UEX CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

Message to Shareholders

The second quarter of 2012 has seen deterioration in the equity markets throughout the world with commodity prices declining in many sectors. Although the uranium spot price remains near that posted at the end of the first quarter of 2012 and the long-term price has improved slightly during this quarter, the share prices of most uranium explorers and developers have declined with the general markets. UEX has not been immune to this share price decline.

Of significance during this quarter has been the dearth of equity issues in the uranium sector. Companies that waited to replenish depleted treasuries are finding investors reluctant to commit funds at present. In March 2012, we concluded both a public financing and a private placement which resulted in a significant increase in cash resources. Our largest shareholder, Cameco Corporation, elected to participate in both financings and thus retained their 22.58% equity interest in UEX. Given the downturn in the equity markets, we have decided to preserve cash resources by deferring our planned summer brownfields exploration program at Hidden Bay. We will reconsider making these expenditures at a later date, possibly as a winter 2013 program.

A rebound of equities in the uranium sector will, in my opinion, be led by an increase in the underlying commodity price as occurred in 2007 and more recently in 2010. The correlation between the commodity price and equity price of uranium explorers and developers is well-known. Supply and demand differentials will be the most influential factor affecting the uranium price. Key factors that will affect the supply shortfall include the ending of the Russian HEU (Megatons to Megawatts) agreement in just 17 months and two recently announced production delays at both Cameco's Kintyre project and, more significantly, BHP's Olympic Dam expansion project. I believe uranium will regain its momentum due to the recent start-up of two reactors in Japan, the distinct possibility of further re-starts and the re-commencement of the Chinese nuclear program after 16 months of safety evaluations and upgrades. Canadian companies are certain to be central in this rebound due, in part, to the stable political situation in which we operate.

In late July, Canada and China signed a supplementary protocol that will allow Canadian companies to export uranium to China, the fastest growing market for uranium with 26 nuclear reactors under construction and 51 in the planning stage. Other positive news in the uranium sector includes the approval for the building of the first two new nuclear reactors in the United States in three decades.

Consolidation and asset acquisitions continued in the uranium industry. Cameco Corporation completed its purchase of the AREVA group's interest in the Millennium Deposit, located in the Athabasca Basin, for just under $8 /lb of U_3O_8*. China Guangdong Nuclear Power Corp. completed its acquisition of Extract Resources and their relatively lower grade Husab Project, in Namibia, for approximately $4.20 /lb of* U_3O_8*. Denison Mines have concluded the sale of their in-situ assets located in the United States to Energy Fuels and Fission Energy have acquired Pitchstone Exploration. Further consolidation may well occur in the industry in the coming months.*

During the second quarter and continuing into the following two quarters we will concentrate our efforts on the exploration at Shea Creek and the development of the Hidden Bay deposits. Our 2012 exploration program in the northern portion of Colette has continued to intersect perched, unconformity and basement mineralization. Results from current exploration at the 58B Deposit confirm the continuity of mineralization identified in 2010. We intend to complete our 2012 drilling season with several drill holes at Kianna; total exploration expenses on the Shea Creek deposits will amount to $6.0 million, of which we are responsible for 49%. Subsequent to receipt of geochemical results from the 2012 drilling program, we will update our estimated Shea Creek Project resources, which are currently the largest undeveloped uranium resources in the Athabasca Basin, using data accumulated during our 2010 through 2012 exploration programs.

At Hidden Bay we continue with our development studies that will form the building blocks for an updated economic model. As the long-term fundamentals for uranium continue to be sound, we remain committed and have allocated $2.0 million in 2012 for the advancement of this project.

We, as do many in the nuclear industry, expect continuing improvements in uranium markets during the latter part of 2012 and through 2013. With our current cash position amounting to approximately $15.1 million and significant exploration and development assets, UEX is well positioned during these uncertain times.

"signed"

Graham C. Thody
President & CEO

August 7, 2012

Introduction

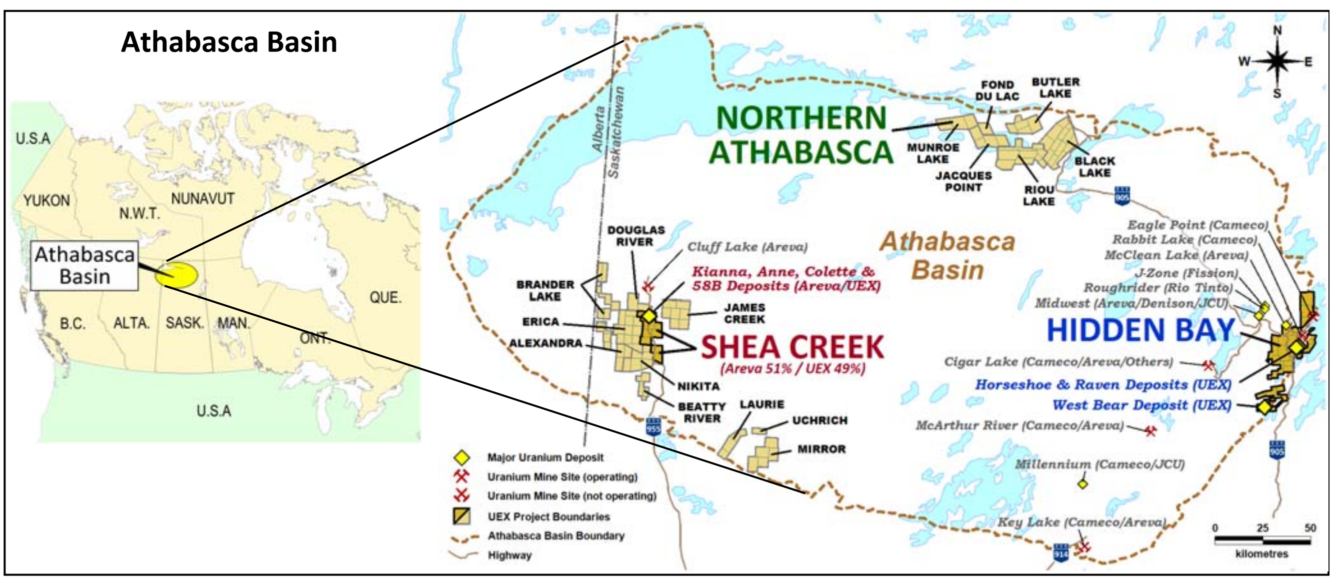
This Management's Discussion and Analysis ("MD&A") of UEX Corporation ("UEX" or the "Company") for the six-month period ended June 30, 2012 is intended to provide a detailed analysis of the Company's business and compares its financial results with those of previous periods. This MD&A is dated August 7, 2012 and should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the six-month period ended June 30, 2012. The unaudited condensed interim financial statements are prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full financial statements. This MD&A should be read in conjunction with the audited annual financial statements, prepared under IFRS, for the years ended December 31, 2011 and December 31, 2010.

Other disclosure documents of the Company, including its Annual Information Form, filed with the applicable securities regulatory authorities in Canada are available at *www.sedar.com*.

Overview

UEX's fundamental goal is to remain one of the leading uranium explorers in the Athabasca Basin of northern Saskatchewan and to advance its portfolio of uranium deposits and discoveries through the development stage to the production stage. Since being listed on the Toronto Stock Exchange in 2002, UEX has aggressively pursued exploration on a diversified portfolio of prospective uranium projects in three areas within the Athabasca Basin. The Company is focusing its main efforts on two advanced projects, the 100%-owned Hidden Bay Project ("Hidden Bay") including the Horseshoe, Raven and West Bear deposits in the eastern Athabasca Basin, and the Kianna, Anne, Colette and 58B deposits within the 49%-owned Shea Creek Project ("Shea Creek") in the western Athabasca Basin.

UEX is actively involved in 18 uranium projects in the Athabasca Basin, including six that are 100% owned and operated by UEX, one joint venture with AREVA Resources Canada Inc. ("AREVA") that is operated by UEX, and ten projects joint-ventured with AREVA including one project under option from JCU (Canada) Exploration Company, Limited ("JCU"), which are operated by AREVA. AREVA is part of the AREVA group, the world's largest nuclear energy company. The 18 projects, totaling 308,320 hectares (761,875 acres), are located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium district, which in 2011 accounted for approximately 17% of global primary uranium production. UEX's 100%-owned projects also include the Riou Lake Project ("Riou Lake") and the Northern Athabasca Projects. The Black Lake Project is owned 89.96% by UEX and the remainder by AREVA. UEX is the project operator.



(Expressed in Canadian dollars, unless otherwise noted)

The current technical report on the Hidden Bay property, entitled "Preliminary Assessment Technical Report on the Horseshoe and Raven Deposits, Hidden Bay Project, Saskatchewan, Canada" (the "Preliminary Assessment Technical Report", the "PA" or the "Hidden Bay Report") prepared by G. Doerksen, P.Eng., L. Melis, P.Eng., M. Liskowich, P.Geo., B. Murphy, FSAIMM, K. Palmer, P.Geo. and Dino Pilotto, P.Eng. with an effective date of February 15, 2011, filed on SEDAR at *www.sedar.com* on February 23, 2011, details mineral resource estimates at a cut-off grade of 0.05% U_3O_8 as follows:

Deposit		**Tonnes**	**Grade U_3O_8 (%)**	**U_3O_8 (lbs)**		**Tonnes**	**Grade U_3O_8 (%)**	**U_3O_8 (lbs)**
Horseshoe	**Indicated**	5,119,700	0.203	22,895,000	**Inferred**	287,000	0.166	1,049,000
Raven		5,173,900	0.107	12,149,000		822,200	0.092	1,666,000
West Bear		78,900	0.908	1,579,000		-	-	-
TOTAL		**10,372,500**	**0.160**	**36,623,000**		**1,109,200**	**0.111**	**2,715,000**

In February 2011, UEX received the Preliminary Assessment Technical Report for the Horseshoe and Raven deposits prepared by SRK Consulting (Canada) Inc. ("SRK Consulting") reporting undiscounted earnings before interest and taxes ("EBIT") of $246 million using a mine design based on cut-off grades defined by a $60 (US) per pound price of U_3O_8.

