

MKUJU URANIUM PROJECT PARTNER UPDATE

- **Discussions are advancing with Chinese firms on possible joint development of the Mkuju Uranium Project in Southern Tanzania, 100% owned by the Company.**
- **The Company has engaged with Chinese government, finance and nuclear sector leaders on possible joint development of the Mkuju Uranium Project as well as the pipeline of projects in Africa and Australia.**
- **The Mkuju Uranium Project hosts 226km² of prospective uranium targets including the Likuyu North Prospect where 2.6km² have been drilled and from which data is being compiled into a Mineral Resource.**

Australian based exploration and development company, Uranex Limited (ASX: UNX) ("Uranex" or "the Company"), is pleased to announce that discussions are advancing with Chinese based firms on the possible joint development of the Mkuju Uranium Project in Southern Tanzania, 100% owned by the Company (Figures 1 and 2).

The Company has engaged with Chinese government leaders as well as executives in the Chinese finance and nuclear industry sectors in a dialogue to progress possible cooperation across a range of opportunities, including mine and infrastructure development. In 2012, post the completion of Chinese New Year, the company expects dialogue to intensify via progression of both technical exchange and commercial negotiations of the Mkuju Uranium Project, as well as its pipeline of other projects across Africa and Australia.

The Mkuju Uranium Project is located in the south-west of Tanzania, close to the borders of Mozambique and Malawi. The project area comprises 12 granted licences plus applications covering a total area of approximately 4,000km². The project area incorporates Karoo basin sediments which are the main host for sandstone uranium mineralisation throughout sub-Saharan Africa.

The Kayelekera uranium deposit (46Mlb U₃O₈ at 802ppm), owned and operated by Paladin Energy Limited, is located in Malawi and occurs in similar rocks 300 km to the northwest of Mkuju. The Nyota uranium deposit (101.4Mlb @ 422ppm U₃O₈), owned by ARMZ and operated by Uranium One Inc, is located in Southern Tanzania and occurs in similar rocks 30 km to the north of Mkuju. Nyota was recently the subject of an A\$1.16 billion all cash takeover offer which equates to \$10.26/lb of resource, representing the high quality of the uranium system in South Tanzania.

Uranium prospective exploration targets at Mkuju have been identified over 226km² in 5 separate project areas with the Likuyu North Prospect (Figure 2, 3 and 4) covering 5km². This Prospect was the subject of a 25,000m drilling campaign in 2011 with the mineralised zone results, covering an area of 2.6km² (Figure 3 and 4), currently being compiled into a Mineral Resource Estimate, due for completion by the end of the March Quarter 2012.

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ASX Code: UNX

Number of Shares
182.4M Ordinary Shares
11.65M Unlisted Options

Market Capital
A\$63.7 Million (@35c)

