ASX ANNOUNCEMENT 15 July 2010

URANIUM EQUITIES LIMITED ACN 009 799 553

URANIUM EQUITIES

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Commencement of Targeted RC Drilling Nabarlek Project

Highlights

- Reverse Circulation (RC) drilling of priority targets has commenced on the Nabarlek Project.
- Testing of high priority targets at Coopers and N147 to progress over the coming weeks.

The Nabarlek Project

Nabarlek Project exploration activities have commenced in West Arnhem Land. The Nabarlek Project represents over 500km^2 in the heart of the world-class Alligator Rivers Uranium Field (ARUF). As well as being host to Ranger, Jabiluka and Koongarra the ARUF was also host to Australia's highest grade uranium mine – Nabarlek. The Nabarlek deposit contained 24 million pounds of U_3O_8 at an average grade of 1.84%.

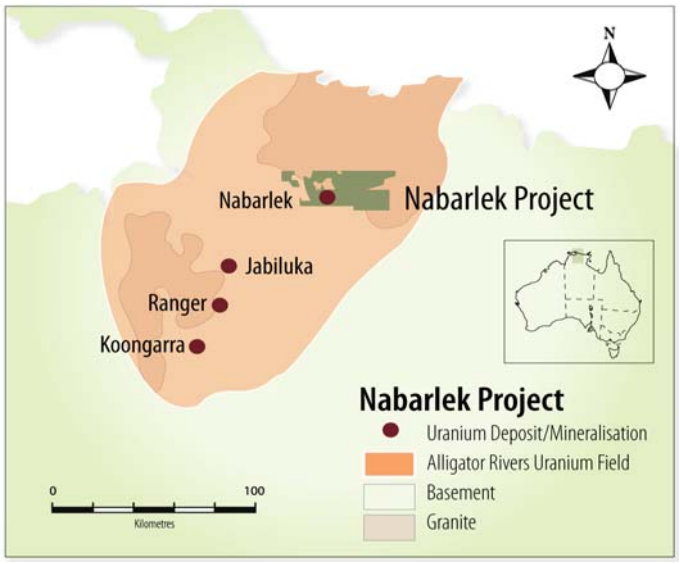

Figure 1 – The Alligator Rivers Uranium Field.

Our Strengths

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

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West Arnhem Joint Venture (UEQ 40%: Cameco 60%)

A comprehensive drilling program testing several prospects across the West Arnhem Joint Venture has commenced.

The program, targeting a combination of geochemical and geophysical anomalies will consist of approximately 35 RC drill holes and 65 aircore drill holes. Of high priority in the program will be the testing of the Coopers Prospect and the N147 Prospect Basement Target.

Coopers Prospect

Shallow aircore bedrock geochemical drilling conducted in 2008/2009 returned anomalous uranium results in weathered bedrock at the Coopers Prospect. Significant results (at 100ppm U_3O_8 cut-off) include[1]:

NAA7130	6m @ 291ppm	U_3O_8 from 22m
	1m @ 1993ppm	U_3O_8 from 36m
	1m @ 158ppm	U_3O_8 from 41m
NAA7121	1m @ 401ppm	U_3O_8 from 23m
	2m @ 487ppm	U_3O_8 from 27m
NAA7119	10m @ 167ppm	U_3O_8 from 21m

Figure 2 shows the Coopers Prospect and the RC and aircore testing planned for 2010. The prospect, as defined by geochemistry, extends over more than 400 metres and remains open to the north.

Aircore drilling is planned to access the open position and will focus on the Tip Fault zone as it trends towards the Nabarlek Mineral Lease boundary and is planned to be completed prior to the commencement of RC drilling. RC drilling will test structural positions on the intersection of the interpreted Gabo and Tip Fault Zones, coincident with strong geochemical results.

