



**Uranium Exploration  
Australia Limited**

ABN 65 112 714 397

**NOTICE OF ANNUAL  
GENERAL MEETING**

*AND*

**EXPLANATORY  
STATEMENT**

**Annual General Meeting to be held at the  
Amora Hotel Jamison Sydney,  
Boyd Conference Room, Level 2,  
11 Jamison Street, Sydney,  
on Thursday, 20 November 2008 at 11.00 am.**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

# Notice of Annual General Meeting

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of Uranium Exploration Australia Limited (The Company) will be convened at 11.00 a.m. on Thursday, 20 November 2008, at the Amora Hotel Jamison Sydney, Boyd Conference Room, Level 2, 11 Jamison Street, Sydney, NSW, 2000, to consider, and if thought fit, to pass the following resolutions.

If you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form. The completed Proxy Form must be received by the Company at least 48 hours before the commencement of the meeting.

An Explanatory Statement is attached. Shareholders should read this in full.

## ORDINARY BUSINESS

### ANNUAL ACCOUNTS

To receive and consider the Annual Company Financial Statements and reports of the Directors and the Auditor for the period ended 30 June 2008.

### RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

***“To adopt the remuneration report for the year ended 30 June 2008.”***

Note: the vote on this resolution is advisory only and does not bind the directors.

### RESOLUTION 2 – RE-ELECTION OF MR. IAN MUTTON AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

***“That Mr Ian Mutton, a Director of the Company retiring in accordance with the Company’s Constitution, be re-elected as a Director.”***

### RESOLUTION 3 – RE-ELECTION OF MR. STEPHEN GEMELL AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

***“That Mr Stephen Gemell, a Director of the Company retiring in accordance with the Company’s Constitution, be re-elected as a Director.”***

### RESOLUTION 4 – APPROVAL OF AN ISSUE OF SECURITIES

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

***“That, pursuant to and in accordance with Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, the Company be authorised to allot and issue up to 26 million fully paid ordinary Shares of the capital of the Company at an issue price no less than 80% of the weighted average price for 5 trading days prior to the announcement of a placement on the terms and conditions set out in the Explanatory Statement accompanying this notice.”***

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 4 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of that person. However, the Company need not disregard a vote if:

- (i) the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 5 – ACQUISITION OF ASSETS OF GEOSCIENCE ASSOCIATES (AUSTRALIA) PTY LTD

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

***“That, for the purpose of Listing Rule 11.1 of the Listing Rules of ASX Limited and for all other purposes, the Company approves the Proposed Acquisition of the Assets and Business of Geoscience Associates (Australia) Pty Ltd”***

### Short Explanation:

Approval is sought under Listing Rule 11.1 to allow the Company to increase the scale of its activities as a result of completing the Proposed Acquisition. Please refer to the Explanatory Statement for details.

### Voting Exclusion Statement

*The Company will disregard any votes cast on Resolution 5 by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of that person. However, the Company need not disregard a vote if:*

- (i) the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (ii) the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

## RESOLUTION 6 – APPROVAL OF ALLOTMENT AND ISSUE OF SHARES – PLACEMENT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

***“That, for the purpose of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, the Company be authorised to allot and issue up to 10 million fully paid ordinary Shares of the capital of the Company, at an issue price of the weighted average price for 5 trading days prior to Completion of the Proposed Acquisition, to Geoscience Associates (Australia) Pty Ltd or its delegate who is not a related party of the Company, and otherwise on the terms set out in the Explanatory Statement accompanying this Notice.”***

### Short Explanation:

Approval is sought under Listing Rule 7.1 to allow the Company to issue and allot these securities. Please refer to the Explanatory Statement for details.

### Voting Exclusion Statement

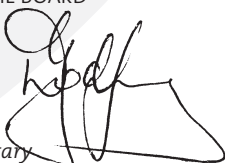
*The Company will disregard any votes cast on Resolution 6 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of that person. However, the Company need not disregard a vote if:*

- (i) the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- (ii) the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Dated this 6th day of October, 2008.

