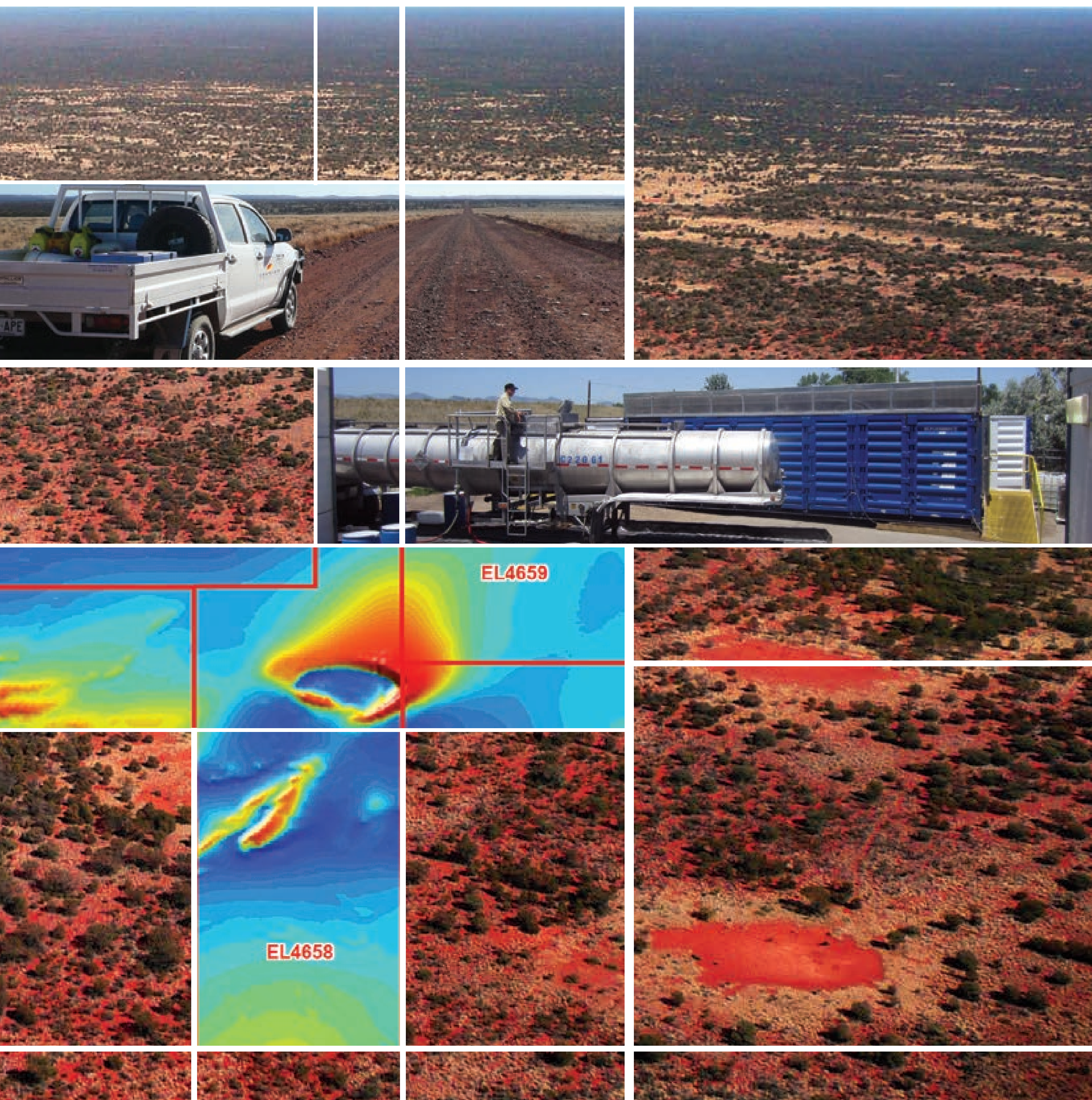
URANIUM EQUITIES

ANNUAL REPORT 2012



URANIUM EQUITIES LIMITED
ABN 74 009 799 553

CONTENTS

DEAR SHAREHOLDER

During the 2012 financial year, Uranium Equities made substantial progress with respect to:

- proving the technical and commercial viability of the PhosEnergy Process;
- consolidating ownership of the Nabarlek Project; and
- identifying numerous targets for deposits within the Company's substantial landholding at the northern margins of South Australia's Gawler Craton.

In May 2012, Uranium Equities commissioned the PhosEnergy Process demonstration plant in the USA and successfully completed four operational trials on two phosphoric acid feed sources. Results have confirmed high uranium recoveries in excess of 90% and supported assumptions made in our cash operating cost estimates being uranium production at US$20-25 per pound. The demonstration plant additionally generated a significant amount of data that will now support an engineering study to improve confidence in operating and capital cost estimates.

The PhosEnergy Process provides an exciting opportunity to implement low-cost, sustainable production of uranium as a by-product from the production of phosphate-based fertiliser products. Initially we are focusing on the USA where it is estimated there is an opportunity to recover approximately 6Mlbs of uranium per annum from phosphate-based fertiliser products.

Cameco continues to be an active participant in the development of this technology, with investments of time, facilities and funding representing a strong endorsement of the potential of the Process. Operating in the USA gives several potential synergies with Cameco's existing operations.

Commercialisation of the PhosEnergy Process is a priority for the Company over the coming year.

The Company has taken steps to simplify its exploration holdings through consolidation of its ownership of the Nabarlek Project in and around the historic Nabarlek Uranium Mine. We now have the right to acquire Cameco Australia's remaining 60% in the West Arnhem Joint Venture and have assumed management. This will allow a renewed focus on this highly prospective region that has returned significant uranium drilling results in recent years.

LETTER FROM THE CHAIRMAN AND MANAGING DIRECTOR

As part of the broader agreement with Cameco Australia, Uranium Equities has reduced from a contributing 40% interest in the Rudall River Joint Venture to a free carried 15% stake. The Rudall River Project is adjacent to the Cameco/Mitsubishi held Kintyre Project which has a published resource of 55Mlbs @ 0.58% U_3O_8. Moving to a free-carried position at Rudall River allows Cameco significant synergies with its existing exploration operations in the region while giving Uranium Equities continued exposure to any future exploration success through its 15% free carried interest.

Gravity Survey Team – Marla, South Australia

The Marla and Oodnadatta Projects in the Gawler Craton IOCG province have been upgraded by identifying several compelling targets and expanding our tenement holding. A number of these target areas are interpreted as being relatively shallow with correlations to either Olympic Dam or Broken Hill style mineralisation.

In conclusion, on behalf of our fellow Directors, we would like to express our appreciation to shareholders for your ongoing support.

TONY KIERNAN
CHAIRMAN

BRYN JONES
MANAGING IRECTOR

PHOSENERGY PROCESS

Uranium Equities and global uranium leader Cameco Corporation have jointly developed a potentially industry-changing process for the extraction of uranium from phosphoric acid streams produced in the production of phosphate-based fertilisers, "the PhosEnergy Process". Cameco is funding the development of this Process through a staged investment of up to US$16.5 million, with a further commitment to fund a minimum of 50 per cent of Uranium Equities' share of the capital cost for construction of the first commercial plant, should this occur. Cameco have invested US$12.5 million to date.

Uranium Equities estimates the cash operating cost of uranium production employing the PhosEnergy Process to be US$20-25 per pound of U_3O_8 based on a 1Mtpa P_2O_5 phosphate production facility operating in the USA (including a 40 per cent contingency). The initial focus of the development team is on the phosphate fertiliser industry in the USA, where we estimate there is an opportunity to recover approximately 6Mlbs of uranium per annum. The worldwide opportunity is in the region of 20Mlbs per annum. Operating in the USA also has several potential synergies with Cameco's existing US operations

PROCESS DEVELOPMENT

The focus for the year has been to commission the PhosEnergy Process Demonstration Plant and perform a series of trials to further assess the efficacy of the Process. Operation of the plant in the United States began in May 2012 (Figure 1). The plant operated 4 separate 10 day trials through August 2012 to evaluate the process efficiency for feeds from various sources.

The Demonstration Plant operation is a joint effort between Cameco and Uranium Equities staff with Cameco lending significant resources to the project.

The PhosEnergy process proved effective at demonstration scale with multiple cycles of unit operations showing exceptional results.

All analytical results have now been received with key outcomes of the work to date being:

- Consistently high uranium recovery (greater than 90 per cent) from the phosphate stream during steady-state operation;
- No deleterious build-up of impurities in the extraction media across multiple cycles;
- Chemical and reagent consumptions within expected range;
- Purification and concentration of uranium is achievable without significant uranium losses;
- The chemistry of the phosphate stream is unaffected except for the removal of uranium;
- A concentrated product was shipped to a uranium production facility where a saleable product can be produced.

Uranium Equities estimates the cash operating cost of uranium production employing the PhosEnergy Process to be US$20-25 per pound of U_3O_8, with a capital intensity of $100 per pound ($U_3O_8$) of annualised nameplate capacity. These estimates are based on phosphate streams from a 1Mtpa P_2O_5 fertiliser facility operating in the USA and include a 40 per cent contingency.

The design criteria derived from the Demonstration Plant runs will be fed into an Engineering Study planned to commence in the December 2012 Quarter to further increase confidence in these capital and operating cost estimates.

Figure 1 – The PhosEnergy Demonstration Plant

COMMERCIALISATION STRATEGY

Uranium Equities and Cameco are initially focusing on the phosphate fertiliser industry in the USA where Uranium Equities estimate there is an opportunity to recover approximately 6Mlbs of uranium per annum. Operation in the USA also has several potential synergies with Cameco's existing operations in the USA. Cameco and Uranium Equities are seeking to enter commercial arrangements with phosphate producers under which both technology for recovery of uranium from phosphates and capital required to install the process would be provided in exchange for uranium off-take from the facility.

FUNDING

Uranium Equities' partner, Cameco Corporation ("Cameco"), has invested to date a total of US$12.5 million in the technical development and commercialisation of the PhosEnergy Process, of which ~US$2 million remains on hand for future development.

Cameco has the right to invest a final tranche of US$4 million in the PhosEnergy Process to complete its earn-in to Uranium Equities' ownership in the Process. If Cameco makes this final investment the technology will be held as to:

Cameco	73%
Uranium Equities	27%

Uranium Equities has an extensive exploration portfolio of high quality exploration projects covering a total area in excess of 24,000km^2 in a number of Australian states and territories and including a number of different deposit styles and targets.

The West Arnhem Joint Venture, with Cameco Australia (Uranium Equities right to earn 100%) and the 100%-owned Nabarlek Mineral Lease, located in the Alligator Rivers Uranium Field in the Northern Territory, represent a rare near-mine uranium exploration opportunity surrounding the historic Nabarlek Uranium Deposit (previous production: 24Mlbs @ 1.84% U_3O_8) – the Nabarlek Project.

THE NABARLEK PROJECT

a) West Arnhem Joint Venture (WAJV)

In September 2012 the Company announced it had reached agreement with Cameco Australia Pty Ltd ("Cameco") to rationalise the ownership of two key uranium exploration joint ventures.

The agreements, relating to the West Arnhem and Rudall River Joint Ventures, simplify the structure of Uranium Equities' uranium exploration portfolio in line with the Company's long-held desire to consolidate 100 per cent ownership and management of the highly prospective tenements surrounding the historic Nabarlek Uranium Deposit.

The Company has secured the right to move to 100 per cent ownership in the West Arnhem Joint Venture tenements under the following terms:

- Uranium Equities to spend $2 million over 48 months to complete the acquisition of Cameco's 60% interest bringing Uranium Equities' total ownership to 100%;
- If Uranium Equities elects to withdraw before acquiring a 100% interest, it will revert to its 40% contributing interest in the WAJV; and
- Cameco retains the right to 'Claw Back' to a 51% interest in the project on delineation of a Measured and Indicated JORC Compliant Resource of greater than 50 million pounds U_3O_8.

This consolidation of ownership of the Nabarlek Project, together with the Company's existing presence in the Arnhem Land region through the Headwaters JV with Vale, will give Uranium Equities a renewed focus in the region.

Operations

A drilling program was completed during the 2011 field season to test several prospects across the West Arnhem Joint Venture following a number of significant intercepts which were reported from the **U40 and Coopers Prospects** during the 2010 program (Figure 2).

The 2011 drilling program targeted possible extensions to high-grade mineralisation discovered in 2010 at the U40 Prospect, which included an intercept of 6.8 metres @ 6.71% U_3O_8 from 75m[1]. The high grade mineralisation lens is hosted by altered pelites within the Quarry Fault Zone (QFZ) where it is cross-cut by a northwest trending fault.

Drilling intersected additional mineralisation in the hanging wall close to where the unconformity is intersected by the fault. This intersection is associated with a zone of clay alteration and includes the following intercepts (calculated at 0.10% U_3O_8 cutoff [1]):

NAD7504	**1.85m @ 0.35% U_3O_8 from 44.35m**
NAD7506	**0.5m @ 0.16% U_3O_8 from 53.9m**
	0.6m @ 0.13% U_3O_8 from 62.6m

A 3D geological model was produced to assist with interpretation of known geology and mineralisation at the U40 Prospect. While the 3D model and drilling completed to date has demonstrated that the strike potential of the current zone of high grade mineralisation is limited, the company still believes the Quarry Fault Zone has the potential to produce additional quality exploration targets.

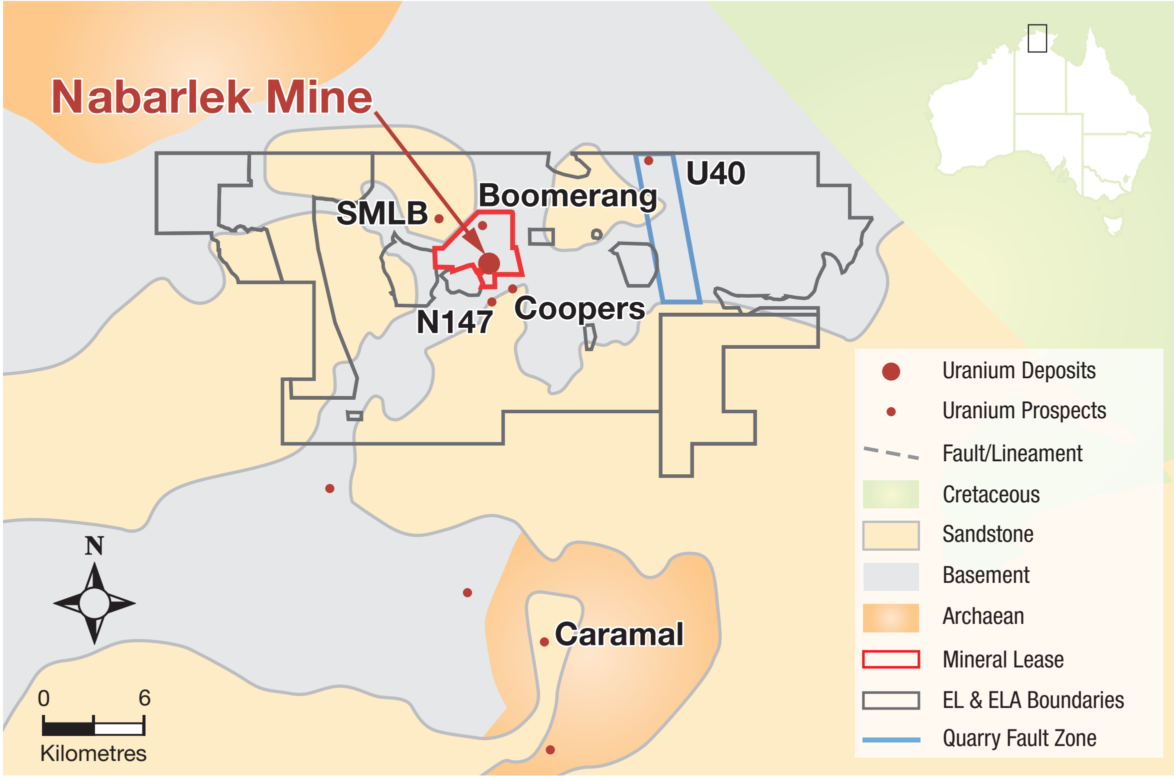


Figure 2 – Nabarlek Project Prospects

To assist with future targeting, a detailed **ground-based gravity survey** was completed over the entire strike extent of the QFZ. A preliminary structural interpretation has identified a series of northwest trending structures which cross-cut the northerly trending structures sympathetic to the QFZ trend. Combined with previously acquired geophysical and drilling datasets, several other potential targets analogous to the U40 Prospect have been identified.

