

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



ASX Market Announcements Office via electronic lodgment

29 April 2016

Quarterly Report for the Quarter Ended 31st March 2016

HIGHLIGHTS:

- A comprehensive exploration targeting program undertaken this quarter on the Nabarlek project has highlighted numerous targets which occur on the 100% owned Mining Lease MLN962 and surrounding granted tenements of the West Arnhem Joint Venture with Cameco (UEL earning 100%).
- The Nabarlek offset structure modelled to define a 2.1km long strike length target beneath the Oenpelli Dolerite interpreted as the offset structure which hosts the historic Nabarlek uranium deposit.
- Other high-priority targets have been identified in the West Arnhem JV tenements using combined geophysical, structural, geochemical and geological approach to exploration targeting.
- Propose to undertake ground gravity surveys in 4 key target areas and a new radon-in-soil survey next quarter.

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 undertook a comprehensive exploration target generative program utilising a combination of geophysics (gravity, aeromagnetism, electromagnetism), geochemistry (uranium and pathfinder signatures), geology and drilling to highlight priority targets for ongoing exploration.

The Company has identified a wide spectrum of targets from advanced prospects along strike of the historic Nabarlek mine, through to targets identified adjacent to uranium drill intersections in previously identified uranium-mineralisation trends. In addition, the Company has identified new areas for grass roots exploration in regions without first-pass exploration data coverage.

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1.1 Nabarlek Project

The Nabarlek project comprises the 100% owned Nabarlek Mineral Lease MLN962 which records historic production of 24Mlb U₃O₈ from the Nabarlek uranium mine, and the West Arnhem Joint Venture with Cameco Australia where Uranium Equities has rights to earn 100% (Figure 1). The Nabarlek project represent a rare near-mine uranium exploration opportunity in the Alligator Rivers Uranium Province (ARUP).

