UREX ENERGY CORP.
Form 10-K
July 14, 2010

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

FORM 10-K

(Mark One)

[X]

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

For the fiscal year ended March 31, 2010

[ ]

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)	**98-0201259** (I.R.S. Employer Identification No.)
10580 N. McCarran Blvd., Building 115-208 **Reno, Nevada** (Address of principal executive offices)	**89503** (Zip Code)

Issuer's telephone number **775.747.0667**

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

Title of each class	Name of each exchange on which registered
Nil	**Nil**

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

Common Stock, par value $0.001
(Title of class)

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

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 R

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 R   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 R

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 R

(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 R

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 05, 2010 was $824,256 (82,425,600 common shares at $0.01).

As of June 30, 2010, there were outstanding 204,425,600 shares of common stock.

Documents Incorporated by Reference

None.

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

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, ident 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 otherw 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, Cuidad 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.

On February 10, 2010 reports that it has completed the sale of its Argentine subsidiary, United Energy Metals SA (UEM), to Patagonia Resources Ltd.

As a part of an on-going reorganization of the Company s business activity, the decision to diversify into the geothermal energy field is aligned with the Company s long-term strategy to add shareholder value.

The Company held a share holders meeting on April 1, 2010 with a majority of share holders voting to approve a name change for the Company and a 200 to 1 reverse stock split. Urex Energy Corp will become Mustang Geothermal Corp upon regulatory approval.

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.

On February 10, 2010 twe completed the sale of our Argentine subsidiary, United Energy Metals SA (UEM), to Patagonia Resources Ltd. The Company signed a Letter of Intent with UrAmerica Ltd of London, U.K. for the sale of the Argentine subsidiary, United Energy Metals SA (UEM), which was reported in a news release dated December 1, 2009. The agreement provides for a US $500,000 cash payment to Urex with UrAmerica assuming a maximum liability of US $275,000 for the outstanding UEM debts. The Company will use the proceeds of the sale to pay down debt.

On March 18, 2010, the Company completed the purchase of three geothermal leases totaling 6582 acres located in the State of Nevada from Enco Explorations Inc. of Reno, Nevada. The Company issued 100,000,000 common shares to Enco Explorations Inc. valued at $0.01for an aggregate market price of $1,000,000.

As a part of an on-going reorganization of the Company s business activity, the decision to diversify into the geothermal energy field is aligned with the Company s long-term strategy to add shareholder value.

The Company held a share holders meeting on April 1, 2010 with a majority of share holders voting to approve a name change for the Company and a 200 to 1 reverse stock split. Urex Energy Corp will become Mustang Geothermal Corp upon regulatory approval.

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.

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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, 2010and 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 $404,879 for the fiscal year ended March 31, 2010, and cumulative losses of $9,215,118 from inception to March 31, 2010. As of March 31, 2010 we had working capital deficit of $594,047. 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:

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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, 2010, we have incurred aggregate losses of approximately $9,215,118. Our loss from continuing operations for the fiscal year ended March 31, 2010 was $404,879. 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 general 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.

La Jara Mesa Extension Property

The La Jara Mesa Extension uranium property consists of 137 unpatented mining claims in Grants Mining District, Ciboloa County, New Mexico. The ore body is approximately 2,600 feet in length, 500 feet in width, and has an average thickness of 11.8 feet. Between 1950 and 1978, the Grants Mining District produced 135,891 tons of U_3O_8, 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 $140 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 Administrated 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.

On February 10, 2010 we completed the sale of the Argentine subsidiary, United Energy Metals SA (UEM), to Patagonia Resources Ltd.

The Company signed a Letter of Intent with UrAmerica Ltd of London, U.K. for the sale of its Argentine subsidiary, United Energy Metals SA (UEM), which was reported in a news release dated December 1, 2009. The agreement provides for a US $500,000 cash payment to Urex with UrAmerica assuming a maximum liability of US $275,000 for the outstanding UEM debts. The Company will use the proceeds of the sale to pay down debt.

BLACK ROCK AND MONTE NEVA GEOTHERMAL PROPERTIES

On March 18, 2010, the Company acquired a total of three geothermal leases with a combined area of 2,664 hectares (ha) in two properties (the Properties), each located within favorable geothermal terrain:

The **Black Rock Lease** consists of three contiguous Sections (777ha) (common corners only) 13 kilometers (km) northeast of the community of Gerlach in the Black Rock Desert area in north-western Pershing County, approximately 135km north of the City of Reno.

The **Monte Neva Lease Group** consists of two leases forming a combination of contiguous and non-contiguous Section fractions (1,887ha), 45km north of the Town of Ely in central White Pine County, in the order of 440km east of Reno.

Figure 1 Geothermal Lease Locations

Duffield and Sass (2003) summarizes the Basin and Range physiographic province of the western United States has experienced considerable lateral stretching and thinning of the earth s crust. The northern part (also known as the Great Basin) of the Basin and Range is higher in elevation, has higher heat flow, and is more tectonically active than the southern part. The Great Basin contains the largest number of geothermal power plants in the United States.

The State of Nevada has long been known for its abundance of hot springs and other geothermal activity. In the last few years, the geothermal industry has blossomed as demands for electrical power have increased while at the same time maintaining a preference for environmentally friendly sources. Regulators have also spurred geothermal exploration and development activity by introducing subsidy programs as well as by hasting the time required to grant governmental regulatory approval for the advancement of geothermal projects.

The Company s Lease areas constitute high calibre grassroots geothermal exploration projects as they exhibit geological and structural features which are amenable to the presence of hydrothermal channel ways. There are also numerous surface and drill well indications of proximal geothermal activity by way of anomalous temperatures in hot springs and water in wells.

