UEX CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH PERIOD ENDED

MARCH 31, 2014

Message to Shareholders _May 1, 2014_

It is my pleasure to be able to deliver to you my second Message to Shareholders as the President and CEO of our Company.

Since I joined the UEX team in January, we have been very busy reviewing and evaluating every project in the Company's portfolio in addition to conducting winter exploration programs at the Laurie, Mirror River, Erica and Black Lake Projects.

The review has caused me to become even more excited about our projects, both our short and long term prospects, and in the assets and people that underpin our Company.

UEX is among only a handful of explorers in the Basin with the ability to increase shareholder value through brownfields exploration around known deposits. While all explorers with land positions in the Basin have the potential for a grassroots discovery to some degree or another, UEX has the ability to follow-up mid-stage opportunities by further testing our existing inventory of drill-indicated uranium mineralization targets to unlock their true potential.

Our detailed review has revealed that there may be substantial potential to grow our uranium resources by drill-testing deposit extensions at our flagship Shea Creek Project. Several of the zones remain open for expansion in the down-dip, across strike, and down-plunge directions. UEX is currently working with our joint venture partner AREVA to plan and execute a drill program on the Shea Creek Deposits to test these deposit extensions. The ultimate goal of this program is to expand the global uranium resource on the project using drill results from the 2013 and future programs.

What further excites me about our Shea Creek Project is the untapped potential of the original Shea Creek discovery hole, SHE-02, which is located along the Saskatoon Lake Conductor approximately 2 km south of the four known Shea Creek Deposits. Drilled by AREVA before the formation of our Company, follow-up drilling around this uranium mineralized hole has yet to be undertaken.

The last decade of exploration activity in the Athabasca Basin saw the discovery of seven sizable new uranium deposits in Saskatchewan, including our Shea Creek deposits. Four of these seven discoveries were basement-hosted deposits, an emerging style of uranium mineralization whose potential had been historically unknown and untested by almost all previous explorers in the Basin as early exploration focused on the unconformity.

Earlier explorers executed activities with their 'unconformity goggles' on, expending little effort and resources on testing targets located more than a few metres below the unconformity. Those early explorers cannot be faulted for their focus, as their efforts have led to the discovery of the substantial deposits that have made the Athabasca Basin famous as the world's premiere uranium mining and exploration district.

With the majority of new world-class deposits being found in the basement, we have taken another look at our Hidden Bay Project. Over its 40 year history, exploration efforts at Hidden Bay have either focused on testing for classic unconformity uranium deposits, or on developing the Horseshoe, Raven and West Bear deposits.

On the western half of the Hidden Bay property where Athabasca sandstone cover is present, we believe that less than 25% of the historic drilling extended deep enough below the unconformity to test for the presence of potential basement uranium mineralization in the same geological settings as the Eagle Point, Millennium, Roughrider, Shea Creek and PLS deposits.

Despite being located below the unconformity, basement uranium deposits typically have geophysical, alteration and geochemical features that are identifiable in the overlying sandstone rocks which would have been observed and recorded by explorers during their focussed search for classic unconformity deposits.

UEX has a significant competitive advantage when looking for new basement uranium deposits. Our team has experience discovering basement deposits in the Athabasca Basin. Our Hidden Bay Project has very shallow sandstone cover, ranging from 0 to 175 m deep, and thus any new basement discovery would likely be very shallow and in addition it would be proximal to existing operating uranium mills. Most importantly, our database has recorded within it those critical geological and geochemical features present in the sandstone and at the unconformity that may allow us to quickly vector toward high-quality basement targets. UEX is currently mining our extensive database of geology, geochemistry, geophysics and hydrothermal alteration features recorded during past exploration programs to identify these prospective basement targets.

Our Company is in the process of planning future drill programs on the Hidden Bay Project which we believe is the most prospective terrain for basement-hosted uranium deposits in the Athabasca Basin.

Our optimism in the search for basement deposits in the eastern Athabasca Basin is not without merit. This past winter, exploration drilling funded by Uracan on our Black Lake Project discovered new basement-hosted mineralization below the historic classic unconformity-style mineralization in the BL-82 area. While this new mineralization is not ore-grade, it highlights the potential for new zones of mineralization in what was previously an untested geological setting below the signature geological and geochemical features found within and around the unconformity. A future drilling program at Black Lake is being discussed to follow-up on this new target area.

Turning now to the global uranium market outlook, we believe that despite the continuing downward pressure on uranium spot prices inflicted upon the market by the delay in Japanese re-starts, uranium prices will rise to accommodate the increased demand as the nuclear renaissance continues, spearheaded by the developing world. Blessed with the largest junior-owned uranium resources in the Athabasca Basin, our enviable portfolio of brownfields, mid-stage and grassroots exploration targets, the ability to vector towards shallow basement-hosted uranium targets at Hidden Bay, the potential for resource expansion and the discovery of new lenses around known targets at Shea Creek, coupled with the financial strength to capitalize on opportunities as they present themselves, UEX and our shareholders are well-positioned to reap the benefits of both further exploration successes and the inevitable rise in uranium prices.

I look forward to updating you on our progress in the coming months.

Roger Lemaitre

President & CEO

UEX CORPORATION

Management's Discussion and Analysis
For the three-month periods ended March 31, 2014 and 2013
(Expressed in Canadian dollars, unless otherwise noted)

THE COMPANY

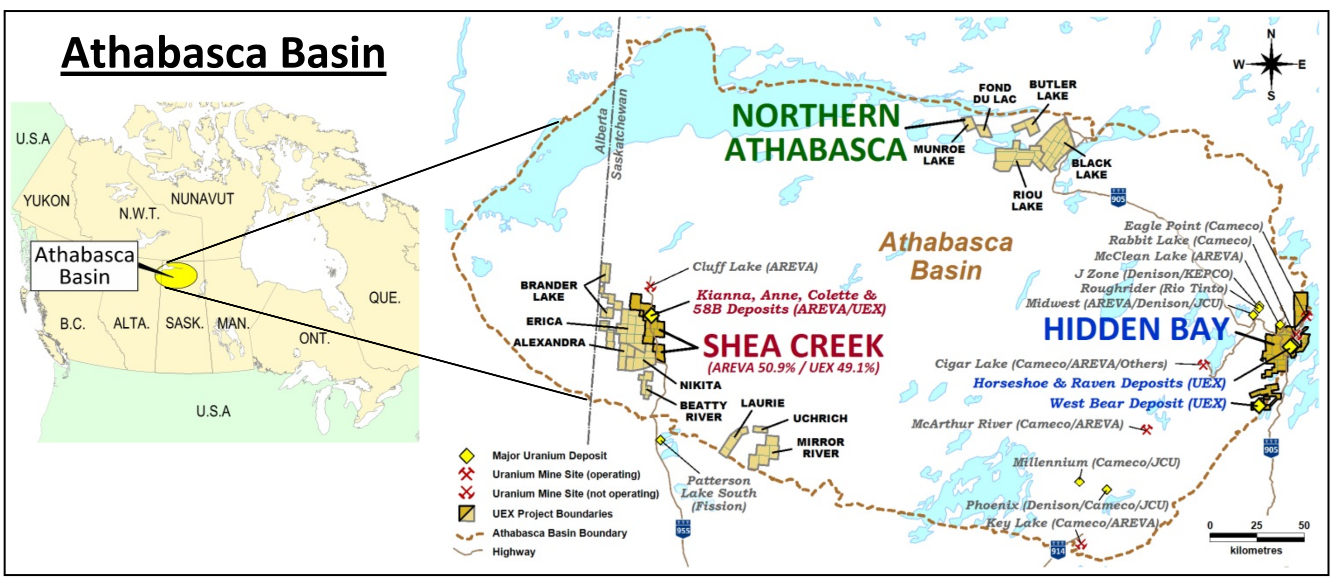
Introduction

This Management's Discussion and Analysis ("MD&A") of UEX Corporation ("UEX" or the "Company") for the three-month period ended March 31, 2014 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 May 1, 2014 and should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the three-month period ended March 31, 2014. The unaudited condensed interim financial statements are prepared in accordance with International Accounting Standard ("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 also be read in conjunction with the audited annual financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), for the years ended December 31, 2013 and 2012.

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 global uranium explorers to advance its portfolio of Athabasca Basin uranium deposits and discoveries through the development stage to the production stage. Since being listed on the Toronto Stock Exchange in 2002, UEX has pursued exploration on a diversified portfolio of prospective uranium projects in three areas within the Athabasca Basin in Saskatchewan. The Company is focusing its main efforts on two advanced projects, the 100%-owned Hidden Bay Project ("Hidden Bay") which includes the Horseshoe, Raven and West Bear deposits in the eastern Athabasca Basin, and the Kianna, Anne, Colette and 58B deposits within the 49.1%-owned Shea Creek Project ("Shea Creek") in the western Athabasca Basin.



(Expressed in Canadian dollars, unless otherwise noted)

UEX is involved in fifteen uranium projects in the Athabasca Basin, including five that are 100% owned and operated by UEX, one joint venture with AREVA Resources Canada Inc. ("AREVA") that is operated by UEX, eight projects joint-ventured with and operated by AREVA, and one project joint-ventured with AREVA and JCU (Canada) Exploration Company, Limited ("JCU"), which is operated by AREVA. AREVA is part of the AREVA group, one of the world's largest nuclear service providers.

The fifteen projects, totaling 261,040 hectares (645,044 acres), are located on the eastern, western and northern perimeters of the Athabasca Basin, the world's richest uranium district, which in 2013 accounted for approximately 15% 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 ("Black Lake") is owned 89.99% by UEX and the remainder by AREVA. UEX is the project operator. Black Lake was the site of a uranium discovery made by UEX during a drilling program in September 2004. UEX entered into an earn-in agreement with Uracan Resources Ltd. ("Uracan") on January 24, 2013 whereby Uracan can earn a 60% interest in the project (see "Black Lake Project"). UEX completed its earn-in to a 25% interest in the Beatty River Project ("Beatty River") with JCU by funding $858,118 in exploration expenditures in prior periods and making a payment to JCU of $3,441 in the first quarter of 2013. Beatty River is located in the western Athabasca Basin in northern Saskatchewan, 40 kilometres south of the Shea Creek uranium deposits and approximately 40 kilometres north of the recent Patterson Lake uranium discovery. At present, AREVA, the operator, holds a 50.7% interest, UEX holds a 25.0% interest and JCU holds a 24.3% interest in Beatty River (see "Beatty River Project").

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 SRK Consulting (Canada) Inc. ("SRK Consulting") and 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 and 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**

The Preliminary Assessment Technical Report found the economics of mining the Horseshoe and Raven deposits to be positive and, based on a spot price of US$60 per pound of U_3O_8, reported undiscounted earnings before interest and taxes ("EBIT") of $246 million, a pre-tax net present value ("NPV") at a 5% discount rate of $163 million and an internal rate of return ("IRR") of 42% (see "Hidden Bay Project").

(Expressed in Canadian dollars, unless otherwise noted)

The Preliminary Assessment Technical Report is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Projects in the mining sector have experienced rising costs, including rising capital and operating costs, during the past few years. Rising capital and operating costs would, in the absence of other changes, negatively impact EBIT, NPV and IRR which have been calculated based upon estimated costs at the time the PA was prepared.

The Western Athabasca Projects (the "Projects"), which include the Kianna, Anne, Colette and 58B deposits located at Shea Creek, consist of eight joint ventures with UEX holding an approximate 49.1% interest and AREVA holding an approximate 50.9% interest. AREVA is the operator of the Projects, and UEX and AREVA are in the process of negotiating joint-venture agreements for the Projects.

