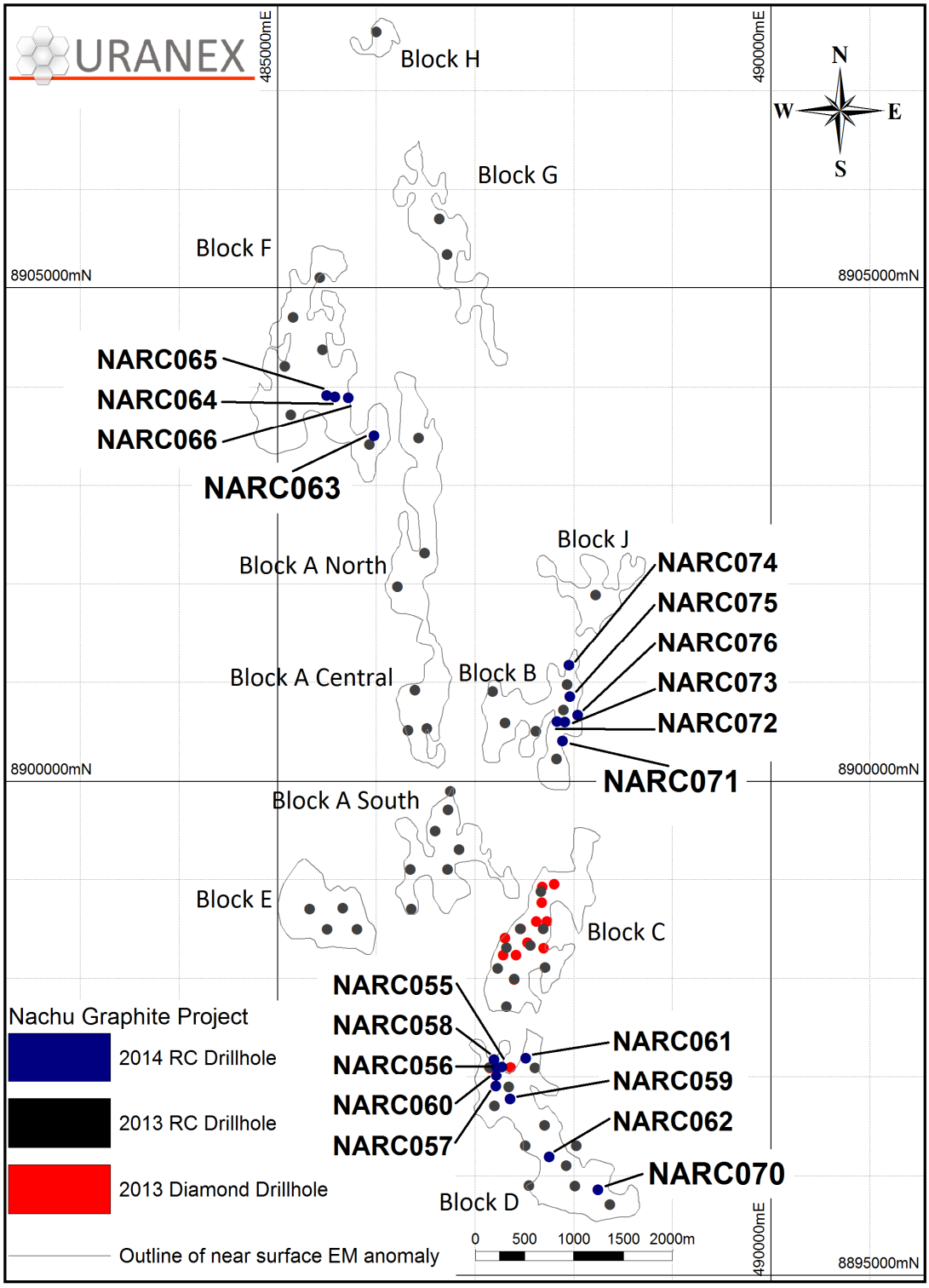

Figure 1: Nachu graphite project 2014 drillhole locations.

