

ASX ANNOUNCEMENT

16 December 2010

URANIUM EQUITIES LIMITED ACN 009 799 553



URANIUM
EQUITIES

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Higher Uranium Grades Returned from U40 Prospect – Nabarlek Project, Northern Territory

Final laboratory assays return intercepts of 6.8m @ 6.71% U₃O₈, 4.8m @ 1.85% U₃O₈

Australian uranium explorer Uranium Equities Limited (ASX: UEQ) is pleased to advise that final independent laboratory assays have returned significantly higher uranium grades compared with previously announced results from down-hole gamma probing at the **U40 Prospect**, part of its Nabarlek Joint Venture with Cameco Australia in the Northern Territory.

The U40 Prospect is located 10km east-north-east of the historic Nabarlek Uranium Mine (*Figure 1*) within the 477km² West Arnhem Joint Venture between Uranium Equities (40%) and Cameco (60%).

Cameco has advised that final independent assay results have now been received, returning significantly higher uranium grades than those determined by the down hole gamma probe (see previous ASX Announcement – 21 October 2010) as follows:

NAD7492	6.8m @ 6.71% U₃O₈ from 75m⁽¹⁾ (previously reported 6.65m @ 2.6% eU ₃ O ₈ from 74.2m)
NAD7493	4.8m @ 1.85% U₃O₈ from 80.4m⁽¹⁾ (previously reported 4.8m @ 1.39% eU ₃ O ₈ from 79.8m)

The lithologies encountered in the drill holes are extremely altered, sheared and deformed. Mineralisation occurs as pitchblende in massive blebs hosted within intensely altered rock.

The detailed structural controls of mineralisation are yet to be determined but structural analysis of the diamond drill core suggests mineralisation is hosted within a steeply east-dipping shear zone striking north to north-west. NAD7493 appears to have been drilled at a higher angle to the mineralisation and is probably a better indicator of the true width of mineralisation on the drill section.

In addition, laboratory results have also revealed that the uranium mineralisation is associated with elevated levels of gold, copper, palladium and platinum and anomalous heavy rare earth elements. Results include:

NAD7492	7.3m @ 1.68% Cu from 74.5m⁽¹⁾ 4.5m @ 0.91g/t Au from 76.5m⁽¹⁾ 1.5m @ 0.54g/t Pd and 0.24g/t Pt from 78.5m⁽¹⁾
NAD7493	8.3m @ 2.12% Cu from 77.4m⁽¹⁾ 3.1m @ 6.89g/t Au from 82.1m⁽¹⁾ 2.6m @ 1.57g/t Pd and 0.96g/t Pt from 82.6m⁽¹⁾

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

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



The high-grade intercepts remain the most significant recorded to date in the Nabarlek Project area outside the old Nabarlek Mine and reinforces the outstanding exploration potential for high-grade uranium deposits comparable to the Nabarlek deposit both within the JV area (Cameco 60%, UEQ 40%) and the 100%-UEQ owned Nabarlek Mineral Lease.

Data evaluation and detailed geophysical work programs are planned to assist with targeting further drilling in the 2011 field season.

"We are very encouraged by these excellent assay results which have improved significantly on the outstanding grades returned from previous down-hole gamma probing at the U40 Prospect earlier this year," said Uranium Equities' Managing Director, Mr Bryn Jones.

"The results have confirmed the prospectivity of this area for high-grade uranium deposits with a relatively small footprint, like Nabarlek. Information gained from detailed review of the core has improved understanding of the structure and controls on the mineralisation and will aid in targeting further drilling which is planned as a priority next year," he added.

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

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

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



¹ Half core samples were sent to Northern Territory Environmental Laboratories Pty Ltd in Darwin for sample preparation and multi-element analysis. Samples undergo mixed four acid digest with an ICP-MS (Lab Code G400M) or ICP-OES (Lab Code G400I) finish depending on the element. A split of each sample pulp is sent for Au, Pd and Pt analysis using 50g Fire Assay with an ICP-MS or ICP-OES finish (Lab Code FAPMM). Cut-off values used for intercept calculations are 200ppm U₃O₈, 500ppm Cu and 100ppb Au, Pd and Pt.

Competent Person Statement

The information in this announcement that relates to Exploration Results is based on joint venture information supplied by the Joint Venture operator Cameco Australia but 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 U₃O₈. 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% U₃O₈). 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.

ASX ANNOUNCEMENT

URANIUM EQUITIES LIMITED ACN 009 799 553



Figure 1

