



ASX Market Announcements Office
via electronic lodgement

Quarterly Report Quarter ended 30 June 2014

OVERVIEW

During the Quarter, Uranium Equities Limited (ASX: UEQ – “Uranium Equities” or “the Company”) consolidated a dominant ground position in the world-class Alligator Rivers Uranium Field (“ARUF”) in the Northern Territory after reaching agreement to acquire an extensive and highly prospective tenement package from Spectrum Rare Earths Limited (“Spectrum”) for \$625,000.

The acquisition is a key step towards the achieving the Company’s ongoing strategy of adding to its already significant, high quality ground position in the ARUF which is prospective for high grade uranium deposits. The acquisition takes Uranium Equities’ total land holding in the ARUF to over 5,000 km².

A 4,757m Reverse Circulation (RC) drilling program targeting high grade prospects on the Nabarlek Mineral Lease and West Arnhem JV areas also commenced in mid-June and was finalised in July. Assay results from the program are currently pending.

1. EXPLORATION ACTIVITIES - AUSTRALIA

1.1 Acquisition of Arnhem Minerals Pty Ltd

In June 2014, the Company completed the acquisition of Arnhem Minerals Pty Ltd (“Arnhem Minerals”) from Spectrum. Arnhem Minerals holds seven Exploration Licence Applications covering a total area of 2,096 km² in the ARUF and the broader West Arnhem Land region of the Northern Territory (see Figure 1).

Key Transaction Terms

In consideration for the acquisition of all the shares in Arnhem Minerals, Uranium Equities will pay a total of \$625,000 in cash to Spectrum in three tranches as follows:

- 1) \$325,000 was paid on 20th June 2014 (First Payment);
- 2) \$175,000 following the grant of ELA25384 (see Figure 1) (Second Payment); and
- 3) \$125,000 following the grant of ELA25389 (see Figure 1) (Third Payment).

The transfer of the shares in Arnhem Minerals took place following the First Payment on 20th June 2014. If either the Second Payment or the Third Payment (subject to the grant of ELA25384 and ELA25389 respectively), or both, is not made by Uranium Equities, the shares in Arnhem Minerals must be transferred back to Spectrum for no consideration with all prior payments being non-refundable to Uranium Equities.

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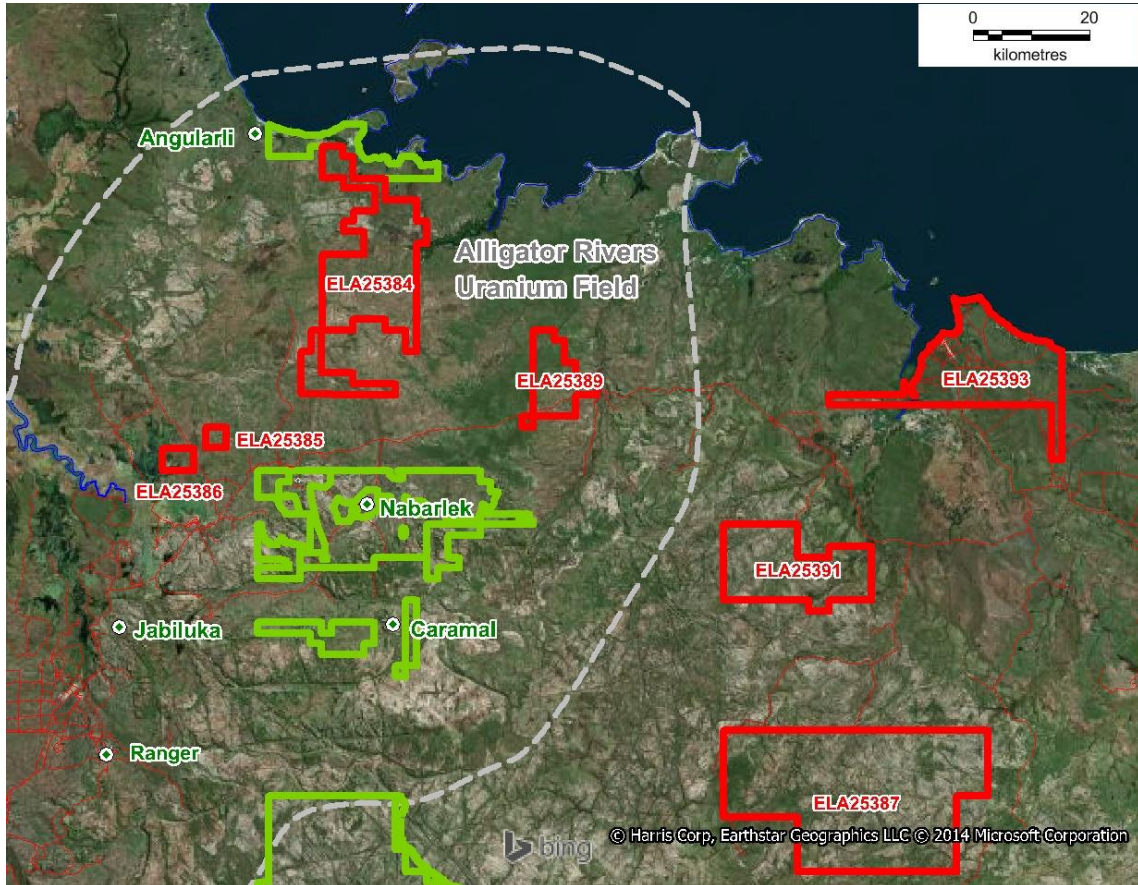