Board of Directors

Johann Jacobs
Chairman

Matthew Gauci
Managing Director

Stephen Hunt
Non-executive Director

Frank Poullas
Non-executive Director

John Nethersole
Company Secretary

Figure 1. Southern Tanzania Projects

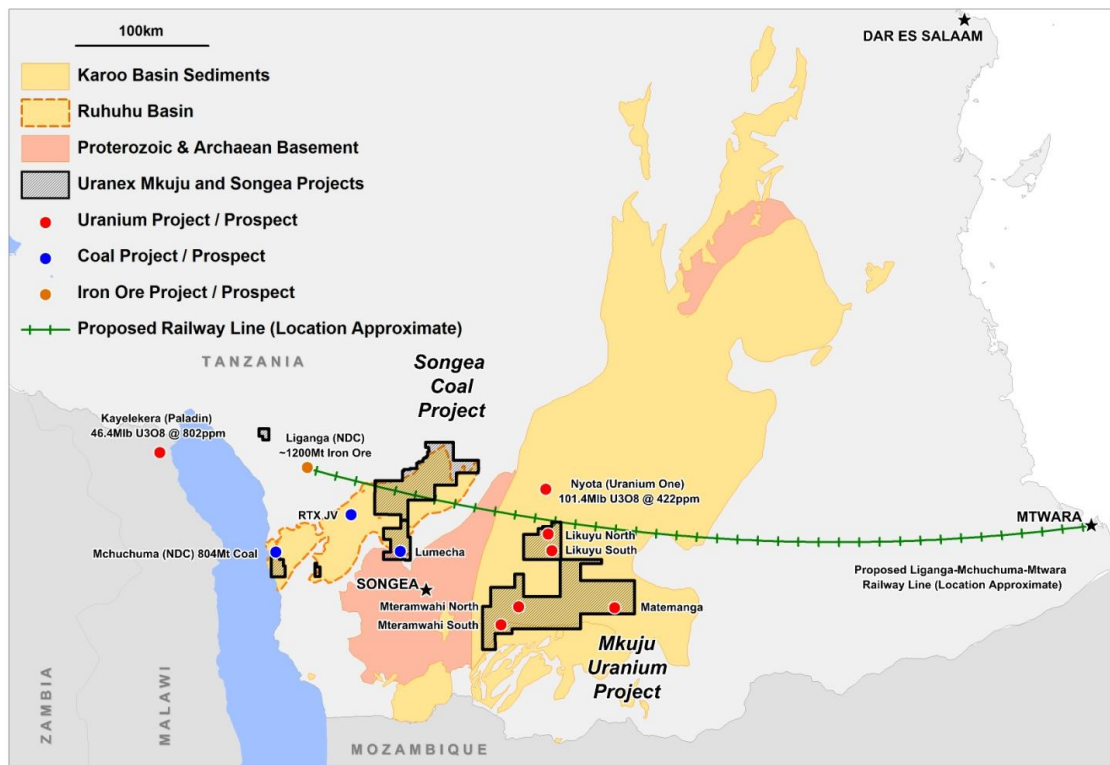


