

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



ASX Market Announcements Office via electronic lodgment

29 October 2015

Quarterly Report for the Quarter Ended 30 September 2015

HIGHLIGHTS:

- Drilling at Prospect GC-11 intersected 2m @ 2,354ppm U_3O_8 from 135m downhole in drillhole NAR7537; and 5m @ 1,065ppm U_3O_8 from 169m downhole in drillhole NAR7535.
- Alteration patterns in Kombolgie sandstone at GC-11 are consistent with those mapped over "classical" Athabasca style unconformity hosted uranium deposits.
- Intense alteration and pathfinder element signature intersected at the Nabarlek Offset target are consistent with footwall alteration to the Nabarlek deposit.

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 completed a combined reverse circulation (RC) and diamond drilling (DD) program on targets at the Nabarlek Project. A total of 12 drillholes for 3,452 metres were drilled with encouraging results.

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% U_3O_8) – 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 prospects where drilling has intersected high grade uranium.

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During the quarter the Company completed a 12 hole, 3,452 metres combined RC and diamond drilling program on the Nabarlek Offset target and other high-priority targets associated with known mineralised systems or fertile structures identified through UEQ's research and development programs into the alteration signature of Nabarlek style "Unconformity Type" uranium deposits (Figure 1).

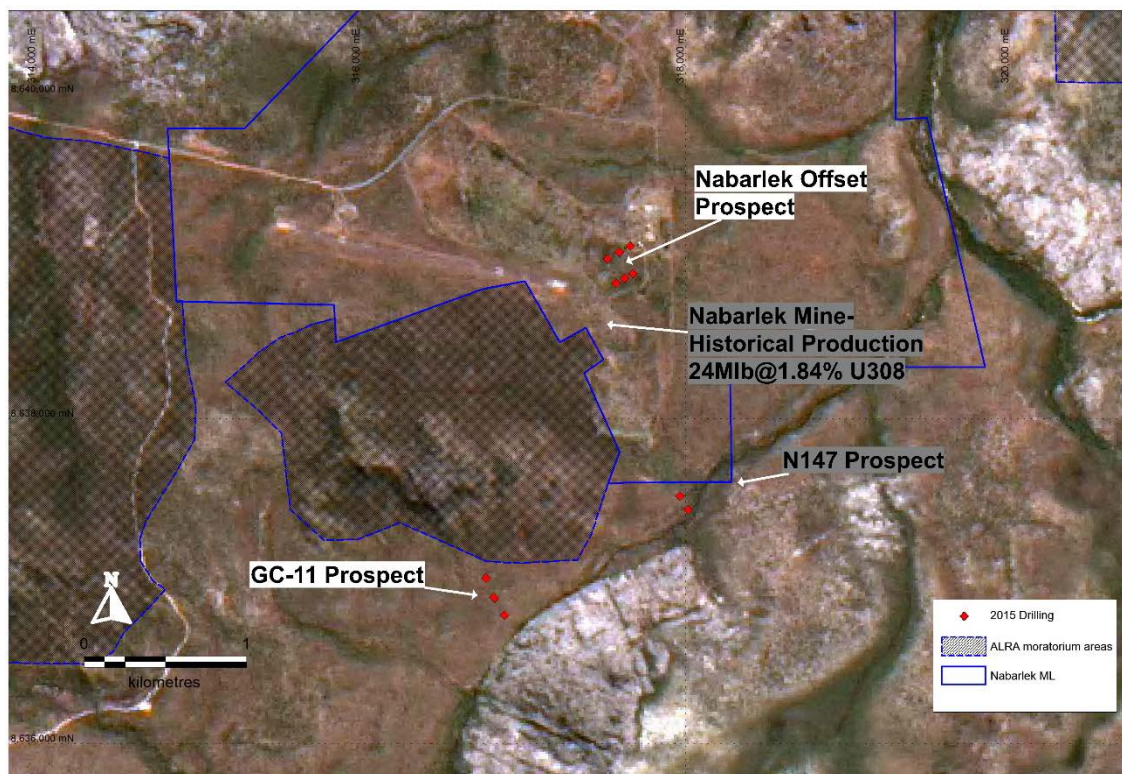


Figure 1:- Nabarlek Project, location of 2015 drilling and prospects

Prospect GC-11, WAJV

A total of four RC drillholes were completed at GC-11 to test for host rocks favourable to uranium mineralisation beneath historic shallow aircore drilling with multi-element geochemical alteration and pathfinder signatures.