The second region targeted by diamond drilling during the year was the **Coopers Prospect.** Mineralisation was encountered within the Oenpelli Dolerite in one of the two holes drilled. Final independent laboratory assay results from the drilling program were received. Results with a 0.10% U_3O_8 cutoff [1] include:

NAD7496	**20m @ 0.22% U_3O_8 from 40.5m**

[1] Samples were sent to Northern Territory Environmental Laboratories Pty Ltd in Darwin for sample preparation and multi-element analysis. Samples undergo mixed four acid digest with an ICP-MS (Lab Code G400M) or ICP-OES (Lab Code G400I) finish depending on the element. A split of each sample pulp is sent for Au, Pd and Pt analysis using 50g Fire Assay with an ICP-MS or ICP-OES finish (Lab Code FAPMM). Intercept calculations can include up to 2 metres of internal dilution. Intervals reported are downhole widths and may not represent true widths of mineralisation. Cut-off values used for intercept calculations are 0.10% U_3O_8. Refer ASX Announcement dated 11 September 2012 for a full listing of drill results.

b) Nabarlek Mineral Lease

The Nabarlek Uranium Deposit was discovered in 1970 by Queensland Mines Pty Ltd. Ore was mined and processed in the period from 1979-1988, resulting in the production of 24Mlbs @ 1.84% U_3O_8. Uranium Equities Limited acquired Queensland Mines Pty Ltd in 2008 and has undertaken drill programs at Nabarlek each year since then.

Regionally, Nabarlek lies within a northwest trending structural corridor, a complex array of faulting, shearing and low angle thrusts, which extends over several kilometres across the Mineral Lease and the surrounding Cameco – Uranium Equities Limited West Arnhem Joint Venture tenement.

A detailed ground gravity survey over the northern portion of the Mineral Lease, which includes the Boomerang Prospect drilled in 2010 and 2011 (Figure 3), was completed during the year. The survey was designed to identify structures at the unconformity surface, beneath transported sands and Kombolgie Sandstone cover sequences. This will assist with future drill targeting. Data has been merged with a previous survey covering the adjacent SMLB Prospect, on the West Arnhem Joint Venture, and is currently being interpreted in conjunction with basement geology established by drilling campaigns.

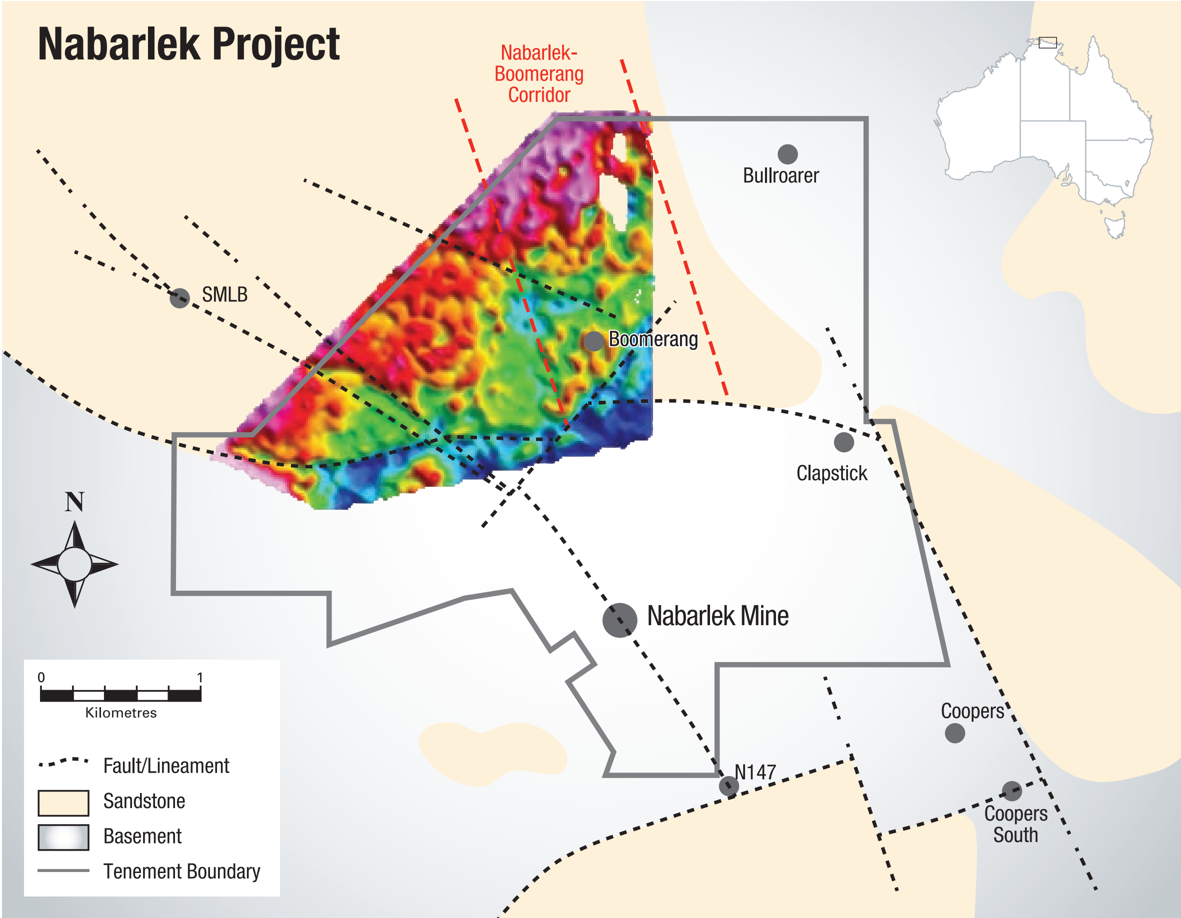


Figure 3 – Nabarlek Ground Gravity Survey

The company also made a successful submission for a $100,000 co-funding grant under the NT Government drilling collaborations program 'Bringing Forward Discovery' to test the Nabarlek Deeps Concept. The submission relates to an exploration model based on recent exploration success at the Ranger Mine and the discovery of the Ranger 3 Deeps mineralisation. Recent interpretation is that there is a strong structural control on mineralisation, possibly independent of the regional unconformity position which has been the primary exploration target to date.

The Nabarlek Deeps concept is to test beneath the barren dolerite with angled diamond drillholes, assuming the mineralised Nabarlek Shear has been displaced and is obscured by the intrusion of the Oenpelli Dolerite (Figure 4). Due to this offset, the historical deep drillholes completed in the Nabarlek Pit environs would not have tested the extension of the Nabarlek mineralised system at depth.

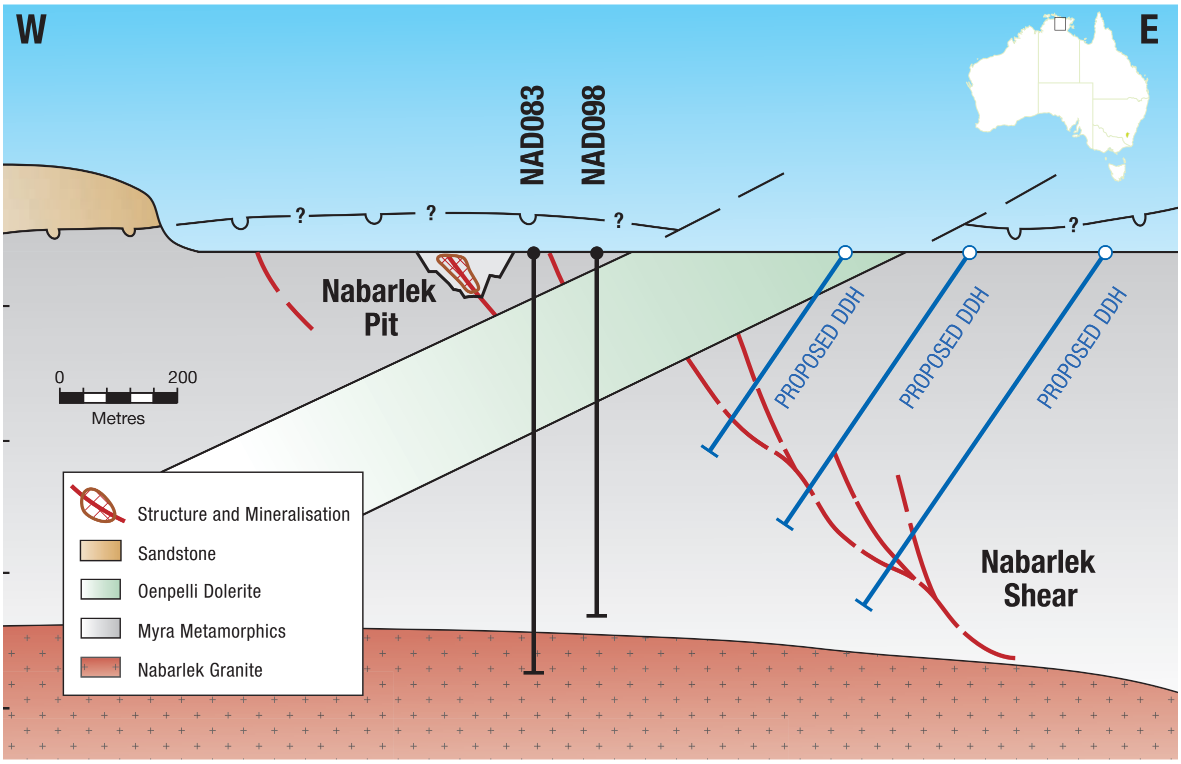


Figure 4 – Nabarlek Deeps Concept Cross-section

Figure 5 - Project Location Map

OODNADATTA & MARLA PROJECTS

The Oodnadatta and Marla Projects cover a total area of 15,283 km². in the northern Gawler Craton in South Australia (Figure 6) and are considered prospective for IOCGU (iron-oxide-copper-gold-uranium) deposits, possible Broken Hill-style meta-sedimentary hosted copper – gold mineralisation and Kazakhstan-style sandstone-hosted uranium deposits.

Figure 6 - Marla & Oodnadatta Project Locations

State-based aeromagnetic and gravity data were reprocessed on a prospect scale to better define IOCGU targets identified by the Company. A review of geophysical data has identified a number of significant coincident magnetic (Figure 7) and gravity features (Figure 8) on the Marla Project. The Todmorden region has been targeted due to the presence of well-defined, large-scale structural lineaments and comparatively shallow basement depths.

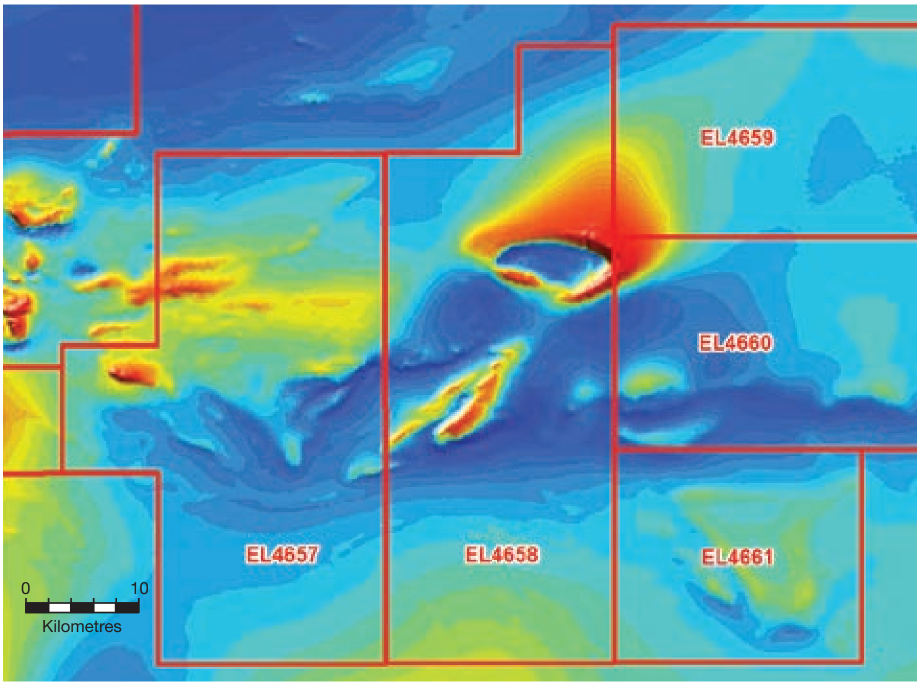


Figure 7 – Marla Project – Todmorden Region: State Magnetics

Following heli-assisted heritage clearances with senior representatives of the Eringa and Yankunyjatara People, Perth based geophysical contractor Atlas Geophysics completed a ground gravity survey over the Todmorden Region.

Interpretation of this new gravity dataset has revealed a number of possible target areas with coincident magnetic and gravity anomalies (up to 5mGals) that warrant further investigation and modelling.

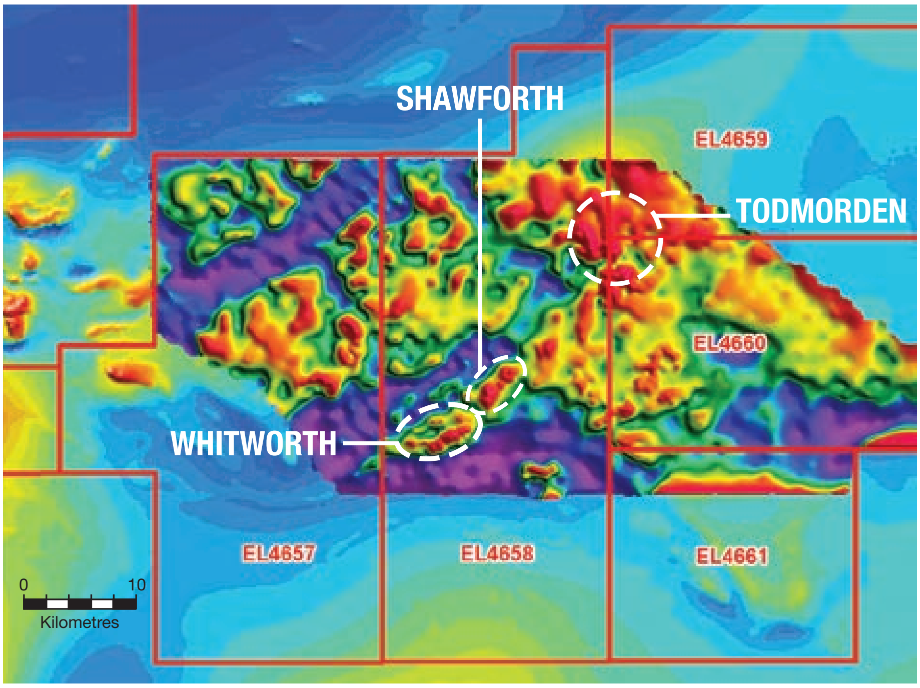


Figure 8 – Marla – Todmorden Region: Ground Gravity

OODNADATTA & MARLA PROJECTS - CONTINUED

A PACE Drilling co-funding proposal for a rotary mud and diamond drilling program on the Marla Project has been successful with the awarding of a $90,000 co-funding grant as part of the South Australian Government's PACE 2020 Initiative. The proposed drilling program focusing on the most prospective targets generated from the ground gravity survey has received heritage and government approvals.