BY ORDER OF THE BOARD

David Godfrey  
Company Secretary



### Notes

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 11 a.m. on 18 November 2008.
3. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on that form.
4. Terms used in this Notice have the meanings set out in the Glossary of the Explanatory Statement.
5. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

# Explanatory Statement

**This Explanatory Statement accompanies and forms part of the Notice of Annual General Meeting dated 6 October 2008 (Notice) and has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of the Company. Amongst other things, this Explanatory Statement provides Shareholders with the information required to be provided to Shareholders by the Corporations Act 2001 and the Official Listing Rules of ASX Limited (ASX Listing Rules).**

**The Explanatory Statement sets out an explanation of each of the resolutions to be put to Shareholders. Shareholders should read this Explanatory Statement carefully before determining how to vote in respect of the resolutions.**

## **ANNUAL FINANCIAL REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2008**

The first item of the Notice is to receive and consider the annual financial reports and accounts of the Company for the year ended 30 June 2008, comprising the Financial Statements together with the Statement of the Directors, the Directors' Report and the Auditor's Report. No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's management and auditors in relation to the Company's results and operations for that financial year.

### **RESOLUTION 1 – REMUNERATION REPORT**

In accordance with section 250R(2) of the Corporations Act the Company is required to present to the Shareholders the Remuneration Report for the year ended 30 June 2008. The vote on the resolution is advisory only and does not bind the Directors of the Company. The remuneration report is set out on pages 26 to 28 of the Company's 2008 Annual Report.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

### **RESOLUTIONS 2 TO 3 - ELECTION OF DIRECTORS**

Resolutions 2 and 3 of the notice of meeting deal with the election of directors. Under the Company's constitution and the ASX Listing Rules, a director must not hold office without re-election past the third Annual General Meeting following the director's appointment or three years, whichever is longer. The director will be eligible for re-election. The directors required to retire under the above framework are Messrs Ian Mutton and Stephen Gemell. They have both indicated that they will offer themselves for re-election. The Company selects Board members for their knowledge of and familiarity with financial markets, the relevant industry sector, their experience with relevant stakeholder groups and their individual contribution to the Board's ability to function efficiently and with integrity.

The Board's focus is achieving progressive renewal whilst maintaining stability and retaining experience and guidance which has been invaluable throughout the early stages of the Company's development. In the next years the Board will focus further upon renewal of its membership and ensuring that the Company's Board possesses the appropriate pool of skills and experience to take the Company into its next phase of growth as a listed company.

In accordance with Clause 20.2 of the Company's Constitution, Messrs Mutton and Gemell retire and being eligible, have offered themselves for re-election. The remaining Directors recommend to Shareholders that Messrs Mutton and Gemell be re-elected as directors.

## RESOLUTION 4 – APPROVAL OF AN ISSUE OF SECURITIES

### Background – Listing Rule 7.4

#### *Refreshing the Company's ability to issue securities within the 15% limit.*

Listing Rule 7.4 provides that an issue made within the 15% limit will be treated as having been made with the prior approval of Shareholders for the purpose of Listing Rule 7.1, thereby “refreshing” the Company’s ability to issue securities within the 15% limit, and restoring the Company’s ability to make placements (if that is thought desirable) without the need for Shareholder approval. The Company is requesting Shareholders to approve the issue of the Shares the subject of Resolution 4 for the purpose of Listing Rule 7.4, so that the Company will have flexibility to issue further securities under Listing Rule 7.1 without seeking Shareholder approval, if the need or opportunity arises.

Resolution 4 of the Notice of Meeting proposes the issue and allotment of up to 26 million fully paid ordinary Shares in the capital of UXA per the ASX Listing Rules.

In compliance with the information requirements of ASX Listing Rule 7.3, members are advised of the following particulars in relation to the proposed issue:

1. Maximum number of Shares to be issued – up to 26 million shares.
2. Date by which UXA will issue and allot Shares – no later than 3 months after the date of the meeting.
3. Price at which Shares are to be issued – minimum being no less than 80% of the average market price calculated in accordance with ASX Listing Rule 7.3.3.
4. Basis upon which allottees will be determined – the allottees will be determined by the Board having regard to a number of issues, including:
  - (i) the level of demand for placement Shares;
  - (ii) the identification of Shareholders with a long term commitment to UXA; and,
  - (iii) other issues which the board may consider appropriate from time to time.
5. Terms of issue – the Shares will rank equally in all respects with the existing ordinary Shares on issue.
6. Intended use of funds raised – the issue of Shares will provide additional funding required by UXA for the following purposes:
  - (i) exploration programmes on UXA’s highly prospective tenements, primarily within South Australia’s Gawler Craton region and in the Northern Territory;
  - (ii) assessment of capital acquisitions; and
  - (iii) General working capital.
7. Dates of allotment – allotment will occur progressively.

