



ASX Market Announcements
via electronic lodgement

Uranium Equities Expands into Carnarvon Basin Uranium Province with Strategic Investment in Energia Minerals

Highlights

- Uranium Equities to **acquire strategic interest in Energia Minerals** (ASX: EMX) through a Private Placement and participation in a rights issue.
- Strategic investment gives Uranium Equities shareholders exposure to the **12Mib Carley Bore Uranium Deposit** in WA, where a new resource extension drilling program is underway.
- UEQ Managing Director **Bryn Jones** to be appointed to the Energia Board as a **non-executive Director**.

Uranium Equities (ASX: UEQ) is pleased to advise that it will acquire a cornerstone shareholding in ASX-listed uranium explorer Energia Minerals Limited (ASX: EMX) by participating in a share placement and rights issue.

The strategic investment will give UEQ shareholders exposure to Energia's extensive portfolio of uranium assets throughout Australia, including its flagship 100%-owned Nyang Uranium Project in Western Australia, which hosts the Carley Bore Uranium Deposit.

UEQ's investment in Energia will be made in the following steps:

- 1) a Private Placement of 16.425 million ordinary shares at 3.5 cents;
- 2) taking up the Company's full entitlement under the 2:5 non-renounceable rights issue at 3.5 cents announced today by Energia, giving the Company a further 6.570 million shares; and
- 3) firm sub-underwriting of the first \$500,000 of any shortfall under the rights issue, giving the Company a maximum of a further 14.286 million shares.

The Company (and its associates) will hold between a 14.3% interest and 22.4% interest (subject to the appropriate exemption under the Corporations Act) in the expanded capital of Energia depending on the level of sub-underwriting required.

Carley Bore has a current JORC compliant Inferred Mineral Resource of 13.8 million tonnes grading 390ppm U₃O₈ for **12 million pounds of contained U₃O₈** at a cut-off of 200ppm (see Energia announcement dated 25 August 2011).

The Carley Bore resource is a sedimentary hosted roll-front deposit contained within a regionally continuous palaeo-channel which extends for at least 40km to the north of the current resource.

Our Strengths

- Breakthrough PhosEnergy Process
- Extensive exploration portfolio >24,000km²
- Multiple near term growth opportunities

HEAD OFFICE

Level 5
29 King William Street
Adelaide, SA 5000
T: +61 8 8110 0700
F: +61 8 8110 0777
E: reception@uel.com.au

PERTH OFFICE

Level 2, 1292 Hay Street
West Perth, WA 6005
GPO Box 2890
Perth, WA 6001
T: +61 8 9322 3990
F: +61 8 9322 5800

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The resource remains open in several directions and a drilling program to expand the resource and test for extensions is currently underway.

The project is located within the emerging Carnarvon Basin uranium province which also hosts Paladin's Manyingee project currently under development and Cauldron Energy's Bennett Well project where recent high grade uranium mineralisation has been intersected, peaking near 1% eU₃O₈ (see Cauldron Energy Limited ASX:CXU announcement 30 October 2012) (Figure 1).

Energia's studies have established that production from Carley Bore could be at low operating cost based on the excellent metallurgical recoveries achieved – averaging 90% over a 48 hour period, the shallow depth of the ore, good quality groundwater and very low acid consumption (see Energia Announcement dated 4 April 2012).

Uranium Equities' Managing Director, Mr Bryn Jones said: *"Our firm view is that an impending market supply shortage of uranium will significantly lift uranium prices from their current level and uranium deposits that are amenable to rapid development and low cost production methods such as In-Situ Recovery (ISR) will be well placed to fill the demand supply gap."*

"This strategic investment gives Uranium Equities shareholders exposure to a current ISR amenable resource at Carley Bore, which we believe has significant potential to be upgraded and extended," he added.

Board Representation

Bryn Jones has also been appointed to the Energia Board as a non-executive Director. He has extensive experience in the uranium industry, in particular with the development and operation of ISR projects most notably at the Beverley Uranium Mine in South Australia.

The Company believed this experience will be important for Energia as it looks to expand and develop the Carley Bore Uranium Deposit.

Yours faithfully,

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

Bryn Jones
Managing Director

About Uranium Equities

Uranium Equities Limited (UEQ) has two main areas of focus: The development of the PhosEnergy Process; and exploration activities directed at high quality exploration assets covering more than 24,000km² in a number of Australian states and territories and various deposit styles.

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

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

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

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

Figure 1: Carnarvon Basin Uranium Projects (Source: Energia presentation to Resources Rising Stars Conference 3 Oct 2012)