The Western Athabasca Projects, which include the Kianna, Anne, Colette and 58B deposits located at Shea Creek, consist of ten joint ventures with UEX holding a 49% interest and AREVA holding a 51% interest. AREVA is the operator of the Western Athabasca Projects. UEX and AREVA are in the process of negotiating joint-venture agreements for these projects.

The current technical report on the Shea Creek property, entitled "Technical Report on the Shea Creek Property, Saskatchewan, Canada, Including Mineral Resource Estimates for the Kianna, Anne and Colette Deposits" (the "Shea Creek Technical Report") prepared by K. Palmer, P.Geo. with an effective date of May 26, 2010, filed on SEDAR at *www.sedar.com* on July 9, 2010, details mineral resource estimates at a cut-off grade of 0.30% U_3O_8 as follows:

Deposit		**Tonnes**	**Grade U_3O_8 (%)**	**U_3O_8 (lbs)**		**Tonnes**	**Grade U_3O_8 (%)**	**U_3O_8 (lbs)**
Kianna	**Indicated**	713,000	1.442	22,665,000	**Inferred**	573,100	1.360	17,184,000
Anne		484,500	2.368	25,295,000		299,300	0.674	4,448,000
Colette		675,100	1.049	15,613,000		196,500	0.668	2,893,000
TOTAL		**1,872,600**	**1.540**	**63,572,000**		**1,068,900**	**1.041**	**24,525,000**

Results from the 2010, 2011 and 2012 drilling, which include the expansion of the Kianna and Colette deposits and the identification of the 58B Deposit, are not incorporated in this mineral resource estimate.

UEX operates the Black Lake Project ("Black Lake"), a joint venture with AREVA under which UEX holds an 89.96% interest and AREVA holds a 10.04% interest. Black Lake was the site of a uranium discovery made by UEX during a drilling program in September 2004.

UEX has an option with JCU to acquire a 25% interest in the Beatty River Project ("Beatty River") located in the western Athabasca Basin in northern Saskatchewan by funding $865,000 in exploration expenditures by December 31, 2013. Beatty River is located 40 kilometres south of the Shea Creek uranium deposits. At present, AREVA, the operator, holds a 50.7% interest and JCU holds a 49.3% interest in Beatty River. Expenditures under this agreement by UEX to June 30, 2012 amounted to $851,836.

Growth Strategy

The main growth strategies of UEX are:

- To continue the exploration and development work required to delineate and develop economic uranium resources at Shea Creek;
- To advance the development process at the Horseshoe, Raven and West Bear uranium deposits to a production decision;
- To maintain, explore and advance to discovery its other uranium projects; and
- To pursue a diversified portfolio of uranium projects from early exploration through to development and production.

Uranium Industry Trends

A number of trends in the nuclear industry have the potential to affect UEX's business environment. The earthquake and tsunami that struck Japan last year and their effect on the Fukushima nuclear plants (together referred to as the "Event'') resulted in downward pressure on the spot price of U_3O_8. Many companies in the uranium exploration and development industry have experienced a corresponding reduction in the trading value of their shares. The long-term effect of this Event on UEX and the uranium industry continues to be evaluated.

At the beginning of 2012, the spot and long-term prices of U_3O_8 were $51.75 (US) per pound and $63.00 (US) per pound respectively. As at the date of this document the spot price is $49.25 (US) per pound of U_3O_8 and the long-term price is $61.50 (US) per pound of U_3O_8. Spot and long-term uranium prices stated are as reported by The Ux Consulting Company, LLC at *www.uxc.com*.

In recent years, and prior to the Event, the nuclear industry had seen increased capacity at existing nuclear plants, extensions of plant licenses, and new plant planning and construction. Electricity demands were rising and continue to rise rapidly worldwide. Public opinion in many countries had moved in favour of nuclear power, and high oil prices had made nuclear energy the lowest-cost option in some countries. In the U.S., other than hydro, nuclear energy is the least expensive source of electricity, and several U.S. utilities had taken steps toward the planning and construction of new nuclear power plants. Of significance, in February 2012, the U.S. Nuclear Regulatory Commission approved a combined construction and operating licence to build two new AP1000 reactors, the first approvals granted in approximately three decades.

Global warming and clean energy concerns also supported increased interest in nuclear power. In view of the Event, several countries have publically stated they will review their existing and future plans related to nuclear energy, and in 2011, Germany, with 9 reactors accounting for less than 5% of world uranium demand, announced that it would plan to exit nuclear generation by 2022. Conversely, significantly more reactors are under construction or being planned worldwide than are proposed to be decommissioned. In particular, China, India and Russia have 43 reactors in the construction stage and 86 reactors in the planning stage. Japan has recently restarted its second reactor since the Event and is working toward the restart of others. Canada recently signed an agreement allowing for the export of uranium to China which grants Canadian producers access to the fastest growing consumer of uranium in the world.

Uranium Supply and Demand

Uranium supply sources include primary mine production and secondary sources. Principal primary producers of uranium include Cameco Corporation ("Cameco") and the AREVA group, both of which produce from deposits in the Athabasca Basin of northern Saskatchewan. In 2011, worldwide annual consumption was estimated at approximately 165 million pounds U_3O_8. World primary production in 2011 was estimated at approximately 143 million pounds U_3O_8. The resulting shortfall between consumption and production has been covered by several secondary sources including excess inventories held by utilities, producers, other fuel cycle participants, reprocessed uranium and plutonium derived from used reactor fuel, and uranium derived from the dismantling of Russian nuclear weapons. These secondary sources will likely decline in importance as excess inventories and recycled uranium from nuclear weapons are progressively consumed, resulting in the need for further primary mine supply. In particular, the HEU (Highly Enriched Uranium) agreement for supply of uranium from Russia to the United States terminates at the end of 2013 and will likely reduce supply by approximately 24 million pounds U_3O_8 annually.

Demand for uranium is directly linked to the level of electricity generated by nuclear power plants. Currently, 433 reactors are operable in 30 countries worldwide. Nuclear electricity generation worldwide has been growing, since world nuclear generating capacity has continued to expand as more reactors are built than are closed, and existing reactors are being operated at higher capacity. Presently, there are 63 reactors under construction and by the year 2021 it has been estimated that there will be 96 net new operating reactors worldwide. Countries continue to evaluate the electrical needs of their populations; however, as a result of the Event, new reactors may be delayed or require additional approvals.

Long-Term Outlook

In the Company's view, the long-term uranium outlook is extremely positive as demand for electricity continues to grow. Nuclear energy, which is safe, clean, reliable and affordable, will remain an important part of the world's energy mix. The shortfall of supply for 2012 is estimated to be 25 million pounds U_3O_8 and this shortfall will likely increase throughout the current decade. New reactors will come on stream and many existing reactors, now off-line for inspection, are expected to be re-commissioned. The long-term fundamentals that have driven the growth of the nuclear industry during the past few years remain strong.

Selected Financial Information

The following is selected financial data from the audited financial statements of UEX for the last three completed fiscal years. The data should be read in conjunction with the audited financial statements for the years ended December 31, 2011 and December 31, 2010 and the notes thereto.

(Expressed in Canadian dollars, unless otherwise noted)

Summary of Annual Financial Results

	December 31, 2011 IFRS	December 31, 2010 IFRS	December 31, 2009 Canadian GAAP
Interest income	$ 108,911	$ 85,131	$ 85,704
Net loss for the year	(5,405,217)	(6,915,077)	(8,020,216)
Basic and diluted loss per share	(0.027)	(0.035)	(0.042)
Capitalized exploration and development expenditures	10,970,686	8,271,153	14,503,291
Total assets	160,680,154	163,203,731	163,317,185

The following quarterly financial data is derived from the unaudited condensed interim financial statements of UEX as at (and for) the three-month periods ended on the dates indicated below. UEX's business is not affected by seasonality as the Company is able to perform exploration and development work year round. Variations in capitalized exploration and development expenditures from quarter to quarter and year to year are affected by the timing and size of the exploration and development programs in the periods. Variations in net loss are primarily affected by the number of options granted in the year and the associated inputs used in calculating share-based payment expense as well as by the timing of mineral property impairments that may have occurred during the period.