Property Acquisition

The Company completed the purchase of three geothermal leases totaling 6582 acres located in the State of Nevada from Enco Explorations Inc. of Reno, Nevada. The Geothermal Lease Purchase Agreement provides for the Company to pay Enco Explorations Inc. 100 million shares of the Company s common stock per an agreement signed March 18, 2010.

Professional Review

The Company commissioned a professional review of its geothermal leases located in northern Nevada, USA, and asked the author to express an opinion as to their geothermal potential, as well as a recommendation for a proposed plan of exploration.

This study is a combined historical document and data review as well as a report on direct observations made during a one-day field visit. The Company has compiled existing information, in some cases re-processed it, and interpreted the data.

Property Description and Location

The Properties are registered in the name of Mustang Geothermal Corp., a privately owned Nevada registered company with a business address at 10580 N. McCarran Blvd, #115-208, Reno NV, 89503. The leases are centered on:

Property	Latitude Centeroid				Longitude Centeroid				Area *(hectares)*
Black Rock Leases	40E	43	32	N	119	14	24	W	777
Monte Neva Leases	39	39	25	N	114	48	22	W	1,887

Lease locations within Nevada are illustrated in Figure 1. Section and Range description specifics for the leases are listed in Table 1.

The leasing and development of geothermal resources in Nevada is regulated under *the Mineral Leasing Act of 1920 as Amended: Act of December 24, 1970 Geothermal Steam Act of 1970*. Initial lease tenure is 10 years and is renewable up to 40 years, providing geothermal production has been realized in the initial term. Finally, the Properties attract an annual lease payment of approximately US$19,750 ($3 per acre). This is comprised of a $1 per acre annual rental fee, combined with a $2 per acre minimum royalty levy.

Access, Infrastructure, Physiography and Climate

The Black Rock Lease is located 13km northeast of Gerlach and is easily accessed via Hwy 447 at Gerlach and then east on either Roads 34 or 48. The lease is overlain by open, vegetation barren, flat-lying playa and is very easily driven across with 4x4 vehicle when dry (Elevation 1,190m asl). The term playa refers to a desert basin with no outlet which periodically fills with water to form a temporary lake.

The community of Gerlach (pop. 500) focuses on the gypsum mining in nearby Empire as well as is supported by seasonal tourism in the Black Rock Desert, in addition to hunting. Gerlach also hosts a switching station of the Union Pacific Railroad, whose line cuts along the southern edge of the property.

The climate is typical of that of the Basin and Range Desert. The area s average seasonal temperatures range from 5 degrees C to 32 degrees C and -8 degrees C to 11 degrees C in summer and winter respectively, with temperature extremes spanning from 43 degrees C to -31 degrees C. Precipitation is low with an average annual fall of 21cm. The area is also sporadically subject to high winds.

The Property is large enough to support a geothermal operation.

The Monte Neva Lease Group is located in the north-south trending Steptoe Valley, a couple kilometres west of the Great Basin Highway (Hwy 93) and 45km north of the Town of Ely. Reasonable access is provided by secondary roads and trails. The lease group is bisected by Duck Creek as well as a rail line which follows the western edge of the stream.

Ely (pop. 4,000) is a mining town home to a number of copper and gold mining companies. It attracts some tourism, what with a pair of state and national parks being close by.

The west portion the property group is dominated by relatively flat-lying open desert with its associated vegetation of arid desert plants, like sagebrush, bunch grass, and other low shrubs. The extreme western edge of the lease group abuts against the Egan Range. The non-contiguous east portions of the property straddle agriculture lands, including irrigation rings. Elevation ranges from 1,890m in the west to 1,815m in the east.

Climate is similar as at Black Rock.

Local Geology

The Black Rock Desert lies within the northern terminus of the Paleozoic and Merozoic Belts of the western Great Basin in the northwestern segment of the Basin and Range, just before the extensive Tertiary and Quaternary volcanic province of the Snake River Plain and the Cascades. The volcanic cover (Tertiary to recent) and subsequent Lahontan Lake lacustrine sediment extensively obscure the relatively complex pre-Cenozoic geology of the area (Maher, 1989). The eastern-central portion of the Black Rock Desert has been proposed in the past to be a portion of an exotic-terrene (Early Triassic to Late Jurassic) with tectonic structures and zones of weakness inherited from the complex past (e.g. Maher (1989); Speed (1988); Erskine and Moores (1984)). Louie et al (2004) postulates that the Cenozoic crustal extension and high heat flow in Northern Nevada are correlated with the anomalously thin crust and shallow Moho (the boundary between the earth s crust and the underlying mantle). The Black Rock Basin itself extends in a north-northwest direction, which also makes it somewhat anomalous from the standpoint of regional Basin and Range axial trends. The complex structural-tectonic and lithologic picture is reflected in the signatures observed in the geophysical data.

The Monte Neva/Warm Springs geothermal locality is located in the Steptoe Valley Basin, within the eastern-central portion of the Basin and Range Province and is characterized by north- to northeast-trending mountain ranges separated by long alluvial-filled valleys. This basin is situated between the Egan Range (West) and the Schelbourne Range (East). The geology of the basin is complex and consists of highly faulted and folded marine sedimentary rocks of Paleozoic age, with localized Tertiary-age intrusive bodies, volcanics and Quaternary-age pediment gravels and valley sediments (Fritz, 1968; Drewes, 1967).

Fritz (1968) further reports that prior to the Jurassic, the area was mainly marine or tidal depositional environment characterized by thick sequences of carbonates and shales. A major orogeny in the Jurassic resulted in development of thrust, folds, and low angle faulting throughout the range, shaping the complex fold and thrust geology exhibited today. The present-day deformation and geology was also influenced by Tertiary Basin-and-Range extension and volcanism. The extension has resulted in the uplift of the present ranges relative to the large alluvium-filled valleys, but also in activation of volcanism resulting in the intrusion of quartz-monzonite (granite) into Paelozoic sediments, deformed by the Mesozoic orogeny. The intrusive bodies (stocks, dikes, sheets) have typically followed Mesozoic thrust faults and inherited zones of weakness. It is also postulated that recent range-faulting has been precluded by the sinuous contact between bedrock and alluvium at the margins of the range and that of major faults, folds, or even possible later intrusives, which may now lie below valley fill. A Master s thesis by Boyden (1972) describes the geology of the Steptoe-Warm Springs pluton and discusses the possibility of it extending northeast.