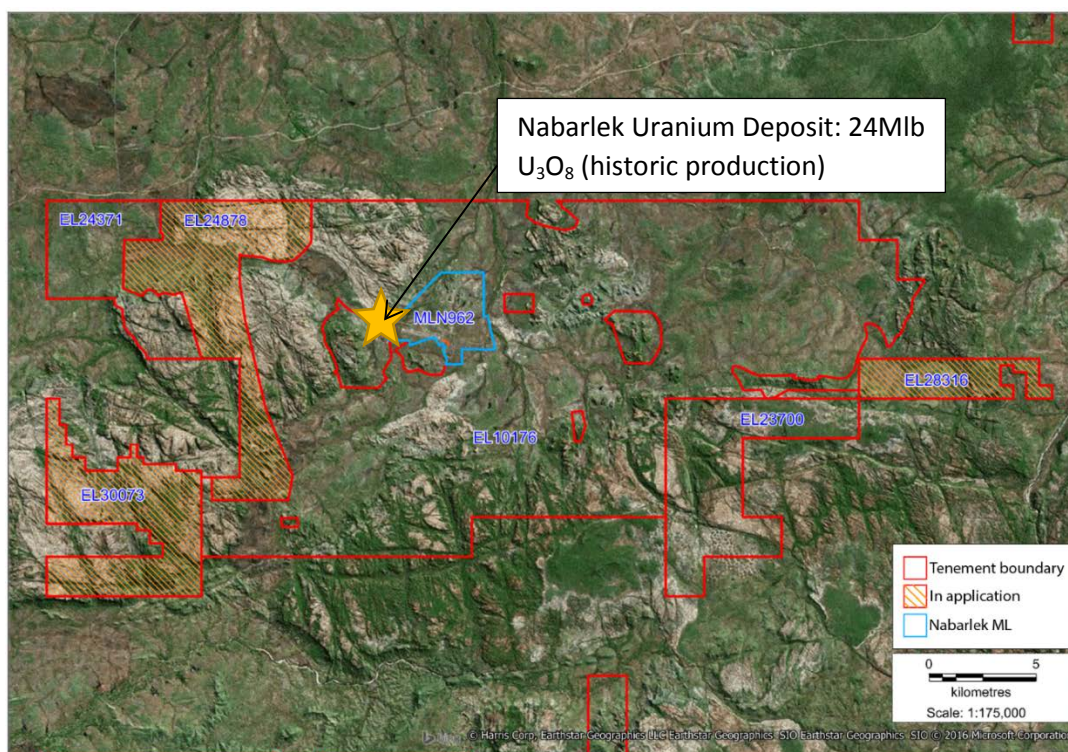


Figure 1. Nabarlek Project showing outline of granted tenements (MLN962, EL10176, EL23700, EL24371) and tenements under application.

Exploration Targeting

The Company has completed a comprehensive program of target generation on its core Nabarlek project which has utilised a project-wide geophysical approach for identifying prospective areas for structurally-hosted uranium and unconformity-related uranium mineralisation. Geophysical datasets for gravity, aeromagnetism and electromagnetics (VTEM) have been utilised on regional and/or prospect scales to define areas of pronounced structural overprint, similar to that used in uranium exploration in the Athabasca Basin, Saskatchewan. The main targeting approach is to identify areas of anomalously low gravity response which are interpreted to show localised alteration within prospective geological settings. These areas are further refined through identification of structural trends in VTEM, aeromagnetic and ground gravity surveys to define localised structural breaks within essentially the shallow-dipping geological succession, as uranium mineralisation is preferentially sited in basement faults and/or offsets in the Kombolgie Sandstone unconformity.

The Company has developed an integrated structural framework for the project which forms the basis for assessing geochemical anomalies either near-surface (soil) or at depth and/or surface radiometric anomalies. The geochemical datasets are mostly derived from historic radiometric surveys, soil sampling (includes radon-in-

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soil), reconnaissance-style shallow RAB/aircore drilling, and deeper RC/diamond drill testing. In addition, the Company has developed an innovative targeting approach using multi-element pathfinder geochemical vectoring which was directly responsible for identifying a new bedrock uranium discovery at GC-11 prospect drilled in 2015. Lead isotope ratios ($^{207}\text{Pb}/^{206}\text{Pb}$) also assist with identifying geochemical signatures to uranium-bearing mineral alteration systems. Multi-spectral logging has also been undertaken on selected drill samples to assist with the identification of uranium-bearing alteration minerals (chlorite, phengite etc). Together these approaches have identified new targets either adjacent to existing uranium deposits (Nabarlek) or within areas with previously recorded uranium mineralisation. In addition, the targeting program has highlighted areas requiring focused ground surveys (ground gravity, radon soils, aircore drilling) to further define first-pass targets.

The exploration target areas are shown in Figure 2 and are described below.

