

Quarterly Report

Quarter ended 30 June 2009

HIGHLIGHTS

Exploration

- Analytical results from drill samples in drillhole NMLR026 returned assays of **17m @ 0.086% U3O8 from 65m, including 8m @ 0.156% U3O8.**
- Ground gravity survey on UEQ's Nabarlek Mineral Lease was completed, indicating the possibility of hidden extensions of the Nabarlek shear and the potential for vertical control of the mineralization in the shear. These expanded interpretations increase the potential for more drill targets both shallow and deep on the ML.
- A drill program was undertaken on the Lake Blanche project in South Australia returning anomalous results.
- Subsequent to the end of the June quarter, the company announced Cameco Australia Pty Ltd had entered into an exploration Joint Venture with UEQ on the company's Rudall River project in Western Australia (Cameco 60%; UEQ 40%).
- An agreement for exploration on the Headwaters Project was executed with the Northern Land Council (NLC) and the Traditional Owners on three Exploration Licences (ELs).

PhosEnergy - Uranium Extraction Technology

- UEQ's Partner (being a major producer of phosphoric acid) in the development of the PhosEnergy Process under the Technology Development Agreement ("TDA") has advised that due to corporate priorities it wishes to cease the joint development of the technology at this stage.
- The Partner remains supportive of UEQ's continued development of the PhosEnergy Process and where possible will assist in this regard.
- UEQ retains the right to use the developed technology and is preparing to test phosphoric acid from several other interested parties.
- UEQ is currently renegotiating the conditional funding agreement with the previously announced major uranium producer (Funding Partner) in light of the above. The Funding Partner is working with UEQ on business development initiatives.
- Non-provisional patent applications have been filed in the USA, Jordan and the Patent Cooperation Treaty signatory countries, and a complementary process patent has been filed in Australia.

URANIUM EXTRACTION

1.1 The PhosEnergy Process

UEQ, through USA registered Company Urtek LLC (“Urtek”) is undertaking the development of new technology for the extraction of uranium from phosphoric acid streams (“the PhosEnergy Process”). UEQ currently holds 40% equity interest in Urtek after spending a total of US\$3.0M on development of the technology over the preceding two years. UEQ has the right to acquire all of Urtek’s issued capital.

The PhosEnergy Process has been developed jointly with a major producer of phosphoric acid and phosphate fertilisers using UEQ’s in-house chemical engineering and metallurgical expertise at a major commercially operating phosphoric acid plant in the United States of America.

Following completion of the successful pilot plant in December 2008 and notwithstanding its confidence in the robustness of the jointly developed technology, UEQ’s Partner has advised that at this stage it seeks to terminate the joint development, sighting corporate priorities, particularly in relation to granting of various mining permits.

Under the terms of the TDA, UEQ has the right to use jointly development intellectual property of the PhosEnergy Process as pertaining to the extraction of uranium from phosphoric acid streams.

UEQ’s previously announced conditional Funding Partner is currently negotiating with UEQ amended terms of funding following the advice from UEQ’s development Partner. This Funding Partner has been working on business development opportunities with UEQ.

UEQ has been in discussions with several phosphoric acid producers in the USA, South America, North Africa and the Middle East, and is preparing to test acid from these sources in partnership with the Australian Nuclear Science and Technology Organisation (ANSTO).

Rapid development of the PhosEnergy Process continues to be a major priority for UEQ, which remains confident that the PhosEnergy Process holds the potential to substantially reduce the capital and operating costs of the extraction of uranium from phosphoric acid when compared to existing technologies. The Process also improves the operability of the extraction process and reduces the production of radioactive waste.

Non-provisional patent applications have been filed in the USA, Jordan and the Patent Cooperation Treaty signatory countries as of 31 July 2009. An additional provisional patent application for a process complementary to the PhosEnergy Process has been filed in Australia.

EXPLORATION ACTIVITIES

2.1 NORTHERN TERRITORY

ALLIGATOR RIVERS PROJECTS

NABARLEK MINERAL LEASE (UEQ 100%)

In May 2009 the Traditional Owners approved the proposed 2009 exploration program on the Nabarlek Mineral Lease (ML).

A work program commenced in June 2009 with acquisition of 6 lines of detailed ground gravity traversing the ML. The object of the survey was to detect hidden extensions of the Nabarlek shear beneath sandstone cover in the north of the ML, in addition to potential offsets created by cross-cutting late stage faults along its strike length.

