

UREX ENERGY CORP.
Form 10-K
July 14, 2009

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

FORM 10-K

(Mark One)

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

For the fiscal year ended March 31, 2009

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

For the transition period from [] to []

Commission file number **000-501191**

UREX ENERGY CORP.

(name of small business issuer in its charter)

Nevada

(State or other jurisdiction of incorporation
or organization)

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

Reno, Nevada

(Address of principal executive offices)

Issuer's telephone number **775.747.0667**

98-0201259

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

89503

(Zip Code)

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)

Edgar Filing: UREX ENERGY CORP. - Form 10-K

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not 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-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated Filer

Non-accelerated Filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

The aggregate market value of the voting stock held by non-affiliates of the registrant based on the closing price of the Registrant's common stock as quoted on the OTC Bulletin Board on July 10, 2009 was \$1,528,512 (76,425,600 common shares at \$0.02).

As of June 30, 2009, there were outstanding 104,425,600 shares of common stock.

Documents Incorporated by Reference

None.

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

Cautionary Note Regarding Forward Looking Statements

This Annual Report on Form 10-K (the Annual Report) contains forward-looking statements that represent our beliefs, projections and predictions about future events. All statements other than statements of historical fact are forward-looking statements , including any projections of earnings, revenue or other financial items, any statements of the plans, strategies and objectives of management for future operations, any statements concerning proposed new projects or other developments, any statements regarding future economic conditions or performance, any statements of management s beliefs, goals, strategies, intentions and objectives, and any statements of assumptions underlying any of the foregoing. Words such as may , will , should , could , would , predicts , potential , continue , expects future , intends , plans , believes , estimates and similar expressions, as well as statements in the future tense, identify forward-looking statements.

These statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements described in or implied by such statements. Actual results may differ materially from expected results described in our forward-looking statements, including with respect to correct measurement and identification of factors affecting our business or the extent of their likely impact, the accuracy and completeness of the publicly available information with respect to the factors upon which our business strategy is based or the success of our business. Furthermore, industry forecasts are likely to be inaccurate, especially over long periods of time and in relatively new and rapidly developing industries such as oil and gas. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

our ability to attract and retain management;

our growth strategies;

anticipated trends in our business;

our future results of operations;

our ability to make or integrate acquisitions;

our liquidity and ability to finance our exploration, acquisition and development activities;

our ability to successfully and economically explore for and develop uranium resources;

market conditions in the uranium industry;

the timing, cost and procedure for acquisitions;

the impact of government regulation;

estimates regarding future net revenues from uranium reserves and the present value thereof;

planned capital expenditures (including the amount and nature thereof);

the number of wells we anticipate being drilled in the future;

estimates, plans and projections relating to acquired properties;

the number of potential drilling locations on lands in which we have an interest;

our financial position, business strategy and other plans and objectives for future operations;

the possibility that our acquisitions may involve unexpected costs;

the volatility in commodity prices for uranium;

the availability and costs of drilling rigs and other oilfield services use by the operators of properties in which we have an interest;

environmental risks;

exploration and development risks;

competition;

the ability of our management team to execute its plans to meet its goals; and

other economic, competitive, governmental, legislative, regulatory, geopolitical and technological factors that may negatively impact our businesses, operations and pricing.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of whether, or the times by which, our performance or results may be achieved. Forward-looking statements are based on information available at the time those statements are made and management's belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, those factors discussed under the headings Risk factors, Management's discussion and analysis of financial condition and results of operations, Business and elsewhere in this report.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

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 common shares refer to the common shares in our capital stock.

As used in this annual report, the terms Company, 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.

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

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.

Going Concern Issues

Our consolidated financial statements have been prepared assuming that the Company will continue as a going concern. We have suffered recurring losses from operations. The continuation of our company as a going concern is dependent upon attaining and maintaining profitable operations and raising additional capital. We are actively currently seeking additional funding through various methods, but due to current market conditions funding may not be readily available. In addition, our current liabilities exceeded our current assets at March 31, 2009 and at the date of this report. One of the reasons for our current financial position is that we have suffered significant cost overruns on one of our projects. These conditions indicate the existence of a material uncertainty which may cast significant doubt over our ability to continue as a going concern.

Management is currently considering other options should current efforts to secure new funding be unsuccessful. These could include the establishment of a form of liquidating trust to hold the assets of the Company for the benefit of shareholders or the sale of the Company's assets as part of a liquidation and, after discharging obligations, distributing the remaining proceeds, if any, to shareholders. Our Board of Directors is also actively considering deregistering from the Securities Exchange Act of 1934, if in its best judgment the costs of the requirements of being a compliant public company outweigh the benefits to shareholders and if we are eligible to deregister.

Our financial results depend upon many factors, particularly the price of uranium and our ability to market our production. Commodity prices are affected by changes in market demands, which are impacted by overall economic activity, weather, pipeline capacity constraints, inventory storage levels, basis differentials and other factors. As a result, we cannot accurately predict future uranium prices, and therefore, we cannot determine what effect increases or decreases will have on our capital program, if any, production volumes and future revenues. In addition to production volumes and commodity prices, finding and developing sufficient amounts of uranium reserves at economical costs are critical to our long-term success.

Access to Company Reports

For further information pertaining to us, you may inspect without charge at the public reference facilities of the SEC at 100 F Street, NE, Room 1580, Washington, D.C. 20549 any of our filings with the SEC. Copies of all or any portion of the documents may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website that contains reports, proxy and information statements and other information that is filed electronically with the SEC. The website can be accessed at www.sec.gov.