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.

The Company solicited votes from two (2) selected shareholders of record ("Selected Shareholders") on March 31, 2010, holding a total of 116,000,000 shares, to consider and act upon:

1.

The Directors' propose to amend the Corporation's Articles of Incorporation to change the Corporation's name from **UREX ENERGY CORP.** to **MUSTANG GEOTHERMAL CORP.**

2.

The Directors' propose to effect a reverse split of the Company s total issued and outstanding shares of stock on the basis of 200 for 1, with a corresponding amendment to the Corporation's Articles of Incorporation. The total authorized capital shall remain the same.

3.

The election of Richard Bachman, Gerald Aberle and Brian Cole as Directors for the ensuing year.

These Selected Shareholders approved the above motion in a written resolution. However, the Corporation's management does not intend to take any corporate action to enact this resolution until such time as it has fulfilled its obligations under the rules and regulations of the Securities and Exchange Commission. The matters are not being solicited as management has received sufficient votes to approve the above proposals. Pursuant to Rule 14c-2 under the Securities Exchange Act of 1934, as amended, the proposals will not be adopted until a date at least 20 days after the date on which the Information Statement has been mailed to the stockholders and on such date when the Company received approval from the regulatory authorities. The approximate date on which this information statement is being mailed to security holders was April 20, 2010. The Company anticipates that the actions contemplated herein will be effected on or before the end of the month of July.

The Company has asked brokers and other custodians, nominees and fiduciaries to forward the Information Statement to the beneficial owners of the Common Stock held of record by such persons and will reimburse such persons for out-of-pocket expenses incurred in forwarding such material.

This Information Statement will serve as written notice to stockholders pursuant to Section 78.370 of the Nevada General Corporation Law.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

Our common stock is quoted on the OTC Bulletin Board under the symbol URXE . The following quotations obtained from otcbb.com 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, 2010	$0.03	$0.01
December 31, 2009	$0.03	$0.01
September 30, 2009	$0.04	$0.02
June 30, 2009	$0.04	$0.01
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, 2010, the shareholders' list of our common shares showed nine registered shareholders and 204,425,600 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, 2010 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 05, 2010, 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, 2010.

	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, 2010.

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

Financing for necessary to undertake the initial evaluation of the Company s geothermal leases and maintenance of La Jara Mesa property will cost $390,000 as set forth below:

<u>La Jara Mesa Extension: Proposed Exploration Expenditures ($USD)</u>

Consulting and Technical Services	$	5,000
Property Costs	$	25,000
TOTAL	**$**	**30,000**

Black Rock and Monte Neva ($USD)

Salaries & Wages	$	15,000
Consulting and Technical Services	$	180,000
Surface work	$	50,000
Environmental	$	10,000
Property Costs	$	20,000

Administrative & General	$	15,000
Machinery expense	$	70,000
TOTAL	**$**	**360,000**

We anticipate incurring the following costs during the next twelve month period: $420,000 on professional fees; $13,000 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 $390,000 in operating expenses during the next twelve month period.

We incurred an income of $139,492 for the fiscal year ended March 31, 2010 compared to a loss of $1,404,241 for the fiscal year ended March 31, 2009. As of March 31, 2010 we had working capital deficit of $594,047 compared to working capital of $866,095 as of March 31, 2009.

As indicated above, our estimated working capital requirements and projected operating expenses for the next twelve month period total $390,000. 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

Our proposed work program this d recommended within the proposed budget of $390,000:

1. The most prospective ground at Black Rock lies outside the current lease. The two outlined target zones must be acquired via the BLM public option process. Additional recommended work on this project is contingent upon these

target areas being successfully acquired.

2. It would be prudent to also to attempt to consolidate the Monte Neva Lease Group, especially west of Duck Creek.

3. Envisaged work programs on the two properties would be similar in nature for each: broader coverage of the shallow-temperature gradient surveys, additional re-processing of existing data (magnetic, gravity, GETECH, and especially for the audio-magnetotelluric data), ground magnetic and vlf surveys to help detail map structure. The seimic method has also been used to good effect to help map pregnant geothermal structures at depth. Favorable results would by followed-up by the drilling of deeper, but still relatively shallow wells for the purposes of temperature test readings.

4. The geothermal wells portion of the recommended work for the Properties is contingent on the results of the preceding data reprocessing and new geophysical surveys. As previously

During the next twelve month period, we plan to put all exploration activities into our geothermal properties in Nevada with the New Mexico uranium property on hold. 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, 2010, 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 development and exploration programs, we may retain additional consultants.

RESULTS OF OPERATIONS

As at March 31, 2010, we had working capital deficit of $594,047. Our financial statements report a net income of $139,492 for the fiscal year ended March 31, 2010 as compared to a net loss of $1,404,241 for the fiscal year ended March 31, 2009. Our accumulated losses for the period from February 6, 2002, our date of inception, to March 31, 2010 was $9,215,118.

Our total liabilities as of March 31, 2010 were $767,768, as compared to total liabilities of $1,080,670 as at March 31, 2009. The change was due primarily to increases in accounts payable and accrued liabilities.

Cash Flow Used in Operating Activities

Operating activities used cash of $215,636 for the fiscal year ended March 31, 2010, compared to using $1,087,799 for the fiscal year ended March 31, 2009. The increase in cash used during the fiscal year ended March 31, 2010 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, 2010.

