



The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Exploration Update – Nabarlek and Frome Basin Uranium Projects

Highlights:

- Ongoing diamond drilling at the **U40 Prospect** (NT) returns an intercept of **1.3m @ 0.88% (~8,800 ppm) eU₃O₈**.
- RC drilling on the Nabarlek Mineral Lease (NT) extends known mineralisation at the **Boomerang Prospect** including **5m @ 1,610ppm U₃O₈ from 121 metres**
- Anomalous uranium in favourable host sands intersected during reconnaissance **drilling campaign on the Frome Basin Project (SA)**
- Detailed ground gravity over U40 and the Quarry Fault Zone on the West Arnhem Joint Venture (NT) completed

Uranium Equities Limited (ASX: **UEQ**) is pleased to announce initial results and developments from the 2011 exploration field season at its Nabarlek and Frome Basin Uranium Projects, located respectively in the Northern Territory and South Australia.

1) Nabarlek Project

West Arnhem Joint Venture – 40% UEQ: 60% Cameco Australia (Manager) (NT)

Cameco has advised the Joint Venture that Phase 1 drilling has been completed with eight diamond drill holes for 1,356.5m. The 2011 drilling program is targeting extensions and structural repetitions to the known high-grade mineralisation at the **U40 Prospect** which includes an intercept of **6.8 metres @ 6.71% U₃O₈⁽¹⁾ from 75m** and interpreted extensions of known ore grade mineralisation identified in 2009 and 2010 at the **Coopers Prospect**.

Preliminary results from the U40 Prospect indicate extensions to the mineralisation discovered in 2010 and include (using a 0.1% eU₃O₈ cut-off):

NAD7501 **1.3m @ 0.88% eU₃O₈**

Phase 2 of the diamond drilling program at the U40 Prospect, comprising a further 600m of drilling in four to six holes, is currently underway.

Diamond drilling at the Coopers Prospect intersected several narrow zones of mineralisation over a 16m interval within the Oenpelli Dolerite in one of the two holes drilled. The best intersection returned an equivalent grade (using a 0.1% eU₃O₈ cut-off) of:

NAD7496 **3.55m @ 0.4% eU₃O₈**

Our Strengths

- PhosEnergy Process – Low cost by-product uranium recovery
- Nabarlek Project – A highly endowed uranium region
- Multiple near term growth opportunities

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The U40 Prospect lies within the prospective north northwest trending **Quarry Fault Zone (QFZ)** which extends over several kilometres (Figure 1). The QFZ has been identified as a similar prospective parallel structural zone to the Nabarlek Structural Corridor (Figure 1). A detailed **ground-based gravity survey** has been completed over the entire strike extent of the QFZ.

Data from the drilling and gravity survey is currently being collated, processed and interpreted and will provide important structural information for targeting future drilling at the U40 Prospect and elsewhere on the project.