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 \$1,404,241 for the fiscal year ended March 31, 2009, and cumulative losses of \$9,354,610 from inception to March 31, 2009. As of March 31, 2009 we had working capital deficit of \$864,236. 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.

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, 2009, we have incurred aggregate losses of approximately \$9,364,736. Our loss from operations for the fiscal year ended March 31, 2009 was \$1,404,241. 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 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.

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, 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 feet and 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 U3O8, 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.

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% U₃O₈ (84 million lbs U₃O₈) 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 U₃O₈ 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.

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 Centeroid	Longitude Centeroid	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

Chubut Uranium Project							
List of Cateos							
Cerro Selo Group				Easter Cateos			
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				

Edgar Filing: UREX ENERGY CORP. - Form 10-K

14	14.598	May 5, 2005	8,732	
16	14.599	May 5, 2005	9,982	
18	14.600	May 5, 2005	9,981	
Total Area			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. 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.

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 otccb.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:

	OTC Bulletin Board ⁽¹⁾	
Quarter Ended	High	Low
March 31, 2009	\$0.04	\$0.01
December 31, 2008	\$0.05	\$0.02
September 30, 2008	\$0.10	\$0.04
June 30, 2008	\$0.16	\$0.09
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

(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.

Holders

On March 31, 2009, the shareholders' list of our common shares showed nine registered shareholders and 104,425,600 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, 2009 that were not otherwise reported in a quarterly report filed on Form 10-Q 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 July 10, 2009, 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, 2009.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-Average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan
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, 2009.

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 6 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.

We completed 88 drill holes totalling 7624 meters of drilling on first pass drill testing on five uranium targets on our Cerro Solo area properties in Argentina since February 2008.

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. (The shaded areas are controlled by our company)

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

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

Thirty-seven drill holes were completed on the Carbon Target (see Figure 1) identifying thick zones of anomalous uranium mineralization related to high concentrations of organic carbon in Los Adobes Formation. Drill hole RC08037r from the Carbon Target returned a peak uranium value of 5.74 lbs/ton eU3O8. The Carbon uranium mineralization is open to the south where Urex controls mineral claims for 9 kilometres on trend.

Six drill holes were completed on the Maple South Target on 400 meters drill centers identifying uranium mineralization with drill hole RC08065r yielding a peak value of 0.39 lbs/ton eU₃O₈.

During September, 2008, we discovered a new zone of uranium mineralization on the our Cerro Solo Plateau Target in Argentina. The new uranium zone yielded a peak uranium value of 10.0 lbs of eU₃O₈ per ton (0.42 eU%) which occurs within an intercept of 2.24 meters grading 3.18 lbs eU₃O₈ per ton (0.13 eU%). The newly discovered uranium mineralization is hosted in flat lying sandstone and conglomerate of the Cretaceous Los Adobes Formation between 60.51 and 62.75 meters below the surface.

Drill Hole RC08-079, which intersected the mineralization, is one of three holes drilled on an east-west fence of holes on 400 meter centers on the west edge of the Plateau Target. Twenty-two drill holes were completed on the Plateau Target and drilling will continue as the newly discovered uranium mineralization is outlined.

The Plateau uranium mineralization is hosted in flat lying sandstone and conglomerate of the Cretaceous Los Adobes Formation and lies within the influence of a series of northwest-southeast trending faults similar to a set of parallel faults that brackets the CNEA's Cerro Solo uranium deposit.

Urex controls mineral claims for 7 kilometers on trend to the northwest of the current Plateau drilling.

To date, we have completed 88 drill holes totalling 7624 meters of drilling on our Cerro Solo Argentine properties since February 2008.

All of the drill holes on the Company's uranium properties in Argentina are logged with a Company owned down-the-hole Calibrated BGR-01 4-Channel Gamma Probe operated by in-house technicians. The BGR-01 4 Channel Gamma Probe was calibrated in February 2008 at the Canadian government calibration site at Fredericton, New Brunswick under the supervision of the manufacturer and is the only calibrated gamma probe in Argentina.

The Company's operations will continue to be managed out of the town of Passo de Indios which is located 60 kilometers from the Cerro Solo project site.

We have contracted a mining engineer to advise our company on potential development plan in Argentina.

The Company is awaiting an exploration permits for our La Jara Mesa Property located in New Mexico, but have been notified by the USFS (United States Forest Service) that Urex will be required to complete an EIS (Environmental Impact Statement) or wait for the USFS to complete an EIS before being allowed to proceed. We have decided to allow the USFS to complete an EIS due to cost and have put the La Jara Mesa Project on hold.

During the next twelve month period, we plan to put all exploration activities including Argentina and New Mexico on hold due to limited operating funds. Given the current difficult financial and economic environment the Company is considering alternatives to conventional financing due to limited availability of financing at desirable terms.

Financing for necessary to continue drilling on our Cerro Solo area properties that lie on the western side of the Rio Chubut Property will cost \$1.85 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
TOTAL	\$	60,000

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
TOTAL	\$	1,800,000

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 \$1,244,241 for the fiscal year ended March 31, 2009 compared to a loss of \$1,184,308 for the fiscal year ended March 31, 2008. As of March 31, 2009 we had working capital deficit of \$599,696 compared to working capital of \$191,118 as of March 31, 2008.

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 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). 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.

The Company is awaiting an exploration permits for our La Jara Mesa Property located in New Mexico, but have been notified by the USFS (United States Forest Service) that Urex will be required to complete an EIS (Environmental Impact Statement) or wait for the USFS to complete an EIS before being allowed to proceed. We have decided to allow the USFS to complete an EIS due to cost and have put the La Jara Mesa Project on hold.

