

ASX ANNOUNCEMENT 29 July 2010

URANIUM EQUITIES LIMITED ACN 009 799 553



URANIUM
EQUITIES

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Nabarlek Project Update

Highlights

- Anomalous geochemical uranium results from reconnaissance drilling on the Nabarlek Mineral Lease returning a peak value of **3835ppm U₃O₈¹**
- Mitsui Option extended to 31 August 2010

Nabarlek Mineral Lease (UEQ 100%)

Exploration activities commenced on the Nabarlek Project with a reconnaissance reverse circulation (RC) drill program on the Nabarlek Mineral Lease in June 2010. The program was designed to test targets beneath thin sandstone cover in the northern areas of the Lease to give information on geological and structural framework of the region and provide useful geochemical and alteration information to assist with targeting future programs. A total of 48 RC drillholes were completed for 4445 metres.

A total of 1165 composite samples were collected and have undergone preliminary on-site analysis using a Niton XRF Analyser ⁽¹⁾. Anomalous intervals were then re-sampled on metre intervals with a further 370 samples collected and analysed by the Niton XRF Analyser.

Preliminary results confirm the presence of widespread geochemical anomalism associated with interpreted structural corridors on the Mineral Lease. These results will also enable more focussed follow up drilling programs.

Results obtained from the current program using a 20ppm U₃O₈ cut-off include;

NMLR072	7m @ 40ppm U ₃ O ₈ from 19m ¹ 4m @ 50ppm U ₃ O ₈ from 96m ¹ 5m @ 41ppm U ₃ O ₈ from 103m ¹
NMLR085	2m @ 188ppm U ₃ O ₈ from 40m ¹
NMLR106	12m @ 383ppm U ₃ O ₈ from 54m ¹ including 1m @ 3835ppm U₃O₈ from 55m¹ and 1m @ 225ppm U ₃ O ₈ from 60m ¹

Our Strengths

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

HEAD OFFICE
Level 5
29 King William Street
Adelaide, SA 5000
T: +61 8 8110 0700
F: +61 8 8110 0777
E: reception@uel.com.au

PERTH OFFICE
Level 2, 1292 Hay Street
West Perth, WA 6005
GPO Box 2890
Perth, WA 6001
T: +61 8 9322 3990
F: +61 8 9322 5800

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The extension of known anomalous geochemistry for the project is shown on Figure 1.

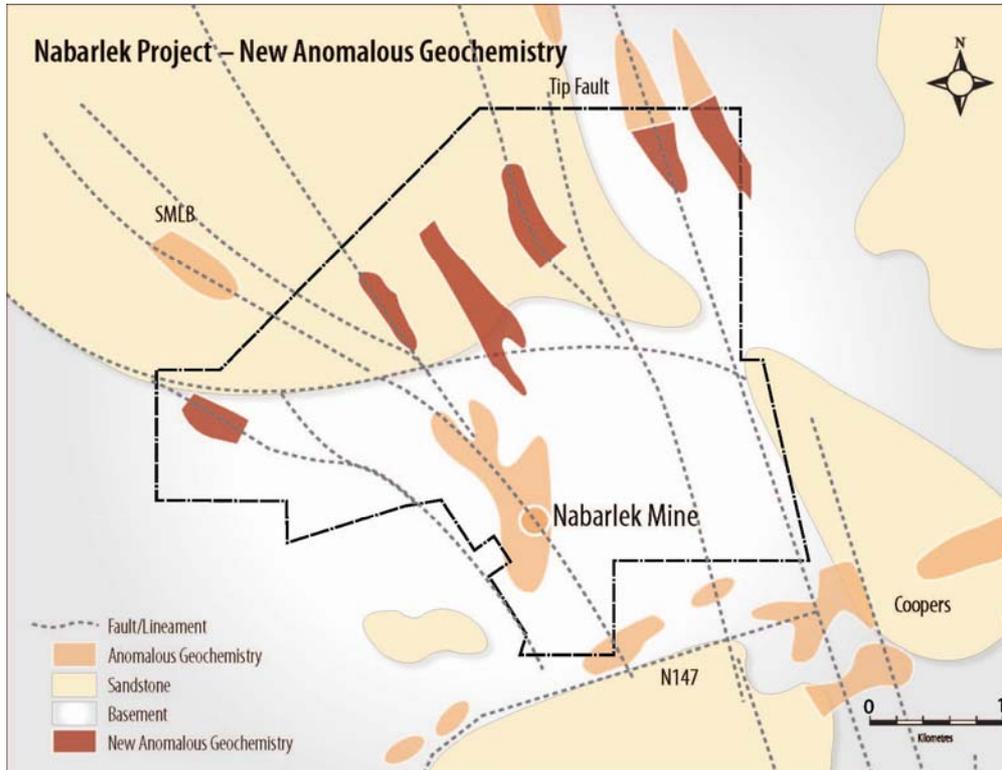


Figure 1 New anomalous geochemistry from 2010 RC drilling program

A broad spaced aircore drilling program has also commenced on the Nabarlek Mineral Lease. This program has a similar focus to the RC program but will test geochemical and alteration halos within bedrock beneath this alluvial cover.

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

As announced on 15 July 2010, 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. A progress report will be made when results become available.

Mitsui Option

As announced on 10th November, 2009 Mitsui & Co., Ltd (Mitsui) was granted an option to purchase a 25% interest in the Nabarlek Mineral Lease and a 9% interest in the West Arnhem Land Joint Venture (WALJV). An option fee of \$2m was paid with the option expiring 30 July 2010.

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The original option period assumed a significant portion of the 2010 field season would be completed by the end of July 2010. Due to ground access issues following a later than expected end to the wet season the option period has been extended to 31 August 2010. All other terms remain unchanged.

Consideration payable upon an exercise of the option is the greater of \$15M or a value determined by an agreed valuation model.

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

¹ Uranium (U_3O_8) analyses were obtained on-site using a calibrated Niton handheld X-Ray Fluorescence ("XRF") Analyser and should be treated as preliminary only. Results to be confirmed by laboratory analysis. Intercepts calculated using stated cut-off and may contain a maximum internal dilution of 2m. All intercepts are down hole lengths.

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 of 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.