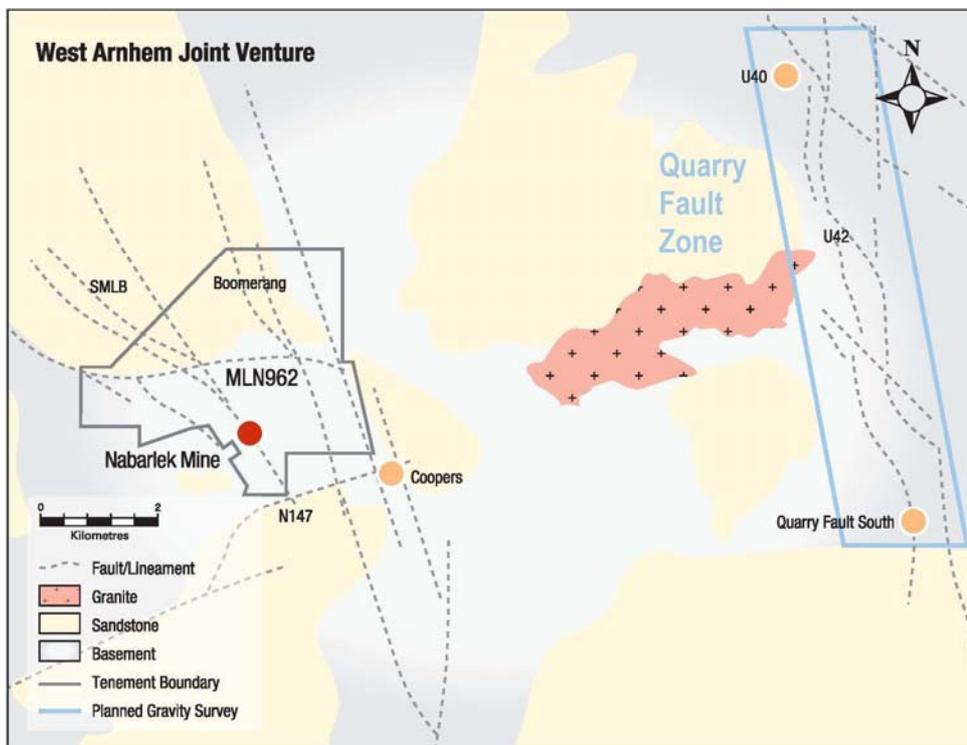


Figure 1 – West Arnhem Joint Venture Target Areas

Nabarlek Mineral Lease (100% UEQ)

A total of 4,933 metres of RC drilling has been completed on the Nabarlek Mineral Lease, focussing on the **Nabarlek – Boomerang Corridor**, located in the central part of the Mineral Lease. Anomalous uranium at the Boomerang Prospect was identified through reconnaissance drilling completed during the 2010 field season.

2011 drilling has extended the systematic drill coverage over a previously untested area immediately east of the Boomerang Prospect, targeting unconformity related mineralisation below thin Kombolgie Sandstone cover. The program has identified uranium mineralisation within a dilational jog structure, which is also associated with strong alteration and quartz breccias, typical of uranium mineralisation found within the Alligator River Uranium Field.

Mineralisation is open to the south along the unconformity and to the north at depth within the basement providing targets for future drilling (Figure 3).

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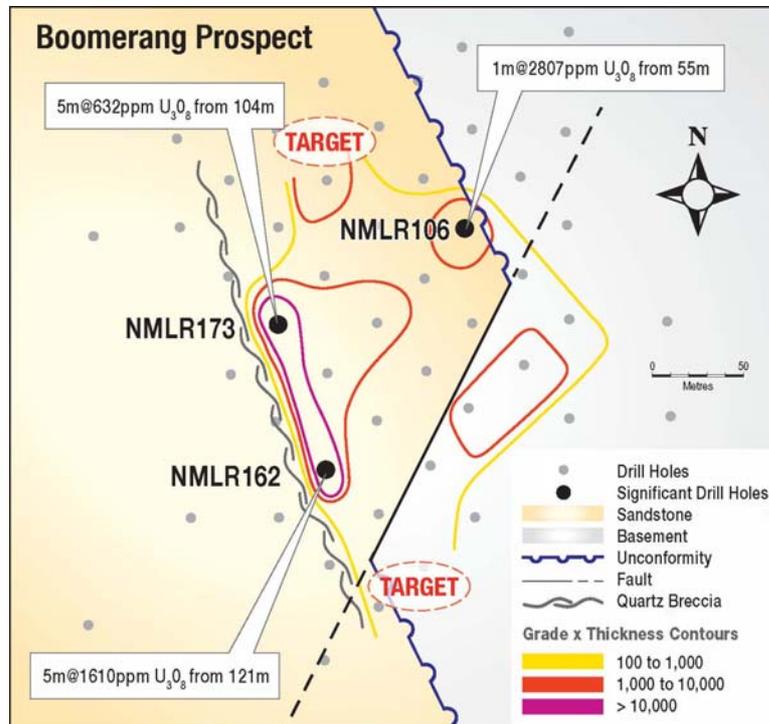


Figure 3 – Boomerang Prospect GT contours (sum of U_3O_8 grade (>20ppm) x metres thickness)

Better results⁽²⁾ (using a 200ppm U_3O_8 cut-off) include:

NMLR162	3m @ 827ppm U_3O_8 from 97m 2m @ 540ppm U_3O_8 from 116m 5m @ 1610ppm U_3O_8 from 121m
NMLR173	5m @ 632ppm U_3O_8 from 104m 5m @ 554ppm U_3O_8 from 113m 4m @ 371ppm U_3O_8 from 156m 4m @ 352ppm U_3O_8 from 192m

Future evaluation of the Boomerang Prospect may include diamond drilling to define the structural intersections within the dilational zone, targeting high-grade shoots typical of that found with unconformity-style uranium mineralisation. In addition, a number of other prospects identified in earlier reconnaissance drilling are yet to be fully tested.