Figure 1: Arnhem Minerals Pty Ltd tenements (in red), existing UEQ controlled tenements in green

ARUF Exploration Potential

The ARUF is a world-class uranium province, comparable to the Athabasca Uranium Province in Canada in terms of its uranium endowment and geological setting. However, in contrast to the Athabasca, the ARUF is relatively unexplored, having received a fraction of the exploration expenditure of its Canadian counterpart.

The ARUF's known uranium endowment, including mined resources, exceeds 500Mlbs of uranium. The ARUF hosts a number of exceptional uranium deposits including Energy Resources of Australia's Ranger and Jabiluka deposits as well as the historic, high-grade Nabarlek deposit (Figure 2). The recent high-grade discovery by Cameco Australia at Angularli – where drill-hole WRD0084 returned intersections including 12.2m @ 1.1% U_3O_8 and 20.2m @ 5.2% U_3O_8 ⁽¹⁾ – highlights the prospectivity of the region.

The focus of Uranium Equities' exploration activities in the ARUF is on the discovery of high-grade Alligator Rivers-style, unconformity related uranium deposits. The Company has been actively exploring the region in joint venture with Cameco Australia since 2007, and believes that with its newly consolidated ground position the discovery potential is exceptional.

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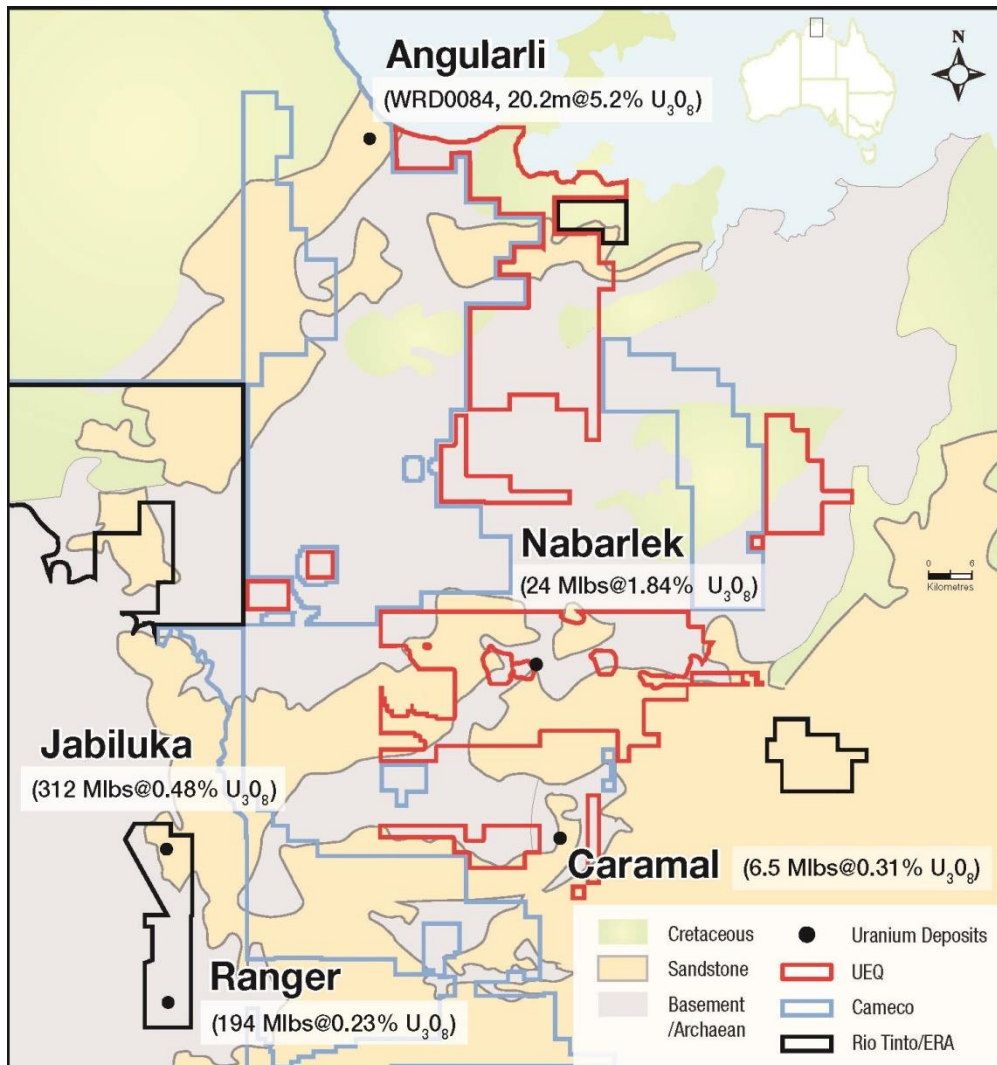