Uranex CEO Rod Chittenden commented, “With 19 holes drilled to date in multiple blocks we are very encouraged by the significant visual intercepts. We confirm that mineralisation extends at depth and more importantly begins at or near surface.”

“We look forward to further observations from all the high priority blocks in the coming weeks along with assays from this drill program.”

Rod Chittenden
Chief Executive Officer
For further information: +61 2 8068 6428

Information in this report that relates to Exploration activities and Exploration results is based on information compiled by Mr Brent Laws, a Competent Person who is a registered member of the Member of the Australasian Institute of Mining & Metallurgy. *Mr Laws is a full time employee of Uranex Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results. Mr Laws consents to the inclusion of the data in the form and context in which it appears*.

URANEX

Section 1: Completed drillholes in the 2014 exploration programme.

(NARC067 to NARC069 are yet to be drilled)

Hole ID	Easting	Northing	RL	Total Depth (metres)	Azimuth	Dip
BLOCK F						
NARC063	485980	8903500	232	167	270	-60
NARC064	485582	8903901	213	113	270	-60
NARC065	485497	8903911	212	147	270	-60
NARC066	485717	8903888	217	146	270	-60
BLOCK B						
NARC071	487889	8900406	202	99	270	-60
NARC072	487830	8900600	212	70	0	-90
NARC073	487911	8900595	212	70	270	-60
NARC074	487952	8901171	224	92	270	-60
NARC075	487963	8900851	219	90	270	-60
NARC076	488040	8900665	212	153	270	-60
BLOCK D						
NARC055	487265	8897103.92	203	101	270	-60
NARC056	487214	8897098	201	232	0	-90
NARC057	487215	8896910.39	207	232	0	-90
NARC058	487194	8897178	199	152	0	-90
NARC059	487358	8896772	212	160	0	-90
NARC060	487219	8897011	207	158	0	-90
NARC061	487514	8897193	209	125	0	-90
NARC062	487752	8896191	237	170	0	-90
NARC070	488247	8895862	220	142	0	-90

Section 2: Significant graphitic intersects.

Hole ID	Drillhole Depth (metres)	Cumulative Graphitic Schist Intersected	Consecutive Graphitic Intervals
BLOCK F			
NARC063	167	98m	including 65m from 3m and 27m from 131m
NARC064	113	21m	including 14m from 19m
NARC065	147	50m	including 16m from 14m and 21m from 102m
NARC066	146	47m	including 15m from 66m and 17m from 116m

URANEX

BLOCK B			
NARC071	99	64m	including 21m from 4m and 23m from 28m
NARC072	70	41m	including 11m from 3m and 29m from 34m
NARC073	70	55m	including 55m from 2m
NARC074	92	40m	including 32m from 40m
NARC075	90	54m	including 41m from 39m
NARC076	153	30m	including 10m from 6m
BLOCK D			
NARC055	101	31m	including 16m from 4m and 11m from 23m
NARC056	232	125m	including 11m from 2m and 18m from 14m and 18m from 130m and 11m from 175m and 16m from 187m
NARC057	232	143m	including 24m from 11m and 13m from 73m and 11m from 96m and 12m from 175m and 26m from 188m
NARC058	152	42m	including 12m from 4m and 12m from 20m
NARC059	160	79m	including 18m from 17m and 28m from 112m
NARC060	158	49m	including 21m from 3m and 13m from 29m
NARC061	125	58m	including 19m from 4m and 11m from 34m and 21m from 47m
NARC062	170	73m	including 11m from 3m and 13m from 89m and 13m from 129m
NARC070	142	77m	including 10m from 2m and 10m from 13m and 10m from 85m and 14m from 112m

Table 2: Simplified significant downhole graphitic schist intersects for NARC058 to NARC066 & NARC070 to NARC076. NARC067 to NARC069 are yet to be drilled. NARC055, NARC056 and NARC057 have been previously reported. All quoted lengths are downhole intervals with only intersects of 10m or greater reported.

