



Uranium Exploration Australia Limited

ABN 65 112 714 397

ASX ANNOUNCEMENT

Thursday, 29 April 2010

Quarterly Activities Report – March 2010

TWO NEW JOINT VENTURES TO EXPLORE FOR URANIUM:

- **YAMBLA URANIUM PROSPECT NT WITH CULLEN EXPLORATION,**
- **ADVANCED MYROODAH URANIUM PROSPECT WA WITH REY RESOURCES,**

GAA BOREHOLE LOGGING SUBSIDIARY COMPLETED ITS SECOND SUCCESSFUL QUARTER OF OPERATIONS INCLUDING THE TRANSFER OF PROMPT FISSION NEUTRON TECHNOLOGY TO AUSTRALIA AND RECRUITMENT OF A BUSINESS DEVELOPMENT MANAGER

SUMMARY

Uranium Exploration Australia Limited (ASX: UXA) signed two exploration agreements as part of a new strategy to develop a pipeline of drill-ready uranium projects.

The agreement with Rey Resources Limited concerns two granted exploration licences covering part of the Myroodah uranium project in the Canning Basin WA. Sandstone-hosted uranium mineralisation at Myroodah returned grades up to 480ppm eU₃O₈ in historical drilling, with no exploration conducted since 1981.

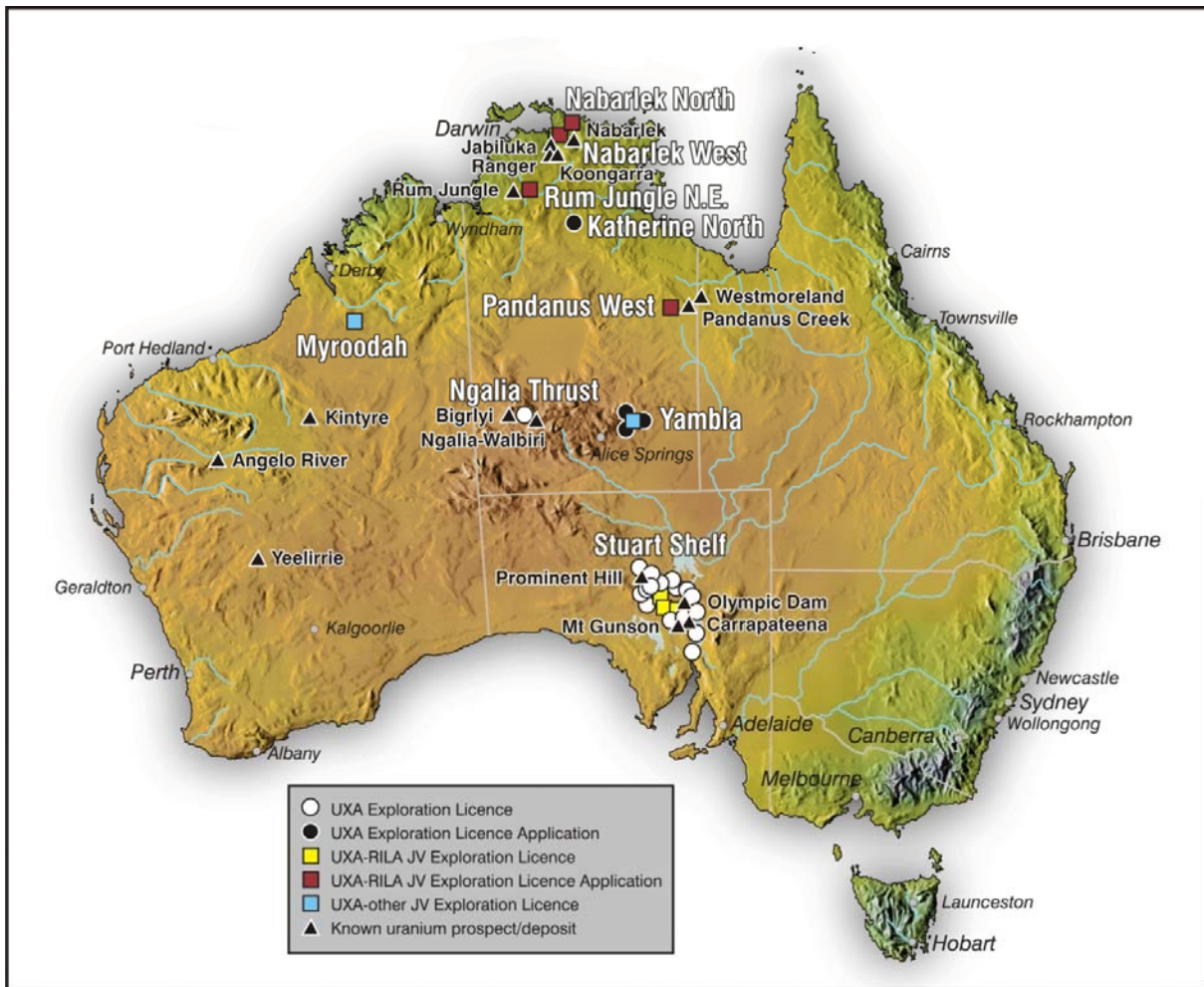
The second agreement, signed with Cullen Resources Limited, concerns the Yambula uranium prospect near Alice Springs in NT which has not been explored since its discovery in 1992. Uranium mineralisation is outcropping and has been poorly tested.

