

ASX ANNOUNCEMENT

24 September 2010

URANIUM EQUITIES LIMITED ACN 009 799 553



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The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Uranium Equities Reports Outstanding High Uranium Grades from Drilling at Nabarlek Joint Venture

Further results awaited from ongoing 30-hole RC drilling program

Highlights:

- Significant uranium mineralisation intersected at two prospects near the historic Nabarlek Uranium Mine in the Alligator Rivers Uranium Field (NT)
- Best results achieved at U40 Prospect (West Arnhem JV with Cameco Australia):
 - 5.2m @ 1.34% eU₃O₈⁽¹⁾ including 2.7m @ 2.28% eU₃O₈⁽¹⁾
- Results from the Coopers Prospect include:
 - 6.6m @ 612ppm eU₃O₈⁽¹⁾ and 18.4m @ 873ppm eU₃O₈⁽¹⁾

Australian uranium explorer Uranium Equities Limited (ASX: UEQ) is pleased to report that significant uranium mineralisation has been intersected by Reverse Circulation (RC) drilling at two promising prospects within its West Arnhem Joint Venture in the Northern Territory.

The results – including an outstanding high-grade intercept of 5.2 m @ 1.34% eU₃O₈⁽¹⁾ incl. 2.7m @ 2.28% eU₃O₈⁽¹⁾ at the U40 Prospect, located 10 km east north-east of the Nabarlek (See Figure 1) – were achieved from recent drilling conducted by the Joint Venture operator, Cameco Australia.

The West Arnhem Joint Venture covers an area of 477km² surrounding the historic and highly profitable Nabarlek Uranium Mine (located within Uranium Equities' 100%-owned Nabarlek Mineral Lease). The surrounding tenements are held in a joint venture with Cameco Australia Limited (UEQ 40%, Cameco 60%).

The tenements are located in the Alligator Rivers Uranium Field, a world-class uranium province which hosts the major operating Ranger Uranium Mine and the large Koongarra, Jabiluka and Nabarlek deposits. This field's total mineral endowment, including mined resources, exceeds 950Mlbs of U₃O₈.

Our Strengths

- PhosEnergy Process – Low cost by-product uranium recovery
- Nabarlek Project – A highly endowed uranium region
- 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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West Arnhem Joint Venture (UEQ 40%: Cameco (operators) 60%)

The West Arnhem Joint Venture (WAJV) has targeted a number of geophysical and geochemical anomalies within the WAJV area in an ongoing 30-hole RC drilling program.

Cameco operates the joint venture and has reported encouraging preliminary results from two prospects. However, it should be noted that these results are subject to confirmation by independent laboratory analyses.

U40 Prospect

Six RC holes were drilled on an east – west fence to test basement structures identified from prior drilling. The holes are declined 60 degrees to the east. One hole intersected high grade mineralisation on the sheared contact between schists and quartzites within the basement. Significant intercepts based on down-hole gamma probe ⁽¹⁾ results at a 200ppm eU₃O₈ cut off grade are as follows:

RC Hole No.	mN	mE	From (m)	Drill Length (m)	eU ₃ O ₈ (%)
NAR 7389	8644994	327140	56.2	6.50	0.102
			77.6	5.20	1.340
		(including	79.1	2.70	2.280)
NAR 7391	8644995	327037	49.8	1.40	0.054
NAR 7393	8644992	327122	111.4	0.85	0.061
NAR 7394	8644996	327162	141.8	1.35	0.060

The mineralisation appears to be associated with an east-dipping reverse fault offsetting the overlying Kombolgie Sandstone and unconformity but further drilling is required to clarify the structural controls and orientation of mineralisation.

Coopers Prospect

The Coopers Prospect is located 2.4 km east of the Nabarlek Mine close to the south-east corner of the Nabarlek Mineral Lease. Thirteen RC holes have been drilled targeting a uranium bedrock geochemical anomaly previously defined by aircore drilling. The holes are declined 60 degrees to the south-east. Significant intercepts based on down-hole gamma probe results at a 200ppm eU₃O₈ cut off grade are as follows:

RC Hole No.	mN	mE	From (m)	Drill Length (m)	eU ₃ O ₈ (ppm)
NAR7370	8637951	320027	32.7	6.55	612
NAR7371	8637996	319988	33.3	18.35	873
			56.2	2.05	630
NAR7375	8638078	320004	47.8	3.75	319
NAR7377	8638079	320078	29.2	9.80	413
NAR7378	8638116	320047	35.1	2.00	665

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In addition, two holes for which gamma results were unavailable returned the following indicative intercepts at a 200ppm cut-off grade based on Niton XRF Analyser⁽²⁾ analyses carried out by UEQ:

RC Hole No.	mN	mE	From (m)	Drill Length (m)	U ₃ O ₈ (ppm)
NAR7374	8638042	320034	23	6	1910
NAR7386	8637902	319980	39	24	1624

The uranium mineralisation is hosted by a dolerite sill within sandstone immediately above the Kombolgie unconformity and is open to the south south-west of NAR7386 in which visible secondary uranium mineralisation is observed.

Strong hematite and chlorite alteration is associated with the mineralisation and occurs in the underlying basement rocks opening up the potential for hidden unconformity related mineralisation below the sill.

The Coopers Prospect is 800m east north-east of the N147 prospect along the trend of the Gabo Fault at the intersection with a north north-west striking zone of faults trending along the eastern boundary of the Mineral Lease.

Coopers is considered to be highly prospective, lying within 2.4km of the Nabarlek Mine (historic production of 24Mlbs at 1.84% U₃O₈) in a uranium field characterised by the clustering of deposits.

Future Program

The WAJV is completing the planned 30 hole RC program. Further RC and diamond drilling is proposed at both prospects this season to determine the extent of mineralisation and gain a better understanding of the structural controls.

"We are very encouraged by these excellent results received to date and we are looking forward to receiving further results in the near future. This exploration program reinforces our commitment to exploration both within the joint venture area and the Nabarlek Mineral Lease which is 100% owned by Uranium Equities", said Uranium Equities' Managing Director, Mr Bryn Jones.

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

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

¹ Holes were logged with Auslog Total Gamma probes in open hole where possible and through the drill rods where holes were blocked. Grades calculated using proprietary Cameco gamma logging software. Tool Serial Number S092; Dead Time Correction Factor 1.279857E-05 and Calibration Constant (k) 4.445419E-05. Tool Serial Number S838; Dead Time Correction Factor 9.826405E-06 and Calibration Constant (k) 4.803875E-05. Tool Serial Number S591; Dead Time Correction Factor 1.681906E-05 and Calibration Constant (k) 5.125910E-06. All tools use these additional correction factors: Water Factor=1.0; Casing Factor=1.95; Logging Speeds=3 m/min. Tools were calibrated in the South Australia Glenside test pits in February 2010.

² 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.

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Figure 1