To date, we have completed 88 drill holes totalling 7624 meters of drilling on our Cerro Solo Argentine properties since February 2008.

During the next twelve month period, we plan to put all exploration activities including Argentina and New Mexico on hold due to limited operating funds. Given the current difficult financial and economic environment the Company is considering alternatives to conventional financing due to limited availability of financing at desirable terms.

Capital Expenditures

As of March 31, 2009, 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, 2009, we had working capital deficit of \$864,236. Our consolidated financial statements report a net loss of \$1,404,241 for the fiscal year ended March 31, 2009 as compared to a net loss of \$1,184,308 for the fiscal year ended March 31, 2008. Our accumulated losses for the period from February 6, 2002, our date of inception, to March 31, 2009 was \$9,354,610.

Our total liabilities as of March 31, 2009 were \$980,670, as compared to total liabilities of \$696,869 as at March 31, 2008. The change was due primarily to increases in accounts payable and accrued liabilities.

Cash Flow Used in Operating Activities

Operating activities used cash of \$1,087,799 for the fiscal year ended March 31, 2008, compared to using \$932,792 for the fiscal year ended March 31, 2008. The increase in cash used during the fiscal year ended March 31, 2009 was commensurate with an increase in our accounts receivable and prepaid expenses.

Cash Flow Used in Investing Activities

Investing activities used cash of \$2,788 for the fiscal year ended March 31, 2009 and did not generate any cash during the fiscal years ended March 31, 2009 and March 31, 2008.

Cash Flow Provided by Financing Activities

Financing activities provided cash of \$263,147 for the fiscal year ended March 31, 2009 as compared to used cash of \$65,738 for the fiscal year ended March 31, 2008. The increase in cash provided from financing activities for the fiscal year ended March 31, 2009 resulted from loans to the company.

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, 2009, 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, 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:

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

Employers Disclosures about Postretirement Benefit Plan Assets

In December 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position on Financial Accounting Standard (FSP FAS) No. 132(R)-1, Employers Disclosures about Postretirement Benefit Plan Assets. This FSP amends FASB Statement No. 132(R) (SFAS No. 132(R)), Employers Disclosures about Pensions and Other Postretirement Benefits, to provide guidance on an employer s disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP FAS No. 132(R)-1 also includes a technical amendment to SFAS No. 132(R) that requires a nonpublic entity to disclose net periodic benefit cost for each annual period for which a statement of income is presented. The required disclosures about plan assets are effective for fiscal years ending after December 15, 2009. The technical amendment was effective upon issuance of FSP FAS No. 132(R)-1. The Company is currently assessing the impact of FSP FAS No. 132(R)-1 on its consolidated financial position and results of operations.

Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises

In December 2008, the FASB issued FSP FIN No. 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN No. 48-3 defers the effective date of FIN No. 48, *Accounting for Uncertainty in Income Taxes*, for certain nonpublic enterprises as defined in SFAS No. 109, *Accounting for Income Taxes*. However, nonpublic consolidated entities of public enterprises that apply U.S. generally accepted accounting principles (GAAP) are not eligible for the deferral. FSP FIN No. 48-3 was effective upon issuance. The impact of adoption was not material to the Company's consolidated financial condition or results of operations.

Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities

In December 2008, the FASB issued FSP FAS No. 140-4 and FIN No. 46(R) -8, *Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities*. This FSP amends SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, to require public entities to provide additional disclosures about transfers of financial assets. FSP FAS No. 140-4 also amends FIN No. 46(R)-8, *Consolidation of Variable Interest Entities*, to require public enterprises, including sponsors that have a variable interest entity, to provide additional disclosures about their involvement with a variable interest entity. FSP FAS No. 140-4 also requires certain additional disclosures, in regards to variable interest entities, to provide greater transparency to financial statement users. FSP FAS No. 140-4 is effective for the first reporting period (interim or annual) ending after December 15, 2008, with early application encouraged. The Company is currently assessing the impact of FSP FAS No. 140-4 on its consolidated financial position and results of operations.

Accounting for an Instrument (or an Embedded Feature) with a Settlement Amount That is Based on the Stock of an Entity's Consolidated Subsidiary

In November 2008, the FASB issued FSP Emerging Issues Task Force (EITF) Issue No. 08-8, *Accounting for an Instrument (or an Embedded Feature) with a Settlement Amount That is Based on the Stock of an Entity's Consolidated Subsidiary*. EITF No. 08-8 clarifies whether a financial instrument for which the payoff to the counterparty is based, in whole or in part, on the stock of an entity's consolidated subsidiary is indexed to the reporting entity's own stock. EITF No. 08-8 also clarifies whether or not stock should be precluded from qualifying for the scope exception of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, or from being within the scope of EITF No. 00-19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially*

Settled in, a Company's Own Stock. EITF No. 08-8 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years. The Company is currently assessing the impact of EITF No. 08-8 on its consolidated financial position and results of operations.

Accounting for Defensive Intangible Assets

In November 2008, the FASB issued EITF Issue No. 08-7, *Accounting for Defensive Intangible Assets*. EITF No. 08-7 clarifies how to account for defensive intangible assets subsequent to initial measurement. EITF No. 08-7 applies to all defensive intangible assets except for intangible assets that are used in research and development activities. EITF No. 08-7 is effective for intangible assets acquired on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company is currently assessing the impact of EITF No. 08-7 on its consolidated financial position and results of operations.