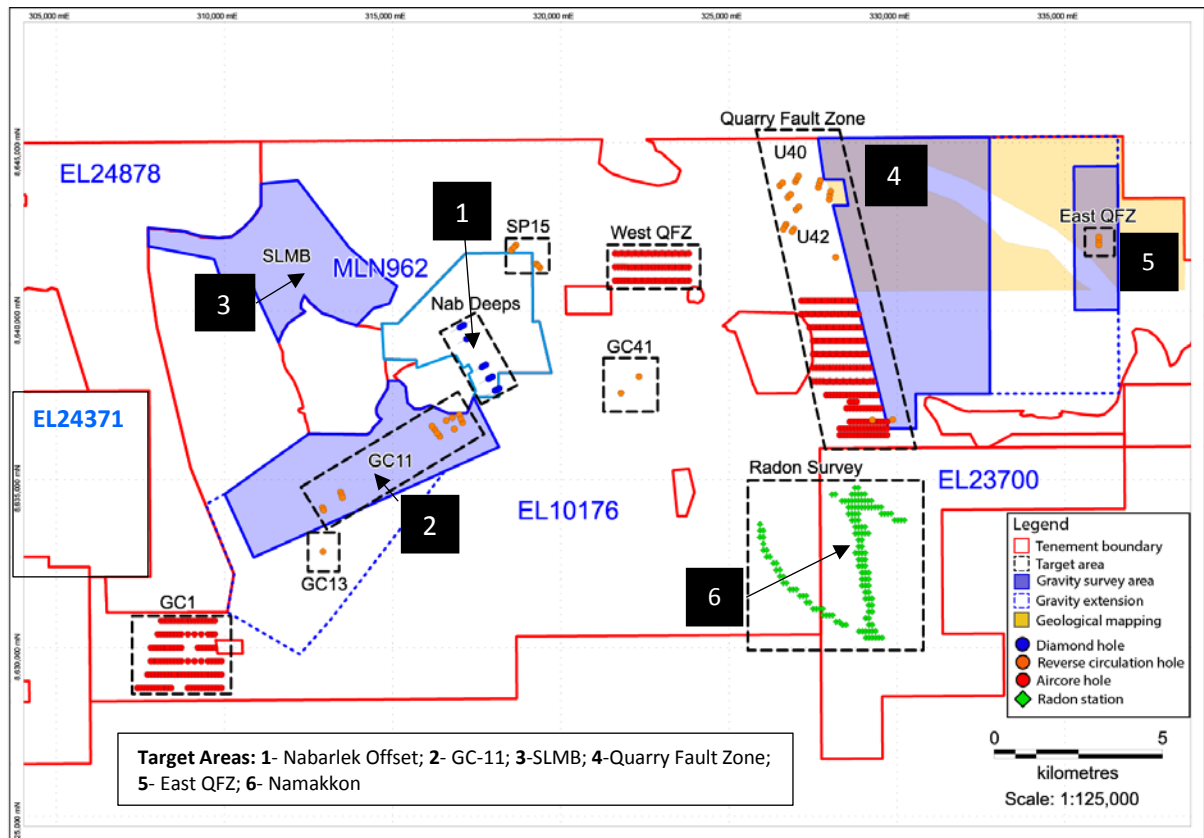


Figure 2. Exploration targets areas within the Nabarlek Project. UEQ has 100% interest in Mineral Lease MLN962 and is earning 100% interest in the West Arnhem JV tenements EL10176, EL23700 and EL24371.

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Nabarlek Offset prospect, Mineral Lease MLN962 (100% UEQ) (Target Area 1; Figure 2)

During the quarter, UEL has modelled the basement geology beneath the Oenpelli Dolerite from available diamond and RC drilling to determine the base of dolerite contact, and the attitude of structural zones located within the Cahill Formation metamorphic basement sequence which are interpreted as down-dip extensions of the structure hosting the Nabarlek uranium deposit.

Modelling has indicated that the Oenpelli Dolerite has a shallow lopolith-like attitude as defined by wide-spaced drilling with the base of dolerite contact projecting to surface about 1.5km northwest, 2.2km east and 1.5km southeast of the Nabarlek mine. The main structural zone comprises up to two discrete intense bleached silica+/-illite alteration zones up to 40m wide containing quartz-vein breccias and variably developed chlorite+/-carbonate (ankerite)+/-haematite alteration. The structural zone is interpreted to trend approximately 330°, parallel to the overall trend of the Nabarlek uranium mineralisation which is localised above the Oenpelli Dolerite (Figure 3).

Projected structural trends identified from diamond drilling show that the structural zone is untested beneath the Oenpelli Dolerite up to 1.1km to the NNW and 1.0km SSE of diamond drilling completed in 2015 which first defined the interpreted offset structural zone at depth beneath the Oenpelli Dolerite (Figure 3).

The Nabarlek Offset structural trend is considered a high priority target.