Cash Flow Provided by Financing Activities

Financing activities provided cash of $163,147 for the fiscal year ended March 31, 2010 as compared to used cash of $263,147 for the fiscal year ended March 31, 2009. 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, 2010, 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.

Exploration Stage Company

The Company is an exploration stage company, and follows the guideline of the Financial Accounting Standards Board s (FASB) Accounting Standards Codification (ASC) Topic 915 Development State Entities. It is primarily engaged in the acquisition and exploration of mining properties. All losses accumulated since inception, have been considered as part of the Company s exploration stage activities.

Use of Estimates

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

Cash and cash equivalents

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

Concentration of credit risks

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

Mineral Property Costs

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

Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value. For the purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale of liquidation.

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

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.

NEW ACCOUNTING PRONOUNCEMENTS

In the second quarter of 2009, The Company adopted the Financial Accounting Standards Board s (FASB) Accounting Standards Codification (ASC) Topic 105 as the single official source of authoritative, nongovernmental generally accepted accounting principles in the United States. On the effective date, all then-existing non-SEC accounting literature and reporting standards were superseded and deemed non-authoritative. The adoption of this pronouncement did not have a material impact on our financial statements; however, the ASC affected the way we reference authoritative guidance in our financial statements.

In August 2009, the FASB issued ASU 2009-05 which includes amendments to Subtopic 820-10, Fair Value Measurements and Disclosures Overall . The update provides clarification that in circumstances, in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the techniques provided for in this update. The amendments in this ASU clarify that a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability and also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The guidance provided in this ASU is effective for the first reporting period, including interim periods, beginning after issuance. The adoption of this standard did not have a material impact on the Company s financial position and results of operations

In September 2009, the FASB issued ASU 2009-06, Income Taxes (Topic 740), Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities , which provides implementation guidance on accounting for uncertainty in income taxes, as well as eliminates certain disclosure requirements for nonpublic entities. For entities that are currently applying the standards for accounting for uncertainty in income taxes, this update shall be effective for interim and annual periods ending after September 15, 2009. For those entities that have deferred the application of accounting for uncertainty in income taxes in accordance with paragraph 740-10-65-1(e), this update shall be effective upon adoption of those standards. The adoption of this standard is not expected to have an impact on the Company s financial position and results of operations since this accounting standard update provides only implementation and disclosure amendments.

In September 2009, the FASB has published ASU 2009-12, Fair Value Measurements and Disclosures (Topic 820) - Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) . This ASU amends Subtopic 820-10, Fair Value Measurements and Disclosures Overall , to permit a reporting entity to measure the fair value of certain investments on the basis of the net asset value per share of the investment (or its equivalent). This ASU also requires new disclosures, by major category of investments including the attributes of investments within the scope of this amendment to the Codification. The guidance in this update is effective for interim and annual periods ending after December 15, 2009. Early application is permitted. The Company is in the process of evaluating the impact of this standard on its financial position and results of operations.

In October 2009, the FASB has published ASU 2009-14, Software (Topic 985)-Certain Revenue Arrangements that Include Software Elements and changes the accounting model for revenue arrangements that include both tangible products and software elements. Under this guidance, tangible products containing software components and non-software components that function together to deliver the tangible product's essential functionality are excluded from the software revenue guidance in Subtopic 985-605, Software-Revenue Recognition . In addition, hardware components of a tangible product containing software components are always excluded from the software revenue guidance. The guidance in this ASU is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The adoption of this standard is not expected to have any impact on the Company s financial position and results of operations.

In February 2010, the FASB issued ASU 2010-09 which requires that an SEC filer, as defined, evaluate subsequent events through the date that the financial statements are issued. The update also removed the requirement for an SEC filer to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements. The adoption of this guidance on January 1, 2010 did not have a material effect on the Company s 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.

It is the opinion of management that the audited financial statements for the fiscal year ended March 31, 2010 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 14, 2010;

Consolidated Balance Sheets at March 31, 2010 and 2009;

Statements of Operations for the years ended March 31, 2010 and 2009;

Statements of Changes in Stockholders Equity for the period February 6, 2002 to March 31, 2010;

Statements of Cash Flows for the years ended March 31, 2010 and 2009, and the period from February 6, 2002 (inception) to March 31, 2010; and

Notes to the Financial Statements.

UREX ENERGY CORP.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

For the years ended March 31, 2010 and 2009

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and board of directors

UREX Energy Corp.:

We have audited the accompanying consolidated balance sheet of UREX Energy Corp. (hereinafter referred to as the Company) as of March 31, 2010 and the related consolidated statements of operations, stockholders equity, and cash flows for the years ended March 31, 2010 and 2009 and for the period from February 6, 2002 (inception) to March 31, 2010. 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, 2010 and 2009 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, 2010 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 $9,215,118 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 14, 2010

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

	March 31, 2010	March 31, 2009
ASSETS		
Current Assets		
Cash	$ 73,721	$ 1,975
Assets held for sale	-	112,600
Total current assets	73,721	114,575
Geothermal Leases	1,000,000	-
Property and equipment	929	1,859
Total Assets	$ 1,074,650	$ 116,434
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 339,718	$ 257,805
Due to related party	-	28,147
Line of credit	22,500	22,500
Note payable to related party	305,550	440,550
Notes payable	-	231,668
Total current liabilities	667,768	980,670
Long term debt	100,000	100,000

Total liabilities	767,768	1,080,670
Stockholders' Equity (Deficit)		
Common stock, $0.001 par value 300,000,000 shares authorized		
204,425,600 shares issued and outstanding	204,426	104,426
Additional paid-in capital	9,317,574	8,417,574
Deficit accumulated during the exploration stage	(9,215,118)	(9,354,609)
Accumulated comprehensive losses	-	(25,227)
Deferred consulting fees	-	(106,400)
Total stockholders' equity (deficit)	306,882	(964,236)
Total Liabilities and Stockholders' Equity (Deficit)	$ 1,074,650	$ 116,434

