



23rd July 2008

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attn: The Manager – Companies

Dear Sir,

Exploration commences at Three Springs, WA

Tenements covering the Three Springs project in WA have now been granted to Uranium Equities Limited (ASX:UEQ).

Under the terms of the joint venture agreement¹ Southern Uranium Limited (ASX: SNU) has advised that it will start exploration for uranium in each of 4 exploration licences. The project is located approximately 300km North of Perth and southeast of the coastal town of Dongara (Figure 1).

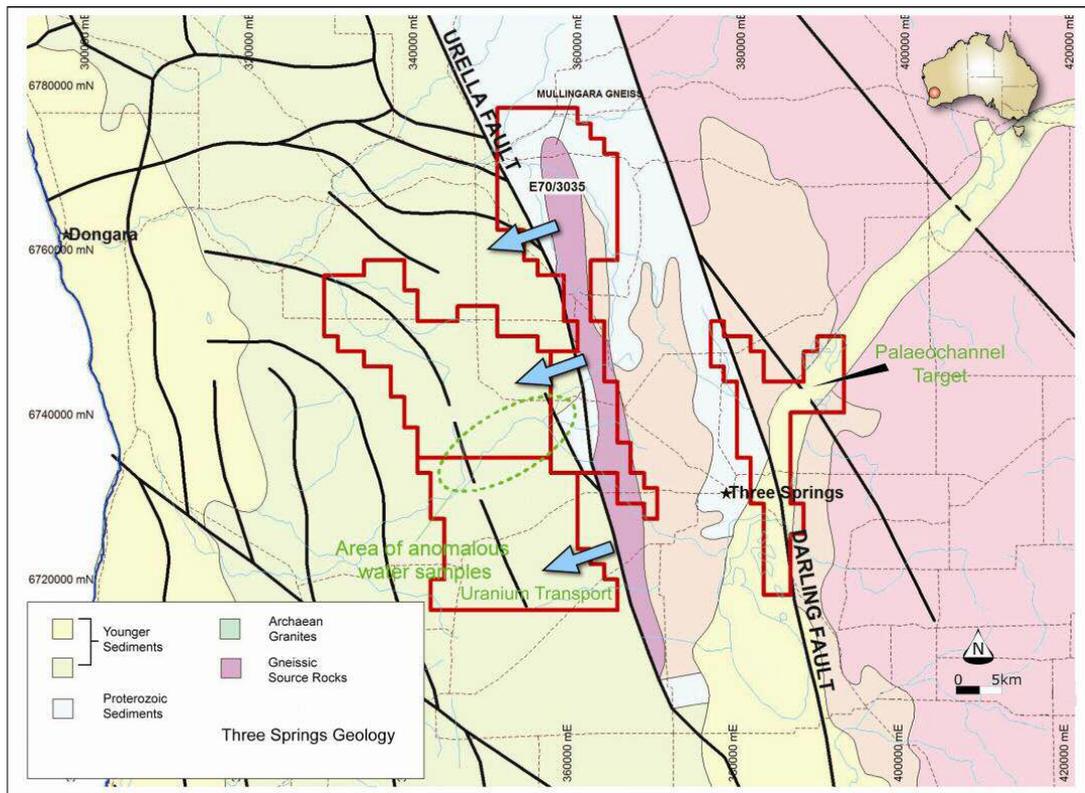


Figure 1 : Three Springs – Geology and Exploration Targets
(Arrows show possible direction of uranium transport)

¹ ASX release 17th October 2007 advises that Southern Uranium Limited can earn 50% interest in each of 4 ELs by meeting specified expenditure commitments totaling \$458,000.

The area has potential for three styles of uranium mineralisation:

- Oxidation-reduction ("redox") interfaces within younger sedimentary host rocks located to the west of gneisses, which are potential source rocks. Groundwaters with anomalous levels of uranium (28 to 360 ppb uranium against a background of approximately 1ppb uranium) have been reported from previous exploration in the 1970s.
- Unconformity-style uranium mineralisation related to lithological and structural contacts between the gneiss and surrounding Proterozoic rocks.
- Uranium in an eastward-trending Tertiary palaeochannel draining the uraniumiferous source area which has potential to host calcrete uranium mineralisation.

Initial exploration plans include a review of historical exploration data and a detailed airborne radiometric and magnetic geophysical survey.

Management of exploration will initially be by Southern Uranium, but Uranium Equities has the right to resume management should economic deposits of uranium be located.

Yours faithfully,



MARK CHALMERS

Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Mr David Brunt, a full-time employee of Uranium Equities Limited, who is a Fellow of the Australasian Institute of Mining and Metallurgy Inc. Mr. Brunt 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, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

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