Purchase of the Prompt Fission Neutron business was completed and integrated with GAA's borehole logging operations. The technology has been successfully transferred to Australia. David Quinn, who has considerable experience in the borehole logging industry, has joined GAA as Business Development Manager.

EXPLORATION

UXA continued its exploration programme across its tenements in South Australia and Northern Territory (Figure 1). Focus has been identifying and acquiring a new pipeline of drill-ready exploration projects.

Figure 1
UXA Tenement Location Map



Northern Territory

Ngalia Thrust (EL 24566)

This licence is 100% owned by UXA, and is located approximately 320km northwest of Alice Springs and near to Energy Metals' Bigryli uranium prospect.

In December 2009 UXA completed an RC percussion drilling program at the Crystal Creek Prospect. Drill results show that the mineralisation occurs in narrow lenses extending to depth, particularly in the western 1,000m of the outcropping structure. Best drill intercept is 3m @ 346 ppm U3O8 from 64m depth.

The Company plans to conduct structural mapping of the Crystal Creek Prospect to elucidate controls on mineralisation. This work is expected to start as soon as the ground has dried out in the Alice Springs area, following recent heavy rains.

Nabarlek North (ELA 24868) and Nabarlek West (ELA 24564)

These tenements are part of UXA's joint venture with RIL Australia Pty Ltd, subsidiary of Reliance Industries Limited, a major Indian corporation. Following agreement being reached with the Northern Land Council, on behalf of the Traditional Owners, the grant of the tenements is expected once bureaucratic procedures have been completed by the NLC and NT Mines Department.

South Australia

The major technical review of all of UXA's tenements on the Stuart Shelf has been completed. It has been concluded that UXA should farm out its tenement package in South Australia to focus on a new pipeline of near term drilling projects currently being assembled. A joint venture partner is sought for the South Australia projects on the Stuart Shelf.

Myroodah Project WA

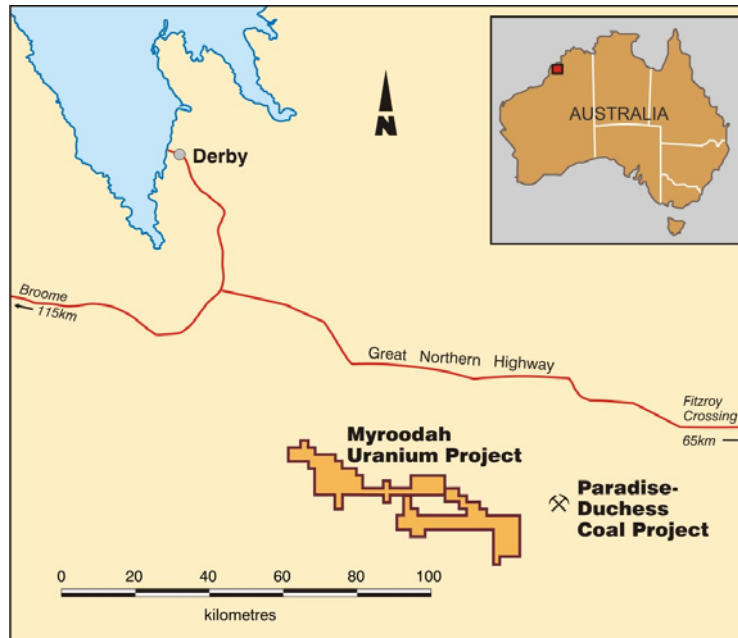
An agreement was signed with Rey Resources Limited (ASX: REY; 'Rey') and Blackfin Pty Ltd (a wholly owned subsidiary of Rey) to explore for uranium at Myroodah in the Canning Basin, Western Australia.

The agreement with Rey concerns two granted exploration licences covering part of the Myroodah uranium project in the Canning Basin WA, 120km South East of Derby and only 40km from a sealed highway.