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

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UREX ENERGY CORP

(An Exploration Stage Company)

STATEMENTS OF OPERATIONS

For the years ended March 31, 2010 and 2009 and

For the period from February 6, 2002 (Date of Inception) to March 31, 2010

	For the year Ended March 31, 2010	For the year Ended March 31, 2009	For the Period from February 6, 2002 (inception) to March 31, 2010
REVENUES	$ -	$ -	$ -
OPERATING EXPENSES			
Depreciation	929	929	1,858
Management fees	120,000	144,147	465,000
Professional fees	43,500	95,348	372,316
Consulting fees	106,400	273,600	588,170
Exploration costs	19,778	802,942	177,654
Interest on loans	40,172	20,966	97,851
Investor relation fees	50,000	-	415,097
Travel	6,205	-	46,722
General and administrative	23,470	66,533	185,688
Recovery of expenses	(5,575)	-	(5,575)
Impairment of intangible asset	-	-	5,735,753
Total operating expenses	404,879	1,404,465	8,080,534
Operating loss	(404,879)	(1,404,465)	(8,080,534)

OTHER INCOME						
Interest income		-		224		10,126
Total other income		-		224		10,126
Net loss from continuing operations	$	(404,879)	$	(1,404,241)	$	(8,070,408)
DISCONTINUED OPERATIONS						
Gain (Loss) from disposal of subsidiary		544,371		-		(1,144,710)
NET INCOME (LOSS)	$	139,492	$	(1,404,241)	$	(9,215,118)
Weighted average common shares outstanding - Basic and diluted		107,987,244		89,077,655		
Net loss per share basic and diluted		$ (0.02)		$ (0.01)		

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

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UREX ENERGY CORP

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

For the period February 6, 2002 (Date of Inception) to March 31, 2010

	Common Stock 300,000,000 shares authorized		Additional			Accumulated	Total
	Shares	Par Value	Paid-In	Accumulated	Deferred	Comprehensive	Shareholders'
	Issued	$.001 per share	Capital	Deficit	Consulting Fees	Losses	Equity
BALANCE, MARCH 31, 2008	84,425,600	$ 84,426	$ 8,057,574	$ (7,950,369)	-	$ (512)	$ 191,119
Shares issued for services @ $0.03	4,000,000	$ 4,000	$ 116,000				$ 120,000
Shares issued for services @ $0.03	1,000,000	$ 1,000	$ 29,000				$ 30,000
Shares issued for services @ $0.03	4,000,000	$ 4,000	$ 116,000				$ 120,000
Shares issued for services @ $0.01	11,000,000	$ 11,000	$ 99,000				$ 110,000
Net loss				$ (1,404,241)			$ (1,404,241)
Deferred consulting fees					$ (106,400)		$ (106,400)
Net change in foreign currency translation						$ (24,715)	$ (24,715)
BALANCE, MARCH 31,	104,425,600	$ 104,426	$ 8,417,574	$ (9,354,610)	$ (106,400)	$ (25,227)	$ (964,237)

2009							
Shares issued for asset @ $0.01	100,000,000	$ 100,000	$ 900,000				$ 1,000,000
Currency translation expensed upon sale of subsidiary						$ 25,227	$ 25,227
Net income				$ 139,492			$ 139,492
Deferred consulting fees					$ 106,400		$ 106,400
BALANCE, MARCH 31, 2010	204,425,600	$ 204,426	$ 9,317,574	$ (9,215,118)	$ -	$ -	$ 306,882

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

UREX ENERGY CORP

(An Exploration Stage Company)

STATEMENTS OF CASH FLOWS

For the years ended March 31, 2010 and 2009, and

For the period from February 6, 2002 (Date of Inception) to March 31, 2010

	For the year ended March 31, 2010	For the year ended March 31, 2009	For the Period from February 6, 2002 (inception) to March 31, 2010
Adjustments to reconcile net income to net cash			
Net income (loss)	$ (404,879)	$ (1,404,241)	$ (9,215,118)
Depreciation and amortization	930	929	5,753
Shares issued for services	-	380,000	380,000
Deferred consulting fees	106,400	(106,400)	-
Shares issued for assets	-	-	1,000,000
Changes in current assets and current liabilities:			
Accounts receivable	-	(78,406)	-
Prepaid expense	-	(335)	-
Accounts payable	81,913	120,654	339,718
	-	-	1,217,510
Net cash used in operating activities	(215,636)	(1,087,799)	(6,272,137)
Cash Flows From Investing Activities			
Purchase of fixed assets	-	(2,788)	(2,788)
Option agreement	-	-	(2,500)
Net cash used in investing activities	-	(2,788)	(5,288)
Cash Flows From Financing Activities:			
Proceeds from the issuance of common stock	-	-	2,542,000

Proceeds from line of credit	-	28,147	-
Proceeds from (repayment of) notes payable	(135,000)	235,000	405,550
Proceeds from (repayment of) line of credit	(28,147)	-	-
Notes payable to related party	-	-	22,500
Net cash provided by (used in) financing activities	(163,147)	263,147	2,970,050
Effect of Exchange Rate Changes on Cash	-	(24,714)	-
Cash held in trust	-	-	(1,665,773)
Cash released from trust during current period	-	460,014	1,665,773
	-	435,299	(10,979)
Increase in cash and cash equivalents	(378,783)	(392,140)	73,721
Net cash flows from discontinued operations	450,529		
Cash and Cash Equivalents, Beginning of Period	1,975	394,432	-
Cash and Cash Equivalents, End of Period	$ 78,721	$ 2,292	$ 73,721
Net Income from discontinued operations	$ 544,371	$ -	$ 544,371

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

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

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. In July 2006, the Company changed its name from Lakefield Ventures, Inc. to its current name. 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 was conducting a drilling project in Mendoza, Argentina, by its former wholly-owned subsidiary, United Energy Metals, Inc. (UEM). Effective January 31, 2010, the Company entered into an Agreement with UrAmerica Ltd. and sold its subsidiary for $500,000 cash payment. UrAmerica Ltd will assume responsibility for the outstanding UEM debts.

