FOR RELEASE
22 August 2014

SIGNIFICANT GRAPHITE INTERCEPTS CONTINUE AT NACHU

- **Block F graphitic schist intercepts continue to impress with largest consecutive graphite intercept of 125m starting at 1m in drill hole NARC095**
- **105m consecutive intercept starting at surface in drill hole NARC091**
- **Resource will focus around shallow visually higher grade mineralisation in Blocks B, D, F and J**
- **Assays expected in coming weeks**

Uranex Limited (ASX:UNX) is pleased to report good progress and excellent observations from the 2014 exploration program including significant drilling progress on the resource drilling program at the Nachu Graphite Project in Tanzania.

The 2014 exploration drilling program has made significant progress and defined target areas for initial resource studies. The vast size and potential of the Nachu Graphite Project has meant Uranex has the enviable task of choosing from multiple extensive graphite zones. The simple premise of ranking areas as higher priority based on depth to mineralisation, intersected thicknesses and graphitic carbon grade and flake size potential has identified focus areas within Blocks B, D, F and J for the initial JORC resource due in November 2014.

Fifty five (55) drill holes including 49 Reverse Circulation (RC) and 6 Diamond drill holes have been completed to date for a total of 6,480 metres drilled in the 2014 exploration program. Since the latest update on 5 August 2014, 36 drill holes (30 RC and 6 Diamond) have been completed for a total of 3,861 metres including 3483 metres of RC and 520 metres of diamond drilling. These holes have been located within Blocks A, B, F and J of the Nachu Graphite Project with significant downhole geological observations as described below.

The initial rapid drilling phase for exploration and resource purposes is on track to be completed by the end of August using the three drill rigs that are currently operating including two air rigs drilling RC and a core drilling rig. The drill samples are being prepared and analysed for resource quality and metallurgical study data including the preparation of bulk samples to supply end users. The objective of the current drilling phase, commenced in July, is to declare Uranex's maiden JORC resource by November 2014.

Drilling Intercept Highlights

Drilling has confirmed graphitic schist and potential mineralisation is present in multiple horizons throughout the Nachu Graphite Project. The 36 drill holes completed since 5 August 2014 were designed to intersect the potential mineralised horizons as close to perpendicular as possible based on geophysical electro-magnetic (EM) response modelling. Full structural interpretation and modelling will use multiple drill hole intersects and evaluation of structural orientations measured

from drill core. Key downhole intercepts from each Block drilled since the last update are noted below including the longest graphitic intercepts drilled to date.

- Block F - NARC095 – 126 metres of graphitic schist from 1 metre downhole to 127 metres. Completed to 199 metres at -60 degrees towards the east. The 126 metres of continuous graphitic schist within 177 metres of cumulative graphitic schist intersected downhole includes the longest interval of continuous graphitic schist with visible graphitic flakes drilled to date.

- Block F - NARC091 – Completed to 181 metres includes a cumulative 149 metres of graphitic schist with visible graphite flakes. Drilled at -60 degrees towards the east the drill hole includes 105 metres of graphitic schist from surface, the second longest interval of continuous graphitic schist with visible graphitic flakes identified to date. NARC091 and NARC095 are both in Block F intersecting graphitic mineralisation in separate steeply dipping north to south striking parallel panels approximately 200 to 250 metres apart.

- Block J - NARC090 – completed to 91 metres at -60 degrees towards the west through the eastern limb of a shallow easterly dipping conductive panel as identified through EM modelling. The drill hole intersected 66 metres of graphitic schist with visible graphitic flakes from surface.

- Block B - NARC078 – completed to 102 metres at -60 degrees towards the east through the western limb of a shallow westerly dipping conductive panel as identified through EM modelling. The drill hole intersected 40 metres of graphitic schist with graphitic flake from 20 metres downhole.

- Block A - NARC088 – completed to 160 metres at -60 degrees towards the west through the eastern limb of an easterly dipping conductive panel as identified through EM modelling. The drill hole intersected a cumulative 80 metres of graphitic schist including 46 metres of graphitic schist with visible graphitic flakes from 3 metres downhole.

Sample Analysis

Samples from the current drilling program have been delivered for laboratory analysis on a weekly basis with the first batch currently being analysed by a certified Australian laboratory. Initial assay results are expected to be provided to Uranex by the end of August with remaining analysis for initial studies expected to be completed in the period to the end of September.

