

ASX ANNOUNCEMENT 28 July 2010

URANIUM EQUITIES LIMITED ACN 009 799 553



URANIUM
EQUITIES

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Quarterly Report Quarter ended 30 June 2010

Highlights

PhosEnergy - Uranium Extraction Technology

- Cameco invests a further US\$5 million for continued process development.
- Ongoing bench scale testwork at ANSTO to confirm expected improvements in operating costs.

Exploration

- Reconnaissance RC drill program completed at the Nabarlek Project.
- Targeted RC drilling on the West Arnhem Joint Venture commenced.
- Prospective Frome Basin exploration licence applications covering 819km² offered to grant.
- \$100,000 co-funding grant awarded by the NT Government under the '*Bringing Forward Discovery*' Initiative for the Headwaters Project.

Corporate

- Cash Balance at the end of the quarter was \$10.6 million.

Our Strengths

- Breakthrough PhosEnergy Process
- Nabarlek Project – A rare investment opportunity
- Multiple near term growth opportunities

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1 URANIUM EXTRACTION TECHNOLOGY

1.1 Activities

Funding

As announced on 5th July, 2010 Cameco Corporation has invested the second tranche of US\$5 million, bringing their total investment in the ongoing development and commercialisation of the PhosEnergy Process to US\$7.5 million.

Cameco has the right to earn up to 63% in the technology through staged investment of US\$16.5 million.

Technical and Business Development

Continuous bench scale development testwork was completed on phosphate samples from two fertiliser production facilities. Results which support UEQ's capital and operating cost assumptions for the process were achieved. A third phosphate sample will be tested in the coming weeks.

The results from the testing of these phosphate streams will form the basis for ongoing discussions with the owners of the phosphate fertiliser facilities.

Additionally, bench scale testwork has been undertaken during the quarter to further reduce operational risk and lower operating costs. Previous pilot plant test work indicated potential operating costs in the range of US\$25 to US\$30 per pound.

1.2 Background

Uranium Equities through USA registered Urtek LLC ("Urtek") is developing a new technology for the extraction of uranium from phosphoric acid streams produced in the production of phosphate based fertilisers ("the PhosEnergy Process").

Cameco Corporation is funding the ongoing development and commercialisation of the PhosEnergy Process through a staged investment of up to US\$16.5 million. If Cameco earns its interest it has agreed to provide funding for a minimum of 50% of UEQ's portion of capital expenditure for the construction of the first commercial plant, repayable out of earnings.

A Non-provisional patent application has been filed in the USA, Jordan and the Patent Cooperation Treaty (PCT) signatory countries. Additional provisional patent applications outlining potentially significant improvements to the Process have been filed in Australia.

2 Exploration Activities

2.1 Nabarlek Project (NT) – 2010 Field Season

Exploration activities commenced on the Nabarlek Project with a reconnaissance reverse circulation (RC) and aircore drill program on the Nabarlek Mineral Lease (UEQ 100%).

The RC drilling program completed on the Mineral Lease tested for geochemical dispersion beneath thin sandstone cover in the northern areas of the Lease which had previously received little or no effective drilling. The program consisted of drilling broadly spaced traverses providing vital information on geological and structural framework of the region as well as identifying anomalous geochemistry and alteration information to assist with targeting future programs. A total of 48 RC drillholes were completed for 4445 metres (Figure 1).

Aircore drilling will target areas of geochemical and alteration dispersion beneath thin alluvial cover over bedrock in the eastern portion of the Mineral Lease (Figure 1).