Figure 2: Combined Ground Position and Uranium Endowment ⁽²⁾

1.2 Nabarlek Project

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: 24Mlb @ 1.84% U₃O₈) – the Nabarlek Project.

A Reverse Circulation (RC) drilling program targeting prospects on the Nabarlek Mineral Lease and West Arnhem JV areas commenced in mid June and was finalised in July. A total of 31 RC drillholes for 4,757 metres were completed. Assay results from the program are currently pending and are expected in the September quarter.

Targets included areas of elevated radon anomalism adjacent to the U40 Prospect where diamond drilling previously intersected exceptional uranium and associated base and precious metal intercepts including an interval of 6.8m @ 6.7% U₃O₈ from 75m including 5m @ 9.11% U₃O₈.

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UEQ's drilling program also tested other significant structural and geochemical targets throughout the region while deeper drilling on the Nabarlek ML, beneath the historical Nabarlek Pit, tested the Company's 'Nabarlek Deeps' concept.

The information that is included in the report in relation to the U40 Prospect is extracted from the ASX Announcement entitled 'Uranium Equities Adds to NT Uranium Portfolio' created on 16th June, 2014 and available to view on www.uel.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement

1.3 Other Projects

Arnhem Land (NT)

The Northern Land Council (NLC) has acknowledged receipt of application to grant proposed exploration licence EL30073 (Pluto). In addition, documents have been submitted regarding consent to the grant of the Headwaters exploration licence applications EL27513 – EL27515, which have been in moratorium since 11th June 2009. The Company has until 31st October 2015 to negotiate an access agreement.

Rudall River (WA)

The Rudall River Project (Uranium Equities 100%, Cameco Australia earning 85%) consists of three Exploration Licences covering a total area of 172km². The western-most Exploration Licence adjoins the Cameco/Mitsubishi Kintyre Project (current published NI43-101 compliant measured and indicated resource estimate of 55Mlbs @ 0.58% U₃O₈).

Cameco Australia has advised that work programs for the 2014 field season have been submitted and approved by the Western Australian Department of Mines and Petroleum. The program includes field mapping and reconnaissance over identified target areas.

The three Prospecting Licences (P45/2683 – 85) covering 3km² were relinquished during the quarter.

Marla and Oodnadatta Projects (SA)

On 11th June 2014 the Company announced that, following a review of the results from the recent exploration program, Chalice Gold Mines Limited (ASX: CHN) has withdrawn from the farm-in joint venture over of the Marla and Oodnadatta Projects prior to earning any interest in the projects.

As a result of the withdrawal by Chalice, Uranium Equities has decided to relinquish all tenements for both projects.

1.4 Project Summary

This section is provided in compliance with Listing Rule 5.3.

Expenditure

Exploration and evaluation expenditure made by the Company during the quarter was \$28,000 (on a cash basis). A further \$161,000 in exploration and evaluation expenditure was made by joint venture partners earning an interest in the Company's projects.