Summary of Quarterly Financial Results (Unaudited)

	2012 Quarter 2	2012 Quarter 1	2011 Quarter 4	2011 Quarter 3
Interest income	$ 107,511	$ 13,104	$ 1,218	$ 78,489
Net loss for the period	(636,549)	(505,624)	(1,913,444)	(412,693)
Basic and diluted loss per share	(0.003)	(0.002)	(0.009)	(0.002)
Capitalized exploration and development expenditures	1,310,955	1,294,145	2,011,377	4,362,578
Total assets	175,141,957	175,242,789	160,680,154	164,219,390

	2011 Quarter 2	2011 Quarter 1	2010 Quarter 4	2010 Quarter 3
Interest income	$ 8,818	$ 20,386	$ 12,151	$ 23,124
Net loss for the period	(927,929)	(2,151,151)	(4,212,396)	(359,284)
Basic and diluted loss per share	(0.005)	(0.011)	(0.021)	(0.002)
Capitalized exploration and development expenditures	2,789,720	1,807,011	799,200	1,724,080
Total assets	164,409,766	163,544,002	163,203,731	159,774,401

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 221,488,679 common shares were issued and outstanding as at June 30, 2012, and an unlimited number of preferred shares (no par value) issuable in series, of which 1,000,000 preferred shares have been designated Series 1 Preferred Shares, none of which are issued and outstanding. At June 30, 2012, the Company had reserved a total of 20,770,700 common shares related to director, employee and consultant share purchase options. The share purchase options are exchangeable into common shares at exercise prices ranging from $0.60 per share to $3.56 per share.

As at August 7, 2012, there were 221,488,679 common shares issued and outstanding and 20,770,700 share purchase options outstanding for a total of 242,259,379 on a fully-diluted basis.

Results of Operations for the Three-Month Period Ended June 30, 2012

The following information should be read in conjunction with the unaudited condensed interim financial statements for the six-month periods ended June 30, 2012 and June 30, 2011.

For the three-month period ended June 30, 2012 the Company reported a net loss of $636,549 versus a net loss of $927,929 for the three-month period ended June 30, 2011. The net loss for the three-month period ended June 30, 2012 was lower due primarily to a $238,266 decrease in share-based compensation expense and a $98,693 increase in interest income, which was not impacted by a Part XII.6 tax accrual of $42,163 as it was in the comparative period.

Interest income was $107,511 for the three-month period ended June 30, 2012 versus $8,818 for the three-month period ended June 30, 2011. This revenue relates to interest earned on short-term cash deposits net of Part XII.6 tax, if any. The increase in interest income during the three-month period ended June 30, 2012 was due primarily to a higher average cash balance invested in the current period, and by the Part XII.6 tax accrual of $42,163 in the previous period that was not incurred in the current period.

Filing fees and stock exchange costs increased by $22,184 due to higher costs related to annual statutory shareholder communications. The $38,539 decrease in office expenses was due primarily to a reduction in office consulting costs for IT support, computer maintenance and general administration. Salaries, termination and placement fees increased by $17,135 because fees for a director were not incurred in the comparative period, and a contractor, whose costs were previously included in office expenses, was replaced by a full-time employee. The increase also reflects the impact of a small annual salary increase. Travel and promotion expenses for the period increased by $17,675 as compared to the previous period due to increased investor relations activities and associated travel costs.

The vesting of share purchase options during the three-month period ended June 30, 2012 resulted in total share-based compensation expense of $560,071, of which $160,381 was allocated to mineral property expenditures and the remaining $399,690 was charged to operations. The vesting of share purchase options during the three-month period ended June 30, 2011 resulted in total share based compensation expense of $813,174, of which $175,218 was allocated to mineral property expenditures and $637,956 was charged to operations. These differences in share-based compensation expense result primarily from fewer share purchase options vesting in the three-month period ended June 30, 2012 versus June 30, 2011.

The deferred income tax recovery for the three-month period ended June 30, 2012 was $86,145 compared to the deferred income tax recovery for the three-month period ended June 30, 2011 of $106,866. This decrease in deferred income tax recovery was due primarily to no flow-through renunciation in the period and a lower share-based compensation expense than in the comparative period.

Results of Operations for the Six-Month Period Ended June 30, 2012

The following information should be read in conjunction with the unaudited condensed interim financial statements for the six-month periods ended June 30, 2012 and June 30, 2011.

For the six-month period ended June 30, 2012, the Company reported a net loss of $1,142,173 versus a net loss of $3,079,080 for the six-month period ended June 30, 2011. The net loss for the six-month period ended June 30, 2011 was higher due primarily to the renunciation of flow-through expenditures which led to a significant tax expense of $1,342,279 in 2011. No similar tax expense occurred during the first six months of 2012 as all of the flow-through amounts were fully expended in 2011 with respect to the 2010 flow-through placement. The flow-through tax benefits associated with the funds raised in March of 2012 will be renounced in the first quarter of 2013.

Interest income was $120,615 for the six-month period ended June 30, 2012 versus $29,204 for the six-month period ended June 30, 2011. This revenue relates to interest earned on short-term cash deposits net of Part XII.6 tax, if any. The increase in interest income during the six-month period ended June 30, 2012 was due primarily to the $80,552 Part XII.6 tax accrual in the previous period that was not incurred in the current period.

Filing fees and stock exchange costs were in-line with the comparative period; however, the comparative figure included costs associated with the filing of the renewal of the Company's share option plan while the current period reflects higher costs associated with annual statutory shareholder communications. Legal and audit fees decreased by $21,840 as the Company did not incur the costs associated with the transition to IFRS included in the previous period. The $64,502 decrease in office expenses was due primarily to a reduction in office consulting costs for IT support, computer maintenance and general administration. Salaries, termination and placement fees were decreased by $67,616 as the $75,833 severance payment and the $30,375 placement fee incurred in the comparative period were non-recurring. These reductions were offset by fees for a director, which were not incurred in the comparative period, and the replacement of a contractor, whose costs were previously included in office expenses, by a full-time employee. The increase also reflects the impact of a small annual salary increase. Travel and promotion expenses for the period increased by $45,121 as compared to the previous period due to increased investor relations activities and associated travel costs.

The vesting of share purchase options during the six-month period ended June 30, 2012 resulted in total share-based compensation expense of $866,993, of which $248,653 was allocated to mineral property expenditures and the remaining $618,340 was charged to operations. The vesting of share purchase options during the six-month period ended June 30, 2011 resulted in total share based compensation expense of $1,059,557, of which $237,273 was allocated to mineral property expenditures and $822,284 was charged to operations. These differences in share-based compensation expense result primarily from fewer share purchase options vesting in the six-month period ended June 30, 2012 versus June 30, 2011.

The deferred income tax recovery for the six-month period ended June 30, 2012 of $191,152 primarily resulted from the loss in the period from operating costs. The deferred income tax expense for the six-month period ended June 30, 2011 of $1,342,279 primarily reflects the renunciation of the tax benefits associated with the

(Expressed in Canadian dollars, unless otherwise noted)

2010 flow-through placement under the look-back rule of $2,395,093, net of the flow-through premium of $806,428.

The continuity of expenditures on UEX's uranium projects for the six-month periods ended June 30, 2012 and 2011 is as follows:

Project	**Balance December 31 2011**	**Exploration and development expenditures during the period**	**Balance June 30 2012**
Hidden Bay	$ 72,668,796	$ 1,593,853	$ 74,262,649
Western Athabasca	56,011,738	955,487	56,967,225
Black Lake	15,188,721	26,496	15,215,217
Riou Lake	10,385,783	25,684	10,411,467
Beatty River	856,088	3,580	859,668
	$ 155,111,126	$ 2,605,100	$ 157,716,226

Project	**Balance December 31 2010**	**Exploration and development expenditures during the period**	**Balance June 30 2011**
Hidden Bay	$ 66,679,440	$ 2,051,012	$ 68,730,452
Western Athabasca	51,154,841	2,503,319	53,658,160
Black Lake	15,130,203	21,921	15,152,124
Riou Lake	12,209,890	20,617	12,230,507
Beatty River	849,833	(138)	849,695
	$ 146,024,207	$ 4,596,731	$ 150,620,938

As at June 30, 2012, total exploration and development expenditures at Hidden Bay included development expenditures of $1,498,667 (December 31, 2011 - $1,154,625). For further information regarding exploration expenditures on the projects shown in the table above, please refer to "Exploration and Development Activities."

During the six-month period ended June 30, 2012, the Company incurred exploration and development expenditures totaling $2,339,496 before non-cash share-based compensation and depreciation totaling $265,604. Exploration and development expenditures during the six-month period ended June 30, 2011 totaled $4,336,609 before non-cash share-based compensation and depreciation totaling $260,122. This $1,997,113 decrease in expenditures before non-cash items during the six-month period ended June 30, 2012 was due to a smaller exploration drilling program at the Hidden Bay Project and both a later start to, and a slightly reduced budget for, exploration on the Western Athabasca Projects than incurred in the comparative period.

Financing Activities

On March 13, 2012, the Company completed an underwritten bought deal public financing for 11,000,000 common shares at a price of $0.80 per share for gross proceeds of $8,800,000. Share issue costs include a cash commission of $440,000 and other issuance costs of $275,633. Cameco exercised its pre-emptive right to participate in the offering and purchased 3,208,902 shares, so as to maintain its ownership at approximately 22.58%, on the same terms as the offering except no cash commission was payable.

On March 14, 2012, the Company completed a non-brokered private placement of 3,260,869 flow-through shares at a price of $0.92 per share for gross proceeds of $3,000,000 with issue costs of $37,044 and no commission payable. A flow-through premium related to the sale of the associated tax benefits was determined to be $97,826 on issuance (market price on date of subscription was $0.89). Cameco exercised its pre-emptive right to participate in the offering and purchased 951,256 common shares at a non-flow-through price of $0.84 per share offered by the Company, so as to maintain its ownership interest at approximately 22.58%.

In the six months ended June 30, 2011, the Company did not raise any equity through public or private offerings.

The Company issued 205,000 common shares on the exercise of share purchase options for proceeds of $192,350 during the six-month period ended June 30, 2011. No share purchase options were exercised during the six-month period ended June 30, 2012.

