

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



ASX Market Announcements Office via electronic lodgment

29 July 2016

Quarterly Report for the Quarter Ended 30th June 2016

HIGHLIGHTS:

- **Prioritised field exploration activities for the September Quarter will see extensive ground surveys undertaken on five key prospects on the West Arnhem Joint venture project including:**
 - **Four detailed ground gravity surveys for a total of 1,090 line km of surveying. Geophysical contractor mobilising to site in early-August to commence the field program.**
 - **Radon-in-soil cup survey (140 stations) to evaluate two prominent fault breaks in an area in which previous exploration has returned anomalous uranium.**
 - **Geological mapping and prospecting extending coverage up to 10km from two historic uranium prospects.**
- **2016 field program activities approved by Traditional Owners at the June 22nd work program meeting facilitated by the Northern Land Council (NLC).**
- **Planned exploration activities for the 2016 field season will assist with prioritising and refining uranium targets that have been identified in the West Arnhem JV tenements using combined geophysical, structural, geochemical and geological approach.**
- **During the quarter the Company sold 8,004,393 shares held in ASX listed Alto Metals Ltd (formerly Enterprise Uranium Limited (ASX:AME) for a net consideration of \$496,272.**

1 EXPLORATION ACTIVITIES – ALLIGATOR RIVERS, NORTHERN TERRITORY

The Alligator Rivers Uranium Province (ARUP) in the Northern Territory 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 its consolidated ground position has exceptional potential for discovery.

Overview

During the quarter, the Company continued with planning and preparation for a program of field-based exploration activities on five prospects identified as high priority targets from the Company's continuing evaluation of geophysics (gravity, aeromagnetism, electromagnetics), geochemistry (uranium and pathfinder signatures), geology and drilling data on the Nabarlek and West Arnhem JV projects (Figure 1).

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The Nabarlek camp will be re-opened in early-August to service the 2016 dry season field activities planned for the West Arnhem JV project.

1.1 Nabarlek and West Arnhem JV Projects

Field exploration surveys will commence in early-August starting with the mobilisation of a geophysical contractor to site to conduct ground gravity surveys over four key target areas for a total of 1090 line km surveying (Targets 2-5; Figure 1).

The four separate survey areas will be surveyed on a 100m x 100m station spacing to identify geophysical responses interpreted to reflect structural features and/or alteration overprints which are significant to identifying areas prospective for uranium mineralisation in either basement Cahill Formation schists or localised along or adjacent to the basal unconformity of the Kombolgje Sandstone. This geophysical technique has proved effective in exploration throughout the region, and when used in conjunction with other techniques including magnetic, electromagnetics, geochemistry and geology, it has the potential to outline areas of enhanced uranium prospectivity.

Areas for ground gravity surveying were selected to cover prospects in which uranium mineralisation has been previously identified either from historic uranium drill intersections and/or airborne radiometric anomalies. However, previous exploration in each of the target areas was not sufficiently detailed to allow a prospect-scale interpretation of any potential ore-localising structures. The detailed ground gravity surveys will be used in conjunction with supporting exploration datasets to assist with refining targets for ongoing exploration evaluation.

A radon-in-soil cup survey (140 stations) will commence in mid-August with stations on 200m x 100m spacing to test for any uranium leakage along two localised river valleys which appear to represent prominent structural zones localised in the Kombolgje Sandstone and which may propagate into the underlying basement Cahill Formation schists (Target 6; Figure 1). Previous drilling has intersected anomalous uranium values associated with Kombolgje Sandstone and/or dolerite bodies which highlights the local prospectivity for uranium in this area.

Geological mapping and prospecting is planned to cover a significant area of residual soils and thin colluvial cover which extends east from the Quarry Fault Zone to the eastern tenement boundary of EL10176 (see Targets 4, 5; Figure 1). Structural trends have been identified in a historic ground gravity survey at the Quarry Fault Zone (dashed area west of Target 4) which hosts the U40 and U42 uranium prospects, and extending coverage of the ground gravity surveying to the east will assist with defining untested basement structures. Target area 5 located within the planned geological survey area contains a historic airborne radiometric anomaly which was tested by shallow RAB drill holes and returned anomalous bottom-of-hole uranium values up to 30ppm U in near-surface oxidised basement geology. A scintillometer will be utilised during surface mapping and prospecting to identify any anomalous uranium in the exposed regolith.