The Company entered into an agreement with Enco Explorations Inc. on March 18, 2010 to purchase certain Geothermal Leases.

Subsequent to the year ended March 31, 2010, the Company effected a name change from Urex Energy Corp to Mustang Geothermal Corp. As of the filing date, this name change is pending approval from the Financial Industry Regulatory Authority, Inc. or FINRA. At the same time, it effected a reverse stock split of 200 to 1.

Going Concern

These financial statements have been prepared assuming the Company will continue as a going concern. The Company has accumulated a deficit of $9,215,118 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, 2010, the Company had a working capital deficiency of $594,047. 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:

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

Note 2

Summary of Significant Accounting Policies (Cont d)

Basis of Presentation

The financial statements have, in management s opinion, been prepared in accordance with accounting principles generally accepted in the United States of America.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Exploration Stage Company

The Company is an exploration stage company, and follows the guideline of the Financial Accounting Standards Board s (FASB) Accounting Standards Codification (ASC) Topic 915 Development State Entities. 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.

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

Note 2

Summary of Significant Accounting Policies - (cont'd)

Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value. For the purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale of liquidation.

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

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 follows the guideline under ASC Topic 740 Income Taxes. Accounting for Income Taxes which requires the recognition of deferred tax assets and liabilities for expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates, applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to 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 ASC Topic 260, Earnings Per Share . Basic loss per share is based upon the weighted average number of common shares outstanding. Diluted loss per share is based on the assumption that all dilutive convertible shares and stop options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Foreign Currency Translation

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

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

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

Foreign Currency Translation (Cont d)

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.

On February 10, 2010 reports that it has completed the sale of its Argentine subsidiary, United Energy Metals SA (UEM), to Patagonia Resources Ltd.

Stock-based Compensation

The Company follows the guideline under ASC Topic 718 Compensation-Stock . Compensation for all stock based compensation plans, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. Stock compensation expenses are to be recorded using the fair value method.

Recent Accounting Pronouncements

In the second quarter of 2009, The Company adopted the Financial Accounting Standards Board s (FASB) Accounting Standards Codification (ASC) Topic 105 as the single official source of authoritative, nongovernmental generally accepted accounting principles in the United States. On the effective date, all then-existing non-SEC accounting literature and reporting standards were superseded and deemed nonauthoritative. The adoption of this pronouncement did not have a material impact on our financial statements; however, the ASC affected the way we reference authoritative guidance in our financial statements.

In August 2009, the FASB issued ASU 2009-05 which includes amendments to Subtopic 820-10, Fair Value Measurements and Disclosures Overall . The update provides clarification that in circumstances, in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the techniques provided for in this update. The amendments in this ASU clarify that a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability and also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The guidance provided in this ASU is effective for the first reporting period, including interim periods, beginning after issuance. The adoption of this standard did not have a material impact on the Company s financial position and results of operations

In September 2009, the FASB issued ASU 2009-06, Income Taxes (Topic 740), Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities , which provides implementation guidance on accounting for uncertainty in income taxes, as well as eliminates certain disclosure requirements for nonpublic entities. For entities that are currently applying the standards for accounting for uncertainty in income taxes, this update shall be effective for interim and annual periods ending after September 15, 2009. For those entities that have deferred the application of accounting for uncertainty in income taxes in accordance with paragraph 740-10-65-1(e), this update shall be effective upon adoption of those standards. The adoption of this standard is not expected to have an

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

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

Recent Accounting Pronouncements (cont d)

impact on the Company s financial position and results of operations since this accounting standard update provides only implementation and disclosure amendments.

In September 2009, the FASB has published ASU 2009-12, Fair Value Measurements and Disclosures (Topic 820) - Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) . This ASU amends Subtopic 820-10, Fair Value Measurements and Disclosures Overall , to permit a reporting entity to measure the fair value of certain investments on the basis of the net asset value per share of the investment (or its equivalent). This ASU also requires new disclosures, by major category of investments including the attributes of investments within the scope of this amendment to the Codification. The guidance in this update is effective for interim and annual periods ending after December 15, 2009. Early application is permitted. The Company is in the process of evaluating the impact of this standard on its financial position and results of operations.

In October 2009, the FASB has published ASU 2009-14, Software (Topic 985)-Certain Revenue Arrangements that Include Software Elements and changes the accounting model for revenue arrangements that include both tangible products and software elements. Under this guidance, tangible products containing software components and non-software components that function together to deliver the tangible product's essential functionality are excluded from the software revenue guidance in Subtopic 985-605, Software-Revenue Recognition . In addition, hardware components of a tangible product containing software components are always excluded from the software revenue guidance. The guidance in this ASU is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The adoption of this standard is not expected to have any impact on the Company s financial position and results of operations.

In February 2010, the FASB issued ASU 2010-09 which requires that an SEC filer, as defined, evaluate subsequent events through the date that the financial statements are issued. The update also removed the requirement for an SEC filer to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements. The adoption of this guidance on January 1, 2010 did not have a material effect on the Company s 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

Geothermal Leases

On March 18, 2010, the Company acquired 100% interest of three geothermal leases located in the State of Nevada. These leases were purchased from ENCO Explorations, Inc. in exchange for 100,000,000 shares of Urex Energy Corp common stock, wihich was valued at $0.01 on the date of the transaction.

Lease Serial Number	County	Acres
NVN 86858	Pershing	1920
NVN 86933	White Pine	2240
NVN 86930	White Pine	2422

TOTAL 6582 Acres

Note 5

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, 2010 and 2009, the balance of this 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, 2010, the Company incurred $120,000 in management fees from Minera Teles Pires Inc.