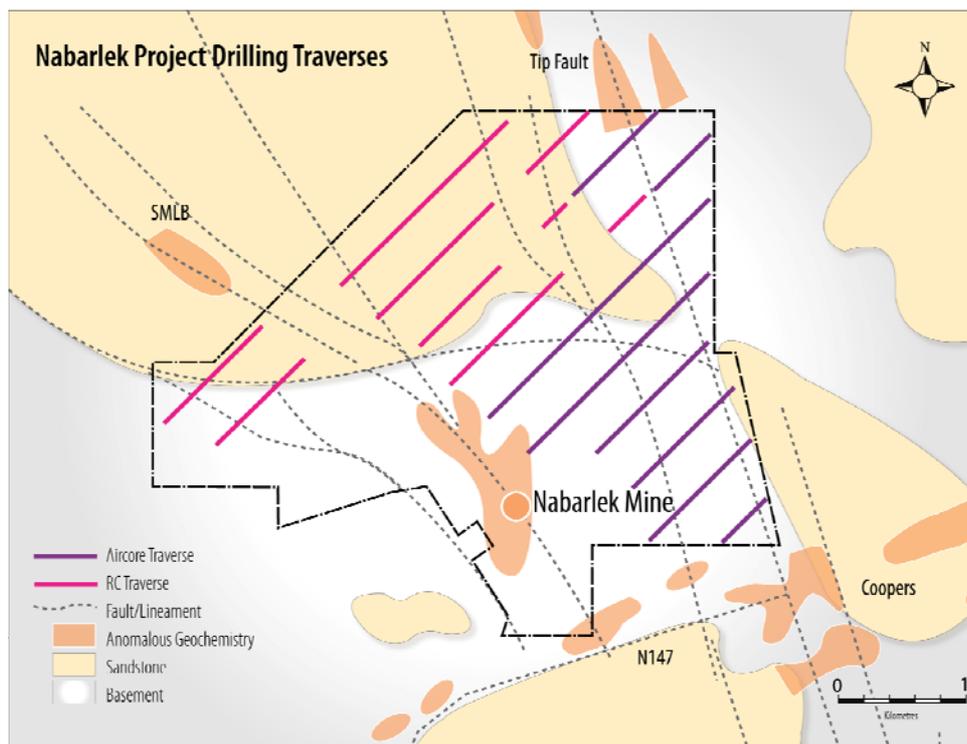


Figure 1 – RC and aircore geochemical drilling traverses on the Nabarlek Mineral Lease.

Preliminary data from the reconnaissance geochemical program is currently being compiled.

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Targeted RC Drilling

As announced on 15th July 2010, a comprehensive drilling program testing several prospects on the West Arnhem Joint Venture with Cameco Australia (UEQ 40%, Cameco 60%) commenced mid July.

The program, targeting a combination of geochemical and geophysical anomalies will consist of approximately 35 RC drill holes and 65 aircore drill holes. Of high priority in the program will be the testing of the Coopers Prospect and the N147 Prospect Basement Target.

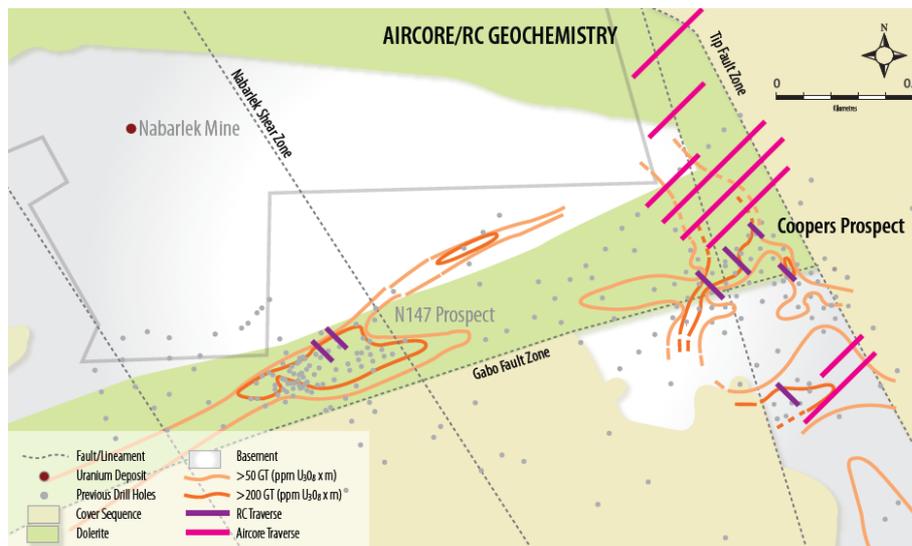


Figure 2 – N147 and Coopers Geochemistry with Drill targets.



2.2 Headwaters Project (NT) – 2010 Field Season

A \$100,000 co-funding grant was awarded by the NT Government under the *Bringing Forward Discovery* Initiative for the Headwaters Project, located in the prospective East Alligator Uranium Field, West Arnhem Land. The funding will be applied towards direct drilling costs testing for Westmoreland-style targets in the northern most tenement.

Planning is underway for field season work on the project which is being funded, under a JV agreement, by Vale Exploration Pty Ltd (“Vale”), a wholly owned Australian subsidiary of Vale S.A.

