

UREX ENERGY CORP.  
Form 10KSB  
July 15, 2008

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-KSB**

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2008

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from [ ] to [ ]

Commission file number **000-50191**

**UREX ENERGY CORP.**

(name of small business issuer in its charter)

**Nevada**

(State or other jurisdiction of incorporation or  
organization)

**98-0201259**

(I.R.S. Employer Identification No.)

**10580 N. McCarran Blvd., Building 115-208**

**Reno, Nevada**

(Address of principal executive offices)

**89503**

(Zip Code)

Issuer's telephone number **775.747.0667**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

**Nil**

Name of each exchange on which registered

**Nil**

Securities registered pursuant to Section 12(g) of the Act:

**Common Stock, par value \$0.001**

(Title of class)

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

**Note:** Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange act from their obligations under those Sections.

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Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  
[ ] No [X]

State Issuer's revenues for its most recent fiscal year: **\$Nil**

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days:

**68,425,600 common shares at \$0.095 <sup>(1)</sup> = \$6,500,432**

<sup>(1)</sup> Average of bid and ask closing prices on June 25, 2008

**(APPLICABLE ONLY TO CORPORATE REGISTRANTS)**

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date.

**84,425,600 common shares issued and outstanding as of June 25, 2008**

**DOCUMENTS INCORPORATED BY REFERENCE**

None.

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

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## PART I

### ITEM 1. DESCRIPTION OF BUSINESS.

This annual report contains forward-looking statements as that term is defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as may, should, expects, plans, anticipates, believes, estimates, predicts, potential, or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled Risk Factors, that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

In this annual report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to CDN\$ refer to Canadian dollars and all references to common shares refer to the common shares in our capital stock.

As used in this annual report, the terms we, us, our, and Urex mean Urex Energy Corp., unless otherwise indicated.

#### Corporate History

We were incorporated in Nevada on February 6, 2002 under the name of Lakefield Ventures Inc. Effective June 2, 2006, we increased our authorized common stock from 50,000,000 shares, par value \$0.001, to 150,000,000 shares, par value \$0.001, and we effected a 11.4 for one (1) forward stock split of our issued and outstanding common stock. Effective July 3, 2006, we changed our name from Lakefield Ventures Inc. to Urex Energy Corp. as a result of a merger with Urex Energy Corp., our wholly-owned subsidiary that was incorporated solely to effect the name change. In addition, on July 3, 2006, we effected a two (2) for one (1) forward stock split of our authorized, issued and outstanding common stock. As a result, we are authorized to issue up to 300,000,000 shares of common stock, par value \$0.001.

Our principal executive office is located at 10580 N. McCarran Blvd., Building 115-208, Reno, Nevada. The telephone number of our principal executive office is 775.747.0667.

We are also registered as a foreign company in Argentina, and our legal address in Argentina is 1052 San Martin Avenue, 3rd Floor, Office 17, Ciudad Mendoza, Province of Mendoza, Argentina.

We have one majority-owned subsidiary, United Energy Metals S.A., an Argentina company, of which we own 99.8% of the issued and outstanding capital stock.

#### Current Business

Since inception, we have been primarily engaged in the acquisition and exploration of uranium mining properties, but have not yet realized any revenues from our planned operations. Currently, we have two uranium prospects, the Rio Chubut Property located in the Chubut Province of Patagonia, Southern Argentina and the La Jara Mesa Property located in Cibola County, New Mexico.

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On June 8, 2006, we completed an assignment agreement, dated September 22, 2005, entered into between our company and International Mineral Resources Ltd., a company organized under the laws of the Turks & Caicos Islands, whereby International Mineral Resources agreed to assign its right, title and interest in and to an option agreement entered into between International Mineral Resources and United Energy Metals S.A. to our company. The option agreement allows for the holder of the option to acquire 99.8% property position of 170,000 hectares. On December 7, 2005, International Mineral Resources exercised the option to acquire 99.8% of the equity in United Energy Metals. As consideration for the assignment of the option from International Mineral Resources to our company, we were required to issue 8,000,000 shares of our company to International Mineral Resources and pay \$50,000.00 to International Mineral Resources, with International Mineral Resources retaining a 5% net smelter royalty in respect of the Rio Chubut Property.

### *Competitors*

We are an exploration stage company engaged in the acquisition of prospective oil and gas properties. We compete with other companies for both the acquisition of prospective properties and the financing necessary to develop such properties.

We conduct our business in an environment that is highly competitive and unpredictable. In seeking out prospective properties, we have encountered intense competition in all aspects of our business as we compete directly with other development stage companies as well as established international companies. Many of our competitors are national or international companies with far greater resources, capital and access to information than us. Accordingly, these competitors may be able to spend greater amounts on the acquisition of prospective properties and on the exploration and development of such properties. In addition, they may be able to afford greater geological expertise in the exploration and exploitation of mineral and oil and gas properties. This competition could result in our competitors having resource properties of greater quality and attracting prospective investors to finance the development of such properties on more favorable terms. As a result of this competition, we may become involved in an acquisition with more risk or obtain financing on less favorable terms.

### *Governmental Regulations*

Mining operations and exploration activities are subject to various national, state, provincial and local laws and regulations in the United States and Argentina, as well as other jurisdictions, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters.

We have obtained applications for those licenses, permits and other authorizations currently required to conduct our explorations in Argentina. In Argentina, business licenses for companies, and the acquisition and transfer of exploration and mining permits are all acquired subject to government approval. Such approval may involve many levels of government (i.e. Federal, Provincial, County and/or City approval), and we cannot guarantee that all such approvals will be successfully obtained even where our option has been successfully exercised. Moreover, even where business licenses are issued, there can be no guarantee that the transfer and/or acquisition of exploration and/or mining permits will be approved, nor can our company guarantee that such approvals will be obtained from all levels of government required for such approval.

We believe that we are and will continue to be in compliance in all material respects with applicable statutes and the regulations passed in Argentina. There are no current orders or directions relating to our company with respect to the foregoing laws and regulations.

### *Environmental Regulation*

Our company's exploration projects are subject to various federal, state and local laws and regulations governing protection of the environment, in the United States and in Argentina. These laws are continually changing and, as a general matter, are becoming more restrictive. Our company's policy is to conduct business in a way that safeguards public health and the environment. We believe that our operations are conducted in material compliance with applicable laws and regulations.

Changes to current local, state or federal laws and regulations in the jurisdictions where we operate or may operate in the future could require additional capital expenditures and increased operating costs. Although we are unable to

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predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could impact the economics of our projects.

In the preceding year, there were no material environmental incidents or non-compliance with any applicable environmental regulations. We estimate that we will not incur material capital expenditures for environmental control facilities during the current fiscal year.

### *Employees*

We have no employees. Our operations are conducted by management, all of whom are consultants. We do not expect any material changes in the number of employees over the next twelve month period. Given the early stage of our development and exploration properties, we intend to continue to outsource our professional and personnel requirements by retaining consultants on an as needed basis. However, if we are successful in our initial and any subsequent drilling programs, we may retain additional employees.

Our majority-owned subsidiary, United Energy Metals S.A., has three employees in Argentina.

## **RISK FACTORS**

Much of the information included in this annual report includes or is based upon estimates, projections or other forward-looking statements . Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. We caution readers of this annual report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements . In evaluating us, our business and any investment in our business, readers should carefully consider the following factors.

*We have had negative cash flows from operations and if we are not able to continue to obtain further financing our business operations may fail.*

To date we have had negative cash flows from operations and we have been dependent on sales of our equity securities and debt financing to meet our cash requirements and have incurred a net loss of \$1,184,308 for the fiscal year ended March 31, 2008, and cumulative losses of \$7,950,369 from inception to March 31, 2008. As of March 31, 2008 we had working capital of \$191,118. We do not expect to generate positive cash flow from operations in the near future. There is no assurance that actual cash requirements will not exceed our estimates. Any decision to further expand our company s operations or our exploration properties is anticipated to involve consideration and evaluation of several significant factors including, but not limited to:

- costs to bring each property into production, including exploration work, preparation of production feasibility studies, and construction of production facilities;
- availability and costs of financing;
- ongoing costs of production;
- market prices for the minerals to be produced;



- environmental compliance regulations and restraints; and
- political climate and/or governmental regulation and control.

The occurrence of any of the aforementioned events could adversely affect our ability to meet our business plans.

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We depend almost exclusively on outside capital to pay for the continued exploration and development of our properties. Such outside capital may include the sale of additional stock and/or commercial borrowing. Capital may not continue to be available if necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to us. The issuance of additional equity securities by us would result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

If we are unable to obtain financing in the amounts and on terms deemed acceptable to us, we may be unable to continue our business and, as a result, we may be required to scale back or cease our business operations, the result of which would be that our stockholders would lose some or all of their investment.

*A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations.*

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because our operations have been primarily financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our continued operations. Any reduction in our ability to raise equity capital in the future would force us to reallocate funds from other planned uses and would have a significant negative effect on our business plans and operations, including our ability to develop new products and continue our current operations. If our stock price declines, we may not be able to raise additional capital or generate funds from operations sufficient to meet our obligations.

*We have a history of losses and fluctuating operating results which raises doubt about our ability to continue as a going concern.*

From inception through to March 31, 2008, we have incurred aggregate losses of approximately \$7,960,271. Our loss from operations for the fiscal year ended March 31, 2008 was \$1,184,308. There is no assurance that we will operate profitably or will generate positive cash flow in the future. In addition, our operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as general economic conditions, market price of minerals and exploration and development costs. If we cannot generate positive cash flows in the future, or raise sufficient financing to continue our operations, then we may be forced to scale down or even close our operations. Until such time as we generate revenues, we expect an increase in development costs and operating costs. Consequently, we expect to incur operating losses and negative cash flow until our properties enter commercial production.