During the year ended March 31, 2010, Minera Teles Pires Inc. advanced to the Company a total of $106,000 to serve as working capital loan. As of March 31, 2010, the total amount of the loan plus accrued interests owing to Minera Teles Pires Inc. were repaid. The details of notes payable are as follows:

Date		Principal		Interest
April 02, 2009	$	30,000	$	3,186
April 09, 2009		20,000		2,077
April 17, 2009		30,000		3,038
May 12, 2009		10,000		930
Total	$	90,000	$	9,231

Above stated notes payable are unsecured and bear interest at 12% per annum. They are due on demand. The loans plus accrued interests have been repaid.

Date		Principal		Interest
June 05, 2009	$	5,000	$	426
June 19, 2009		5,000		402
Total	$	10,000	$	828

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

Note 5

Related Party Transactions (cont d)

Above stated notes payable are unsecured and bear interest at 12% per annum. The loan plus accrued interests have been repaid.

Date	Principal	Interest

Jul 28, 2009	$	6,000	$	406
Total	$	6,000	$	406

Above stated notes payable are unsecured and bear interest at 12% per annum. The loan plus accrued interests have been repaid.

Note 6 Line of credit

The Company executed a note with a Line of Credit with Wells Fargo Bank in California. The Line of Credit allows the Company to borrow up to thirty-five thousand dollars ($35,000) at an 8.5 % interest rate. The balance of this Line of Credit at March 31, 2010 and 2009 was $0 and $28,147, respectively.

Note 7 Promissory Notes Payable

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

Date		Principal		Interest
November 15, 2005	$	82,775	$	18,108
December 01, 2005		18,800		4,072
January 06, 2006		100,000		21,164
July 14, 2006		103,975		19,314
Total	$	305,550	$	62,658

The following promissory notes payable are unsecured and bear interest at 6% per annum. The loans plus accrued interests have been repaid:

Date		Principal		Interest
September 30, 2008	$	20,000	$	1,502
October 09, 2008		20,000		1,473

November 12, 2008	20,000	1,361
December 10, 2008	15,000	952
December 19, 2008	25,000	1,549
Total	$ 100,000	$ 6,837

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

Note 7 Promissory Notes Payable (Cont d)

The following promissory notes payable are unsecured and bear interest at 12% per annum. The loan and accrued interests have been repaid:

Date	Principal	Interest
February 9, 2009	$ 35,000	$ 3,993
Total	$ 35,000	$ 3,993

The following promissory notes payable are unsecured and bear interest at 12% per annum. The loans and accrued interest have been repaid:

Date	Principal	Interest
Aug 19, 2009	20,000	1,210
Nov 12, 2009	5,000	163
Total	$ 25,000	$ 1,373

As of March 31, 2010, the balance of promissory notes payable amounted to $305,550.

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	$ 8,222

Note 9 Common Stock

Issuance of shares

During the year ended March 31, 2010, the Company issued 100,000,000 shares of common stock at a price of $0.01 per share in exchange for certain geothermal leases.

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

UREX ENERGY CORP.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

Note 9 Common Stock (cont d)

Non-cash Transactions

During the year ended March 31, 2009, the Company issued 11,000,000 common shares at $0.01 per share totaling $110,000 to consultants for consulting services.

During the year ended March 31, 2010, the Company issued 100,000,000 common shares at $0.01 per share totaling $1,000,000 for the purchase of the three geothermal leases.

Note 10

Sale of Subsidiary

On December 1, 2009, the Company signed a Letter of Intent with UrAmerica Ltd. of London, UK for the sale of its subsidiary, United Energy Metals, SA, for $500,000 cash payment to the Company and UrAmerica assuming a maximum liability of $275,000 for the subsidiary s debts. The agreement for the sale of the subsidiary was completed January 31, 2010.

The sale was accounted for as a discontinued operation under GAAP, which requires the income statement and cash flow information to be reformatted to separate the divested business form the Company s continuing operations.

The following amounts represent United Energy Metal s operations and have been segregated from continuing operations and reported as discontinued operations as of March 31, 2010 and 2009:

		2010		2009
Revenues Earned	$	-	$	-
Cost of Sales		-		-
Gross Profit		-		-
Operating Expenses		(210,910)		(886,834)
Net Loss	$	(210,910)	$	(886,834)

UREX ENERGY CORP.

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NOTES TO THE FINANCIAL STATEMENTS

March 31, 2010

Note 10

Sale of Subsidiary (cont d)

The following is a summary of assets and liabilities of United Energy Metals discontinued operations as of March 31, 2010 and 2009.

	March 31, 2010	March 31, 2009
Assets		
Cash	$ 3,081	$ 317
Prepaid expenses	5,888	1,530
Security deposit	10,000	10,000
VAT Receivable	380,170	100,753
Total Assets	$ 399,140	$ 112,600
Liabilities		
Accounts Payable	$ 775,211	$ 225,695
Accrued Liabilities	15,000	5,973
Total Liabilities	$ 790,211	$ 231,668

Note 11 Subsequent Event

Subsequent to March 31, 2010, the Company filed for a name change with Financial Industry Regulatory Authority to change the Company s name from Urex Energy Corp to Mustang Geothermal Corp. At the same time, the Company affected a reverse stock split of 200 old shares to 1 new share.

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 March 31, 2010, 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, 2010 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, 2010, 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. On March 26, 2010 the board of the Company accepted the resignation of Oscar Yoshitaka Yokoi as director of the Company effective April 1, 2010. Also, on March 26, 2010 Gerald Aberle, Richard Bachman, and Brian Cole were nominated as directors of the company and confirmed on March 31, 2010 by the majority of shareholders of the company.

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
Gerald Aberle	Director	52	April 1, 2010
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 from 1980 to 2002 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.