RUDALL RIVER

The Rudall River Project (Uranium Equities free carried 15% interest) consists of three Exploration Licence Applications and three Prospecting Licence Applications covering a total area of 175km² (Figure 9). The western-most Exploration Licence Application adjoins the Cameco/Mitsubishi Kintyre Project (current published resource of 55Mlbs @ 0.58% U_3O_8).

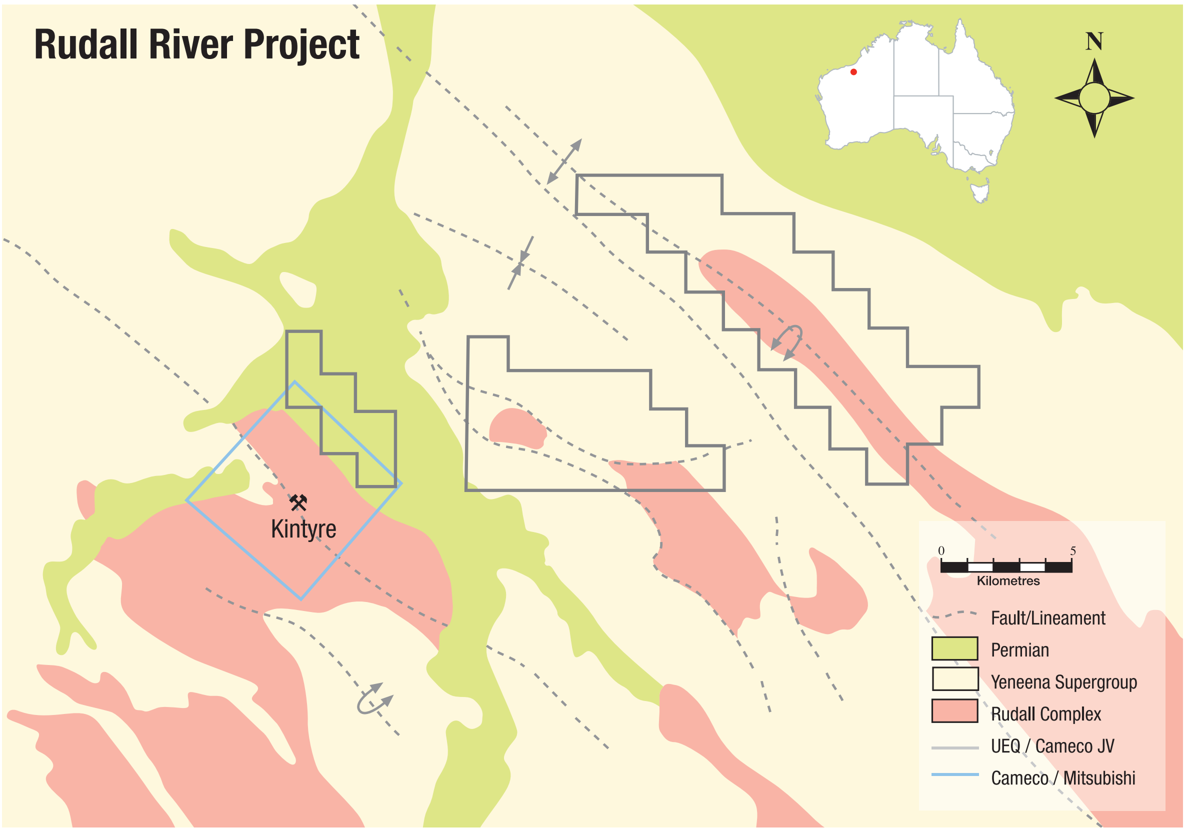


Figure 9 - The Rudall River Project

The Rudall River Joint Venture tenements cover historic uranium prospects and analogous geological and structural settings to those seen at Kintyre.

As part of the broader agreement with Cameco to simplify ownership of key uranium projects in Western Australia and Northern Territory announced in September 2012, Uranium Equities will move from a 40 per cent contributing interest to a free-carried 15 per cent interest in the Rudall River Joint Venture. Moving to a free-carried position at Rudall River allows Cameco significant synergies with its existing exploration operations in the region, while giving Uranium Equities shareholders continued exposure to any future exploration success on these tenements.

Under the terms of a revised agreement, Cameco may increase equity from 60% to 85% of the Rudall River Project under the following terms:

- refunding 60% of Uranium Equities' sunk cost to date on the Rudall River Project;
- sole-funding a minimum of $1 million over three years; and
- free-carrying Uranium Equities' residual 15% joint venture interest to a Decision to Mine.

The agreement is conditional on agreement being reached with the Native Title holders and the tenements being granted.

During the year, the WA Department of Mines and Petroleum (DMP) advertised the Rudall River exploration licences under their expedited procedure provisions, calling for native title holder responses to the granting of the tenements. Objections were lodged against the granting of all three applications. Native title negotiations to allow exploration access have subsequently moved to a point whereby the Company is confident that agreement can be reached in the near term.

FROME BASIN

Uranium Equities has consolidated a strategic ground position totalling 953km^2 in one of Australia's most prospective uranium provinces, South Australia's Lake Frome district. The ground position includes 100%-owned exploration tenements principally along the western margin of the Frome Embayment.

In September 2012, following a strategic review of its Frome Basin projects, the Company announced its withdrawal from the West Lake Frome Joint Venture with Cauldron Energy Limited (ASX:CXU) into which it has been earning an interest. To satisfy all outstanding obligations under the joint venture agreement, including the balance of the Company's minimum commitment, the Company issued 4,000,000 fully paid ordinary shares to Cauldron Energy.

The remaining 100% owned tenements are considered prospective for Beverley and Four Mile style deposits.

A broad-spaced reconnaissance rotary mud drilling program was completed in 2011 to test the stratigraphy and regional structural features along the western margin of the Frome Basin. The drilling provided an insight into the geological framework of the region and confirmed the company's interpretation of the structural setting.

Areas targeted were located in the zones of divergence between the Arrowie and Wertaloona Fault systems where there are interpreted embayments of Tertiary sediments and the likelihood of possible redox traps. Faulting along the basin margin can create favourable environments for sandstone hosted uranium mineralisation.

The drilling identified differing redox conditions in both the Namba and Eyre Formations with reduced and permeable sands in the Eyre Formation, making the unit ideal for trapping uranium from migrating oxidised fluids.

LAKE BLANCHE

The Lake Blanche Project is targeting sandstone-hosted uranium located within the Eromanga Basin, 80 to 190km north-east of the highly uraniferous Mt Painter Block, in South Australia. The tenement package comprises seven exploration licences covering a total area of 6,074km^2.

The Project is considered prospective for sandstone-hosted uranium mineralisation. The tenement package overlies thick sequences of the Miocene aged Namba Formation, host to the Beverley and Four Mile Deposits, and the Eocene aged Eyre Formation, host to the Honeymoon deposit. Widespread anomalous uranium was intersected at the Lake Blanche Project in 2011.

During the year, an airborne electromagnetic (AEM) survey using the SkyTEM508 system was flown over the Lake Blanche Project area. A total of 530 line kilometres of data were collected, over three separate blocks and two individual transects consisting of 2 to 3 line swaths. The aim of the AEM survey was to acquire electromagnetic data to map palaeochannels within the Namba and Eyre Formation sediments and possible structures within the underlying predominantly shale based Winton Formation.

The SkyTEM survey successfully mapped the Namba Formation and imaged the top portion of the Eyre Formation. The depth of penetration is estimated to be from 105 to 140 metres. Despite not penetrating to the Winton Formation at 200 metres, there is a degree of high spatial variability within the top 100 metres, suggesting facies variations with the Namba and Upper Eyre Formation. The SkyTEM system also mapped subtle structural features within the upper 100 metres that may influence mineralisation pathways.

Subsequent to the end of the reporting period, Joint Venture partner Cameco Australia Limited advised it has withdrawn from the Lake Blanche Joint Venture following a corporate decision to exit South Australian greenfields projects. As part of the withdrawal conditions Cameco has reimbursed data sale revenue of $200,000 to Uranium Equities.

NARRAWEENA

The Narraweena Project comprises a single exploration permit for minerals (EPM 15101), which is 100%-owned by Uranium Equities and covers a total area of 78km^2 in North Queensland adjacent to Mega Uranium's Ben Lomond Uranium Deposit (believed to contain up to 10.7Mlbs @ 0.25% U_3O_8).

The Narraweena Project contains possible extensions to the structure and host lithologies of the Ben Lomond Deposit and may provide a similar geological setting for Ben Lomond-style mineralisation.

Following the Queensland state election the company is planning to re-examine the Narraweena Project with a view to conducting some on-ground exploration once some clarification of uranium mining policy has been reached.

HEADWATERS

The Headwaters Project is located within the Arnhem Land Plateau along the western margin of the Proterozoic McArthur Basin. The Project is being funded by Vale Exploration Pty Ltd ("Vale"), a wholly-owned Australian subsidiary of Vale S.A, under a JV agreement. Vale has elected to proceed to Phase 2 of the Project, whereby Vale may earn a 70% interest by sole funding expenditure to completion of a Pre-Feasibility Study.

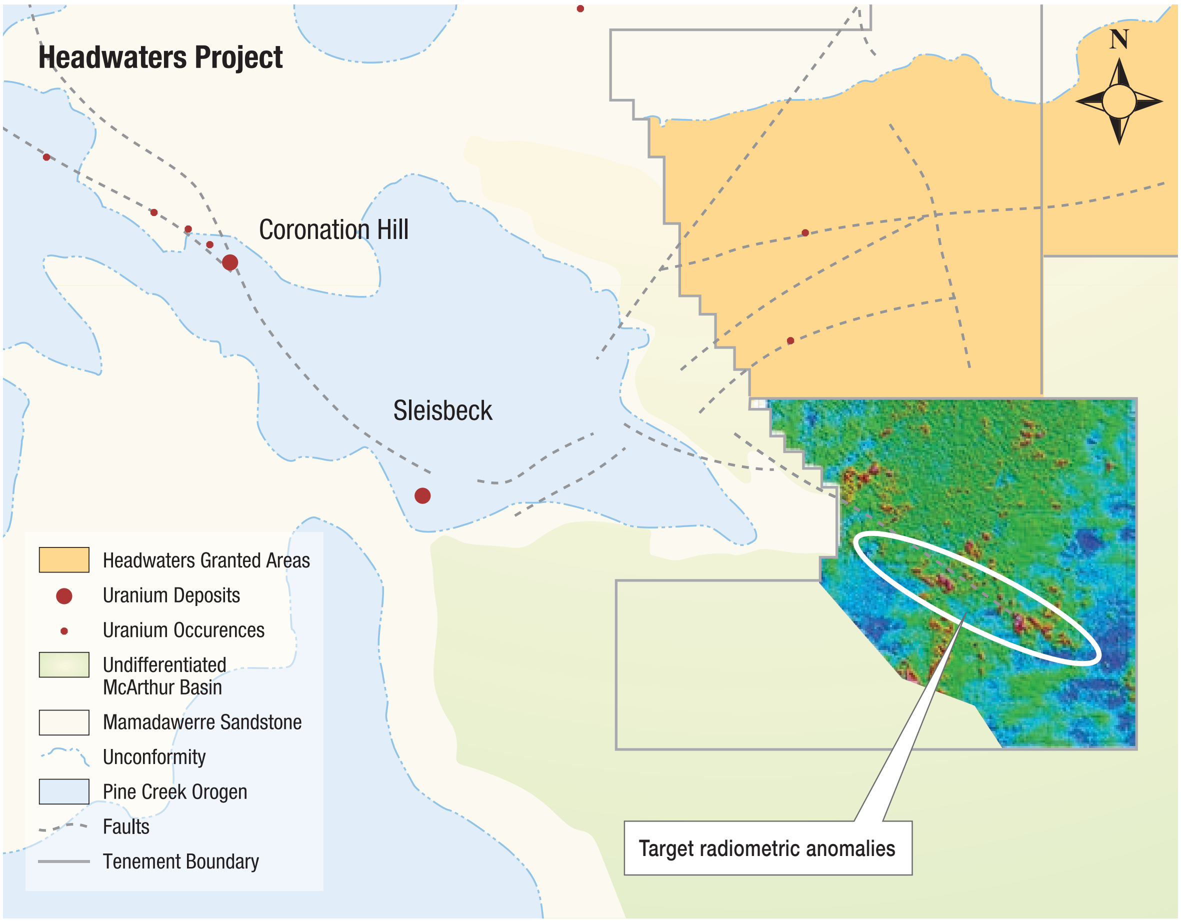


Figure 10 – Headwaters Project Target Areas

A reconnaissance reverse circulation drilling program consisting of 6 drillholes in the southern exploration licence of Headwaters tested three targets that have been defined from radiometrics, magnetics and ground truthing (Figure 10). A majority of drillholes encountered McArthur Basin sedimentary sequences as expected with one of the drillholes intersecting dolerite along the Spectre Fault. However, none of the drillholes reported significant mineralisation. Additional exploration programs are required to further evaluate the potential of the region.

Competent Persons Statement

The information in this report 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. Information on the West Arnhem Joint Venture and Lake Blanche Project is based on information supplied by Joint Venture operator Cameco Australia. 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.

SUSTAINABLE DEVELOPMENT

Uranium Equities' activities are directed towards establishing reliable, economic uranium resources through its technology development and exploration business units. In undertaking these activities, the Company seeks to meet the principles of sustainable development.

The Company recognises that sustainable development requires social, environmental and economic impacts to be balanced in all its operations and it maintains a strong internal emphasis on monitoring social and environmental performance. This is reflected in the Company's *Sustainable Development Policy*.

Uranium Equities' commitment to sustainable development is focused on:

- Safe, efficient project activities;
- Best practice environmental management;
- Open and consultative community relationships;
- Support of Uranium Industry groups in establishing uranium as a sustainable energy solution; and
- Appropriate returns on investment.

SAFETY

Ensuring the safety of all of Uranium Equities' employees and all persons engaged at its sites is the Company's main priority. This commitment is reflected in our *Occupational Health and Safety Policy* which is implemented within risk and safety management plans covering all operational activities.

Figure 11 - Self Propagation of Native Species

ENVIRONMENTAL MANAGEMENT

Uranium Equities recognises that responsible environmental management is essential to sustainable business success. The Company is committed to best practice environmental management and strives to continuously improve its environmental performance by internal and external review. This is reflected in the Company's *Environment Policy*.

Nabarlek Project

The Company completed its fourth year of a rehabilitation program of legacy areas within the Nabarlek Mineral Lease which included weed reduction works. Significant inroads to reduce the weed seed bank have been made as evidenced by self propagation of native species in the area (Figure 11).

Overall, the wet season program was a success and the site is starting to develop observable signs of returning to a sustainable representative ecosystem. A significant reduction in weed populations has occurred across the historical pit environs and significant growth in the first and second year plantings has occurred.

Other Exploration Projects

Best practice environmental management is undertaken at all of Uranium Equities' other projects. Rehabilitation of exploration works is completed at the end of each field season in consultation with key stakeholders.

COMMUNITY RELATIONS

Uranium Equities strives to make community and stakeholder engagement an integral aspect of its business, both within Australia and in its worldwide development of the PhosEnergy Process.

At the core of the Company's community relations activities is the belief that open and effective communication with stakeholders sets the basis for a good business relationship.

The Company maintains regular and open communications with key stakeholders where plans for exploration and rehabilitation work are tabled and discussed.

