

# ASX ANNOUNCEMENT

30 January 2015

URANIUM EQUITIES LIMITED ACN 009 799 553



**URANIUM**  
EQUITIES

ASX Market Announcements Office  
via electronic lodgement

## Quarterly Report Quarter Ended 31 December 2014

### OVERVIEW

- Mineral systems targeting exercise completed by leading consultant Dr Jon Hronsky within UEQ's expanded 5,000km<sup>2</sup> land position in the Alligator Rivers Uranium Province (ARUP). High priority targets identified.
- Spectral study of historical and UEQ drilling data sets completed with numerous high quality targets identified.

### 1. EXPLORATION ACTIVITIES - AUSTRALIA

#### ARUP Exploration Potential

The ARUP is a world-class uranium province, comparable to the Athabasca Uranium Province in Canada in terms of its uranium endowment and geological setting. The focus of Uranium Equities' (UEQ, the Company) exploration activities in the ARUP is on the discovery of high-grade Alligator Rivers-style, unconformity and structurally controlled uranium deposits.

The Company has been actively exploring the ARUP region both exclusively and in joint venture with Cameco Australia since 2007, and believes that with its newly consolidated ground position the discovery potential is exceptional.

With the onset of the northern wet season during the quarter exploration activities have focused on office-based assessments of the drilling program completed in the previous quarter and target generation exercises both within the existing permits and on our newly expanded land package in the ARUP. This included a regional review led by a leading mineral systems expert which has identified high quality targets in UEQ's permits for follow up.

ASX: UEQ

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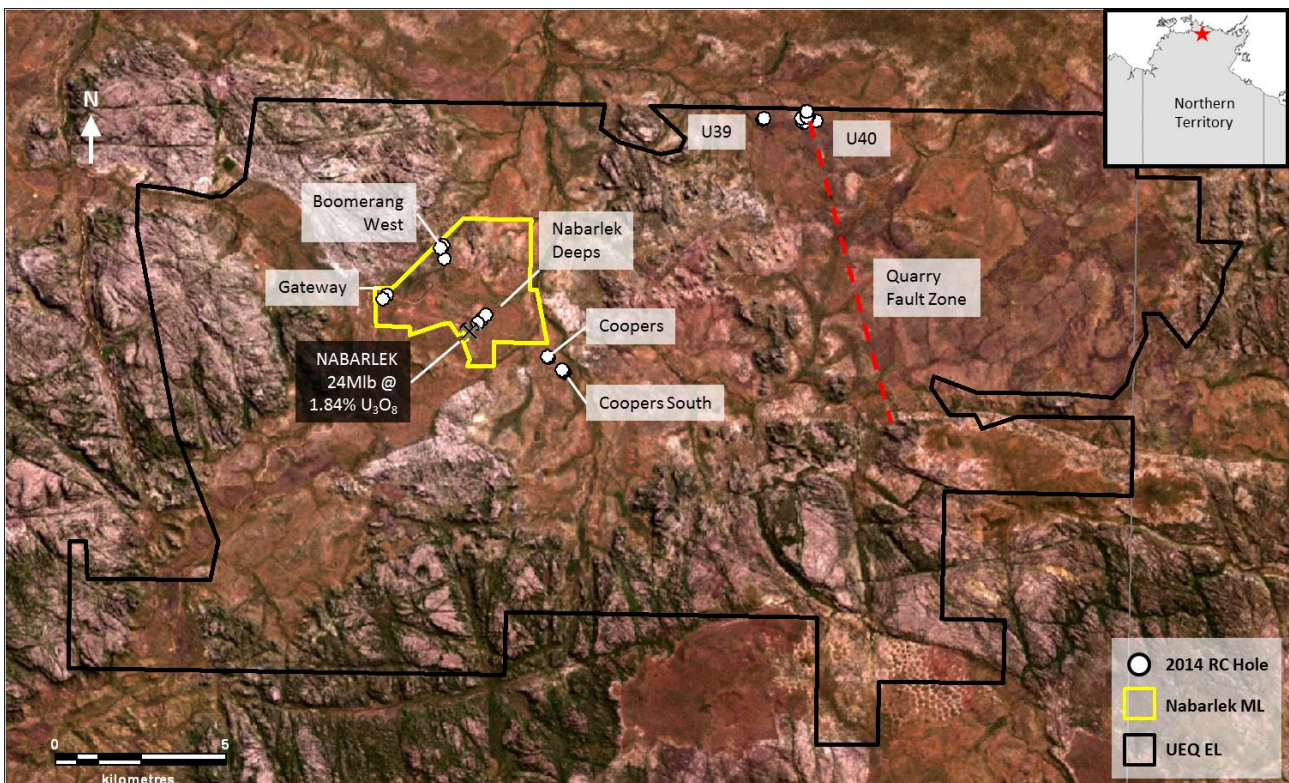
## 1.1 Nabarlek Project