*We have a limited operating history and if we are not successful in continuing to grow our business, then we may have to scale back or even cease our ongoing business operations.*

We have no history of revenues from operations and have no significant tangible assets. We have yet to generate positive earnings and there can be no assurance that we will ever operate profitably. Our company has a limited operating history and must be considered in the development stage. The success of our company is significantly dependent on a successful acquisition, drilling, completion and production program. Our company's operations will be subject to all the risks inherent in the establishment of a developing enterprise and the uncertainties arising from the absence of a significant operating history. We may be unable to locate recoverable reserves or operate on a profitable basis. We are in the development stage and potential investors should be aware of the difficulties normally encountered by enterprises in the development stage. If our business plan is not successful, and we are not able to operate profitably, investors may lose some or all of their investment in our company.

*Trading in our common shares on the OTC Bulletin Board is limited and sporadic making it difficult for our shareholders to sell their shares or liquidate their investments.*

Our common shares are currently quoted on the OTC Bulletin Board. The trading price of our common shares has been subject to wide fluctuations. Trading prices of our common shares may fluctuate in response to a number of factors, many of which will be beyond our control. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with no current business operation. There can be no assurance that trading prices and price earnings ratios

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previously experienced by our common shares will be matched or maintained. These broad market and industry factors may adversely affect the market price of our common shares, regardless of our operating performance.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs for us and a diversion of management's attention and resources.

*Because of the early stage of development and the nature of our business, our securities are considered highly speculative.*

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by our company may be affected by numerous factors which are beyond the control of our company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulation, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in our company not receiving an adequate return of investment capital.

*As our properties are in the exploration and development stage, there can be no assurance that we will establish commercial discoveries on our properties.*

The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent with certainty that estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative. Mineral reserve and resource estimates may require revision (either upward or downward) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral resources uneconomic. Inaccurate estimates may result in a misallocation of resources such that an excess amount could be allocated to a less than economic deposit or, conversely, failure to develop a significant deposit.

*Our company will be subject to operating hazards and risks which may adversely affect our company's financial condition.*

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our operations will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage. We do not have general liability insurance covering our operations and do not presently intend to obtain liability insurance as to such hazards and liabilities. Payment of any liabilities as a result could have a materially adverse effect upon our company's financial condition.

*Our company's activities will be subject to environmental and other industry regulations which could have an adverse effect on the financial condition of our company.*

Our activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of

various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which may result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, and more stringent fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations could have an adverse effect on the financial condition of our company.

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Our operations, including exploration and development activities and commencement of production on our properties, which will require permits from various federal, state, provincial and local governmental authorities, are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities. Such actions may cause operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

*Our current property interests are located in North and South America, and the current and future economic, political and social conditions, as well as the governmental policies of the respective jurisdictions, could have an adverse effect on our company's overall financial condition and ability to generate revenues.*

We expect that a substantial portion of our business, including future assets and operations of our company, will be located and conducted in North and South America, including Argentina and New Mexico. The economy of countries such as Argentina differs from the economies of most developed countries in many respects. While the economies of such countries, including Argentina, have experienced significant growth in the past twenty years, growth has been uneven, both geographically and among various sectors of the economy. The governments of such countries have implemented various measures to encourage economic growth and guide the allocation of resources. While some of these measures benefit the overall economy of such countries, they may have a negative effect on our operations. For example, our operating results and financial condition may be adversely affected by government control over capital investments or changes in tax regulations applicable to us. If there are any changes in any policies by such governments and our proposed business is negatively affected as a result, then our financial results, including our ability to generate revenues and profits, will also be negatively affected.

*Competition may have an adverse impact on our company's ability to acquire suitable mineral properties, which may have an adverse impact on our company's operations.*

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than our company, we may be unable to acquire attractive mineral properties on terms we consider acceptable. Accordingly, there can be no assurance that any proposed exploration and development program will yield any reserves or result in any commercial mining operation.

*We currently rely on certain key individuals and the loss of one of these certain key individuals could have an adverse effect on our company.*

Our company's success depends to a certain degree upon certain key members of our management. These individuals are a significant factor in our company's growth and success. We do not have key man insurance in place in respect of any of our senior officers or personnel and we do not anticipate obtaining such insurance in the near future. The loss of the service of members of our management and certain key employees could have a material adverse effect on our company. In particular, the success of our company is highly dependant upon the efforts of our president and director, Mr. Richard Bachman, the loss of whose services would have a material adverse effect on the success and

development of our company.

*We are an exploration stage company, and there is no assurance that a commercially viable deposit or reserve exists on any of our properties that we have, or might obtain, an interest.*

We are an exploration stage company and cannot give assurance that a commercially viable deposit, or reserve, exists on any properties for which our company currently has or may have an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal,

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economic, and environmental factors. If we fail to find a commercially viable deposit on any of our properties, our financial condition and results of operations will be adversely affected in a material manner.

*Investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share if we issue additional shares or raise funds through the sale of equity securities.*

Our constating documents authorize the issuance of 310,000,000 shares, consisting of 300,000,000 shares of common stock, par value \$0.001 per share and 10,000,000 shares of preferred stock, par value \$0.001. In the event that we are required to issue any additional shares or enter into private placements to raise financing through the sale of equity securities, investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold. If we issue any such additional shares, such issuances will cause a reduction in the proportionate ownership and voting power of all other shareholders. Further, any such issuance may result in a change in our control.

*Trading of our stock may be restricted by the SEC's Penny Stock regulations which may limit a stockholder's ability to buy and sell our stock.*

The SEC has adopted regulations which generally define penny stock to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The term accredited investor refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of, our common stock.

*The Financial Industry Regulatory Authority, or FINRA, sales practice requirements may also limit a stockholder's ability to buy and sell our stock.*

In addition to the penny stock rules described above, the FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.



**ITEM 2. DESCRIPTION OF PROPERTY.**

**Office Space**

Our executive and head offices are located at 10580 N. McCarran Blvd., Building 115-208, Reno, Nevada. The office space is approximately 500 square feet and the monthly cost is \$1,000. We also have an office at San Martin 1052, 3th Piso Of. 17, Ciudad Mendoz, Mendoza, Argentina. This office space is approximately 750 square fee and

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we pay a monthly cost of \$1,000. Additionally, we maintain a field office in Paso de Indios, Chubut, Argentina at a monthly cost of \$600. Our current premises are adequate for our current operations and we do not anticipate that we will require any additional premises in the foreseeable future.

### **La Jara Mesa Extension Property**

The La Jara Mesa Extension uranium property consists of 137 unpatented mining claims in Grants Mining District, Cibola County, New Mexico. The ore body is approximately 2,600 feet in length, 500 feet in width, and has an average thickness of 11.8 feet. Between 1950 and 1978, the Grants Mining District produced 135,891 tons of U<sub>3</sub>O<sub>8</sub>, which ranks it as one of the most prolific uranium districts in the United States.

#### *Property Acquisition*

In December 2005, we acquired a 100% interest in the La Jara Mesa Extension uranium property consisting of 137 unpatented mining claims (approximately 2,740 acres) in Grants Mining District, Cibola County, New Mexico. We acquired the La Jara Mesa Extension property, which consists of 137 unpatented federal mining claims, through staking. An unpatented mining claim provides the owner with the rights to all locatable minerals as defined by the 1872 Mining Law. An annual claim fee of \$125 per claim is due by September 1 of each year in order to maintain the claim in good standing.

#### *Property Description*

The formation is near horizontal and is dry. The uranium mineralization in the area occurs as tabular units within the Brushy Basin member of the Jurassic Morrison formation. The La Jara Mesa deposit, which is owned by Laramide Resources, lies on the southwest boundary of our company's claim block and contains five separate mineralized areas. Investors are cautioned that mineral deposits on adjacent properties are not necessarily indicative of mineral deposits on our company's properties.

#### *Location*

The La Jara Mesa deposit is located 18 kilometers northeast of Grants within the San Mateo Mountains in the Southern part of New Mexico, and has a near arid environment (10 inches annual rainfall). The mesa where the deposit occurs is 2440 meters to 2530 meters above sea level.

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*Local Geology*

The uranium mineralization in the area occurs as tabular units within the Brushy Basin member of the Jurassic Morrison formation. The host sandstone is equivalent to the production zone at the Jackpile Mine operated by Anaconda to the east of the project area. The formation is near horizontal and is dry. The Jurassic Morrison formation's Brushy Basin host rock extends under our company's claim block with drilled uranium reserves on the boundaries.

La Jara Mesa is sandstone hosted roll front type deposit that has been extensively explored by Homestake and others including Pathfinder and Power Resources. Since the early 1980's approximately 500 rotary holes and 18 diamond drill holes were drilled on the property; preliminary metallurgical test work and initial mine planning has also been completed.

*New Mexico Uranium Districts*

New Mexico ranks second in uranium reserves in the U.S., which amounts to 15 million tons ore at 0.277% U<sub>3</sub>O<sub>8</sub> (84 million lbs U<sub>3</sub>O<sub>8</sub>) at \$30/lb (Energy Information Administration, 2000). The most important uranium deposit in the state is sandstone within the Morrison Formation (Jurassic) in the Grants and Shiprock uranium districts, San Juan Basin. More than 340 million lbs of U<sub>3</sub>O<sub>8</sub> have been produced from these uranium deposits from 1948 through 2000, accounting for 97% of the total uranium production in New Mexico and more than 30% of the total uranium production in the United States. Figure 1 illustrates the key towns and uranium mining in the surrounding area.

Only one company in New Mexico, Quivira Mining Co. owned by Rio Algom Ltd. (successor to Kerr McGee Corporation), produced uranium in 1984-2000 from waters recovered from inactive underground operations at Ambrosia Lake, Grants (mine-water recovery).

The Grants Uranium Belt, started production in the late 1940s. The boom years in the Belt were 1953-1980, when approximately 350 million pounds of yellow cake were produced. Uranium recovery operations declined dramatically after 1980, when the liquidation of large government Cold War military stockpiles depressed the uranium market. New Mexico ranks second behind Wyoming in uranium reserves. All uranium recovery in the state ceased in December 2002 and operations in the state now are focused on reclamation.