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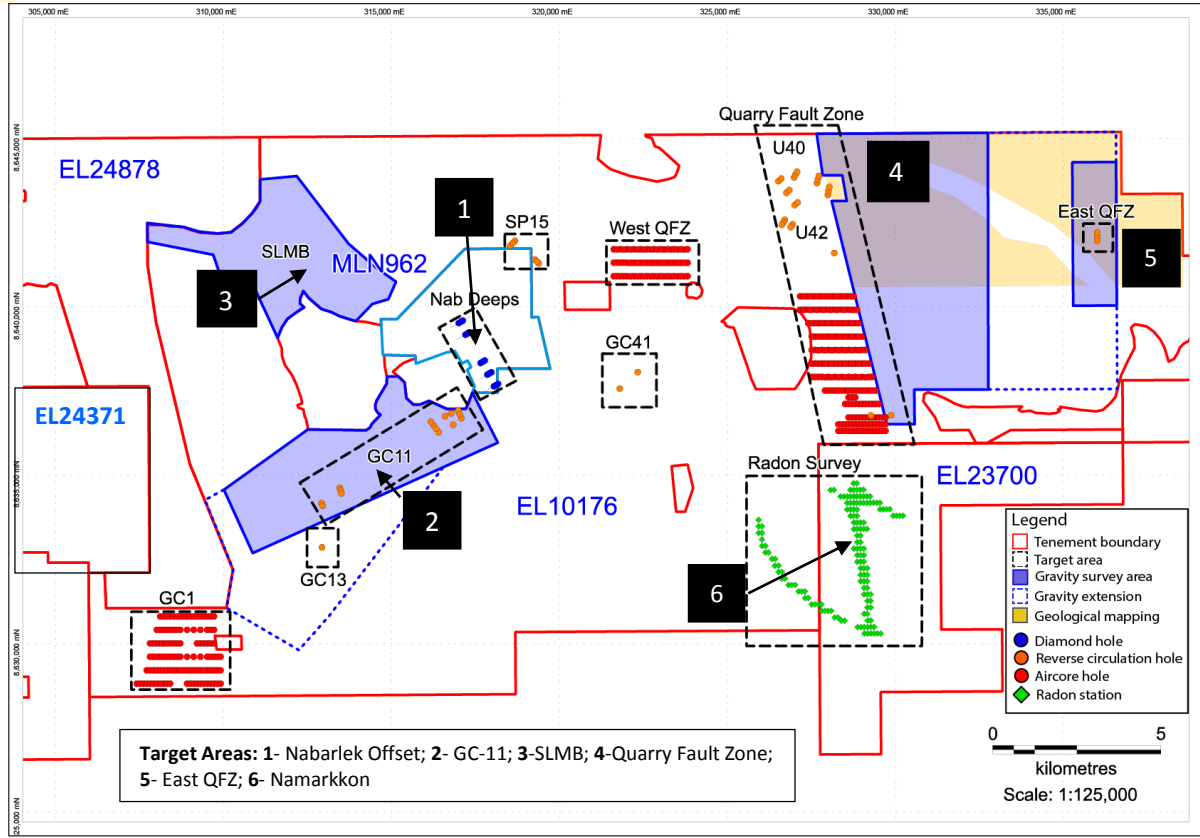


Figure 1. Exploration targets areas within the Nabarlek Project. UEQ has 100% interest in Mineral Lease MLN962 and is earning 100% interest in the West Arnhem JV tenements EL10176, EL23700 and EL24371.

1.2 Other Projects

Arnhem Minerals (NT)

During the reporting period the Company has continued to expedite tenements through to grant with the Department of Mines and Energy.

Rudall River (WA)

The Rudall River Project (Uranium Equities 100%) 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).

The Company continues to work on identifying potential partners to progress the Rudall River Project.

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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 \$98,466 (YTD: \$1,190,005). In addition, during the quarter the Company has spent \$23,033 on administration costs (YTD: \$258,477).

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%
			632	4,680	

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

Nil

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2. CORPORATE

As of 30th June 2016 the Company has incurred expenditure of \$1.7 million, with a further \$0.3 million remaining to meet the full expenditure commitment of \$2 million by 31 December 2017 pursuant to the terms of the joint venture agreement with Cameco on the West Australian Project.

During the quarter the Company sold all 8,004,393 shares held in ASX listed Alto Metals Ltd (formerly Enterprise Uranium Limited (ASX:AME) for a net consideration of \$493,791.

The Group's cash balance at the end of the quarter was \$511,105 (refer Appendix 5B for further information).

The Company retains a 9.9% interest (3,455,371 shares) in unlisted PhosEnergy Limited (www.phosenergy.com).

A handwritten signature in blue ink, appearing to read "Tim Goyder", with a stylized flourish at the end.

Tim Goyder
Chairman

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Kevin Frost who is a consultant to the Company and a member of the Australian Institute of Geoscientists. Mr Frost 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 Frost 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")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (12 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(98,466) - - (23,033)	(1,190,005) - - (258,477)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12,932	64,336
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other (management fees received)	-	-
Net Operating Cash Flows	(108,567)	(1,384,146)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- 493,791 456	- 493,791 592
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	494,247	494,383
1.13 Total operating and investing cash flows (carried forward)	385,680	(889,763)

+ 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)	385,680	(889,763)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,103,912
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)	-	12,174
	Net financing cash flows	-	1,116,086
	Net increase (decrease) in cash held	385,680	226,323
1.20	Cash at beginning of quarter/year to date	125,425	284,782
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	511,105	511,105

Notes:

- (1) Cash balance excludes \$1.602 million held as security deposits or against bank guarantees for rehabilitation obligations on the Nabarlek Mineral Lease and West Arnhem Land tenements, 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	
1.23	Aggregate amount of payments to the parties included in item 1.2	36,996
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 and employer superannuation contributions (\$9,496) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$27,500). All transactions are on commercial terms.
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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

Nil

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

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	50,000
4.2 Development	-
4.3 Production	-
4.4 Administration	100,000
Total	150,000

Reconciliation of cash

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

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	494,818	99,138
5.2 Deposits at call	16,287	26,287
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	511,105	125,425

+ 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	618,502,191	618,502,191	N/A	N/A
7.4	Nil	Nil	N/A	N/A
	Nil	Nil	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

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	Options (unlisted share options)	Nil	Nil	<i>Exercise price</i> N/A	<i>Expiry date</i> N/A
	Unlisted Performance Rights	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				
	Options	Nil	Nil	N/A	N/A
	Performance Rights.	Nil	Nil	N/A	N/A
7.11	Debentures (totals only)	N/A	N/A		
7.12	Unsecured notes (totals only)	N/A	N/A		

+ 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: 29 July 2016

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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