Pursuant to the placement proposed under resolution 4, no single Shareholder/placee will be permitted to exceed 20% of the issued capital of UXA and therefore no change in control of UXA is anticipated. This prohibition will be included in the placement Information Statement.

It is proposed that the placement be made to selected allottees pursuant to a placement Information Statement.

# Explanatory Statement

## **RESOLUTION 5 - ACQUISITION OF ASSETS OF GEOSCIENCE ASSOCIATES (AUSTRALIA) PTY LTD**

The Company has entered into an Agreement to acquire the Assets and Business of Geoscience Associates (Australia) Pty Ltd (GAA) (the Proposed Acquisition). GAA is located in Mount Barker, South Australia and provides borehole wire-line logging services to the uranium and coal industries throughout Australia and is the sole distributor for Prompt Fission Neutron (PFN) technology in Australia and the only provider of commercial PFN logging services in Australia.

UXA intends to complete the Proposed Acquisition no later than Monday, 24 November 2008. Completion of the Proposed Acquisition is conditional on, amongst other things, the Shareholders of the Company passing all resolutions as are required under the ASX Listing Rules and the Corporations Act to give effect to the Proposed Acquisition (i.e. the Resolutions 5 & 6 that are set out in this Notice).

A summary of the Agreement is contained in Annexure A.

The Company's shareholders' approval is required for various aspects of the Proposed Acquisition under a range of regulatory provisions, including the:

- increase in the scale of its activities under Listing Rule 11.1.2; and
- placement of shares to vendors under Listing Rule 7.1.

The purchase price payable at settlement under the Agreement for the Assets and Business of GAA consists of two parts. Part 1 will be an amount of \$4,000,000 for the acquisition of GAA's Assets and Business as at 30 June 2007 (including goodwill of approx. \$1,000,000). Part 2 will be payment for GAA's new assets acquired between 1 July 2007 and the Completion date. The Part 2 amount is yet to be conclusively determined, but is estimated to be approximately \$3,000,000 and will be based on the cost-base of the assets supported by receipts. These two parts, together with the proposed working capital of the company, will be funded by a combination of sources as follows:

### **Part 1**

- The issue of up to 10 million fully paid ordinary UXA shares;
- Cash – being the difference between the value of 10 million UXA shares and \$1 million, payable 12 months after settlement from GAA's cashflows;
- Cash - \$1,000,000, payable on settlement (funded by UXA); and
- Vendor finance of \$2,000,000.

### **Part 2**

- An appropriate level of bank finance for GAA's new assets acquired after 1 July 2007; and if deemed necessary and appropriate
- The issue of shares to sophisticated investors as contemplated by Resolution 4 above.

### **Working Capital**

- An appropriate level of working capital will be funded by bank debt

The Proposed Acquisition, if completed:

- (a) will result in the Company becoming a significant provider of logging services and tools for the coal and uranium industries in Australia, through its interests in the assets and business of GAA, whilst continuing to maintain its central focus on exploration. This may provide a lower risk profile for the Company than is currently the case; and
- (b) offers a number of significant synergies and benefits for the Company's exploration strategy.

The key benefits and implications are summarised below:

## Financial Stability

The Proposed Acquisition, if completed, will result in the creation of an enlarged group with unique uranium logging and exploration capabilities with greater market diversification and higher cash generating capability. It therefore strengthens the position of the Company and may provide a lower risk profile for existing Shareholders.

The Proposed Acquisition, if completed, is anticipated to enhance the financial security of the Company by providing additional cash and equity capacity to meet its ongoing funding requirements. It is anticipated that bank debt incurred will be fully repaid from the ongoing cash flows from the GAA business, with no planned call on UXA's cash reserves. Repayment of UXA's \$1m cash is projected within 3 years of completion of the acquisition.