Equity Method Investment Accounting Considerations

In November 2008, the FASB issued EITF Issue No. 08-6 (EITF No. 08-6), *Equity Method Investment Accounting Considerations*. EITF No. 08-6 clarifies accounting for certain transactions and impairment considerations involving the equity method. Transactions and impairment dealt with are initial measurement, decrease in investment value, and change in level of ownership or degree of influence. EITF No. 08-6 is effective on a prospective basis for fiscal years beginning on or after December 15, 2008. The Company is currently assessing the impact of EITF No. 08-6 on its consolidated financial position and results of operations.

Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active

In October 2008, the FASB issued FSP FAS No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active*. This FSP clarifies the application of SFAS No. 157, *Fair Value Measurements*, in a market that is not active. The FSP also provides examples for determining the fair value of a financial asset when the market for that financial asset is not active. FSP FAS No. 157-3 was effective upon issuance, including prior periods for which financial statements have not been issued. The impact of adoption was not material to the Company's consolidated financial condition or results of operations.

Issuer's Accounting for Liabilities Measured at Fair Value with a Third-Party Credit Enhancement

In September 2008, the FASB issued EITF Issue No. 08-5 (*EITF No. 08-5*), *Issuer's Accounting for Liabilities Measured at Fair Value with a Third-Party Credit Enhancement*. This FSP determines an issuer's unit of accounting for a liability issued with an inseparable third-party credit enhancement when it is measured or disclosed at fair value on a recurring basis. FSP EITF No. 08-5 is effective on a prospective basis in the first reporting period beginning on or after December 15, 2008. The Company is currently assessing the impact of FSP EITF No. 08-5 on its consolidated financial position and results of operations.

Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161

In September 2008, the FASB issued FSP FAS No. 133-1, *Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161*. This FSP amends FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*, to require disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument. The FSP also amends FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*, to require and additional disclosure about the current status of the payment/performance risk of a guarantee. Finally, this FSP clarifies the Board's intent about the effective date of FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. FSP FAS No. 133-1 is effective for fiscal years ending after November 15, 2008. The Company is currently assessing the impact of FSP FAS No. 133-1 on its consolidated financial position and results of operations.

Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities

In June 2008, the FASB issued FSP Emerging Issues Task Force (EITF) Issue No. 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*. The FSP addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share under the two-class method. The FSP affects entities that accrue dividends on share-based payment awards during the awards service period when the dividends do not need to be returned if the employees forfeit the award. This FSP is effective for fiscal years beginning after December 15, 2008. The Company is currently assessing the impact of FSP EITF 03-6-1 on its consolidated financial position and results of operations.

Determining Whether an Instrument (or an Embedded Feature) Is Indexed to an Entity's Own Stock

In June 2008, the FASB ratified EITF Issue No. 07-5, "Determining Whether an Instrument (or an Embedded Feature) Is Indexed to an Entity's Own Stock" (EITF 07-5).

EITF 07-5 provides that an entity should use a two step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions. It also clarifies on the impact of foreign currency denominated strike prices and market-based employee stock option valuation instruments on the evaluation. EITF 07-5 is effective for fiscal years beginning after December 15, 2008. The Company is currently assessing the impact of EITF 07-5 on its consolidated financial position and results of operations.

Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)

In May 2008, the FASB issued FSP Accounting Principles Board (APB) Opinion No. 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement). The FSP clarifies the accounting for convertible debt instruments that may be settled in cash (including partial cash settlement) upon conversion. The FSP requires issuers to account separately for the liability and equity components of certain convertible debt instruments in a manner that reflects the issuer's nonconvertible debt (unsecured debt) borrowing rate when interest cost is recognized. The FSP requires bifurcation of a component of the debt, classification of that component in equity and the accretion of the resulting discount on the debt to be recognized as part of interest expense in our consolidated statement of operations. The FSP requires retrospective application to the terms of instruments as they existed for all periods presented. The FSP is effective for us as of January 1, 2009 and early adoption is not permitted. The Company is currently evaluating the potential impact of FSP APB 14-1 upon its consolidated financial statements.

The Hierarchy of Generally Accepted Accounting Principles

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" (FAS No.162). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". The implementation of this standard will not have a material impact on the Company's consolidated financial position and results of operations.

Determination of the Useful Life of Intangible Assets

In April 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position on Financial Accounting Standard (FSP FAS) No. 142-3, Determination of the Useful Life of Intangible Assets , which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of intangible assets under SFAS No. 142 Goodwill and Other Intangible Assets . The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of the expected cash flows used to measure the fair value of the asset under SFAS No. 141 (revised 2007) Business Combinations and other U.S. generally accepted accounting principles. The Company is currently evaluating the potential impact of FSP FAS No. 142-3 on its consolidated financial statements.

ITEM 7. FINANCIAL STATEMENTS.

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

Edgar Filing: UREX ENERGY CORP. - Form 10-K

It is the opinion of management that the audited financial statements for the fiscal year ended March 31, 2009 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, 2009;

Consolidated Balance Sheets at March 31, 2009 and 2008;

Statements of Operations for the years ended March 31, 2009 and 2008;

Statements of Changes in Stockholders Equity for the period February 6, 2002 to March 31, 2009;

Statements of Cash Flows for the years ended March 31, 2009 and 2008, and the period from February 6, 2002 (inception) to March 31, 2009; and

Notes to the Consolidated Financial Statements.

