

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



ASX Market Announcements Office via electronic lodgment

21 July 2015

Quarterly Report for the Quarter Ended 30 June 2015

HIGHLIGHTS:

- **Exceptional 'drill-ready' offset target identified beneath historical Nabarlek Uranium Mine in the Northern Territory**
- **Additional high-quality targets identified with characteristic Nabarlek-style alteration patterns across a number of prospects within the Nabarlek Project**
- **Drilling program planned to commence in August 2015**
- **Underwritten 1-for-3 non-renounceable pro-rata rights issue in progress at 0.8 cents to raise up to approximately \$1.21 million**

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 announced the identification of a significant new exploration target within UEQ's 100%-owned Nabarlek Mineral Lease, directly beneath the historical high-grade **Nabarlek Uranium Mine**.

In addition, a number of other high-priority targets associated with known mineralised systems or fertile structures have been identified by the Company through the application of a new alteration model across the Nabarlek Project tenure.

Drilling is planned to commence in August 2015 testing the Nabarlek offset and these other high-priority targets.

1.1 Nabarlek Project

The West Arnhem Joint Venture with Cameco Australia (Uranium Equities right to earn 100%) and the 100%-owned Nabarlek Mineral Lease, located in the ARUP, represent a rare near-mine uranium exploration opportunity surrounding the historic Nabarlek Uranium Mine (previous production: 24Mlb @ 1.84% U3O8) – the Nabarlek Project.

The Nabarlek Project covers the historical Nabarlek Mining Lease where the Company is targeting structural and geological extensions and repetitions of the high grade Nabarlek orebody. Outside the Nabarlek ML, UEQ has identified a number of

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prospects where drilling has intersected high grade uranium.

During the quarter UEQ completed its study of the alteration signature of the Nabarlek deposit through analysis of spectral (short-wave infrared or SWIR) and associated multi-element geochemical data. In conjunction with this alteration study, the Company has developed a new geological model for the Nabarlek orebody. This model indicates that while the orebody dips to the north-east, it plunges to the north before it is truncated by the Oenpelli Dolerite sill. This suggests that a potential 'offset' extension of the Nabarlek orebody may be located to the north beneath the barren dolerite sill (Figure 1).

There has been no previous drilling of this structural position and UEQ plans to drill this exceptional target with a combined RC and diamond drilling program in August 2015.