GC-11 is located within the Oenpelli Dolerite; some 1.5km south west along strike from uranium mineralisation previously intersected at the N147 Prospect, and has not been tested by deeper drilling.

Significant uranium mineralisation was intersected at the northern end of the drill line (Figure 2), including intersections (using 200ppm U_3O_8 cut-off) of:

NAR7535

- 5m @ 1,065ppm U_3O_8 from 169m including
- 1m @ 2,143 U_3O_8 from 172m
- 1m @ 699ppm U_3O_8 from 177m
- 1m @ 322ppm U_3O_8 from 182m

NAR7537

- 2m @ 875ppm U_3O_8 from 130m

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- 2m @ 2,354ppm U_3O_8 from 135m
- 3m @ 325ppm U_3O_8 from 141m
- 3m @ 653ppm U_3O_8 from 147m
- 1m @ 802ppm U_3O_8 from 154m
- 1m @ 232ppm U_3O_8 from 157m

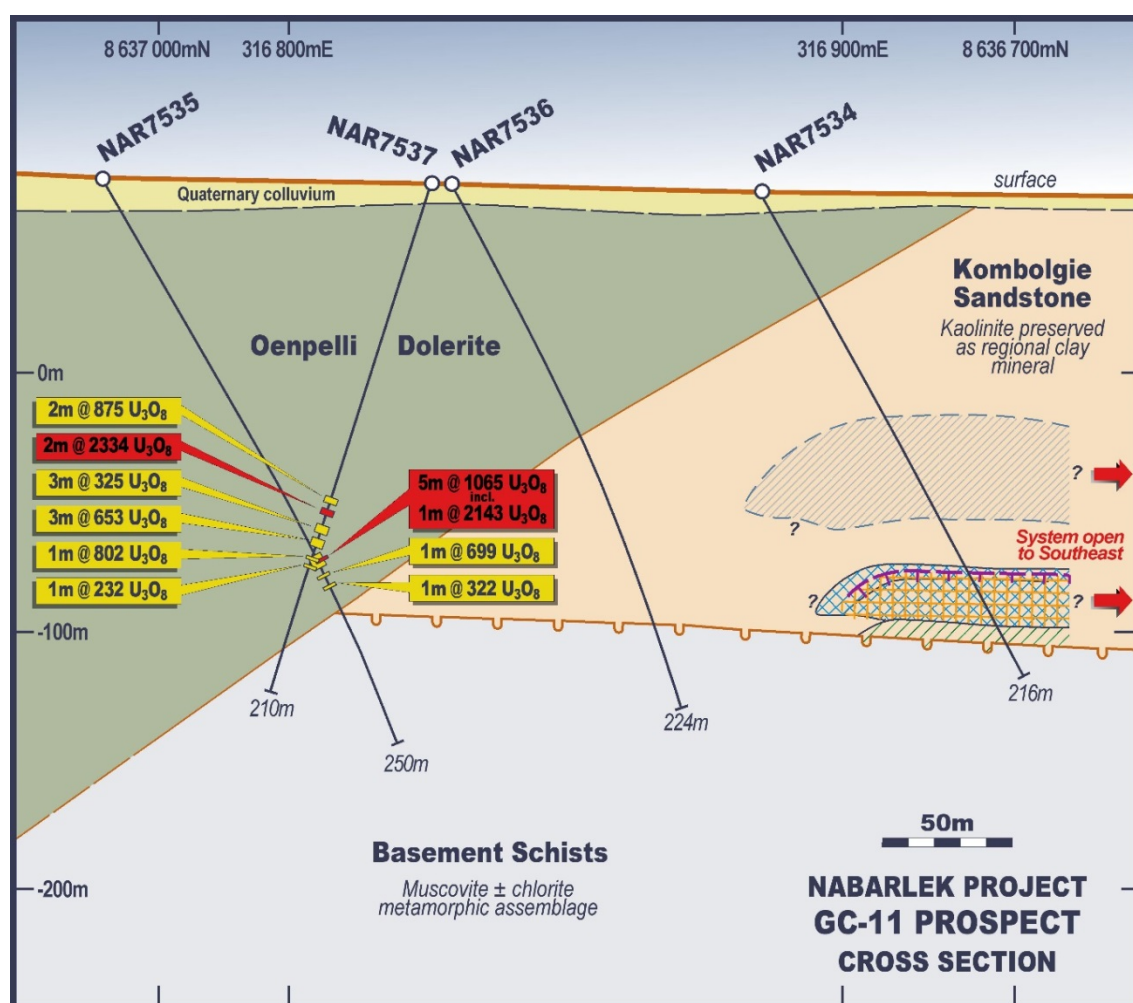


Figure 2:- GC-11 prospect cross section. Note the Unconformity- style alteration system identified in drill hole NAR7534 (for alteration legend see Figure 3).

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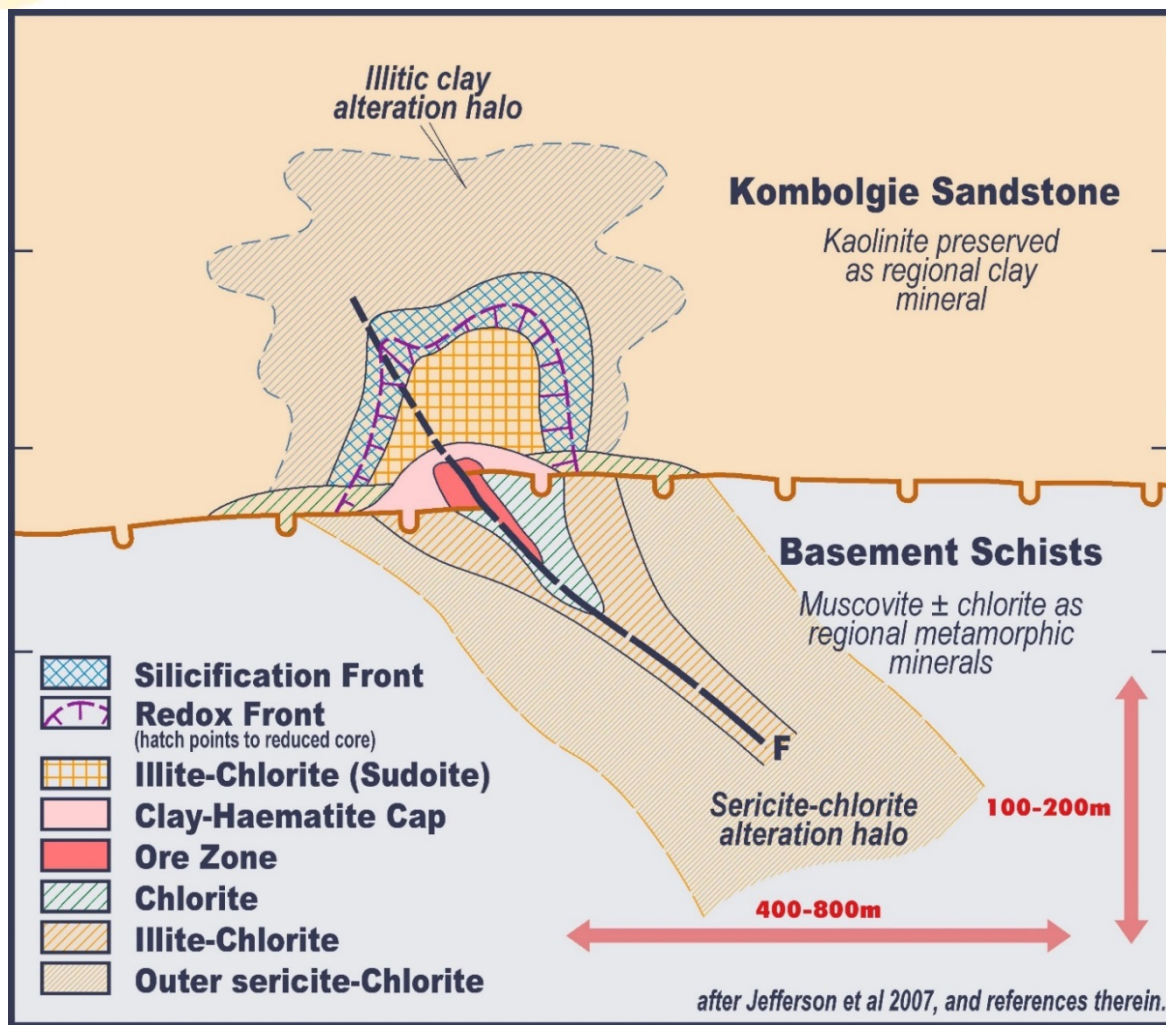