As the price of uranium rises, then the quantity of an economic resource increases. At \$30/pound, the U.S. Energy Information Administration reported the state of New Mexico held 84 million pounds of uranium oxide, grading 0.28/ton, as of Dec 31, 2004. However, at \$50/pound uranium, that quantity would jump to 341 million pounds. The spread on the gross value of the uranium assets between those price levels is nearly \$15 billion. As the spot price escalates, the economic reserves grow.

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## Rio Chubut Property

Our company's Rio Chubut Property is comprised of 170,000 hectares, located in the Chubut Province of Patagonia, Southern Argentina. The exploration block is approximately 25 km x 60 km, and borders the Cerro Solo uranium deposit to both the North and South. Investors are cautioned that mineral deposits on adjacent properties are not necessarily indicative of mineral deposits on our company's properties.

### *Property Acquisition*

On September 22, 2005, we entered into an assignment agreement with International Mineral Resources Ltd., a company organized under the laws of the Turks & Caicos Islands, whereby International Mineral Resources agreed to assign its right, title and interest in and to an option agreement entered into between International Mineral Resources and United Energy Metals S.A. to our company. The option agreement allows for the holder of the option to acquire 99.8% of the equity in United Energy Metals, an Argentina company, which in turn holds a 100% interest in a commanding property position of 170,000 hectares. On December 7, 2005, International Mineral Resources exercised the option to acquire 99.8% of the equity in United Energy Metals. As consideration for the assignment of the option from International Mineral Resources to our company, we were required to issue 8,000,000 shares of our company to International Mineral Resources and pay \$50,000.00 to International Mineral Resources, with International Mineral Resources retaining a 5% net smelter royalty in respect of the Rio Chubut Property. The assignment agreement has been completed and we have acquired 99.8% of the equity in United Energy Metals.

### *Independent Review*

We commissioned a review of the Rio Chubut Uranium Project, to evaluate the properties' mineral potential for uranium, and prepare an independent appraisal report. The study, which was prepared by Brian Cole, P. Geo and dated September 23, 2005, is a combined historical document and data review as well as a report on direct observations made during a two-day field visit in June 2005. A copy of such report was attached as Exhibit 99.2 to our Form 10-KSB filed on July 14, 2006.

### *Property Description and Location*

The Rio Chubut Property in Chubut Province, Argentina is centered at:

Property Group	Latitude Centroid	Longitude Centroid	Aggregate Area (hectares)
Rio Chubut Project	43° 45' S	68° 00' W	170,000

The Rio Chubut Property exploration permit (cateo) particulars are listed in Table 1 below:

**Table 1**

<b>Chubut Uranium Project List of Cateos</b>							
<b>Cerro Selo Group</b>				<b>Easter Cateos</b>			
UE No	Cateo No.	Recording Date	Area (ha)	Ue No.	Cateo No.	Recording Date	Area (ha)
1	14.548	April 12, 2005	7,889	29	14.601	May 5, 2005	9,981
2	14.549	April 12, 2005	9,982	30	14.602	May 5, 2005	9,979
3	14.550	April 12, 2005	7,893	33	14.603	May 5, 2005	9,979
4	14.551	April 12, 2005	9,614	37	14.604	May 5, 2005	9,976
27	14.552	April 12, 2005	7,086	34	14.605	May 5, 2005	9,979
28	14.553	April 12, 2005	9,961				
5	14.594	May 5, 2005	9,123				
7	14.595	May 5, 2005	10,106				
10	14.596	May 5, 2005	9,982				
13	14.597	May 5, 2005	9,931				
14	14.598	May 5, 2005	8,732				
16	14.599	May 5, 2005	9,982				
18	14.600	May 5, 2005	9,981				
<b>Total Area</b>			120,263				49,893

The project locale encompasses a rectangular area approximately 160 km by 195 km. On the west side lays a contiguous block of 13 exploration permits ( cateos ) covering an aggregate area of approximately 120,000 hectares. The long axis of the grouping trends north-northeast ( NNE ) and is 74 km long by and average 20 km wide. The central embayment plunging into the group from the east that almost bisects the property block is occupied by the Cerro Solo deposit property controlled by Comision Nacional de Energia Atomica. The old Los Adobes Mine is located 4 km NNE of the Cerro Solo deposit. A 72 hectare rectangular reservation surrounds the mine. Cateo No. 14.550 (United Energy No. 3) envelops this reservation, which is also bisected by the main road. Five additional widely separated cateos lie on the east side of the project area. These are nearly 10,000 hectares in size each.

According to the Argentine Mining Act, the level of cateo filing fees and extent of tenure are contingent upon permit size. Cateos have multi-year tenures before attracting additional governmental maintenance costs. For instance, a 10,000 hectares cateo attracts no further maintenance fees for 1,100 days (3 years). At that point in time, the property

size must be reduced by at least one half and a mining license applied for. Further exploration, feasibility work, and eventually exploitation, pending regulatory approval, can be carried out under a mining license.

The cateos are paper staked with no signifying demarcation monuments being erected. Hence, cateo boundaries have not been surveyed.

*Access, Infrastructure, Physiography and Climate*

The centre of the project area lays 270 km west of the provincial capital of Rawson (population 30,000), a small port city at the mouth of the Rio Chubut. The regional airport serving Rawson is located in the nearby town of Trelew. National Road 25 (NR 25), a paved road in sound condition, extends west from Rawson and bisects the project area.

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A network of aggregate and dirt roads in good condition branch off NR 25 and either cut or touch upon any particular cateo, facilitating reasonable access in most cases. The towns of Paso de Los Indios (population around 1,000) and Las Plumas (population around 500), located along NR 25 bracket the project area to the west and east, respectively. A small hotel and restaurant exists in Paso de Los Indios.

Relief in the project area is low with elevation ranging between 200 m and 650 m above sea level. Vegetation consists of low shrubs and related brush and grasses. Climate is semi-arid and average annual temperature varies from 6°C to 14°C whereas minimum and maximum temperatures may range from -20°C to 40°C. Although heavy snowfalls can occur, roads stay open most of the year.

The large contiguous Cerro Solo cateo grouping is cut by the Rio Chubut at its southern end. Although the Rio Chubut is wide (>50m) in the project area, it is generally shallow. The Rio Chubut flows east and eventually spills into the Atlantic Ocean at Rawson.

A seasonal dirt airstrip of approximately 800m in length is located 1.7 km north of the Cerro Solo deposit and remains clear of vegetation. Minimal work would be required to reactivate the strip. Figure 2 illustrates the approximate location of uranium deposits in the Rio Chubut Uranium Project in Chubut Province, Argentina.

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*Local Geology*

Volcanic tuffs of the Cretaceous Cerro Barcino formation underlie most of the project area. These tuffs tend to thinly cover much of the underlying fluvial derived rocks deposited in broad braided channel environments. On average, individual braided streams have a propensity to form sandstone bodies.

To date the better uranium deposits have been discovered in sedimentary rocks deposited by braided, high-energy fluvial processes. This includes the Los Adobes Formation in the Cerro Solo area, and the Arroyo del Pajarito member in particular. This member is up to 150m thick within the Cerro Solo deposit. Mineralization can also occur in volcanic tuffs of the Cerro Barcino formation and in surface soils with a caliche association. Caliche is desert soil formed by the near surface crystallization of calcite and/or other soluble minerals by upward-moving solutions.

Cerro Solo predominantly strikes northwest and dips eastwards. Most displacement is lateral with a lesser vertical component. However, interaction with the northeast trending conjugate member of the fault set produces a shearing effect.

**ITEM 3. LEGAL PROCEEDINGS.**

We know of no material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

**ITEM 4. SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

None.

**PART II****ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.****Market Information**

Our common stock is quoted on the OTC Bulletin Board under the symbol `URXE`. The following quotations obtained from [otcbb.com](http://otcbb.com) reflect the high and low bids for our common stock based on inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

The high and low bid prices of our common stock for the periods indicated below are as follows:

<b>OTC Bulletin Board <sup>(1)</sup></b>		
<b>Quarter Ended</b>	<b>High</b>	<b>Low</b>
March 31, 2008	\$0.19	\$0.11
December 31, 2008	\$0.251	\$0.105
September 30, 2007	\$0.24	\$0.09
June 30, 2007	\$0.36	\$0.22



March 31, 2007	\$1.15	\$0.55
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- (1) Over-the-counter market quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not represent actual transactions.

Our common shares are issued in registered form. Holladay Stock Transfer, Inc., 2939 N 67th Place, Scottsdale, Arizona 85251 (Telephone: (408) 481-3940; Facsimile: (408) 481-3941) is the registrar and transfer agent for our common shares.

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**Holdings**

On June 25, 2008, the shareholders' list of our common shares showed nine registered shareholders and 84,425,600 common shares issued and outstanding.

**Dividends**

We have not declared any dividends since incorporation and do not anticipate that we will do so in the foreseeable future. Although there are no restrictions that limit the ability to pay dividends on our common shares, our intention is to retain future earnings for use in our operations and the expansion of our business.

**Recent Sales of Unregistered Securities**

We did not issue any equity securities during the year ended March 31, 2008 that were not otherwise reported in a quarterly report filed on Form 10-QSB or in a current report filed on Form 8-K.

**Equity Compensation Plan Information**

We established a 2007 Stock Option Plan to provide for the issuance of stock options to acquire an aggregate of up to 2,000,000 shares of our common stock. As of June 25, 2008, there were no options issued under our 2007 Stock Option Plan.

The following table provides a summary of the number of stock options granted under the 2007 Stock Option Plan, the weighted average exercise price and the number of stock options remaining available for issuance under the 2007 Stock Option Plan, all as at March 31, 2008.

	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-Average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plan</b>
Equity compensation plans not approved by security holders	2,000,000	N/A	2,000,000

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

We did not purchase any of our shares of common stock or other securities during our fiscal year ended March 31, 2008.

**ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.**

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this annual report, particularly in the section entitled Risk Factors beginning on page 5 of this annual report.

Our consolidated audited financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

*Plan Of Operations And Cash Requirements*

On November 2, 2007, we obtained exploration permits from mining officials in Argentina. An airborne geophysical survey has been completed and field mapping and drilling has commenced on the Argentine properties.