TENEMENT SCHEDULE

STATE	PROJECT	TENEMENT	STATUS	CURRENT EQUITY
NT	NABARLEK	EL10176	Granted	40%
		EL24371	Granted	40%
		EL23700	Granted	40%
		EL24878	Application	40%
		MLN962	Granted	100%
	HEADWATERS	EL24711	Granted	100%
		EL24712	Granted	100%
		EL24713	Granted	100%
		ELA27153	Application	100%
		ELA27513	Application	100%
		ELA27514	Application	100%
		ELA27515	Application	100%
	WOODSIDE	ELA27684	Application	100%
	CADEL NORTH	ELA28316	Application	100%
QLD	NARRAWEENA	EPM15101	Granted	100%
SA	FROME BASIN	EL4507	Granted	100%
		EL4558	Granted	100%
		EL4703	Granted	100%
	LAKE BLANCHE	EL4005	Granted	100%
		EL4006	Granted	100%
		EL4007	Granted	100%
		EL4008	Granted	100%
		EL4009	Granted	100%
		EL4010	Granted	100%
		EL4011	Granted	100%

STATE	PROJECT	TENEMENT	STATUS	CURRENT EQUITY
SA (CONT.)	MARLA	EL4653	Granted	100%
		EL4654	Granted	100%
		EL4655	Granted	100%
		EL4656	Granted	100%
		EL4657	Granted	100%
		EL4658	Granted	100%
		EL4659	Granted	100%
		EL4660	Granted	100%
		EL4661	Granted	100%
	OODNADATTA	EL4678	Granted	100%
		EL4679	Granted	100%
		EL4680	Granted	100%
		EL4681	Granted	100%
		EL4682	Granted	100%
		EL4683	Granted	100%
		EL4684	Granted	100%
		EL4685	Granted	100%
		EL4686	Granted	100%
		EL4687	Granted	100%
		EL4688	Granted	100%
		EL4689	Granted	100%
		EL4959	Granted	100%
		ELA294/11	Application	100%
WA	RUDALL RIVER	E45/3118	Application	100%
		E45/3119	Application	100%
		E45/3126	Application	100%
		P45/2683	Application	100%
		P45/2684	Application	100%
		P45/2685	Application	100%

FINANCIAL REPORT

FOR THE YEAR ENDING 30 JUNE 2012

CONTENTS

The directors present their report together with the financial report of Uranium Equities Limited ('Uranium Equities' or 'the Company') and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2012 and the auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
A W Kiernan LLB Non-executive Chairman	Tony is a corporate advisor with extensive experience in the administration and operation of listed public companies. He is Chairman of BC Iron Limited and Venturex Resources Limited and a Director of Liontown Resources Limited and Chalice Gold Mines Limited. Tony has been a Director since 2003 and is a member of the Company's Audit Committee.
B L Jones BAppSc, MMinEng, FAusIMM Managing Director	Bryn is an Industrial Chemist who since joining the Company in 2006 has been instrumental in the development of the Company's uranium from phosphoric acid technology, the "PhosEnergy Process". Bryn has extensive experience in the uranium industry, particularly in the development and operation of In-Situ Recovery (ISR) mines gained during his time at Heathgate Resources, the operator of the Beverley Uranium Mine. Bryn has also worked for Worley Parsons on the Olympic Dam Expansion Project and consulted on various ISR operations around the world. Bryn has been a Director since 2009.
T R B Goyder Non-executive Director	Tim has over 30 years' experience in the resource industry. He has been involved in the formation and management of a number of publicly-listed companies and is currently Executive Chairman of Chalice Gold Mines Limited, Chairman of Liontown Resources Limited and Director of Strike Energy Limited. Tim has been a Director since 2002 and is a member of the Company's Audit Committee.
T C Pool PE SME MAusIMM Non-executive Director	Tom is a mining engineer with more than 35 years' experience in the resources industry, the last 25 years of which has focussed on assessment and evaluation of projects in the uranium and nuclear fuels sector. Tom is Chairman of International Nuclear Inc (iNi) based in Golden, Colorado, having previously held senior positions with Nuclear Fuels Corporation and the Concord Group of Companies. Tom has been a Director since April 2011 and is a member of the Company's Audit Committee.

2. COMPANY SECRETARY

R A Heinrich B.Com, CPA	Rolf has significant professional and corporate experience across a variety of sectors in both Australia and the United Kingdom. Rolf has worked in senior finance roles with companies including, most recently, Elders Limited as Finance Manager for the Farm Supplies division and prior to this Newcrest Mining Limited as the group's Manager of Business Analysis. Rolf has been CFO since 2008 and Company Secretary since 2009.

3. DIRECTORS' MEETINGS

The number of directors' meetings and the number of meetings attended by each of the directors of the Company during the financial year were:

DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	NUMBER OF MEETINGS HELD DURING THE TIME THE DIRECTOR HELD OFFICE DURING THE YEAR	NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED	NUMBER OF MEETINGS HELD DURING THE TIME THE DIRECTOR WAS A COMMITTEE MEMBER DURING THE YEAR
A W Kiernan	9	9	2	2
B L Jones	9	9	-	-
T R B Goyder	9	9	2	2
T C Pool	8	9	2	2

A number of matters were also approved by the unanimous written consent of the directors.

4. PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were mineral exploration and evaluation and development of by-product uranium recovery processes.

5. REVIEW AND RESULTS OF OPERATIONS

PhosEnergy – Uranium Extraction Technology

- On 31st August 2011 the Company announced that global uranium leader Cameco Corporation ("Cameco") had consolidated its ownership in the PhosEnergy Process through the purchase of the Founders' 10% shareholding for US$4.5 million.
- The consideration of US$4.5 million represents a substantial 80% premium to the pro-rata earn-in which Cameco and Uranium Equities Limited have completed in the PhosEnergy Process.
- The fully integrated and process controlled PhosEnergy Process demonstration plant was pre-commissioned in the US and commenced trials in mid-May 2012.
- An engineering study incorporating chemical consumption rates, equipment design criteria and energy inputs from the demonstration plant will be completed in parallel to the demonstration plant.

Exploration

- A detailed ground gravity survey over U40 and the Quarry Fault Zone (QFZ) has identified additional quality targets in the region.
- RC drilling completed on the Nabarlek Mineral Lease (NT) has extended known low grade mineralisation at the Boomerang Prospect. A detailed ground gravity survey over the area was also completed to aid future exploration.
- Widespread anomalous uranium was intersected at the Lake Blanche Project (SA).
- Anomalous uranium in favourable host sands was intersected during a reconnaissance drilling campaign on the Frome Basin Project (SA).
- A detailed ground gravity program was completed at the Marla Project (South Australia) following signing of Native Title Agreements
- The Company was awarded a $40,000 co-funding grant as part of the South Australian Government's PACE 2020 Initiative for the ground gravity survey and a further $90,000 for follow up drilling.

Corporate & Financial

- A fully underwritten non-renounceable 1 for 5 rights issue was completed in December 2011, raising $1.9 million after costs.

Strategy & Outlook

- Uranium Equities will continue activities in the exploration, evaluation and acquisition of uranium projects with the objective of establishing a significant uranium production business.
- The Company, in conjunction with joint venture partners, will continue to explore in premier Australian uranium districts in the coming year.
- Operation of the PhosEnergy Demonstration Plant in the USA and an associated Pre-Feasibility level Engineering Study is designed to progress the technology towards commercialisation and operation of a full scale plant. Cameco's continued funding along with technical and corporate development support is an important endorsement for the Process.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company other than those detailed in section 5 'Review and results of operations'.

7. REMUNERATION REPORT – AUDITED

This report outlines remuneration arrangements in place for directors and executives of Uranium Equities and the consolidated entity.

7.1 Principles of compensation

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity and include directors and other executives.

The broad remuneration policy of the Company is to ensure that remuneration levels for executive directors, secretaries and other key management personnel are set at competitive levels to attract and retain appropriately qualified and experienced personnel. Remuneration packages include a combination of fixed remuneration and long term incentives.

As the consolidated entity is in the exploration and technology development stage, none of the remuneration of key management personnel is linked directly to performance, particularly earnings. The Employee and Consultants Option Plan however provide key management personnel incentives to maximise shareholder returns through increases in share prices over time. Option exercise prices are set at a premium to the share price at grant date.

The consolidated entity's performance over the last 5 years is as follows:

	2012 $	2011 $	2010 $	2009 $	2008 $
Loss attributable to owners of the company	(2,047,865)	(2,494,378)	(997,778)	(6,494,848)	(7,057,178)
Dividends paid	-	-	-	-	-
Change in share price	(0.02)	-	(0.04)	(0.11)	(0.27)

Fixed compensation

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers the person's responsibilities, expertise, duties and personal performance.

Long-term incentives

Options may be issued under the Employee and Consultants Option Plan to directors (subject to shareholder approval), employees and consultants of the Company and, subject to discretion of the directors, vested options must be exercised within 3 months of termination. Typically, other than continuing to provide services to the Company, there is no performance hurdle required to be achieved by the Company to enable the options to be exercised.

The Company believes that the issue of options aligns the interests of directors, employees and shareholders alike. Importantly, option exercise prices are generally set at a premium to the share price.

The Company's Securities Trading Policy prohibits options being exercised or the use of derivatives to limit risk in a closed period or whilst an optionholder has price sensitive inside information.

Performance related compensation

The Company currently has no formal performance related remuneration policy which governs the payment of annual cash bonuses upon meeting pre-determined performance targets. However, the Board may consider performance related remuneration in the form of cash or share options when they consider these to be warranted.

Employment contracts

The terms and conditions of the Managing Director's employment contract include annual remuneration of $285,000 plus superannuation, no fixed term and a standard notice period of 3 months. If Mr Jones' role undergoes a material variation or diminution of responsibilities, including material change in his authority in respect of the business of the Company or a change in his reporting relationship with the Board, then Mr Jones shall have the option to terminate his contract, and if he so elects the Company will pay him 6 month's salary in addition to statutory entitlements of annual and long service leave. No other termination benefits are payable.

The CFO and Company Secretary has a contract of employment with the Company which is of unlimited term and capable of termination on one month's notice. Termination payments are linked to length of service with a maximum of 8 weeks base salary payable after 4 years of service.

Non-executive directors

The Board recognises the importance of attracting and retaining talented non-executive directors and aims to remunerate these directors in line with fees paid to directors of companies in the mining and exploration industry of a similar size and complexity.

Total fees for all non-executive directors, last voted upon by shareholders at the 2006 Annual General Meeting ('AGM'), are not to exceed $200,000 per annum. Other than superannuation, non-executive directors are not provided with retirement benefits.

7.2 Directors' and executive officers' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel are:

		SHORT-TERM PAYMENTS			POST-EMPLOYMENT PAYMENTS	TERMINATION BENEFITS	SHARE-BASED PAYMENTS	TOTAL	
CONSOLIDATED AND THE COMPANY KEY MANAGEMENT PERSONNEL		SALARY & FEES $	NON-MONETARY BENEFITS $	TOTAL $	SUPER-ANNUATION BENEFITS $	$	OPTIONS (A) $	$	VALUE OF OPTIONS AS PROPORTION OF REMUNERATION %
DIRECTORS									
A W Kiernan	2012	64,220	3,067	67,287	5,780	-	-	73,067	-
	2011	37,994	4,042	42,036	25,340	-	61,111	128,487	48%
B L Jones	2012	283,058	3,427	286,485	23,050	-	-	309,535	-
	2011	258,333	4,392	262,725	23,250	-	61,111	347,086	18%
T R B Goyder	2012	55,046	3,067	58,113	4,954	-	-	63,067	-
	2011	48,930	4,042	52,972	4,404	-	61,111	118,487	52%
T C Pool	2012	60,000	3,067	63,067	-	-	585	63,652	1%
(appointed 21 April 2011)	2011	11,667	674	12,341	-	-	5,329	17,670	30%
EXECUTIVES									
R A Heinrich (CFO & Company Secretary)	2012	195,833	3,640	199,473	17,625	-	7,546	224,644	3%
	2011	175,000	4,587	179,587	15,750	-	20,925	216,262	10%

Notes in relation to the table of directors' and executive officers' remuneration

A. The fair value of the options is calculated at the date of grant using a binomial option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated to this reporting period. The following factors and assumptions were used in determining the fair value of options granted to key management personnel during the year:

GRANT DATE	EXPIRY DATE	FAIR VALUE PER OPTION	EXERCISE PRICE	PRICE OF ORDINARY SHARES ON GRANT DATE	EXPECTED VOLATILITY	RISK FREE INTEREST RATE	DIVIDEND YIELD
7-Jul-11	7-Jul-14	$0.030	$0.250	$0.079	96%	4.75%	Nil
22-Nov-11	24-Nov-14	$0.015	$0.250	$0.055	90%	4.50%	Nil

Details of performance related remuneration

Details of the consolidated entity's policy in relation to the proportion of remuneration that is performance related is discussed in section 7.1 of this report.

7.3 Equity instruments

7.3.1 Options over equity instruments granted as compensation

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that vested during the reporting period are as follows:

	NUMBER OF OPTIONS GRANTED DURING 2012	GRANT DATE	NUMBER OF OPTIONS VESTED DURING 2012	FAIR VALUE PER OPTION AT GRANT DATE ($)	EXERCISE PRICE ($)	EXPIRY DATE
DIRECTORS						
T C Pool	500,000	22-Nov-11	250,000	0.015	0.250	24-Nov-14
EXECUTIVES						
R A Heinrich	250,000	7-Jul-11	250,000	0.030	0.250	7-Jul-14

7.3.2 Exercise of options granted as compensation

There were no shares issued on the exercise of options previously granted as compensation during the year.

7.3.3 Analysis of options over equity instruments granted as compensation

Details of the vesting profile of the options granted as remuneration to each director of the Company and each of the named Company executives are set out below.

	NUMBER GRANTED	DATE GRANTED	% VESTED IN YEAR	FORFEITED IN YEAR	FINANCIAL YEAR IN WHICH GRANT VESTS
DIRECTORS					
T C Pool	250,000	22-Nov-11	100	-	2012
	250,000	22-Nov-11	-	-	2013
EXECUTIVES					
R A Heinrich	250,000	7-Jul-11	100	-	2012

7.3.4 Analysis of movement in options

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each Company director and each of the named key management personnel is detailed below.

	VALUE OF OPTIONS		
	GRANTED IN YEAR $ (A)	EXERCISED IN YEAR $ (B)	LAPSED IN YEAR $ (C)
DIRECTORS			
B L Jones	-	-	-
A W Kiernan	-	-	-
T R B Goyder	-	-	-
T C Pool	7,375	-	-
EXECUTIVES			
R A Heinrich	7,546	-	-

A. The value of options granted in the year is the fair value of the options calculated at grant date using a binomial option-pricing model. The total value of the options granted is included in the table above. This amount is allocated to remuneration over the vesting period.

B. The value of options exercised during the year is calculated as the market price of shares of the Company on the ASX as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

C. The value of the options that lapsed during the year represents the benefit foregone and is calculated at the date the option lapsed using a binomial option-pricing model with no adjustments for whether the performance criteria have or have not been achieved.

8. DIVIDENDS

No dividends were declared or paid for the previous year and the directors recommend that no dividend be paid for the current year.

9. EVENTS SUBSEQUENT TO REPORTING DATE

Except as mentioned below, in the opinion of the directors there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

On 11th September 2012 the Company announced it had consolidated ownership of the Nabarlek Project surrounding the historic Nabarlek Uranium Mine. Uranium Equities has the right to acquire Cameco Australia's 60% interest in the West Arnhem Joint Venture by spending $2 million over 4 years. Cameco retains the right to 'Claw Back' to a 51% interest in the project on delineation of a Measured and Indicated JORC Compliant Resource of greater than 50 million pounds U_3O_8.

