

ASX ANNOUNCEMENT

03 March 2010

URANIUM EQUITIES LIMITED ACN 009 799 553



The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Headwaters Project - Exploration Licenses Granted.

Highlights

- **Three Exploration Licenses Granted at Headwaters in the East Alligator Uranium Field bringing the total granted area to over 3000km².**
- **Exploration Agreement with Vale Exploration now unconditional.**

Land Access

Following completed land access negotiations with the Northern Land Council on behalf of Traditional Owners and the NT Government EL24711, EL24712 and EL24713 located in the prospective East Alligator Uranium Field, West Arnhem Land, NT have been granted.

The new exploration licences cover an area of 2679km² and when added to the granted EL25220, bring total project area to 3070km² (Figure 1). Exploration is planned to commence in the region during the 2010 field season.

Exploration Agreement

The granting of the Exploration Licences satisfies the pre condition to the Exploration Agreement with Vale Exploration Pty Ltd ("Vale"), a wholly owned Australian subsidiary of Vale S.A., announced in March 2009.

The Terms of Agreement provide for:

- Vale to sole fund the first **\$1,000,000** of exploration expenditure within 2 years from the date of grant;
- Vale to earn a 70% interest in the Headwaters Project through sole funding exploration expenditure to a decision to undertake a Bankable Feasibility Study ("BFS") such decision to be within 5 years from the initial expenditure;
- Prior to commencement of a BFS, UEQ may elect to reduce its project interest to 20%, in which case Vale's project interest will increase to 80% and Vale shall be required to **sole fund completion of the BFS.**
- UEQ shall continue as project manager during the initial commitment period, but Vale may elect to become project manager at any time subsequent.

Our Strengths

- Breakthrough PhosEnergy Process
- Nabarlek Project – A rare investment opportunity
- Multiple near term growth opportunities

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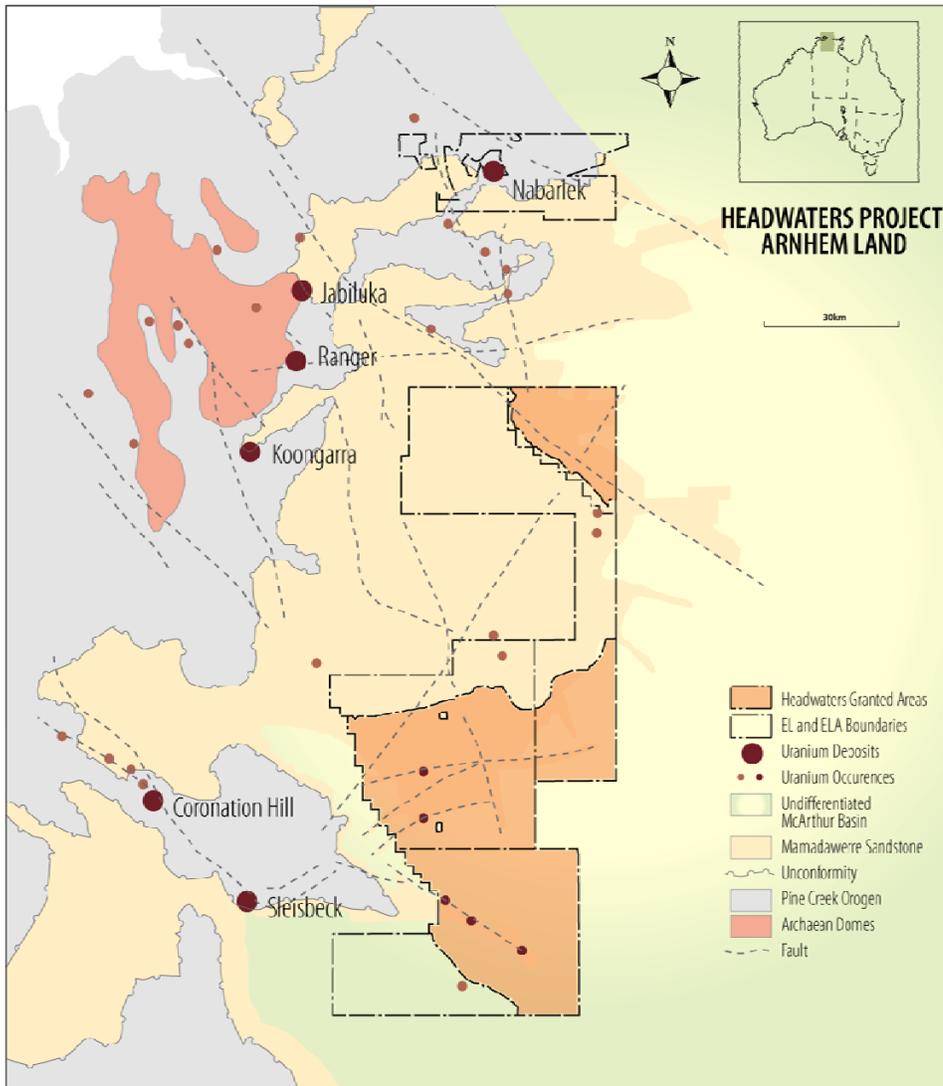
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Exploration Targets

The tenements lie within the Arnhem Land Plateau along the western margin of the Proterozoic McArthur Basin (Figure 1). Rocks consist of fluvial sandstone with minor interbedded volcanic sequences overlying the strongly deformed and metamorphosed basement rocks which host the major unconformity-related uranium deposits of the Alligator Rivers Region.

A review of the exploration potential of the Headwaters Project has identified geological environments that hold similarities to the style of uranium mineralisation present at Westmoreland in north-west Queensland. Mineralisation at Westmoreland is associated with regional structures

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and volcanic rocks within McArthur Basin sequences which are equivalent to the sequences widely distributed throughout the Headwaters Project area.

Previous exploration in the Headwaters region from 1996 – 2000, identified significant uranium, gold and platinum group mineralisation within the near surface environment, associated with outcropping volcanic lithologies of the McArthur River Basin sequences.

Yours faithfully,

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

Bryn Jones
Managing Director
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The information in this announcement that relates to Exploration Results is based on information compiled by Mr. Grant Williamson, Geology Manager - Exploration of Uranium Equities Limited, who is a Member of the Australasian Institute of Mining and Metallurgy Inc. and of the Australian Institute of Geoscientists. Mr. Williamson 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, Mineral Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

About Uranium Equities

Uranium Equities Limited (UEQ) has two main areas of focus: The development of the **PhosEnergy Process**; and exploration activities directed at a small core of high quality exploration assets which include the key **Nabarlek Project**.

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.

The Nabarlek Project provides a rare near mine exploration opportunity surrounding the historic Nabarlek uranium deposit (24 Mlbs @ 1.84% U_3O_8). The deposit lies within an extensive uranium mineral system which extends over more than 50 square kilometres within the Mineral Lease and the surrounding tenements. The mineral system which contains widespread anomalous uranium geochemistry and ore grade mineralisation at several locations remains largely untested.