During the six-month period ended June 30, 2011 the Company renounced $9,075,000 of tax deductions associated with the flow-through funds raised in 2010 ($204,287 under the *general rule* and $8,870,713 under the *look-back rule*) and accrued $80,552 with respect to Part XII.6 tax for unspent amounts under the look-back rule. During the six-month period ended June 30, 2012, the Company did not renounce flow-through expenditures nor incur Part XII.6 tax. In the first quarter of 2013, UEX will renounce the tax deduction related to the $3,000,000 flow-through funds raised in March of 2012.

Liquidity and Capital Resources

As UEX has not begun production on any of its mineral properties, the Company does not generate cash from operations. As at June 30, 2012, the Company had current assets of $17,262,571, including $17,063,536 in cash and cash equivalents, compared to current assets as at December 31, 2011 that totaled $5,468,840 and included $5,266,660 in cash and cash equivalents. Working capital at June 30, 2012 was $16,185,708, compared to working capital of $5,004,439 at December 31, 2011. At June 30, 2012, the Company's cash balances were invested in highly liquid term deposits redeemable within 90 days or less. The Company had sufficient cash resources at June 30, 2012 to fund its approved 2012 budgets for exploration, development and administrative costs.

Accounts payable and other liabilities at June 30, 2012 were $1,076,863, which is higher than the December 31, 2011 balance of $464,401. This difference is comprised primarily of amounts owed to AREVA for exploration work performed on the Shea Creek Project, amounts relating to consultants working on development for the Hidden Bay Project, and a $97,826 flow-through share premium liability related to the private placement in March 2012.

The Company's net deferred income tax liability of $12,792,139 at June 30, 2012 is comprised of a $15,419,949 deferred income tax liability related to the tax effect of the difference between the carrying value of the Company's mineral properties and their tax values, offset by the Company's deferred income tax assets totaling $2,627,810. At December 31, 2011, the Company's net deferred income tax liability was $13,186,514 and was comprised of a $15,415,371 deferred income tax liability related to the tax effect of the difference between the carrying value of the Company's mineral properties and their tax values, offset by the Company's deferred income tax assets totaling $2,228,857. The main reason for the decrease in the liability is that the tax carrying value of the mineral properties does not reflect the impact of amounts that will be renounced in the first quarter of 2013 and that significant exploration and development work completed at the Hidden Bay Project in the period was not funded by flow-through dollars.

(Expressed in Canadian dollars, unless otherwise noted)

Commitments

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments. The Company has an obligation under an operating lease for its office premises until November 30, 2015. Future minimum lease payments as at June 30, 2012 are as follows:

	2012	2013	2014	2015	2016
Lease for office premises	$ 28,887	$ 59,110	$ 60,566	$ 56,743	$ nil

The Company has no other financial commitments or obligations beyond those required to fund exploration with respect to $3.0 million of flow-through monies raised in March of 2012, the maintenance of title to its mineral properties and its option agreement obligations to JCU. As at June 30, 2012, UEX estimated that it has spent approximately $1.0 million of the $3.0 million flow-through dollars on eligible exploration expenditures.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable and other liabilities. Interest income is recorded in the statement of operations and comprehensive loss. Cash and cash equivalents, as well as amounts receivable, are classified as loans and receivables, and accounts payable and other liabilities are classified as other financial liabilities and recorded at amortized cost using the effective interest rate method. In addition, any impairment of loans and receivables is deducted from amortized cost. The Company does not hold any derivative financial instruments.

The Company operates entirely in Canada and is not subject to any significant foreign currency risk. The Company's financial instruments are exposed to limited liquidity risk, credit risk and market risk.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development programs on its mineral properties. The Company manages its capital structure, consisting of shareholders' equity, and makes adjustments to it, based on funds available to the Company, in order to support the exploration and development of its mineral properties. Historically, the Company has relied exclusively on the issuance of common shares for its capital requirements. Accounts payable and other liabilities are due within the current operating period.

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The maximum exposure to credit risk is equal to the carrying value of cash and cash equivalents and amounts receivable. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments that are redeemable 90 days or less from the original date of acquisition.

(Expressed in Canadian dollars, unless otherwise noted)

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income. The Company is subject to interest rate risk on its cash and cash equivalents. The Company reduces this risk by investing its cash in highly liquid short-term interest-bearing investments that earn interest on a fixed rate basis.

The carrying values of amounts receivable and accounts payable and other liabilities are a reasonable estimate of their fair values because of the short period to maturity of these instruments.

Related Party Transactions

The Company was involved in the following related party transactions for the six months ended June 30, 2012 and 2011:

	Three months ended June 30		**Six months ended June 30**	
	2012	**2011**	**2012**	**2011**
Other consultants (1)	$ 9,775	$ 23,865	$ 34,618	$ 64,985
Other consultants share-based payments (2)	5,923	9,889	9,483	9,889
Panterra Geoservices Inc.(3)	7,750	11,500	12,750	19,750
Panterra Geoservices Inc. share-based payments (2)	22,753	33,639	35,799	67,096
	$ 46,201	$ 78,893	$ 92,650	$ 161,720

(1) Other consultants include close members of the family of R. Sierd Eriks, UEX's Vice-President of Exploration, who provide geological consulting services with specific services invoiced as provided.

(2) Share-based compensation expense is the fair value of options granted which have been calculated using the Black-Scholes option-pricing model and the assumptions disclosed in Note 10(c) of the 2011 annual financial statements.

(3) Panterra Geoservices Inc. is a company owned by David Rhys, a member of the management advisory board that provides geological consulting services to the Company. The management advisory board members are not paid a retainer or fee; specific services are invoiced as provided.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's unaudited condensed interim results of operations are reported using policies and methods which are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2011. In preparing financial statements in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"), management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

Critical Accounting Estimates

The Company prepares its unaudited condensed interim financial statements in accordance with IAS 34 *Interim Financial Reporting*, as issued by the IASB, which requires management to estimate various matters that are inherently uncertain as of the date of the financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's financial statements. The Company's significant accounting policies are discussed in the Company's 2011 annual financial statements. Critical estimates inherent in these accounting policies are discussed below.

Valuation of mineral properties

The recovery of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete exploration and development of the properties, and on future profitable production or proceeds of disposition. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Upon transfer of exploration and evaluation assets into development properties, all subsequent expenditures on the exploration, construction, installation or completion of infrastructure facilities is capitalized within development properties.

All capitalized exploration and evaluation assets are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that the exploration expenditures are not expected to be recovered, this amount is recorded as a write-down of interest in mineral properties in the statement of operations and comprehensive loss in the period.

As at June 30, 2012, the market capitalization of UEX Corporation was below the carrying value of the Company's net assets which are primarily represented by mineral properties. The Company has reviewed recent arms-length transactions for the acquisition of uranium resources defined by National Instrument 43-101 and has concluded that the carrying value of the Company's net assets is supported.

Environmental rehabilitation provision

The Company recognizes the fair value of a liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgements and estimates are involved in forming expectations of the amounts and timing of environmental rehabilitation cash flows. The Company has assessed each of its mineral projects and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

Share-based payments

The Company has a share option plan which is described in Note 10(c) of the unaudited condensed interim financial statements for the three and six months ended June 30, 2012. The fair value of all share-based awards is estimated using the Black-Scholes option-pricing model at the grant date and amortized over the vesting periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of the goods or services received, or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest.

None of the Company's awards call for settlement in cash or other assets. Upon the exercise of the share purchase options, consideration paid together with the amount previously recognized in the share-based payments reserve is recorded as an increase in share capital. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of share purchase options is recorded as share capital and the related share-based payments value in the reserve is transferred to share capital. Charges for share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the recorded value is transferred to retained earnings (deficit).

Recent Accounting Announcements

The International Accounting Standards Board issued the following IFRSs with an effective date for year ends starting on or after January 1, 2013, with early adoption permitted:

(i) IFRS 11, *Joint Arrangements* supersedes IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities – Non-monetary Contributions by Venturers*

(ii) IFRS 12, *Disclosure of Interests in Other Entities*

(iii) IFRS 13, *Fair Value Measurement*

The Company intends to adopt these new IFRSs in its financial statements for the annual period beginning on January 1, 2013. The Company anticipates that the application of these standards will not have a material impact on the results and financial position of the Company.

The International Accounting Standards Board has amended IFRS 7 *Financial Instruments: Disclosure* ("IFRS 7") with an effective date for year ends starting on or after January 1, 2013, with regards to risks arising from financial instruments. The changes to IFRS 7 require companies to provide the same level of disclosure as is provided internally to key management personnel. It is expected that the amendment to IFRS 7 will increase the current level of disclosure relating to transfers of financial assets.

The International Accounting Standards Board has issued IFRS 9 *Financial Instruments* ("IFRS 9") to replace IAS 39 *Financial Instruments*. IFRS 9 has an effective date for year ends starting on or after January 1, 2015, with early adoption permitted. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2015. The Company does not expect IFRS 9 to have a material impact on the financial statements. The classification and measurement of the Company's financial assets is not expected to change under IFRS 9 because of the nature of the Company's operations and the types of financial assets that it holds.

(Expressed in Canadian dollars, unless otherwise noted)

Mineral Resource Estimates

Tables 1 and 2 show respective summaries of UEX's Indicated and Inferred Mineral Resource Estimates by deposit.