Linear trending gravity anomalies in a similar orientation to the Nabarlek shear orientation, were detected on several concurrent lines in the north of the lease. These anomalies could represent buried structures, however further investigation via drilling and/or infill gravity is required to confirm these interpretations. Planned drilling will investigate the source of the gravity anomalies in the coming months.

Uranium laboratory analytical results for NMLR026 drilled last year 250 metres south of the old Nabarlek Pit (Figure 1) returned **17m @ 0.086% U₃O₈¹ from 65m including 8m @ 0.156% U₃O₈**. These analytical results upgrade the prospectivity of the Nabarlek Shear south of the mined-out mineralised body.

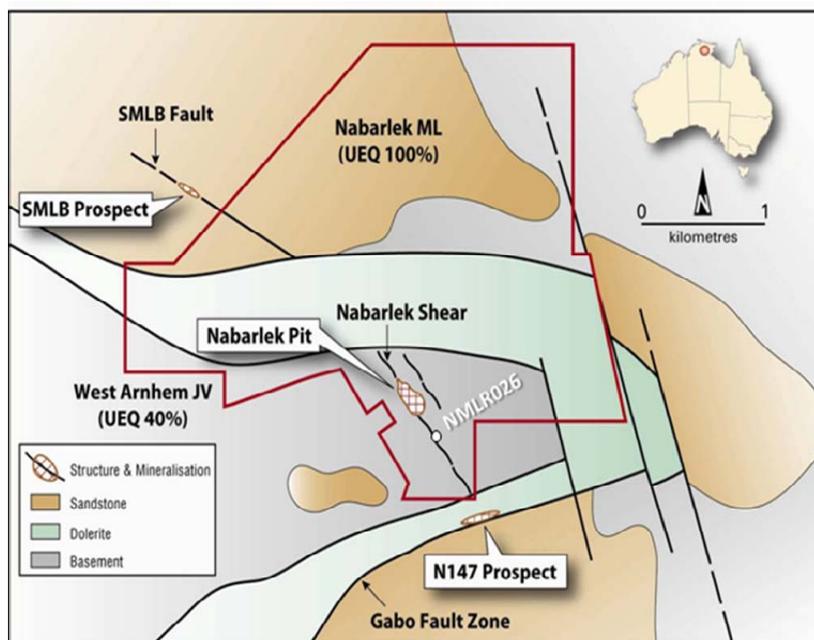


Figure 1: Interpreted geology of the Nabarlek Mineral Lease and location of drillhole NMLR026

¹ Intercept calculated from ICP-MS analysis of RC samples expressed as % U₃O₈ and using a minimum grade of 0.02% U₃O₈ and maximum internal dilution of 2.0m. All intercepts are down hole lengths.

Detailed geological and structural review of the ML continued throughout the quarter. Structural analysis has shown that there is potential for a vertical control of the uranium mineralisation within the Nabarlek Shear Zone. This interpretation increases the number of drill-ready targets within the immediate vicinity of the old Nabarlek Pit and elsewhere within the ML. Drilling to test these targets on the ML is scheduled to commence in September/October.

CAMECO – UEQ WEST ARNHEM LAND JOINT VENTURE (UEQ 40%)

Cameco commenced field operations in May with acquisition of infill high-resolution magnetics and radiometric data along the Gabo Fault structure; host to the N147 deposit and uranium geochemical (50m line spacing) anomalies delineated in the previous year’s geochemical drilling program (Figure 2).

A “SAM” Sub Audio Magnetic survey was also undertaken over the N147 prospect to determine if this technique can detect alteration associated with the uranium mineralisation identified in drilling. Results from both surveys are pending.

