

ASX ANNOUNCEMENT

14 June 2011

URANIUM EQUITIES LIMITED ACN 009 799 553



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EQUITIES

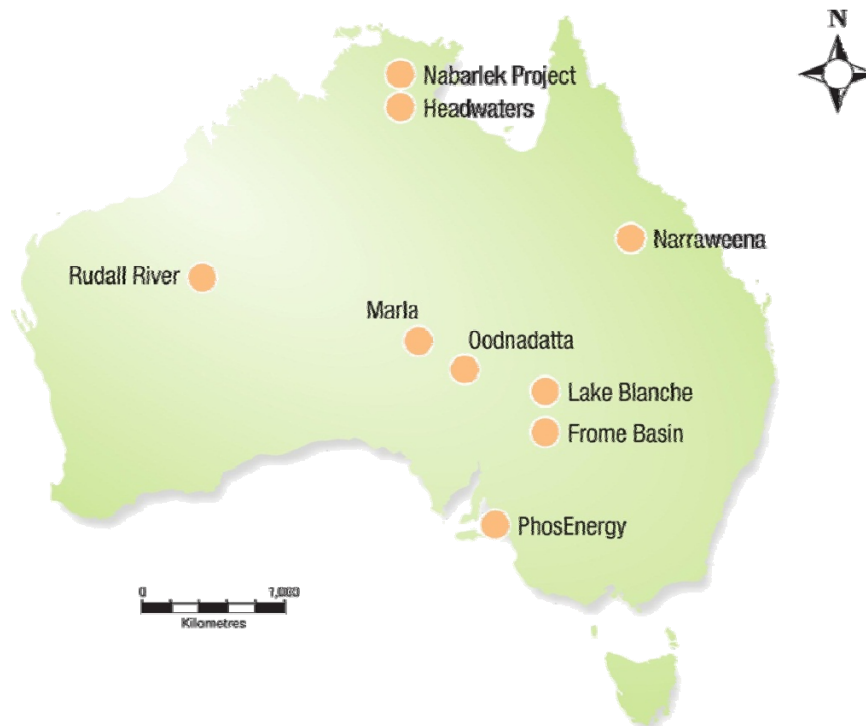
The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

Major New Uranium Drilling Programs Commence

2011 Field Season Underway at the Nabarlek, Frome Basin & Lake Blanche Projects

Highlights:

- 20,000 metres of exploration drilling and key geophysical programs to be undertaken in premier Australian uranium districts over the coming 3 months
- **Diamond drilling** has commenced on the West Arnhem Joint Venture (NT) targeting extensions to high-grade mineralisation discovered in 2010 at the **U40 Prospect (6.8 metres @ 6.71% U₃O₈⁽¹⁾)** and **Coopers Prospect (23m @ 1,980ppm U₃O₈⁽¹⁾)**
- **Inaugural drilling campaign** on the **Frome Basin Project (SA)** targeting Beverley- and Four Mile-style deposits set to commence in early July
- **Rotary mud drilling** imminent at **Lake Blanche Project** together with airborne magnetic survey to identify extensions to interpreted palaeochannels
- **Reverse Circulation (RC) drilling program** on the **Nabarlek Mineral Lease (NT)** planned for mid-July



Our Strengths

- PhosEnergy Process – Low cost by-product uranium recovery
- Nabarlek Project – A highly endowed uranium region
- Multiple near term growth opportunities

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Uranium Equities Limited (ASX: **UEQ**) is pleased to announce the commencement of its 2011 exploration field season, with a total of 20,000 metres of drilling planned together with major new geophysical programs across its project portfolio in several of Australia's premier uranium districts.

The upcoming field season represents one of the largest and most significant undertaken in the Company's history, and positions the Company for a steady flow of news and results over the next 3-6 months.

Key programs at the Company's various projects are summarised below:

1) Nabarlek Project

A key focus for the Company is the Nabarlek Project including the West Arnhem Joint Venture with Cameco Australia (UEQ 40%) and the 100%-owned Nabarlek Mineral Lease, which represents a rare near-mine exploration opportunity surrounding the historic Nabarlek Uranium Deposit (24Mlbs @ 1.84% U_3O_8). The deposit lies within an extensive uranium mineral system which extends over more than 50km² within the Mineral Lease and the surrounding tenements.

