

# ASX ANNOUNCEMENT

05 July 2010

URANIUM EQUITIES LIMITED ACN 009 799 553



URANIUM  
EQUITIES

The Company Announcement Officer  
Australian Securities Exchange Ltd  
via electronic lodgement

## PhosEnergy Process – Cameco Corporation invests further US\$5M

### Highlights

- Cameco commits second tranche investment of US\$5M for further development of the PhosEnergy Process.
- Technical development of the PhosEnergy technology continues to show opportunity to lower both capital and operating cost.

### Cameco Investment

Uranium Equities Limited (ASX: UEQ) advises that Cameco Corporation ("Cameco") has elected to make the US\$5M second stage investment in the PhosEnergy Process which follows its initial US\$2.5M investment made in November 2009 and brings its investment to US\$7.5M.

As advised in November 2009 Cameco has the election to invest up to US\$16.5M in the continued development and commercialisation of the PhosEnergy Process. If Cameco invests the entire US\$16.5M, the ownership of the technology related to the PhosEnergy Process will be:

Cameco	63%
UEQ	27%
Original developers	10%

Bryn Jones, Managing Director of UEQ said *"We are very pleased that Cameco has elected to continue its financial, technical and corporate development support of the PhosEnergy Process which we see as a strong endorsement of the technology and the opportunities it presents."*

### Business and Technology Development

The Cameco investment will be applied over the next 12-18 months towards business development and further refinement of the technology with a view to commercialising the Process at an operating fertilizer facility as soon as possible.

As previously advised, recent testing of phosphate streams from three different overseas fertilizer facilities has supported the robust and flexible nature of the PhosEnergy Process through confirmation of the cost and operating assumptions used in UEQ's process model.

## Our Strengths

- Breakthrough PhosEnergy Process
- Nabarlek Project – A rare investment opportunity
- Multiple near term growth opportunities

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The current program is for a month long continuous testwork campaign at ANSTO (Australian Nuclear Science and technology Organisation) which is scheduled to be completed at the end of July.

Preliminary discussions are being held with a number of fertilizer facility operators to develop the process on their sites through construction of an on-site demonstration facility.

## The Process

Uranium Equities (UEQ), through USA registered Urtek LLC ("Urtek"), has undertaken the development of new technology for the extraction of uranium from phosphoric acid streams produced in the production of phosphate based fertilisers ("the PhosEnergy Process"). Cameco is funding the ongoing development of the PhosEnergy Project.

Yours faithfully,

A handwritten signature in black ink, appearing to read "B. Jones".

Bryn Jones  
Managing Director  
Ph +61 (0) 412 577 406

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## About Uranium Equities

Uranium Equities Limited (UEQ) has two main areas of focus: The development of the **PhosEnergy Process**; and exploration activities directed at a small core of high quality exploration assets which include the key **Nabarlek Project**.

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 pilot scale with results establishing a robust process capable of achieving high levels of uranium recovery at the lower end of the cost curve.

The Nabarlek Project provides a rare near mine exploration opportunity surrounding the historic Nabarlek Uranium Deposit (24 Mlbs @ 1.84%  $U_3O_8$ ). The 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.