

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553

10 April 2013

ASX Market Announcements Office
via electronic lodgement

Non-renounceable Rights Issue

Highlights:

- **1-for-3** non-renounceable pro-rata rights issue at **2.5 cents** to raise up to **\$2.2 million** before issue costs
- Ability for Shareholders at the Record Date to apply for additional shares, over and above their entitlement
- Currently proposed to use funds to progress the Company's Nabarlek Project and for general working capital requirements
- PhosEnergy Process development continues to be funded under the Strategic Alliance with Cameco Corporation

Uranium Equities Limited (ASX:UEQ) is proposing a 1-for-3 non-renounceable rights issue to eligible shareholders at 2.5 cents for each new share to raise up to \$2.2 million before issue costs (the **Offer**). Directors, accounting for approximately 16.4% of total Shares on issue have committed to fully take up their Entitlements.

It is currently proposed to use the net proceeds from the Offer to further progress our key **Nabarlek Project** and for general working capital requirements.

Shareholders at the Record Date (other than Directors and related parties of the Company) may apply for additional shares, over and above their entitlement at 2.5 cents per share.

The company controls 673km² in one of the world's best endowed uranium provinces, the Alligator River Uranium Field (ARUF) in the Northern Territory. The Company's landholding in the ARUF incorporates the Nabarlek Mineral Lease and several surrounding granted and pending exploration licences which collectively comprise the Nabarlek Project.

In addition, the Company continues to develop the PhosEnergy Process for extraction of uranium as a by-product of phosphate fertiliser production with the funding and business development support of Cameco Corporation, one of the world's largest uranium producers.

On 5 March 2013 the Company announced the results of an independent pre-feasibility level engineering study (PFS) on the PhosEnergy Process. The PFS estimated a cash operating cost of less than US\$18 per pound of uranium putting the PhosEnergy Process well within the lowest cost quartile for uranium producers globally.

Cameco also committed US\$4 million for further development of the PhosEnergy Process bringing their total funding to date to US\$16.5 million. It is anticipated that these funds are sufficient to carry the project through completion of a Definitive Feasibility Study. Interest in the Process is now UEQ 27%: Cameco 73%.

Our Strengths

- Breakthrough PhosEnergy Process
- Nabarlek – rare near mine exploration portfolio
- Multiple near term growth opportunities

ASX: UEQ

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Cameco has agreed to fund at least 50 per cent of UEQ's proportionate share of first facility capital requirements on terms to be agreed.

The PFS and subsequent investment by Cameco was a significant milestone and demonstrates the clear potential for Uranium Equities to become a uranium producer.

The next phase of commercialisation is expected to comprise a continuous on-site demonstration scale operation at the site of an existing phosphate producer. This phase will underpin a Definitive Feasibility Study (DFS) and the basis for a full scale commercial facility.

Indicative Offer timetable

The key dates for the Offer are set out below. The dates are indicative only and the Company reserves the right to vary them subject to requirements of the ASX Listing Rules.

| | |
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| Announcement of the Offer | 10 April 2013 |
| Lodgement of Appendix 3B, Cleansing Notice and Offer Document with ASX | |
| Ex Date (being the date that Shares start trading without the Entitlements to participate in the Offer) | 18 April 2013 |
| Record Date | 5.00pm (ACST) 24 April 2013 |
| Anticipated Despatch of Offer Document | 30 April 2013 |
| Offer Opens | 30 April 2013 |
| Offer Closes | 5.00pm (ACST) 14 May 2013 |
| New Shares quoted on a deferred settlement basis | 15 May 2013 |
| ASX notified of under subscription | 17 May 2013 |
| Issue of new shares (deferred trading ends) | 20 May 2013 |
| Trading of new shares under the Offer expected to commence | 21 May 2013 |

Further Information

The Offer is being made to shareholders with registered addresses in Australia and New Zealand on the Record Date of the Offer, which is 5:00pm (ACST) on Wednesday, 24 April 2013 (**Eligible Shareholders**). Shareholders with a registered address outside Australia and New Zealand will not be eligible to participate in the Offer. As the Offer is non-renounceable, Eligible Shareholders will not be able to sell or otherwise transfer their entitlements.

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements. Additional Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer. Additional Shares will be issued at the discretion of the Directors at the Issue Price of 2.5 cents per Share.

If any shortfall remains after the allocation of Additional Shares to Eligible Shareholders as set out above, the Directors reserve the right to place the remaining shortfall at their discretion (at a price not less than the Issue Price of 2.5 cents per Share) within three months of the close of the Offer.

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The Offer is being made without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act), in accordance with section 708AA of the Corporations Act 2001 (Cwlth) (**Corporations Act**). Full details of the Offer will be contained in an Offer Document to be lodged with ASX (and available from ASX's website at www.asx.com.au) and to be despatched to Eligible Shareholders in accordance with the timetable set out above. The Offer Document will also be available on the Company's website at www.uel.com.au.

The Company will lodge with ASX an Appendix 3B under which the Company will apply for quotation on ASX of the new shares to be issued pursuant to the Offer. A "cleansing notice" in relation to the Offer will also be issued to ASX under the Corporations Act. These documents will be available from the websites of the Company and ASX.



Bryn Jones
Managing Director

About Uranium Equities

Uranium Equities Limited (UEQ) is positioned for growth in the uranium sector through its three pronged approach: The development of the PhosEnergy Process; A shareholding in Energia Minerals Limited in the Carnarvon Basin; and Exploration activities directed at high quality exploration assets in Australia's premier uranium districts.

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.

The global annual production potential of uranium from the phosphate industry is in the order of 20 Mlbs U₃O₈. 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. An independent PFS level engineering study has estimated cash operating costs of less than US\$18 per pound of uranium, putting it in the lowest quartile for operating costs of worldwide uranium production expected to come on line in the next 5 to 10 years.

The Nabarlek Project provides a rare near mine exploration opportunity surrounding the historic Nabarlek Uranium Deposit (previous production: 24 Mlbs @ 1.84% U₃O₈). 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.

Energia Minerals are developing the Carley Bore Deposit in Western Australia's Carnarvon Basin. UEQ believes that the Carnarvon Basin will be Australia's next ISR production centre. UEQ currently holds 21.15% of Energia's issued capital.