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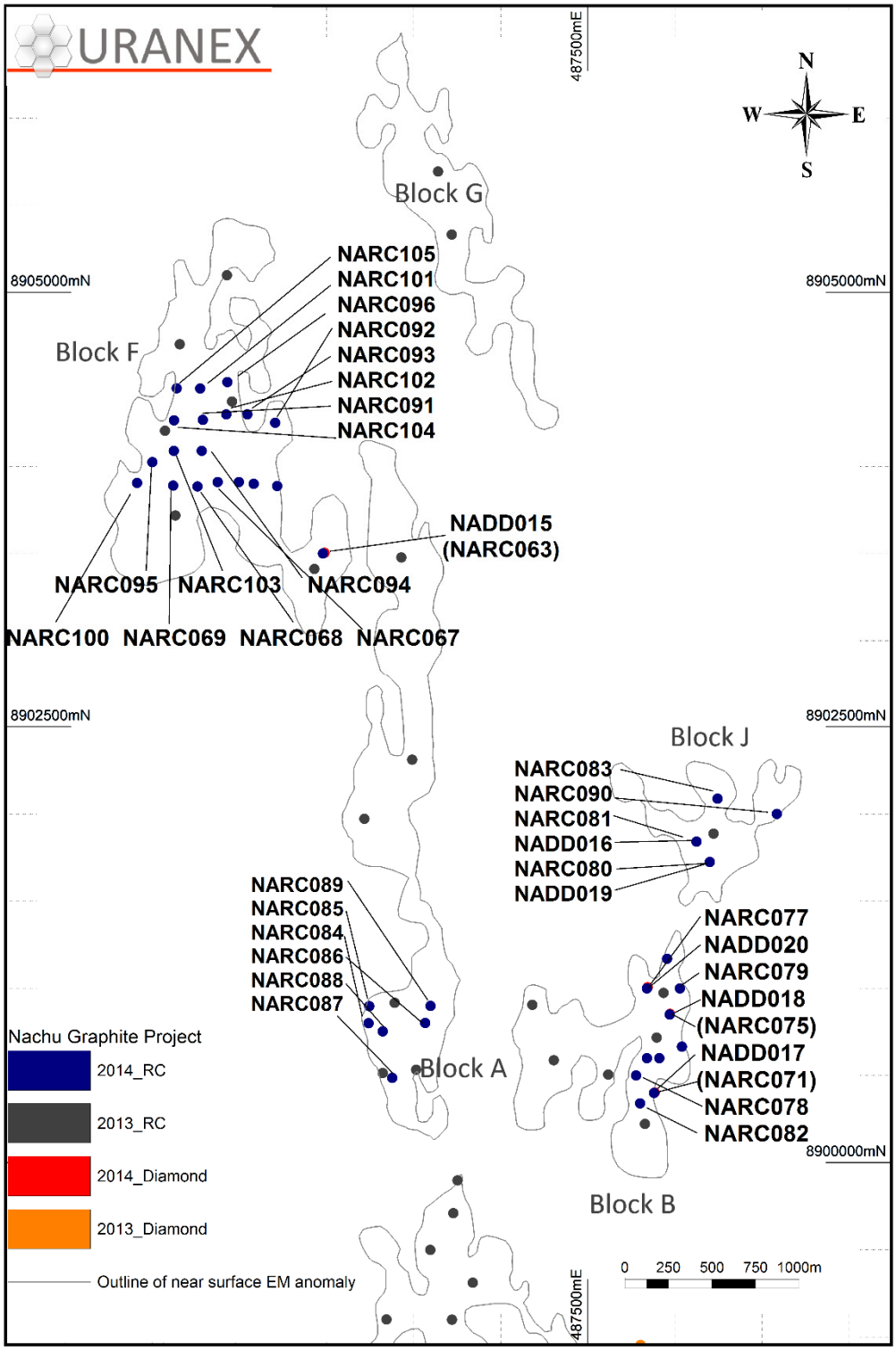

Figure 1: Nachu Graphite Project 2014 drill hole locations with labelled updated drill holes.

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Figure 2: Drill core from 2014 drill program.

Uranex CEO Rod Chittenden commented, “Despite a slow start to our drilling campaign, we have recovered really well and we are seeing some exciting results. Today’s announcement highlights our longest continuous intercepts of graphite. With mineralisation beginning at or near surface Nachu is showing all the signs of a world class deposit.”

“We look forward to further observations and assays in the coming weeks as we work towards our maiden JORC resource.”

Rod Chittenden
Chief Executive Officer
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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*.

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Section 1 – Drill holes completed since last update on 5 August 2014.

