

ASX ANNOUNCEMENT 17 July 2013

URANIUM EQUITIES LIMITED ACN 009 799 553



URANIUM
EQUITIES

ASX Market Announcements Office
via electronic lodgement

Uranium Equities to Demerge PhosEnergy Assets

Uranium Equities (ASX: UEQ) advises that following an evaluation of separating its exploration and PhosEnergy Process assets announced to the ASX on 28 May 2013, the Board has resolved, subject to receiving shareholder and other contractual approvals, to demerge its PhosEnergy Process assets.

The demerger, if approved, will create two independently focussed companies and allow different funding and development strategies to be applied to the substantially different businesses. It will allow shareholders and investors to hold or invest in the exploration assets, the PhosEnergy Process, or both depending on their investment strategies and risk appetite.

The demerger will be implemented by:

- (a) transferring the PhosEnergy Process assets into the Company's wholly owned subsidiary, PhosEnergy Limited (PhosEnergy) in return for shares in PhosEnergy; and
- (b) distributing shares in PhosEnergy to shareholders (for no cash outlay) on an approximately 1 for 10 basis.

On implementation of the demerger, shareholders will hold shares in both Uranium Equities and PhosEnergy, which will remain unlisted in the near term.

Further details will be made available to shareholders in a Notice of General Meeting and Explanatory Memorandum to be distributed shortly.

Yours faithfully,

Bryn Jones
Managing Director

Our Strengths

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

ASX: UEQ

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About Uranium Equities

Uranium Equities Limited (UEQ) is positioned for growth in the uranium sector through the development of the PhosEnergy Process 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 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. 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% U_3O_8). The previously mined 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.