TABLE 1
UEX Corporation – Indicated Mineral Resource Estimates (1) (2) (3)

Deposit	Tonnes	Grade U_3O_8 (%)	Total U_3O_8 (lbs)	UEX's share U_3O_8 (lbs)
Kianna (4)	713,000	1.442	22,665,000	11,105,850
Anne (4)	484,500	2.368	25,294,000	12,394,550
Colette (4)	675,100	1.049	15,613,000	7,650,370
Shea Creek Totals	**1,872,600**	**1.540**	**63,572,000**	**31,150,280**
Horseshoe (5)	5,119,700	0.203	22,895,000	22,895,000
Raven (5)	5,173,900	0.107	12,149,000	12,149,000
West Bear (5)	78,900	0.908	1,579,000	1,579,000
Hidden Bay Totals	**10,372,500**	**0.160**	**36,623,000**	**36,623,000**
TOTALS	**12,245,100**	**0.371**	**100,195,000**	**67,773,280**

TABLE 2
UEX Corporation – Inferred Mineral Resource Estimates (1) (2) (3)

Deposit	Tonnes	Grade U_3O_8 (%)	Total U_3O_8 (lbs)	UEX's share U_3O_8 (lbs)
Kianna (4)	573,100	1.360	17,184,000	8,420,160
Anne (4)	299,300	0.674	4,448,000	2,179,520
Colette (4)	196,500	0.668	2,893,000	1,417,570
Shea Creek Totals	**1,068,900**	**1.041**	**24,525,000**	**12,017,250**
Horseshoe (5)	287,000	0.166	1,049,000	1,049,000
Raven (5)	822,200	0.092	1,666,000	1,666,000
Hidden Bay Totals	**1,109,200**	**0.111**	**2,715,000**	**2,715,000**
TOTALS	**2,178,100**	**0.567**	**27,240,000**	**14,732,250**

Notes:

(1) The mineral resource estimates follow the requirements of *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* and classifications follow CIM definition standards.

(2) The Shea Creek mineral resources were estimated at a cut-off of 0.30% U_3O_8.

(3) The Hidden Bay mineral resources were estimated at a cut-off of 0.05% U_3O_8.

(4) The Shea Creek mineral resource estimates are included in the Shea Creek Technical Report with an effective date of May 26, 2010 which was filed on SEDAR at *www.sedar.com* on July 9, 2010.

(5) The Hidden Bay mineral resource estimates are included in the Hidden Bay Report with an effective date of February 15, 2011 which was filed on SEDAR at *www.sedar.com* on February 23, 2011.

Exploration and Development Activities

The following is a general discussion of UEX's recent exploration and development activities. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For more detailed information regarding UEX's exploration projects, please refer to UEX's current Annual Information Form, available at *www.sedar.com*, or to UEX's website at *www.uex-corporation.com*.

Western Athabasca Projects: Shea Creek

The Shea Creek Project ("Shea Creek") is one of the ten 49%-owned Western Athabasca Projects joint ventured with AREVA, the operator, which also include the Douglas River, Erica, Alexandra, Mirror River, Laurie, Nikita, Uchrich, James Creek and Brander Lake projects.

Shea Creek is the flagship exploration property among the Western Athasbasca Projects, consisting of 11 claims totaling 19,581 hectares (48,386 acres) and is host to the following deposits:

- Kianna Deposit ("Kianna");
- Anne Deposit ("Anne");
- Colette Deposit ("Colette"); and
- 58B Deposit ("58B").

Located in northwest Saskatchewan, just south of AREVA's former Cluff Lake mine, Shea Creek hosts the largest undeveloped uranium resources in the Athabasca Basin. High-grade uranium is distributed along a 3-kilometre long strike length at the north end of the 33-kilometre long Saskatoon Lake Conductor. The deposits at Shea Creek show three styles of mineralization: unconformity-hosted, basement-hosted and perched. Access is provided year-round by Provincial Highway 955 and by air. Field exploration is currently based from the former Cluff Lake mine camp. The Cluff Lake mine produced over 62 million pounds of U_3O_8 during its successful 22 years of operation.

In 2004, UEX entered into an agreement with AREVA to fund C$30 million of exploration costs in exchange for a 49% interest in the Western Athabasca Projects, which include Shea Creek. AREVA continued to act as operator. The Kianna Deposit was identified in 2006, and UEX successfully met its funding target and earned its 49% interest in 2007. The 58B Deposit was identified in 2010.

Resources at the Kianna, Anne, and Colette deposits have been estimated as at December 31, 2009 following National Instrument 43-101 ("N.I. 43-101") guidelines. The deposits contain an estimated 63.5 million pounds U_3O_8 Indicated Mineral Resources and 24.5 million pounds U_3O_8 Inferred Mineral Resources at a cut-off of 0.30% U_3O_8. The resources at Shea Creek are open in almost every direction and have excellent potential for significant expansion.

Total expenditures to the end of 2011 by UEX on exploration and development at Shea Creek were C$36.8 million and C$7.4 million, respectively, with approximately 229,000 metres of drilling completed.

Total expenditures to June 30, 2012 by UEX on exploration and development at Shea Creek were C$37.7 million and C$7.4 million, respectively, with approximately 232,000 metres of drilling completed.

Western Athabasca Projects: 2012 Exploration Program

The 2012 exploration program has an approved budget of $6.0 million, for which UEX is responsible for its 49% share, or $2.94 million.

In the first quarter of 2012, the Company and AREVA completed the planning and permitting on the drilling program at Shea Creek. Also in the first quarter, geochemical results from the 2011 drilling campaign were received and were compiled into the joint ventures database. The exploration program commenced in mid-April 2012 and utilized two drills. AREVA field staff arrived on site April 16th to re-open the camp and TEAM Drilling arrived on April 17th with their equipment and a five-man crew. Exploration drilling at Colette began shortly thereafter with two shifts on the drill. A second drill was mobilized in mid-May to drill selected targets at 58B, also with two shifts on the second drill. As exploration at Colette and 58B have concluded for the 2012 season, the two drills operating on the project are currently being moved to the Kianna Deposit to test basement mineralization discovered in 2011 which lies north of the main Kianna basement zone.

Exploration will comprise at least 25 drill holes which will test extensions and open areas of mineralization at the Kianna, Colette and 58B deposits as well as untested portions of the Shea Creek corridor along the Saskatoon Lake graphitic conductor between the 58B and Kianna deposits. At June 30, 2012, $1.76 million of the 2012 exploration budget had been expended, of which UEX's share totaled approximately $0.86 million. At August 7, 2012, approximately $3.0 million of the budget has been expended, of which UEX's share totals approximately $1.47 million.

This drilling program to date has met its objectives to confirm the continuity of mineralization in the northern portion of the Colette Deposit and further delineate the 58B Deposit. Highlights of the program are as follows:

- Confirmation that the higher grade unconformity and perched mineralization in the northern portion of the Colette Deposit is continuous over a lateral area of at least 100 x 50 metres and extends up to 25 metres above the unconformity; and

- Further definition of northern portions of the 58B Deposit at the unconformity and better constraint of the distribution of basement mineralization.

(Expressed in Canadian dollars, unless otherwise noted)

Drilling Results – Colette Deposit

Ten directional drill cuts were recently completed at the Colette Deposit. Mineralized intersections in holes SHE-66-4 to SHE-66-13 confirm the continuity of higher grade unconformity and perched mineralization in the northern portion of the Colette Deposit. The mineralization largely straddles the basal Athabasca unconformity ("UC") and also occurs perched ("P") above the unconformity. Highlights of the drill results with a grade-thickness product of greater than 1.0 and grades of greater than 0.2% eU_3O_8 include:

SHE-66-4:	(P)	0.27%	eU_3O_8 over 5.0 metres, including
		0.45%	eU_3O_8 over 2.5 metres;
	(UC)	0.98%	eU_3O_8 over 19.4 metres, including
		1.25%	eU_3O_8 over 11.5 metres;
SHE-66-5:	(UC)	0.32%	eU_3O_8 over 9.5 metres, including
		0.92%	eU_3O_8 over 1.5 metres;
SHE-66-6:	(UC)	0.76%	eU_3O_8 over 4.3 metres;
SHE-66-7:	(UC)	0.29%	eU_3O_8 over 9.1 metres, including
		0.54%	eU_3O_8 over 2.0 metres, and
		0.58%	eU_3O_8 over 1.9 metres;
SHE-66-8:	(UC)	0.27%	eU_3O_8 over 11.1 metres, including
		0.50%	eU_3O_8 over 2.4 metres, and
		0.67%	eU_3O_8 over 1.5 metres;
SHE-66-9:	(P)	0.60%	eU_3O_8 over 11.5 metres, including
		0.78%	eU_3O_8 over 5.9 metres, and
		0.49%	eU_3O_8 over 4.6 metres;
	(UC)	1.37%	eU_3O_8 over 1.5 metres;
SHE-66-10:	(P)	1.96%	eU_3O_8 over 10.9 metres,
	(UC)	0.62%	eU_3O_8 over 3.1 metres;
SHE-66-11:	(UC)	0.45%	eU_3O_8 over 4.9 metres, including
		0.68%	eU_3O_8 over 3.0 metres;
SHE-66-13:	(UC)	0.95%	eU_3O_8 over 5.2 metres.

Drill holes SHE-66-4 to SHE-66-13 were designed to follow up on successful drilling results from the SHE-66 series drill holes at Colette obtained in 2011. These included intervals of 1.28% eU_3O_8 over 26.0 metres in drill hole SHE-66-2 and 1.22% eU_3O_8 over 27.9 metres in drill hole SHE-66-3.