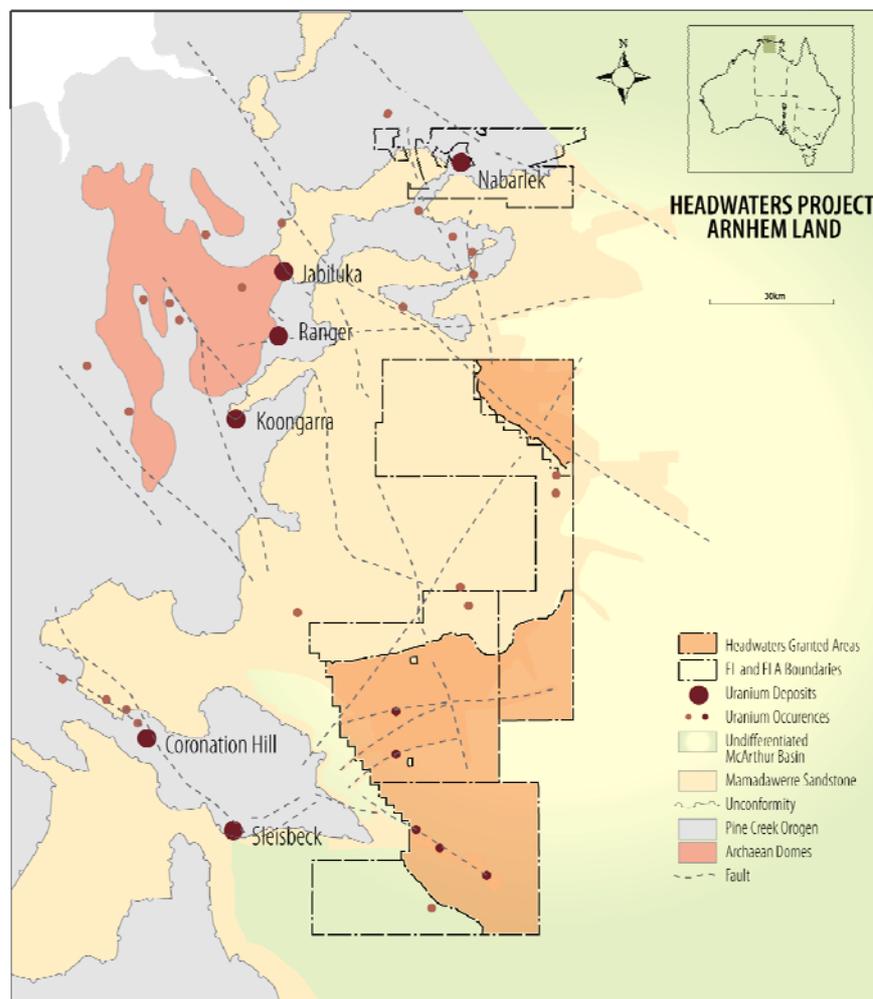


Figure 3 – The Headwaters Project

The tenements lie within the Arnhem Land Plateau along the western margin of the Proterozoic McArthur Basin (Figure 3). Rocks consist of fluvial sandstone with minor interbedded volcanic sequences overlying the strongly deformed and metamorphosed basement rocks which host the major unconformity-related uranium deposits of the Alligator Rivers Region.

A review of the exploration potential of the Headwaters Project has identified geological environments that hold similarities to the style of uranium mineralisation present at Westmoreland in north-west Queensland.

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2.3 Frome Basin (SA)

UEQ has secured a strategic holding in the prospective Frome Basin and is progressing through the grant process for two exploration licences, covering 819km². The area offers potential for the development of sandstone-hosted rollfront and palaeochannel targets of the type developed at the Four Mile and Beverley Deposits in the western Frome Basin.

The acquisition of these tenements results from the company's ongoing strategy of consolidating land positions in highly prospective yet under-explored Australian uranium provinces such as the Alligator Rivers region, the Frome Basin and the Rudall River - Kintyre region.

2.4 Rudall River

Data review and target generation on the Rudall River Uranium Project (UEQ 40%: Cameco 60%) continued during the quarter. The Project lies to the east and directly adjacent to the lease containing the Kintyre Deposit (70% Cameco: 30% Mitsubishi Development Pty Ltd). The Kintyre deposit from published reports may host 62 to 80 million pounds U₃O₈ with an average grade of 0.30 – 0.40% U₃O₈.

The Project tenements cover historic uranium prospects with the western tenements having analogous structural settings to that seen at Kintyre. TEMPEST electromagnetic targets have been identified and remain to be systematically tested.

3.0 CORPORATE

The Company's cash position at 30 June, 2010 stood at **\$10.6 million**, inclusive of a restricted \$1.8 million performance bond.

A handwritten signature in black ink, appearing to read "Bryn Jones".

Bryn Jones
Managing Director
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Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. Grant Williamson, Geology Manager - Exploration of Uranium Equities Limited, who is a Member of the Australian Institute of Geoscientists and of the Australasian Institute of Mining and Metallurgy Inc.. Mr. Williamson has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

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About Uranium Equities

Uranium Equities Limited (UEQ) has two main areas of focus: The development of the **PhosEnergy Process**; and exploration activities directed at a small core of high quality exploration assets which include the key **Nabarlek Project**.

The PhosEnergy Process is an innovative patented process for the extraction of uranium as a by-product from phosphate in the production of phosphate based fertilisers.

The global annual production potential of uranium from the phosphate industry is in the order of 20 Mlbs U_3O_8 . This quantity of uranium is mined in phosphate ores but not recovered annually on a worldwide basis. The major phosphate based fertiliser producers are located in Northern Africa, North America and Asia.

The PhosEnergy Process has been proven to pilot scale with results establishing a robust process capable of achieving high levels of uranium recovery at the lower end of the cost curve.

The Nabarlek Project provides a rare near mine exploration opportunity surrounding the historic Nabarlek uranium deposit (24 Mlbs @ 1.84% U_3O_8). The deposit lies within an extensive uranium mineral system which extends over more than 50 square kilometres within the Mineral Lease and the surrounding tenements. The mineral system which contains widespread anomalous uranium geochemistry and ore grade mineralisation at several locations remains largely untested.