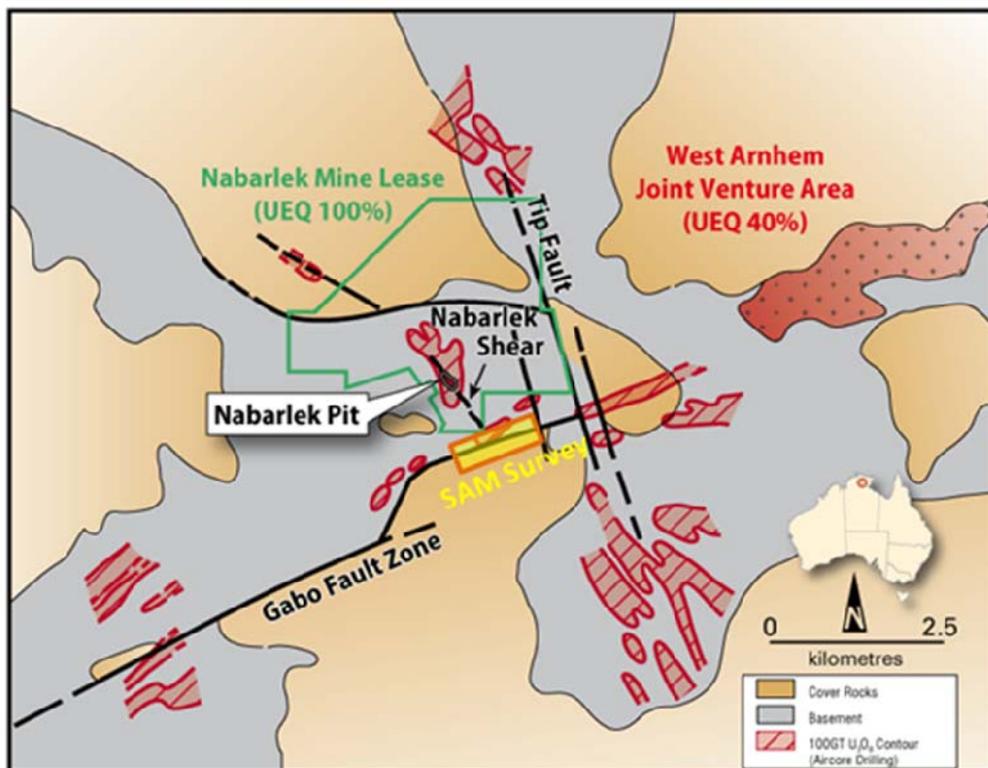


Figure 2: 2008 geochemical anomalies (>200 Grade x Thickness (GT)) and location of SAM Survey at the N147 Prospect.

Drilling comprising 6,500m aircore and 2,300m of reverse circulation drilling to further evaluate the promising bedrock geochemical anomalies associated with basement structures identified in 2008 is planned to commence week beginning 3rd August.

HEADWATERS PROJECT

(UEQ 100%, Vale earning up to 70% to BFS or 80% after BFS, UEQ Operator)

Uranium Equities finalised negotiations and executed the Exploration Agreement with the Northern Land Council (NLC) and Traditional Owners on the remaining three Headwaters Exploration Licence Applications (ELAs 24711, 24612 & 24713). Obtaining land access to these licences is a condition of the Joint Venture Agreement with Vale Exploration Pty Ltd. The Traditional Owners did not grant access to all of the applied ground (Figure 3). These excluded areas do not undermine the prospectivity of the Headwaters Project and key prospects and structures remain in the approved areas.

The Exploration Agreement is now under consideration before the NT Government and tenements are expected to be granted in the coming months. The fourth Headwaters Exploration Licence Application (ELA25220) was granted last quarter.