Section 3: Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Reverse Circulation (RC) drilling is continuing at the Nachu graphite project with a core drilling program to gather core for resource analysis and metallurgical testing to be completed. • The purpose of the RC drill program was to confirm the presence of graphite below the previously identified zones and confirm the lateral presence of graphite as indicated by a ground Electro-Magnetic survey which was undertaken by Terratec from Namibia. • RC samples are routinely being taken in 1m intervals via a dry and regularly cleaned cyclone and 1/8th split using a riffle splitter in order to obtain an A sample for analysis and an accurate B sample for QAQC verification. • No geochemical sample data is currently available for the 2014 drilling. Samples are to be submitted for LECO analyses as well as for ICP Multi-element analyses. Within the total samples dispatched a random sequence of 5 % standards, blanks and duplicates are to be included. For every 100 samples within a laboratory batch, 5 standards, 5 blanks and 5 duplicates are to be included. All samples are labelled with a unique sequential number with a sample ledger kept with all samples recorded. • The standards are supplied by an external and independent third party. The blanks are made up from non-graphitic rock outcrop in the vicinity of the project area. The duplicates are a B sample selected from within the drilling sequence. • No diamond drilling has been undertaken as yet in 2014. The 2013 core drilling program produced HQ sized core with an average diameter of 62 mm. The recovered core was cut with a rock saw by a trained technician. The site geologist determined the sample interval which is usually in downhole lengths of 1m. Where lithological boundaries did not fit the 1m geometry, the sample length was to be a minimum of 0.5m or a maximum of 1.5m. Core was halved for normal analyses. In the case of duplicate analyses (5 % of samples submitted), the core was quartered. The remaining core is retained in stratigraphic

URANEX

Criteria	JORC Code explanation	Commentary
		sequence in the core trays.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• The RC drilling is being completed using two Schramm 450 drill rigs with additional booster and auxillary used as required to keep samples dry and continue to produce identifiable rock chips. • Initial RC drilling is planned to confirm orientation of 2014 EM modeling of responsive horizons. Subsequent drilling is planned to optimally intersect the target horizon as close as possible to perpendicular. Drillholes completed have regular downhole surveys and at full depth. Initial borehole locations are surveyed using a handheld GPS. Final borehole collar positions are to be surveyed post drilling with a differential GPS survey instrument, by an independent external surveyor.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC sampling includes the weight measurement of the full sample length and subsequent A and B samples to assess the accuracy of the sample splitting process. • To date no discernable loss has been noted with all sample recovery processes being at industry best practice.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All the boreholes drilled were logged in full and sampled by the site geologists. • All the logged information which includes depth, lithology, mineral assemblage, Cg mineralisation (laboratory data), collar survey and geologist are recorded in a strip-log which is generated from the field logging sheets.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the*	• RC samples are routinely being taken in 1m intervals via a dry and regularly cleaned cyclone and 1/8th split using a riffle splitter in order to obtain an A sample for analysis and an accurate B sample for a duplicate for QAQC verification. • No geochemical sample data is currently available for the 2014 drilling. Samples are to be submitted for LECO analyses as well as for ICP Multi-element analyses. Within the total samples dispatched a random sequence of 5 % standards, blanks and duplicates are to be included. For every 100 samples within a laboratory batch, 5 standards, 5 blanks and 5 duplicates are to be included. All samples are labelled with a unique sequential number with a