Figure 3:- Alteration zonation through an Unconformity-style uranium deposit

Uranium mineralisation at GC-11 is associated with extensive chlorite and haematite altered dolerite, and shows strong lithium (Li) and vanadium (V) anomalism consistent with the original geochemical targeting criteria. The two drillholes (NAR7535 and NAR7537) show a relative 15-20m vertical displacement of the Komolgie sandstone unconformity which is also suggestive of a fault displacement across this area of drill testing. In addition to opening up over 2.5km of strike of potentially mineralised dolerite west of N147, the significant intersections confirm the combined geological and geochemical targeting approach, and the results of the research and development program.

Hole NAR7534 intersected a distinctive alteration package hosted within the Komolgie Sandstone, comprising (from the top), illitic clay alteration (replacing background kaolinite within the sandstone), silicification, and - across a redox front - into illite-chlorite and finally sudoitic chlorite alteration on the unconformity.

The alteration assemblages are *consistent with those mapped over "classical" Athabasca style unconformity hosted uranium deposits (shown schematically in Figure 3), and suggests NAR7534 has drilled into the outer margin of a uranium related alteration halo.*

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The intersection of uranium mineralisation in strong alteration zones in favourable host rocks at GC-11 is a significant outcome and on-going exploration work will focus on locating other areas of potential mineralisation through an integrated geology-geochemistry and geophysical targeting approach.

Nabarlek Offset Prospect, Mining Lease MLN962 (100% UEQ)

On the Nabarlek ML six holes totalling 2,160m were drilled to test the interpreted offset extensions of the historic Nabarlek mine beneath the Oenpelli Dolerite which truncates the deposit at depth. Drilling was undertaken on two sections 150m apart with a nominal 75m hole spacing, commencing around 100m north of the historical open pit.

Drilling intersected Oenpelli Dolerite from surface to depths of between 225m and 320m down hole overlying a sequence of highly altered metasediments and amphibolites (Cahill Formation equivalents), shown in Figure 4.