Uranium was first discovered at Myroodah by CRAE (Ashton Joint Venture) in 1978, who drilled 17 holes totalling 1565.5m to test the radiometric anomalies. The mineralisation appears to be of roll-front - sandstone hosted style with grades calculated from down hole gamma logging (using appropriate calibration) of 0.1 kg/t to 0.48 kg/t (480 ppm) U₃O₈ over widths of 1.0m to 3.0m. No exploration for uranium has been conducted since 1981.

The uranium mineralisation occurs in a synclinal outlier of the oxidised Triassic Erskine Sandstone and underlying reduced Blina Shale which, at this location, is projected to lie about 500m above the Permian coal horizons of the Canning basin. The Erskine Sandstone is an aquifer, hence there may be potential for an In Situ Leach operation or for near surface uranium. Government airborne radiometric data shows a widespread anomaly associated with the shallowly dipping Erskine Sandstone and underlying Blina Shale which opens up the possibility of discovering broad zones of near surface mineralisation. Previous drilling by CRAE did not test for near surface mineralisation.

Rey is focused on developing its near surface coal resources elsewhere in the basin.



The principal terms of the agreement with Rey Resources are:

1. UXA will spend \$750,000 on uranium exploration to earn 51% over 2 years.
2. UXA may pull out after spending \$250,000.
3. UXA may earn a further 29% by spending an additional \$1 million on exploration.
4. Should UXA earn 80%, a joint venture will be formed with Rey to further develop any discoveries.
5. Rey retains all rights to any coal deposits on the tenements.

UXA plans an aggressive exploration program, to include geophysical surveys, field sampling and shallow drilling to commence later in 2010 once an access agreement has been signed with the Kimberley Land Council.

Yambla Project NT

Subsequent to the end of the reporting period an agreement was signed with Cullen Exploration Pty Ltd, a wholly owned subsidiary of Cullen Resources Limited (ASX: CUL; 'Cullen') to explore for uranium at Yambla in the Harts Range, 140km East of Alice Springs, Northern Territory.

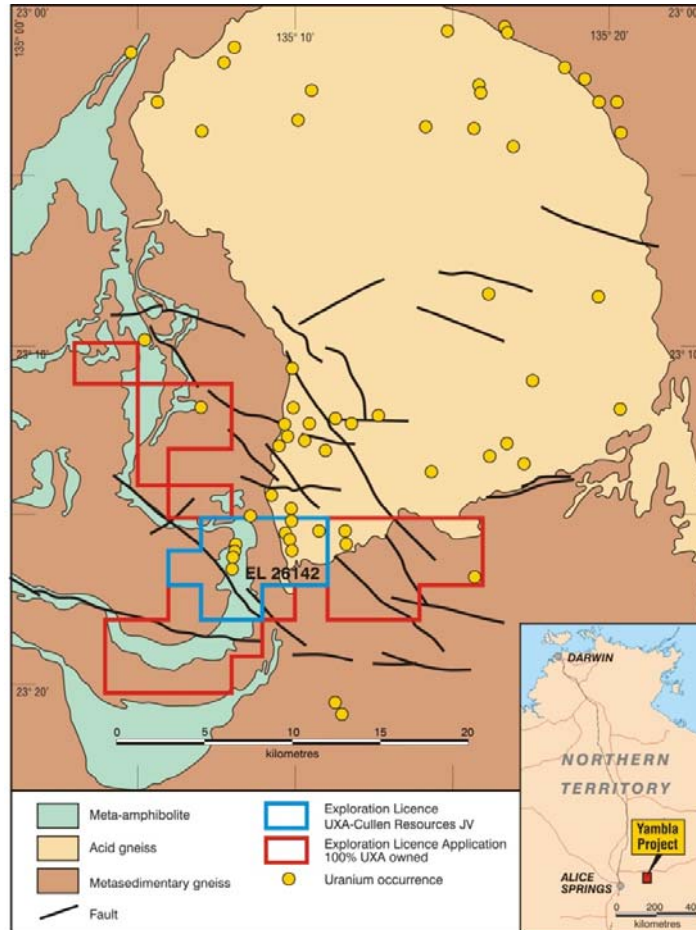
The agreement will kick start exploration activities at Yambla, located within the granted exploration licence EL26142, which covers an area of historical uranium prospects.

Uranium was discovered at Yambla by PNC Exploration in 1992, which drilled a number of holes to test radiometric anomalies and outcropping uraninite-rich veins within the amphibolite rock. A number of other styles of uranium mineralisation occur in the area and may constitute potential for an "unconformity" type deposit (e.g. Ranger uranium mine, NT).

The principal terms of the agreement with Cullen are:

1. UXA will spend \$800,000 over 3 years on uranium exploration to earn 75%.

2. UXA may pull out after spending \$150,000.
3. UXA will be the manager and operator of the exploration.
4. Should UXA earn 75%, a joint venture will be formed with Cullen to further develop any discoveries. Cullen may elect to contribute or take a 20% interest free carried to a decision to mine based on a bankable feasibility study.