As part of the broader agreement, Uranium Equities will also move from a 40 per cent contributing interest to a free-carried 15 per cent interest in the separate Rudall River Joint Venture which adjoins the Kintyre uranium deposit owned by Cameco/Mitsubishi. Cameco must sole-fund a minimum of $1 million exploration expenditure over three years to earn the additional 25% interest.

On 19th September 2012 the Company announced the successful completion of the first operating phase of its PhosEnergy Demonstration Plant in the USA, marking another step towards commercialisation of this ground-breaking technology. High uranium recoveries (greater than 90 per cent) were consistently achieved during steady state operations and the trials have supported the Company's operating and capital cost assumptions.

10. LIKELY DEVELOPMENTS

The Company will continue activities in the exploration, evaluation, development and acquisition of uranium projects and the commercialisation of the PhosEnergy Process with the objective of establishing a significant uranium production business.

11. DIRECTORS' INTERESTS

Securities

The relevant interest of each director in the shares, rights or options over such instruments issued by the Company and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES
A W Kiernan	4,028,677	2,000,000
B L Jones	923,130	1,300,000
T R B Goyder	38,533,199	1,000,000
T C Pool	559,548	500,000

12. OPTIONS

Options granted to directors and officers of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following directors and officers of the Company as part of their remuneration:

	NUMBER OF OPTIONS GRANTED	EXERCISE PRICE ($)	EXPIRY DATE
DIRECTORS			
T C Pool	500,000	0.250	24-Nov-14
EXECUTIVES			
R A Heinrich	250,000	0.250	7-Jul-14

All options were granted during the financial year.

Unissued shares under options

At the date of this report, 10,025,000 unissued ordinary shares of the Company are under option on the following terms and conditions

EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS
15-Nov-12	$0.600	500,000
01-Mar-13	$0.300	2,300,000
01-Mar-13	$0.450	750,000
15-Nov-13	$0.250	875,000
02-Dec-13	$0.300	500,000
25-Nov-13	$0.250	3,000,000
21-Feb-14	$0.078	300,000
7-Jul-14	$0.250	1,300,000
24-Nov-14	$0.250	500,000

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

During or since the end of the financial year, the Company has not issued ordinary shares as a result of the exercise of options.

13. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the directors and officers who have held office of the Company or its controlled entities during this financial year, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the financial year the Company has paid insurance premiums of $15,335 in respect of Directors' and Officers' liability and legal expenses insurance contracts, for current and former directors and officers, including executive officers of the Company and directors and executive officers and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The amount of insurance paid is included in directors and executives remuneration.

14. NON-AUDIT SERVICES

During the year KPMG, the Company's auditor, has performed no other services in addition to their statutory audit duties.

15. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 32 and forms part of the directors' report for financial year ended 30 June 2012.

This report is made with a resolution of the directors:

Bryn Jones
Managing Director

Dated at Adelaide this the 21st day of September 2012.

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Uranium Equities Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Derek Meates
Partner

Adelaide

21 September 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	2012	2011
Option fee		-	222,222
Advisory and other income		-	23,985
TOTAL REVENUE		**-**	246,207
Impairment losses on exploration and evaluation assets	13	(128,475)	(37,507)
Corporate and administration expenses	3	(919,678)	(1,153,562)
Profit on sale of available f or sale of investments		-	41
Loss on disposal of a fixed assets		(683)	(5,070)
Reversal of impairment of investments		-	16,000
RESULTS FROM OPERATING ACTIVITIES		**(1,048,836)**	(933,891)
Finance income	6	226,108	374,522
Finance costs	6	(104,964)	(108,142)
NET FINANCE INCOME		**121,144**	266,380
Impairment loss on equity accounted investee	12	-	(3,653,516)
Share of equity accounted investee losses	12	(1,386,923)	(1,652,575)
Gain on loss of control	23	-	1,528,036
LOSS BEFORE INCOME TAX		**(2,314,615)**	(4,445,566)
Income tax benefit	7	266,750	243,433
LOSS FOR THE PERIOD		**(2,047,865)**	(4,202,133)
OTHER COMPREHENSIVE INCOME			
Foreign currency translation differences for foreign operations		122,647	(861)
TOTAL OTHER COMPREHENSIVE INCOME		122,647	(861)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(1,925,218)**	(4,202,994)
LOSS ATTRIBUTABLE TO:			
Owners of the company		(2,047,864)	(2,494,378)
Non-controlling interest		-	(1,707,755)
LOSS FOR THE PERIOD		**(2,047,865)**	(4,202,133)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Owners of the company		(1,925,218)	(2,495,239)
Non-controlling interest		-	(1,707,755)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(1,925,218)**	(4,202,994)
EARNINGS PER SHARE			
Basic loss per share attributable to ordinary equity holders (cents per share)	8	(0.009)	(0.012)
Diluted loss per share attributable to ordinary equity holders (cents per share)	8	(0.009)	(0.012)

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 38 to 67.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

Attributable to equity holders of the Group

	NOTE	SHARE CAPITAL $	SHARE OPTION RESERVE $	TRANSLATION RESERVE $	ACCUMULATED LOSSES $	TOTAL $	NON-CONTROLLING INTEREST $	TOTAL EQUITY $
BALANCE AT 1 JULY 2011		**44,997,404**	**5,244,681**	**(861)**	**(27,243,962)**	**22,997,262**	**-**	**22,997,262**
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD								
Profit or (Loss)		-	-	-	(2,047,865)	(2,047,865)	-	(2,047,865)
OTHER COMPREHENSIVE INCOME/ (LOSS)								
Foreign Currency Translation differences for foreign operations		-	-	122,647	-	122,647	-	122,647
Total Other Comprehensive Income/ (Loss)		-	-	122,647	-	122,647	-	122,647
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		**-**	**-**	**122,647**	**(2,047,865)**	**(1,925,218)**	**-**	**(1,925,218)**
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY TO EQUITY								
Issue of ordinary shares		1,906,327	-	-	-	1,906,327	-	1,906,327
Share-based payment transactions		-	45,152	-	-	45,152	-	45,152
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS		**1,906,327**	**45,152**	**-**	**-**	**1,951,479**	**-**	**1,951,479**
BALANCE AT 30 JUNE 2012		**46,903,731**	**5,289,833**	**121,786**	**(29,291,827)**	**23,023,523**	**-**	**23,023,523**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 38 to 67.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - CONTINUED

FOR THE YEAR ENDED 30 JUNE 2012

Attributable to equity holders of the Group

	NOTE	SHARE CAPITAL $	SHARE OPTION RESERVE $	TRANSLATION RESERVE $	ACCUMULATED LOSSES $	TOTAL $	NON-CONTROLLING INTEREST $	TOTAL EQUITY $
BALANCE AT 1 JULY 2010		**44,997,404**	**4,993,648**	**106,372**	**(28,715,262)**	**21,382,162**	**54,955**	**21,437,117**
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD								
Profit or (Loss)		-	-	-	(2,494,378)	(2,494,378)	(1,707,755)	(4,202,133)
OTHER COMPREHENSIVE INCOME/ (LOSS)								
Foreign Currency Translation differences for foreign operations		-	-	(861)	-	(861)	-	(861)
Total Other Comprehensive Income/ (Loss)		-	-	(861)	-	(861)	-	(861)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		**-**	**-**	**(861)**	**(2,494,378)**	**(2,495,239)**	**(1,707,755)**	**(4,202,994)**
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY TO EQUITY								
Share-based payment transactions		-	**251,033**	-	-	**251,033**	-	**251,033**
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS		-	251,033	-	-	251,033	-	251,033
Dilution in ownership interest in subsidiaries	24	-	-	-	3,965,678	3,965,678	1,973,271	5,938,949
Loss of control of subsidiary	23	-	-	(106,372)	-	(106,372)	(320,471)	(426,843)
TOTAL TRANSACTIONS WITH OWNERS		**-**	**251,033**	**(106,372)**	**3,965,678**	**3,859,306**	**1,652,800**	**5,512,106**
BALANCE AT 30 JUNE 2011		**44,997,404**	**5,244,681**	**(861)**	**(27,243,962)**	**22,997,262**	**-**	**22,997,262**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 38 to 67.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	2012	2011
CURRENT ASSETS			
Cash and cash equivalents	9	2,114,575	3,128,358
Trade and other receivables	10	325,206	578,357
TOTAL CURRENT ASSETS		**2,439,781**	3,706,715
NON-CURRENT ASSETS			
Restricted Cash	11	1,786,179	1,852,038
Equity accounted investees	12	973,241	2,237,517
Exploration and evaluation assets	13	19,820,909	17,058,767
Property, plant and equipment	14	269,215	334,290
TOTAL NON-CURRENT ASSETS		**22,849,544**	21,482,612
TOTAL ASSETS		**25,289,325**	25,189,327
CURRENT LIABILITIES			
Trade and other payables	15	363,845	315,685
Provisions	16	367,636	381,079
Employee benefits	17	179,509	193,400
TOTAL CURRENT LIABILITIES		**910,990**	890,164
NON-CURRENT LIABILITIES			
Provisions	16	1,278,846	1,239,265
Employee benefits	17	75,966	62,636
TOTAL NON-CURRENT LIABILITIES		**1,354,812**	1,301,901
TOTAL LIABILITIES		**2,265,802**	2,192,065
NET ASSETS		**23,023,523**	22,997,262
EQUITY			
Share capital	18	46,903,731	44,997,404
Reserves		5,411,619	5,243,820
Accumulated losses		(29,291,827)	(27,243,962)
TOTAL EQUITY		**23,023,523**	22,997,262

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 38 to 67.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operations		-	-
Cash paid to suppliers and employees		(847,117)	(739,306)
Interest paid		(38,479)	(39,777)
Interest received		233,735	396,095
Income tax received		510,184	179,748
NET CASH FROM/(USED) IN OPERATING ACTIVITIES	26	**(141,677)**	(203,240)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	26,707
Payments for investments		-	(5,356,183)
Consideration received for non-controlling interest		-	5,938,948
Payments for mining exploration and evaluation and rehabilitation		(2,827,400)	(4,874,338)
Acquisition of property, plant and equipment		(16,892)	(64,400)
Loss of control of subsidiary	23	-	(117,372)
NET CASH USED IN INVESTING ACTIVITIES		**(2,844,292)**	(4,446,638)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares		1,906,327	-
Movement in restricted cash		65,859	3,766
NET CASH FROM FINANCING ACTIVITIES		**1,972,186**	3,766
Net increase/(decrease) in cash and cash equivalents		(1,013,783)	(4,636,112)
Cash and cash equivalents at 1 July		3,128,358	8,745,254
Effect of exchange rate fluctuations on cash held		-	(970,784)
CASH AND CASH EQUIVALENTS AT 30 JUNE	9	**2,114,575**	3,128,358

The consolidated statement of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 38 to 67.

1. SIGNIFICANT ACCOUNTING POLICIES

Uranium Equities Limited is a company domiciled in Australia at Level 5, 29 King William Street, Adelaide, South Australia. The consolidated financial report of the Company for the financial year ended 30 June 2012 comprises the Company and its subsidiaries (together referred to as the 'consolidated entity').

The financial report was authorised for issue by the directors on 21st September 2012.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') including Australian Interpretations adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report of the consolidated entity complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of Preparation

The financial report is presented in Australian dollars, the Company's functional currency, and is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as available for sale.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2012 the consolidated entity had accumulated losses of $29.3 million, however net assets are $25.3 million and the directors believe the consolidated entity has sufficient cash and cash equivalents of $2.1 million to pay its debts as and when they fall due. It is the intention of the directors to continue to explore the consolidated entity's areas of interest for which rights of tenure are current; minimum expenditure commitments for these tenements total $3.1 million for the next year. In order to do so, the directors consider that the consolidated entity will fund its projects through a combination of use of existing cash, joint venture arrangements, access to the equity market and asset sales, if necessary. The directors will take the appropriate action, including curtailing expenditure, to ensure these funds are available as and when they are required.

The directors have reviewed the operating outlook for the consolidated entity and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the consolidated entity will achieve the matters set out above. In the event the consolidated entity is unable to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in this financial report.

Standards issued and available for early adoption but not applied by the consolidated entity are not expected to have a significant impact on the financial report of the consolidated entity and the Company.

Use of Estimates and Judgements

The preparation of a financial report in conformity with AASB's requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

(i) Recoverability of exploration expenditure

The carrying amount of exploration and evaluation expenditure is dependent on the future successful outcome from exploration activity or alternatively the sale of the respective areas of interest.

(ii) Share-based payment transactions

The consolidated entity measures the cost of equity-settled share-based payments at fair value at the grant date using a binomial formula taking into account the terms and conditions upon which the instruments were granted.

(iii) Rehabilitation provision

Estimates and assumptions of the appropriate discount rate at which to discount the liability, the timing of cash flows, the application of relevant environmental legislation and the future expected costs of rehabilitation are all used in determining the carrying value of the rehabilitation provision. The carrying amount of the provision is set out in note 16.

The accounting policies described below have been applied consistently to all periods presented and to all entities in the consolidated entity.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.
The financial statements of subsidiaries are included in the consolidated financial report from the date that control commences until the date that control ceases.

All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. Transaction costs that the consolidated entity incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Dilution gains and losses on increases in non-controlling interests of subsidiaries are recorded directly to equity rather than the consolidated statement of comprehensive income, reflecting the view that non-controlling interests are equity interests.

(ii) Associates

Associates are those entities in which the consolidated entity has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the consolidated entity holds between 20 and 50 percent of the voting power of another entity. Other qualitative factors are also considered in determining if the consolidated entity has significant influence where the consolidated entity holds less than 20 percent of the voting power.

Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The financial statements include the consolidated entity's share of the income and expenses and equity movements of equity accounted investees, after adjustment to align the accounting policies with those of the consolidated entity, from the date that significant influence commences until the date that significant influence ceases. When the consolidated entity's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the consolidated entity has an obligation or has made payments on behalf of the investee.

(iii) Joint ventures

The interests of the consolidated entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements its share of jointly controlled assets, jointly incurred liabilities and expenses, and its share of income that it earns from the sale of any goods or services by the joint venture.

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Common control transactions

Transfers of investments in associates between companies under common control are recorded at book value.

(d) Foreign currency translation

Items included in the financial statements of each of the consolidated entity's controlled entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when they are deferred in equity as part of the net investment in a foreign operation.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are taken to shareholders' equity. When a foreign operation is sold, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Segment reporting

The Company determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the consolidated entity's chief operating decision maker.

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components.

Segment results that are reported to the Managing Director included items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's corporate office), corporate office expenses, and income tax assets and liabilities.

(f) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (m)). The cost of assets includes the cost of materials, direct labour, and where appropriate, an appropriate proportion of overheads.

(ii) Leased assets

Leases in terms of which the consolidated entity assumes substantially all of the risks and rewards of ownership are classified as finance leases. The plant and equipment acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy (m)).

(iii) Subsequent costs

The consolidated entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

(g) Depreciation

Depreciation is charged to the income statement on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- plant and equipment 7%-40%
- fixtures and fittings 11%-22%
- motor vehicles 22.5%

The residual value, if not insignificant, is reassessed annually.

