

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

URANIUM EQUITIES LIMITED

ABN

74 009 799 553

Quarter ended ("current quarter")

31 DECEMBER 2009

Consolidated statement of cash flows

	Current quarter \$A	Year to date (12 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	78,084	107,750
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(697,406)	(1,136,566)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	79,593	163,806
1.5 Interest and other costs of finance paid	(687)	(13,527)
1.6 Income taxes paid		
1.7 Other	2,000,000	2,000,000
Net Operating Cash Flows	1,171,637	513,774
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(492,054)	(1,015,710)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	(68,132)	(69,550)
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (deferred consideration on disposal of tenements)	2,694,256	2,694,256
Net investing cash flows	2,134,070	1,608,996
1.13 Total operating and investing cash flows (carried forward)	3,305,707	2,122,770

+ See chapter 19 for defined terms.

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. (net)	1,119,080	1,916,611
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	1,119,080	1,916,611
Net increase (decrease) in cash held		4,424,787	2,405,910
1.20	Cash at beginning of quarter/year to date	8,363,053	8,750,004
1.21	Exchange rate adjustments to item 1.20	72,205	70,660
1.22	Cash at end of quarter	12,860,045	12,860,045

Note: Cash balance includes \$1.7m held in UFP Investments LLC, a majority owned US subsidiary, which must be applied towards further development of the PhosEnergy Process under the terms of the agreement with Cameco.

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	217,295
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.7 "Other" operating cashflows represents the option fee paid by Mitsui & Co in November 2009 to gain the right to purchase a 25% interest in the Nabarlek MLN and a 9% interest in the West Arnhem Land Joint Venture for a minimum of \$15M before 31 July 2010.

Item 1.8 "Payment for purchases of equity investments" comprises payments made to Urtek LLC and related expenditure for advancement of the PhosEnergy process.

Item 1.9 "Proceeds from Sale of Equity Investments" comprises the US\$2.5m received upon signing the PhosEnergy partnering agreement with Cameco for 10.6% of UFP Investments LLC. UFP holds a 43% interest in Urtek LLC, the company developing the PhosEnergy Process.

Item 1.23 consists of legal & consulting fees paid to three directors (\$65k), director's fees (\$36k), and salaries and superannuation paid to executive directors (\$116k) including a termination payment of \$50k. All transactions are on commercial terms.

Non-cash financing and investing activities

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

--

+ See chapter 19 for defined terms.

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

--

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A	Amount used \$A
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		\$A
4.1	Exploration and evaluation	450,000
4.2	Development	-
Total		450,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1	2,877,502	902,724
5.2	7,982,543	5,460,329
5.3		
5.4	2,000,000	2,000,000
Total: cash at end of quarter (item 1.22)	12,860,045	8,363,053

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
	ELA 70/3526-3527	Three Springs Project, WA	100%	0%

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	ELA 27684	Woodside Project, NT	0%	100%
	EPM 18466	Narraweena Project, QLD	0%	100%

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	Nil	Nil	Nil	Nil
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs.	N/A	N/A	N/A	N/A
7.3 +Ordinary securities	210,260,801	210,260,801	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital.	6,816,250 4,000,000 Nil	6,816,250 4,000,000 Nil	⁽¹⁾ 0.075 0.155 N/A	511,219 620,000 N/A
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil	N/A	N/A
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured.	Nil	Nil	N/A	N/A

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options			Exercise price	Expiry date
	Share Options	100,000	Nil	\$0.155	20.12.2010
		1,700,000	Nil	\$0.35	31.05.2011
		700,000	Nil	\$0.35	01.09.2011
		150,000	Nil	\$0.35	01.10.2011
		25,000	Nil	\$0.55	01.11.2011
		400,000	Nil	\$0.55	01.12.2011
		500,000	Nil	\$0.55	17.01.2012
		3,000,000	Nil	\$0.75	28.03.2010
		130,000	Nil	\$0.60	21.06.2012
		500,000	Nil	\$0.60	15.11.2012
		2,300,000	Nil	\$0.30	01.03.2013
		750,000	Nil	\$0.45	01.03.2013
		125,000	Nil	\$0.30	13.05.2011
		1,000,000	Nil	\$0.191	31.07.2011
		500,000	Nil	\$0.30	02.12.2013
		500,000	Nil	\$0.30	01.12.2011
		1,900,000	Nil	\$0.30	01.07.2012
7.8	Issued during quarter	Nil	Nil	N/A	N/A
7.9	Exercised during quarter				
	Partly Paid Performance Shares ⁽²⁾	6,816,250	Nil	⁽¹⁾ \$0.075	17.05.2016
	Share Options	3,500,000	Nil	\$0.155	21.10.2009
		500,000	Nil	\$0.155	30.11.2009
7.10	Expired during quarter	Nil	Nil	N/A	N/A
7.11	Debentures <i>(totals only)</i>	Nil	Nil		
7.12	Unsecured notes <i>(totals only)</i>	Nil	Nil		

(1) Conversion of partly paid performance shares to fully paid ordinary shares through payment of balance of \$0.075 per share (originally issued at \$0.15 and credited as paid to \$0.075).

(2) Partly paid performance shares issued do not represent ordinary shares or preference shares and have therefore been classified as share options for this purpose.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Managing Director

Date: 29 January 2010

Print Name: Bryn Jones

Notes

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

== == == == ==