

ASX ANNOUNCEMENT

13 April 2012

URANIUM EQUITIES LIMITED ACN 009 799 553



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The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

PhosEnergy Demonstration Plant operations set to commence

Highlights

- PhosEnergy Process Demonstration Plant scheduled to start in May
- PFS level Engineering Study to be completed in parallel with the Demonstration Plant

The Process

Uranium Equities Limited (“UEQ”) and Cameco Corporation (“Cameco”) are jointly commercialising uranium by-product recovery projects in the phosphate fertiliser industry. The parties operate under a Strategic Alliance Agreement whereby Cameco has the right to 73% of the Project; UEQ retains 27%.

Cameco and UEQ have developed a technology for the extraction of uranium from phosphoric acid streams produced in the production of phosphate based fertilisers (“the PhosEnergy Process”). UEQ manages the technical development with significant input from Cameco and the Parties share business and corporate development responsibilities.

Development of the PhosEnergy Process has progressed through pilot plant scale at a significant US-based phosphoric acid facility which has confirmed the effectiveness of the Process in the extraction of uranium from phosphoric acid streams. Operating cost estimates based on the pilot plant operation results indicate that, with contingency¹, the PhosEnergy Process is capable of producing uranium at operating costs in the order of US\$20-\$25/lb with over 90% uranium recovery.

Demonstration Plant

The Cameco/UEQ alliance has completed the construction of a Demonstration Plant (“the Plant”) designed to gather additional operating and capital cost information for the commercialisation of the process. The Plant is constructed inside two shipping containers to allow for easy mobilisation and transport to any phosphate facility around the world (Figure 1).

The transportable Plant is in the USA with commissioning expected to be complete in May. A series of test campaigns will be conducted over the coming months to evaluate the process efficiency for a number of feed variations from various sources.

¹ Operating cost contingency of 35% has been used. Cost estimates were for production in central Florida, USA.

PhosEnergy Strengths

- Breakthrough PhosEnergy Process
- Low Operating Cost potential
- Multiple near term growth opportunities

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The operational period of the Demonstration campaign is expected to last between four and six months and will collect information for the completion of a preliminary feasibility study including chemical consumption rates, equipment design criteria and energy inputs.



Figure 1 – The PhosEnergy Demonstration Plant

Commercialisation Strategy

We are initially focusing on the phosphate fertiliser industry in the USA where UEQ estimates there is an opportunity to recover approximately 6Mlbs of uranium per annum with the worldwide opportunity being in the region of 20Mlbs per annum. Operation in the USA also has several potential synergies with Cameco's existing operations in the USA through its subsidiary Cameco Resources.

Cameco and UEQ are seeking to enter commercial arrangements with phosphate producers where it would provide a technical solution for the recovery of uranium from phosphates and the capital required to install the process in exchange for off-take from the facility.

This commercial strategy and business case will be strengthened through the completion of a Pre-Feasibility Level Engineering Study in parallel with the Demonstration Plant operation. Both the Demonstration Plant and the Engineering Study are planned to be completed before the end of 2012.

Yours faithfully,

Bryn Jones
Managing Director

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About Uranium Equities

Uranium Equities Limited (UEQ) has two main areas of focus: The development of the **PhosEnergy Process**; and exploration activities directed at high quality exploration assets.

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.