



The Company Announcement Officer  
Australian Securities Exchange Ltd  
via electronic lodgement

## Uranium Equities to acquire additional interest in the PhosEnergy Process

Uranium Equities Limited (ASX: **UEQ**) advises that it intends to exercise its option to acquire an additional 3 per cent interest in the PhosEnergy Process from its Strategic Alliance partner, Cameco Corporation ("Cameco"), increasing its interest in the technology development program to 30 per cent.

The option, granted by Cameco when Cameco acquired an additional 10% interest in the Process from the original shareholders, is to be exercised by 27 February 2012 at an exercise price of US\$1.35m plus some small holding costs of Cameco (see ASX announcement of 31 August 2011).

Upon exercise, UEQ will hold 30 per cent of the rights to the PhosEnergy Process, with the balance held by Cameco.

UEQ's Managing Director, Mr Bryn Jones, said the Company wants to consolidate its interest in the PhosEnergy Process, which has potential to deliver a step-change in the economics of extracting uranium from the phosphoric acid streams as part of the production of phosphate-based fertilisers.

Bryn Jones  
Managing Director

### **The PhosEnergy Process**

Through USA-registered Urtek LLC ("Urtek"), Uranium Equities is developing a new technology for the extraction of uranium from the phosphoric acid streams which result from the production of phosphate-based fertilisers – "the PhosEnergy Process".

The leading global uranium company Cameco Corporation is funding the ongoing development and commercialisation of the PhosEnergy Process through a staged investment of up to US\$16.5 million. If Cameco earns its interest it has agreed to provide funding for a minimum of 50 per cent of UEQ's portion of capital expenditure, under terms to be agreed, for the construction of the first commercial plant, repayable out of earnings.

UEQ estimates the cash operating cost of uranium production employing the PhosEnergy Process to be US\$20 to US\$25 per pound of U<sub>3</sub>O<sub>8</sub>. This cost estimate is based on a 1 million tonne per annum P<sub>2</sub>O<sub>5</sub> phosphate production facility operating in the USA and incorporates a significant contingency of 40 per cent.

### 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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