(h) Exploration, evaluation, development and tenement acquisition costs

Exploration, evaluation, development and tenement acquisition costs in relation to separate areas of interest for which rights of tenure are current, are capitalised in the period in which they are incurred and are carried at cost less accumulated impairment losses. The cost of acquisition of an area of interest and exploration expenditure relating to that area of interest is carried forward as an asset in the statement of financial position so long as the following conditions are satisfied:

1) the rights to tenure of the area of interest are current; and
2) at least one of the following conditions is also met:
   - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
   - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure is assessed for impairment when facts and circumstances suggest that their carrying amount exceeds the recoverable amount and where this is the case an impairment loss is recognised. Should a project or an area of interest be abandoned, the expenditure will be written off in the period in which the decision is made. Where a decision is made to proceed with development, accumulated expenditure will be tested for impairment, and reclassified to development, before being amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

(i) Investments

Financial instruments held by the consolidated entity are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised in equity through other comprehensive income, except for impairment losses which are recognised in profit or loss. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of financial instruments classified as available-for-sale is their quoted bid price at the reporting date.

Financial instruments classified as available-for-sale investments are recognised or derecognised by the consolidated entity on the date it commits to purchase or sell the investments.

When a decline in the fair value of an available-for-sale financial asset has been recognised in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

(j) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy (m)).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits which are readily convertible to cash. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(l) Restricted Cash

Funds placed on deposit with financial institutions to secure bank guarantees are classified as restricted cash.

(m) Impairment

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. A cash generating unit is the smallest group of assets that generate cashflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical and commercial feasibility or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted or planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each CGU which is no larger than the area of interest.

(n) Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Share capital

(i) Ordinary share capital

Ordinary shares and partly paid shares are classified as equity.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(p) Leases

Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments.

Other leases are operating leases and are not recognised in the consolidated statement of financial position.

(q) Employee benefits

(i) Share-based payment transactions

The Company provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The Company currently provides benefits under an Employee and Consultants Share Option Plan.

The cost of these equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and

(ii) the number of awards that, in the opinion of the directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(ii) Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

The consolidated entity's obligation in respect of long-term employee benefits such as long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discountedto determine its present value using corresponding government bond yields as a discount rate.

(r) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The consolidated entity records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities and restoration of affected areas.

When the rehabilitation provision is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation assets.

At each reporting date the rehabilitation provision is re-measured to reflect any changes in discount rates and timing and amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and are added to, or deducted from, the related exploration and evaluation asset.

The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in exploration and evaluation assets is capitalised in accordance with accounting policy (h) and (m).

(s) Trade and other payables

Trade and other payables are stated at amortised cost.

(t) Revenue

(i) Other income - sales of assets and investments

Income from the sale of assets and investments is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to external parties.

(ii) Option fee

Revenue from option fees is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date. Any balance not taken to the statement of comprehensive income is recorded as deferred income in the statement of financial position.

(u) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense and spread over the lease term.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, the discount unwind on rehabilitation provisions and interest receivable on funds invested.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the statement of comprehensive income using the effective interest method.

(v) Income tax

Income tax in the statement of comprehensive income for the periods presented comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(i) Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

(ii) Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/ consolidated entity intends to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(w) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. SEGMENT REPORTING

Business segments

The consolidated entity comprises the following reportable segments which are strategic business units:

(i) PhosEnergy – development of uranium extraction from phosphoric acid technology

(ii) Exploration – brownfields and greenfields mineral exploration

The PhosEnergy process is being developed by Urtek LLC, a USA registered company. The consolidated entity has a beneficial interest in Urtek LLC and is providing management services to it.

Exploration activities are based in Australia, mainly in the Northern Territory, South Australia and Western Australia.

	PHOSENERGY		EXPLORATION		TOTAL	
	2012	2011	2012	2011	2012	2011
SEGMENT REVENUE	-	-	-	222,222	-	222,222
Advisory and other income					-	23,985
TOTAL REVENUE					-	246,207
SEGMENT RESULT	(1,400,689)	(3,793,418)	(128,475)	184,715	(1,529,164)	(3,608,703)
Corporate administrative expenses					(869.044)	(1,081,531)
Depreciation and amortisation					(50,635)	(72,032)
Net financing income					121,144	266,380
Other					13,084	50,320
LOSS BEFORE INCOME TAX					(2,314,615)	(4,445,566)
SEGMENT ASSETS	973,241	2,237,517	21,705,282	18,878,768	22,678,523	21,116,285
Unallocated assets					2,610,802	4,073,042
TOTAL ASSETS					25,289,325	25,189,327
SEGMENT LIABILITIES	-	-	1,808,688	1,674,391	1,808,688	1,674,391
Unallocated liabilities					457,114	517,674
TOTAL LIABILITIES					2,265,802	2,192,065

3. CORPORATE ADMINISTRATIVE EXPENSES

	NOTE	2012	2011
Accounting fees		58,470	51,195
Annual report costs		17,737	16,270
ASX fees		24,933	27,370
Audit fees	5	52,000	52,500
Depreciation and amortisation		50,635	72,032
Insurance		47,822	55,786
Legal fees		13,870	43,066
Marketing		6,039	15,536
Other		52,777	63,394
Personnel expenses	4	483,806	594,176
Printing and stationery		2,590	4,885
Recruitment		-	65,440
Rent and outgoings		16,128	15,312
Share registry		12,595	16,623
Travel and accommodation		80,276	59,977
		919,678	1,153,562

4. PERSONNEL EXPENSES

	NOTE	2012	2011
Wages and salaries		161,584	14,992
Directors' fees		190,000	128,333
Other associated personnel expenses		46,613	71,823
Superannuation fund contributions		41,019	32,216
Increase/(decrease) in liability for annual leave		(13,892)	68,015
Increase in provision for long service leave		13,330	27,764
Equity-settled transactions	17	45,152	251,033
		483,806	594,176

5. AUDITORS' REMUNERATION

AUDIT SERVICES	2012	2011
AUDITORS OF THE COMPANY		
KPMG Australia:		
Audit and review of financial reports	**52,000**	52,500

6. NET FINANCING INCOME

	2012	2011
Interest income	**226,108**	374,522
Unwind of discount on rehabilitation provision	(64,412)	(67,300)
Net foreign exchange gain/(loss)	(2,073)	(1,065)
Interest expense	(38,479)	(39,777)
Total financial expenses	**(104,964)**	(108,142)
Net financing income	**121,144**	266,380

There were no borrowing costs capitalised during 2012 or 2011.

7. INCOME TAX

	2012	2011
Current tax benefit	266,750	243,433
Total income tax benefit reported in the statement of comprehensive income	**266,750**	243,433

Numerical reconciliation between tax expense and pre-tax net loss:

	2012	2011
Loss before tax	2,314,615	4,445,566
Income tax benefit using the domestic corporation tax rate of 30% (2011: 30%)	694,385	1,333,670
Decrease in income tax benefit due to:		
Non-deductible expenses	(14,251)	(76,165)
Tax benefit on PhosEnergy losses not recognised	(379,283)	(1,133,675)
Over/(under) provision in prior period	317,338	363,174
Current and deferred tax expense/(benefit) not recognised	(351,439)	(243,571)
Income tax benefit on loss before tax	**266,750**	243,433

Deferred tax assets and liabilities for the consolidated entity are attributable to the following:

CONSOLIDATED	ASSETS		LIABILITIES		NET	
	2012	2011	2012	2011	2012	2011
Exploration and evaluation assets	-	-	5,946,273	5,117,630	5,946,273	5,117,630
Capital raising costs	(52,996)	-	-	-	(52,996)	-
Legal costs	-	(59,066)	-	-	-	(59,066)
Rehabilitation provision	(493,945)	(486,103)	-	-	(493,945)	(486,103)
Other items	(83,092)	(84,912)	2,166	4,455	(80,926)	(80,457)
	(630,033)	(630,081)	**5,948,439**	5,122,085	**5,318,406**	4,492,004
Tax losses used to offset net deferred tax liability					(5,318,406)	(4,492,004)
Net deferred tax assets and liabilities					-	-

Deferred tax assets have not been recognised in respect of the following items:

	2012	2011
Unrecognised tax losses – Revenue	6,242,005	5,959,715
Unrecognised tax losses – Capital	-	-
Unrecognised tax losses – Total	**6,242,005**	5,959,715
Unrecognised deferred tax asset on unused tax losses	**1,872,601**	1,787,914

8. EARNINGS PER SHARE

Basic and diluted earnings/(loss) per share

The calculation of basic and diluted loss per share at 30 June 2012 was based on the loss attributable to ordinary shareholders of the parent entity of $2,047,865 (2011: $2,494,378) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2012 of 233,125,227 (2011: 210,260,801)

9. CASH AND CASH EQUIVALENTS

	2012	2011
Bank balances	265,432	198,358
Term deposits	1,849,143	2,930,000
Cash and cash equivalents in the statement of cash flows	**2,114,575**	3,128,358

The effective interest rate earned on deposits during the year was 4.77%.

10. TRADE AND OTHER RECEIVABLES

	2012	2011
CURRENT		
Other trade receivables	287,792	287,628
Prepayments	37,414	47,296
Income tax receivable	-	243,433
	325,206	578,357

11. RESTRICTED CASH

	2012	2011
Bank guarantees in relation to rehabilitation obligations	1,754,141	1,820,000
Bank guarantee in relation to office premises	32,038	32,038
	1,786,179	1,852,038

The effective interest rate earned on deposits during the year was 4.93%.

Bank guarantees in relation to rehabilitation obligations are held by the Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources for rehabilitation obligations on the Nabarlek Mineral Lease.

12. EQUITY ACCOUNTED INVESTEES

	2012	2011
UFP INVESTMENTS LLC (UFP)		
Investment in equity accounted investee	2,360,087	2,239,655
Share of equity accounted investee losses	(1,386,846)	(2,138)
	973,241	2,237,517
URTEK LLC		
Investment in equity accounted investee	-	5,356,183*
Share of equity accounted investee losses	-	(1,650,438)
Impairment losses	-	(3,705,745)
	-	-

* at 21 June 2011

Summary financial information for equity-accounted investees, not adjusted for the percentage ownership held by the consolidated entity:

	REPORTING DATE	OWNERSHIP AT 30 JUNE	CURRENT ASSETS	TOTAL ASSETS	TOTAL LIABILITIES	PROFIT/ (LOSS)
2012						
UFP	30-Jun	47%	2,079,068	2,079,608	718	(2,950,899)
2011						
UFP	30-Jun	47%	4,772,776	4,772,776	4,352	(4,548)

The Company and Cameco Corporation have developed a potentially industry-changing process for the extraction of uranium from phosphoric acid streams produced in the production of phosphate-based fertilisers, "the PhosEnergy Process". Urtek LLC, a USA based company is the entity in which the development is being made.

In June 2011, Cameco Corporation took control of UFP Investments LLC (UFP), the company holding the Company's investment in Urtek LLC, by taking their contribution to US$12.5 million. The consolidated entity's remaining 47% investment in UFP was recognised as an associate at fair value (US$2.4 million) which equalled the consolidated entity's share of the book value of net assets at 30 June 2011 consisting entirely of cash and cash equivalents. This investment is translated at each balance date into the consolidated entity's functional currency at the prevailing AUD/USD exchange rate.

In August 2011, UFP increased its equity in Urtek to 90% in accordance with the Urtek Earn-in Agreement and took control of Urtek LLC.

The share of equity accounted investee losses in the period of $1,386,923 (2011: $2,138) represents the consolidated entity's equity accounted share of the movement in UFP's net assets. Principally, UFP's investment in Urtek was written off reflecting research and development expenditure made within Urtek in the period.

As discussed in note 27, Tom Pool, a Director of the Company held a beneficial interest in Urtek LLC up until 29 August 2011 at which time the beneficial interest was sold to Cameco Corporation.

13. EXPLORATION AND EVALUATION EXPENDITURE

	2012	2011
Cost brought forward	17,058,767	13,185,912
Expenditure incurred during the year	2,890,617	3,910,362
Impairment losses	(128,475)	(37,507)
	19,820,909	17,058,767

Interests in some exploration projects in Northern Territory were relinquished during the year.

14. PROPERTY, PLANT AND EQUIPMENT

	2012	2011
At cost	866,203	859,408
Less: accumulated depreciation	(596,988)	(525,118)
	269,215	334,290
PLANT AND EQUIPMENT		
Carrying amount at beginning of financial year	334,290	408,181
Additions	17,346	35,654
Disposals/written-off	(1,138)	(5,070)
Depreciation	(81,283)	(104,475)
Carrying amount at end of financial year	**269,215**	334,290
Total property, plant and equipment	**269,215**	334,290

15. TRADE AND OTHER PAYABLES

	2012	2011
Trade payables	97,560	172,233
Other creditors and accrued expenses	266,195	143,452
	363,845	315,685

16. PROVISIONS

	2012	2011
CURRENT		
Rehabilitation	367,636	381,079
	367,636	381,079
NON-CURRENT		
Rehabilitation	1,278,846	1,239,265
	1,278,846	1,239,265

The Company assumed all obligations for rehabilitation at the Nabarlek Mineral Lease following the acquisition of Queensland Mines Pty Ltd in 2008. During the year erosion control works and water monitoring were undertaken on the lease.

17. EMPLOYEE BENEFITS

	2012	2011
CURRENT		
Liability for annual leave	179,509	193,400
NON-CURRENT		
Provision for long service leave	75,966	62,636
	255,475	256,036

Share based payments

(a) Employee and Consultant Share Option Plan

The Company has an Employee and Consultant Share Option Plan (ESOP) in place which was most recently approved at the annual general meeting held on 22 November 2011.

Under the terms of the Employees and Consultants Option Plan, the Board may offer options at no consideration to full-time or part-time employees (including persons engaged under a consultancy agreement) and executive and non-executive directors.

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options is such price as determined by the Board. An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

Share options were granted to directors, employees and consultants on the following terms and conditions during the year:

GRANT DATE	NUMBER OF INSTRUMENTS	CONTRACTUAL LIFE OF OPTIONS
7 July 2011	1,300,000	3 years
22 November 2011	500,000	3 years
21 February 2012	300,000	2 years

All of the options vested on the grant date with the exception of 250,000 of the options granted on 22 November 2011 which vest on 22 November 2012.

The number and weighted average exercise prices of share options is as follows:

	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS
	2012	2012	2011	2011
Outstanding at the beginning of the period	$0.315	12,800,000	$0.35	11,280,000
Forfeited during the period	-	-	-	-
Expired during the period	$0.342	(2,975,000)	$0.363	(2,355,000)
Exercised during the period	-	-	-	-
Granted during the period	$0.225	2,100,000	$0.25	3,875,000
Outstanding at the end of the period	$0.293	11,925,000	$0.315	12,800,000
Exercisable at the end of the period	$0.294	11,675,000	$0.315	12,800,000

The options outstanding at the end of the period have an exercise price in the range of $0.078 to $0.60 and a weighted average contractual life of 4 years.

The fair value of the options is estimated at the date of grant using the binomial option pricing model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2012.

FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS (WEIGHTED AVERAGE)	2012	2011
Share price at grant date	$0.07	$0.14
Exercise price	$0.225	$0.25
Expected volatility (expressed as weighted average volatility used in the modelling under binominal option-pricing model)	93%	85%
Option life (expressed as weighted average life used in the modelling under binominal option-pricing model)	3 years	3 years
Expected dividends	-	-
Risk-free interest rate	4.62%	4.75%

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Employee share options are granted under a service condition. Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

(b) Employee Expenses

	2012 $	2011 $
Share options granted in 2009 - equity settled	-	2,215
Share options granted in 2011 - equity settled	-	248,818
Share options granted in 2012 - equity settled	45,152	-
Share options forfeited and prior year cost written back	-	-
Total expense recognised as employee costs (Note 4)	**45,152**	251,033

18. CAPITAL AND RESERVES

(a) Share capital

	ORDINARY SHARES	
	2012	2011
On issue at 1 July	210,260,801	210,260,801
Issue of ordinary shares	42,052,160	-
On issue at 30 June	**252,312,961**	210,260,801

Ordinary shares

42,052,160 ordinary shares were issued via a fully underwritten non-renounceable 1 for 5 rights issue completed in December 2011. The rights issue raised $1.9 million after costs.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, the ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds on liquidation.