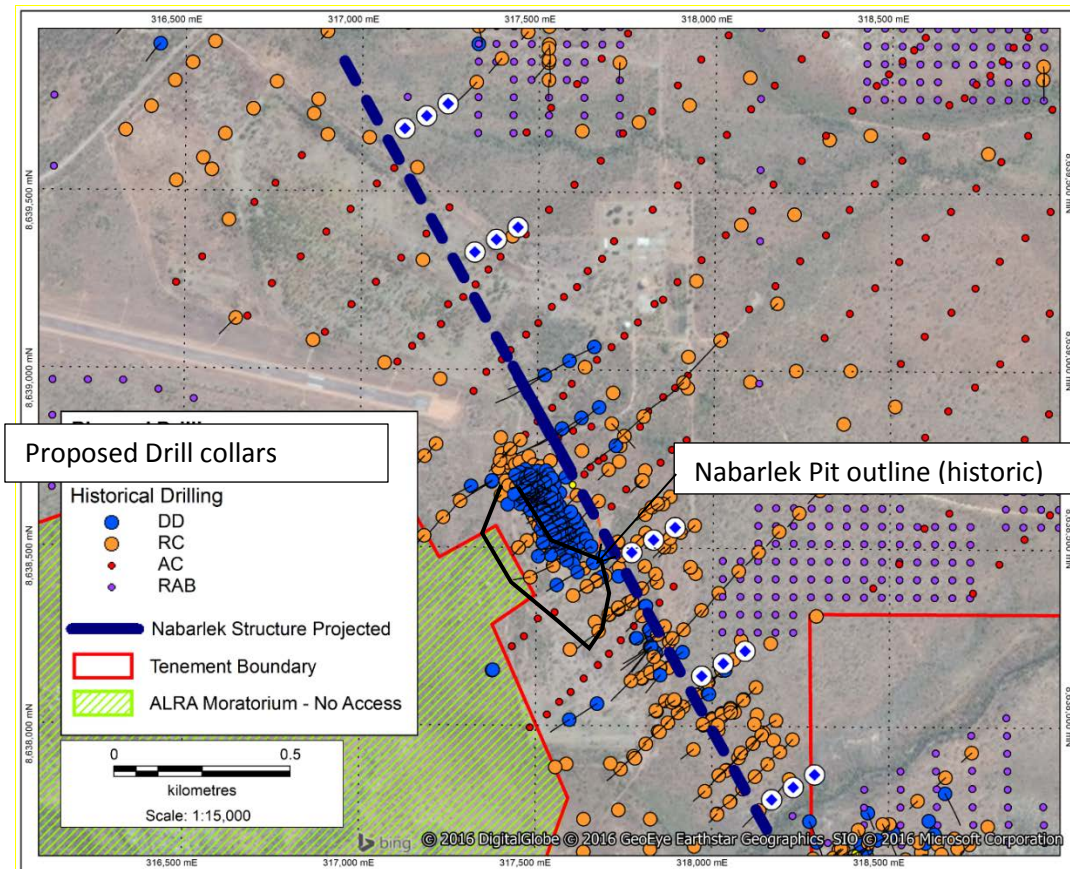


Figure 3. Location map showing the historic Nabarlek pit in MLN962 and location of the Nabarlek structure as projected along strike beneath the Oenpelli Dolerite.

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West Arnhem JV (UEL 40% earning 100%)

The West Arnhem JV comprises a core group of tenements that surround the Nabarlek Mineral Lease MLN962 and cover prospective trends peripheral to the Nabarlek deposit (refer Figure 2).

Ground gravity surveys are proposed to commence in the June 2016 quarter for the following 4 prospects to better define discrete structural trends that are evident from either current geophysical datasets or strong indications of geochemical and/or radiometric anomalies.