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We completed 72 drill holes (5162 meters of drilling) on first pass drill testing on five uranium targets on our Cerro Solo area properties in Argentina.

The targets drill tested to date include: (1) Contreras (2) Cerro Solo South (CSS) (3) Carbon; (4) Maple South; and (5) Plateau (see Figure 1). Our exploration strategy on our Argentina uranium properties is to conduct a first pass, broadly spaced drill programs to identify uranium mineralization and then return for follow-up drilling once initial drill testing is complete on the target set. Four additional target areas remain to be tested in the Cerro Solo Area in this current stage of drilling.

**Figure 1: Map showing Cerro Solo Area uranium drill targets.**

Seventeen drill holes were completed on CSS identifying a number uranium zones for follow-up drilling. Partial drill results for CSS are given in Table 1. The CSS property is located on south boundary of CNEA's Cerro Solo uranium deposit (see Figure 1).

**Table 1 Partial Drill Results From CCS Target Area - Argentina**

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Hole ID	From (m)	To (m)	Interval (meter)	eU3O8 (Lbs/Ton)*	eU (%)	Target
RC08007r	60.47	61.59	1.12	0.73	0.031	Cerro Solo South
RC08008r	70.50	71.66	1.16	3.48	0.144	Cerro Solo South
RC08009r	92.48	94.65	2.17	0.93	0.039	Cerro Solo South
RC08010r	73.75	77.71	3.96	2.33	0.099	Cerro Solo South
RC08011r	69.68	70.26	0.58	1.19	0.050	Cerro Solo South

\* .5 lbs/ton eU3O8 cutoff used in all drill holes

Drilling on the Cerro Solo Area properties has temporarily suspended for a winter break. Drilling is expected recommence in late July 2008 and to continue for the rest of the field season (April 2009).

We are still awaiting exploration permits for our La Jara Mesa Property located in New Mexico, but have been notified by the USFS that Urex will be required to complete an EIS before being allowed to proceed. We are considering our options. Consequently, expenditures are under projections. During the next twelve month period, we plan to continue drilling on our Cerro Solo area properties that lie on the western side of the Rio Chubut Property. We anticipate that this program will cost \$1.86 million as set forth below:

La Jara Mesa Extension: Proposed Exploration Expenditures (\$USD)

Consulting and Technical Services	\$ 20,000
Environmental	\$ 5,000
Property Costs	\$ 25,000
Administrative & General	\$ 10,000
<b>TOTAL</b>	<b>\$ 60,000</b>

Rio Chubut: Proposed Exploration Expenditures (\$USD)

Salaries & Wages	\$ 40,000
Consulting and Technical Services	\$ 400,000
Surface work	\$ 1,200,000
Environmental	\$ 10,000
Property Costs	\$ 40,000
Administrative & General	\$ 40,000
Machinery expense	\$ 70,000
<b>TOTAL</b>	<b>\$ 1,800,000</b>

We anticipate incurring the following costs during the next twelve month period: \$420,000 on professional fees; \$40,000 on salaries and wages; \$30,000 on travel costs; \$50,000 on promotional expenses; \$50,000 on other administrative expenses; and an additional \$1,200,000 in surface work and drilling. As a result, we anticipate that we will incur approximately \$1,860,000 in operating expenses during the next twelve month period.

We incurred a loss of \$1,184,308 for the fiscal year ended March 31, 2008 compared to a loss of \$6,546,554 for the fiscal year ended March 31, 2007. As of March 31, 2008 we had working capital of \$191,118 compared to working capital of \$1,359,101 as of March 31, 2007.

As indicated above, our estimated working capital requirements and projected operating expenses for the next twelve month period total \$1,860,000. Our current working capital will likely be sufficient to cover our estimated capital requirements during the next twelve month period, however, we may be required to raise additional funds through the issuance of equity securities or through debt financing. There can be no assurance that we will be

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successful in raising the required capital or that actual cash requirements will not exceed our estimates. We intend to fulfil any additional cash requirement through the sale of our equity securities.

Given that we are an exploration stage company and have not generated revenues to date, our cash flow projections are subject to numerous contingencies and risk factors beyond our control, including exploration and development risks, competition from well-funded competitors, and our ability to manage growth. We can offer no assurance that our expenses will not exceed our projections. If our expenses exceed estimates, we will require additional monies during the next twelve months to execute our business plan.

There are no assurances that we will be able to obtain further funds required for our continued operation. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease the operation of our business.

There is substantial doubt about our ability to continue as a going concern as the continuation of our business is dependent upon obtaining further long-term financing, successful exploration and development of our property interests and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

#### *Exploration and Development Costs*

We have applied for a permit to start an exploration program in regards to our La Jara Mesa Property consisting of approximately 3200 metres (10,000 feet) of drilling planned (10 holes) and currently are awaiting approval of exploration permits. The drill program is designed to test for the extension of uranium mineralization defined at Laramide Resources La Jara Meza Deposit located on the south-western corner of the property. Depending on the results from the initial round of drilling, a second phase drilling program may follow in 2008.

Our proposed budget is also expected to support a seismic refraction geophysical survey followed by a 5,000 meter (15,000 foot) drill program (40 drill holes) in regards to our Rio Chubut Property, which is designed to test for new uranium ore bodies in the central Chubut Province, Argentina. We are also awaiting approval of exploration permits by Chubut regulatory officials.

#### *Capital Expenditures*

As of March 31, 2008, our company did not have any material commitments for capital expenditures and management does not anticipate that our company will spend additional material amounts on capital expenditures during the next twelve month period.

#### *Employees*

We have no employees. Our operations are conducted by management, all of whom are consultants. We do not expect any material changes in the number of employees over the next twelve month period. Given the early stage of our development and exploration properties, we intend to continue to outsource our professional and personnel requirements by retaining consultants on an as needed basis. However, if we are successful in our initial and any subsequent drilling programs, we may retain additional employees.

Our majority-owned subsidiary, United Energy Metals S.A., has three employees in Argentina.

**RESULTS OF OPERATIONS**

As at March 31, 2008, we had working capital of \$191,118. Our interim consolidated financial statements report a net loss of \$1,184,308 for the fiscal year ended March 31, 2008 as compared to a net loss of \$6,546,554 for the fiscal year ended March 31, 2007. Our accumulated losses for the period from February 6, 2002, our date of inception, to March 31, 2008 was \$7,950,369.

Our total liabilities as of March 31, 2008 were \$696,870, as compared to total liabilities of \$482,983 as at March 31, 2007. The change was due primarily to increases in accounts payable and accrued liabilities.

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*Cash Flow Used in Operating Activities*

Operating activities used cash of \$932,792 for the fiscal year ended March 31, 2008, compared to using \$887,714 for the fiscal year ended March 31, 2007. The increase in cash used during the fiscal year ended March 31, 2008 was commensurate with an increase in our accounts receivable, prepaid expenses and the payment of a security deposit.

*Cash Flow Used in Investing Activities*

Investing activities did not use or generate any cash during the fiscal years ended March 31, 2008 and March 31, 2007.

*Cash Flow Provided by Financing Activities*

Financing activities used cash of \$65,738 for the fiscal year ended March 31, 2008 as compared to providing cash of \$2,706,631 for the fiscal year ended March 31, 2007. The decrease in cash provided from financing activities for the fiscal year ended March 31, 2008 resulted from reduced financing activities and the repayment of notes payable.

*Trends and Uncertainties*

Our ability to generate revenues in the future is dependent on whether we successfully explore and develop our current property interests or any property interests that we may acquire in the future. We cannot predict whether or when this may happen and this causes uncertainty with respect to the growth of our company and our ability to generate revenues.

*Off-Balance Sheet Arrangements*

Our company has no outstanding derivative financial instruments, off-balance sheet guarantees, interest rate swap transactions or foreign currency contracts. Neither our company nor our operating subsidiary engages in trading activities involving non-exchange traded contracts.

**CRITICAL ACCOUNTING POLICIES**

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures of our company. Although these estimates are based on management's knowledge of current events and actions that our company may undertake in the future, actual results may differ from such estimates.

*Going Concern*

We have suffered recurring losses from operations. The continuation of our company as a going concern is dependent upon us attaining and maintaining profitable operations and raising additional capital.

Due to the uncertainty of our company's ability to meet our current operating expenses and the capital expenses noted above, in their report on the annual financial statements for the period ended March 31, 2008, our company's independent auditors included an explanatory paragraph regarding concerns about our company's ability to continue as a going concern.

The continuation of our company's business is dependent upon us raising additional financial support. The issuance of additional equity securities by our company could result in a significant dilution in the equity interests of our company's current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our company's liabilities and future cash commitments.

There are no assurances that our company will be able to obtain further funds required for our continued operations. As noted herein, we intend to pursue various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to our company when needed or,

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if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations.

#### *Principles of Consolidation*

The consolidated financial statements include the accounts of our company and our wholly-owned subsidiary, United Energy Metals, Inc. All significant intercompany accounts and transactions have been eliminated.

#### *Exploration Stage Company*

We are an exploration stage company as defined in the Statements of Financial Accounting Standards (SFAS) No. 7 Accounting and Reporting by Development Stage Enterprises . We are primarily engaged in the acquisition and exploration of mining properties. All losses accumulated since inception, have been considered as part of our exploration stage activities.

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Cash and cash equivalents*

We consider all highly liquid debt securities purchased with original or remaining maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value.

#### *Mineral Property Costs*

Mineral property acquisition, exploration and development costs are expensed as incurred until such time as economic reserves are quantified. From that time forward, we will capitalize all costs to the extent that future cash flows from mineral reserves equal or exceed the costs deferred. The deferred costs will be amortized over the recoverable reserves when a property reaches commercial production. Costs related to site restoration programs will be accrued over the life of the project. To date, we have not established any proven reserves on our mineral properties.

#### *Environmental Costs*

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or our commitment to a plan of action based on the then known facts.

#### *Basic and Diluted Loss Per Share*

We report basic loss per share in accordance with the SFAS No. 128, Earnings Per Share . Basic loss per share is computed using the weighted average number of shares outstanding during the period. Diluted loss per share has not

been provided as it would be anti-dilutive.