West Arnhem Joint Venture – 40% UEQ: 60% Cameco Australia (Manager) (NT)

The joint venture has commenced an extensive exploration program on the West Arnhem Joint Venture including 1,200 metres of diamond drilling, 3,150 metres of Reverse Circulation (RC) drilling and a ground gravity survey over the prospective Quarry Fault Zone (QFZ) (see Figure 1). The drilling program is targeting extensions and structural repetitions to the known high-grade mineralisation at both the U40 and Coopers Prospects.

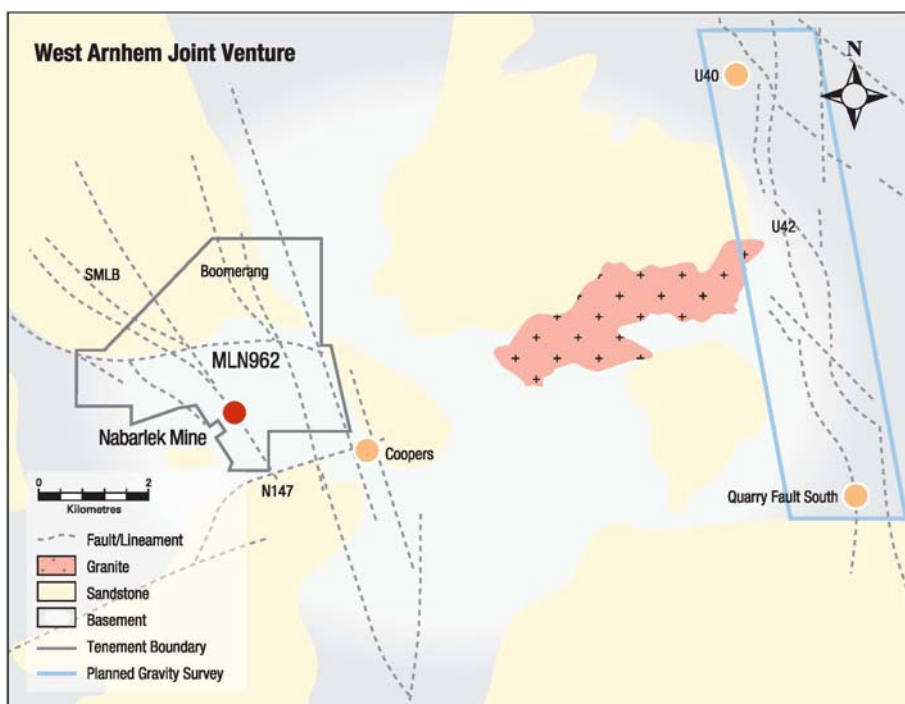


Figure 1

The **U40 Prospect** is located 10km east-north-east of the historic Nabarlek Uranium Mine. Diamond drilling in 2010 returned very high grade uranium mineralisation (incl. **6.8 metres @ 6.71% U_3O_8** from 75m⁽¹⁾) associated with elevated levels of gold, copper, palladium and platinum and anomalous heavy rare earth elements (see ASX announcement – 16 Dec 2010).

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Diamond drilling at the U40 Prospect will test for extensions of the mineralisation and is designed to provide the Joint Venture with a better understanding of possible structural controls to the known mineralisation. In addition, RC drilling is planned to test similar U40 Prospect-style structural positions in adjacent areas coincident with geochemical and geophysical targets identified in earlier exploration programs (see Figure 2). A gravity survey over the QFZ is also scheduled for July to further examine the region and identify additional targets.

