

SALE OF TENEMENT PACKAGE FOR CASH

The Company is pleased to announce that it has agreed to sell a package of non-core application Tenements for a cash consideration of A\$625,000.

Details

Spectrum Rare Earths Limited has agreed to sell its 100% owned Private Company Arnhem Minerals Pty Ltd (Arnhem Minerals) to Uranium Equities Limited (ASX: UEQ) for a total of A\$625,000 in cash. Arnhem Minerals holds seven Exploration Licence Applications (ELA25384, ELA25385, ELA25386, ELA25387, ELA25389, ELA25391 and ELA25393) covering a total area of 2,096 km² in the broader West Arnhem Land region of the Northern Territory.

Transaction Terms

In consideration for the acquisition of all the shares in Arnhem Minerals Pty Ltd, Uranium Equities will pay a total of A\$6250,000 in cash to Spectrum Rare Earths Limited in three tranches as follows:

- 1) A\$325,000 by 5pm, 20th June 2014 (First Payment);
- 2) A\$175,000 on Grant of an EL derived from ELA25384 (Second Payment), and
- 3) A\$125,000 on Grant of an EL derived from ELA25389 (Third Payment).

The transfer of the Shares in Arnhem Minerals will take place following the First Payment. If the Second Payment or Third Payment are not made by Uranium Equities Limited the shares in Arnhem Minerals Pty Ltd and/or Arnhem Mineral Tenements must be transferred back to Spectrum Rare Earths Limited for no consideration with all prior payments being non-refundable to Uranium Equities. Spectrum Rare Earths Limited will maintain a caveat and escrowed Power of Attorney from UEL for the re-transfer of the shares and/or Arnhem Minerals Tenements to protect its rights until the third and final payment has been made. Spectrum also has a first right of zero cost re-transfer over five tenements in the package (ELA25385, ELA25386, ELA25387, ELA25391 and ELA25393) should Uranium Equities not choose to pursue these tenements further.

Spectrum will direct funds towards exploration and metallurgical studies on its highly prospective REE District where recent work has outlined the significant Magnetic End Use Rare Earth and Heavy Rare Earth Skyfall Prospect.

For further information please contact:

MR IAN BAMBOROUGH

Managing Director

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Spectrum Rare Earths Limited holds approximately 12,000km² of prospective land package across 37 (11 granted, 26 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. The business holds multiple consolidated project areas across several key geological and metallogenic terrains, affording it some opportunity to diversify exploration into many commodities. Spectrum's main focus is its Skyfall Heavy and Magnetic End Use Rare Earth District where it retains approximately 3,000km² of tenements. The Rare Earth District is located approximately 5 hours' drive south of Darwin.

<u>Registered Office</u>	<u>Main Office</u>	<u>Company Management</u>
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