These drill holes continue to define a thick flat-lying lens of mineralization at the unconformity which, on the basis of its overall morphology, suggests that the new intercepts are within 90% of true thickness. Mineralization is open to the northeast in the direction of UEX's and AREVA's Douglas River Project.

In addition to the unconformity mineralization, drill holes SHE-66-4, SHE-66-9 and SHE-66-10 intersected perched mineralization grading 0.27% eU_3O_8 over 5.0 metres, including 0.45% eU_3O_8 over 2.5 metres, 0.60% eU_3O_8 over 11.5 metres, including 0.78% eU_3O_8 over 5.9 metres and 1.96% eU_3O_8 over 10.9 metres, respectively.

(Expressed in Canadian dollars, unless otherwise noted)

Drilling Results – 58B Deposit

Five drill holes were completed during the 2012 exploration program at 58B, an emerging new deposit identified during 2010 and located in an area between the Kianna and Colette deposits.

The 58B Deposit was not included in the May 2010 N.I. 43-101 mineral resource estimate. Previously reported drilling in 2010 includes unconformity and basement intercepts of 6.53% eU_3O_8 over 1.6 metres in drill hole SHE-133-5, 2.13% eU_3O_8 over 10.6 metres in drill hole SHE-133-7, 6.55% eU_3O_8 over 2.4 metres in drill hole SHE-133-4 and 1.32% eU_3O_8 over 5.8 metres in drill hole SHE-133-11.

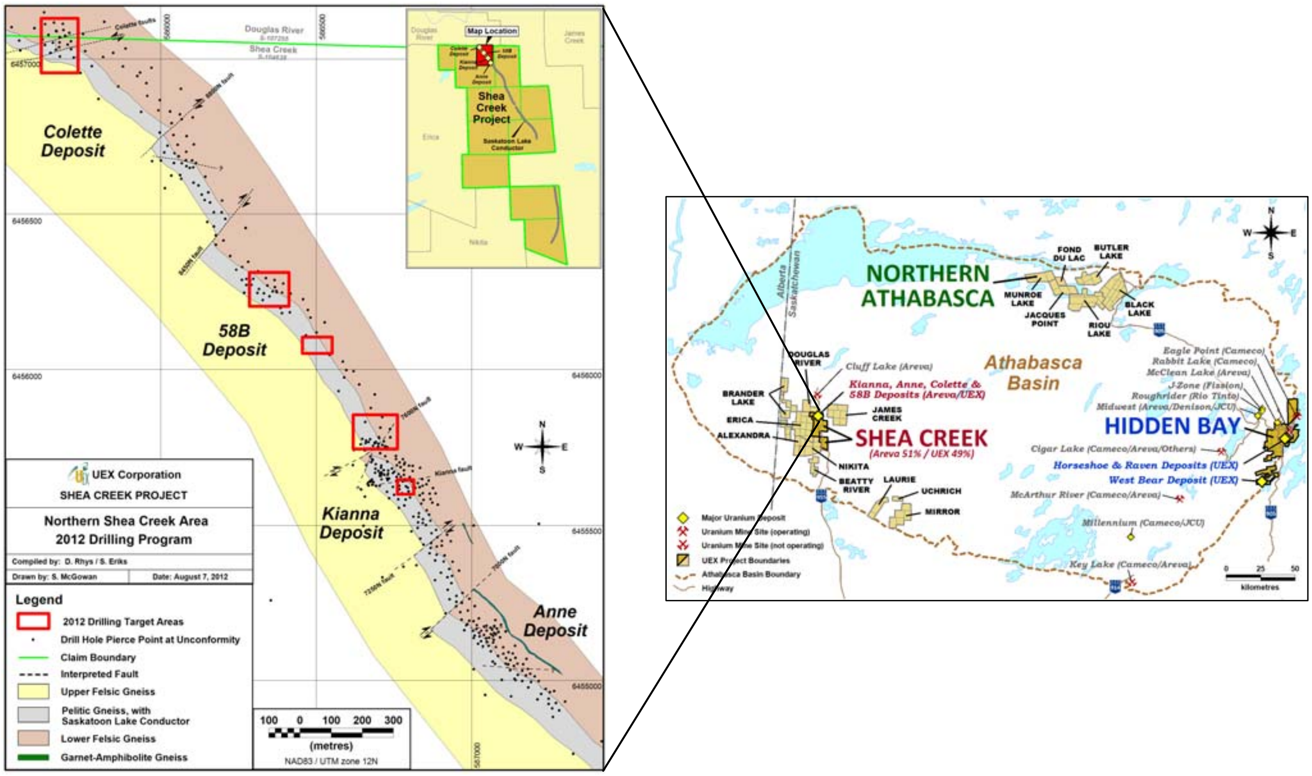
Drilling during 2012 in the 58B area was designed to test down dip and lateral extensions of basement mineralization and the extent and continuity of overlying unconformity mineralization. Significant intercepts with a grade-thickness product of greater than 0.5 and grades of greater than 0.2% eU_3O_8 include the following:

SHE-104-9:	(UC)	0.44%	eU_3O_8 over 6.2 metres;
SHE-104-10:	(UC)	0.49%	eU_3O_8 over 1.2 metres,
	(B)	0.23%	eU_3O_8 over 10.0 metres, and
	(B)	0.35%	eU_3O_8 over 6.3 metres;
SHE-104-11:	(UC)	2.12%	eU_3O_8 over 2.3 metres, and
	(UC)	0.65%	eU_3O_8 over 1.8 metres;
SHE-133-13:	(B)	2.27%	eU_3O_8 over 1.2 metres;

The new 58B results further define northern portions of the mineralized zone at the unconformity and better constrain the distribution of basement mineralization. Broad areas of the highly prospective structural corridor hosting the 58B Deposit that lie between the Kianna and Colette deposits remain sparsely tested and will be the subject of additional drilling in future programs.

Following completion of the 2012 exploration program and the receipt of the geochemical results from that program, UEX intends to update the mineral resource estimates for the Shea Creek deposits incorporating the drilling results from the 2010, 2011 and 2012 drilling campaigns.

2012 Shea Creek Drill Targets



The following areas have been or will be targeted:

- **North Colette:** Ten directional drill cuts (SHE-66-4 to SHE-66-13) have been completed to test the open extensions of thick intercepts of unconformity mineralization encountered in the 2011 program, which included intervals of 1.28% eU_3O_8 over 26.0 metres in drill hole SHE-66-2 and 1.22% eU_3O_8 over 27.9 metres in drill hole SHE-66-3. The drilling has confirmed that the higher grade unconformity and perched mineralization in the northern portion of the Colette Deposit is continuous over a lateral area of at least 100 x 50 metres and extends up to 25 metres above the unconformity. Mineralization is open to the northeast in the direction of UEX's and AREVA's Douglas River Project.

- **Kianna Deposit:** Continued testing of basement mineralization discovered in 2011 which lies north of the main Kianna basement zone is planned. Drilling in 2011 has identified a new zone which extends from the north side of the Kianna main basement zone and may join with a second steeply dipping mineralized structure to the north. This new zone, which lies outside of the Kianna mineral resource estimate, has returned broad intercepts of mineralization including 1.28% eU_3O_8 over 25.1 metres in drill hole SHE-130-4 and 0.81% eU_3O_8 over 32.0 metres in drill hole SHE-130-12, for which true widths have not yet been determined. The 2012 drilling is targeting these areas, as well as exploring the continuity of higher grade portions of unconformity and basement mineralization to the south.

- **58B Deposit:** The 58B Deposit lies between Kianna and Colette, and to date sufficient drilling has not been completed to estimate a mineral resource. Five directional drill cuts were completed during the 2012 exploration program to test basement mineralization where multiple high-grade veins had been intersected, including 6.53% U_3O_8 over 1.6 metres in drill hole SHE-133-5. Drilling also tested the extent and continuity of overlying unconformity mineralization.

- **Area between the 58B and Kianna deposits:** The partial definition of the 58B Deposit in 2010 highlighted the significant exploration potential of the Shea Creek mineralization trend along the Saskatoon Lake Conductor. The 700-metre strike length between the Kianna and 58B deposits remains sparsely tested. The possibility exists for the discovery of unconformity mineralization in this area and to potentially connect the Kianna and 58B deposits. Drilling in 2012 is planned for the area immediately south of the 58B Deposit.

Beatty River Project

Beatty River consists of seven claims totaling 6,688 hectares (16,526 acres) located in the western Athabasca Basin approximately 40 kilometres south of the Shea Creek deposits. At present, AREVA, the operator, owns a 50.7% interest and JCU owns a 49.3% interest in Beatty River. UEX entered into an agreement dated June 15, 2004 with JCU wherein JCU granted UEX an option to acquire a 25% interest in Beatty River. Under the agreement, UEX would earn a 25% interest in Beatty River by funding $865,000 in exploration expenditures by December 31, 2013. Expenditures under this agreement by UEX to June 30, 2012 amounted to $851,836.

The 2012 budget of $40,000, of which UEX's share is approximately $20,000, will involve a small target-generation compilation in which all of the existing geophysical surveys, geochemistry and drilling will be assessed to generate a prioritized plan for future work on the project.

Hidden Bay Project

UEX operates its 100%-owned Hidden Bay Project ("Hidden Bay"), which consists of 41 claims totaling 57,024 hectares (140,909 acres) and is host to the following deposits:

- Horseshoe Deposit ("Horseshoe");
- Raven Deposit ("Raven"); and
- West Bear Deposit ("West Bear").