*Foreign Currency Translation*

Our subsidiary is located and operates outside of the United States of America. It maintains its accounting records in Argentinean Pesos as follows:

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At the transaction date, each asset, liability, revenue and expense is recorded into Argentinean Pesos by the use of the exchange rate in effect at that date. At the year end, monetary assets and liabilities are translated into US dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations.

## **NEW ACCOUNTING PRONOUNCEMENTS**

In March 2008, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133 (SFAS No.161). This statement is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS No.161 applies to all derivative instruments within the scope of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS No.133) as well as related hedged items, bifurcated derivatives, and nonderivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS No. 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS No.161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. We are currently evaluating the disclosure implications of this statement. The adoption of this statement is not expected to have a material effect on our financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51. This statement improves the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require; the ownership interests in subsidiaries held by parties other than the parent and the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income, changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently, when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value, entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 affects those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Early adoption is prohibited. The adoption of this statement is not expected to have a material effect on our financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 Accounting for Certain Investments in Debt and Equity Securities applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, Fair Value Measurements. The adoption of this statement is not expected to have a material effect on our financial statements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. The objective of SFAS No.157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No.157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No.157 applies under

other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on our future reported financial position or results of operations.

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**ITEM 7. FINANCIAL STATEMENTS.**

Our financial statements are stated in United States dollars, are prepared in accordance with United States generally accepted accounting principles.

It is the opinion of management that the audited financial statements for the fiscal year ended March 31, 2008 include all adjustments necessary in order to ensure that the audited financial statements are not misleading.

The following financial statements are filed as part of this annual report:

Report of Independent Registered Public Accounting Firm dated July 11, 2008;  
Consolidated Balance Sheets at March 31, 2008 and 2007;  
Statements of Operations for the years ended March 31, 2008 and 2007;  
Statements of Changes in Stockholders Equity for the period February 6, 2002 to March 31, 2008;  
Statements of Cash Flows for the years ended March 31, 2008 and 2007, and the period from February 6, 2002 (inception) to March 31, 2008; and  
Notes to the Consolidated Financial Statements.

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**UREX ENERGY CORP.**  
(An Exploration Stage Company)

**FINANCIAL STATEMENTS**

For the years ended March 31, 2008 and 2007

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and board of directors  
UREX Energy Corp.:

We have audited the accompanying consolidated balance sheet of UREX Energy Corp. (hereinafter referred to as the Company ) as of March 31, 2008 and 2007 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended March 31, 2008 and 2007 and for the period from February 6, 2002 (inception) to March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of UREX Energy Corp. as of March 31, 2008 and 2007 the results of its consolidated operations and cash flows for the years then ended and the period from February 6, 2002 (inception) to March 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company incurred cumulative losses of \$7,950,369 since inception, has not attained profitable operations and is dependent upon obtaining adequate financing to fulfill its exploration activities. These factors raise substantial doubt that the Company will be able to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Jewett, Schwartz, Wolfe & Associates  
Hollywood, Florida  
July 11, 2008

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F-3

UREX ENERGY CORP  
 (An Exploration Stage Company)  
 CONSOLIDATED BALANCE SHEETS  
 (Audited)

	March 31,	
	2008	2007
<b>ASSETS</b>		
Current Assets		
Cash	\$ 394,432	\$ 170,878
Funds held in trust	460,014	1,665,773
Accounts receivable	22,347	-
Due from related party	-	5,433
Prepaid expenses	1,195	-
Security deposit	10,000	-
Total current assets	887,988	1,842,084
<b>Total Assets</b>	<b>\$ 887,988</b>	<b>\$ 1,842,084</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 340,498	\$ 61,092
Due to related party	219	-
Note payable to related party	22,500	22,500
Notes payable	333,653	399,391
Total current liabilities	696,870	482,983
Commitments and contingencies		
Stockholders' Equity		
Common stock, \$.001 par value 300,000,000 shares authorized		
84,425,600 shares issued and outstanding	84,426	84,426
Additional paid-in capital	8,057,574	8,057,574
Deficit accumulated during the exploration stage	(7,950,369)	(6,766,061)
Cumulative transaction gain (loss)	(512)	(16,838)
Total stockholders' equity	191,119	1,359,101
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 887,988</b>	<b>\$ 1,842,084</b>

The accompanying notes are an integral part of these financial statements.

F-4

**UREX ENERGY CORP**  
 (An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
 For the years ended March 31, 2008 and 2007 and  
 For the period from February 6, 2002 ( Date of Inception) to March 31, 2008  
 (Audited)

	<b>For the year Ended March 31, 2008</b>	<b>For the year Ended March 31, 2007</b>	<b>For the Period from February 6, 2002 (inception) to March 31, 2008</b>
REVENUES	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>			
Management fees	133,208	131,952	325,160
Professional fees	64,263	119,083	246,875
Consulting fees	23,985	269,996	302,981
Exploration costs	575,074	91,909	722,259
Interest on loans	15,319	22,478	40,799
Investor relation fees	286,798	75,774	362,572
Travel	28,615	36,266	64,881
General and administrative	63,406	66,885	158,991
Impairment of intangible asset	-	5,735,753	5,735,753
Total operating expenses	1,190,668	6,550,096	7,960,271
Operating loss	(1,190,668)	(6,550,096)	(7,960,271)
<b>OTHER INCOME</b>			
Interest income	6,360	3,542	9,902
Total other income	6,360	3,542	9,902
Net loss	\$ (1,184,308)	\$ (6,546,554)	\$ (7,950,369)
<b>Weighted average common shares</b>			
outstanding - Basic and diluted	84,426,000	84,426,000	
Net loss per share basic and diluted	\$ (0.01)	\$ (0.08)	

The accompanying notes are an integral part of these financial statements.



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UREX ENERGY CORP  
(An Exploration Stage Company)  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
For the period February 6, 2002 (Date of Inception) to March 31, 2008

	<b>Common Stock</b>		<b>Additional</b>		<b>Accumulated</b>	<b>Currency</b>	<b>Total</b>
	<b>300,000,000 shares authorized</b>		<b>Paid-in</b>		<b>Deficit</b>	<b>Translation</b>	<b>Shareholders</b>
	<b>Shares</b>	<b>Par</b>	<b>Capital</b>				<b>Equity</b>
	<b>Issued</b>	<b>Value</b>					
		<b>\$0.001</b>					
		<b>per</b>					
		<b>share</b>					
Balance, February 2, 2002 (Inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shares issued at \$0.001	33,420,000	33,420	(31,920)	-	-	-	1,500
Shares issued at \$0.001	34,534,000	34,534	(19,034)	-	-	-	15,500
Net loss	-	-	-	-	-	-	-
Balance, March 31, 2002	67,954,000	\$ 67,954	\$ (50,954)	\$ -	\$ -	\$ -	\$ 17,000
Shares issued at \$0.05	5,458,600	5,459	6,791	-	-	-	12,250
Net loss	-	-	-	(25,559)	-	-	(25,559)
Balance, March 31, 2003	73,412,600	\$ 73,413	\$ (44,163)	\$ (25,559)	\$ -	\$ -	\$ 3,691
Shares issued at \$0.05	5,681,400	5,681	7,069	-	-	-	12,750
Net loss	-	-	-	(3,076)	-	-	(3,076)
Balance, March 31, 2004	79,094,000	\$ 79,094	\$ (37,094)	\$ (28,635)	\$ -	\$ -	\$ 13,365
Cancellation of shares	(668,400)	(668)	668	-	-	-	-
Net loss	-	-	-	(35,689)	-	-	(35,689)

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Balance, March 31, 2005	78,425,600	\$	78,426	\$	(36,426)	\$	(64,324)	\$	(22,324)	
Net loss	-		-		-		(155,183)		(155,183)	
Balance, March 31, 2006	78,425,600	\$	78,426	\$	(36,426)	\$	(219,507)	\$	(177,507)	
Shares issued for acquisition	16,000,000		16,000		5,584,000				5,600,000	
Shares issued at \$0.25	10,000,000		10,000		2,490,000				2,500,000	
Cancellation of shares	(20,000,000)		(20,000)		20,000				-	
Net loss for the period							(6,546,554)		(6,546,554)	
Net change in foreign currency translation							(16,838)		(16,838)	
Balance, March 31, 2007	84,425,600	\$	84,426	\$	8,057,574	\$	(6,766,061)	\$	(16,838)	1,359,101
Net loss for the period							(1,184,308)		(1,184,308)	
Net change in foreign currency translation							16,326			
Balance, March 31, 2008	84,425,600	\$	84,426	\$	8,057,574	\$	(7,950,369)	\$	(512)	191,119

The accompanying notes are an integral part of these financial statements.

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**UREX ENERGY CORP**  
 (An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
 For the years ended March 31, 2008 and 2007, and  
 For the period from February 6, 2002 ( Date of Inception) to March 31, 2008

	<b>Twelve months ended</b>	<b>Twelve months ended</b>	<b>For the Period from February 6, 2002 (inception) to March 31, 2008</b>
	<b>March 31, 2008</b>	<b>March 31, 2007</b>	<b>March 31, 2008</b>
<b>Cash Flows From Operating Activities</b>			
Net loss	\$ (1,184,308)	\$ (6,546,554)	\$ (7,950,369)
Amortization	-	-	2,500
Impairment of goodwill	-	5,735,753	5,735,753
<b>Changes in current assets and current liabilities:</b>			
(Increase) decrease in accounts receivable	(22,347)	9,567	(27,780)
(Increase) decrease in prepaid expense	(1,195)	136	(1,195)
Security deposit	(10,000)	-	(10,000)
Increase (decrease) in accounts payable	285,058	(86,616)	231,742
<b>Net cash used in operating activities</b>	<b>(932,792)</b>	<b>(887,714)</b>	<b>(2,019,349)</b>
<b>Cash Flows From Investing Activities</b>			
Option agreement	-	-	(2,500)
Assignment agreement advance	-	-	(50,000)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>(52,500)</b>
<b>Cash Flows From Financing Activities:</b>			
Proceeds from the issuance of common stock	-	2,500,000	2,542,000
Proceeds from notes payable	-	356,631	561,208
Repayment of notes payable	(65,738)	(150,000)	(215,738)
Notes payable to related party	-	-	22,500
<b>Net cash provided by (used in) financing activities</b>	<b>(65,738)</b>	<b>2,706,631</b>	<b>2,909,970</b>
Effect of Exchange Rate Changes on Cash	16,325	(16,838)	16,325
Cash held in trust	-	(1,665,773)	(1,665,773)
Cash released from trust during current period	1,205,759	-	1,205,759
	1,432,756	(1,682,611)	(1,898,790)
<b>Increase in cash and cash equivalents</b>	<b>223,554</b>	<b>136,306</b>	<b>394,432</b>

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Cash and Cash Equivalents, Beginning of Period	170,878	34,572	-
Cash and Cash Equivalents, End of Period	\$ 394,432	\$ 170,878	\$ 394,432

Supplemental Disclosure of Cash Flow

Information:

Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.