Hole ID	Easting	Northing	RL	Total Depth (metres)	Azimuth	Dip	Drill Type
BLOCK A							
NARC084	486241	8900800	180	118	90	-60	RC
NARC085	486245	8900898	178	124	90	-60	RC
NARC086	486566	8900801	186	151	90	-60	RC
NARC087	486377	8900487	187	85	0	-90	RC
NARC088	486323	8900753	180	160	270	-60	RC
NARC089	486597	8900899	184	85	90	-60	RC
BLOCK B							
NADD017	487884	8900402	202	80.4	270	-60	DIAMOND
NADD018	487972	8900853	219	98.7	270	-60	DIAMOND
NADD020	487843	8901006	223	58.7	90	-60	DIAMOND
NARC077	487840	8901000	223	64	90	-60	RC
NARC078	487777	8900500	207	102	90	-60	RC
NARC079	488029	8901000	220	110	270	-60	RC
NARC082	487800	8900340	202	106	220	-90	RC
BLOCK F							
NADD015	485989	8903504	232	99.6	281	-60	DIAMOND
NARC067	485375	8903911	210	107	270	-60	RC
NARC068	485260	8903885	207	89	90	-60	RC
NARC069	485120	8903890	203	104	90	-60	RC
NARC091	485290	8904268	200	181	90	-60	RC
NARC092	485705	8904251	215	199	270	-60	RC
NARC093	485545	8904300	200	53	90	-60	RC
NARC094	485284	8904089	214	127	90	-60	RC
NARC095	485000	8904025	200	199	90	-60	RC
NARC096	485431	8904485	212	147	270	-60	RC
NARC100	484913	8903906	194	137	90	-60	RC
NARC101	485275	8904448	206	95	90	-60	RC
NARC102	485425	8904300	202	59	270	-60	RC
NARC103	485124	8904089	204	155	90	-60	RC
NARC104	485125	8904265	193	101	90	-60	RC
NARC105	485140	8904449	200	107	90	-60	RC
BLOCK J							
NADD016	488124	8901842	220	98.7	120	-60	DIAMOND
NADD019	488200	8901725	222	84	0	-90	DIAMOND
NARC080	488200	8901725	222	73	0	-90	RC
NARC081	488124	8901842	220	82	120	-60	RC
NARC083	488245	8902088	215	130	120	-60	RC
NARC090	488585	8902000	223	91	300	-60	RC

Table 1: Drill hole location information.

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Section 2 – Significant graphitic intercepts.

Graphitic Schist Intervals (metres)			
Hole ID	From	To	Length
BLOCK F			
NARC067	71	107	36
NARC068	35	89	54
NARC069	2	45	43
NARC091	0	105	105
NARC091	125	141	16
NARC091	169	181	12
NARC092	0	38	38
NARC092	139	154	15
NARC092	171	181	10
NARC094	1	45	44
NARC094	52	103	51
NARC095	1	127	126
NARC095	166	199	33
NARC096	0	56	56
NARC096	57	94	37
NARC096	108	136	28
NARC100	20	36	16
NARC100	41	51	10
NARC100	64	92	28
NARC101	38	54	16
NARC101	67	79	12
NARC102	24	35	11
NARC103	31	54	23
NARC103	70	81	11
NARC103	102	124	22
NARC103	129	141	12
NARC104	39	50	11
NARC104	64	94	30
NARC105	39	50	11
NARC105	55	88	33

Graphitic Schist Intervals (metres)			
Hole ID	From	To	Length
BLOCK A			
NARC084	24	34	10
NARC084	96	118	22
NARC085	63	100	37
NARC086	3	20	17
NARC087	2	29	27
NARC087	44	60	16
NARC088	3	49	46
NARC088	110	136	26
NARC089	38	69	31
BLOCK B			
NARC077	35	51	16
NARC078	20	60	40
NARC079	17	34	17
NARC082	21	31	10
NARC082	34	70	36
BLOCK J			
NARC080	2	28	26
NARC080	47	61	14
NARC081	7	25	18
NARC081	44	56	12
NARC081	61	82	21
NARC083	22	34	12
NARC083	78	108	30
NARC090	0	66	66

Table 2: Significant downhole graphitic schist intersects since latest release on 5 August 2014. All quoted lengths are downhole intervals with only intersects of 10m or greater reported. No significant intercepts have been quoted for diamond core holes as the initial diamond holes are drilled as resource verification holes that twin correlating RC holes, no variance in lithology or thickness has been observed when comparing geological logging of adjacent diamond and RC drill holes.

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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) and Diamond (DD) drilling is continuing at the Nachu graphite project • The purpose of the RC and DD program is 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. • Diamond drilling is also being used to twin existing RC holes for lithology and grade verification plus provide structural information on the deposit. • 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. • The 2014 diamond core drilling program produced HQ3 sized core with an average diameter of 61 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 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 axillary used as required to keep samples dry and continue to produce identifiable rock chips. • The core drilling was completed with a Christensen CS -1400 drilling rig. The drilling equipment was HQ sized. Since the core recoveries were very good, there was no need to use triple tube equipment. • 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

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Criteria	JORC Code explanation	Commentary
		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. • Core recovery measurements are recorded for every borehole. • 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 drill holes drilled are 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. • The entire core is recorded in sequence in digital photograph format.
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 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.*	• 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. • 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. • 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 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

Criteria	JORC Code explanation	Commentary
		(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. • The smallest core sample dimension after cutting is 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 assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *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.*	• The field geologists are in the employment of Uranex, and external oversight is established with the contracting of an external consultant to regularly 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.*	• 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).

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Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	• 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 100m x 100m or less up to 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 to have introduced a sampling bias, this should be assessed and reported if material.*	• From surface mapping of the area, the regional foliation dips at low angles of between 5 and 15 degrees to the west. The 2013 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 drillholes are adequate to target mineralisation in Block D • Block A, B, F & J have interpreted steeper dipping horizons identified through EM survey data modelling that has been confirmed through drilling intercepts. • The structural analysis is in progress on all other blocks 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.