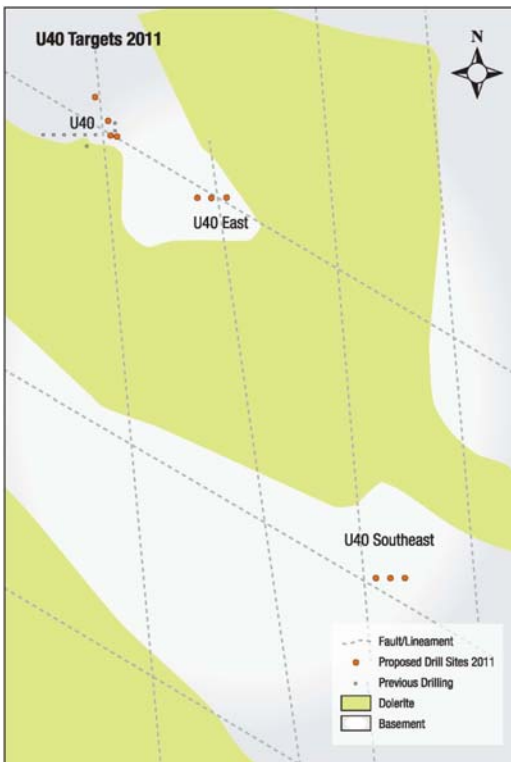


Figure 2

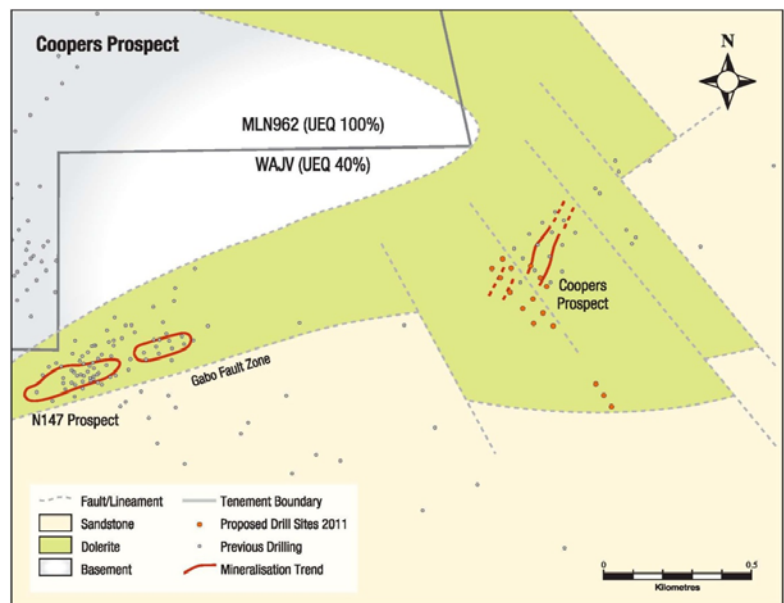


Figure 3

Diamond and RC drilling at the Coopers Prospect will test interpreted extensions of known ore grade mineralisation identified in 2009 and 2010 (see Figure 3). Significant intercepts in 2010 included **23m @ 1,980ppm U_3O_8** from 40m⁽²⁾ (NAR7386) and **6.0m @ 3,282 ppm U_3O_8** from 23m⁽²⁾ (NAR7374). Drilling will also test a significant geochemical anomaly interpreted as a possible repetition of the Coopers Prospect.

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Nabarlek Mineral Lease (100% UEQ) (NT)

A 5,000 metre RC drilling program is set to commence in July at the Nabarlek Mineral Lease to follow up unconformity and basement geochemical anomalies identified by drilling in 2010 along the Nabarlek – Boomerang Corridor, to the north of the historic Nabarlek Pit (see Figure 4).