## Diversification of Risk

The Company will have access to geophysical wire-line logging equipment together with interests in a wider range of proprietary and other technologies and industry know-how for the treatment of a range of logging tasks and monitoring of drill holes. This reduces the Company's exposure to its sole exploration focus. This will be especially important in the event of discovery or involvement through acquisition, joint venture or merger with a uranium resource and the development of *In Situ Recovery (ISR)* mining technology.

## Enhanced Technical and Management Capability

As part of the acquisition of the assets and business of GAA, the Company will acquire GAA's current management team, significantly enhancing its technical and management capability. The larger scale of operations, diversity of opportunities and improved financial stability should also make the Company a more attractive employment opportunity, improving the prospects of recruiting necessary employees with the skills required to continue to develop the business.

## Improved Access to Capital and Debt Markets

The Company should have improved access to capital markets due to the increased size and stability of the merged group. This should also assist in attracting greater investor interest in the Company and therefore promote better liquidity in the Company's shares.

## GAA Group Business Overview

GAA operates licensed facilities in South Australia and Queensland providing commercial bore-hole logging services to the mining and exploration sectors throughout Australia predominantly in the uranium and coal industries incorporating a wide range of clients.

Commercial services provided by GAA include:

- Gamma Ray
- Neutron
- Dual Density
- Calliper
- Resistivity/SP
- Guard Tool (LL3)
- Sonic
- Full Wave Sonic
- Borehole Imaging Tool
- Dipmeter
- Magnetic Susceptibility
- Colour Borehole Video, and
- Prompt Fission Neutron (PFN).

# Explanatory Statement

## RESOLUTION 5 - ACQUISITION OF ASSETS OF GEOSCIENCE ASSOCIATES (AUSTRALIA) PTY LTD (CONTINUED)

### Risks of the Proposed Acquisition

Approval and completion of the Proposed Acquisition will carry some additional risks for Shareholders, including:

- The acquisition and additional capital requirements will be financed by a mixture of cash and debt, resulting in the Company using significant cash reserves (\$1m). The Company may be obliged to seek funds on the market to continue with its proposed/ budgeted exploration programme.
- From the date of completion of the Proposed Acquisition, the Company may assume some of the liabilities of GAA including legal, environmental, employee and other regulatory liabilities, for which it may not be adequately indemnified.
- Not all customers of GAA have entered into long-term contracts and there is a risk that some customers may not continue to use the services of GAA post settlement.
- GAA operates in a competitive environment which is subject to rapid change and it will need to continue to invest and adapt to remain competitive, including the technologies it employs.
- The success of the Company and GAA will depend upon the skills and efforts of a small group of management and technical personnel, particularly during the assimilation phase of the Proposed Acquisition. Factors critical to retaining present staff and attracting additional highly qualified personnel include the Company's ability to provide these individuals with competitive remuneration packages and other benefits.
- General economic, political and commercial risks apply to any business and such risks could adversely affect the performance of the Company and GAA. In particular they operate in a highly regulated environment which may change in a way that adversely impacts on performance.

### Financial Effect of the Proposed Acquisition & Statement of Financial Position as at 30 June 2008

The financial information set out below comprises;

- the historical statement of financial position of the Company as at 30 June 2008; and
- the pro forma consolidated statement of financial position as at 30 November 2008 which assumes completion of the acquisition disclosed above (and therefore is the consolidation of entities including GAA).

The financial information has not been subject to audit.

The historical and the pro forma financial information has been prepared in accordance with the measurement requirements, but not all the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

The pro forma statement of financial position has been prepared to reflect the financial position of the Company as if the Placement and Proposed Acquisition had occurred on 30 November 2008. This financial position may change, dependent upon the funding arrangements made and conclusive determination of the value of the assets acquired by GAA between 1 July 2007 and Completion date.