URANEX

Criteria	JORC Code explanation	Commentary
	sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	sample ledger kept with all samples recorded. The core is split by saw and half core is submitted for analyses. When a duplicate sample is submitted, the core is quartered. One quarter remains in the core tray as a drilling record, with another available for metallurgical testing. • Sample preparation is done by ALS in Mwanza (Tanzania), before the prepared samples are shipped to ALS in Brisbane for content determination. • The sample procedure standards followed are internal to ALS and are listed below: • WEI-21 (Receive Sample Weight, Mwanza), LOG-22 (Sample Log-in, Mwanza), CRU-31 (Fine Crushing, Mwanza), SPL-21 (Split Sample, Mwanza), PUL-32 (Pulverizing Sample, Mwanza), CRU-QC (Crushing QC Test, Mwanza), PUL-QC (Pulverizing QC Test, Mwanza), LOG-24 (Pulp Log-in, Mwanza), LEV-01 (Waste Disposal Levy, Brisbane), QUA-01 (Quarantine Treatment Charge, Brisbane), C-IR18 (Graphitic Carbon by LECO, Brisbane). For the RC cuttings the multi-element analysis is coded ME-ICP41 (35 Element Aqua Regia ICP AES, Brisbane). • QC measures include the submission of duplicate samples (5% of samples), blanks (5% of samples) and standards (5% of samples) over and above the internal controls at ALS. • No core yet in 2014, in 2013 the smallest core sample dimension has previously been 29 mm. Large category flake size is > 8 mesh or 2.38 mm. The sample size exceeds the target material size comfortably.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The laboratory uses internal standards in addition to the standards, blanks and duplicates inserted by Uranex. • The samples have been analysed by ALS, with sample preparation done in Mwanza Tanzania, and analyses performed in Brisbane. Sampling procedures are listed above and includes drying, crushing, splitting and pulverizing such that 85% of the sample is 75 micron or less in size. A split of the sample will analysed using a LECO analyser to determine carbon in graphite content. • The detection limits are deemed sufficient for the purpose of future resource estimation.
Verification of sampling and	• *The verification of significant intersections by either independent or alternative company personnel.*	• The field geologists are in the employment of Uranex, and external oversight is established with the contracting of an external consultant to regularly

URANEX

Criteria	JORC Code explanation	Commentary
assaying	• *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	assess on site standards and practices to maintain best practice. • All the exploration drilling in the Nachu tenement by Uranex is on blocks identified in 2013 using updated EM targets to expand on known mineralisation and expand into previously unexplored areas. The twinning of Reverse Circulation boreholes was done by Core Drilling in and will continue in the 2014 program. • The primary data is collected using a logging and sampling data collection system allowing full security of collected data and is kept in the company office in Dar Es Salaam under the custodianship of the site geologist. The Exploration Manager has a duplicate dataset at his office in Adelaide, and the company has a dataset in the Sydney office. The company has a secure geological database set up for graphite data storage and control. • Previous assay data has not been adjusted, and is released to the market as it is received from the laboratory.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• A hand-held GPS was used to site the drill holes (xy horizontal error of 5 metres) and reported using ARC 1960 grid and UTM datum zone 37 south. • All drill holes to NARC062 have had the location verified and surveyed using an independent surveyor with a differential GPS (Trimble R8 GNSS instrument). • Topographic control is good due to the DTM survey that was completed by Terratec, as part of the EM survey. • The dip and azimuth of the DD holes were measured using a Reflex ACTII down-hole survey tool.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing of RC drilled holes is a nominal grid of 200m x 200m being deemed appropriate in most instances; drilling will have some closer spacing in order to confirm continuity of mineralisation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered*	• From surface mapping of the area, the regional foliation dips at low angles of between 5 and 15 degrees to the west. The drilling was hence planned at vertical orientation. • 2014 drilling has also given confidence in the EM survey modelling in which Block D had interpreted shallow angled rolling horizons. Given the flat to shallow dipping nature of the target zones vertical

Criteria	JORC Code explanation	Commentary
	to have introduced a sampling bias, this should be assessed and reported if material.	drillholes are adequate to target mineralisation in Block D • Block F and Block B have interpreted steeper dipping horizons identified through EM survey data modelling that will be confirmed through drilling intercepts. • The structural analysis is in progress on all other blocks at the moment with surface mapping of outcrops and 2014 EM modelling and interpretation into 3D.
Sample security	• *The measures taken to ensure sample security.*	• The samples are split and packed at the drill site and sealed prior to daily transport to the field office in Ruangwa which has 24 hour security prior to transport by locked commercial truck carrier to ALS Mwanza. The laboratory (ALS) ships the sealed samples after preparation, to Brisbane in Australia. • The remaining B samples and core are kept in a safe facility under guard at the site sample storage facility and the Ruangwa office.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling protocol has not been audited yet but conforms to industry standards.