**UREX ENERGY CORP.**  
(An Exploration Stage Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
March 31, 2008

Note Nature and Continuance of Operations

1

Urex Energy Corp (the Company ) was incorporated in the State of Nevada on February 6, 2002 and changed its fiscal year end from September 30 to March 31. The Company has been in the exploration stage since its formation and has not realized any revenues from its planned operations. The Company is primarily engaged in the acquisition and exploration of mining properties. Upon location of a commercial minable reserve, the Company expects to actively prepare the site for its extraction and enter into a development stage.

The Company is currently conducting a drilling project in Mendoza, Argentina, by its wholly-owned subsidiary, United Energy Metals, Inc.

Going Concern

These financial statements have been prepared assuming the Company will continue as a going concern. The Company has accumulated a deficit of \$7,950,369 since inception, has yet to achieve profitable operations and further losses are anticipated in the development of its business, raising substantial doubt about the Company's ability to continue as a going concern. At March 31, 2008, the Company had a working capital of \$191,118. Its ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. The Company anticipates that additional funding will be in the form of equity financing from the sale of common stock and/or commercial borrowing. There can be no assurance that capital will be available, it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company would result in a dilution in the equity interests of its current stockholders. The Company may also seek to obtain short-term loans from the directors of the Company. There are no current arrangements in place for equity funding or short-term loans.

Note Summary of Significant Accounting Policies

2

The financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below:

Basis of Presentation

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of the parent company, Urex Energy Corp. and its wholly-owned subsidiary, United Energy Metals, Inc. All significant intercompany accounts and transactions have been eliminated

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**UREX ENERGY CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008

Note Summary of Significant Accounting Policies - (cont'd)

2

Exploration Stage Company

The Company is an exploration stage company as defined in the Statements of Financial Accounting Standards (SFAS) No. 7 Accounting and Reporting by Development Stage Enterprises. It is primarily engaged in the acquisition and exploration of mining properties. All losses accumulated since inception, have been considered as part of the Company's exploration stage activities.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly liquid debt securities purchased with original or remaining maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value.

Concentration of credit risks

The Company is subject to concentrations of credit risk primarily from cash and cash equivalents. The Company maintains accounts with financial institutions, which at times exceeds the insured Federal Deposit Insurance Corporation limit of \$100,000. The Company minimizes its credit risks associated with cash by periodically evaluating the credit quality of its primary financial institutions.

Mineral Property Costs

Mineral property acquisition, exploration and development costs are expensed as incurred until such time as economic reserves are quantified. From that time forward, the Company will capitalize all costs to the extent that future cash flows from mineral reserves equal or exceed the costs deferred. The deferred costs will be amortized over the recoverable reserves when a property reaches commercial production. Costs related to site restoration programs will be accrued over the life of the project. To date, the Company has not established any proven reserves on its mineral properties.

Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions

can significantly affect estimated fair value. For the purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale of liquidation.

The carrying values of cash, accounts payable and loan payable approximate fair value because of the short-term nature of these instruments. Management is of the opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

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**UREX ENERGY CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008

Note Summary of Significant Accounting Policies - (cont'd)

2

Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitments to plan of action based on the then known facts.

Income Taxes

The Company uses the assets and liability method of accounting for income taxes pursuant to SFAS No. 109 Accounting for Income Taxes (SFAS 109). Under the assets and liability method of SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset will be recorded when it is more likely than not that it will be realized. Since the Company is in the exploration stage and has had continuous losses, no deferred tax asset or income taxes have been recorded in the financial statements.

Basic and Diluted Loss Per Share

The Company reports basic loss per share in accordance with the SFAS No. 128, Earnings Per Share. Basic loss per share is computed using the weighted average number of shares outstanding during the period. Diluted loss per share has not been provided as it would be anti-dilutive.

Foreign Currency Translation

The Company's subsidiary is located and operates outside of the United States of America. It maintains its accounting records in Argentinean Pesos as follows:

At the transaction date, each asset, liability, revenue and expense is recorded into Argentinean Pesos by the use of the exchange rate in effect at that date. At the year end, monetary assets and liabilities are translated into US dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations.

Recent Accounting Pronouncements

In March 2008, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133 (SFAS No.161). This statement is intended to improve transparency in financial reporting by

requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS No.161 applies to all derivative instruments within the scope of SFAS No. 133, Accounting for Derivative Instruments and Hedging

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**UREX ENERGY CORP.**  
(An Exploration Stage Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
March 31, 2008

Note Summary of Significant Accounting Policies - (cont'd)

2

Activities (SFAS No.133) as well as related hedged items, bifurcated derivatives, and nonderivative instruments that are designated and qualify as hedging instruments. Entities with instruments subject to SFAS No. 161 must provide more robust qualitative disclosures and expanded quantitative disclosures. SFAS No.161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application permitted. The Company is currently evaluating the disclosure implications of this statement. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51. This statement improves the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require; the ownership interests in subsidiaries held by parties other than the parent and the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income, changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently, when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value, entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 affects those entities that have an outstanding noncontrolling interest in one or more subsidiaries or that deconsolidate a subsidiary. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Early adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 Accounting for Certain Investments in Debt and Equity Securities applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, Fair Value Measurements. The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. The objective of SFAS No.157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No.157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No.157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.





**UREX ENERGY CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008

Note Mineral Properties

3

In December 2005, the Company acquired 100% interest in the La Jara Mesa Extension uranium property consisting of 137 unpatented mining claims of approximately 2,740 acres through staking, in the Grants Mining District of Cibola County in New Mexico, USA. The Company plans to commence a drilling exploration program as soon as financing is arranged.

Note Impairment of Goodwill

4

On September 22, 2005, the Company entered into an Assignment Agreement with International Mineral Resources Ltd. (IMR), whereby IMR assigned its right, title and interest in the Option Agreement entered between IMR and United Energy Metals, SA (UEM) to the Company. The Option Agreement allows for the holder of the option to acquire 99.8% of UEM, an Argentina company which in turn holds a 100% interest in a commanding property position of 170,000 hectares adjacent to the Cerro Solo Uranium deposit known as the Rio Chubut property. As consideration for the assignment of the

Option from IMR to the Company, the Company is required to issue to IMR 8,000,000 common shares of the Company and pay IMR \$50,000. Furthermore, IMR will retain a 5% net smelter royalty.

The Company paid IMR \$50,000 in January 2006 and issued 8,000,000 common shares of the Company to IMR in June 2006. This acquisition was recorded as a purchase of UEM. The value of UEM was determined as the consideration paid plus the fair market value of the shares issued. The purchase price was then allocated against the fair market value of the assets and liabilities assumed, with the balance recorded as goodwill. Because UEM has no proven mineral reserves, the amount allocated toward goodwill was considered 100% impaired and written off at the date of acquisition.

Note Related Party Transactions

5

On December 10, 2004, the Company issued a note payable in the amount of \$25,000 to the former President of the Company for the purpose of funding exploration activities. The note bears no interest and is due and payable on demand. As of March 31, 2008, the balance of the loan is \$22,500.

Effective October 1, 2005, the Company began paying a management consulting fee to Minera Teles Pires Inc., a company controlled by the President and director of the Company. The agreement provides a fixed fee of \$10,000 per month of which \$5,000 is paid and the other \$5,000 deferred until financing is obtained by the Company. During the year ended March 31, 2008, the Company incurred \$120,000 in management fees from Minera Teles Pires Inc.

Promissory Notes Payable

Note  
6

The promissory notes payable are unsecured and bear interest at 5% per annum. They are due on demand.

	March 31, 2008	March 31, 2007
November 15, 2005	\$ 92,595	\$ 88,456
December 01, 2005	20,989	20,049
January 06, 2006	111,151	106,151
July 14, 2006	112,877	107,678
	\$ 337,612	\$ 322,334

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**UREX ENERGY CORP.**  
(An Exploration Stage Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
March 31, 2008

Note Common Stock

7

Issuance of shares

During the year ended March 31, 2007, the Company issued 10,000,000 shares of common stock at a price of \$.25 per share.

The Company issued 16,000,000 (post-split) common shares to IMR for acquisition of UEM.

Cancellation of shares

The former President and former Director of the Company entered into an agreement with the Company to return his 20 million common shares which he beneficially owns back to treasury for cancellation, the 20 million shares were cancelled during 2006.

Forward Stock Split

The Company affected a forward stock split of 2 common shares for each 1 share issued and outstanding. The merger and forward stock split became effective as of July 3, 2006. The total issued and outstanding common shares (post-split) are 84,425,600. All references in the accompanying financial statements to the number of common shares and the per share amounts have been restated to reflect the forward stock split.