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 Province in the Northern Territory, represent a rare near-mine uranium exploration opportunity surrounding the historic Nabarlek Uranium Deposit (previous production: 24Mlb @ 1.84% U<sub>3</sub>O<sub>8</sub>) – the Nabarlek Project.

During the quarter UEQ completed a review of the 31 holes drilled in the previous period in the West Arnhem JV area. This work included the collection of spectral analysis of all drill chips as well as a number of selected historical holes. These spectral and associated multi-element data are being interrogated to quantify the signatures of broad-scale zonation patterns which may provide vectors to mineralisation, and to identify proximal alteration assemblages where previous drilling may have just missed mineralisation.

So far analysis of the newly acquired data has upgraded the prospectivity of the Quarry Fault Zone (QFZ) south of the U40 Prospect where drilling in the previous quarter included 7m @ 0.27% U<sub>3</sub>O<sub>8</sub> associated with a redox boundary from 46m in hole NAR7520 (Figures 1 & 2). The north-south trending QFZ is a structural zone extending over nine kilometres south from U40 before being masked by sandstone cover. The new spectral data combined with the recent drilling results has identified new targets on extensions of the QFZ which remain untested.

A number of additional high quality targets have also been identified with this spectral targeting work ongoing and expected to be followed up with ground-based programs following the end of the wet season.



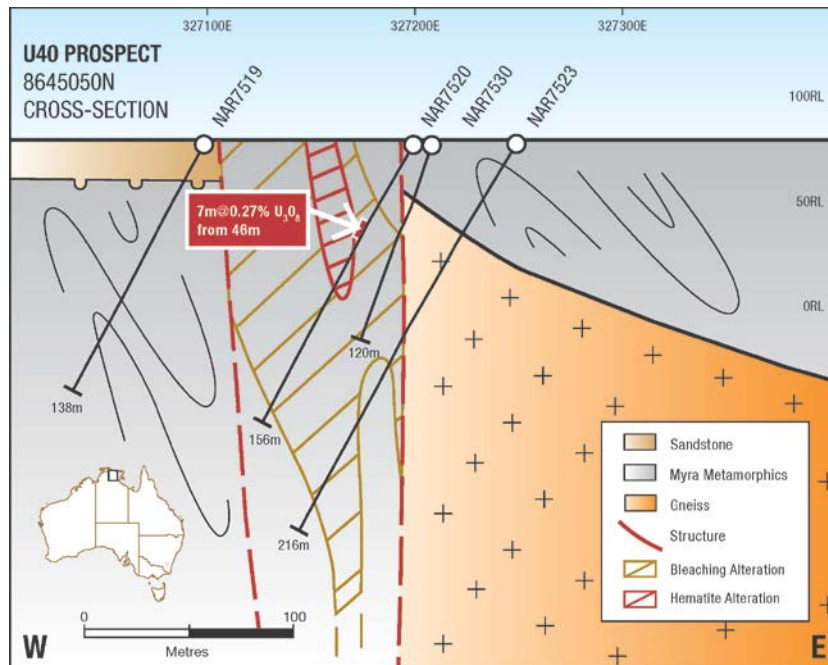
**Figure 1: – Nabarlek Project, Prospects and Quarry Fault Zone**