Figure 2. Mkuju Regional Radiometric Targets

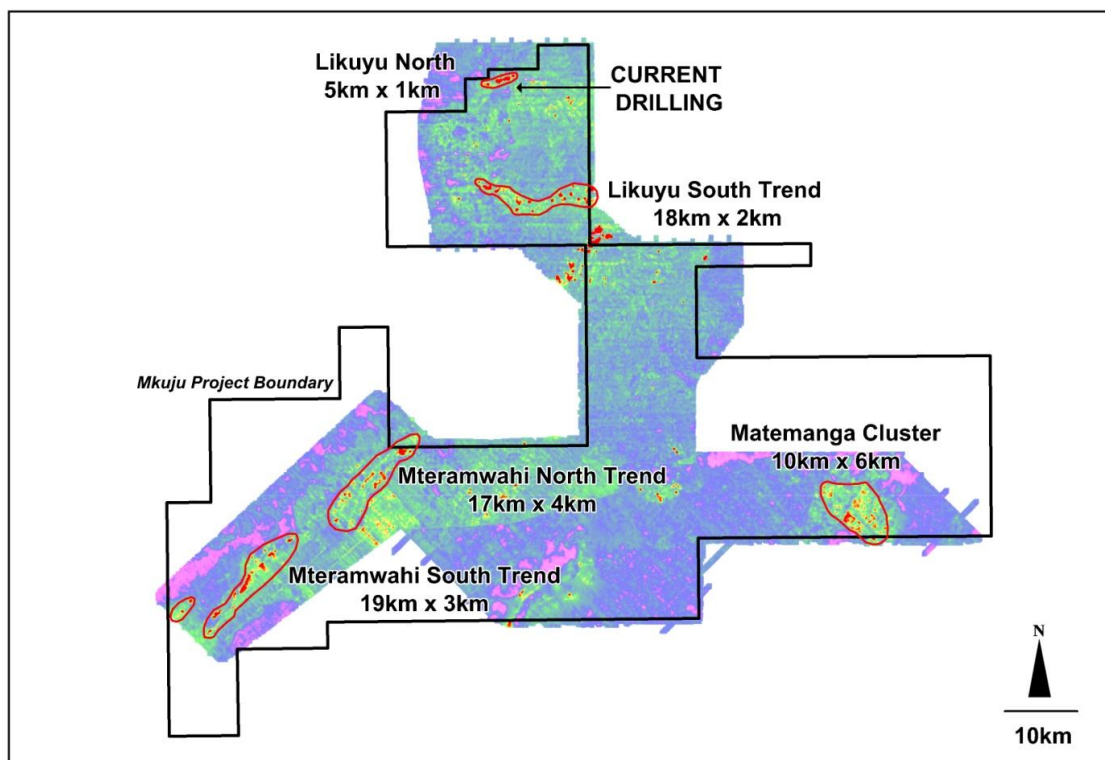


Figure 3. Likuyu North Completed Drilling 2011

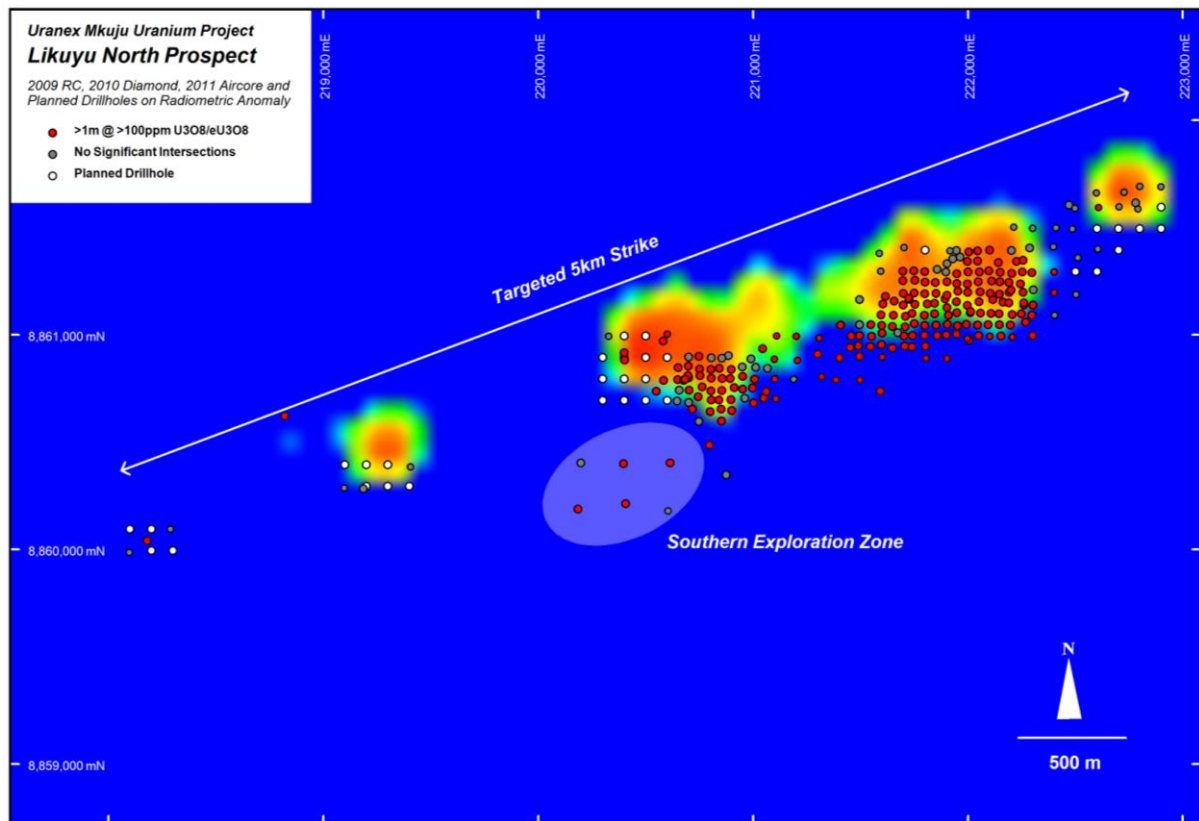


Figure 4. Initial Target Extension Zones for 2012 (Ground Scintillometer)