Note Income Taxes

8

The benefit for income taxes from continued operations for the years ended March 31, 2008 and 2007 consist of the following:

	2008	2007
<b>Current:</b>		
Federal	\$ -	\$ -
State	-	-
<b>Deferred:</b>		
Federal	476,300	2,620,000
State	-	-
	476,300	2,620,000
Increase in valuation allowance	(476,300)	(2,620,000)
<b>Benefit for income taxes, net</b>	<b>\$ -</b>	<b>\$ -</b>

The benefits for 2008 and 2007 were computed by applying the federal and state statutory corporate tax rates as follows:

Statutory federal income tax rate	34.0 %
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State income taxes	6.0 %
Valuation allowance	(40.0)%
Effective tax rate	(0.0)%

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**UREX ENERGY CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008

Note Income Taxes (cont d)

8

The net deferred tax assets and liabilities are comprised of the following:

	2008	2007
Deferred tax assets:	\$ -	\$ -
Current	-	-
Non-current	3,180,300	2,704,000
Less: valuation allowance	(3,180,300)	(2,704,000)
Net deferred income tax asset	\$ -	\$ -

At March 31, 2008, the Company had federal net operating loss carry-forwards totaling approximately 7,950,000 which expire in various years through 2018.

Note Commitments

8

On April 22, 2007, the Company entered into an Agreement with New-Sense Geophysics Limited to carry out an airborne magnetic/spectrometer survey over the properties in Argentina. The contract has been completed as of March 31, 2008.

Mobilization/Demobilization	\$ 20,000
Data collection and processing	254,689
	\$ 274,689

Payment schedule:

An initial payment due on signing	30% of contract value	
		plus mobilization/demobilization
On completion of first production flight	30% of contract value	
On completion of flying	30% of contract value	
On delivery of final maps and reports		balance of contract value

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**ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

**ITEM 8A(T). CONTROLS AND PROCEDURES.**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our President (who is also our Secretary) to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of December 31, 2007, the end of the year covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our President (who is also our Secretary), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our President (who is also our Secretary) concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.

There have been no significant changes in our internal controls over financial reporting that occurred during the year ended March 31, 2008 that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

*Management's report on internal control over financial reporting*

Management is responsible for establishing and maintaining adequate internal control over our financial reporting. In order to evaluate the effectiveness of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act, management has conducted an assessment, including testing, using the criteria in Internal Control-Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ( COSO ). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on its assessment, management has concluded that our internal control over financial reporting was effect at the reasonable assurance level as of March 31, 2008, based on criteria in Internal Control Integrated Framework, issued by the COSO).

**ITEM 8B. OTHER INFORMATION**

None.

**PART III**

**ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, CONTROL PERSONS AND CORPORATE GOVERNANCE; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.**

**Directors, Executive Officers, Promoters, Control Persons**

All directors of our company hold office until the next annual general meeting of the shareholders or until their

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successors are elected and qualified. The officers of our company are appointed by our board of directors and hold office until their earlier death, retirement, resignation or removal.

Our directors, executive officers and other significant employees, their ages, positions held and duration each person has held that position, are as follows:

<b>Name</b>	<b>Position Held with the Company</b>	<b>Age</b>	<b>Date First Elected or Appointed</b>
Richard Bachman	President and Director	53	September 28, 2005
Oscar Yoshitaka Yokoi	Director	52	November 8, 2006
Brian Cole	Director	52	January 16, 2007

*Business Experience*

The following is a brief account of the education and business experience of each director and executive officer during at least the past five years, indicating their principal occupation during the period, and the name and principal business of the organization by which they were employed.

*Richard Bachman President and Director*

Mr. Bachman has been the President and a director of our company since September 28, 2005. Mr. Bachman's work experience includes 22 years working with Homestake Mining Company in various capacities ranging from exploration to mine operations. From 1995 to 1998, he was the Regional Geologist for Brazil where he directed a staff of 46 and was responsible for a \$2.5 million annual exploration budget. He conducted a countrywide assessment that resulted in the acquisition of a one million hectare property in a 20 million ounce gold district in the Amazon.

From 1999 to 2000 Mr. Bachman was the Regional Geologist for Peru where he directed a staff of 10 and refocused Homestake's existing exploration program, which resulted in the evaluation of 83 properties in 24 months and yielded one new discovery. From 2001 to 2002, he was Homestake's Regional Geologist, International Special Projects, where he designed and successfully implemented reconnaissance programs in southern Argentina that resulted in the evaluation of 63 properties with five advancing and the coordination and field review of 22 properties.

From 2002 until now, Mr. Bachman has acted as President and Consulting Professional Geologist for Minera Teles Pires Inc., a Reno, Nevada company. Mr. Bachman holds a Bachelors of Science degree in Geological Engineering from the South Dakota School of Mines and Technology and is a Certified Professional Geologist with the American Institute of Professional Geologists.

*Oscar Yoshitaka Yokoi - Director*

Mr. Yokoi became a director of our company on November 8, 2006. Mr. Yokoi has over 29 years of mining and mineral exploration experience and received a Bachelors of Science in Geology (1977) from the University of Sao Paulo and a Masters of Arts in Business Administration (2003) from UNA Belo Horizonte. During his career, Mr. Yokoi was employed by BP Minerals, Brascan, Homestake Mining Company, Votorantim and JOGMEC and has consulted for CVRD, Placer Dome and Meridian Gold.

*Brian Cole Director*



Mr. Cole became a director of our company on January 16, 2007. Mr. Cole is a Canadian Certified Professional Geologist with over 29 years of diverse mineral exploration experience in gold, uranium, base metals, and diamonds in many places of the world. Mr. Cole was a staff Geologist for Placer Dome Inc. over 11 years in Canada and East Africa. Following that, Mr. Cole was an Associate Partner in a consulting firm offering project management services

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and supervised the office in Ghana, West Africa for 3 years. Mr. Cole routinely consults for clients in North and South America and advises in matters of mineral exploration strategy, project management, quality controls, resource estimation, and regularly prepares qualifying reports for securities exchanges on the behalf of his clients. He currently resides in Canada.

### Family Relationships

There are no family relationships among our directors or officers.

### Involvement in Certain Legal Proceedings

Our director, executive officer and control persons have not been involved in any of the following events during the past five years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

### Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during fiscal year ended March 31, 2008, all filing requirements applicable to its officers, directors and greater than 10% percent beneficial owners were complied with, with the exception of the following:

Name	Number of Late Reports	Number of Transactions Not Reported on a Timely Basis	Failure to File Requested Forms
Richard Bachman	Nil	Nil	Nil
Oscar Yoshitaka Yokoi	1 <sup>(1)</sup>	Nil	Nil
Brian Cole	Nil	Nil	Nil

- (1) The named officer, director or greater than 10% stockholder, as applicable, filed a late Form 3 Initial Statement of Beneficial Ownership of Securities.



## **Code of Ethics**

Effective July 11, 2007, our company's board of directors adopted a Code of Business Conduct and Ethics that applies to, among other persons, our company's president (being our principal executive officer) and our company's secretary (being our principal financial and accounting officer and controller), as well as persons performing similar functions. As adopted, our Code of Business Conduct and Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

- (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
- (3) compliance with applicable governmental laws, rules and regulations;
- (4) the prompt internal reporting of violations of the Code of Business Conduct and Ethics to an appropriate person or persons identified in the Code of Business Conduct and Ethics; and
- (5) accountability for adherence to the Code of Business Conduct and Ethics.

Our Code of Business Conduct and Ethics requires, among other things, that all of our company's personnel shall be accorded full access to our president and secretary with respect to any matter which may arise relating to the Code of Business Conduct and Ethics. Further, all of our company's personnel are to be accorded full access to our company's board of directors if any such matter involves an alleged breach of the Code of Business Conduct and Ethics by our president or secretary.

In addition, our Code of Business Conduct and Ethics emphasizes that all employees, and particularly managers and/or supervisors, have a responsibility for maintaining financial integrity within our company, consistent with generally accepted accounting principles, and federal, provincial and state securities laws. Any employee who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to his or her immediate supervisor or to our company's president or secretary. If the incident involves an alleged breach of the Code of Business Conduct and Ethics by the president or secretary, the incident must be reported to any member of our board of directors. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our company's Code of Business Conduct and Ethics by another.

Our Code of Business Conduct and Ethics is filed as Exhibit 14.1 to this annual report on Form 10-KSB. We will provide a copy of the Code of Business Conduct and Ethics to any person without charge, upon request. Requests can be sent to: Urex Energy Corp., 10580 N. McCarran Blvd., Building 115-208, Reno, Nevada.

## **Corporate Governance**

### *Nomination Process*

As of July 11, 2007, we did not effect any material changes to the procedures by which our shareholders may recommend nominees to our board of directors. Our board of directors does not have a policy with regards to the consideration of any director candidates recommended by our shareholders. Our board of directors has determined that it is in the best position to evaluate our company's requirements as well as the qualifications of each candidate when

the board considers a nominee for a position on our board of directors. If shareholders wish to recommend candidates directly to our board, they may do so by sending communications to the President of our company at the address on the cover of this annual report.

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*Audit Committee and Audit Committee Financial Expert*

We do not have a standing audit committee at the present time. Our board of directors has determined that we do not have a board member that qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-B, nor do we have a board member that qualifies as an independent director as defined in Rule 4200(a)(15) of the Rules of Nasdaq Marketplace Rules.

We believe that the members of our board of directors are capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. The board of directors of our company does not believe that it is necessary to have an audit committee because we believe that the functions of an audit committee can be adequately performed by the board of directors, consisting of Richard Bachman, Oscar Yoshitaka Yokoi and Brian Cole. In addition, we believe that retaining an independent director who would qualify as an audit committee financial expert would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated any revenues from operations to date.

**ITEM 10. EXECUTIVE COMPENSATION.****General**

The particulars of compensation paid to the following persons:

- (a) our principal executive officer;
- (b) each of our two most highly compensated executive officers who were serving as executive officers at the year ended March 31, 2008; and
- (c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the most recently completed financial year,

who we will collectively refer to as the named executive officers, of our company for the years ended March 31, 2008, 2007 and 2006, are set out in the following summary compensation tables:

<b>SUMMARY COMPENSATION TABLE</b>									
<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)</b>	<b>Option Awards (\$)</b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Richard Bachman President <sup>(1)</sup>	2008	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2007	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000

	2006	60,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	60,000
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- (1) Mr. Bachman was appointed our President on September 28, 2005.
- (2) Effective October 1, 2005, we began paying under a management consulting agreement with Mineral Teles Pires Inc., a company controlled by Mr. Bachman.  
 Effective October 1, 2005, we entered into a management consulting agreement with Minera Teles Pires Inc., a company controlled by Mr. Bachman. The management agreement provides a fixed fee of \$10,000 per month of
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which \$5,000 is paid and the other \$5,000 is deferred until financing is obtained by our company. As at the fiscal year ended March 31, 2008, \$120,000 in management fees has been paid to Minera Teles Pires Inc.