2) Frome Basin (SA)

The Frome Basin hosts the Beverley, Four Mile and Honeymoon sandstone-hosted uranium deposits. The ground position acquired by Uranium Equities is considered to have exploration potential for similar deposits.

A broad-spaced reconnaissance rotary mud drilling program (20 drillholes for 3,426m) has been completed to test stratigraphy and regional structural features along the western margin of the Frome Basin (Figure 4).

The areas targeted were located in the zones of divergence between the Arrowie and Wertaloona Fault systems where there are interpreted embayments of Tertiary sediments and the likelihood of possible redox traps. Faulting along the basin margin can create favourable environments for sandstone hosted uranium mineralisation.

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Three east-west drilling traverses tested the Big John, Trigg's Bore and Wilpena Creek Targets. Drill holes were at nominal 3.2km centres along each traverse.

The drilling has provided greater insight into the geological framework of the region and confirmed the interpreted structural setting. In addition to the obvious displacements along the Arrowie and Wertalooona Faults, the location and extent of some of the lesser intermediate faults has also become clearer and will assist with interpretation and targeting.

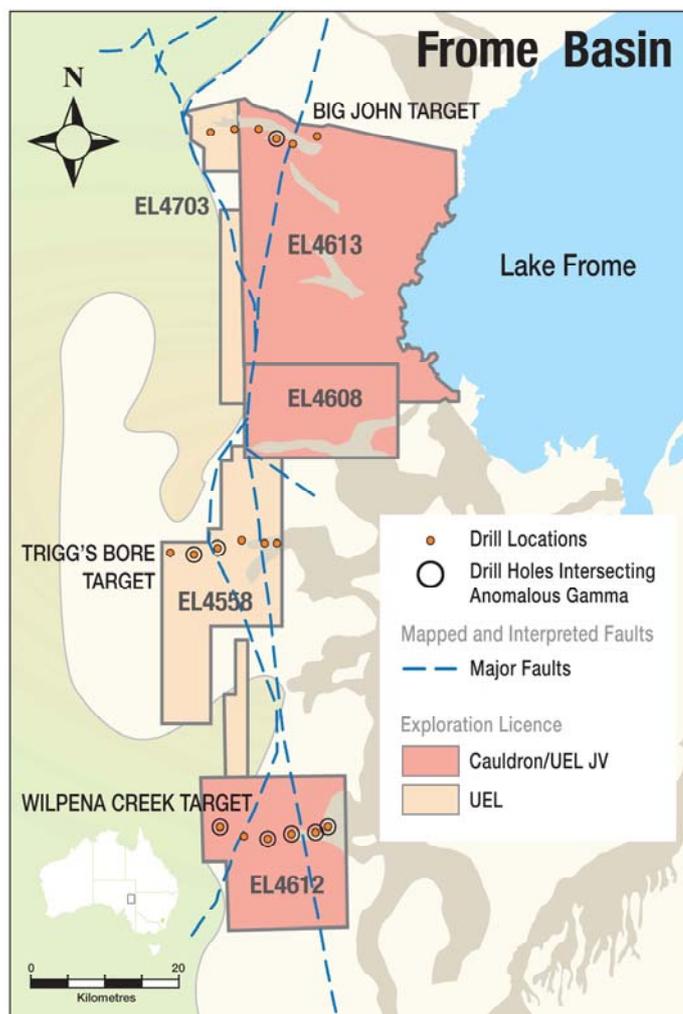


Figure 4 – Location of 2011 Drilling Traverses and Anomalous Drillholes

Anomalous downhole gamma was encountered in eight of the 20 drillholes drilled, with some of the better gamma peaks proximal to the major fault structures in the region.

Gamma peaks are also associated with stratigraphic horizons that can be correlated between the broad spaced drillholes (Figure 5).