In the second quarter of 2013, an agreement was signed with AREVA which grants UEX the option to increase its ownership interest in the Western Athabasca Projects, which includes the Shea Creek Project, by 0.9% to a maximum interest of 49.9% by spending $18.0 million on exploration over the six-year period ending December 31, 2018. UEX is under no obligation to propose a budget in any year of the agreement. The ownership interest for the Projects shall be increased at the end of the year by the proportional amount of the additional exploration expenditures incurred in the year which are in addition to the annual budget amounts proposed by AREVA. UEX may propose an additional exploration budget of up to $4.0 million in any single year without the prior approval of AREVA, who remains the project operator. To date UEX has earned an additional 0.097% (approximately 0.1%) ownership interest in the Projects which results in a corresponding increase in the Company's share of the N.I. 43-101 resources.

In April 2013, UEX received an updated N.I. 43-101 independent mineral resource estimate for Shea Creek prepared by James N. Gray, P.Geo., of Advantage Geoservices Limited which incorporates additional drilling results from the 2010, 2011 and 2012 drilling campaigns (see UEX news release dated April 17, 2013). This estimate includes resources from the Kianna, Anne, Colette and 58B deposits based on drilling information up to December 31, 2012. A technical report supporting the new mineral resource estimate was filed on SEDAR on May 31, 2013. Details of the mineral resource estimate at a cut-off grade of 0.30% U_3O_8 are as follows:

Deposit		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)
Kianna	Indicated	1,034,500	1.526	34,805,000	Inferred	560,700	1.364	16,867,000
Anne		564,000	1.992	24,760,000		134,900	0.880	2,617,000
Colette		327,800	0.786	5,680,000		493,200	0.716	7,780,000
58B		141,600	0.774	2,417,000		83,400	0.505	928,000
TOTAL [1]		**2,067,900**	**1.484**	**67,663,000**		**1,272,200**	**1.005**	**28,192,000**

[1] Certain amounts presented in the Shea Creek N.I. 43-101 report have been rounded for presentation purposes. This rounding may impact the footing of certain amounts included in the tables above.

Growth Strategy

The main growth strategies of UEX are:

- To continue the exploration and evaluation work required to delineate and develop economic uranium resources at Shea Creek;
- To advance the evaluation/development process at the Horseshoe, Raven and West Bear uranium deposits at the Hidden Bay Project to a production decision once uranium commodity prices have demonstrated a sustained recovery from current spot and long-term prices;
- 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, which may include outright property acquisitions or other business combinations.

THE INDUSTRY

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 in March of 2011 and their effect on the Fukushima nuclear plants (together referred to as the "Event'') continues to impact the nuclear industry. The continued sale of excess fuel inventories by some Japanese utilities with reactors shut down due to the Event has contributed to the downward pressure on the spot price and long-term price of U_3O_8 which continued into 2014. In 2014, the spot price of uranium fell to its lowest level since late 2005. Most companies in the uranium exploration and development industry experienced a corresponding reduction in the market value of their shares. The medium and long-term effect of the Event on UEX and the uranium industry continues to be observed and evaluated; however UEX, along with many industry insiders, believe that the fundamentals which underpin the uranium sector are sound and will continue to improve as more nuclear plants come on-line and many more move into the approval or construction phase.

At the beginning of 2014, the spot and long-term prices of U_3O_8 were US$34.50 per pound and US$50.00 per pound respectively. Both quoted prices declined during the first quarter of 2014 and, as of the end of the quarter, The Ux Consulting Company, LLC (*www.uxc.com*) reported the spot price at US$34.00 per pound of U_3O_8 and the long-term price at US$47.00 per pound of U_3O_8. Since quarter end, The Ux Consulting Company reported a further decline in the spot price to US$30.75 per pound of U_3O_8 as of April 28, 2014.

Uranium miners have responded to this ongoing price decline by deferring projects and suspending existing operations. On February 7, 2014, Paladin Energy announced the suspension of uranium mining at its Kayelekera Mine in Malawi, removing 3.3 million pounds of U_3O_8 from the annual supply. Shortly afterward, Cameco announced that it would be scaling back its previously announced growth strategy of increasing its total production to 36 million pounds of U_3O_8 per year by 2018.

In the years following the Event, many countries had stepped back to re-evaluate the safety of nuclear power and have subsequently reaffirmed their commitment to clean energy. Electricity demands are rising rapidly worldwide, notably in the developing world where the majority of new reactor builds are underway. At present, a greater number of nuclear power plants are proposed, planned and under construction than prior to the Event. Currently there are 72 nuclear power plants under construction globally, a pace of growth that has not been matched since the early 1980s.

Global warming concerns and the need for clean energy solutions support an increasing interest in nuclear power. In view of the Event, several countries reviewed their existing and future plans related to nuclear energy, and Germany, with nine reactors accounting for less than 3% of world uranium demand, announced that it would plan to exit nuclear generation by 2022. However, significantly more reactors are under construction or being planned worldwide than are proposed to be decommissioned. China, India and Russia have 45 reactors in the construction stage and 110 reactors in the planning stage. Saudi Arabia has announced plans to construct 16 nuclear reactors by 2030.

At present, all 48 operable reactors in Japan remain off-line with the two reactors that were operating in 2013 having been shut down for scheduled maintenance. The Japanese economy has been doubly hit by the global economic slowdown and the higher cost of replacement electricity generation from coal and liquefied natural gas ("LNG"). It has been reported that carbon dioxide intensity from Japan's electrical industry surged following the shutdown of its nuclear reactors, reaching levels estimated to be 39% greater than when the country's reactors were operating normally. It is also estimated that 100 million tonnes per year more carbon dioxide is being emitted than when reactors were operating, adding 8% to the country's annual emissions. Estimates suggest that in 2013 Japan was forced to import over US$80 billion in LNG and thermal coal to meet its energy commitments, representing 10% of all Japanese imports.

Despite the lingering impact of the Event, growth in nuclear power is certainly occurring, and the pace of that growth appears to be increasing.

Japan has taken its first steps to restart its idle nuclear reactors. In early April 2014, the Japanese government confirmed in their new 2014 energy plan that nuclear will remain an integral part of that country's energy mix and provided policies for the production and supply of nuclear energy. Currently 17 Japanese reactors have applied to restart. The first restarts may occur as early as the second half of 2014.

Canada signed an agreement in 2013 allowing for the export of uranium to China which grants Canadian producers access to the fastest growing consumer of uranium in the world. China's State Council is accepting new applications for the construction of reactors, paving the way for a significant build out of third-generation nuclear reactors.

In China, nuclear construction and new unit start-ups are happening at an ever increasing pace. On June 6, 2013, the Hongyanhe nuclear power plant in China began commercial operation and on March 25, 2014, Unit 1 of the Yangjiang nuclear power plant began commercial operation. Five more units at the Yangjiang site are presently under construction and are planned to be operational by 2018. At Fuqing, Unit 1 successfully underwent final operational testing in early March 2014. Successful containment tests were completed at Unit 2 of the Fuqing plant and at Hongyanhe Unit 3.

In addition, on September 27, 2013, the Canada-India Nuclear Cooperation Agreement came into effect which allows Canadian companies to export uranium, nuclear technology, and related services and equipment to India for peaceful uses at facilities under International Atomic Energy Agency (IAEA) safeguards.

These recent starts and new trade agreements demonstrate to us that the developing world's commitment to nuclear power remains steadfast and that global uranium demand will continue to grow.

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 2013, worldwide annual consumption was estimated at approximately 167 million pounds U_3O_8. World primary production in 2013 was estimated at approximately 156 million pounds U_3O_8. Historically, the 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 supplied under the Highly Enriched Uranium ("HEU") agreement which terminated December 2013.

It is currently estimated that, for 2014, the worldwide annual consumption will exceed global primary production by 10 million pounds U_3O_8. Uranium sourced from secondary supply will decline placing additional strain on primary production. The HEU agreement provided utilities with a stable and secure source of uranium. The termination of this agreement removes approximately 24 million pounds of U_3O_8 from the market each year. Plans to increase primary uranium supply on several development projects worldwide have been impacted by the recent low uranium prices, leading to the delay or shelving of these projects and further reducing near to mid-term uranium supply levels. This accelerating gap between future primary supply and growth in demand is expected to lead to uranium price increases in the short to medium term.

Demand for uranium is directly linked to the level of electricity generated by nuclear power plants. Currently, 434 reactors are operable in 31 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 72 reactors under construction and by the year 2022 it has been recently estimated that there will be 90 net new operating reactors worldwide. UEX believes that the longer than expected delays for restarts of Japan's nuclear power plants have put downward pressure on the spot and long-term price for uranium; however, the Company also feels that the uranium supply and demand fundamentals leading to a recovery of the uranium commodity price remain sound.

Long-Term Outlook

In the Company's view, the long-term uranium outlook remains 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. New reactors will come on stream and many existing reactors, now off-line for inspection and upgrade, are expected to be re-commissioned. Demand for uranium is projected to increase at an estimated 4% annually over the next ten years. It is currently estimated that by 2023 worldwide annual uranium consumption will reach 240 million pounds U_3O_8 and existing primary production will decline to 120 million pounds U_3O_8. Consequently, there will continue to be the need for new supply from primary sources during the next decade, as well as the need for higher uranium prices to incentivize this new supply. The long-term fundamentals that have driven the growth of the nuclear industry during the past few years remain compelling.

(Expressed in Canadian dollars, unless otherwise noted)

FINANCIAL UPDATE

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, 2013, 2012 and 2011 and the notes thereto.

Summary of Annual Financial Results

	December 31, 2013	December 31, 2012	December 31, 2011
Interest income	$ 202,074	$ 221,465	$ 108,911
Net loss for the year	(2,348,002)	(3,911,251)	(5,405,217)
Basic and diluted loss per share	(0.010)	(0.018)	(0.027)
Capitalized exploration and evaluation expenditures, net of impairment and fair value consideration received (if any)	4,670,032	4,325,063	9,086,919
Total assets	173,871,037	172,460,671	160,680,154

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.

Summary of Quarterly Financial Results (Unaudited)

	2014 Quarter 1	2013 Quarter 4	2013 Quarter 3	2013 Quarter 2
Interest income	$ 35,102	$ 42,073	$ 59,221	$ 38,559
Net loss for the period	(452,175)	(1,175,040)	(271,163)	(464,957)
Basic and diluted loss per share	(0.002)	(0.005)	(0.001)	(0.002)
Capitalized exploration and evaluation expenditures, net of impairment charges and fair value consideration received (if any)	628,474	1,104,791	2,101,877	995,539
Total assets	174,264,271	173,871,037	175,308,389	174,898,927

	2013 Quarter 1	2012 Quarter 4	2012 Quarter 3	2012 Quarter 2
Interest income	$ 62,221	$ 48,016	$ 52,834	$ 107,511
Net loss for the period	(436,842)	(2,412,604)	(356,474)	(636,549)
Basic and diluted loss per share	(0.002)	(0.011)	(0.002)	(0.003)
Capitalized exploration and evaluation expenditures, net of impairment charges and fair value consideration received (if any)	467,825	(496,359)	2,216,322	1,310,955
Total assets	171,919,938	172,460,671	175,444,858	175,141,957

UEX's business is not affected by seasonality as the Company is able to perform exploration and evaluation work year round. Variations in capitalized exploration and evaluation expenditures from quarter to quarter and year to year are affected by the timing and size of the exploration and evaluation programs in the periods. Beginning in 2012 and continuing into 2014, in response to a decrease in uranium prices following the earthquake and tsunami that damaged Japan's Fukushima nuclear power plant and the global economic slowdown that affected UEX's share price, certain discretionary exploration and evaluation expenditures were and continue to be deferred. This decrease in exploration and evaluation expenditures is reflected in the 2014 first quarter financial results. Variations in net loss are primarily affected by the number of options granted and/or vesting in the period and the associated inputs used in calculating share-based payment expense, by the timing of mineral property impairments that may have occurred during the period and the timing of the recognition of deferred taxes associated with the renunciation of tax benefits related to flow-through expenditures.