GC-11 prospect (Target Area 2; Figure 2)

Initial RC drill testing in 2015 of a multi-element geochemical anomaly intersected blind uranium mineralisation in the lower section of the Oenpelli Dolerite and associated proximal alteration in the adjacent Kombolgie Sandstone. Previous exploration in this area is restricted to shallow RAB and aircore drilling which has defined a zone of anomalous Li and V values extending over 1.5km along strike from the GC-11 uranium intersections in drill holes NAR7535 and NAR7537. This area has been prioritised for a ground gravity survey (Figure 2).

SLMB prospect (Target Area 3; Figure 2)

Previous exploration in the northwestern area of EL10176 at SMLB prospect has identified anomalous uranium at the Kombolgie unconformity contact along a prominent structure transecting the Kombolgie Sandstone and underlying basement Cahill Formation schists. The trend of this structure is 315° which is slightly oblique to the Nabarlek structure and the prospective unconformity contact occurs under about 200m of Kombolgie Sandstone. It is believed that a ground gravity survey may better define the trend of this structure and/or parallel structures located to the west under thin colluvial cover. A ground gravity survey is scheduled for the June 2016 quarter (Figure 2).

Quarry Fault Zone (QFZ) prospect (Target Area 4; Figure 2)

The targeting program has identified strong gravity lows both in regional airborne gravity and ground gravity surveys, although the ground gravity provides better delineation of the resultant anomalies. It is proposed to extend coverage of ground gravity up to 2.5- 4km east of the previous ground gravity survey (100m x 100m station spacing) to extend coverage to the east to better define identified gravity trends (see Figure 2). A ground gravity survey is scheduled for the June 2016 quarter (Figure 2).

East QFZ prospect (Target Area 5; Figure 2)

A program of 100m x 50m RAB drilling located about 8km east of U42 prospect intersected near-surface elevated uranium values associated with oxidised dolerite and basement schist. The geochemical anomaly occurs within an overlapping uranium and radon-in-soil anomaly localised along a NW-trending VTEM conductivity anomaly. This high priority target is proposed to be surveyed initially by ground gravity to potentially define a controlling structure that may have enhanced prospectivity.

The East QFZ prospect lies within an area of interpreted residual soils and/or thin colluvium cover and it is proposed to undertake a program of geological mapping and prospecting to ascertain the effectiveness of previous exploration.

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Namarkkon prospect (EL23700) (Target Area 6; Figure 2)

A program of radon-in-soils (140 samples at 200m x 100m spacing) is proposed for the June 2016 quarter to extend sampling south along two prominent river valleys that may be the surface manifestation of faulting in the Kombolgie Sandstone (refer Figure 2). Previous exploration along the northern extension of this area intersected anomalous uranium mineralisation (100-380ppm U) in Kombolgie Sandstone and dolerite. Modelling of the Kombolgie Sandstone basal unconformity contact indicates apparent fault offset across this surface in an area associated with dolerite intrusives. The sampling will extend radon-in-soil coverage over two 3-4km long river valleys.

1.2 Other Projects

Arnhem Minerals (NT)

During the reporting period the Company has continued to expedite tenements through to grant with the Department of Mines and Energy.