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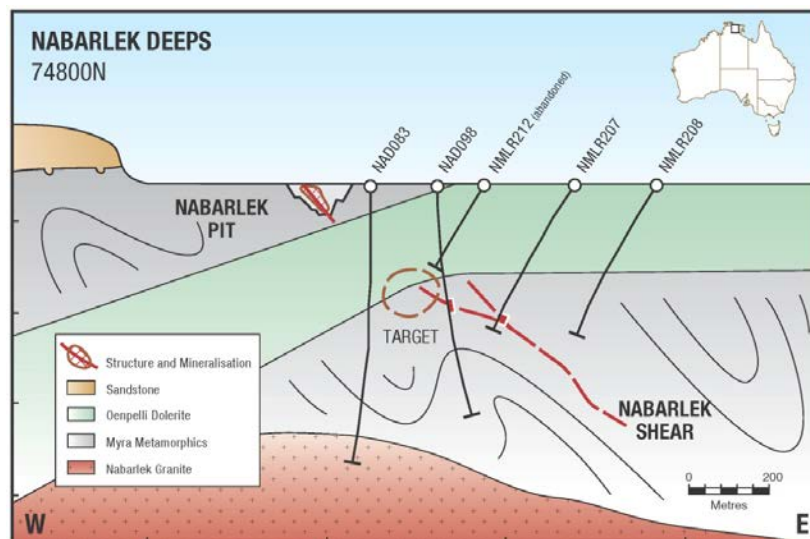
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**Figure 2:** – U40 Prospect Cross-section

## Nabarlek Mineral Lease

A review of the RC drilling results on the Nabarlek Deeps target confirmed the interpretation that the intersection of quartz-breccia and associated alteration halos suggests that fertile, Nabarlek-style structures do extend below the dolerite. This was the target being tested by hole NMLR212, however this hole had to be abandoned due to unstable ground conditions before reaching the target depth and the target remains untested (Figure 3).



**Figure 3:** – Nabarlek Deeps Target

## 1.2 Other Projects

### Arnhem Land (NT)

During the quarter UEQ engaged Dr Jon Hronsky, principal of Western Mining Services, to work with the Company's technical team on a target generation study covering its recently expanded, 5,000km<sup>2</sup> exploration package in the ARUP.

Dr Hronsky is well known for his targeting work which led to the discovery in 2000 of the West Musgrave nickel sulphide province in WA and he has broad global experience in 'mineral-systems' based targeting, for a wide range of commodities, including uranium deposits.

The Mineral Systems approach is considered a powerful method of assessing the potential of large greenfields mineral provinces because the predictions are not reliant on the presence of known mineralisation.

The main outcomes achieved by this study included:

- Interpretation of fundamental structural architecture of the Province
- Development of a predictive metallogenic model for the Province, based on interpretation of architecture and geodynamic evolution
- Identification of regional-scale targets as well as several high priority focused targets

The targets generated by this study are currently under review.

### Rudall River (WA)

*The Rudall River Project (Uranium Equities 100%) consists of three Exploration Licences covering a total area of 172km<sup>2</sup>. 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% U<sub>3</sub>O<sub>8</sub>).*

During the period Cameco Australia continued desktop assessments of the three tenements.

Following a budget review Cameco advised UEQ of their decision to withdraw from the farm-in and joint venture effective December 28 2014.

The data generated by Cameco has been returned to UEQ and is currently being reviewed with the aim of identifying targets for further work.

## 1.3 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 \$121,000 (on a cash basis). A further \$8,000 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 <sup>2</sup> )		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%
			<b>632</b>	<b>4,680</b>	

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

## Changes in tenements held during the quarter

Nil

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

During the quarter Cameco formally advised UEQ of their withdrawal from the Rudall Joint Venture and the project now reverts 100% to UEQ.