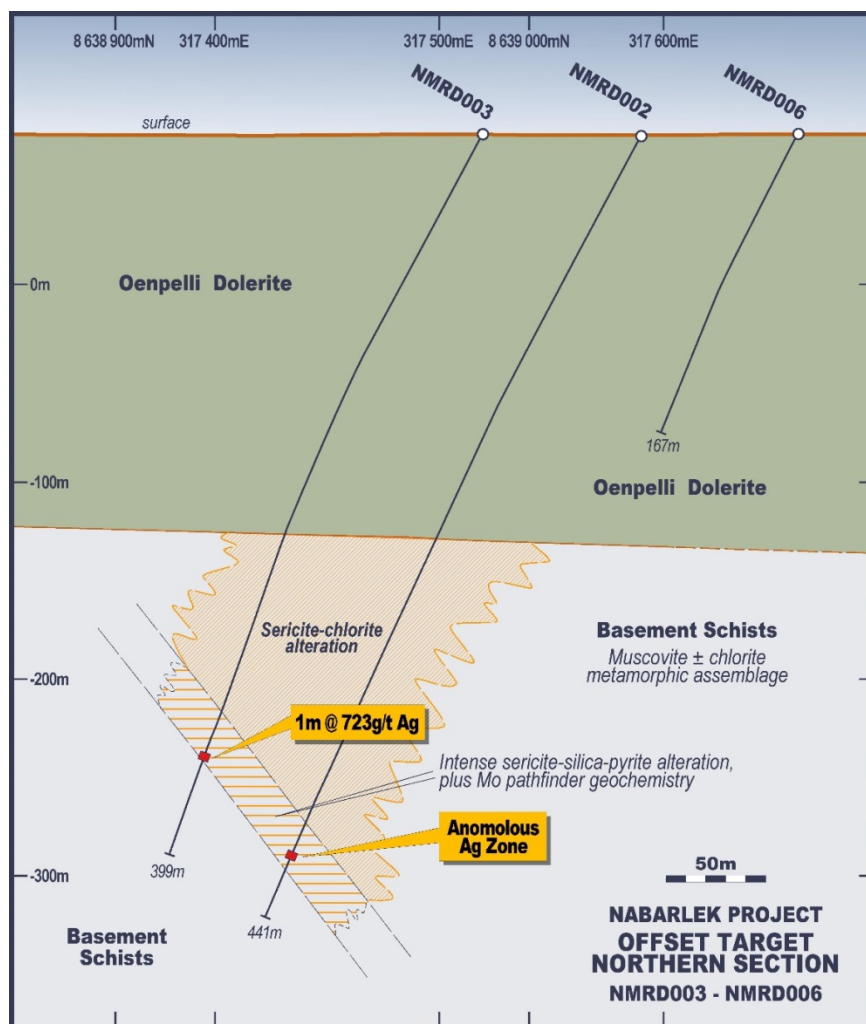


Figure 4:- Nabarlek Offset Prospect, showing alteration along the interpreted trace of the Nabarlek Shear

No significant intercepts of uranium mineralisation were encountered; however alteration mineral assemblages similar to those observed below the Nabarlek open pit have been identified from geological logging. These

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mineral assemblages include intense sericite-silica-pyrite zones, with anomalous silver (Ag) and molybdenum (Mo) pathfinder signatures, located at the base of a broader zone of sericite- chlorite alteration overprinting the regional metamorphic muscovite-chlorite assemblages.

The intense alteration and Mo anomalism are consistent with footwall alteration to the Nabarlek deposit, and suggest the Nabarlek structure extends at depth and north along strike below the Oenpelli Dolerite.

The intersection of the Nabarlek shear below the Oenpelli dolerite has increased the likelihood that other zones of uranium mineralisation may be located along this prospective structure. The Nabarlek shear will be modelled and projected along strike to assist with the identification of high priority target areas that have not been drill tested either below or above the Oenpelli dolerite.

N147 Prospect, WAJV

Two RC drillholes were completed on one drill section (holes 100m apart) located 170m west of the N147 Prospect (Figure 1), aiming to test for extensions of the altered dolerite package hosting the N147 system. While chlorite altered dolerites were intersected, no significant U results were recorded. These results suggest that N147 and GC-11 represent separate cells developed along the southern margin of the Oenpelli Dolerite.