In the fourth quarter of 2012, the Company determined that the carrying value of the James Creek Project, one of the Western Athabasca Projects joint-ventured with AREVA, was impaired and a $1,609,741 charge is reflected in the net loss for the fourth quarter of 2012. The determination for the James Creek impairment was due to the fact that AREVA, the project operator, did not propose a budget for 2013 and the seven James Creek claims lapsed. There were no mineral property impairment charges in 2013 or in the first quarter of 2014.

The Q4 2013 loss was increased by $625,617 in deferred tax expense for the period as a result of the renunciation of the tax benefits associated with qualified exploration expenditures which were incurred with flow-through dollars, net of the reversal of the flow-through premium. The Q4 2012 loss was also increased by $144,853 in deferred tax expense for the period due to the renunciation of the tax benefits associated with qualified exploration expenditures, which were incurred with flow-through dollars.

Share Capital

The Company is authorized to issue an unlimited number of common shares without par value, of which 227,838,679 common shares were issued and outstanding as at March 31, 2014, 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 March 31, 2014, the Company had reserved a total of 17,821,000 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 $0.36 per share to $1.45 per share.

On January 15, 2014, the Company granted 1,000,000 share purchase options to a new senior officer pursuant to the Company's share option plan. The share purchase options were issued at an exercise price of $0.41 and expire on January 15, 2019.

Also, pursuant to a retirement agreement, 150,000 share purchase options with a weighted-average exercise price of $0.60, which would have otherwise vested on June 5, 2014, vested on January 1, 2014.

As at May 1, 2014, there were 227,838,679 common shares issued and outstanding and 17,821,000 share purchase options outstanding for a total of 245,659,679 on a fully-diluted basis.

Results of Operations for the Three-Month Period Ended March 31, 2014

For the three-month period ended March 31, 2014, the Company reported a net loss before other comprehensive income of $452,175 versus a net loss before other comprehensive income of $436,842 for the three-month period ended March 31, 2013. The net loss for the quarter ended March 31, 2014 was higher primarily due to an increase in amounts spent on investor relations activities in the quarter as well as an increase in office expenses reflecting the former CEO's consulting arrangement with the Company. These increased costs were partially offset by overhead fees earned as the operator of the Black Lake joint venture which are netted against salaries expense in the period.

In response to the decrease in the uranium commodity price, along with a corresponding decrease in the Company's share price, the Company has scaled back its exploration and evaluation expenditures at Hidden Bay in the first quarter of 2014; specifically, the Company spent $328,250 on project evaluation expenditures at Hidden Bay in the first quarter of 2013, compared with $4,281 in the current quarter.

Interest income was $35,102 for the three-month period ended March 31, 2014 versus $62,221 for the three-month period ended March 31, 2013. The decrease in interest income in the current quarter was due to the effect of lower short-term investment balances, as well as lower interest rates, relative to the comparative quarter. In the first quarter of 2014, the Company had an average cash balance invested of approximately $9.0 million versus $11.8 million in the first quarter of 2013.

Legal and audit fees decreased by $12,078 during the three-month period ended March 31, 2014 as compared to the first quarter of 2013. This decrease was due to legal costs incurred in the comparative quarter associated with the additional earn in agreement for the Western Athabasca Projects and the Black Lake joint venture earn-in agreement with Uracan, with no comparable costs incurred in the current quarter. The $30,921 increase in office expenses was primarily due to fees reflecting the former CEO's consulting agreement with the Company and office expenses associated with the transition to the new CEO, partially offset by consulting costs incurred in the comparative period related to transitioning to the new MARS claim management process for Saskatchewan mineral claims, which were not incurred in the current period. Salaries expense decreased by $87,586 as compared to the first quarter of 2013 due primarily to overhead fees earned by the Company as the operator of the Black Lake joint venture, which reduced salaries expense; the current CEO also has a slightly lower base salary than his predecessor and he did not commence employment until mid-January 2014. Travel and promotional expenses for the quarter increased by $35,289 as compared to the previous quarter due primarily to enhanced investor relation activities.

The vesting of share purchase options during the three-month period ended March 31, 2014 resulted in total share-based compensation expense of $176,755, of which $15,592 was allocated to mineral property expenditures and the remaining $161,163 was charged to operations. The vesting of share purchase options during the quarter ended March 31, 2013 resulted in total share-based compensation expense of $204,582, of which $47,088 was allocated to mineral property expenditures and $157,494 was charged to operations. Share-based compensation expense was consistent with the comparative quarter; however, if not for the option grant that occurred in the quarter, the share-based compensation expense would have been $89,334 lower, as a significant portion of outstanding options had fully vested previously.

In 2013, the Company received 300,000 Uracan shares as partial consideration for a farm-out agreement that UEX signed with Uracan for the Black Lake Project. The market value of these securities has increased by $9,000 since December 31, 2013. The increase in market value is reflected in other comprehensive income in the current three-month period as an unrealized gain. The Company has not disposed of any of these shares in the period. The tax impact of this unrealized gain resulted in the recognition of a deferred income tax expense of $1,215 in other comprehensive income for the first quarter of 2014. In the first quarter of 2013, the market value of these securities decreased by $3,000 following their acquisition on February 13, 2013. As a result a $3,000 unrealized loss and an offsetting $405 deferred recovery were recorded in other comprehensive income in the three-month period ended March 31, 2013.

(Expressed in Canadian dollars, unless otherwise noted)

In 2013, the Company also received 150,000 Uracan share purchase warrants as partial consideration for the farm-out agreement with Uracan for the Black Lake Project. The fair value of the warrants, as determined using the Black-Scholes option-pricing model, has increased by $4,481 since December 31, 2013, partially due to the increase in Uracan's share price, but also as a result of updated Black-Scholes valuation input assumptions. In the three-month period ended March 31, 2013, the fair value of the warrants decreased by $1,307 from the values determined when they were received on February 13, 2013.

The deferred income tax recovery for the quarter ended March 31, 2014 was $106,570 compared to a deferred income tax recovery for the quarter ended March 31, 2013 of $114,726. These tax recoveries are consistent period-to-period and reflect that, in both periods, no flow-through expenditures were incurred whose tax benefits would be renounced to investors. The deferred tax recovery recognizes the increase in non-capital losses carried forward (deferred tax asset) due to the addition of the current period's operating losses.

The continuity of expenditures on UEX's uranium projects for the three-month periods ended March 31, 2014 and 2013 is as follows:

March 31, 2014

Project	Balance December 31 2013	Exploration and evaluation expenditures during the period	Balance March 31 2014
Hidden Bay	$ 76,223,469	$ 71,528	$ 76,294,997
Riou Lake	10,425,937	-	10,425,937
Western Athabasca	61,357,244	539,961	61,897,205
Black Lake	15,230,180	16,985	15,247,165
Beatty River	869,391	-	869,391
	$ 164,106,221	$ 628,474	$ 164,734,695

March 31, 2013

Project	Balance December 31 2012	Exploration and evaluation expenditures during the period	Fair value consideration received	Balance March 31 2013
Hidden Bay	$ 75,363,225	$ 358,135	$ -	$ 75,721,360
Riou Lake	10,425,937	-	-	10,425,937
Western Athabasca	57,548,301	142,180	-	57,690,481
Black Lake	15,232,776	-	(35,931)	15,196,845
Beatty River	865,950	3,441	-	869,391
	$ 159,436,189	$ 503,756	$ (35,931)	$ 159,904,014

During the three-months ended March 31, 2014, exploration and evaluation expenditures at Hidden Bay of $71,528 included evaluation expenditures of $4,281 (Q1 2013 exploration and evaluation expenditures of $358,135 included evaluation expenditures of $328,250) primarily relating to component technical studies. Total evaluation expenditures of $7,296,580 as at March 31, 2014 are included in the $76,294,997 balance (the March 31, 2013 exploration and evaluation total of $75,721,360 includes $6,918,170 of evaluation expenditures) and represent costs associated with the continuing evaluation of and advancement of Hidden Bay. These costs include the West Bear Preliminary Feasibility Study (February 24, 2010), the Hidden Bay Preliminary Assessment Technical Report (February 23, 2011) and various component technical studies.

At March 31, 2014, total exploration and evaluation assets to date of $61,897,205 for Western Athabasca include evaluation expenditures of $7,370,026 (the March 31, 2013 exploration and evaluation total of $57,690,481 includes $7,370,026 of evaluation expenditures) relating to the Shea Creek Project. There were no evaluation expenditures incurred in the first quarter of 2014 or 2013 that were related to this project as AREVA and UEX have focused on exploration activities. For further information regarding expenditures on the projects shown in the table above, please refer to "Exploration and Evaluation Activities". Also please refer to the "Critical Accounting Estimates, Valuation of mineral properties" section.

During the three-month period ended March 31, 2014, the Company incurred exploration and evaluation expenditures totaling $580,996 for all projects before non-cash share-based compensation and depreciation totaling $47,478. Exploration and evaluation expenditures incurred for all projects during the three-month period ended March 31, 2013 totaled $446,484 before non-cash share-based compensation and depreciation totaling $57,272. In addition, $35,931 of fair value consideration relating to the farm-out agreement with Uracan for Black Lake was recorded as a reduction in the carrying value of this project in the first quarter of 2013. This $134,512 increase in expenditures before non-cash items during the quarter ended March 31, 2014 was primarily due to the earlier start to exploration activities for the Western Athabasca Projects than in the comparative period. Previously planned exploration at Hidden Bay continues to be deferred in response to the current capital market conditions and the decrease in uranium commodity prices.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western and northern Athabasca Basin. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles. The joint arrangements that the Company is party to in some cases entitle the Company, or its joint venture partner, to a right of first refusal on the projects should one of the partners choose to sell their interest. The joint arrangements are governed by management committees which set the annual exploration budgets for these projects. Should the Company be unable to, or choose not to, fund its required contributions as outlined in the agreement, there is a risk that the Company's ownership interest could be diluted. As a result of decisions to fund exploration programs for the joint arrangements, the Company may choose to complete further equity issuances or fund these amounts through the Company's general working capital.

(Expressed in Canadian dollars, unless otherwise noted)

UEX is party to the following joint arrangements:

Ownership interest **Effective December 31, 2013 and March 14, 2014**	**Western Athabasca**	**Black Lake**	**Beatty River**
UEX Corporation	49.097 %	89.990 %	25.000 %
AREVA Resources Canada Inc.	50.903	10.010	50.702
JCU (Canada) Exploration Company, Limited	-	-	24.298
	100.000 %	100.000 %	100.000 %

Financing Activities

In the three-month periods ended March 31, 2014 and 2013, the Company did not raise any equity through public or private offerings.

On June 5, 2013 the Company completed a non-brokered private placement of 6,350,000 flow-through shares at a price of $0.50 per share for gross proceeds of $3,175,000 with issue costs of $44,972 and a referral fee of $60,000 paid from existing cash reserves. A flow-through premium related to the sale of the associated tax benefits was determined to be $127,000 on issuance. Cameco did not exercise its pre-emptive right to participate in the offering and as a result, their ownership interest in UEX declined from approximately 22.58% to approximately 21.95% after the placement was completed.

The proceeds from the June 5, 2013 placement were used to fund UEX's 49% share of the $3.1 million Western Athabasca joint-venture exploration budget with AREVA as well as UEX's 100% share of the $2.0 million supplemental exploration budget which relates to the additional earn-in agreement with AREVA for the Western Athabasca Projects which was signed in the first quarter of 2013. As at December 31, 2013, the Company has spent all of the $3.175 million flow-through monies raised in the June 5, 2013 placement. The Company renounced the income tax benefit of this issue to its subscribers effective December 31, 2013, and did not incur any Part XII.6 tax related to this placement.