UREX ENERGY CORP.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

For the years ended March 31, 2009 and 2008

CONTENTS

	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets	F-3
Consolidated Statements of Operations	F-4
Consolidated Statements of Changes in Stock holders' Equity	F-5

Consolidated Statements of Cash Flows

F-6

Notes to the Consolidated Financial Statements

F-7-17

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, 2009 and 2008 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended March 31, 2009 and 2008 and for the period from February 6, 2002 (inception) to March 31, 2009. 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, 2009 and 2008 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, 2009 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 a net loss of \$9,354,610 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 13, 2009

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

	March 31, 2009 (audited)	March 31, 2008 (audited)
ASSETS		
Current Assets		
Cash	\$ 2,292	\$ 394,432
Funds held in trust	-	460,014
Accounts receivable	100,753	22,347
Prepaid expenses	1,530	1,195
Security deposit	10,000	10,000
Advance on assignment agreement	-	-
Total current assets	114,575	887,988
 Fixed Assets, net	 1,859	 -
Total Assets	\$ 116,434	\$ 887,988

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts payable and accrued liabilities	\$ 489,473	\$ 368,600
Due to related party	-	219
Line of credit	28,147	-
Note payable to related party	22,500	22,500
Notes payable	440,550	305,550
Total current liabilities	980,670	696,869
 Long term debt	 100,000	 -

Edgar Filing: UREX ENERGY CORP. - Form 10-K

Total liabilities	1,080,670	696,869
Stockholders' Deficit		
Common stock, \$.001 par value 300,000,000 shares authorized		
104,425,600 and 84,425,600 shares issued and outstanding at March 31, 2009 and March 31, 2008, respectively	104,426	84,426
Additional paid-in capital	8,417,574	8,057,574
Deficit accumulated during the exploration stage	(9,354,610)	(7,950,369)
Deferred consulting fees	(106,400)	-
Cumulative transaction loss	(25,226)	(512)
Total stockholders' deficit	(964,236)	191,119
Total Liabilities and Stockholders' Deficit	\$ 116,434	\$ 887,988

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

UREX ENERGY CORP

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended March 31, 2009 and 2008 and

For the period from February 6, 2002 (Date of Inception) to March 31, 2009

(Audited)

	For the year Ended March 31, 2009	For the year Ended March 31, 2008	For the Period from February 6, 2002 (inception) to March 31, 2009
REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Depreciation	929	-	929
Management fees	144,147	133,208	469,307
Professional fees	95,348	64,263	342,223
Consulting fees	273,600	23,985	576,581
Exploration costs	802,942	575,074	1,525,201
Interest on loans	20,966	15,319	61,765
Investor relation fees	-	286,798	362,572
Travel	-	28,615	64,881
General and administrative	66,533	63,406	225,524
Impairment of intangible asset	-	-	5,735,753
Total operating expenses	1,404,465	1,190,668	9,364,736
Operating loss	(1,404,465)	(1,190,668)	(9,364,736)

OTHER INCOME

Interest income	224	6,360	10,126
Total other income	224	6,360	10,126
Net loss	\$ (1,404,241)	\$ (1,184,308)	\$ (9,354,610)
Weighted average common shares outstanding - Basic and diluted	89,077,655	84,426,000	
Net loss per share basic and diluted	\$ (0.01)	\$ (0.01)	

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

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, 2009

Common Stock

	300,000,000 shares authorized		Additional	Accumulated	Currency	Deferred	Total
	Shares	Par Value	Paid-in	Deficit	Translation	Fees	Shareholders
	Issued	\$0.001 per share	Capital				Equity
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	-	-	-	-

Edgar Filing: UREX ENERGY CORP. - Form 10-K

Net loss	-	-	-	(35,689)		(35,689)
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
Shares issued for services at \$0.03	4,000,000	4,000	116,000			120,000
Shares issued for services at \$0.03	1,000,000	1,000	29,000			30,000
Shares issued for services at \$0.03	4,000,000	4,000	116,000			120,000
Shares issued for services at \$0.01	11,000,000	11,000	99,000			110,000
				(1,404,241)		(1,404,241)

Net loss for the period							
Deferred Consulting Fees						(106,400)	(106,400)
Net change in foreign currency Translation						(24,715)	(24,715)
Balance, March 31, 2009	104,425,600	\$ 104,426	\$ 8,417,574	\$ (9,354,610)	\$ (25,227)	\$ (106,400)	\$ (964,236)

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

UREX ENERGY CORP

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2009 and 2008, and

For the period from February 6, 2002 (Date of Inception) to March 31, 2009

	Twelve months ended	Twelve months ended	For the Period from February 6, 2002 (inception) to
	March 31, 2009	March 31, 2008	March 31, 2009
Cash Flows From Operating Activities			
Net loss	\$ (1,404,241)	\$ (1,184,308)	\$ (9,354,610)
Amortization	929	-	3,429
Impairment of goodwill	-	-	5,735,753
Common stock issued for services	380,000	-	380,000
Deferred consulting fees	(106,400)	-	(106,400)
Changes in current assets and current liabilities:			
(Increase) decrease in accounts receivable	(78,406)	(22,347)	(100,753)
(Increase) decrease in prepaid expense	(335)	(1,195)	(1,530)
Security deposit	-	(10,000)	(10,000)
Increase (decrease) in accounts payable	120,654	285,058	489,473
Net cash used in operating activities	(1,087,799)	(932,792)	(2,964,638)
Cash Flows From Investing Activities			
Purchase of equipment	(2,788)	-	(2,788)
Option agreement	-	-	(2,500)
Assignment agreement advance	-	-	(50,000)
Net cash used in investing activities	(2,788)	-	(55,288)
Cash Flows From Financing Activities:			

Edgar Filing: UREX ENERGY CORP. - Form 10-K

Proceeds from the issuance of common stock	-	-	2,542,000
Line of credit	28,147	-	28,147
Proceeds from notes payable	235,000	-	656,288
Repayment of notes payable	-	(65,738)	(215,738)
Notes payable to related party	-	-	22,500
Net cash provided by (used in) financing activities	263,147	(65,738)	3,033,197
Effect of Exchange Rate Changes on Cash	(24,715)	16,325	(10,979)
Cash held in trust	-	-	(1,665,773)
Cash released from trust during current period	460,014	1,205,759	1,665,773
	435,299	1,432,756	(10,979)
Increase in cash and cash equivalents	(392,140)	223,554	2,292
Cash and Cash Equivalents, Beginning of Period	394,432	170,878	-
Cash and Cash Equivalents, End of Period	\$ 2,292	\$ 394,432	\$ 2,292

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, 2009

Note 1

Nature and Continuance of Operations

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. (UEM).