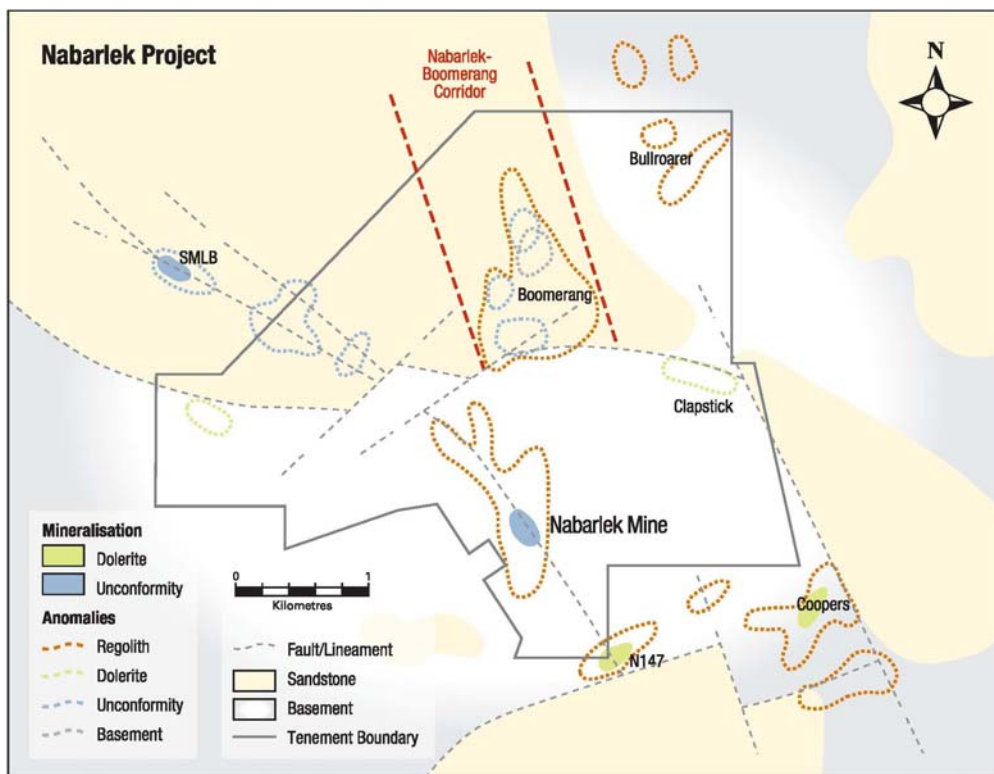


Figure 4

Drilling will focus on extending and completing systematic drill coverage over a previously untested area immediately east of the Boomerang Prospect. Targets are unconformity related mineralisation below thin Kombolgie Sandstone cover. Additional close spaced drilling will focus on the Boomerang Prospect, where a strong basement anomaly has been intersected by a number of drillholes completed during the 2010 program. Overall, the anomalous area extends over an area of approximately 300 x 200m. The Company is targeting high-grade mineralisation within the anomalous area.

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2) Frome Basin (SA)

Uranium Equities has consolidated a large (2,397km²) strategic ground position in one of Australia's most prospective uranium provinces, South Australia's Lake Frome district. The ground position comprises the West Lake Frome Joint Venture, a \$5 million farm-in agreement with Cauldron Energy Limited (ASX: CXU), and three UEQ 100%-owned exploration licences (see Figure 5).

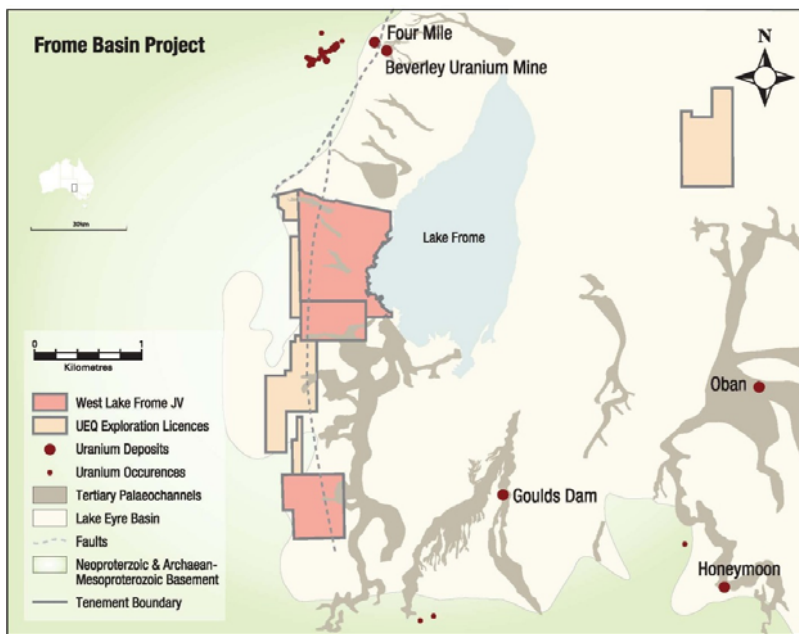


Figure 5

A 4,200 metre rotary-mud drilling program is scheduled for July along the western margin of the Frome Embayment, with three traverses over the highest priority targets. Targeting is designed to test structural positions along the Wertalooona Fault, using the **Four Mile/Pepegoona mineralisation style** as the model (see Figure 6). Work proposals have been approved by government authorities and a heritage survey has been completed.