(b) Share Options

	UNLISTED SHARE OPTIONS	
	2012	2011
On issue at beginning of year	12,800,000	11,280,000
Options issued during the year	2,100,000	3,875,000
Options forfeited or expired during the year	(2,975,000)	(2,355,000)
On issue at end of year	**11,925,000**	12,800,000

At 30 June 2012, the Company had 11,925,000 unlisted options on issue under the following terms and conditions.

NUMBER	EXPIRY DATE	EXERCISE PRICE
1,900,000	01-Jul-12	$0.300
500,000	15-Nov-12	$0.600
2,300,000	01-Mar-13	$0.300
750,000	01-Mar-13	$0.450
500,000	02-Dec-13	$0.300
875,000	15-Nov-13	$0.250
3,000,000	25-Nov-13	$0.250
300,000	21-Feb-14	$0.078
1,300,000	7-Jul-14	$0.250
500,000	24-Nov-14	$0.250

The increase in Share Options Reserve of $45,152 in 2012 represents employee equity-settled compensation (2011: $251,033).

19. FINANCIAL INSTRUMENTS

Risk Management Framework

The Board and Audit Committee are responsible for overseeing the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

The consolidated entity has exposures to the following risks:

(a) Capital risk management

The Company and consolidated entity manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

The capital structure of the Company and consolidated entity consists of equity attributable to equity holders, comprising issued capital, reserves and accumulated losses, is disclosed in note 18 and the Consolidated Statement of Changes in Equity.

The board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Company and the consolidated entity will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

(b) Market risk exposures

Market risk is the risk that changes in market prices such as foreign exchange rates, equity prices and interest rates will affect the consolidated entity's income or value of its holdings of financial instruments.

Foreign exchange rate risk

The consolidated entity currently has no significant exposure to foreign exchange rates.

Equity prices

Equity investments held for sale are recorded at their fair value. The consolidated entity is not holding any equity investments for sale at the end of the reporting period.

Interest rate risk

Interest rate risk is the risk that changes in bank deposit rates affect the consolidated entity's income and future cashflow from interest income.

The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

		FIXED INTEREST MATURING IN:					
30 JUNE 2012	NOTE	1 YEAR OR LESS $	OVER 1 TO 5 YEARS $	FLOATING INTEREST $	NON-INTEREST BEARING $	TOTAL $	WEIGHTED AVERAGE INT. RATE
FINANCIAL ASSETS							
Bank balances	9	-	-	265,433	-	265,433	3.38%
Term deposits [1]	9/11	1,849,142	1,754,141	-	-	3,603,283	4.93%
Trade and other receivables	10	-	-	-	325,206	325,206	-
FINANCIAL LIABILITIES							
Trade payables and accrued expenses	15	-	-	-	363,845	363,845	-

[1] Including restricted cash

30 JUNE 2011	NOTE	FIXED INTEREST MATURING IN: 1 YEAR OR LESS $	OVER 1 TO 5 YEARS $	FLOATING INTEREST $	NON-INTEREST BEARING $	TOTAL $	WEIGHTED AVERAGE INT. RATE
FINANCIAL ASSETS							
Bank balances	9	-	-	198,063	-	198,063	3.96%
Term deposits [1]	9/11	2,930,000	1,852,038	-	-	4,782,038	5.05%
Trade and other receivables	10	-	-	-	578,357	578,357	-
FINANCIAL LIABILITIES							
Trade payables and accrued expenses	15	-	-	-	315,685	315,685	-

[1] Including restricted cash

A change of 100 basis points in interest rates on bank balances and term deposits over the reporting period would have increased / (decreased) the consolidated entity's profit and loss by $46,868.

(c) Credit risk exposure

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The consolidated entity's exposure to credit risk is not significant and currently arises principally from sundry receivables (see note 10) which represent an insignificant proportion of the consolidated entity's activities and cash and cash equivalents.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the notes to the financial statements.

(d) Liquidity risk exposure

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The Board actively monitors the consolidated entity's ability to pay its debts as and when they fall due by regularly reviewing the current and forecast cash position based on the expected future activities.

The consolidated entity has non-derivative financial liabilities which include trade and other payables of $363,845 (2011: $315,685) all of which are due within 60 days.

(e) Net fair values of financial assets and liabilities

The carrying amounts of all financial assets and liabilities approximate their net fair values.

20. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2012	2011
Less than one year	92,696	126,690
Between one and five years	-	92,696
More than five years	-	-
	92,696	219,386

The consolidated entity leases an office under operating lease in Adelaide. The lease runs for a further period of approximately nine months, with an option to extend the lease for a further three years. Lease payments are increased every year. The consolidated entity also leases transportable buildings and equipment for the Nabarlek camp on three separate leases that run on a month to month basis. None of the leases include contingent rentals.

During the financial year ended 30 June 2012, $12,435 was recognised in the statement of comprehensive income in respect of operating leases (2011: $9,920).

21. CAPITAL AND OTHER COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the consolidated entity together with its joint venture partners is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. These amounts are subject to negotiation when application for a lease application and renewal is made and at other times. These amounts are not provided for in the financial report and are payable:

	2012	2011
Within one year	3,132,967	4,181,850
One year or later and no later than five years	1,993,151	7,840,969
Later than five years	-	-
	5,126,118	12,022,819

To the extent that expenditure commitments are not met, tenement areas may be reduced and other arrangements made in negotiation with the relevant state and territory government departments on renewal of tenements to defer expenditure commitments or partially exempt the Company.

Bank Guarantees

As at 30 June 2012 the consolidated entity had bank guarantees with a face value of $1,754,151 representing performance bonds with the Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources for rehabilitation obligations on the Nabarlek Mineral Lease. A further bank guarantee of $32,038 was held by the office lessor for rental obligations (see note 11).

22. CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2012	2011
PARENT ENTITY			
Uranium Equities Limited	Australia		
SUBSIDIARIES			
G E Resources Pty Ltd	Australia	100%	100%
Uranium Services Pty Ltd	Australia	100%	100%
Bullion Minerals Pty Ltd	Australia	100%	100%
Queensland Mines Pty Ltd	Australia	100%	100%
PhosEnergy Inc	USA	100%	100%

23. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

2012: There were no acquisitions or disposals of subsidiaries.

2011: UFP Investments LLC (UFP), a Colorado USA incorporated limited liability company incorporated to hold Uranium Equities' and Cameco's interest in Urtek LLC, was deconsolidated on 21 June 2011 (see note 12). Prior to deconsolidation the consolidated entity held 68.2% of UFP. Cameco's investment of US$5 million on 21 June 2011 took their interest in UFP to 53%, diluting the consolidated entity's interest to 47%. Total losses of $5,370,300 (including non-controlling interest of $1,707,755) were recognised up to deconsolidation in June 2011, comprising mainly equity accounting and impairment losses in relation to UFP's investment in Urtek LLC as the PhosEnergy Process is in the research and development phase.

The following items relating to the deconsolidation are included in the Statement of Comprehensive Income:

	2011
Book value of net assets of UFP Investments LLC on deconsolidation	(117,372)
Less: Non-controlling interest	37,324
Recognition of investment retained in UFP on deconsolidation	2,188,286
Sub-total	**2,108,238**
Foreign currency translation reserve at 1 July 2010	106,372
Movement in foreign currency translation reserve prior to loss of control	(969,721)
Less: Non-controlling interest	283,147
Foreign currency translation reserve reclassified to profit/(loss)	**(580,202)**
Gain/(Loss) on loss of control	**1,528,036**

Non-controlling interests removed from equity on deconsolidation of UFP in the above items totals $320,471.

24. DILUTION GAIN ON TRANSFER OF NON-CONTROLLING INTEREST

	2012	2011
Accumulated losses – dilution in ownership interest in subsidiaries	-	3,965,678

In November 2009 UEQ announced that Cameco Corporation (Cameco) will partner in the continued development and commercialisation of the PhosEnergy Process. Through a staged investment of up to US$16.5M in the continued development and commercialisation of the Process, Cameco have the right to earn up to 70% of UEQ's right to earn a 90% stake in the technology. A new USA registered company, UFP Investments LLC (UFP) was incorporated which holds the investment in Urtek LLC and into which Cameco is investing.

The first payment of US$2.5M was invested by Cameco into UFP in November 2009, earning Cameco a 10.6% interest. These funds are required to be applied towards the development of the PhosEnergy Process and day to day operating expenses of UFP under the terms of the agreement. In July 2010 Cameco invested the next US$5 million, taking their interest to 31.8% and in June 2011 Cameco invested a further US$5 million taking their interest in UFP to 53%. UFP was deconsolidated from the consolidated entity at that time with the balance of non-controlling interest of $37,324 recycled to profit and loss (see Note 23).

The dilution gain of $3,965,678 made on Cameco's second investment (US$5 million) in July 2010 has been recorded against accumulated losses, reflecting the fact that non-controlling interests are equity interests. A further $1,973,271 has been recognised as non-controlling interest.

25. PARENT ENTITY DISCLOSURES

The parent entity of the group was Uranium Equities Limited throughout the years ended 30 June 2012 and 30 June 2011.

	COMPANY	
	2012	2011
RESULT OF THE PARENT ENTITY		
Loss for the period	(581,366)	(334,385)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(581,366)**	(334,385)
FINANCIAL POSITION OF THE PARENT ENTITY AT YEAR END		
Current assets	2,372,141	3,563,287
Total assets	22,666,815	21,362,303
Current liabilities	376,107	455,038
Total liabilities	452,073	517,674
TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF:		
Share capital	46,903,731	44,997,404
Share option reserve	5,289,834	5,244,681
Accumulated losses	(29,978,822)	(29,397,456)
TOTAL EQUITY	**22,214,743**	20,844,629

There were no parent entity contingencies or capital commitments for the purchase of property, plant and equipment as at 30 June 2012.

26. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2012	2011
Loss for the period	(2,047,865)	(4,202,133)
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for:		
Depreciation and amortisation	50,635	72,032
Loss on disposal of fixed assets	683	5,070
Profit/(Loss) on sale of available for sale of investments	-	(41)
Reversal of impairment of available for sale investments	-	(16,000)
Deferred income	-	(222,222)
Write-off of exploration and evaluation expenditure	128,475	37,507
Impairment loss on equity accounted investee	-	3,653,516
Share of equity accounted investee losses	1,386,923	1,652,575
Gain/(loss) on loss of control	-	(1,528,036)
Interest charge / (unwind) on fair value of rehabilitation provision	64,412	67,300
Equity-settled share-based payment expenses	45,152	251,033
Income Tax Received	510,184	179,748
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	**138,599**	(49,651)
Increase in trade and other receivables	(243,510)	(245,845)
Decrease in trade payables and accruals	(36,204)	(3,523)
(Decrease)/increase in provisions	(562)	95,779
NET CASH USED IN OPERATING ACTIVITIES	**(141,677)**	(203,240)

27. RELATED PARTIES DISCLOSURES

(a) Key management personnel

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

A W Kiernan (Chairman)
T R B Goyder
T C Pool

Executive directors

B L Jones (Managing Director)

Executives

R A Heinrich (Chief Financial Officer & Company Secretary)

The key management personnel compensation included in 'personnel expenses' (see note 4) are as follows:

	2012	2011
Short-term employee benefits	674,425	549,661
Post-employment benefits	51,409	68,744
Termination payment	-	-
Share based payments	8,131	209,586
	733,965	827,991

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the Remuneration Report section of the Directors' Report.

Loans to key management personnel and their related parties

No loans were made to key management personnel and their related parties.

Other key management personnel transactions with the Company or its controlled entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with key management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

KEY MANAGEMENT PERSONS	TRANSACTION	NOTE	2012	2011
A W Kiernan	Corporate advisory fees	(i)	(57,496)	(57,492)
T C Pool	Urtek LLC investment	(ii)	(4,546,040)	(5,356,183)
B L Jones R A Heinrich	Process engineering consultancy fees	(iii)	(155,913)	-

(i) The Company used the corporate advisory services of Anthony Kiernan during the course of the financial year.

(ii) Tom Pool held a personal beneficial interest (of 19.39%) at 30 June 2011 in Urtek LLC, a company established to develop technology to extract uranium from phosphoric acid (the "PhosEnergy" process). That beneficial interest was sold to Cameco Corporation on 29 August 2011. At 30 June 2011 the consolidated entity held a 27% beneficial ownership interest in Urtek LLC through its associate, UFP Investments LLC (UFP). UFP invested $5,356,183 in Urtek LLC in the period ended 21 June 2011 being the date UFP was deconsolidated (see note 24) and a further $4,546,030 up to 29 August 2011. The Company also provides management services to Urtek LLC (see note 28(b)).

(iii) The Company used the process engineering consultancy services of Inception Consulting Engineers Pty Ltd from February to June 2012 in which Messrs Jones and Heinrich have a 25% and 16.67% beneficial interest respectively.

Amounts payable to key management personnel at reporting date arising from these transactions were as follows:

ASSETS AND LIABILITIES ARISING FROM THE ABOVE TRANSACTIONS	2012	2011
Trade payables	5,000	4,166
	5,000	4,166

Options and rights over equity instruments granted as compensation

Movement in Options

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	HELD AT 1 JULY 2011	GRANTED	EXERCISED	EXPIRED/ FORFEITED	HELD AT 30 JUNE 2012	VESTED DURING THE YEAR	VESTED AND EXERCISABLE AT 30 JUNE 2012
DIRECTORS							
A W Kiernan	2,000,000	-	-	-	2,000,000	-	2,000,000
B L Jones	3,000,000	-	-	(700,000)	2,300,000	-	2,300,000
T R B Goyder	1,000,000	-	-	-	1,000,000	-	1,000,000
T C Pool	461,548	500,000	-	(461,548)	500,000	250,000	250,000
EXECUTIVE							
R A Heinrich	750,000	250,000	-	(500,000)	500,000	250,000	500,000

	HELD AT 1 JULY 2010 [1]	GRANTED	EXERCISED	EXPIRED/ FORFEITED	HELD AT 30 JUNE 2011	VESTED DURING THE YEAR	VESTED AND EXERCISABLE AT 30 JUNE 2011
DIRECTORS							
A W Kiernan	1,000,000	1,000,000	-	-	2,000,000	1,000,000	2,000,000
B L Jones	2,000,000	1,000,000	-	-	3,000,000	1,500,000	3,000,000
T R B Goyder	-	1,000,000			1,000,000	1,000,000	1,000,000
T C Pool	461,548	-	-	-	461,548	-	461,548
EXECUTIVE							
R A Heinrich	500,000	250,000	-	-	750,000	500,000	750,000

[1] The balance of options held by key management personnel at 1 July 2010 was 3,500,000. The balance of options at 1 July 2010 has been adjusted to reflect the option holdings of Mr Pool prior to his appointment as Non-executive Director on 21 April 2011.

Movements in ordinary shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	HELD AT 1 JULY 2011	ADDITIONS	RECEIVED ON EXERCISE OF OPTIONS	SALES	HELD AT 30 JUNE 2012
DIRECTORS					
A W Kiernan	2,264,068	1,764,609	-	-	4,028,677
B L Jones	398,410	524,720	-	-	923,130
T R B Goyder	29,974,199	8,559,000	-	-	38,533,199
T C Pool	559,548	-	-	-	559,548
EXECUTIVE					-
R A Heinrich	100,000	20,000	-	-	120,000

No ordinary shares were granted to key management personnel during the reporting period as compensation.