## HISTORICAL AND PRO-FORMA CONSOLIDATED BALANCE SHEET

	<i>UXA 30 JUNE 2008 \$000</i>	<i>TRANSACTIONS ON ACQUISITION UXA \$000</i>	<i>TRANSACTIONS ON ACQUISITION NEW GAA* \$000</i>	<i>PRO-FORMA ADJUSTMENTS \$000</i>	<i>PRO-FORMA CONSOLIDATED POST ACQUISITION \$000</i>
<b>CURRENT ASSETS</b>					
CASH & CASH EQUIVALENTS	6,252	(1,000)	0	0	5,252
TRADE AND OTHER RECEIVABLES	138	0	0	0	138
<b>TOTAL CURRENT ASSETS</b>	<b>6,390</b>	<b>(1,000)</b>	<b>0</b>	<b>0</b>	<b>5,390</b>
<b>NON-CURRENT ASSETS</b>					
TRADE AND OTHER RECEIVABLES	24	0	0	0	24
PROPERTY, PLANT AND EQUIPMENT	106	0	4,800	0	4,906
DEFERRED EXPLORATION	4,159	0	0	0	4,159
GOODWILL (EST)	0	0	1,000	0	1,000
LOAN – UXA TO GAA (CASH LOAN)	0	1,000	0	(1,000)	0
LOAN – UXA TO GAA (ISSUE OF SHARES)	0	600	0	(600)	0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,289</b>	<b>1,600</b>	<b>5,800</b>	<b>(1,600)</b>	<b>10,089</b>
<b>TOTAL ASSETS</b>	<b>10,679</b>	<b>600</b>	<b>5,800</b>	<b>(1,600)</b>	<b>15,479</b>
<b>CURRENT LIABILITIES</b>					
TRADE AND OTHER PAYABLES	94	0	0	0	94
AMOUNT RECEIVED FOR SHARES ISSUED	0	0	0	0	0
PROVISION FOR EMPLOYEE ENTITLEMENTS	68	0	0	0	68
<b>TOTAL CURRENT LIABILITIES</b>	<b>162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>162</b>
<b>NON-CURRENT LIABILITIES</b>					
DEFERRED REVENUE	1,622	0	0	0	1,622
LOAN – UXA TO GAA (CASH LOAN)	0	0	1,000	(1,000)	0
LOAN – UXA TO GAA (ISSUE OF SHARES)	0	0	600	(600)	0
LOAN - BANK	0	0	1,800	0	1,800
LOAN – VENDOR FINANCE	0	0	2,400	0	2,400
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,622</b>	<b>0</b>	<b>5,800</b>	<b>(1,600)</b>	<b>5,822</b>
<b>TOTAL LIABILITIES</b>	<b>1,784</b>	<b>0</b>	<b>5,800</b>	<b>(1,600)</b>	<b>5,984</b>
<b>NET ASSETS</b>	<b>8,895</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>9,495</b>
<b>EQUITY</b>					
SHARE CAPITAL	13,976	600	0	0	14,576
RESERVES	321	0	0	0	321
ACCUMULATED LOSSES	(5,402)	0	0	0	(5,402)
<b>TOTAL EQUITY</b>	<b>8,895</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>9,495</b>

\* *New subsidiary company*

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Note 1: The purchase price payable for the assets and business of GAA includes customary duties and fees. The precise breakdown of the purchase price amongst the various assets purchased will occur once the assets of GAA have been valued.

### Implications if the Proposed Acquisition does not proceed

In assessing the Proposed Acquisition, Shareholders should also assess the implications of a failure of the Proposed Acquisition. If the Proposed Acquisition is not approved by Shareholders:

- The Company would be in a position to continue its operations only with the on-going support of its shareholders; and
- The Company's ability to raise capital would be subject to the sentiment of capital markets.

# Explanatory Statement

## **RESOLUTION 6 - APPROVAL OF ALLOTMENT AND ISSUE OF SHARES - PLACEMENT**

The consideration payable for the Proposed Acquisition is approximately \$7 million (plus costs associated with the Proposed Acquisition) payable \$6.4 million in cash and the balance from the proceeds of the issue of Shares contemplated by Resolution 6. The Company will issue up to 10 million Shares to GAA or its delegate, which will represent approximately 11% of the current issued Shares.