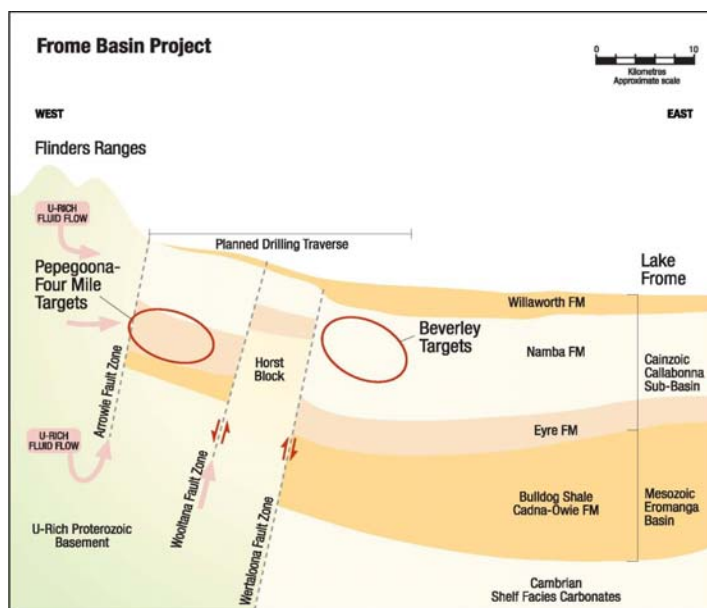


Figure 6

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3) Lake Blanche (SA) - Cameco earning 51% and Managers

The Lake Blanche Project is targeting sandstone-hosted uranium located within the Eromanga Basin, 80 to 190km north-east of the highly uraniumiferous Mt Painter Block, in South Australia. The tenement package comprises seven exploration licences totalling 6,074km². The Lake Blanche Project is in joint venture with and managed by Cameco Australia Pty Ltd, where Cameco has the right to earn up to a 60% interest in the Project.

More than **6,000 metres of rotary mud drilling** targeting prospective Tertiary and Cretaceous sediments at the Lake Blanche Project is due to commence in mid-June. The program follows on from drilling in 2009 which identified anomalous uranium in two holes and a 2010 Ground EM survey which highlighted potential broad palaeodrainage.

Airborne geophysics are also planned to delineate extensions to interpreted paleodrainage identified in the 2010 geophysics campaign

"Uranium Equities has a strong footprint of highly prospective ground in all of Australia's premier uranium production districts," said UEQ's Managing Director, Mr Bryn Jones.

"The upcoming 2011 field campaign – one of the largest in our history – will test both extension to known mineralisation and some sound geological concepts," he added. "With the support of our joint venture partners the combined drilling program of over 20,000 metres of drilling will test a variety of deposit styles, providing multiple opportunities for significant growth. We are very pleased to get this extensive campaign underway and we are looking forward to reporting results from our activities on a regular basis," Mr Jones said.

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

Bryn Jones
Managing Director
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¹ Half core samples were sent to Northern Territory Environmental Laboratories Pty Ltd in Darwin for sample preparation and multi-element analysis. Samples undergo mixed four acid digest with an ICP-MS (Lab Code G400M) or ICP-OES (Lab Code G400I) finish depending on the element. A split of each sample pulp is sent for Au, Pd and Pt analysis using 50g Fire Assay with an ICP-MS or ICP-OES finish (Lab Code FAPMM). Cut-off values used for intercept calculations are 200ppm U₃O₈, 500ppm Cu and 100ppb Au, Pd and Pt.

² Results provided by Northern Territory Environmental Laboratories Pty Ltd. Intercepts calculated using 200ppm U₃O₈ cut-off and may contain a maximum internal dilution of 2m. All intercepts are down hole lengths.

Competent Person Statement

The information in this announcement that relates to Exploration Results is based on joint venture information supplied by the Joint Venture operator Cameco Australia but compiled by Mr. Grant Williamson, Geology Manager - Exploration of Uranium Equities Limited, who is a Member of the Australian Institute of Geoscientists and of the Australasian Institute of Mining and Metallurgy Inc.. 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 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.

The Nabarlek Project provides a rare near mine exploration opportunity surrounding the historic Nabarlek uranium deposit (24 Mlbs @ 1.84% U₃O₈). 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.