

5 April 2006

Australian Stock Exchange Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**Attention: Mr Anthony Walsh**

Facsimile No: 9221 2020

Dear Tony

**Response to ASX Price Query**

The Company is pleased to respond to your query of even date as follows:

1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. The company holds 50.2% of Uranex NL which yesterday made the following announcement;

**Signing of Letter of Intent with the Department of Overseas Uranium Resources Investment of China National Nuclear Corporation (CNNC)**

The Department of Overseas Uranium Resources Investment of CNNC has signed a Letter of Intent with Uranex, with an initial term of 2 years, as the first step in forming a closer working relationship for the exploration, development and offtake from potential uranium projects worldwide. CNNC's interest stems from the diverse uranium portfolio accumulated by Uranex in Australia and Tanzania. (see attached maps). In Australia, Uranex plans to convert the mineralization estimated by BP in the 1970's at Thatcher Soak (by way of a resource drill-out) into a JORC compliant resource later this year upon the granting of the exploration licence. Uranex will also have an active exploration program on its advanced unconformity style targets in the Northern Territory during the winter dry season, while in Tanzania a substantial trenching and drilling program will take place to follow up identified prospective rollfront and calcrete drainage style uranium mineralization targets.

Uranex aspires to a long term relationship with CNNC and the Letter of Intent is the first tangible step on the road to developing a closer relationship over the next 24 months. Uranex is honoured to be chosen by CNNC, which it sees as recognition of its strong project portfolio, expertise and commitment to uranium exploration. The Board of Uranex eagerly looks forward to developing a mutually beneficial relationship with CNNC.

Uranex would like to acknowledge Sustainability Pty Ltd and Patersons Securities Limited for the important role they played in assisting Uranex to develop this relationship and signing of the Letter of Intent with CNNC.

**Background on China National Nuclear Corporation (CNNC)**

CNNC is a vertically integrated central government owned conglomerate with exclusive responsibility for the production, marketing, import and export of nuclear materials and uranium products for China. CNNC controls over 100 member units, employs 100,000 staff and has assets totaling 100 billion Yuan (approximately A\$20 billion). CNNC has responsibility for overseas Sino-foreign joint ventures, procurement of overseas projects and other offshore cooperative business operations related to the uranium industry. CNNC has a strong R & D and engineering capability with a particular focus and expertise in the uranium industry as well as deep production and operations skills.

4. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Should you have any queries regarding the above, I will be happy to discuss such matters with you.

Yours sincerely



**GEOFFREY J WALLACE**  
DIRECTOR/COMPANY SECRETARY