Hidden Bay was acquired from Cameco upon UEX's formation in 2002 establishing Cameco's initial equity position in UEX. Extensive drilling programs were conducted on the property in the following years, leading to the release of a mineral resource estimate for Horseshoe, Raven and West Bear in 2009.

Located in northeast Saskatchewan, the Hidden Bay property hosts the sixth largest undeveloped uranium resource in the Athabasca Basin. Resources at Horseshoe and Raven have been estimated following N.I. 43-101 guidelines. These deposits contain an estimated 35.0 million pounds U_3O_8 Indicated Mineral Resources and 2.7 million pounds U_3O_8 Inferred Mineral Resources at a cut-off grade of 0.05% U_3O_8. West Bear contains an additional 1.6 million pounds U_3O_8 in the Indicated category at a cut-off grade of 0.05% U_3O_8.

The Preliminary Assessment Technical Report, prepared by SRK Consulting, found the economics of mining the Horseshoe and Raven deposits to be "very robust." The base case economic scenario of $60 (US) per pound of U_3O_8 would yield an estimated C$246 million in earnings before interest and taxes.

The proximity of Horseshoe and Raven to uranium milling facilities operated by Cameco and AREVA provide opportunities for potential toll milling arrangements. The principal hydroelectric transmission lines that service both of these mill facilities also pass 3 kilometres to the north of the deposits. The Raven pit may provide further cost-savings potential should it prove viable as a tailings facility. The PA addresses these possible benefits in addition to numerous other opportunities for the improvement of economics at Hidden Bay.

Total expenditures to the end of 2011 by UEX on exploration and development at Hidden Bay were C$58.5 million and C$5.1 million, respectively, with approximately 484,000 metres of drilling completed.

Hidden Bay Project: 2012 Exploration and Development Programs

UEX completed a 2,898-metre drilling program consisting of 10 drill holes in the winter of 2012. The drilling program tested additional geological and geophysical targets in the vicinity of the Horseshoe and Raven deposits. These additional outlying exploration targets included areas with resistivity and gravity anomalies similar to those at the Horseshoe and Raven deposits, which suggest the possibility of new zones of clay alteration that may be associated with uranium mineralization. This drill program also tested structural targets where projections of known faults (such as the Dragon Lake Fault) may extend across potentially favourable lithologies that form preferential hosts to uranium mineralization in other parts of the property.

Significant intercepts from the winter 2012 program with a grade-thickness product of greater than 0.02 and grades of greater than 0.02% U_3O_8 include:

HR-018: 0.055% U_3O_8 over 1.0 metre;

HR-019: 0.053% U_3O_8 over 1.0 metre;

HR-020: 0.021% U_3O_8 over 1.0 metre,
0.031% U_3O_8 over 1.0 metre,
0.029% U_3O_8 over 3.0 metres and
0.021% U_3O_8 over 1.0 metre;

HR-021: 0.021% U_3O_8 over 1.0 metre.

UEX is committed to advancing the Hidden Bay Project and, in this regard, has engaged SRK Consulting to conduct engineering studies on the Horseshoe, Raven and West Bear deposits. These studies will further examine the economic viability of mining the Horseshoe and Raven deposits as a combined open pit and underground ramp access operation and assess a variety of processing options as well as the suitability of the Raven pit as a tailings management facility. This work follows on the previously released Preliminary Assessment which was completed in February 2011 (see UEX news release of February 23, 2011) and will form components of a future preliminary feasibility study. UEX has also commenced preliminary discussions with the owners of the nearby McClean Lake and Rabbit Lake mills regarding the processing of ore from the Horseshoe, Raven and West Bear deposits.

A $2.0-million budget has been approved for development at the Hidden Bay Project in 2012 which will include the following:

- Geochemical, geotechnical and metallurgical studies;
- Pit hydrogeology and hydrology studies;
- Mine engineering and infrastructure analysis;
- Waste management and environmental studies;

(Expressed in Canadian dollars, unless otherwise noted)

- Continued evaluation of the suitability of the proposed Raven open pit as a tailings management facility;
- Resource review and economic analysis.

At June 30, 2012, UEX had expended $0.3 million of its $2.0-million development budget. At August 7, 2012, approximately $0.5 million of the budget has been expended on development.

UEX approved a $1.5-million budget for a drilling program that was planned for the summer of 2012. In response to current capital market uncertainty, UEX has temporarily postponed this brownfields exploration program with the intent of preserving its strong cash position.

Total expenditures to June 30, 2012 by UEX on exploration and development at Hidden Bay were C$59.5 million and C$5.4 million, respectively, with approximately 487,000 metres of drilling completed.

Hidden Bay Projects: 2011 Summer-Fall Exploration Results

During the summer-fall of 2011, UEX completed 63 diamond drill holes totaling 16,457 metres consisting mainly of definition and step-out drilling in the Raven Deposit and several infill drill holes at the Horseshoe Deposit. The drilling was designed primarily to test the continuity and potential for expansion of higher grade portions of the Raven Deposit, and also serve to provide geotechnical information for application to the ongoing economic analysis of the deposits. Results, which were received during the first quarter of 2012, validated the continuity of mineralization in the deposits, and expanded portions of the higher grade parts of the Raven Deposit.

Raven Drilling Results

Fifty-seven holes totaling 14,750 metres were drilled at Raven to:

1) test for additional continuity of higher grade areas of mineralization (>0.1% U_3O_8) that could provide higher grade underground mining targets; and
2) drill step-out holes to test continuity of mineralization into new areas, principally in eastern parts of the Raven Deposit.

Significant results with a grade thickness greater than 1.5 and grades greater than 0.1% U_3O_8 are as follows:

RU-243	0.274% U_3O_8 over 17.5 metres (section 5780E);
RU-246	0.445% U_3O_8 over 20.5 metres (section 5725E);
RU-248	0.414% U_3O_8 over 17.6 metres (section 5755E);
RU-252	1.492% U_3O_8 over 3.0 metres (section 5665E);
RU-254	0.119% U_3O_8 over 18.5 metres and 0.125% U_3O_8 over 21.0 meters (section 5476E);
RU-256	0.340% U_3O_8 over 5.2 metres (section 5445E);
RU-260	0.230% U_3O_8 over 11.0 metres (section 5025E);
RU-262	0.128% U_3O_8 over 15.0 metres (section 5423E);
RU-276	0.226% U_3O_8 over 13.5 metres (section 5290E);
RU-279	0.206% U_3O_8 over 24.0 metres (section 5335E);
RU-281	1.538% U_3O_8 over 1.5 metres (section 5347E).

(Expressed in Canadian dollars, unless otherwise noted)

True thickness of these intercepts has not yet been determined. Drill holes RU-243 and RU-248 will allow for the extension of the Raven Deposit for at least 30 metres eastward from its previously modeled outline. These results are higher grade than previous drilling intercepts in that area.

The results of this program are being incorporated into the Raven wireframe model, with the objective of providing additional information that will form part of a future preliminary feasibility study for the Horseshoe and Raven deposits.

In addition to drill holes which intersected the Raven Deposit, further drill holes were completed to the east of and surrounding the deposit to explore for new mineralized areas within or close to potential future mining infrastructure. No significant uranium mineralization was intersected in these drill holes. These drill holes did, however, provide geotechnical information related to open pit and underground mining design, including possible ramp access for underground development.

Horseshoe Drilling Results

Six drill holes totaling 1,707 metres were completed at, or adjacent to, Horseshoe to provide further information about the continuity and extent of mineralization within and adjacent to the Horseshoe Deposit, and to supply additional geotechnical data in the deposit area. Significant results with a grade thickness greater than 1.5 and grades greater than 0.09% U_3O_8 are as follows:

HU-368	0.177% U_3O_8 over 12.0 metres (section 4307N);
HU-370	0.098% U_3O_8 over 32.0 metres (section 4561N);
HU-371	0.495% U_3O_8 over 11.0 metres, including 3.295% U_3O_8 over 1.0 metre (section 4695N).

These results confirm continuity of mineralization in the Horseshoe A and B zones and, based on known morphology of these zones, are at or close to true thickness. Additional step-out holes in the Horseshoe area did not intercept any significant mineralization but, since they were drilled outside of the known resources, have no impact on the current resource model.

Other Athabasca Projects: 2012

In the six-month period ended June 30, 2012, no significant exploration work was performed on the Black Lake, Riou Lake and Northern Athabasca projects; however, some drill targets were identified from recent compilation work. UEX is deferring the planning for future exploration programs on these properties in the near-term, until uranium market conditions improve. Four claims within the Northern Athabasca Projects lapsed on February 5, 2012; however, these claims had been written off in 2010 due to a lack of planned exploration activity at that time.

Qualified Person

The disclosure of technical information regarding UEX's properties in this MD&A has been reviewed and approved by R. Sierd Eriks, P.Geo., UEX's Vice-President of Exploration, who is a Qualified Person as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* and is non-independent of UEX.

Equivalent Uranium Grades

Some of the uranium grades reported for Shea Creek in our MD&A are calculated from gamma probe logging. The probe results are reported as uranium equivalent (eU_3O_8). Equivalent grade results are obtained using a DHT27-STD gamma probe which collects continuous readings along the length of the drill hole. Probe results are calibrated using an algorithm calculated from the comparison of probe results against geochemical analyses in previous drill holes in the Shea Creek area. The reader is referred to UEX's news release of March 24, 2009 for further discussion of probe calibration and comparative treatment of geochemical and probe data.