Going Concern

These financial statements have been prepared assuming the Company will continue as a going concern. The Company has accumulated a deficit of \$9,354,610 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, 2009, the Company had a working capital deficit of \$864,236. 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 2

Summary of Significant Accounting Policies

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

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 2

Summary of Significant Accounting Policies - (cont'd)

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 or 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.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 2 Summary of Significant Accounting Policies - (cont'd)

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.

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued FAS 123R Share-Based Payment , a revision to FAS 123. FAS 123R replaces existing requirements under FAS 123 and APB 25, and requires public companies to recognize the cost of employee services received in exchange for equity instruments, based on the grant-date fair value of those instruments, with limited exceptions. FAS 123R also affects the pattern in which compensation cost is recognized, the accounting for employee share purchase plans, and the accounting for income tax effects of share-based payment transactions. For small business filers, FAS 123R is effective for interim or annual periods beginning after December 15, 2005. The Company adopted FAS 123R on October 1, 2006.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 2 Summary of Significant Accounting Policies - (cont'd)

Recent Accounting Pronouncements

Employers Disclosures about Postretirement Benefit Plan Assets

In December 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position on Financial Accounting Standard (FSP FAS) No. 132(R)-1, Employers Disclosures about Postretirement Benefit Plan Assets. This FSP amends FASB Statement No. 132(R) (SFAS No. 132(R)), Employers Disclosures about Pensions and Other Postretirement Benefits, to provide guidance on an employer s disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP FAS No. 132(R)-1 also includes a technical amendment to SFAS No. 132(R) that requires a nonpublic entity to disclose net periodic benefit cost for each annual period for which a statement of income is presented. The required disclosures about plan assets are effective for fiscal years ending after December 15, 2009. The technical amendment was effective upon issuance of FSP FAS No. 132(R)-1. The Company is currently assessing the impact of FSP FAS No. 132(R)-1 on its consolidated financial position and results of operations.

Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises

In December 2008, the FASB issued FSP FIN No. 48-3, Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises. FSP FIN No. 48-3 defers the effective date of FIN No. 48, Accounting for Uncertainty in Income Taxes, for certain nonpublic enterprises as defined in SFAS No. 109, Accounting for Income Taxes. However, nonpublic consolidated entities of public enterprises that apply U.S. generally accepted accounting principles (GAAP) are not eligible for the deferral. FSP FIN No. 48-3 was effective upon issuance. The impact of adoption was not material to the Company s consolidated financial condition or results of operations.

Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities

In December 2008, the FASB issued FSP FAS No. 140-4 and FIN No. 46(R) -8, *Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities*. This FSP amends SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, to require public entities to provide additional disclosures about transfers of financial assets. FSP FAS No. 140-4 also amends FIN No. 46(R)-8, *Consolidation of Variable Interest Entities*, to require public enterprises, including sponsors that have a variable interest entity, to provide additional disclosures about their involvement with a variable interest entity. FSP FAS No. 140-4 also requires certain additional disclosures, in regards to variable interest entities, to provide greater transparency to financial statement users. FSP FAS No. 140-4 is effective for the first reporting period (interim or annual) ending after December 15, 2008, with early application encouraged. The Company is currently assessing the impact of FSP FAS No. 140-4 on its consolidated financial position and results of operations.

Accounting for an Instrument (or an Embedded Feature) with a Settlement Amount That is Based on the Stock of an Entity's Consolidated Subsidiary

In November 2008, the FASB issued FSP Emerging Issues Task Force (EITF) Issue No. 08-8, *Accounting for an Instrument (or an Embedded Feature) with a Settlement Amount That is Based on the Stock of an Entity's Consolidated Subsidiary*. EITF No. 08-8 clarifies whether a financial instrument for

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 2 Summary of Significant Accounting Policies - (cont'd)

Recent Accounting Pronouncements Cont d

which the payoff to the counterparty is based, in whole or in part, on the stock of an entity's consolidated subsidiary is indexed to the reporting entity's own stock. EITF No. 08-8 also clarifies whether or not stock should be precluded from qualifying for the scope exception of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, or from being within the scope of EITF No. 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock. EITF No. 08-8 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those fiscal years. The Company is currently assessing the impact of EITF No. 08-8 on its consolidated financial position and results of operations.

Accounting for Defensive Intangible Assets

In November 2008, the FASB issued EITF Issue No. 08-7, Accounting for Defensive Intangible Assets. EITF No. 08-7 clarifies how to account for defensive intangible assets subsequent to initial measurement. EITF No. 08-7 applies to all defensive intangible assets except for intangible assets that are used in research and development activities. EITF No. 08-7 is effective for intangible assets acquired on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company is currently assessing the impact of EITF No. 08-7 on its consolidated financial position and results of operations.