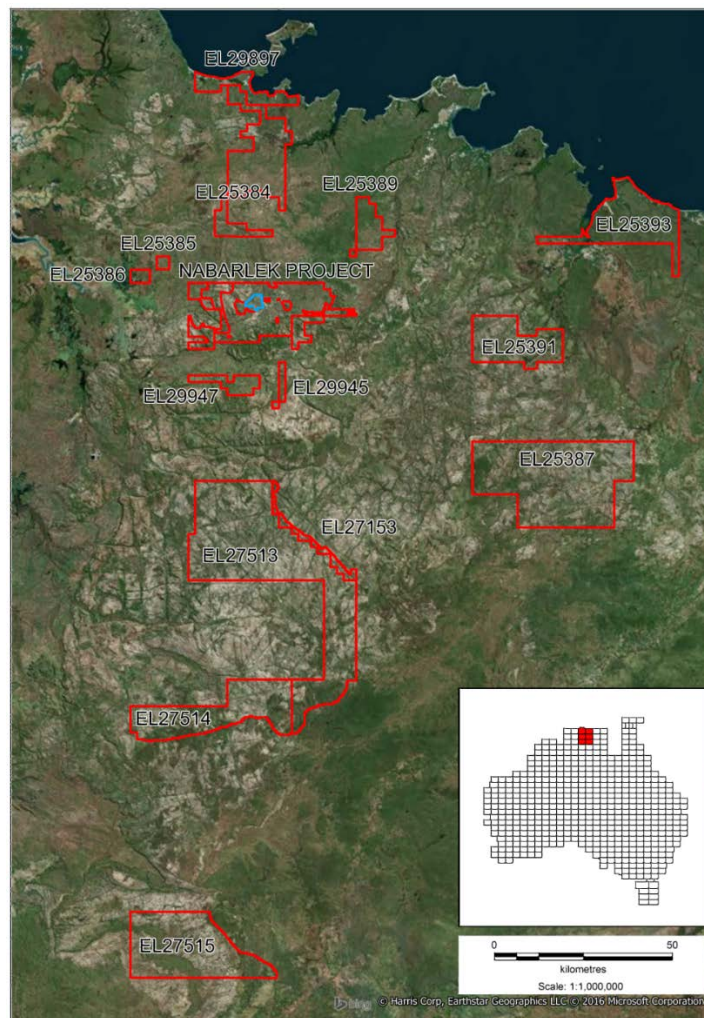


Figure 4. UEQ tenure (granted and in application)

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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 \$185,286 (YTD: \$1,091,539). In addition, during the quarter the Company has spent \$81,652 on administration costs (YTD: \$235,444). The YTD date figures have changed from the previous quarter due to a reallocation of costs from exploration and evaluation expenses to administration expenses.

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

As of 31st March 2016 the Company has incurred expenditure of \$1.59 million, with a further \$0.41 million remaining to meet the full expenditure commitment of \$2 million pursuant to the terms of the joint venture agreement.

The Group's cash balance at the end of the quarter was \$125,425 (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".

Tim Goyder
Chairman

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Kevin Frost who is a consultant to the Company and a member of the Australian Institute of Geoscientists. Mr Frost has sufficient experience that is relevant to the styles of mineralisation, the types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Frost consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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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")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(283,324) - - 16,386	(1,091,539) - - (235,444)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23,683	51,404
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	(243,255)	(1,275,579)
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	- - 135	- - 135
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	135	135
1.13 Total operating and investing cash flows (carried forward)	(243,120)	(1,275,444)

+ 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)	(243,120)	(1,275,444)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,103,912
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)	-	12,174
	Net financing cash flows	-	1,116,086
	Net increase (decrease) in cash held	(243,120)	(159,358)
1.20	Cash at beginning of quarter/year to date	368,545	284,782
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	125,425	125,425

Notes:

- (1) Cash balance excludes \$1.602 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	31,496
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 1.2	Current quarter includes a previous quarter reclassification of \$98,038 from administration expenses to exploration and evaluation expenses. The actual administration expenditure for the period was \$81,652 and exploration and evaluation expenditure of \$185,286.
Item 1.23	Current quarter consists of director's fees and employer superannuation contributions (\$9,496) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$22,000). 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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Nil

- 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

Nil

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	50,000
4.2	Development	-
4.3	Production	-
4.4	Administration	80,000
Total		130,000

Reconciliation of cash

	Current quarter \$A	Previous quarter \$A
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.		
5.1	Cash on hand and at bank	99,138
5.2	Deposits at call	26,287
5.3	Bank overdraft	-
5.4	Other (provide details)	-
Total: cash at end of quarter (item 1.22)		125,425
		368,545

+ 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	Preference securities (description)	N/A	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A
7.3	+Ordinary securities	618,502,191	618,502,191	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	N/A
		Nil	Nil	N/A
7.5	+Convertible debt securities (description)	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 April 2016

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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