UXA plans an aggressive exploration program to include geophysical surveys, field sampling and shallow drilling to commence later in 2010. The start of field work has been delayed by very wet weather in the area and is now expected to start in May. UXA has applied for three exploration licences spanning an 110km² area immediately surrounding the Yambla project, covering areas of similar geology and uranium prospectivity.

BOREHOLE LOGGING BUSINESS

Geoscience Associates Australia (GAA)

The wholly owned subsidiary completed its second successful quarter of business under UXA's ownership with revenue at \$1.15 million (un-audited), cash flow positive and slightly below expectations. The bore-hole logging business was adversely impacted by very wet weather in Queensland and parts of South Australia which brought drilling activities by its clients almost to a stand-still.

GAA benefited from the completion of the agreement to purchase the Prompt Fission Neutron business from the United States of America. The technology transfer of the PFN intellectual

property has been completed and sale of PFN tools and services commenced at GAA's Mount Barker premises.

GAA's new regional base at Rockhampton became operational.

David Quinn has joined GAA as Business Development Manager. He has degrees in geoscience and considerable experience in the borehole logging and oil and gas services industry, both in Australia and overseas. David Quinn strengthens GAA's management team of Dennis Stevens (CEO) and Caleb Ames (General Manager).

Purchase of Prompt Fission Neutron Business

The purchase of 100% of the assets and intellectual property of the Prompt Fission Neutron (PFN) borehole logging tool manufacturing and service business from Geolnstruments Inc (GII) of Texas, USA was completed.

The purchase further strengthens UXA's fully-owned borehole logging business, Geoscience Associated Australia Pty Ltd (GAA), which prior to the purchase was the sole Australian licensed distributor and servicer of PFN technology.

PFN technology is becoming increasingly utilised within the uranium mining and exploration industries, and played a significant role in the discoveries of two of Australia's largest uranium deposits, the Beverley mine and Four Mile deposits in South Australia.

The purchase of the PFN business represents a significant growth step for GAA enabling it to expand its PFN logging and service business beyond Australia. UXA's understanding of the PFN technology is second to none, and its cornerstone position within this exciting exploration technology sector provides us with a foundation for substantial growth for years to come. With GAA and the PFN technology UXA is now the owner of two profitable cash-flow businesses.

The PFN borehole logging tool is unique in that it directly measures the content of uranium in boreholes, overcoming the problem of dis-equilibrium which limits the interpretation of uranium concentrations using gamma logging tools. PFN tools are being extensively used in Australia and the US to establish uranium grades at a number of uranium mines and exploration projects.

CORPORATE

During the quarter there were 2,780,000 options issued to employees under the Employee Share Option Plan with an exercise price of 20 cents, exercisable on or before 19 February 2013.

JORC Compliance Statement

Technical Information in this report is based on information compiled by Mr Simon Powell who is employed by Uranium Exploration Australia Limited and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Powell has sufficient exploration experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC 2004"). Mr Powell consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

URANIUM EXPLORATION AUSTRALIA LIMITED

ABN

65 112 714 397

Quarter ended ("current quarter")

MARCH 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months to Mar 10) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(271)	(1,015)
(b) development	-	-
(c) production	-	-
(d) administration	(598)	(1,762)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	40	121
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	213	(318)
	(616)	(2,974)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(47)	(137)
1.9 Proceeds from sale of:		
(a) prospects (UXA-RILA JV)	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Acquisitions.)	(1,125)	(6,420)
	(1,172)	(6,557)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(1,788)	(9,531)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,788)	(9,531)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	8,025
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	2,700
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share proceeds paid in advance)	-	-
	Net financing cash flows	-	10,725
	Net increase (decrease) in cash held	(1,788)	1,194
1.20	Cash at beginning of quarter/year to date	5,809	2,827
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,021	4,021

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	139
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non Executive Directors' Fees & Managing Director's remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,700	2,700
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	215	294
5.2 Deposits at call	3,706	5,515
5.3 Bank overdraft	-	-
5.4 Other	100	-
Total: cash at end of quarter (item 1.22)	4,021	5,809

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Nil	0%	0%
6.2 Interests in mining tenements acquired or increased	EL4436 EL4437 EL4438	Granted Granted Granted	100% 100% 100%	100% 100% 100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	182,203,337	182,203,337	-	-
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	505,000 9,500,000 2,780,000		Exercise price 17 cents 20 cents 20 cents	Expiry date 30 June 2011 3 December 2014 19 February 2013
7.8 Issued during quarter	2,780,000		20 cents	19 February 2013
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-			
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2010
(~~Director~~/Company Secretary)

Print name: .Graham Seppelt.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.