Equity Method Investment Accounting Considerations

In November 2008, the FASB issued EITF Issue No. 08-6 (EITF No. 08-6), Equity Method Investment Accounting Considerations. EITF No. 08-6 clarifies accounting for certain transactions and impairment considerations involving

the equity method. Transactions and impairment dealt with are initial measurement, decrease in investment value, and change in level of ownership or degree of influence. EITF No. 08-6 is effective on a prospective basis for fiscal years beginning on or after December 15, 2008. The Company is currently assessing the impact of EITF No. 08-6 on its consolidated financial position and results of operations.

Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active

In October 2008, the FASB issued FSP FAS No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active*. This FSP clarifies the application of SFAS No. 157, *Fair Value Measurements*, in a market that is not active. The FSP also provides examples for determining the fair value of a financial asset when the market for that financial asset is not active. FSP FAS No. 157-3 was effective upon issuance, including prior periods for which financial statements have not been issued. The impact of adoption was not material to the Company's consolidated financial condition or results of operations.

Issuer's Accounting for Liabilities Measured at Fair Value with a Third-Party Credit Enhancement

In September 2008, the FASB issued EITF Issue No. 08-5 (EITF No. 08-5), *Issuer's Accounting for Liabilities Measured at Fair Value with a Third-Party Credit Enhancement*. This FSP determines an issuer's unit of accounting for a liability issued with an inseparable third-party credit enhancement when it is measured or disclosed at fair value on a recurring basis. FSP EITF No. 08-5 is effective on a prospective basis in the first reporting period beginning on or after December 15, 2008. The Company is currently assessing the impact of FSP EITF No. 08-5 on its consolidated financial position and results of operations.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 2 Summary of Significant Accounting Policies - (cont'd)

Recent Accounting Pronouncements

Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161

In September 2008, the FASB issued FSP FAS No. 133-1, *Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161*. This FSP amends FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*, to require disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument. The FSP also amends FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*, to require and additional disclosure about the current status of the payment/performance risk of a guarantee. Finally, this FSP clarifies the Board's intent about the effective date of FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. FSP FAS No. 133-1 is effective for fiscal years ending after November 15, 2008. The Company is currently assessing the impact of FSP FAS No. 133-1 on its consolidated financial position and results of operations.

Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities

In June 2008, the FASB issued FSP Emerging Issues Task Force (EITF) Issue No. 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*. The FSP addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share under the two-class method. The FSP

affects entities that accrue dividends on share-based payment awards during the awards service period when the dividends do not need to be returned if the employees forfeit the award. This FSP is effective for fiscal years beginning after December 15, 2008. The Company is currently assessing the impact of FSP EITF 03-6-1 on its consolidated financial position and results of operations.

Determining Whether an Instrument (or an Embedded Feature) Is Indexed to an Entity's Own Stock

In June 2008, the FASB ratified EITF Issue No. 07-5, "Determining Whether an Instrument (or an Embedded Feature) Is Indexed to an Entity's Own Stock" (EITF 07-5).

EITF 07-5 provides that an entity should use a two step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions. It also clarifies on the impact of foreign currency denominated strike prices and market-based employee stock option valuation instruments on the evaluation. EITF 07-5 is effective for fiscal years beginning after December 15, 2008. The Company is currently assessing the impact of EITF 07-5 on its consolidated financial position and results of operations.

Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)

In May 2008, the FASB issued FSP Accounting Principles Board (APB) Opinion No. 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement). The FSP clarifies the accounting for convertible debt instruments that may be settled in cash

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 2 Summary of Significant Accounting Policies - (cont'd)

Recent Accounting Pronouncements Cont d

(including partial cash settlement) upon conversion. The FSP requires issuers to account separately for the liability and equity components of certain convertible debt instruments in a manner that reflects the issuer's nonconvertible debt (unsecured debt) borrowing rate when interest cost is recognized. The FSP requires bifurcation of a component of the debt, classification of that component in equity and the accretion of the resulting discount on the debt to be recognized as part of interest expense in our consolidated statement of operations. The FSP requires retrospective application to the terms of instruments as they existed for all periods presented. The FSP is effective for us as of January 1, 2009 and early adoption is not permitted. The Company is currently evaluating the potential impact of FSP APB 14-1 upon its consolidated financial statements.

The Hierarchy of Generally Accepted Accounting Principles

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" (FAS No.162). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". The implementation of this standard will not have a material impact on the Company's consolidated financial position and results of operations.

Determination of the Useful Life of Intangible Assets

In April 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position on Financial Accounting Standard (FSP FAS) No. 142-3, Determination of

the Useful Life of Intangible Assets , which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of intangible assets under SFAS No. 142 Goodwill and Other Intangible Assets . The intent of this FSP is to improve the consistency between the useful life of a recognized

intangible asset under SFAS No. 142 and the period of the expected cash flows used to measure the fair value of the asset under SFAS No. 141 (revised 2007) Business Combinations and other U.S. generally accepted accounting principles. The Company is currently evaluating the potential impact of FSP FAS No. 142-3 on its consolidated financial statements.

Note 3

Mineral Properties

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 4

Value Added Taxes

Accounts receivable in the amount of \$100,753 represent a refund receivable of the value added taxes paid by UEM on its exploration expenses. According to Argentina Mining Investment law, certain value added taxes assessed on exploration expenses are refundable.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 5

Impairment of Goodwill

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 6

Related Party Transactions

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.