Gerald Aberle - Director

Mr. Aberle became a director of our company on April 1, 2010. Mr. Aberle graduated in 1980 from South Dakota School of Mines and Technology with a Bachelor of Science Degree in Mining Engineering and has over 30 years of experience in the minerals industry, including 22 years with Homestake Mining Company at the Homestake Gold Mine at Lead, South Dakota from 1977 to 1999. Mr. Aberle s mining background includes extensive engineering, operations management and project management experience. Over the past 11 years from 1999 until the present, Mr. Aberle has consulted in the mining, underground construction and minerals exploration business for clients including Homestake Mining Co Barrick Gold, the State of South Dakota and the University of Washington in connection with the planning and development of the National Science Foundation s National Deep Underground Science and Engineering Laboratory. In addition, Mr. Aberle has more than 15 years of private business experience in the United States, primarily in the land development and construction industries.

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
Gerald Aberle	Nil	Nil	Nil
Brian Cole	Nil	Nil	Nil

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 our 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, Gerald Aberle, 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)

one of our executive officers who were serving as executive officers at the year ended March 31, 2010; 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, 2010, 2009, 2008, 2007 and 2006, are set out in the following summary compensation tables:

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensa-tion ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensa-tion ($)	Total ($)
Richard	2010	120,000	Nil	Nil	Nil	Nil Nil	Nil	Nil Nil	120,000
Bachman	2009	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
President(1)	2008	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2007	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2006	60,000(2)	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 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, 2010, $120,000 in management fees was invoiced from Minera Teles Pires Inc. As at March 31, 2010, the Company owes Minera Teles Pires Inc. $248.304 for unpaid management fees and expenses.

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 05, 2010, no options were issued under our 2007 Stock Option

Plan.

During the year ended March 31, 2010, 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:

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

Director Compensation

We reimburse our directors for expenses incurred in connection with attending board meetings. We did not pay any other director's fees or other cash compensation for services rendered as a director for the fiscal year ended March 31, 2010.

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

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

The following table sets forth, as of March 31, 2010, 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, 2010. 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)	7.83%
Gerald Aberle 11171 Alpine Circle Lead SD 57754	Nil	N/A
Brian Cole 3979 Victoria Avenue Vineland, Ontario L0R 2C0 Canada	Nil	N/A
Hypo Alpe-Adria-Bank (Liechtenstein)AG Landstrasse 126 A FL Schaan	6,000,000	2.93%
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)	7.83%
Enco Exploration Inc. 4790 Caughlin Pkwy, #371 Reno, NV 89519	100,000,000	48.92%
Directors and Executive Officers as a Group	16,000,000(2)	7.83%

(1)

Based on 204,425,600 shares of common stock issued and outstanding as of March 31, 2010. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable.

(2)

This figure includes 16,000,000 shares (post-split shares on a basis of two new for each one old share effective July 3, 2006) held by International Mineral Resources Ltd., of which Mr. Richard Bachman has sole voting and dispositive power of the 16,000,000 shares held by International Mineral Resources. Mr. Richard Bachman is the beneficial owner of IMR.

(3)

International Mineral Resources is a corporation organized under the laws of the Turks & Caicos Islands, BWI, and Mr. Bachman has sole voting and dispositive power of the 16,000,000 shares held by International Mineral Resources.

(4)

Management of our company is unaware of the beneficial Shareholders of the common shares registered in the name of

CEDE & Co.

Equity Compensation Plan Information

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

Changes in Control

Enco Explorations Inc. controls 100,000,000 shares of the Company s common stock giving it a 48.9% interest in the Company. There have been no changes to the Company s board other than the resignation of Mr. Oscar Yokoi and approval of Mr. Gerald Aberle to join the board as a director of the Company. The number of directors of the Company remains at three.

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, 2010, 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, 2010, $120,000 in management fees was invoiced from Minera Teles Pires Inc. As at March 31, 2010, the Company owes Minera Teles Pires Inc. $248, 304.

Director Independence

Our board of directors has determined that Gerald Aberle 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

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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
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. Dergerstrom, Inc., dated January 31, 2008 incorporated by reference from our Annual Report on Form 10KSB filed July 15, 2008
10.10	Convertible Note with Four Tong Investments Limited, dated August 19, 2008 incorporated by reference on Form 8-K filed on August 26, 2008

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10.11	Share Purchase Agreement with SGI Partners, LLC dated August 4, 2009 incorporated by reference on Form 8-K filed on August 7, 2009
10.12	Share Purchase Agreement with Patagonia dated February 9, 2010 incorporated by reference from our Form 10-Q filed February 22, 2010
10.13	Purchase Agreement with Enco Explorations Inc., dated March 23, 2010
31*	Section 302 Certification of Richard Bachman, dated
32*	Section 906 Certification of Richard Bachman, dated
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, 2010 and 2009 were $25,500 and $25,500, respectively.

Audit Related Fees

For the fiscal year ended March 31, 2010 and 2009, 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.

Tax Fees

For the fiscal year ended March 31, 2010 and 2009, the aggregate fees billed for tax compliance, by Jewett, Schwartz & Associates were $0 and $22,500, respectively.

All Other Fees

For the fiscal year ended March 31, 2010 and 2009, the aggregate fees billed by Jewett, Schwartz & Associates for other non-audit professional services, other than those services listed above, totalled $Nil and $Nil, respectively.

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

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

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SIGNATURES

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

UREX ENERGY CORP.

/s/ Richard Bachman
By: Richard Bachman
President, Secretary and Director
(Principal Executive Officer,
Principal Financial Officer and
Principal Accounting Officer)
Dated: July 14, 2010

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 14, 2010

/s/ Brian Cole

By: Brian Cole
Director
Dated: July 14, 2010

/s/ Gerald Aberle

By: Gerald Aberle

Director

Dated: July 14, 2010