## 2. CORPORATE

During the quarter, the company completed the relocation of its office from Adelaide to Perth.

The Group's cash balance at the end of the quarter was \$0.5 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 9.9% interest in PhosEnergy Limited.

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

Tim Goyder  
Executive Chairman

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<sup>(1)</sup> This information 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 at [www.uel.com.au](http://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.

<sup>(2)</sup> The information that is included in the report in relation to the U40 Prospect is extracted from the ASX Announcement entitled 'High-Grade Uranium Hits at Nabarlek Project, NT' created on the 8th September, 2014 and available to view at [www.uel.com.au](http://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.

## Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by James Merrillees who is a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy. Mr Merrillees 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 Merrillees 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%

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Uranium Equities Limited

ABN

74 009 799 553

Quarter ended ("current quarter")

31 December 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(121) - - (201)	(727) - - (334)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	27
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other (management fees received)	-	-
<b>Net Operating Cash Flows</b>	<b>(306)</b>	<b>(1,034)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- (91) -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - 2	- - 2
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>2</b>	<b>(89)</b>
1.13 Total operating and investing cash flows (carried forward)	(304)	(1,123)

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(304)	(1,123)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	(6)	1,374
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (movement in restricted cash)	-	-
	<b>Net financing cash flows</b>	<b>(6)</b>	<b>1,374</b>
	<b>Net increase (decrease) in cash held</b>	<b>310</b>	<b>251</b>
1.20	Cash at beginning of quarter/year to date	874	313
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>564</b>	<b>564</b>

Notes:

- (1) Cash balance excludes \$1.589 million held against bank guarantees for rehabilitation obligations on the Nabarlek Mineral Lease and West Arnhem Land tenements and an office lease, which is treated as Restricted Cash in the Company's financial statements.

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	18
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23	Current quarter consists of director's fees (\$6k) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$12k). All transactions are on commercial terms.
Item 1.2(d)	Consists of redundancy payments (\$127k) to employees due to the closure of the office in Adelaide.

### Non-cash financing and investing activities

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

At the Company's Annual General Meeting held in November 2014, Shareholders approved the issue of 5,136,814 fully paid ordinary shares, at an issue price of 1.184 cents per share, to current and former non-executive directors in satisfaction of unpaid directors' fees of \$60,839 as at 30 September 2014.
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+ See chapter 19 for defined terms.

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

\$8k was spent during the quarter by Cameco, the Company's joint venture partner in the Rudall River Project. Cameco have withdrawn from the farm-in and joint venture effective 28 December 2014.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	70
4.2 Development	-
4.3 Production	-
4.4 Administration	125
<b>Total</b>	<b>195</b>

### Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	539	828
5.2 Deposits at call	25	46
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>564</b>	<b>874</b>

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

#### Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	N/A	N/A	N/A	N/A
7.2	N/A	N/A	N/A	N/A
7.3	455,388,518	455,388,518	N/A	N/A
7.4	5,136,814	5,136,814	1.184 cents	1.184 cents
	-	-	N/A	N/A
7.5	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
7.7	<b>Options</b> (unlisted share options)	Nil	Nil	<i>Exercise price</i> N/A	<i>Expiry date</i> N/A
	<b>Unlisted Performance Rights</b>	Nil	Nil	N/A	N/A
7.8	Issued during quarter	N/A	N/A	N/A	N/A
7.9	Exercised during quarter	N/A	N/A	N/A	N/A
7.10	Expired during quarter				
	<b>Options</b>	500,000	Nil	\$0.247	24.11.2014
	<b>Performance Rights.</b>	1,506,406	Nil	N/A	30.06.2016
7.11	<b>Debentures</b> (totals only)	N/A	N/A		
7.12	<b>Unsecured notes</b> (totals only)	N/A	N/A		

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+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 30 January 2015

Print name: Kym Verheyen

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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