Further Work

RC drilling at GC-11 has intersected anomalous uranium mineralisation in the lower part of the Oenpelli Dolerite, in a similar position to mineralisation located historically at N147. The discovery of new uranium mineralisation has outlined the potential for further N147-style mineralisation over some 2.5km of strike, where previous shallow drilling intersected anomalous Li, V and Mo pathfinder alteration signatures.

Also at GC-11, illite-chlorite-alteration signatures in hole NAR7534, hosted in Kombolgje sandstone, could indicate proximity to a unconformity-related uranium deposit. The new geological interpretation will be integrated with geophysical data to define targets for further exploration at this exciting prospect.

Diamond drilling at Nabarlek offset has intersected a strong localised alteration zone in basement schists of Cahill Formation which suggest that the Nabarlek structural zone continues at depth and north along strike. The structure will be modelled to determine if there is potential to locate additional uranium mineralisation at depth or further north along strike

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.

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.

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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 \$691,402 (YTD: \$691,402). In addition, during the quarter the Company has spent \$113,443 on administration costs (YTD: \$113,443).

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

2. CORPORATE

In August 2015 the Company completed an underwritten 1-for-3 non-renounceable rights issue to eligible shareholders at 0.8 cents for each new share to raise up to \$1,214,369 before issue costs.

During the quarter the Company advised that it has received a Certificate for Finding from Innovation Australia under Section 27J of the Industry Research and Development Act 1986 ("IR&D Act") regarding its R&D tax incentive claim for the 2011/12, 2012/13 and 2013/14 income years.

Innovation Australia ascertain that certain R&D tax incentive claims in relation to the West Arnhem, Frome and

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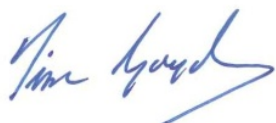


Marla projects made by the Company in these years are non-compliant, and as such, require repayment to the extent of ~\$439,000. The Company and its advisor strongly disagree with the findings and believe all tax incentives received pursuant to the IR&D Act meet the eligibility requirements.

Uranium Equities intends to take all necessary steps to dispute these findings of which the first step has been the requisition that the Board of Innovation Australia reconsider the decision and commence a review under Division 5 of the IR&D Act (being an internal review of the finding).

The Group's cash balance at the end of the quarter was \$609,614 (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).



Tim Goyder
Chairman

Competent Person Statement

This information in relation to drilling results and the potential 'offset' extension at the Nabarlek Project are extracted from ASX Announcements entitled 'RC and Diamond Drilling Results Nabarlek Project' created on 7th October 2015 and 'UEQ Identifies Significant New exploration Target Beneath High-Grade Nabarlek Uranium Mine, NT' created on 7th May 2015. Both are 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 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A	Year to date (3 months) \$A
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(691,402)	(691,402)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(113,443)	(113,443)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	25,643	25,643
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid)/received	-	-
1.7	Other (management fees received)	-	-
Net Operating Cash Flows		(779,202)	(779,202)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(779,202)	(779,202)

+ 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)	(779,202)	(779,202)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,107,419	1,107,419
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)	(3,386)	(3,386)
	Net financing cash flows	1,104,033	1,104,033
	Net increase (decrease) in cash held	324,831	324,831
1.20	Cash at beginning of quarter/year to date	284,783	284,783
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	609,614	609,614

Notes:

- (1) Cash balance excludes \$1.589 million held as security deposits or 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
1.23	Aggregate amount of payments to the parties included in item 1.2	36,486
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 (\$25,486) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$11,000). All transactions are on commercial terms.

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

-

- 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

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	250,000
4.2 Development	-
4.3 Production	-
4.4 Administration	150,000
Total	400,000

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	Previous quarter \$A
5.1 Cash on hand and at bank	598,886	274,055
5.2 Deposits at call	10,728	10,728
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	609,614	284,783

+ 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	607,184,691	607,184,691	N/A	N/A
7.4	151,796,173	151,796,173	0.08	0.08
	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: 29 October 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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