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Best downhole gamma⁽³⁾ results returned from the drill program include:

- WC004 0.37m @ 143ppm eU₃O₈ from 194.5m (peak of 186.7ppm eU₃O₈)
1.09m @ 152ppm eU₃O₈ from 197.2m (peak of 291.2ppm eU₃O₈)
- TB002 0.84m @ 87.3ppm eU₃O₈ from 147.75m (peak of 241.3ppm eU₃O₈)

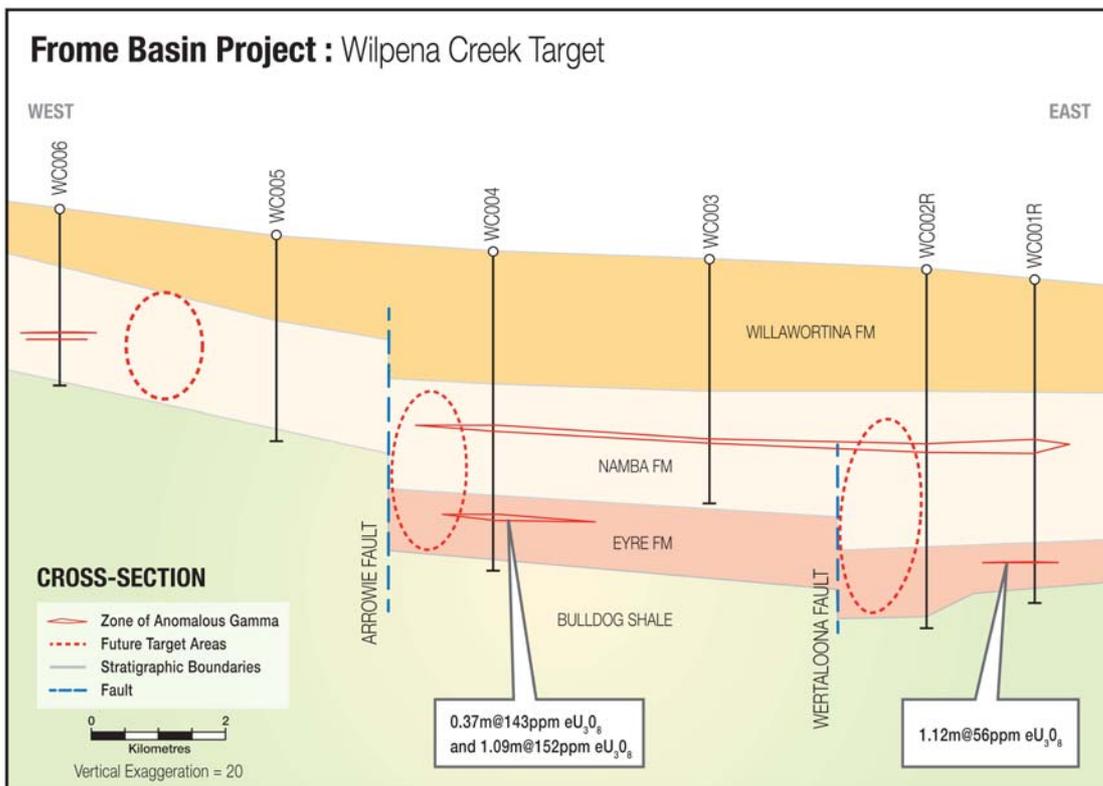


Figure 5 Wilpena Creek Target schematic cross section

Drilling has highlighted targets for follow up with potential trap sites identified adjacent to the major fault zones. Differing redox conditions in both the Namba and Eyre Formations will be used to provide vectors on redox boundary positions and potential mineralisation. Importantly, Eyre Formation sands intersected during drilling are reduced and permeable, two properties which make the unit ideal for trapping uranium from migrating oxidised fluids.

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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. Intercepts calculated using 200ppm U₃O₈ cut-off and may contain a maximum internal dilution of 2m. All intercepts are down hole lengths.

² Results provided by Northern Territory Environmental Laboratories Pty Ltd. Intercepts calculated using 200ppm U₃O₈ cut-off and may contain a maximum internal dilution of 2m. All intercepts are down hole lengths.

³ All holes were logged by downhole logging consultants Borehole Wireline Pty Ltd using Total Gamma Probe Serial Number GR3355; Dead Time Correction Factor 4.38753E-06 and Calibration Constant (k) 2.35501E-05. Logging Speed 5m/min. Probe calibrated in Adelaide Test Pits AM1, AM2 and AM3 in December 2010.

Competent Person Statement

The information in this announcement that relates to Exploration Results is 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.. Information on the West Arnhem Joint Venture is based on information supplied by Joint Venture operator Cameco Australia. 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.