In compliance with the information requirements of ASX Listing Rule 7.3, members are advised of the following particulars in relation to the proposed issue:

1. Maximum number of Shares to be issued – Up to 10 million shares.
2. Date by which UXA will issue and allot Shares – No later than 3 months after the date of the meeting.
3. Price at which Shares are to be issued – The weighted average market price calculated in accordance with ASX Listing Rule 7.3.3.
4. Basis upon which allottees will be determined – GAA or its delegate.
5. Terms of issue – The Shares will rank equally in all respects with the existing ordinary Shares on issue.
6. Intended use of funds raised – The issue be used as part of the acquisition contemplated in Resolution 5.
7. Dates of allotment – On a date no later than 3 months after the date of the meeting.

## **OTHER INFORMATION**

There is no other information known to the Company that is material to a Shareholder's decision on how to vote on the resolutions set out in the Notice. However, should any Shareholder be in doubt as to how they should vote on any resolution and/or as to how a resolution may affect them, they should seek advice from their accountant, solicitor or other professional adviser as soon as possible.

Queries as to the lodgment of proxies and other formalities in relation to the Meeting should be directed to the Managing Director (Telephone: (08) 8132 4300).

## **ACTION TO BE TAKEN BY SHAREHOLDERS**

Enclosed with the Notice of Meeting and this Explanatory Statement is a proxy form for use by Shareholders. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form to the Company in accordance with the instructions contained on the proxy form and the Notice of Meeting. Lodgment of a proxy form will not preclude a Shareholder from attending and voting at the Meeting in person.

## ANNEXURE A

### SUMMARY OF AGREEMENT

The Purchaser has entered into an Agreement to acquire the Assets and Business of GAA.

The material terms of the Agreement are as follows:

1. Completion Date is Monday, 24 November 2008.
2. The Purchaser's obligation to acquire the Assets and Business of GAA is subject to a number of specific and customary conditions including Shareholder approval pursuant to Resolution 5 and to the placement of securities contemplated by Resolution 6.
3. Funding for the consideration for the Acquisition, is comprised of a combination of cash at settlement, vendor finance, bank debt and cash raised under the proposed issue of securities to Sophisticated Investors by the Company.
4. The key employees of GAA will enter into employment arrangements with the Purchaser under which certain bonus payments are made should specified EBIT benchmarks be satisfied.
5. The Assets and Business of GAA will be acquired by a new entity, which will be a subsidiary of UXA
6. The Company has secured a long-term lease over the South Australian Site, as well as an option to acquire the real estate and improvements.
7. GAA and its delegates have:
  - (a) provided warranties and representations to the Purchaser standard for this type of transaction; and
  - (b) undertaken not to compete for a period of two years with the Purchaser without the prior written consent of the Purchaser.
8. The Agreement is governed by and interpreted in accordance with the laws of South Australia and the parties submit to the jurisdiction of the courts of South Australia and all courts authorised to hear appeals from those courts.

## GLOSSARY

**Agreement** means agreement entered into between the Purchaser and Geoscience Associates (Australia) Pty Ltd and others, in relation to the Proposed Acquisition.

**Assets** means the assets of GAA.

**ASX** means ASX Limited.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the board of directors of the Company.

**Business** means the business of providing commercial logging services by GAA.

**Company** means Uranium Exploration Australia Limited (ACN 112 714 397).

**Completion** means the completion of the sale and purchase of the Assets and Business of GAA within two business days after obtaining the necessary Shareholder approvals pursuant to Resolutions 5 and 6.

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** mean the current directors of the Company.

**Explanatory Statement** means the explanatory statement to the Notice.

**GAA** means Geoscience Associates (Australia) Pty Ltd (ACN 007 734 705).

**Meeting** means the general meeting convened by the Notice.

**Notice** means the notice of meeting accompanying this Statement.

**Proposed Acquisition** means the proposed acquisition of the GAA Assets.

**Purchaser** means Uranium Exploration Australia Limited (ACN 112 714 397) or its delegate.

**South Australian Site** means the property located at 20 Oborn Road, Mt Barker, South Australia upon which part of the Business is conducted.

**Share** means a fully paid ordinary share in the capital of the Company.

**Sophisticated Investors** means investors to whom offers of shares can be made without the need for a prospectus or other disclosure under Chapter 6D of the Corporations Act.

**Vendors** mean the current owners of the Assets and Business of GAA.