As at May 1, 2014, the use of proceeds from the March 13, 2012 short form prospectus remains consistent with the allocation presented in the December 31, 2013 MD&A Use of Proceeds table. These funds were originally intended to be spent on exploration; however, due to market conditions were reassigned to working capital. Should market conditions improve, UEX may reallocate all or a portion of these funds to the categories identified in the March 13, 2012 short form prospectus. Please refer to the December 31, 2013 MD&A for more information on the use of proceeds from this placement.

No share purchase options were exercised during the three-month periods ended March 31, 2014 or 2013.

(Expressed in Canadian dollars, unless otherwise noted)

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 March 31, 2014, the Company had current assets of $9,394,462, including $9,045,666 in cash and cash equivalents, compared to current assets as at December 31, 2013 that totaled $9,608,052 and included $9,321,916 in cash and cash equivalents. Working capital at March 31, 2014 was $8,407,604 compared to working capital of $9,387,418 at December 31, 2013. At March 31, 2014, 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 March 31, 2014 to fund its approved 2014 budgets for exploration, evaluation and administrative costs, and anticipates a cash balance at December 31, 2014 of approximately $5.0 million.

Accounts payable and other liabilities at March 31, 2014 were $986,858, which is higher than the December 31, 2013 balance of $220,634. This difference is primarily comprised of amounts owing to AREVA of $377,325 in relation to the current exploration activities on the Western Athabasca Projects and a liability which reflects the prepayments remaining from Uracan of $390,121 and relates to the ongoing exploration programs at the Black Lake Project.

The Company's net deferred income tax liability of $13,271,123 at March 31, 2014 is comprised of a $16,669,542 deferred income tax liability primarily 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 $3,398,419. At December 31, 2013, the Company's net deferred income tax liability was $13,376,478 and was comprised of a $16,659,679 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 $3,283,201. The deferred income tax liability decreased from December 31, 2013 to March 31, 2014 primarily due to the increase in the tax value of non-capital loss carryforwards since December 31, 2013 resulting from the general and administrative losses from the current period and from capitalized exploration expenditures which were not funded with flow-through dollars (and thus not renounced to shareholders), thereby creating a deferred income tax asset to offset against the deferred income tax liabilities.

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 and an obligation related to a retirement consulting agreement. Future minimum lease payments as at March 31, 2014 are as follows:

	2014	2015	2016	2017	2018
Lease for office premises	$ 45,455	$ 56,743	$ nil	$ nil	$ nil

Pursuant to a retirement agreement, the Company has entered into a consulting arrangement whereby the former Chief Executive Officer has agreed to provide management transition services for a two-year period commencing January 1, 2014, for a consulting fee of $366,000. One half of this consulting fee was paid in January 2014, with the remainder to be paid in January 2015.

As at March 31, 2014, $467,178 of the $982,000 (UEX's share of the $2.0 million 2014 Western Athabasca exploration program) remains as a funding commitment for the Company, with this amount to be expended as the program is completed in 2014.

In January 2014, UEX received a prepayment of $650,000 from Uracan, which amounted to 100% of the budgeted 2014 winter drilling program at Black Lake. As at March 31, 2014, $25,161 of this prepayment remained unspent. In March 2014, UEX received a second prepayment from Uracan of $423,500 amounting to 100% of the budgeted 2014 winter geophysics program at Black Lake. As at March 31, 2014, $364,960 of this second prepayment remained unspent. As at March 31, 2014, Uracan has funded approximately $1.2 million toward its earn-in on the Black Lake Project.

In the third quarter of 2013, UEX received from Uracan a prepayment of $104,060 which represented the full budgeted amount for the 2013 exploration program at Black Lake. The unspent amount of $79,006 as at December 31, 2013 was fully expended upon completion of the 2013 exploration program in January 2014.

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, investments 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. Investments include warrants which have been classified as *Financial assets at fair value through profit or loss* ("FVTPL") and as such are stated at fair value with any changes in fair value recognized in profit or loss. The investments also include shares which have been classified as *Available-for-sale financial assets* and are carried at fair value with changes in fair value recognized in other comprehensive income with amounts accumulated in other comprehensive income recognized in profit or loss when they are sold.

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.

Cash and cash equivalents are classified as loans and receivables and are initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

Investments are recorded at fair value. The fair value change for the Uracan shares represents the change to the quoted price of these publicly traded securities from the date they were acquired. These shares and warrants are being held for long-term investment purposes. The fair value change for the share purchase warrants reflects the increase in Uracan's share price as well as changes to the Black-Scholes valuation input assumptions at the March 31, 2014 revaluation date, as compared to December 31, 2013. The warrants have an exercise price of $0.15 per share (which is currently above market share price), and have an expiry date of February 13, 2016.

The impacts of fair value changes are incidental to the Company as the assets impacted by these changes do not represent significant value in comparison with the core assets of the Company. The Company has not exercised any of the Uracan share purchase warrants that it holds.

The fair value of the Uracan shares, classified as Level 1, is based on the market price for these actively traded securities at December 31, 2013 and at March 31, 2014, the financial statement fair value date.

The fair value of the warrants received from Uracan, classified as Level 3, has been determined using the Black-Scholes option-pricing model with the following weighted-average assumptions as at the dates indicated:

	March 31 2014	**December 31 2013**
Number of warrants – Uracan [(1)]	150,000	150,000
Expected forfeiture rate	0.00%	0.00%
Weighted-average grant date fair values	$ 0.06	$ 0.06
Expected volatility	112.33%	150.18%
Risk-free interest rate	1.07%	1.14%
Dividend yield	0.00%	0.00%
Expected life	1.87 years	2.19 years

[(1)] Historical fair value of the 150,000 Uracan warrants at acquisition on February 13, 2013 was determined to be $8,931 using the Black-Scholes option-pricing model with the following weighted-average assumptions: Pre-vest forfeiture rate – 0.00%; Expected volatility – 127.26%; Risk-free interest rate – 1.22%; Dividend yield – 0.00%; and Expected life of options – 3.00 years.

(Expressed in Canadian dollars, unless otherwise noted)

Market factors, such as fluctuations in the trading prices for the marketable securities as well as fluctuations in the risk-free interest rates offered by the Bank of Canada for short-term deposits, are updated each time the Uracan warrants are revalued. The Company expects that these valuation inputs are likely to change at every reporting period which will result in adjustments to the fair value of these warrants in future periods.

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy, as well as the key unobservable inputs used in the valuation model:

Level 3 item	Valuation approach	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Warrants – Uracan	The fair value has been determined by using the Black-Scholes option pricing model.	Expected volatility for Uracan shares, derived from the shares' historical prices (weekly).	The estimated fair value for the warrants increases as the volatility increases.

Related Party Transactions

The Company was involved in the following related party transactions for the three and twelve months ended March 31, 2014 and 2013:

Related party transactions include the following payments which were made to related parties other than key management personnel:

	Three months ended March 31	
	2014	2013
Other consultants [(1)]	$ 9,462	$ -
Other consultants share-based payments [(3)]	294	2,060
Panterra Geoservices Inc. [(2)]	-	13,500
Panterra Geoservices Inc. share-based payments [(3)]	4,834	6,962
	$ 14,590	$ 22,522

(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) 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.

(3) 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 11(c) of the December 31, 2013 annual financial statements.

(Expressed in Canadian dollars, unless otherwise noted)

Key management personnel compensation includes management and director compensation, inclusive of any consulting arrangements with directors, as follows:

	Three months ended March 31	
	2014	**2013**
Salaries and short-term employee benefits [4][5]	$ 163,417	$ 222,147
Share-based payments [3]	161,921	177,574
Other compensation [6]	183,000	-
	$ 508,338	$ 399,721

(3) 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 11(c) of the December 31, 2013 annual financial statements.

(4) In the event of a change of control of the Company, certain senior management may elect to terminate their employment agreements and the Company shall pay termination benefits of two times their respective annual salaries at that time and all of their share purchase options will become immediately vested with all other employee benefits, if any, continuing for a period of up to two years.

(5) In the event that Mr. Lemaitre's employment is terminated by the Corporation for any reason other than as a result of a change of control, death or termination for cause, the Corporation will pay to Mr. Lemaitre an amount equal to one year's base salary plus any bonus owing. All other employee related benefits will continue for a period of one year following such termination. Mr. Lemaitre may also terminate the employment agreement upon three months written notice to the Board and receive a lump sum payment equal to his base salary plus benefits for three months.

(6) Represents amounts paid in 2014 to Mr. Graham Thody, the Company's former President and CEO, under the terms of a retirement consulting agreement. The Company has a commitment to make a second payment of $183,000 plus GST to Mr. Thody in January 2015 for consulting services in 2015. During the term of this agreement, Mr. Thody is not entitled to receive director's fees; however, upon expiry of this agreement on December 31, 2015, Mr. Thody will then be entitled to receive director's fees in 2016 on the same terms as other non-management directors.

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 results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, 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.

Change in Accounting Policy

The accounting policies applied by the Company in the condensed unaudited interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2013.

Joint Arrangements

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

(i) *Joint operation* – when the Company has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(ii) *Joint venture* – when the Company has rights only to the net assets of the arrangement, it accounts for its interest using the equity method.

The Company has an interest in several joint operations relating to the exploration and evaluation of various properties in the western and northern Athabasca Basin. The financial statements include the Company's proportionate share of the joint operations' assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis from the date that the joint arrangement commences until the date that the joint arrangement ceases. These interests are governed by contractual arrangements but have not been organized into separate legal entities or vehicles.

The Company does not have any joint arrangements that are classified under IFRS 11 as joint ventures. However, "joint operations" as defined by IFRS are nevertheless commonly referred to as "joint ventures" by UEX, its operating partners and the general mining industry, and use of the term "joint venture" by UEX in its disclosures for the purposes of describing its operating results is considered consistent with these statements.

The joint arrangements that the Company is party to in some cases entitle the Company to a right of first refusal on the projects should one of the partners choose to sell their interest. The joint arrangements are governed by a management committee which sets the annual exploration budgets for these projects. In certain cases, should the Company choose not to fund their minimum required contributions as outlined in the agreement, there is a risk that the Company's ownership interest could be diluted. As a result of decisions to fund exploration programs for the joint arrangements, the Company may choose to complete further equity issuances or fund these amounts through the Company's general working capital.

Critical Accounting Estimates

The Company prepares its financial statements in accordance with IFRS, which require 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 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 any 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.

The Company performed an evaluation of impairment indicators under *IFRS 6(20)* for its exploration and evaluation assets (mineral properties) as at March 31, 2014 and has concluded that there are no indicators of impairment. However, as at March 31, 2014, the market capitalization of the Company was below the carrying value of its net assets which are primarily represented by mineral properties. Accordingly, the Company has also reviewed the value attributed per pound in the ground of U_3O_8 in recent arms-length transactions for the acquisition of uranium resources defined by National Instrument 43-101. As a result of this review management 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 11(c) of the financial statements for the year ended December 31, 2013. 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, 2015:

The International Accounting Standards Board has issued IFRS 9 *Financial Instruments* ("IFRS 9") to replace IAS 39 *Financial Instruments*, which is intended to reduce the complexity in the measurement and classification of financial instruments. The current version of IFRS 9 does not include a mandatory effective date but is available for early adoption. An effective date will be determined when all phases of the update to IFRS 9 are completed. 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)

EXPLORATION AND EVALUATION UPDATE

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 (2)	1,034,500	1.526	34,805,000	17,088,211
Anne (2)	564,000	1.992	24,760,000	12,156,417
Colette (2)	327,800	0.786	5,680,000	2,788,710
58B (2)	141,600	0.774	2,417,000	1,186,674
Shea Creek Totals (4) (5)	**2,067,900**	**1.484**	**67,663,000**	**33,220,503**
Horseshoe (3)	5,119,700	0.203	22,895,000	22,895,000
Raven (3)	5,173,900	0.107	12,149,000	12,149,000
West Bear (3)	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	**12,440,400**	**0.380**	**104,286,000**	**69,843,503**

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 (2)	560,700	1.364	16,867,000	8,281,191
Anne (2)	134,900	0.880	2,617,000	1,284,868
Colette (2)	493,200	0.716	7,780,000	3,819,747
58B (2)	83,400	0.505	928,000	455,620
Shea Creek Totals (4) (5)	**1,272,200**	**1.005**	**28,192,000**	**13,841,426**
Horseshoe (3)	287,000	0.166	1,049,000	1,049,000
Raven (3)	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	**2,381,400**	**0.589**	**30,907,000**	**16,556,426**

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, and are documented in the Shea Creek Technical Report with an effective date of May 31, 2013 which was filed on SEDAR at *www.sedar.com* on May 31, 2013.

