

ASX ANNOUNCEMENT

22 June 2012

URANIUM EQUITIES LIMITED ACN 009 799 553



URANIUM
EQUITIES

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

PhosEnergy Demonstration Plant Update

Highlights

- **PhosEnergy Process Demonstration Plant commissioned and operations commenced**
- **Positive preliminary results from first campaign**

Demonstration Plant

A transportable Demonstration Plant, designed to gather additional operating and capital cost information for the commercialisation of the process, was commissioned in May in the USA (Figure 1).



Figure 1 – The PhosEnergy Demonstration Plant (June 2012)

The first of a series of 10 day test campaigns to determine optimum process conditions has been concluded.

Despite some minor start-up mechanical issues resulting in less than optimal throughput, preliminary results from the first campaign have uranium recoveries meeting expectations (>90%) with process scalability being supported.

Uranium extracted from the phosphoric acid is concentrated and purified through the process before being transported to a uranium production facility in the USA for evaluation of product quality.

Our Strengths

- Breakthrough PhosEnergy Process
- Extensive exploration portfolio >24,000km²
- Multiple near term growth opportunities

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The second campaign will commence at the end of this week.

The operational period is expected to last a further two to three months and will collect information from a number of acid feed sources to enable completion of a preliminary feasibility study including chemical consumption rates, equipment design criteria and energy inputs.

The Demonstration Plant operation is a joint effort between Cameco and UEQ staff with Cameco lending significant resources to the project.

The Process

Uranium Equities Limited (“**UEQ**”) and Cameco Corporation (“**Cameco**”) are jointly commercialising a technology for the extraction of uranium from phosphate streams produced in the production of phosphate based fertilisers (“**the PhosEnergy Process**”).

The parties operate under a strategic alliance in which Cameco has the right to earn 73% of the project.

Yours faithfully,

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

Bryn Jones
Managing Director

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 in Australia’s premier uranium districts: The Alligator Rivers Region and the Frome Embayment.

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.