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Projects

Name		Target	Area (km ²)		Beneficial Ownership
			Granted	Applic.	
West Arnhem JV	NT	Structurally controlled and unconformity style uranium	448	49	UEQ 40% – earning 100%: Cameco Australia 60%
Nabarlek ML	NT		12	-	UEQ 100%
Arnhem Minerals, Woodside, Browse, Cadel North, Pluto & Aurari Bay	NT		-	2,351	UEQ 100%
Headwaters	NT	Coronation Hill-style gold – platinum – palladium – uranium	-	2,280	UEQ 100% (in moratorium)
Rudall River	WA	Kintyre style uranium	172	-	UEQ 100%: Cameco Australia earning 85%
			632	4,680	

A full list of tenements held by the Company is enclosed in Appendix 1.

Changes in tenements held during the quarter

	Tenement reference	Project name and location	Interest at beginning of quarter	Interest at end of quarter
Tenements relinquished, reduced or lapsed	ELs 4655-61, 5390	Marla Project (SA) – relinquished	100%	0%
	ELs 4679, 4682-88, 4959, 5144	Oodnadatta Project (SA) – relinquished	100%	0%
	P45/2683-85	Rudall River Prospecting Licences (WA) - relinquished	100%	0%
Tenements acquired or increased	ELAs 25384-87, 25389, 25391, 25393	Arnhem Minerals Pty Ltd acquisition from Spectrum Rare Earths Limited (NT)	0%	100%

Changes in farm-in or farm-out agreements during the quarter

On 11 June 2014 the Company announced that, following a review of the results from the recent exploration program, Chalice Gold Mines Limited (ASX: CHN) has withdrawn from the farm-in joint venture over of the Marla and Oodnadatta Projects prior to earning any interest in the projects.

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2. CORPORATE

The Group's cash balance at the end of the quarter was \$0.3 million (refer Appendix 5B for further information).

The Company also held 8,004,393 shares in ASX listed Enterprise Uranium Limited (ASX:ENU) and retained a 9.1% interest in PhosEnergy Limited.

Following the end of the quarter the Company advised that it will undertake a partially underwritten 1-for-3 non-renounceable rights issue to eligible shareholders at 1 cent to raise up to \$1.0 million before issue costs.

In addition, the Company has firm commitments to place 45,000,000 shares at 1 cent per share to sophisticated and professional investors under the Company's 15% placement capacity, taking the total potential funds raised to \$1.45 million before issue costs. For further information refer to the ASX announcements dated 18 July 2014 which can be found on the Company's website www.uel.com.au.

A handwritten signature in blue ink, appearing to read "Tim Goyder".

Tim Goyder
Executive Chairman

(1) Source: Northern Territory Geological Survey (NTGS) AGES Conference 2013 presentation by Ian Scrimgeour

(2) Sources: Energy Resources of Australia Limited ASX Announcement – Annual Statement of Reserves and Resources - 30th January 2014
Alligator Energy Limited ASX Announcement – Quarterly Activities Report – 30th April 2014
Lally FH and Bajwah ZU, 2006. Uranium Deposits of the Northern Territory. NTGS Report 20

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Grant Williamson who is a full-time employee of the Company and a member of the Australasian Institute of Geoscientists. Mr Williamson has sufficient experience that is relevant to the styles of mineralisation, the types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williamson consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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Appendix 1 – Tenement Schedule

State	Project	Tenement	Status	Current Equity
NT	Nabarlek	EL10176	Granted	40%
		EL24371	Granted	40%
		EL23700	Granted	40%
		ELA24878	Application	40%
		MLN962	Granted	100%
	Arnhem Minerals	ELA25384	Application	100%
		ELA25385	Application	100%
		ELA25386	Application	100%
		ELA25387	Application	100%
		ELA25389	Application	100%
		ELA25391	Application	100%
		ELA25393	Application	100%
	Headwaters	ELA27153	Application	100%
		ELA27513	Application	100%
		ELA27514	Application	100%
		ELA27515	Application	100%
	Woodside	ELA29947	Application	100%
Browse	ELA29945	Application	100%	
Cadel North	ELA28316	Application	100%	
Aurari Bay	ELA29897	Application	100%	
Pluto	ELA30073	Application	100%	
WA	Rudall River	E45/3118	Granted	100%
		E45/3119	Granted	100%
		E45/3126	Granted	100%