(3) The Hidden Bay mineral resources were estimated at a cut-off of 0.05% U_3O_8, and are documented in the Hidden Bay Technical Report with an effective date of February 15, 2011 which was filed on SEDAR at *www.sedar.com* on February 23, 2011.

(4) UEX's interest in the Western Athabasca Projects (inclusive of Shea Creek) has increased from 49.000% to 49.097% as at December 31, 2013.

(5) Certain amounts presented in the Shea Creek N.I. 43-101 report have been rounded for presentation purposes. This rounding may impact the footing of certain amounts included in the tables above.

Exploration and Evaluation Activities

The following is a general discussion of UEX's recent exploration and evaluation 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 eight 49.1%-owned Western Athabasca Projects (the "Projects") joint-ventured with AREVA, the operator, which also include the Erica, Alexandra, Mirror River, Laurie, Nikita, Uchrich and Brander Lake projects. In 2013, AREVA and UEX agreed to combine the Shea Creek Project and the contiguous Douglas River Project ("Douglas River") as the known mineralization at the northern boundary of Shea Creek extends into the Douglas River property. The combined projects are now referred to as the Shea Creek Project.

Shea Creek is the flagship exploration property among the Western Athabasca Projects, consisting of fourteen claims totaling 27,343 hectares (67,566 acres) and is host to the following deposits:

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

Shea Creek is located in northwest Saskatchewan, just south of AREVA's former Cluff Lake mine which produced over 62 million pounds of U_3O_8 during its successful 22 years of operation. Shea Creek hosts the second largest undeveloped uranium resource in the Athabasca Basin. High-grade uranium is distributed along a three-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.

In 2004, UEX entered into an agreement with AREVA to fund $30 million of exploration costs in exchange for a 49% interest in the Western Athabasca Projects, which include Shea Creek. 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.

On April 4, 2013 an agreement was signed with AREVA which grants UEX the option to increase its ownership interest in the Western Athabasca Projects, which includes Shea Creek, by up to 0.9% to 49.9% through the expenditure by UEX of an aggregate of up to $18.0 million (the "Additional Expenditures") on exploration over the six-year period ending December 31, 2018. UEX remains under no obligation to propose a budget in any year of the agreement. UEX's interest for the Projects shall be increased at the end of each calendar year by the proportional amount of the Additional Expenditures incurred in such year which are in addition to the pro-rata budget amounts proposed by AREVA. UEX may propose an additional exploration budget of up to $4.0 million in any single year without the prior approval of AREVA, who remains the project operator. These Additional Expenditures would be supplementary to any annual budget proposed by AREVA. AREVA is required to propose a minimum annual budget (to be shared pro-rata) of not less than $2.0 million for the Western Athabasca Projects, inclusive of Shea Creek, during the option period provided: that UEX proposes to spend at least $2.0 million of Additional Expenditures in the same year; and, the average weekly spot price of U_3O_8 for the most recent twelve months ended September 30 is not less than $40 per pound of U_3O_8.

This agreement provides UEX with a multi-year opportunity to build upon our past successes with AREVA by continuing exploration intended to expand known Shea Creek resources while concurrently seeking new uranium deposits.

Expenditures of $2.0 million relating to this new agreement were incurred in 2013 with exploration work completed in December 2013 and increased our ownership interest in the WAJV by approximately 0.1% to 49.1%. UEX has not yet determined whether a supplemental exploration program will be proposed for 2014.

An annual 2014 program with a budget of $2.0 million ($600,000 - Erica Project, $700,000 - Laurie Project and $700,000 - Mirror River Project), of which UEX is responsible for funding approximately $982,000 is underway and as at March 31, 2014, $467,178 of this amount remains as a funding commitment for the Company.

Cumulative expenditures at March 31, 2014 by UEX on exploration and evaluation at Shea Creek were $43.6 million and $7.4 million, respectively, with approximately 253,000 metres of drilling completed. These cumulative expenditures do not include amounts spent on other projects included in the Western Athabasca project group.

Shea Creek Updated Mineral Resource Estimate

In April 2013, UEX received an updated N.I. 43-101 independent mineral resource estimate incorporating additional drilling results from the 2010, 2011 and 2012 drilling campaigns (see UEX news release dated April 15, 2013). This estimate is supported by a technical report entitled "Technical Report on the Shea Creek property, northern Saskatchewan, with an updated mineral resource estimate", prepared for UEX Corporation by R.S. Eriks, P.Geo., J.N. Gray, P.Geo., D.A. Rhys, P.Geo. and S. Hasegawa, P.Geo. with an effective date of May 31, 2013 filed on SEDAR May 31, 2013. This updated mineral resource estimate contained therein was prepared under the direction of James N. Gray of Advantage Geoservices Limited and supersedes the previous N.I. 43-101 independent mineral resource estimate for the Kianna, Anne and Colette deposits which is supported by a technical report entitled "Technical Report on the Shea Creek Property, Saskatchewan, Canada, Including Mineral Resource Estimates for the Kianna, Anne and Colette Deposits" by K. Palmer, P.Geo.of Golder Associates Ltd. ("Golder") with an effective date of May 26, 2010 and filed on SEDAR on July 9, 2010.

The updated uranium mineral resource estimate for the four Shea Creek deposits at a cut-off grade of 0.30% U_3O_8 totals:

- 67.66 million pounds of U_3O_8 in the Indicated mineral resource category comprising 2,067,900 tonnes grading 1.48% U_3O_8 – an increase of 6% from the mineral resource estimate prepared for UEX by Golder in 2010; and

- 28.19 million pounds of U_3O_8 in the Inferred mineral resource category comprising 1,272,200 tonnes grading 1.01% U_3O_8 – an increase of 15% from the mineral resource estimate prepared for UEX by Golder in 2010.

This mineral resource estimate for Shea Creek incorporates resources from the Kianna, Anne, Colette and 58B deposits ("Kianna", "Anne", "Colette" and "58B", respectively) based on drilling information up to December 31, 2012 (see Figure 1 below). This estimate represents an update of the previous resource estimate prepared by Golder and reported in May of 2010.

The changes in the mineral resource since the 2010 estimate reflect substantial increases in the basement mineral resources of the Kianna Deposit and new mineral resources from the 58B Deposit. These resource increases are partially offset by mineral resource losses at Colette due to the restriction of mineralization in central and southern parts of that deposit based on new infill drilling. In addition, interpolation of anomalously high-grade samples was controlled not only by grade capping, as was done in 2010, but also through a process of restricted interpolation ranges applied to the very high end of the grade distribution. This change in approach was applied to all of the Shea Creek deposits. The small reduction in the Anne mineral resource estimate, where no drilling has occurred since the 2010 resource estimate, reflects the effect of this change in approach to the treatment of high-grade drill intervals throughout the deposits.

This mineral resource estimate confirms that Shea Creek is the second largest undeveloped uranium resource in the Athabasca Basin. It also ranks as the fourth largest uranium resource in the Basin, exceeded in size only by McArthur River, Cigar Lake and Millennium. Mineralization at Shea Creek is still largely open and has excellent potential to expand as drilling continues.

The 2013 mineral resource estimate identifies that much of the mineralization at Shea Creek is found over an approximately 1.4 kilometre strike length in southern parts of the Shea Creek deposit trend at the Kianna and Anne deposits (see Figure 2 below). Notably, at a 1.0% cut-off grade most of the resources are retained at much higher grades as shown below:

- Combined mineral resources at the Kianna and Anne deposits at a cut-off grade of 0.3% U_3O_8 total 59.6 million pounds of U_3O_8 in 1,598,500 tonnes grading 1.69% U_3O_8 in the Indicated category and an additional 19.5 million pounds of U_3O_8 in 695,600 tonnes grading 1.27% U_3O_8 in the Inferred category; and

- Combined mineral resources at the Kianna and Anne deposits at a cut-off grade of 1.0% U_3O_8 total 48.3 million pounds of U_3O_8 in 698,300 tonnes grading 3.18% U_3O_8 in the Indicated category and an additional 14.4 million pounds of U_3O_8 in 252,800 tonnes grading 2.59% U_3O_8 in the Inferred category.

(Expressed in Canadian dollars, unless otherwise noted)

Mineral resource estimates at various cut-off grades are summarized in Table 3. Of note is that at significantly higher cut-off grades, the majority of the contained uranium is retained at substantially higher grades.

TABLE 3
Shea Creek Mineral Resource Estimates, Tonnes and Grade at Various U_3O_8 % Cut-off Grades

These mineral resource estimates were completed in April 2013 (incorporating drilling information up to December 31, 2012) using CIM standards of estimation of mineral resources and reserves.

Category	Cut-off U_3O_8 (%)	Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)
Indicated	0.1	3,227,300	1.018	72,458,000
	0.3	**2,067,900**	**1.484**	**67,663,000**
	0.5	1,464,800	1.935	62,492,000
	1.0	795,800	2.966	52,047,000
	1.5	521,300	3.883	44,625,000
Inferred	0.1	2,601,600	0.586	33,616,000
	0.3	**1,272,200**	**1.005**	**28,192,000**
	0.5	784,500	1.388	23,999,000
	1.0	340,100	2.310	17,323,000
	1.5	215,600	2.937	13,961,000

The majority of the estimated mineral resources are from the Kianna and Anne deposits, where a significant portion of the resources lie in impermeable basement rocks beneath the Athabasca unconformity. Breakdowns of the mineral resource estimates by deposit at cut-off grades of 0.3% U_3O_8 and 1.0% U_3O_8 are provided in Tables 4 and 5, respectively.

TABLE 4
Breakdown of the Contribution of Each Deposit at Shea Creek to the Total Mineral Resource Estimate at a 0.3% U_3O_8 Cut-off Grade

Deposit		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)
Kianna	Indicated	1,034,500	1.526	34,805,000	Inferred	560,700	1.364	16,867,000
Anne		564,000	1.992	24,760,000		134,900	0.880	2,617,000
Colette		327,800	0.786	5,680,000		493,200	0.716	7,780,000
58B		141,600	0.774	2,417,000		83,400	0.505	928,000
TOTALS (1)		**2,067,900**	**1.484**	**67,663,000**		**1,272,200**	**1.005**	**28,192,000**

(1) Certain amounts presented in the Shea Creek N.I. 43-101 report have been rounded for presentation purposes. This rounding may impact the footing of certain amounts included in the tables above.

(Expressed in Canadian dollars, unless otherwise noted)

TABLE 5
Breakdown of the Contribution of Each Deposit at Shea Creek to the Total Mineral Resource Estimate at a 1.0% U_3O_8 Cut-off Grade

Deposit		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)		Tonnes	Grade U_3O_8 (%)	U_3O_8 (lbs)
Kianna	Indicated	446,800	2.796	27,544,000	Inferred	233,700	2.530	13,036,000
Anne		242,500	3.890	20,795,000		19,100	3.308	1,392,000
Colette		70,700	1.684	2,624,000		85,800	1.508	2,852,000
58B		35,900	1.370	1,084,000		1,500	1.280	43,000
TOTALS (1)		**795,800**	**2.966**	**52,047,000**		**340,100**	**2.310**	**17,323,000**

(1) Certain amounts presented in the Shea Creek N.I. 43-101 report have been rounded for presentation purposes. This rounding may impact the footing of certain amounts included in the tables above.