Risks and Uncertainties

An investment in UEX common shares is considered speculative due to the nature of UEX's business and the present stage of its development. A prospective investor should carefully consider the risk factors set out below.

It is not possible to determine if the exploration programs of UEX will result in profitable commercial mining operations

The successful exploration and development of mineral properties is speculative. Such activities are subject to a number of uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. Most exploration projects do not result in the discovery of commercially mineable deposits. There is no certainty that the expenditures made or to be made by UEX in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of uranium or other mineralized materials in commercial quantities. While discovery of a uranium deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. There is no assurance that the current exploration programs of UEX will result in profitable commercial uranium mining operations. UEX may abandon an exploration project because of poor results or because UEX feels that it cannot economically mine the mineralization.

Joint ventures

UEX participates in certain of its projects through joint ventures with third parties (such as the Western Athabasca and Black Lake projects). UEX has other joint ventures and may enter into more in the future. There are risks associated with joint ventures, including:

- disagreement with a joint-venture partner about how to develop, operate or finance a project;
- a joint-venture partner not complying with a joint-venture agreement;
- possible litigation between joint-venture partners about joint-venture matters; and
- limited control over decisions related to a joint venture in which UEX does not have a controlling interest.

In particular, UEX is in the process of negotiating joint-venture agreements with AREVA on the Western Athabasca Projects and there is no assurance that the parties will be able to conclude a mutually satisfactory agreement.

Reliance on other companies as operators

Where another company is the operator and majority owner of a property in which UEX has an interest, UEX is and will be, to a certain extent, dependent on that company for the nature and timing of activities related to those properties and may be unable to direct or control such activities.

Uranium price fluctuations could adversely affect UEX

The market price of uranium is the most significant market risk for companies exploring for and producing uranium. The marketability of uranium is subject to numerous factors beyond the control of UEX. The price of uranium has recently experienced and may continue to experience volatile and significant price movements over short periods of time. Factors impacting price include demand for nuclear power, political and economic conditions in uranium producing and consuming countries, natural disasters such as those that struck Japan in March, 2011, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants and production levels and costs of production in countries such as Kazakhstan, Russia, Africa and Australia.

Reliance on the economics of the Preliminary Assessment Technical Report

The market price of U_3O_8 has decreased since the date of the PA. The uranium industry has been adversely affected by the natural disasters that struck Japan on March 11, 2011 and the resulting damage to the Fukushima nuclear facility. These events resulted in many countries, which presently rely on nuclear power for a portion of their electrical generation, stating that they will review their commitment to this source of clean energy. These reviews resulted in downward pressure on the price of uranium and may have a significant effect on the country-by-country demand for uranium. The current long-term U_3O_8 market price, as reported by Ux Consulting on July 30, 2012, is approximately $61.50 (US) /lb. Given that the PA presented three economic scenarios using prices ranging from $60 (US) to $80 (US) /lb of U_3O_8, the economic analysis which uses U_3O_8 prices higher than the prevailing market price may no longer be accurate and readers of the PA are therefore cautioned when reading or relying on the PA.

Competition for properties could adversely affect UEX

The international uranium industry is highly competitive and significant competition exists for the limited supply of mineral lands available for acquisition. Many participants in the mining business include large, established companies with long operating histories. UEX may be at a disadvantage in acquiring new properties as many mining companies have greater financial resources and more technical staff. Accordingly, there can be no assurance that UEX will be able to compete successfully to acquire new properties or that any such acquired assets would yield reserves or result in commercial mining operations.

Resource estimates are based on interpretation and assumptions

Mineral resource estimates presented in this document and in UEX's filings with securities regulatory authorities, news releases and other public statements that may be made from time to time are based upon estimates. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or that this mineralization could be extracted or processed profitably.

Mineral resource estimates for UEX's properties may require adjustments or downward revisions based upon further exploration or development work, actual production experience, or future changes in uranium price. In addition, the grade of mineralization ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties

The Company currently has sufficient financial resources to carry out its anticipated short-term planned exploration and development on all of its projects and to fund its short-term general administrative costs; however, there are no revenues from operations and no assurances that sufficient funding will be available to conduct further exploration and development of its projects or to fund exploration expenditures under the terms of any joint-venture or option agreements after that time. If the Company's exploration and development programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional funding could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties. It is intended that such funding will be obtained primarily from future equity issues. If additional funds are raised from the issuance of equity or equity-linked securities, the percentage ownership of the current shareholders of UEX will be reduced, and the newly issued securities may have rights, preferences or privileges senior to or equal to those of the existing holders of UEX's common shares. The ability of UEX to raise the additional capital and the cost of such capital will depend upon market conditions from time to time. There can be no assurances that such funds will be available at reasonable cost or at all.

Competition from other energy sources and public acceptance of nuclear energy

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrate and uranium conversion services. Furthermore, the growth of the uranium and nuclear power industry beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

Dependence on key management employees

UEX's development to date has depended, and in the future will continue to depend, on the efforts of key management employees. UEX will need additional financial, administrative, technical and operations staff to fill key positions as the business grows. If UEX cannot attract and train qualified people, the Company's growth could be restricted.

Compliance with and changes to current environmental and other regulatory laws, regulations and permits governing operations and activities of uranium exploration companies, or more stringent interpretation, implementation, application or enforcement thereof, could have a material adverse impact on UEX

Mining and refining operations and exploration activities, particularly uranium mining, refining and conversion in Canada, are subject to extensive regulation by provincial, municipal and federal governments. Such regulations relate to production, development, exploration, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mines decommissioning and reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing and constructing. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact UEX's decision to proceed with exploration or development or that such laws or regulations may result in UEX incurring significant costs to remediate or decommission properties which do not comply with applicable environmental standards at such time. UEX believes it is in substantial compliance with all material laws and regulations that currently apply to its operations. However, there can be no assurance that all permits which UEX may require for the conduct of uranium exploration operations will be obtainable or can be maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any uranium exploration project which UEX might undertake. World-wide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Conflicts of interest

Some of the directors of UEX are also directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. In particular, one of those consequences may be that corporate opportunities presented to a director of UEX may be offered to another company or companies with which the director is associated, and may not be presented or made available to UEX. The directors of UEX are required by law to act honestly and in good faith with a view to the best interests of UEX, to disclose any interest which they may have in any project or opportunity of UEX, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by procedures prescribed in the Company's by-laws and Code of Ethics and by the *Canada Business Corporations Act*.

Internal controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Market price of shares

Securities of mining companies have experienced substantial volatility in the past often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The price of UEX's securities is also likely to be significantly affected by short-term changes in uranium or other commodity prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of operations as reflected in its periodic reports. Other factors unrelated to the performance of UEX that may have an effect on the price of the securities of UEX include the following: the extent of analytical coverage available to investors concerning the business of UEX may be limited if investment banks with research capabilities do not follow UEX's securities; lessening in trading volume and general market interest in UEX's securities may affect an investor's ability to trade significant numbers of securities of UEX; and the size of UEX's public float and its inclusion in market indices may limit the ability of some institutions to invest in UEX's securities. If an active market for the securities of UEX does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline. If an active market does not exist, investors may lose their entire investment in the Company. As a result of any of these factors, the market price of the securities of UEX at any given point in time may not accurately reflect the long-term value of UEX. Securities class-action litigation has been brought against companies following periods of volatility in the market price of their securities. UEX may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting UEX's financial position

The nature of the risks UEX faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting UEX's financial position.

Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related unaudited interim condensed financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under applicable Canadian securities laws as at June 30, 2012. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under applicable Canadian securities laws is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Controls over Financial Reporting

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes in these controls during the most recent interim period ending June 30, 2012 that had materially affected, or are reasonably likely to materially affect, such controls.

Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this MD&A may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements appear in a number of different places in this MD&A and can be identified by words such as "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Forward-looking information includes statements regarding the outlook for our future operations, plans and timing for the commencement or advancement of exploration activities on our properties, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of any legal proceedings, and other expectations, intention and plans that are not historical fact. Forward-looking information is based on certain factors and assumptions including expected economic conditions, uranium prices, results of operations, performance and business prospects and opportunities. UEX considers the factors and assumptions on which this forward-looking information is based to be reasonable at the time it was prepared, but cautions readers that these assumptions may ultimately prove to be incorrect. Forward-looking information by its nature necessarily involves risks, uncertainties and other factors including without limitation: that UEX's exploration activities may not result in profitable commercial mining operations; the risks associated with UEX's participation in joint ventures; reliance on other companies as operators; uranium price fluctuations; the economic analysis contained in the current Hidden Bay project's technical report may not be accurate or reliable; competition for properties; mineral resource estimates are based on interpretations and assumptions; that failure to obtain additional financing on a timely basis could cause UEX to reduce its interest in its properties; competition from other energy sources and public acceptance of nuclear energy; dependence on key management employees; compliance with and changes to environmental and other regulatory laws; conflicts of interest; accounting policies; internal controls; market price of UEX's shares; potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage; and other factors all as more particularly described herein under the heading "Risks and Uncertainties" and include unanticipated and unusual events. These and other factors could cause actual results to differ materially from future results expressed or implied by such forward-looking information. Many of these factors are beyond the control of UEX. Except as required by applicable securities law, UEX disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise. Consequently, all forward-looking information in this MD&A is qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by UEX will be realized. For the reasons set forth above, investors should not place undue reliance on forward-looking information.