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive stock options at the discretion of our board of directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of our board of directors from time to time. We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control.

#### **Outstanding Equity Awards at Fiscal Year-End**

We established a 2007 Stock Option Plan to provide for the issuance of stock options to acquire an aggregate of up to 2,000,000 shares of our common stock. As of June 25, 2008, no options were issued under our 2007 Stock Option Plan.

During the year ended March 31, 2008, we did not grant any options to purchase shares of our common stock and no stock options were exercised.

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The particulars of unexercised options, stock that has not vested and equity incentive plan awards for our named executive officers are set out in the following table:

Name	Options Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Richard Bachman	Nil	Nil	Nil	N/A	N/A	Nil	N/A	Nil	Nil

#### Director Compensation

We reimburse our directors for expenses incurred in connection with attending board meetings. We did not pay any other director's fees or other cash compensation for services rendered as a director for the fiscal year ended March 31, 2008.

We have no formal plan for compensating our directors for their service in their capacity as directors, although such directors are expected in the future to receive stock options to purchase common shares as awarded by our board of directors or (as to future stock options) a compensation committee which may be established. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. Our board of directors may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director. No director received and/or accrued any compensation for their services as a director, including committee participation and/or special assignments.

#### ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of June 25, 2008, certain information with respect to the beneficial ownership of our common stock by each stockholder known by us to be the beneficial owner of more than 5% of our common stock and by our sole director and executive officer. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated. Except as otherwise noted, the number of shares beneficially owned includes common stock which the named person has the right to acquire, through conversion or option exercise, or otherwise, within 60 days after June 25, 2008. Beneficial ownership calculations for 5% stockholders are based solely

on publicly filed Schedule 13Ds or 13Gs, which 5% stockholders are required to file with the Securities and Exchange Commission.

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class <sup>(1)</sup>
Richard Bachman c/o 10580 N. McCarran Blvd. Building 115-208 Reno, NV 89503	16,000,000 <sup>(2)</sup>	18.95%
Oscar Yoshitaka Yokoi Alameda das Princesas 570 Belo Horizonte, Minas Gerais Brazil	Nil	N/A
Brian Cole 3979 Victoria Avenue Vineland, Ontario L0R 2C0 Canada	Nil	N/A
Hypo Alpe-Adria-Bank (Liechtenstein)AG Landstrasse 126 A FL Schaan	6,000,000	7.11%
International Mineral Resources Ltd. <sup>(3)</sup> c/o No. 1 Caribbean Place P.O. Box 97 Leeward Highway Providenciales Turks & Caicos Islands BWI	16,000,000 <sup>(2)</sup>	18.95%
Directors and Executive Officers as a Group	16,000,000 <sup>(2)</sup>	18.95%

- (1) Based on 84,425,600 shares of common stock issued and outstanding as of June 25, 2008. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable.
- (2) This figure includes 16,000,000 shares (post-split shares on a basis of two new for each one old share effective July 3, 2006) held by International Mineral Resources Ltd., of which Mr. Richard Bachman has sole voting and dispositive power of the 16,000,000 shares held by International Mineral Resources. Mr. Richard Bachman is the beneficial owner of IMR.
- (3) International Mineral Resources is a corporation organized under the laws of the Turks & Caicos Islands, BWI, and Mr. Bachman has sole voting and dispositive power of the 16,000,000 shares held by International Mineral Resources.

- (4) Management of our company is unaware of the beneficial Shareholders of the common shares registered in the name of CEDE & Co.

**Equity Compensation Plan Information**

This information can be found under Item 5 Market for Common Equity and Related Stockholder Matters.

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**Changes in Control**

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change in control of our company.

**ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.****Related Party Transactions**

Except as disclosed herein, no director, executive officer, principal shareholder holding at least 5% of our common shares, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction, during the year ended March 31, 2008, in which the amount involved in the transaction exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at the year end for the last three completed fiscal years.

Effective October 1, 2005, we entered into a management consulting agreement with Minera Teles Pires Inc., a company controlled by Mr. Bachman. The management agreement provides a fixed fee of \$10,000 per month of which \$5,000 is paid and the other \$5,000 deferred until financing is obtained by our company. As at the fiscal year ended March 31, 2008, \$120,000 in management fees has been paid to Minera Teles Pires Inc.

**Director Independence**

Our board of directors has determined that Oscar Yoshitaka Yokoi and Brian Cole are independent directors as defined by Rule 4200(a)(15) of the Rules of Nasdaq Marketplace Rules.

**ITEM 13. EXHIBITS.****Exhibits Required by Item 601 of Regulation S-B**

The following Exhibits are filed with this Annual Report:

Exhibit Number	Description
3.1	Articles and Bylaws incorporated by reference from our Registration Statement on Form 10-SB filed on February 27, 2003
3.2	Certificate of Amendment to the Articles of Incorporation dated June 2, 2005 incorporated by reference from our quarterly report on Form 10-QSB filed on November 17, 2006
3.3	Certificate of Change dated June 2, 2005 incorporated by reference from our quarterly report on Form 10-QSB filed on November 17, 2006
3.4	Certificate of Amendment to the Articles of Incorporation incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
3.5	Certificate of Change incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006

3.6 Articles of Incorporation of Urex Energy Corp. incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006

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- 3.7 Articles of Merger incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
- 3.8 Certificate of Change incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
- 3.9 Certificate of Correction with respect to the Certificate of Change incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
- 3.10 Certificate of Correction with respect to the Articles of Merger incorporated by reference from our Current Report on Form 8-K filed on July 5, 2006
- 10.1 Consulting Agreement between our company and Minera Teles Pires Inc., dated September 27, 2005 incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
- 10.2 Assignment Agreement between our company and International Mineral Resources Inc., dated September 22, 2005 incorporated by reference from our Current Report on Form 8- K filed on September 29, 2005
- 10.3 Option Agreement between International Mineral Resources Inc. and United Energy Metals S.A., dated September 21, 2005 incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
- 10.4 Agreement and Plan of Merger between Urex Energy Corp. and Lakefield Ventures Inc., dated June 8, 2006 incorporated by reference from our annual report on Form 10-KSB filed on July 14, 2006
- 10.5 Form of Subscription Agreement with certain investors incorporated by reference from our Current Report on Form 8-K filed on November 30, 2006
- 10.6 Form of Series A Warrant Certificate with certain investors incorporated by reference from our Current Report on Form 8-K filed on November 30, 2006
- 10.7 Form of Series B Warrant Certificate with certain investors incorporated by reference from our Current Report on Form 8-K filed on November 30, 2006
- 10.8 Agreement with New-Sense Geophysics Limited incorporated by reference from our Annual Report on Form 10-KSB filed on July 17, 2007
- 10.9\* Agreement with N.A. Dergstrom, Inc., dated January 31, 2008
- 31.1\* Section 302 Certification of Richard Bachman, dated July 15, 2008
- 32.1\* Section 906 Certification of Richard Bachman, dated July 15, 2008
- 99.2 Independent Review of the Rio Chubut Uranium Project prepared by Brian Cole, P.Geo., dated September 23, 2005 incorporated by reference from our annual report on Form 10- KSB filed on July 14, 2006

\* Filed herewith





#### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

##### **Audit Fees**

Our board of directors appointed Jewett, Schwartz & Associates as independent auditors to audit our financial statements for the current fiscal year. The aggregate fees billed by Jewett, Schwartz & Associates for professional services rendered for the audit of our annual financial statements included in this annual report on Form 10-KSB for the fiscal year ended March 31, 2008 and 2007 were \$24,000 and \$22,750, respectively.

##### **Audit Related Fees**

For the fiscal year ended March 31, 2008 and 2007, the aggregate fees billed for assurance and related services by Jewett, Schwartz & Associates relating to our quarterly financial statements which are not reported under the caption Audit Fees above, were \$5,000 and \$Nil, respectively.

##### **Tax Fees**

For the fiscal year ended March 31, 2008 and 2007, the aggregate fees billed for tax compliance, by Jewett, Schwartz & Associates were \$Nil and \$Nil, respectively.

##### **All Other Fees**

For the fiscal year ended March 31, 2008 and 2007, the aggregate fees billed by Jewett, Schwartz & Associates for other non-audit professional services, other than those services listed above, totalled \$Nil and \$Nil, respectively.

Our board of directors, who acts as our audit committee, has adopted a policy governing the pre-approval by the board of directors of all services, audit and non-audit, to be provided to our company by our independent auditors. Under the policy, the board or directors has pre-approved the provision by our independent auditors of specific audit, audit related, tax and other non-audit services as being consistent with auditor independence. Requests or applications to provide services that require the specific pre-approval of the board of directors must be submitted to the board of directors by the independent auditors, and the independent auditors must advise the board of directors as to whether, in the independent auditor's view, the request or application is consistent with the Securities and Exchange Commission's rules on auditor independence.

The board of directors has considered the nature and amount of the fees billed by Jewett, Schwartz & Associates and believes that the provision of the services for activities unrelated to the audit is compatible with maintaining the independence of Jewett, Schwartz & Associates .

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**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**UREX ENERGY CORP.**

/s/ Richard Bachman  
By: Richard Bachman  
President, Secretary and Director  
(Principal Executive Officer,  
Principal Financial Officer and  
Principal Accounting Officer)  
Dated: July 15, 2008

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Richard Bachman  
By: Richard Bachman  
President, Secretary and Director  
(Principal Executive Officer,  
Principal Financial Officer and  
Principal Accounting Officer)  
Dated: July 15, 2008

/s/ Brian Cole  
By: Brian Cole  
Director  
Dated: July 15, 2008

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