Comparison with the Previous Mineral Resource Estimate

The new mineral resource estimate reflects the following changes at each deposit since the 2010 estimate prepared by Golder:

***Kianna Deposit*:** Discovery of new basement-hosted zones, including the Kianna East Zone, and drilling expansion of other zones has resulted in a substantial increase of 54% in the Indicated mineral resource at a 0.3% U_3O_8 cut-off. The majority of the current mineral resource estimate at Kianna is now found in basement rocks. Areas of basement mineralization, particularly on the north side of Kianna and in the Kianna East Zone, are still open and are expected to be targeted by future drilling.

***Anne Deposit*:** No new drilling was conducted at Anne since the 2010 mineral resource estimate. The small decline in the Anne mineral resource estimate reflects a change in approach to the treatment of high-grade drill intervals. In addition to capping high grades, a restriction was placed on interpolation distances for samples at the upper end of the grade distribution. Further geological interpretation and potential infill drilling, particularly in the Anne basement mineralization where the widely spaced drilling restricts the ability to interpret the continuity of higher grade mineralization, may be undertaken to address this interpretation. A review of this basement mineralization has identified additional areas for potential expansion.

***Colette Deposit*:** Since the previous mineral resource estimate, infill and step-out drilling was conducted throughout the Colette area. While this drilling identified a thick unconformity-hosted pod in the north part of the Colette Deposit that now represents a significant portion of the current Colette mineral resource estimate, infill drilling in parts of the central and southern parts of the deposit failed to establish continuity of mineralization in some of the higher grade parts of the central Colette unconformity mineralization and also restricted distribution of some of the previously interpreted basement zones. Basement mineralization in the southern parts of Colette has potential for expansion, and continuations of the Shea Creek trend to the north of Colette are still open.

***58B Deposit*:** This new deposit adds to the total Shea Creek mineral resource estimate. Basement mineralization has been tested only by widely spaced drill holes, and the mineralization remains open in several directions.

Mineral Resource Estimation Details

The 2013 Shea Creek mineral resource estimate was prepared by James N. Gray, P.Geo., of Advantage Geoservices Limited, an independent Qualified Person as defined by N.I. 43-101. This estimate utilized results of 477 diamond drill holes and directional cuts (totaling 402,800 metres) which were drilled since 1992. Drill spacing across the deposits is variable, ranging between 5 metres to greater than 50 metres. On average, Indicated blocks are within 8 metres of a drill hole and Inferred blocks within 16 metres.

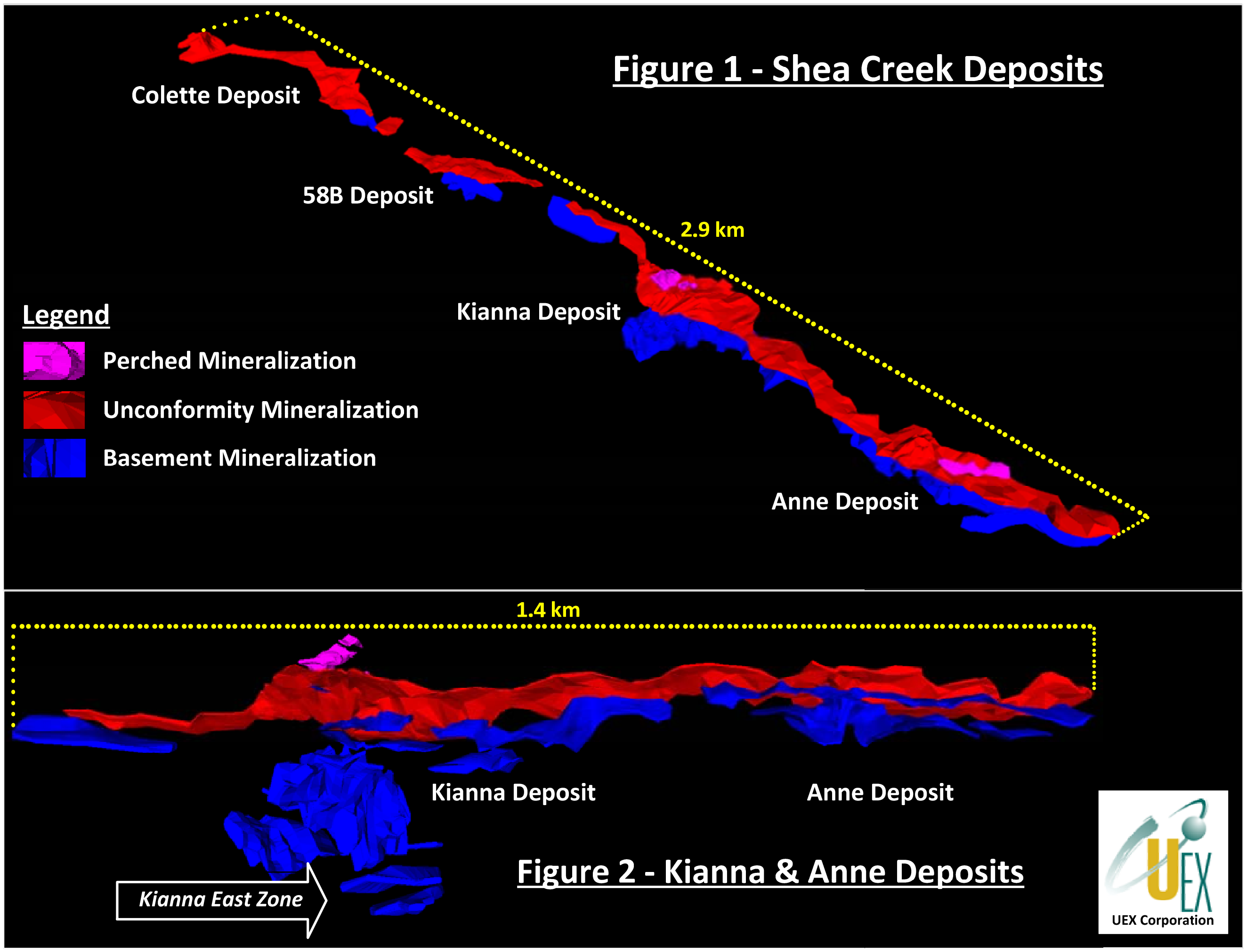
The mineralized wireframe models from the Kianna, Anne, Colette and 58B deposits bounding perched, unconformity and basement mineralization were prepared at a 0.05% U_3O_8 cut-off and used to constrain the mineral resource estimate at each deposit area. Estimation was by ordinary kriging using Gemcom Software. The impact of anomalously high-grade samples was controlled though a process of grade capping as well as restriction placed on high-grade interpolation distances.

The mineral resource estimate primarily utilized uranium geochemical analyses from the Saskatchewan Research Council (SRC) Geoanalytical Laboratories in Saskatoon, Saskatchewan. The principal geochemical analytical methods used for uranium analysis on the Shea Creek samples are ICP-MS (Inductively Coupled Plasma Mass Spectroscopy) for samples with grades lower than 1,000 ppm U, and U_3O_8 uranium assay by ICP-OES (Inductively Coupled Plasma Optical Emission Spectroscopy) for samples determined by ICP-MS to contain uranium concentrations higher than 1,000 ppm U. In addition to AREVA's internal quality controls, duplicate and independent check analyses were performed by UEX on sample suites representing approximately 5% of the mineralized assay database since mineralization was discovered in 1992.

In cases where geochemical analyses were not available due to incomplete sampling or core recovery issues, downhole gamma probe data were used to calculate equivalent uranium grades 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.

A total of 674 dry bulk density samples, representing all rock types and mineralization styles from the Shea Creek deposits, form a comprehensive basis for the density component of the mineral resource estimate.

Figures 1 & 2
Shea Creek Deposits



Western Athabasca Projects: 2014 Exploration Program – $2.0 Million

The 2014 exploration program has an approved budget of $2.0 million, of which UEX is funding its 49.1% share, or approximately $982,000. This exploration program was directed solely toward exploration of the Laurie, Mirror River and Erica Projects. Drilling on the Laurie Project consisting of five diamond drill holes totaling 1,803.0 metres was completed in March of 2014. Three diamond drill holes totaling 1,579.0 metres were completed at the Mirror River Project in late March of 2014. A ground geophysical program consisting of a Tensor Magnetotelluric ("MT") survey on the Erica Project commenced in mid-April of 2014 and is currently in progress. Final results of these three exploration programs will be reported when compilations and interpretations are completed by the operator.

Western Athabasca Projects: 2014 Supplemental Exploration Program

UEX has the option to propose a supplemental exploration program for the Western Athabasca Projects in 2014 which will allow up to $4.0 million of Additional Expenditures at UEX's sole expense.

UEX has carried out a detailed review of the Shea Creek Deposits which has suggested that there may be significant potential to increase current uranium resources by testing extensions of the deposits. Several of the zones remain open for expansion in the down-dip, across strike, and down-plunge directions. UEX plans to discuss with AREVA ideas for a potential definition drill program on the Shea Creek Deposits to test these deposit extensions. The ultimate goal of this potential program would be to expand the uranium resources on the project incorporating the drill results from the 2013 program and any future drilling campaign.

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. 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 December 31, 2012 amounted to $858,118. In early 2013, UEX and JCU amended their agreement and UEX fulfilled its earn-in on the Beatty River Project by making a payment to JCU of $3,441.

At present, AREVA, the operator, owns a 50.7% interest, UEX owns a 25.0% interest and JCU owns a 24.3% interest in Beatty River. No program has been proposed for 2014.

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. The current Preliminary Assessment Technical Report estimates these deposits contain 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. See the resource table on page 2 for additional information.

The Preliminary Assessment Technical Report found the economics of mining the Horseshoe and Raven deposits to be positive. The proximity of the Hidden Bay deposits 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 and could provide electricity to site. In 2012, the Company acquired the Raven camp which provides on-site accommodation. The PA recommends that the Hidden Bay Project be advanced to a preliminary feasibility level, and that this next phase of study also include UEX's West Bear Deposit. The PA utilized cut-off grades calculated on the basis of US$60 per pound of U_3O_8 and estimated that 16.6 million pounds of U_3O_8 could be extracted over a seven-year mine life at this price per pound of U_3O_8 (the "Base Case"). The Base Case estimated undiscounted earnings before interest and taxes ("EBIT") of $246 million, a pre-tax net present value ("NPV") at a 5% discount rate of $163 million and an internal rate of return ("IRR") of 42%.

The Preliminary Assessment Technical Report is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Projects in the mining sector have experienced rising costs, including rising capital and operating costs, during the past few years. Rising capital and operating costs would, in the absence of other changes, negatively impact EBIT, NPV and IRR which have been calculated based upon estimated costs at the time the PA was prepared.

Cumulative expenditures at March 31, 2014 by UEX on exploration and evaluation at Hidden Bay were $59.9 million and $6.8 million, respectively, with approximately 488,000 metres of drilling completed.