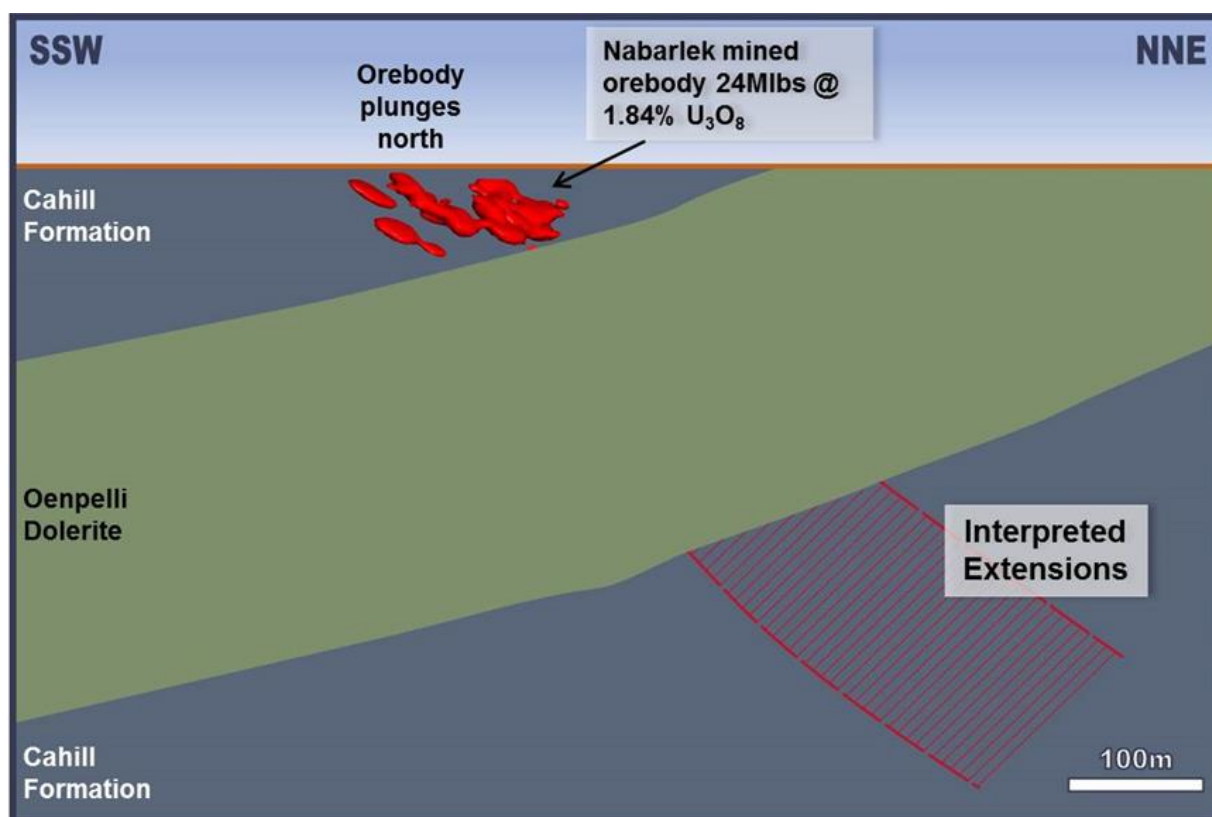


Figure 1: – Nabarlek offset target, oblique section view to 290°.

The characterisation of “Nabarlek” style alteration signatures, including broad-scale zonation patterns, and potential vectors to mineralisation, has now been applied across the Nabarlek Project tenure. This study has identified a number of prospects with proximal alteration assemblages where previous drilling may have just missed mineralisation. The highest priority targets will be tested by RC drilling in the upcoming program.

1.2 Other Projects

Arnhem Minerals (NT)

During the reporting period the Company met with Traditional Owners and the Northern Land Council to progress tenements to grant.

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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.

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 \$126,842 (YTD: \$979,100). In addition, during the quarter the Company has spent \$138,220 on administration costs (YTD: \$580,979).

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

Subsequent to the end of the Quarter, the Company advised that it will undertake an underwritten 1-for-3 non-renounceable rights issue to eligible shareholders at 0.8 cents for each new share to raise up to approximately \$1.21 million before issue costs (the Offer). The Chairman, Tim Goyder, who has a ~25% interest in the Company has committed to taking up his entitlement that he directly controls (\$297,471).

The Offer is underwritten by Taylor Collison Limited for \$916,898 being the Offer less Mr Goyder's entitlement.

The Group's cash balance at the end of the quarter was \$284,783 (refer Appendix 5B for further information).

The Company also held 8,004,393 shares in ASX listed Enterprise Uranium Limited (ASX:ENU) and retained 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

This information in relation to the potential 'offset' extension at the Nabarlek Project is extracted from the ASX Announcement entitled 'UEQ Identifies Significant New exploration Target Beneath High-Grade Nabarlek Uranium Mine, NT' created on 7th May 2015 and available to view at www.uel.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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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 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(128)	(980)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(138)	(581)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	45
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid)/received	190	190
1.7	Other (management fees received)	-	-
Net Operating Cash Flows		(75)	(1,326)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	(91)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	22	25
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		22	(66)
1.13	Total operating and investing cash flows (carried forward)	(53)	(1,392)

+ 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)	(53)	(1392)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,374
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)	(10)	(10)
	Net financing cash flows	(10)	1,374
	Net increase (decrease) in cash held	(63)	(28)
1.20	Cash at beginning of quarter/year to date	348	313
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	285	285

Notes:

- (1) Cash balance excludes \$1.589 million held against bank guarantees for rehabilitation obligations on the Nabarlek Mineral Lease and West Arnhem Land tenements and an office lease, 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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	32
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, employer superannuation contributions (\$10k) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$22k). All transactions are on commercial terms.

Item 1.2(d) Consists of redundancy payments (\$127k) to employees due to the closure of the office in Adelaide.

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

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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	600

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	274	323
5.2 Deposits at call	11	25
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	285	348

+ 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	455,388,518	455,388,518	N/A	N/A
7.4	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: 21 July 2015

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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