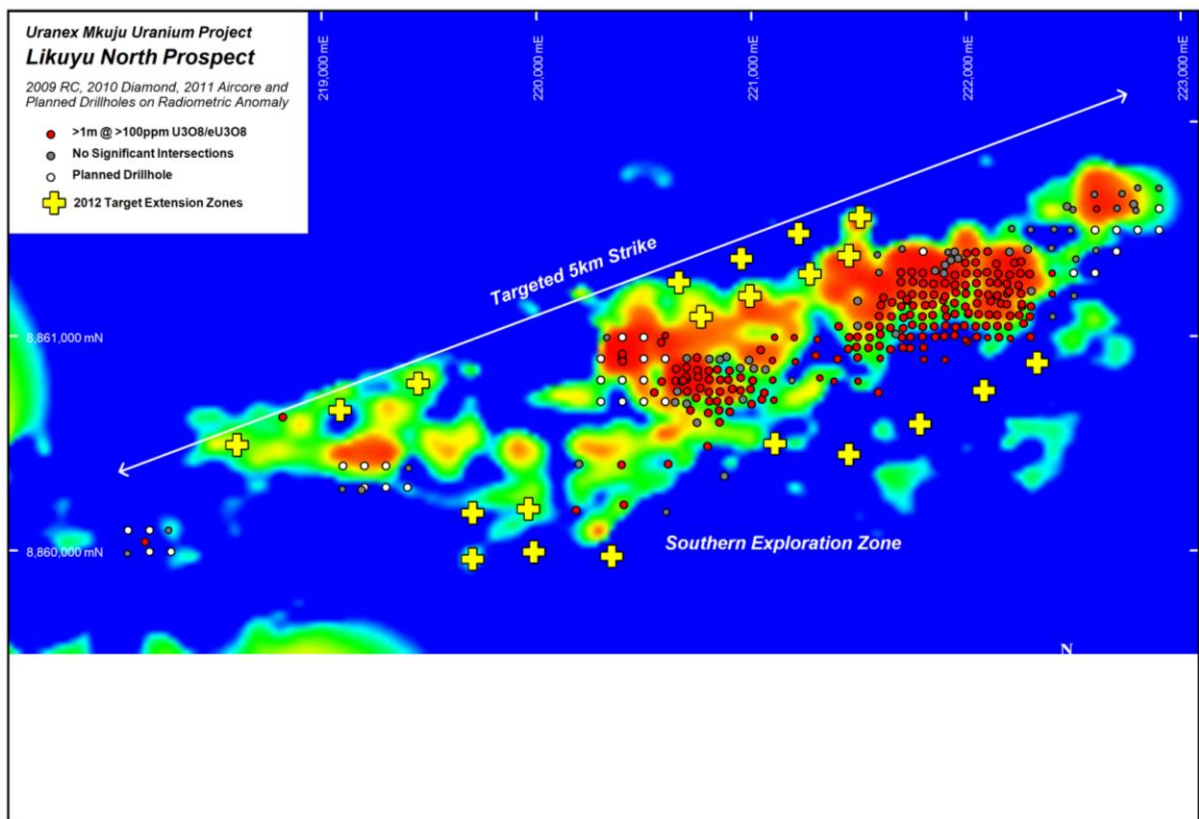


Figure 5. Managing Director Matthew Gauci and Corporate Advisor Philip Kirchlechner with State Nuclear Power Technology Corporation Chief Engineer Dr Wan Jun in Beijing



Matthew Gauci
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Information in this report relating to the Mkuju Uranium Project Uranium Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr Malcolm Titley who is a Member of the Australasian Institute of Mining and Metallurgy, a Director with CSA Global Pty Ltd and is acting as an independent technical consultant to the Company. Mr Titley 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 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Titley consents to the inclusion of the data in the form and context in which it appears.