Hidden Bay Project: 2014 Exploration Program

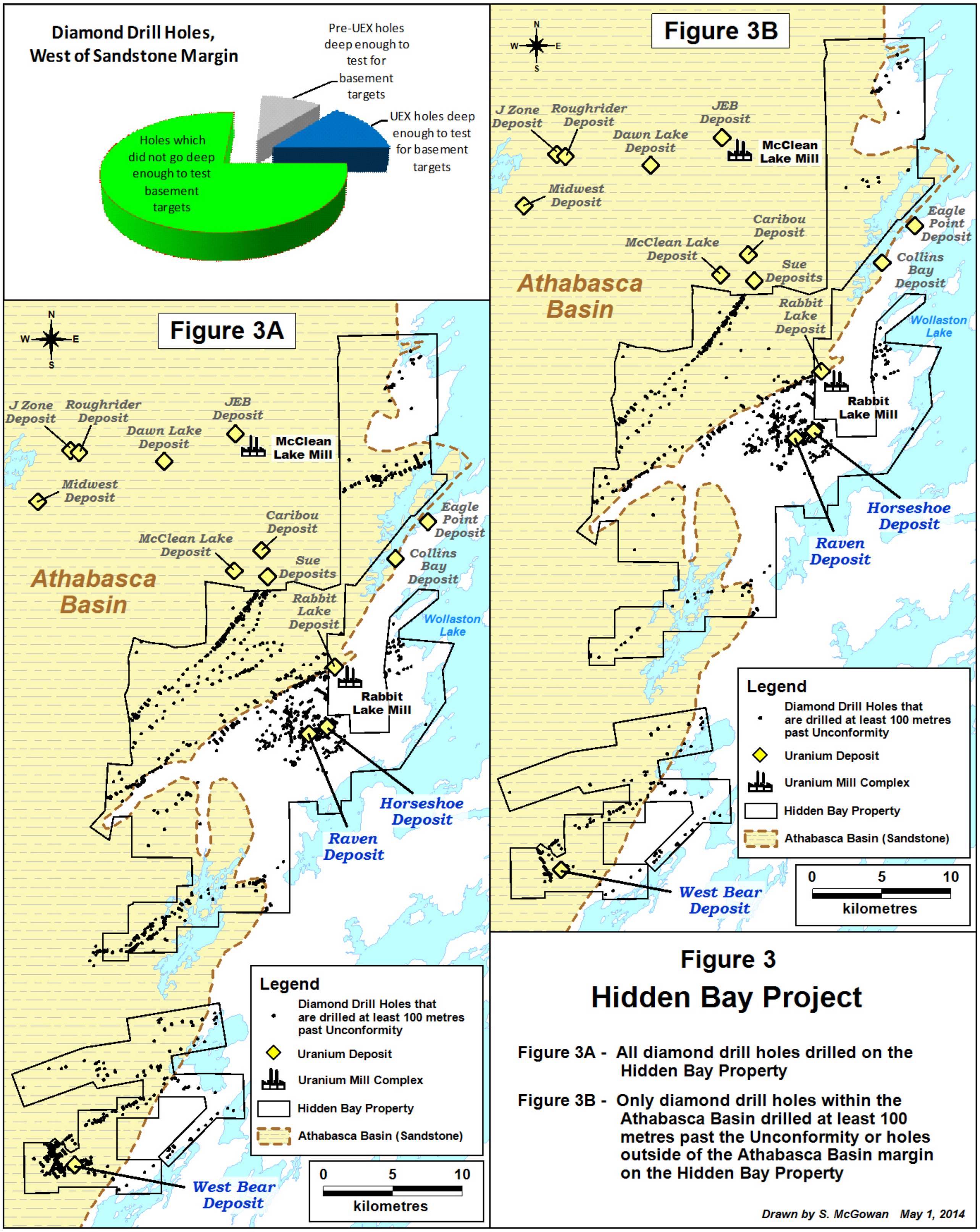
Exploration in the Athabasca Basin has traditionally focused on the discovery of uranium deposits at, or just above, the unconformity in Athabasca sandstone. Previous drilling mainly tested targets located less than 25 metres below the unconformity. These early exploration efforts led to significant discoveries of unconformity-hosted deposits such as Key Lake, Cigar Lake, Midwest Lake, Sue A/B, McClean Lake and West Bear.

More recent exploration activity in the Athabasca Basin has led to the discovery of several sizable new basement-hosted uranium deposits, including Eagle Point, Millennium, Roughrider and Patterson Lake South. The potential for basement-hosted uranium mineralization was largely unknown and untested by most of the previous explorers in the Athabasca Basin.

In light of these recent discoveries, UEX is in the process of re-examining our properties to determine the potential for basement-hosted mineralization. During the course of its forty year history, exploration efforts at Hidden Bay have either focused on testing for classic unconformity-hosted uranium deposits, or on expanding and developing the West Bear and Raven-Horseshoe deposits.

In the western half of the Hidden Bay property where Athabasca sandstone cover is present, we believe that less than 25% of the historic drilling extended deep enough below the unconformity to test for the presence of basement uranium mineralization (see Figure 3). Despite being located below the unconformity, basement-hosted uranium deposits typically have geophysical, geochemical and alteration features that can be identified in the overlying sandstone rocks. These features would have been observed and recorded by previous explorers during their focused search for classic unconformity-hosted deposits and these observations are included in our historical exploration records.

The Hidden Bay property has very shallow sandstone cover ranging from 0 to 175 metres in depth and therefore any new basement discovery would likely be very shallow and proximal to existing operating uranium mills. The UEX database contains the critical features present in the sandstone and at the unconformity that can be used to vector towards and focus on high quality basement targets. UEX is currently reviewing the extensive Hidden Bay database for geological, geochemical, geophysical, and hydrothermal alteration features recorded during past exploration programs to identify these potential basement deposit targets. This review will ultimately lead to a future drill program on the Hidden Bay Project to test for new prospective basement-hosted deposits on the property.


Diamond Drill Holes, West of Sandstone Margin
Pre-UEX holes deep enough to test for basement targets
UEX holes deep enough to test for basement targets
Holes which did not go deep enough to test basement targets
Figure 3A
Figure 3B
J Zone Deposit
Roughrider Deposit
Dawn Lake Deposit
JEB Deposit
McClean Lake Mill
Midwest Deposit
Caribou Deposit
McClean Lake Deposit
Sue Deposits
Eagle Point Deposit
Collins Bay Deposit
Rabbit Lake Deposit
Wollaston Lake
Rabbit Lake Mill
Athabasca Basin
Horseshoe Deposit
Raven Deposit
West Bear Deposit
Legend
Diamond Drill Holes that are drilled at least 100 metres past Unconformity
Uranium Deposit
Uranium Mill Complex
Hidden Bay Property
Athabasca Basin (Sandstone)
0 5 10
kilometres
Figure 3
Hidden Bay Project
Figure 3A - All diamond drill holes drilled on the Hidden Bay Property
Figure 3B - Only diamond drill holes within the Athabasca Basin drilled at least 100 metres past the Unconformity or holes outside of the Athabasca Basin margin on the Hidden Bay Property
Drawn by S. McGowan May 1, 2014

Black Lake Project

In early 2013, UEX entered into an agreement with Uracan Resources Ltd. ("Uracan") whereby Uracan can earn into the Black Lake Project (the "Project") in northern Saskatchewan, which is a joint venture with AREVA Resources Canada Inc. Currently, UEX holds an 89.99% interest and AREVA holds a 10.01% interest in the Project.

Uracan must fund a total of $10.0 million of project expenditures over 10 years to earn their 60% interest in the Project from UEX, with no partial earn-in permitted. Uracan has committed to spend $2.0 million on project expenditures by December 31, 2014, with a firm commitment to fund $1.5 million even if a decision is made by Uracan not to proceed with the earn-in or the agreement is otherwise terminated. Should the agreement be terminated prior to $1.5 million in project costs having been funded by Uracan, any shortfall is payable directly to UEX. During the remainder of the option period, minimum expenditures of $1.0 million per year are to be funded by Uracan. UEX remains the project operator until such time as Uracan has earned its 60% interest in the Project and is entitled to a 10% management fee under the Black Lake joint-venture agreement. As at May 1, 2014, Uracan has funded approximately $1.2 million of its $2.0 million exploration expenditure commitment for 2014 on the Black Lake Project.

Uracan has issued 300,000 shares and 150,000 share purchase warrants to UEX. The warrants are exercisable for three years at a price of $0.15 for each warrant. Uracan has also granted to UEX a 1% NSR royalty from their ownership interest and upon UEX receiving a total of $10.0 million in royalty payments, the NSR royalty will terminate.

Black Lake Project: 2014 Exploration Program

Black Lake Winter 2014 Diamond Drilling Program

A winter 2014 diamond drilling program consisting of six holes totaling 2,748 metres commenced in early February and was completed in early March (see Figure 4). The drilling program tested a number of geophysical and geochemical targets identified through the interpretation of data generated by previous work programs and followed up on uranium mineralization intersected in previous drill campaign. The field work related to the $650,000 winter 2014 diamond drilling program was completed in March of 2014.

Road clearing and mobilization were carried out in January of 2014 in preparation for the winter 2014 drilling program utilizing the $79,006 remaining funds from the 2013 budget of $104,060.

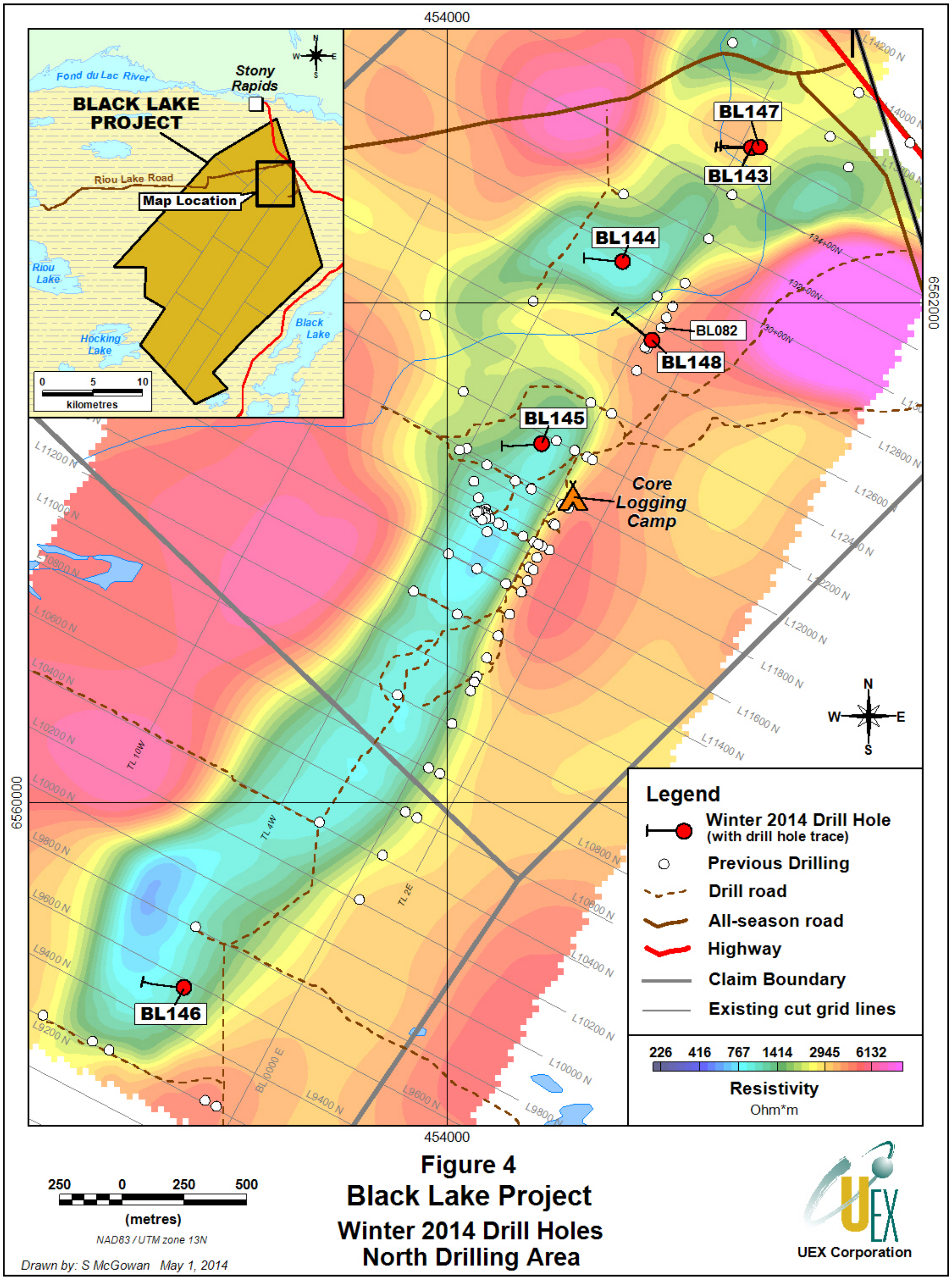


Figure 4
Black Lake Project
Winter 2014 Drill Holes
North Drilling Area

Drawn by: S McGowan May 1, 2014

BL-148

Hole BL-148 was drilled to target the post-sandstone reverse Eastern Fault zone where a wedge of basement rocks has been overthrust onto parts of the Athabasca sandstone. Drilling in this hole targeted mineralization intersected in previous hole BL-082 (0.50% U_3O_8 over 3.3 metres including 1.60% U_3O_8 over 0.7 metres) approximately 50 metres along strike to the southwest, as well as the potential for a northwest oriented structure cutting across the main eastern conductor in this area.