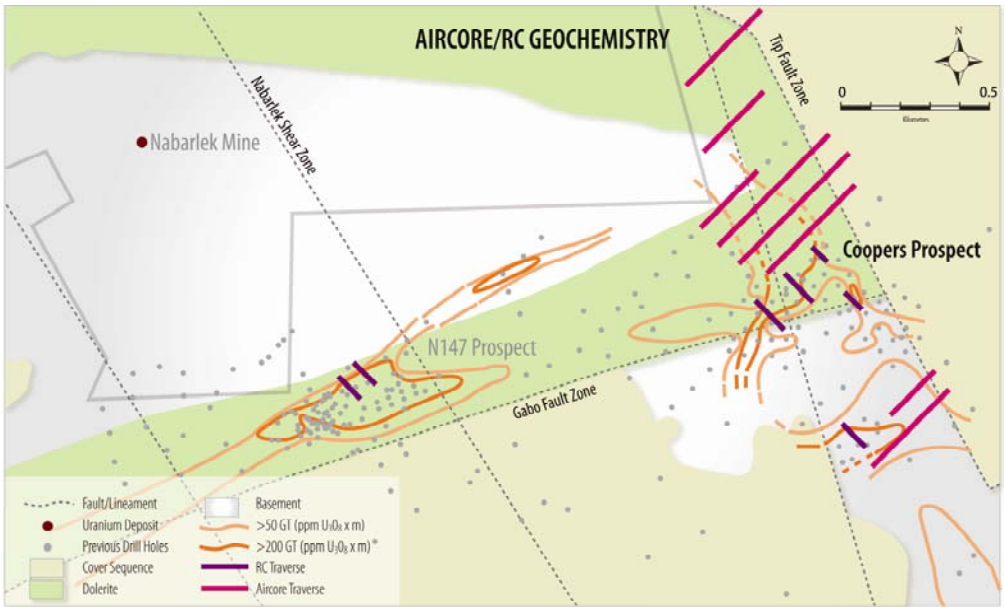

Figure 2 – Planned drilling at the Coopers and N147 Prospects

N147 Prospect Basement Target

During the 2008 field season, drilling at the N147 Prospect produced a number of significant zones of uranium mineralisation within dolerite at this location. Significant results (at 200ppm U_3O_8 cut-off) include[1]:

NAR6318	34m @ 1245ppm U_3O_8 from 109m
NAR6320	14m @ 1705ppm U_3O_8 from 118m

Figure 3 represents further interpretation of the complex controls of mineralisation at the prospect. A sub-vertical structure cutting both basement stratigraphy and dolerite is interpreted to control the introduction of mineralised fluids to the N147 position which occurs in splay faults within dolerite. The projection of this interpreted structure through the basement provides the target model for upcoming drilling. A small number of historical drillholes provide some support for this basement target model; however the concept has not been adequately tested. The current drilling program is designed to further test the N147 Prospect for basement mineralisation below the known dolerite hosted mineralisation.

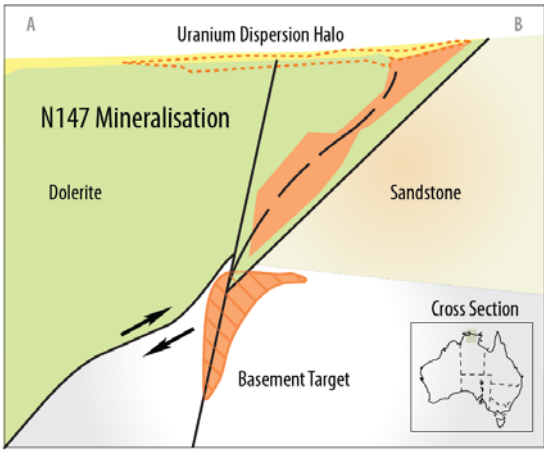

Figure 3 – N147 Basement Target Model

Nabarlek Mineral Lease (UEQ 100%)

Following completion of the 2009 Nabarlek Project drilling programs, analysis of the available geological, drilling and geophysical datasets have revealed the likelihood of untested or poorly tested structural positions within the Mineral Lease (Figure 4). Large parts of the Mineral Lease have had little or no effective drill test, with previous investigations focusing on drilling in the immediate environs of the historical mine workings.

The ongoing reconnaissance drilling on the Mineral Lease during the 2010 field season aims to extend systematic drill testing beneath shallow sandstone sequences and areas of transported alluvial cover to define near-surface geochemical anomalies.

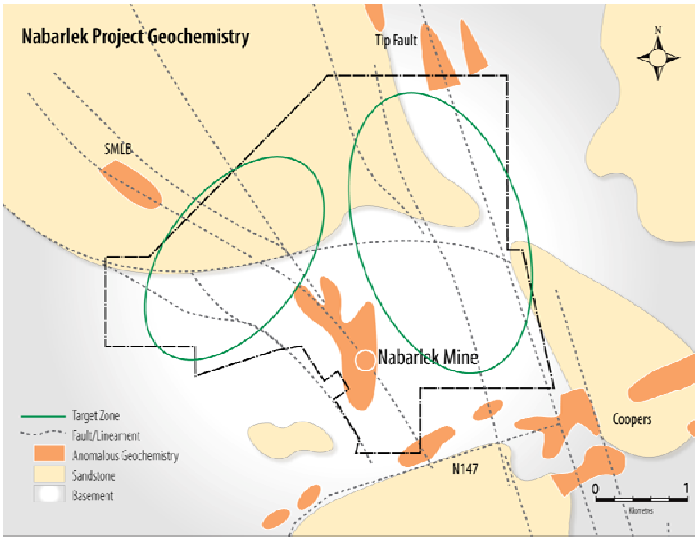

Figure 4 – Nabarlek Project Geochemistry and Targets

Funding

As announced on 10th November, 2009 Mitsui & Co., Ltd (Mitsui) has paid a $2 million option fee to secure the right, until the end of July 2010, to purchase a stake in the Nabarlek Project. If Mitsui exercises the Option it will purchase, from UEQ, a 25% interest in the Nabarlek Mineral Lease and a 9% interest in the West Arnhem Land Joint Venture (WALJV). Consideration for the purchase will be $15M or a value determined by an agreed valuation model, whichever is the greater. Discussions with Mitsui remain ongoing in this regard.

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Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr. Grant Williamson, Geology Manager - Exploration of Uranium Equities Limited, who is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy Inc. Mr. Williamson has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

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.

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[1]Four acid digest with ICP-MS analysis from NT Environmental Laboratories Pty Ltd, Darwin. Intercepts calculated using stated cut-off and may contain a maximum internal dilution of 2m. All intercepts are down hole lengths.