	HELD AT 1 JULY 2010[1]	ADDITIONS	RECEIVED ON EXERCISE OF OPTIONS	SALES	HELD AT 30 JUNE 2011
DIRECTORS					
A W Kiernan	1,954,068	310,000	-	-	2,264,068
B L Jones	170,000	228,410	-	-	398,410
T R B Goyder	20,300,000	9,674,199	-	-	29,974,199
T C Pool	559,548	-	-	-	559,548
EXECUTIVE					
R A Heinrich	100,000	-	-	-	100,000

[1] The balance of ordinary shares held by key management personnel at 1 July 2010 was 22,524,068. The balance of ordinary shares at 1 July 2010 has been adjusted to reflect the shareholdings of Mr Pool prior to his appointment as Non-executive Director on 21 April 2011.

(b) Non-key management personnel disclosures

Identity of related parties

The consolidated entity has a related party relationship with its subsidiaries (see Note 22) and associates (see Note 12).

Other related party transactions

Subsidiaries

Loans are made by the Company to wholly owned subsidiaries. Loans outstanding between the Company and its controlled entities have no fixed date of repayment and are non-interest bearing. At 30 June 2012, such loans to subsidiaries totalled $18,005,875 (2011: $15,392,617)

Associates

The Company provided management services to Urtek LLC, the company developing the PhosEnergy Process, throughout the year under a Services Agreement. The terms and conditions of the Services Agreement are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related parties on an arm's length basis. Total fees charged to Urtek in 2012 were $1,014,000 (2011: $953,753). The balance of fees outstanding at 30 June 2012 was $86,000 (2011: $83,000).

28. SUBSEQUENT EVENTS

Except as mentioned below, in the opinion of the Directors there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

On 11th September 2012 the Company announced it had consolidated ownership of the Nabarlek Project surrounding the historic Nabarlek Uranium Mine. Uranium Equities has the right to acquire Cameco Australia's 60% interest in the West Arnhem Joint Venture by spending $2 million over 4 years. Cameco retains the right to 'Claw Back' to a 51% interest in the project on delineation of a Measured and Indicated JORC Compliant Resource of greater than 50 million pounds U_3O_8.

As part of the broader agreement, Uranium Equities will also move from a 40 per cent contributing interest to a free-carried 15 per cent interest in the separate Rudall River Joint Venture which adjoins the Kintyre uranium deposit owned by Cameco/Mitsubishi. Cameco must sole-fund a minimum of $1 million exploration expenditure over three years to earn the additional 25% interest.

On 19th September 2012 the Company announced the successful completion of the first operating phase of its PhosEnergy Demonstration Plant in the USA, marking another step towards commercialisation of this ground-breaking technology. High uranium recoveries (greater than 90 per cent) were consistently achieved during steady state operations and the trials have supported the Company's operating and capital cost assumptions.

DIRECTORS' DECLARATION

1 In the opinion of the directors of Uranium Equities Limited:

(a) the financial statements and notes, set out on pages 23 to 67 and the Remuneration Report in the Directors' Report, set out on pages 23 to 30, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a); and

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer (or equivalent) and chief financial officer (or equivalent) for the financial year ended 30 June 2012.

Dated at Adelaide the 21st day of September 2012.

Signed in accordance with a resolution of the directors:

Bryn Jones
Managing Director

Independent auditor's report to the members of Uranium Equities Limited

Report on the financial report

We have audited the accompanying financial report of Uranium Equities Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2012, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 28 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the Group's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

Emphasis of matter

Without qualification to the opinion expressed above, we draw attention to the following matters. For the year ended 30 June 2012 the consolidated entity incurred a loss of $2,047,865 and had operating and investing cash outflows of $2,985,969.

As a result of the uncertainties set out in note 1(b) to the financial statements, including the consolidated entity's ability to raise capital, there is a material uncertainty which may cast doubt on the consolidated entity's ability to continue as a going concern and therefore its ability to realise assets and discharge liabilities in the normal course of business at the amount recognised in the financial statements.

Report on the remuneration report

We have audited the remuneration report included in paragraphs 7.1 to 7.3 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Uranium Equities Limited for the year ended 30 June 2012, complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG

Derek Meates
Partner

Adelaide
21 September 2012

Uranium Equities is committed to a high level of corporate governance in accordance with the Corporations Act and ASX Listing Rules. The Company's Corporate Governance Statement details the principles and practices adopted and can be found on the Company website (http://www.uel.com.au/invest/corporate-profile/governance.html).

The following information is supplementary to the Corporate Governance Statement and addresses the principles which are not met:

Directors & Management

Details of each director's qualifications, experience and special responsibilities, their attendance at board meetings and the company secretary's qualifications and experience are disclosed on pages 23 and 24. Information on the principles and structure of remuneration for executive directors, non-executive directors and senior executives is disclosed in the Remuneration Report (Section 7 of the Director's Report).

During the year the Company undertook reviews of the Board composition and executive management in accordance with sections 1.1 and 1.2 of the Corporate Governance Statement.

Mr Pool is considered an independent non-executive director as specified in the ASX Corporate Governance Principles. Although the Board does not comprise a majority of independent directors, the Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. If a director has a conflict of interest the director is excluded from any Board meeting or discussion concerning that matter.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of an independent non-executive chairman or additional independent non-executive directors.

Committees

With the exception of the Audit Committee, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of any other separate or special committees, such as a nomination committee or remuneration committee, at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Audit Committee met on two occasions during the year. The external auditors attended both of these meetings. A copy of the Audit Committee Charter can be found on the Company website (www.uel.com.au) under the Governance section.

Risk Management

The managing director and chief financial officer have assured the Board that the declaration provided in accordance with s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. Management has also reported to the Board that the Company's management of material business risks is effective.

Diversity

The Company has adopted a Diversity Policy which recognises managing diversity as a means of enhancing the Company's performance – a copy can be found on the Company's website. The Board considers that the Company is not currently of a size to justify setting measurable objectives for gender diversity. The proportion of women at various levels within the Company is as follows:

	WOMEN	MEN
Board	0%	100%
Executives	0%	100%
Professionals	50%	50%
Support staff	38%	62%
TOTAL	**34%**	**66%**

ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS

		COMPLY	CGS REFERENCE*
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	✔	1.1
1.2	Companies should disclose the process for evaluating the performance of senior executives.	✔	1.1
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	✔	
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE			
2.1	A majority of the Board should be independent directors.	✘	1.2
2.2	The chair should be an independent director.	✘	1.2
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	✔	1.2
2.4	The Board should establish a nomination committee.	✘	1.3
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	✔	1.1
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	✔	
PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the Company' integrity. • the practices necessary to take into account their legal obligations and the reasonable expectations of their Shareholders. • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	✔	2.1 2.2
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	✔	2.4
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	✘	
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	✔	
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	✔	
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING			
4.1	The board should establish an audit committee.	✔	1.3
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members	 ✘ ✘ ✘ ✔	1.3
4.3	The audit committee should have a formal charter.	✔	1.3
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	✔	

ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS

		COMPLY	CGS REFERENCE*
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior level for that compliance and disclose those policies or a summary of those policies.	✔	3.1
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	✔	
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	✔	3.2
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	✔	
PRINCIPLE 7: RECOGNISE AND MANAGE RISK			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	✔	4.1
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	✔	4.2
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✔	4.2
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	✔	
PRINCIPLE 8: REMUNERATE FAIRLY & RESPONSIBLY			
8.1	The board should establish a remuneration committee.	✘	1.3
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	✘	
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	✔	5, Rem. Report
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	✔	

* Refer Corporate Governance Statement on the Company's website

ASX ADDITIONAL INFORMATION

AS AT 31 AUGUST 2012

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings

Substantial shareholders

The number of shares held by substantial shareholders and their associated interests as at 31 August 2012 were:

SHAREHOLDER	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD %
Timothy R B Goyder	38,533,199	15.27

Class of Shares and Voting Rights

At 31 August 2012 there were 1,941 holders of the ordinary shares of the Company.

The voting rights to the ordinary shares set out in the Company's Constitution are:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares –

a) at meetings of members or classes of members each member entitled to vote in person or by proxy or attorney: and

b) on a show of hands every person who is a member has one vote and on a poll every person in person or by proxy or attorney has one vote for each ordinary share held."

Holders of options do not have voting rights.

Distribution of equity security holders as at 31 August 2012:

	NUMBER OF EQUITY SECURITY HOLDERS	
CATEGORY	ORDINARY SHARES	UNLISTED SHARE OPTIONS
1 – 1,000	95	-
1,001 – 5,000	407	-
5,001 – 10,000	344	-
10,001 – 100,000	830	2
100,001 and over	265	16
TOTAL	**1,941**	**18**

The number of shareholders holding less than a marketable parcel at 31 August 2012 was 861.

AS AT 31 AUGUST 2012

TWENTY LARGEST ORDINARY FULLY PAID SHAREHOLDERS AS AT 31 AUGUST 2012

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD %
Mr Timothy R B Goyder	38,533,199	15.27
Citicorp Nominees Pty Limited	13,515,417	5.36
JP Morgan Nominees Australia Limited <Cash Income A/C>	13,289,286	5.27
Resolute (Treasury) Pty Ltd	11,364,000	4.50
Calm Holdings Pty Ltd <Clifton Super Fund A/C>	10,000,000	3.96
Lagoon Creek Resources Pty Ltd	6,983,218	2.77
Mr David Andrew Brunt <Brentwood Super Fund A/C>	5,528,223	2.19
Balfes (QLD) Pty Ltd <Balfes Super Fund A/C>	5,000,000	1.98
HSBC Custody Nominees (Australia) Limited – A/C 2	5,000,000	1.98
Mr Mark Stephen Chalmers + Mrs Robi Diane Chalmers <M & R Chalmers Family A/C>	4,570,000	1.81
HSBC Custody Nominees (Australia) Limited	4,538,010	1.80
Mr Anthony William Kiernan	4,028,677	1.60
Trebble Sum Pty Limited <Trebble Sum Super Fund A/C>	3,550,000	1.41
Ginostra Capital Pty Limited <Pullini Investment A/C>	3,001,022	1.19
Trebble Sum Pty Limited <Trebble Sum A/C>	3,000,000	1.19
Opeka Dale Pty Ltd <Opeka Dale P/L S/F No 2 A/C>	2,600,000	1.03
Cadex Petroleum Pty Limited	2,307,840	0.91
M W McDonald Nominees Pty Ltd <McDonald Property Iinv A/C>	2,152,500	0.85
Mrs Angela Mary McDonald + Mr Michael Walsh McDonald <M & A McDonald S/F A/C>	2,043,000	0.81
Claw Pty Ltd <Corp Super Fund A/C>	2,000,000	0.79
TOTAL	**143,004,392**	**56.68**

NOTES

URANIUM EQUITIES LIMITED
ABN 74 009 799 553

CORPORATE DIRECTORY

DIRECTORS

Anthony W Kiernan - Chairman
Bryn L Jones - Managing Director
Tim R B Goyder - Non-executive Director
Thomas C Pool - Non-executive Director

COMPANY SECRETARY

Rolf A Heinrich

PRINCIPAL PLACE OF BUSINESS & REGISTERED OFFICE

Head & Registered Office:
Level 5, 29 King William Street
ADELAIDE South Australia 5000
Tel: +61 8 8110 0700
Fax: +61 8 8110 0777
Web: www.uel.com.au
Email: info@uel.com.au

Perth Office:
Level 2, 1292 Hay Street
WEST PERTH Western Australia 6005
Tel: +61 8 9322 3990
Fax: +61 8 9322 5800

AUDITORS

KPMG
151 Pirie Street
ADELAIDE South Australia 5000

SHARE REGISTRY

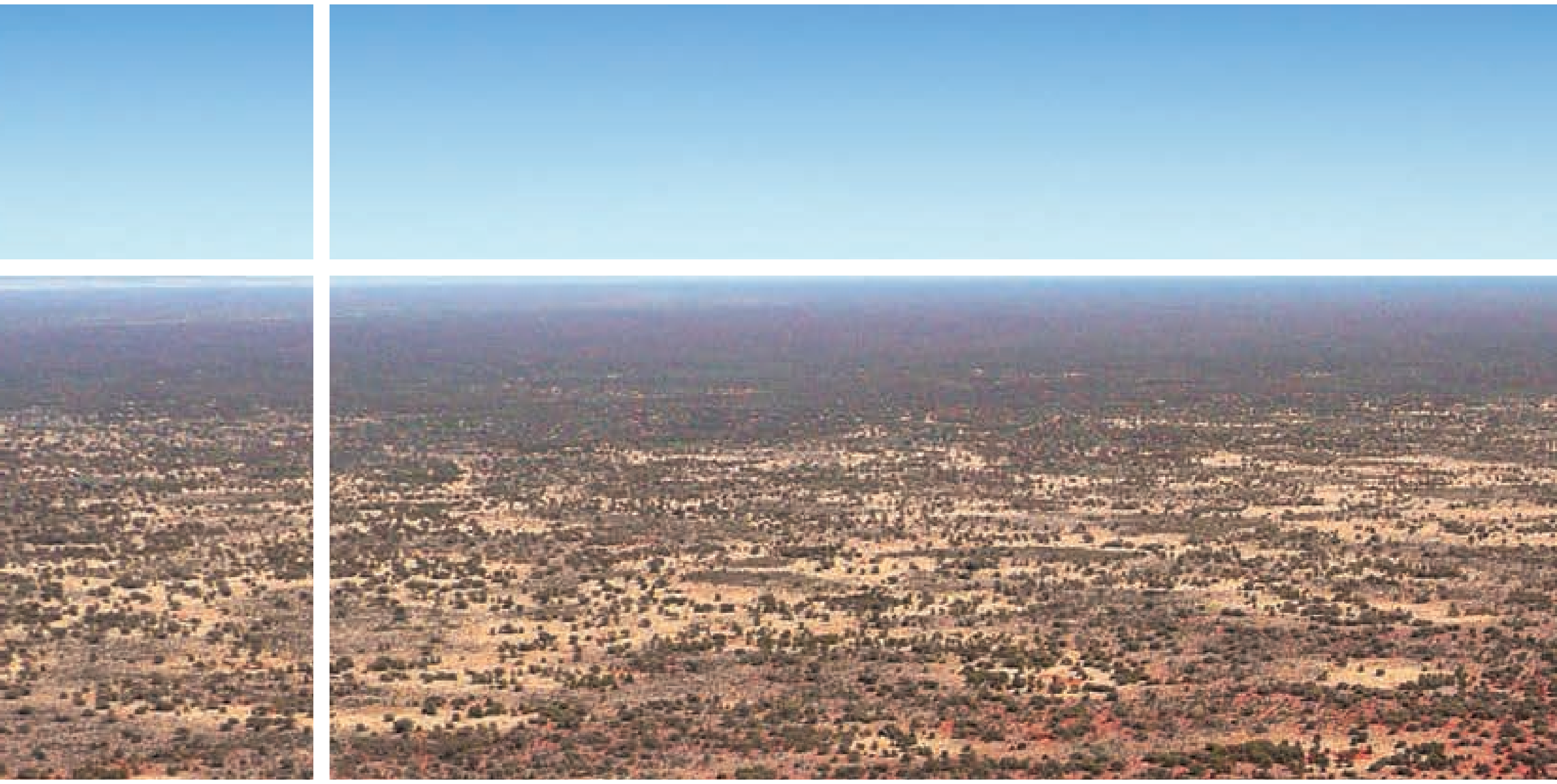
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
ADELAIDE South Australia 5000
Tel: 1300 556 161 (Within Australia)
+61 8 8236 2300 (Overseas Enquiries)

HOME EXCHANGE

ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY New South Wales 2000

ASX CODE

Share Code: UEQ



URANIUM EQUITIES LIMITED
ABN 74 009 799 553

LEVEL 5, 29 KING WILLIAM STREET
ADELAIDE 5000
SOUTH AUSTRALIA

P: +61 8 8110 0700
F: +61 8 8110 0777

INFO@UEL.COM.AU
WWW.UEL.COM.AU