BL-148 intersected the hanging wall unconformity of the reverse fault wedge at a depth of 265.8 metres and the footwall unconformity at a depth of 298.2 metres. Strong hematization is present in both the hanging wall and footwall basement rocks which overprints most of the local textures. A strong fault zone was also intersected within the sandstone just above the wedge.

Geochemical results from three zones of mineralization in BL-148 are as follows:

- 0.131% U_3O_8 over 0.5 m from 275.0 to 275.5 m (9.1 m below hanging wall unconformity);
- 0.043% U_3O_8 over 0.5 m from 299.5 to 300.0 m (1.3 m below footwall unconformity); and
- 0.124% U_3O_8 over 1.0 m from 317.0 to 318.0 m (18.7 m below footwall unconformity).

Most significantly, the basement-hosted mineralization intersected below the footwall unconformity has not been encountered previously in this area of the Project and represents a new prospective target for basement mineralization associated with the fault. In the Athabasca Basin, the presence of a mineralized basement "wedge" is considered to be an important geological feature for potential uranium deposition having formed a structural trap for mineralizing hydrothermal fluids. Graphitic breccia within the fault is also an important element in uranium deposition, and bleaching and alteration in the sandstone and basement rocks commonly seen as a halo surrounding uranium mineralization.

BL-143 and BL-147

Holes BL-143 and BL-147 were drilled on section to target a coincident magnetic low and gravity low along the edge of an airborne EM high approximately 850 metres northeast along the projected trend of the Eastern Fault Zone intersected in hole BL-148. Fault zones were intersected in the sandstone above the unconformity in both holes which consist of strongly bleached and desilicified sandstone as well as strong local clay alteration and dravite veining. The unconformity was encountered at 268.8 metres in BL-143 and 273.2 metres in BL-147. The projection of this fault zone at the unconformity is a prospective target for future drilling.

BL-144

Hole BL-144 targeted a coincident resistivity, magnetic and gravity low within a pelitic package. The hole intersected a variably altered and hematized sequence of Athabasca sandstone to the unconformity at 291.3 metres. A zone of quartz dissolution was intersected in the sandstone consisting of broken angular and local sandy friable core, which may represent a potential fault structure. Broad intervals of graphitic pelite were encountered in the basement rocks below the unconformity with up to 40% graphite noted in several intervals.

BL-145

Hole BL-145 targeted a coincident resistivity, magnetic and gravity low. The hole intersected variably altered and bleached sandstone to the unconformity at 326.8 metres. Several zones of quartz dissolution were intersected within the sandstone with the widest and most intense present as a 30.0 metre zone characterized by sandy intervals and local sections of broken friable core in the upper portion of the hole.

BL-146

BL-146 intersected relatively unaltered sandstone to the unconformity at 408.6 metres. Local broken friable zones were noted throughout the sandstone. The basement rocks are comprised of fine-grained, weakly foliated to massive graphitic pelitic gneiss, pelitic gneiss and granitic gneiss. Graphite content ranged from 1% to 20% with local areas of higher graphite content.

Black Lake Winter 2014 Geophysical Program

The winter 2014 geophysical exploration program will involve an indirect pole-pole DC Resistivity survey over the central portion of the Project area. The objective of the geophysical survey is to provide complete coverage over the Project area by filling in the area between DC Resistivity surveys carried out in the north area during the summer of 2006 and in the south area completed in the fall of 2007. This DC Resistivity survey will help to define drill targets in central portion of the Black Lake grid.

The DC Resistivity survey will consist of sixteen (16) profiles of 4.5 line-kilometre length with a line spacing of 400 metres for total survey coverage of 72 line-kilometres (see Figure 5). The survey will also involve 72 line-kilometres of line refurbishing. The total budget for the 2014 geophysical program is $423,500 and UEX has received a prepayment from Uracan for the full amount of this program. Line refurbishing totalling 72 line-kilometres has been completed in the first quarter of 2014 and the DC Resistivity survey commenced in mid-April of 2014.

Once the full results from the drilling and ground geophysical programs have been received, Uracan and UEX will undertake additional drilling and field work on the Project to follow up results from the winter programs as well as test additional targets not completed during the winter drilling program.

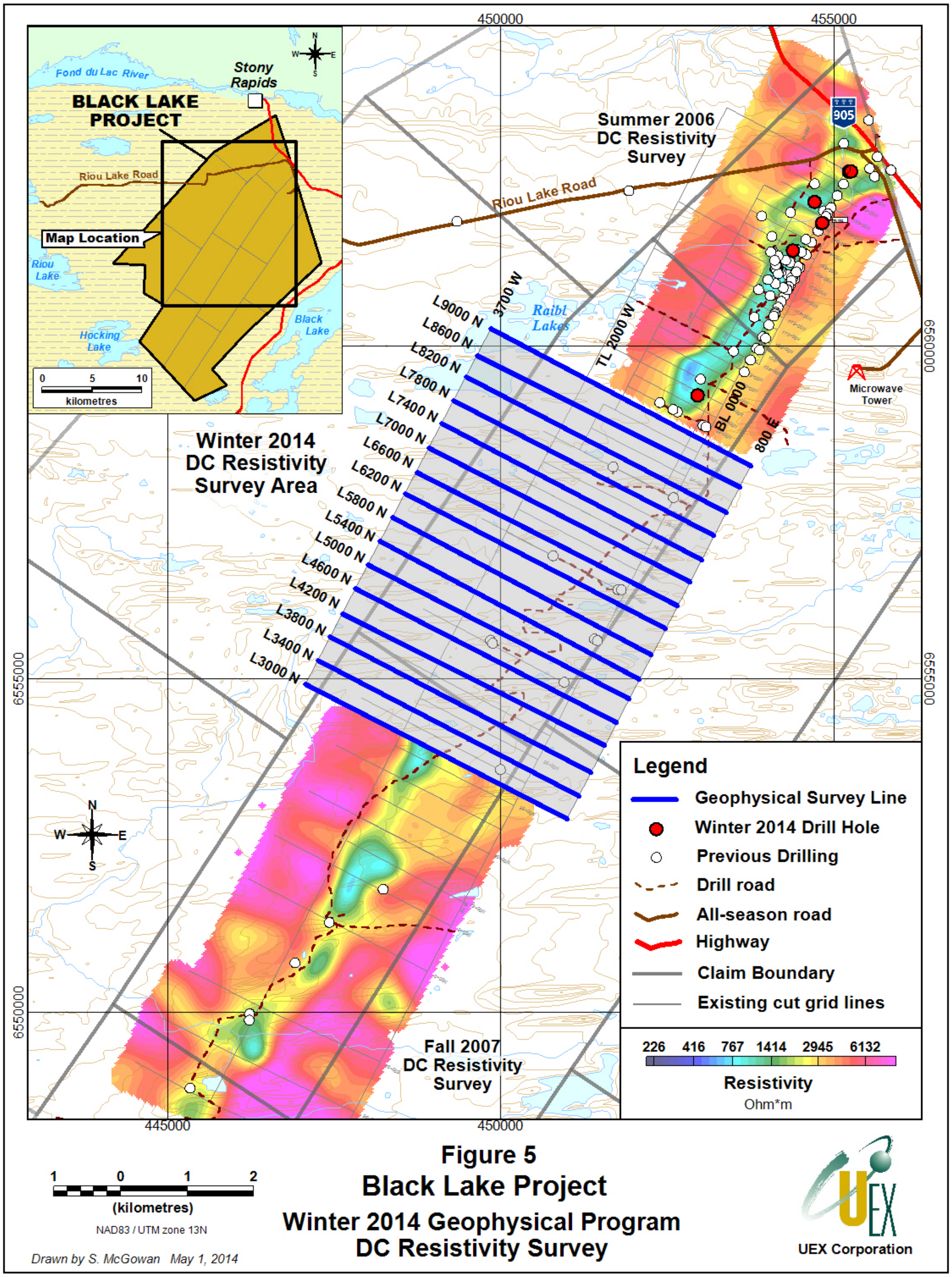


Figure 5
Black Lake Project
Winter 2014 Geophysical Program
DC Resistivity Survey

Other Athabasca Projects

UEX has deferred exploration programs at Riou Lake for the near-term until uranium market conditions improve. The Company is currently seeking partners that are interested in earning into this project to follow up on historic uranium mineralization encountered on the property.

UEX continues to hold four claims on our Northern Athabasca Projects; however, the Company does not have any current plans to continue exploration at this time. Eight claims within the Northern Athabasca Projects lapsed on February 5, 2013 and one claim lapsed on February 5, 2014 but 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 and Roger Lemaitre, P.Eng., P.Geo., UEX's President and CEO, who are Qualified Persons as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* and are non-independent of UEX.

Geochemical Analysis

Geochemical analyses are carried out at the SRC Geoanalytical Laboratories in Saskatoon, Saskatchewan. The primary geochemical analytical methods used for uranium analysis are ICP-MS (Inductively Coupled Plasma Mass Spectroscopy) for samples with grades lower than 1,000 ppm U, and U_3O_8 uranium assay by ICP-OES (Inductively Coupled Plasma Optical Emission Spectroscopy) for samples determined by ICP-MS to contain uranium concentrations higher than 1,000 ppm U.

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 (such as the Western Athabasca and Black Lake projects) through joint ventures (referred to as "joint operations" in the financial statements) with third parties. 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 February 24, 2014, is US$50.00 /lb. Given that the PA presented three economic scenarios using prices ranging from US$60 to US$80 /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, 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 December 31, 2013. 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 December 31, 2013 that had materially affected, or are reasonably likely to materially affect, such controls.

In May of 2013, the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") released an updated *Internal Control – Integrated Framework* which companies will be required to transition to for officer's certificates filed after December 15, 2014. Currently the Company applies the COSO *2006 Internal Control over Financial Reporting – Guidance for Smaller Public Companies* which is based on the 1992 COSO Framework.

The Company is currently reviewing the new COSO *Internal Control – Integrated Framework (2013 Framework)* but has not yet determined what changes, if any, may be required to the Company's internal controls to be in compliance with the new COSO framework.

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", "anticipates", "assumes", "believes", "plans", "strategy", "goal", "objective", "potential", "optimistic" or their negatives or other comparable words or statements that contain actions, events or results "may", "will", "could", "would", "might", or "should" occur, be taken or be achieved. 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; that actual capital and operating costs associated with the Hidden Bay project may significantly exceed those estimated in the Hidden Bay project technical report; the economic analysis contained in the current Hidden Bay project's technical report may not be realized; 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.