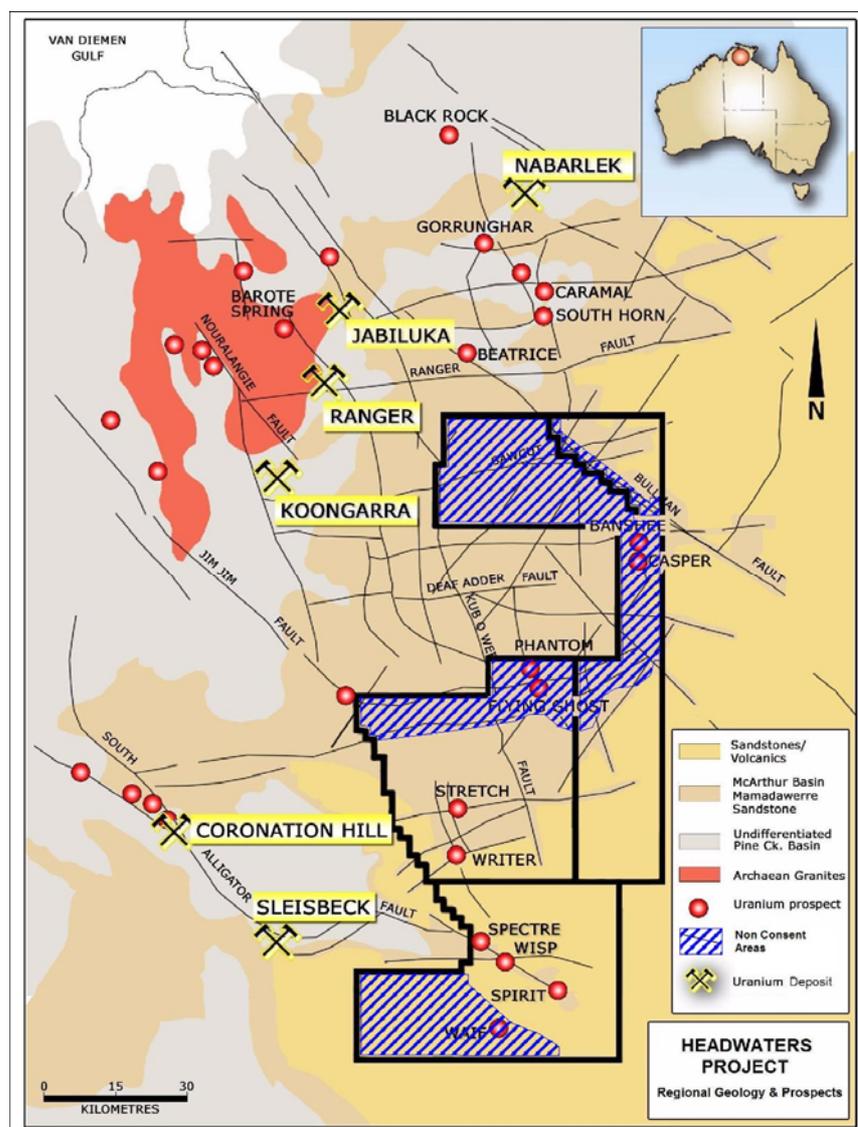


Figure 3: Area approved for exploration by Traditional Owners- Headwaters Project.

A meeting was held with Vale on 28 May to discuss the exploration program going forward. Vale has agreed to fund some preliminary exploration desktop studies and field investigations prior to initiation of the Joint Venture (ie. granting of the remaining 3 tenements). This work will comprise re-logging available drillcore, detailed analysis and interpretation of PIMA, Hyperspectral and ASTER data and investigate the structural/mineralisation event history for the region to assist with exploration targeting.

2.2 SOUTH AUSTRALIA

LAKE BLANCHE PROJECT

(UEQ 100%, Cameco Australia earning 60%, UEQ Operator)

A reconnaissance rotary-mud, wireline logging drilling program along the Strzelecki Track commenced at the Lake Blanche project on 9 June and was completed on 7 July. Eight holes for 2,678m were completed to test the margin of the underlying Eromanga Basin (Figure 4), in particular to identify favourable alteration and anomalous radioactivity within the Tertiary and Mesozoic sand sequences which may host roll-front uranium mineralisation.

Two holes (LB002 & LB007) returned anomalous gamma counts (200cps) in a regionally-correlatable Tertiary Eyre Formation sand. These gamma signatures are similar in character to those reported 50 kilometres north of UEQ's tenements and indicate that uranium is being transported through these target formations. The lower Mesozoic Formations however, appear unprospective for roll-front mineralisation within the top 200m of the Mesozoic succession. Despite this, the potential for the Eyre Formation (host to the Honeymoon Uranium Deposit) has been upgraded for this area.

Detailed analysis of XRF geochemistry and alteration mapping of the target sands to assist in further targeting is in progress.

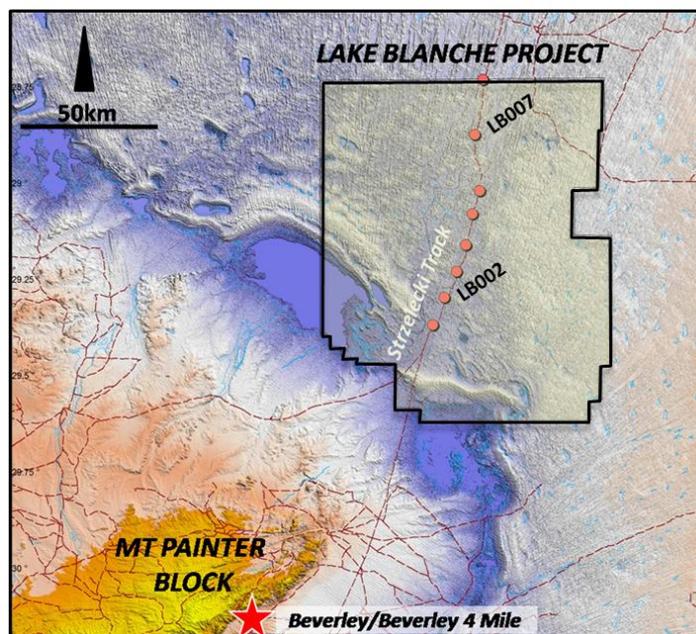


Figure 4: Hole location map Lake Blanche

2.3 WESTERN AUSTRALIA

RUDALL RIVER

(UEQ 40%; Cameco Australia Pty Ltd 60%, Cameco operator)

Uranium Equities Ltd entered into a third Joint Venture with Cameco Australia Pty Ltd (Cameco) with its Rudall River Uranium Project, East Pilbara, Western Australia. The Rudall River Project comprises 3 Exploration Licence Applications covering 172km² immediately adjacent to the large Kintyre Uranium Deposit (Figure 5).