Note 7

Promissory Notes Payable

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

	March 31, 2009	March 31, 2008
November 15, 2005	\$ 96,745	\$ 92,595
December 01, 2005	21,932	20,989
January 06, 2006	116,164	111,151
July 14, 2006	118,090	112,877
	—	
	\$ 352,931	\$ 337,612

The following promissory notes payable are unsecured and bear interest at 6% per annum. They are due on demand.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Date	Principal	Interest
September 30, 2008	\$ 20,000	\$ 598
October 09, 2008	20,000	569
November 12, 2008	20,000	457
December 10, 2008	15,000	274
December 19, 2008	25,000	419
Total	\$ 100,000	\$ 2,317

The following promissory notes payable is unsecured and bears interest at 12% per annum. It is due on demand.

Date	Principal	Interest
February 09, 2009	\$ 35,000	\$ 219

Note 8 Convertible Notes Payable

On August 14, 2008, the Company executed a 5% convertible note of \$100,000 that is due August 13, 2010. The note may be converted, from time to time, all or any part of the principal plus any unpaid accrued interest thereof into common stock of the Company at a conversion price per share equal to the greater of i) the closing market price per share of the common stock on the trading day immediately preceding the date of conversion as quoted on the OTC-BB or such other exchange upon which the Company's shares are then listed or traded, or ii) \$0.10 per share. The

conversion price shall be subject to adjustments. The minimum amount to be converted is \$10,000.

Date	Principal	Interest
August 15, 2008	\$ 100,000	\$ 3,153

Note 9

Common Stock

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.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 9

Common Stock Cont dForward 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 10

Income Taxes

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

	2009	2008
Current:		
Federal	\$ -	\$ -
State	-	-
Deferred:		
Federal	497,800	476,300
State	-	-

Edgar Filing: UREX ENERGY CORP. - Form 10-K

	497,800	476,300
Increase in valuation allowance	(497,800)	(476,300)
Benefit for income taxes, net	\$ -	\$ -

The benefits for 2009 and 2008 were computed by applying the federal and state statutory corporate tax rates as follows:

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

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

	2009	2008
Deferred tax assets:	\$ -	\$ -
Current	-	-
Non-current	3,678,100	3,180,300
Less: valuation allowance	(3,678,100)	(3,180,300)
Net deferred income tax asset	\$ -	\$ -

At March 31, 2009, the Company had federal net operating loss carry-forwards totalling approximately \$9,200,000 which expire in various years through 2019.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Note 12

Subsequent Events

Subsequent to the year ended March 31, 2009,

1.

the Company engaged Tamarack Corporation to represent the Company in investor communications and public relations services commencing from yearend to June 30, 2009 for a non-refundable retainer of \$50,000.

2.

the Company entered into promissory notes payable of \$90,000 that are unsecured and bears 12% interest per annum. These notes are due on demand.

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

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:

Name	Position Held with the Company	Age	Date First Elected or Appointed
Richard Bachman	President and Director	55	September 28, 2005
Oscar Yoshitaka Yokoi	Director	54	November 8, 2006
Brian Cole	Director	54	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

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 ⁽¹⁾	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.

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:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified	All Other Compensation (\$)	Total (\$)
------------------------------------	-------------	--------------------	-------------------	--------------------------	---------------------------	--	---	------------------------------------	-------------------

		Deferred Compensation Earnings (\$)										
Richard	2009	120,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	120,000
Bachman	2008	120,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	120,000
President ⁽¹⁾	2007	120,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2006	60,000 ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	60,000

(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

- 28 -

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, 2009, \$120,000 in management fees was invoiced from 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 July 10, 2009, no options were issued under our 2007 Stock Option Plan.

During the year ended March 31, 2009, we did not grant any options to purchase shares of our common stock and no stock options were exercised.

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 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 Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Awards: Market or Payout Value of Unearned Shares, Units or 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, 2009.

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

- 29 -

special assignments.

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

The following table sets forth, as of March 31, 2009, 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 March 31, 2009. 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.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class ⁽¹⁾
Richard Bachman c/o 10580 N. McCarran Blvd. Building 115-208 Reno, NV 89503	16,000,000 ⁽²⁾	15.32%
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
Catherine Barcomb 59 Damonte Ranch Pkwy, Ste B-209 Reno, Nevada	6,000,000	5.74%
Hypo Alpe-Adria-Bank (Liechtenstein)AG Landstrasse 126 A FL Schaan	6,000,000	5.74%
International Mineral Resources Ltd. ⁽³⁾ c/o No. 1 Caribbean Place P.O. Box 97 Leeward Highway Providenciales Turks & Caicos Islands BWI	16,000,000 ⁽²⁾	15.32%
	16,000,000 ⁽²⁾	15.32%

Directors and Executive Officers as a
Group

(1)

Based on 104,425,600 shares of common stock issued and outstanding as of March 31, 2009. 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

- 30 -

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.

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
- 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

- 32 -

- 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* Section 302 Certification of Richard Bachman, dated July 13, 2009
- 32* Section 906 Certification of Richard Bachman, dated July 13, 2009
- 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-K for the fiscal year ended March 31, 2009 and 2008 were \$25,500 and \$24,000, respectively.

Audit Related Fees

For the fiscal year ended March 31, 2009 and 2008, 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 \$Nil and \$5,000, respectively.

Tax Fees

For the fiscal year ended March 31, 2009 and 2008, the aggregate fees billed for tax compliance, by Jewett, Schwartz & Associates were \$22,500 and \$Nil, respectively.

All Other Fees

For the fiscal year ended March 31, 2009 and 2008, 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.

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 13, 2009

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 13, 2009

/s/ Brian Cole

By: Brian Cole
Director
Dated: July 13, 2009

/s/ Oscar Yokoi

By: Oscar Yoshitaka Yokoi
Director

Dated: July 13, 2009