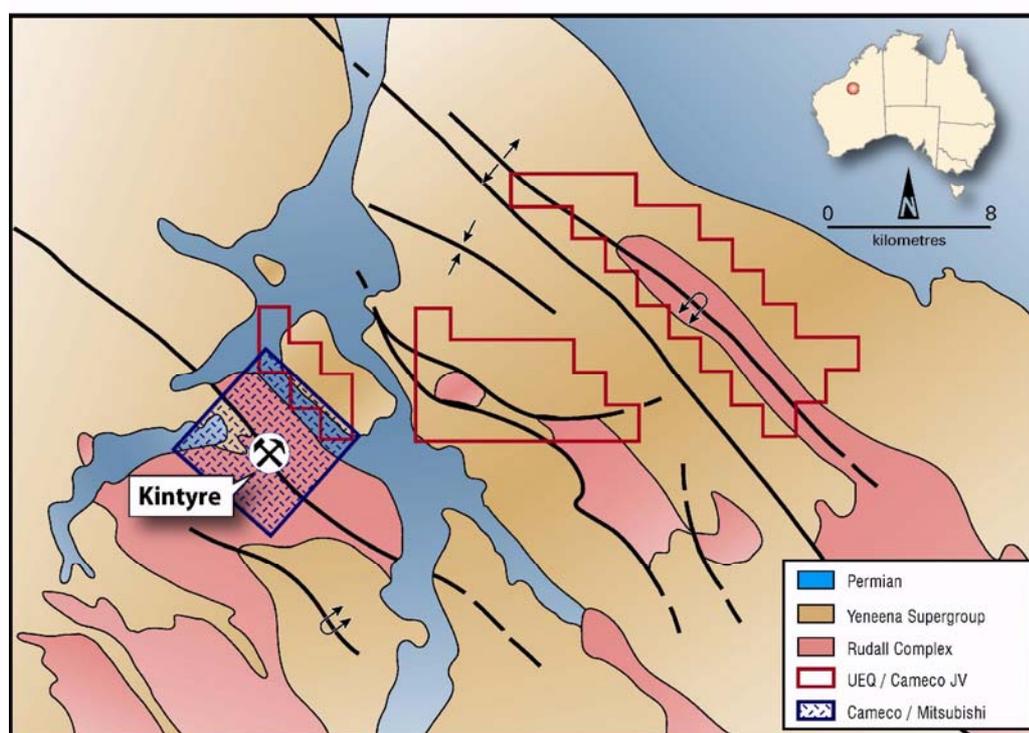


Figure 5: Surficial geology and location of the Rudall tenements in relation to the Kintyre Uranium Deposit and Mining Leases.

Cameco will be the Manager of the Joint Venture which will be triggered upon granting of the tenements, where Uranium Equities will hold 40% and Cameco 60%, with both parties funding exploration activities in proportion to their respective interests.

The tenements having similar analogous structural and geological setting to that seen at Kintyre and comprise several historic uranium prospects untested by modern systematic exploration methodologies. Several TEMPEST electromagnetic targets have recently been identified and remain to be systematically tested.

THREE SPRINGS

(UEQ 100%; Southern Uranium Limited (SNU) earning 50%, SNU operator)

Sole-funding joint venture partner, Southern Uranium Ltd (SNU) has notified UEQ of their intention to withdraw from the Three Springs JV.

Interpretation of recently acquired airborne radiometric survey data showed the best potential for palaeochannels remained beneath the modern drainages in the area. Review of the geochemistry and radiometric data of historical government water bores drilled in the area indicate these aquifers have limited potential for roll-front style uranium mineralisation. Uranium Equities Ltd subsequently surrendered the Three Springs tenements.

MOORARIE AND LAKE BARLEE

The Company has withdrawn from the Moorarie and Lake Barlee projects.

3.0 CORPORATE

The Company's cash position at 30 June 2009 stood at \$8.75m inclusive of a restricted \$1.8m performance bond.



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The information in this report that relates to Exploration Results is based upon information compiled by or approved by Mr David A. Brunt, a Director and Consultant 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.